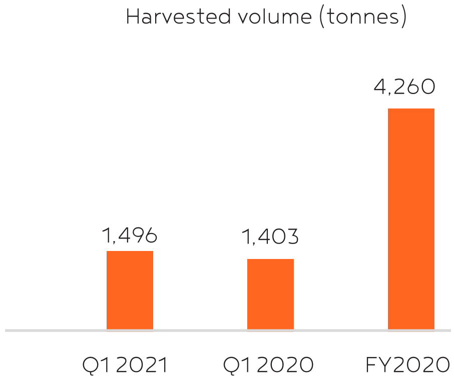
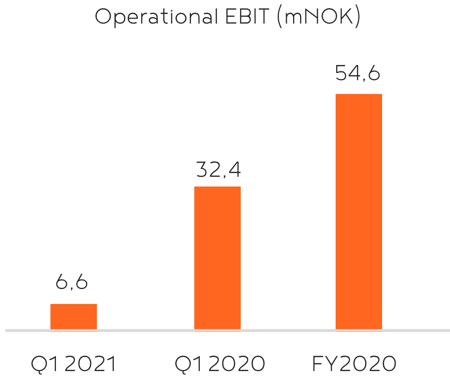
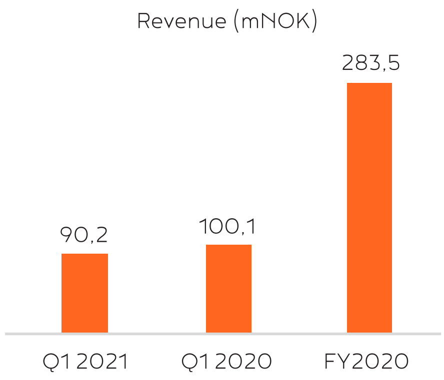
ICE FISH FARM

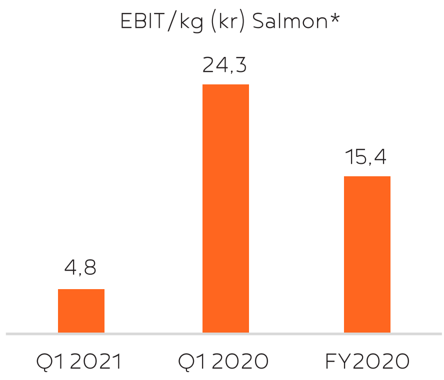
INTERIM REPORT Q1 | 2021





KEY FIGURES





- EBIT for salmon amounted to NOK 4,8 PER kg in Q1 2021. Main reason for decreased EBIT is lower sales prices of contracts due to unfavourable development of currency exchange rate compared to Q1 2020. Furthermore, realized prices have decreased due to higher transportation cost of fresh salmon to USA with air. The 2018 generation, which was harvested in Q1 2021, had higher cost per kg due to low volume.
- Standing biomass was 66% higher at end of Q1 2021 compared to Q1 2020.
- Harvest from Fagraeyri 2019 generation began and show indication of good result.
- It has been a cold and windy winter which has caused higher mortality than previous year, 4,4% mortality in Q1 2021 compared to 2,1% mortality in Q1 2020.
- Smolt station Kópasker build up is going according to plan and will be operational in Q2 2021.
- The license update which was advertised in February 2021 was finally granted on 5 May 2021. This updated transfers the license from production license with a limit on production and biomass to license **only with standing biomass** limit. Same system as in Norway but even better as it is on farming area and can be used on 3 sites depending on the growth cycle. We have now more generations in the fjords and bigger farming areas. Addition of 6.500 tons of fertile salmon, making total license of 20.800 tons split in 18.500 tons of fertile and 2.300 tons of sterile.
- Competition authorities in Iceland expected to give decision on approval of new majority owner latest before 7 July 2021.

*EBIT per kg of Salmon; The number is derived from the APM 'EBIT per kg' – adjusting for cost related to Rifos and harvest number Arctic charr.

ICE FISH FARM

Ice Fish Farm AS is via its' 100% ownership in Fiskeldi Austfjarða hf. one of the leading salmon farmers in Iceland and the only salmon farmer in the world with the highly sought-after Aqua GAP certification which ensures environment-friendly production. Ice Fish Farm has a well-developed and fully integrated value-chain controlling all steps from hatchery to sales, enabling the group to provide its customers with a sustainable premium product. Ice Fish Farm is headquartered in Iceland. Fiskeldi Austfjarða hf. has ownership interests in Landeldisstöðin Sleipnir ehf. (100%), Rifós hf. (99,5%) (operation of a smolt station in north-eastern Iceland), Eldisstöðin Ísþór hf. (50%) (Smolt- and fish-farming, Fiskeldi Austfjarða hf.'s second largest service supplier) and Búlandstindur ehf. (33.3%) (Harvesting and processing facilities, Fiskeldi Austfjarða hf.'s third largest service supplier).

YEAR	EVENT
2012	Fiskeldi Austfjarða hf. is incorporated on 30 March 2012.
	First salmon and trout put into sea July 2012.
2013	Financing obtained through loan agreement with Arion Bank.
	Acquisition of 50% of Isthor, the Group's first smolt facility.
2015	MNH acquires a 45% ownership stake.
2017	First salmon generation harvested.
2018	Sales started to the Retailer, as well as sales agreement with the Distributors.
2019	4,007 tonnes of salmon harvested.
2020	As of 5 June 2020, Ice Fish Farm AS was listed on the Euronext Growth market (previously Merkur Market operated by Oslo Børs). Prior to the listing, a private placement was completed, consisting of: A share capital increase of NOK 301.5 million, by issuing 9 000 000 shares at a subscription price of NOK 33.50 per share A share capital increase of NOK 301.5 million, by issuing 9 000 000 shares at a subscription price of NOK 33.50 per share

FINANCIAL PERFORMANCE

Ice Fish Farm AS was incorporated on 16 March 2020, and consequently has not published any historical financial information. However, the Company is a holding company which owns 100% of the shares in Fiskeldi Austfjarða hf., the former parent company, incorporated on 30 March 2012. Fiskeldi Austfjarða hf. is currently the only direct subsidiary. Therefore, the historic financial statements presented are the consolidated financial statements of Fiskeldi Austfjarða hf. Fiskeldi Austfjarða hf. is booked in USD and the numbers below have been recalculated from USD to NOK.

Figures in brackets = Q1 2020 of Fiskeldi Austfjarða, unless otherwise specified.

REVENUES AND RESULTS

FOR THE QUARTER ENDING 31.3.2021

Operating income amounted to NOK 90.2 million (NOK 98.7 million), while the operating profit before fair value adjustment of biomass was around NOK 6.6 million (NOK 32.4 million).

Despite increased harvested volume of salmon in Q1 2021 compared to the same quarter in 2020, 1.496 tons (1.320 tons), the operating revenues are decreasing due to exchange rate appreciation of NOK compared USD.

In addition to unfavourable development of the currency exchange rate other contributing factors such as higher feed prices, increased salary expenses and higher depreciations due to increased asset capitalisation cause the operating result for Q1 to be lower than expected.

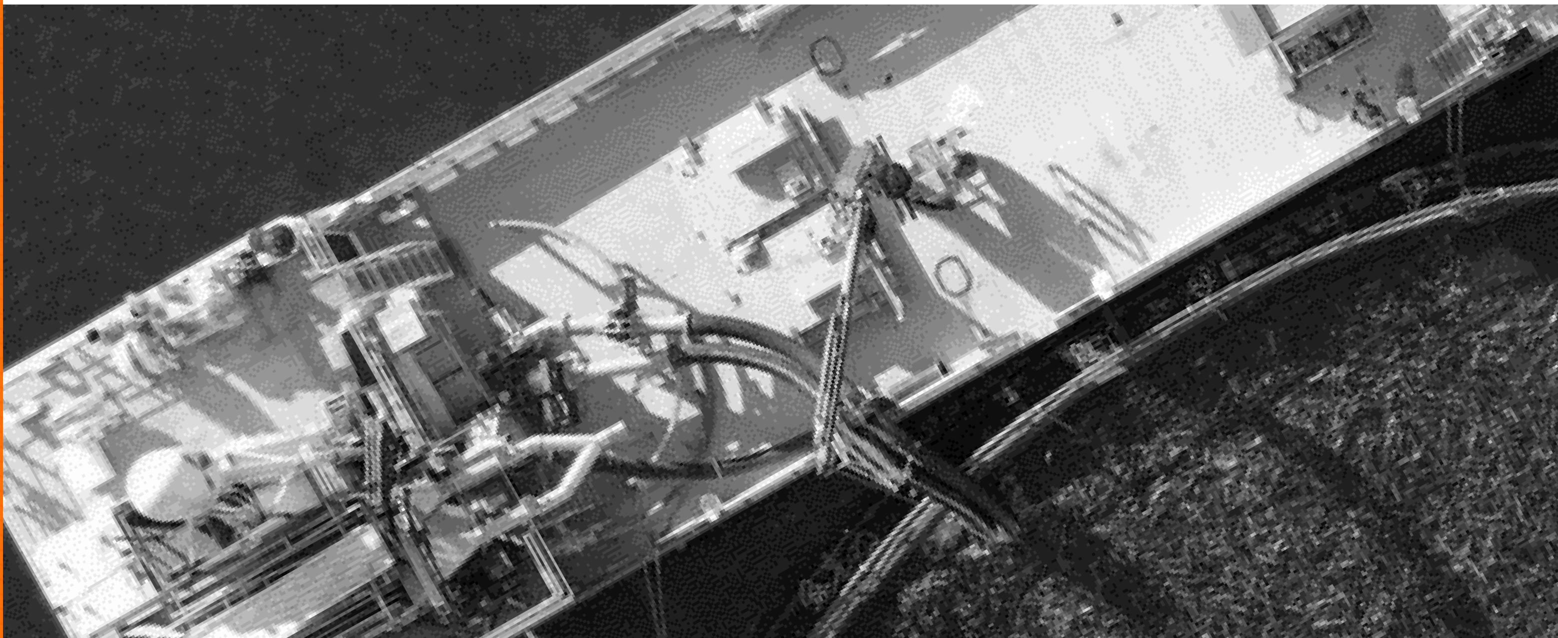
The fair value adjustment on biomass is negative NOK 8,4 million this quarter, compared to negative NOK 26.5 million in Q1 2020, this number is calculated using forward prices, and will vary between the quarters, and the adjustment is therefore presented on separate line in the financial statement.

The EBIT per kg is NOK 4,4 for the quarter, with an EBIT per kg for salmon separately at NOK 4,8.

FINANCIAL ITEMS AND SHARE OF PROFITS FROM ASSOCIATES

The gain from associated companies in Q1 amounted to NOK 0,5 million (a loss of NOK 3.3 million). This loss and profit are from the ownership shares in the processing facility at Bulandstindur and the smolt production at Isthor.

Finance income amounted to NOK 0,6 million in Q1 2021 mainly due to interest income on loan to associated company Isthor. Finance cost amounted to NOK 4.1 million (NOK 4.7 million) and net foreign exchange rate gain amounted to NOK 0,25 million (NOK 12.7 million).



BALANCE SHEET

The balance of property plant and equipment increased of around NOK 93 million in Q1 of 2021. This change is mainly due to investments and preparations related to capacity increases as well as investment in two catamaran service vessels, new cages including nets, cameras and mooring systems and feeding barges.

The current portion of interest-bearing debt did increase by around NOK 34.8 million in Q1, from 53.1 million at year end 2020 to around 88 million at the end of Q1. This increase is mainly due to short term construction loan. ICE has secured loan to refinance the construction loan once the constructions are finalized in Q2 2021.

OPERATIONAL INFORMATION

FARMING

Ice Fish Farm currently operates in two fjords, Berufjörður and Fáskrúðsfjörður with licences for a combined volume of 20,800 tonnes of salmon, whereof 2,300 tonnes are for sterile salmon.

Total license in Berufjörður is 9,800 tonnes and Fáskrúðsfjörður is 11,000 tonnes. Berufjörður sites are located on 50 meters depth and sites in Fáskrúðsfjörður are located on 50-80 meters depth. Berufjörður has been producing salmon since 2003 and the Group acquired the licenses in 2012. Fáskrúðsfjörður is considered to have good conditions for salmon farming due to good depth and water renewal. Experience with 2019 generation show good results for Fáskrúðsfjörður.

In the Group's opinion, the East Fjords of Iceland have several favourable conditions. The hydrographic conditions on East Fjords have many similarities to Finnmark, Norway, with stable and moderate temperatures in the sea, resulting in reduced risk of sea lice and diseases and thus high yield on the biomass. The temperatures fluctuate between 2 and 9 degrees °C and rarely go below 2 degrees °C. The similar farming conditions to Finnmark in Norway has yielded a high EBIT/kg for the Group with considerable cost and profitability potential for Ice Fish Farm which is expected to materialize with increasing production volumes.

In addition to the above, the East Fjords have the following key characteristics:

- Few wild fish with natural habitat or spawning in the area, translating into low risk of interbreeding with wild salmon.
- Melting of glaciers and snow, although perhaps not as prominent as in other fjords, also contributes fresh cold water as a natural delousing for the salmon.
- No need to recycle water in smolt stations at current time, which lowers cost in the smolt production facility compared to Norwegian competition.
- Longer fallowing periods reducing spread of potential diseases between generations.

The salmon farming operations are going as planned. There has been low mortality, and good growth on the biomass, although a bit lower than expected. No lice problems, and the temperature in sea is now as expected for the season.

INVESTMENTS

Investments in Q1 2021 amounting to around NOK 100 million are due to investments in property plant and equipment.

The construction of smolt facilities in Rifós and Kópasker continued in Q1 in 2021. The construction is expected to be completed in Q2 2021.

The entity purchased two catamaran service vessels in Q1 as well as placing deposits for two feed barges which will be delivered in Q2 2021. All investments in Q1 are financed with bank loans.

The company's registered share capital is NOK 5 400 000, divided into 54 000 000 shares. Ice Fish Farm AS is traded under the

ticker IFISH-ME. ISIN: NO0010884794. For shareholder information, see note 11 to the financial statement.

Midt-Norsk Havbruk AS ("MNH") signed agreements with Måsøval Eiendom AS and Måsøval Fishfarm AS regarding sale of 30 020 121 shares in ICE, corresponding to 55,59% of the total outstanding shares and voting rights in ICE. The completion of the transaction is per 31.12.2020 pending confirmation from the Competition Authority which expected to be announced in June 2021.

Masøval has long experience in farming salmon in Norway and owns 57% of Icelandic salmon farmer Laxar on the east coast of Iceland.

EVENTS IN OR SUBSEQUENT TO Q1 2021

- Update of our current license, conversion of 6.500 tons of sterile to fertile and standing biomass license instead of production limit.
- Application of additional 3.000 tons in Fáskrúðsfjörður, due to use of average 400gr smolts. Pending decision of MAST and further process by National Planning Agency.
- Application in Mjóifjörður of 10.000 tons standing biomass. Minister has ordered Marine Institute of Iceland to issue biomass and risk assessment for Mjóifjörður. ICE FISH FARM has already an approved draft for an environmental report for Mjóifjörður, which means that the Company has advanced position when the licence will be auctioned off. Biomass will be auctioned off by the minister as soon as marine institute has issued the findings of the biomass and risk assessment.

MARKET CONDITIONS

Ice Fish Farm has a contract with a multinational supermarket chain which has committed to buy salmon from Ice Fish Farm, where the price is agreed every 3-6 months, on a rolling basis. The majority of the harvest volumes until end of 2021 are agreed sold at a fixed price. ICE FIHS FARM will have fish available to other customers in Q4 of 2021.

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

OUTLOOK

Harvesting estimate for 2021 amounts to 7,500 tonnes of salmon. Harvesting estimate for 2022 amounts to 12,000 tonnes and estimate for 2023 is at 22,000 tonnes.

Ice Fish Farm has historically achieved a premium price relative to the spot price for salmon in Norway (FCA Oslo). Going forward, we expect to maintain the current price premium for our salmon due to the environmentally friendly farming methods, high nutritional values and high-quality meat, rich flavour, and texture.

ICE Fish Farm is plans to put into sea 3.3 million smolt in 2021 with average size of 175gr, including 400.000 steril salmon. Upon finalisation of expansion projects, total smolt capacity will be 6.5 million at average size of 300gr, corresponding to a possible output of 30 000 tonnes of HOG salmon.

Eastfjords is good area for sterile salmon, it is like land based farming with no sea lice as most land based farming uses sterile salmon. Main difference compared to Finmark: bigger smolts, less bacteria and diseases and no ISA, no sea lice, no handling needed, low density, better feed with natural Panaferd and more fish ingredients, maximum temperature is 9 degrees vs 14 in Norway. Also, our licenses are open for new methods of sterile salmon. We have in our plan's higher losses during smolt farming on land. Our main customer has approved our sterile salmon and looks at this product as superior to fertile as it is less risk for wild salmon. Current group we have is growing well and will be put into sea this summer. Kjartan Lindbol our farming manager farmed salmon for NRS in Finmark in his previous job, aims to deliver fantastic results, with the colder sea slows the fast growth potential of the sterile salmon so bones can grow more stable. With our flexible license system in ICELAND, we can expect to be able to convert more sterile licenses like we got with latest update in June 2020, the additional fertile salmon for East Fjords was more than doubled. More sterile processes are being tested in the Icelandic Marine institute that we are taking part in.

With great results in farming in Iceland with much lower escapes than in Norway we can expect risk assessment to allow more fertile farming. Reason for lower escapes is new is bigger smolts, new equipment and experienced team and excellent conditions in our fjords. Stronger cages and modern stealth cleaner have given us much more security and strong surveillance of our equipment.

Current applications for licenses:

- Draft of a final environmental report, for 7.000 tons production in Stöðvafjörður, was advertised by the National Planning Agency 29 June 2020. Expecting to get a ruling in Q2 2021 and full license in Q3.
- 10,000 tons license in Seyðisfjörður is following Stöðvafjörður with an estimate 3-month lag.

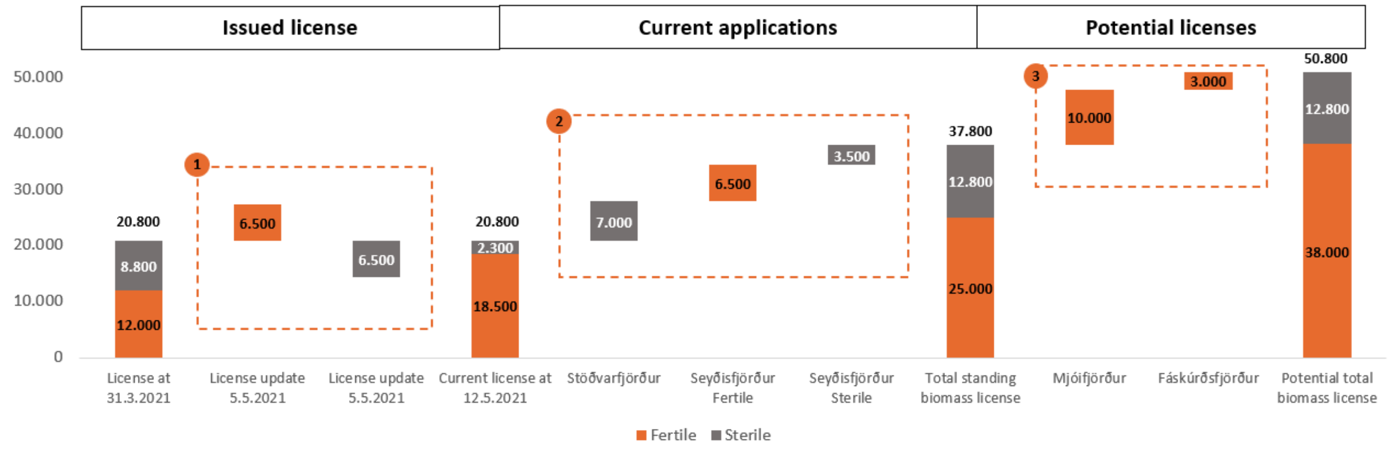
Potential additional licences:

- Application in Mjóifjörður of 10.000 tons standing biomass. Minister has ordered Marine Institute of Iceland to issue biomass and risk assessment for Mjóifjörður. ICE FISH FARM has already an approved draft for an environmental report for Mjóifjörður, which means that the Company has advanced position when the licence will be auctioned off. Biomass will be auctioned off by the minister as soon as marine institute has issued the findings of the biomass and risk assessment.
- Application of additional 3.000 tons in Fáskrúðsfjörður, due to use of average 400gr smolts. Pending decision of MAST and further process by National Planning Agency.

Long term strategy for bigger and more smolt production.

- Waiting for issue by MAST and UST of bigger license in Ishtor from 600 tons to 1.800 tons.
- Waiting for issue by MAST and UST for 400 ton license in Kópasker.
- Final draft of an environmental report for 2.700 standing biomass license in Kópasker has been submitted with the National Planning Agency and advertised. Drawing and planning has already started. Total capacity of tanks in Kópasker will then be 40,800 cubic.

Outlook of total licenses of ICE FISH FARM, this is our goal and aim but it is up to government to issue licenses:



RESPONSIBILITY STATEMENT BOARD AND CEO

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 31 March 2021 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties, and major related parties' transactions.

Rørvik 12.05.2021

Guðmundur Gíslason
Chairman of the Board

Roald Dolmen
Roald Dolmen
Board Member

Roar Myhre
Roar Myhre
Board Member

Dagfinn Eliassen
Dagfinn Eliassen
Board Member

Einar Sverrisson
Einar Thor Sverrisson
Board Member

FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ICE FISH FARM AS - Group				
(NOK 1000)	Note	Q1 2021 (01.01-30.03)	Q1 2020 (01.01-30.03)	FY2020
Operating income		90.177	100.070	283.463
Total revenue		**90.177**	**100.070**	**283.463**
Cost of materials		58.681	44.957	139.633
Employee benefit expenses		9.735	5.843	30.835
Other operating expenses		7.338	10.759	28.874
Depreciation, amortisation and impairment		7.783	6.118	29.524
Operating profit before fair value adjustment of biomass		**6.641**	**32.393**	**54.597**
Net fair value adjustment biomass		-8.429	-26.526	1.050
Operating profit		**-1.788**	**5.867**	**55.647**
Finance income		570	-	1.532
Finance costs		-4.090	-4.722	-15.863
Foreign exchange rate gain/ (-)loss		246	12.637	-6.454
Share of profit or loss of an associate		469	-3.328	-6.555
Profit or loss before tax		**-4.594**	**10.454**	**28.307**
Income tax expense		1.928	-2.756	9.487
Profit or loss for the period		**-2.666**	**7.698**	**37.794**
Other comprehensive income				
Items that subsequently may be reclassified to profit or loss:				
Exchange differences on translation of foreign operations		-476	127.386	-44.971
Total items that may be reclassified to profit or loss		-476	127.386	-44.971
Other comprehensive income for the period		-476	127.386	-44.971
Total comprehensive income for the period		**-3.142**	**135.084**	**-7.177**
Profit or loss for the period attributable to:				
Equity holders of the parent		-2.667	8.399	38.430
Non-controlling interests		1	-701	-636
Total		**-2.666**	**7.698**	**37.794**
Total comprehensive income for the period attributable to:				
Equity holders of the parent		-3.143	135.785	-6.444
Non-controlling interests		1	-701	-733
Total		**-3.142**	**135.084**	**-7.177**
Earnings per share ("EPS"):				
- Basic and diluted		-0,05		0,64
Average number of shares		54.000.000		60.434.335

BALANCE SHEET

ICE FISH FARM AS - Group			
(NOK 1000)	Note	31.3.2021	31.12.2020
ASSETS			
Non-current assets			
Licenses		597.488	598.028
Other intangible assets		16.744	15.913
Property, plant and equipment		380.178	287.628
Investments in associated companies		22.255	21.645
Deferred tax assets		4.712	2.756
Total non-current assets		**1.021.377**	**925.971**
Current assets			
Biological assets		262.588	290.656
Inventories		9.969	11.748
Trade and other receivables related parties		43.243	41.989
Trade and other receivables		47.011	47.193
Cash and cash equivalents		91.466	150.118
Total current assets		**454.276**	**541.704**
TOTAL ASSETS		**1.475.653**	**1.467.675**
EQUITY AND LIABILITIES			
Equity			
Share capital		5.400	5.400
Share premium		1.790.635	1.790.635
Other equity		-730.105	-726.962
Equity attributable to the parent		**1.065.930**	**1.069.073**
Non-controlling interests		95	93
Total equity		**1.066.025**	**1.069.166**
Non-current liabilities			
Non-current interest-bearing liabilities		221.890	251.086
Total non-current liabilities		**221.890**	**251.086**
Current liabilities			
Current interest-bearing liabilities		87.923	53.083
Subordinated loan from related parties		26.961	25.578
Trade and other payables		72.855	68.761
Total current liabilities		**187.737**	**147.422**
Total liabilities		**409.627**	**398.508**
TOTAL EQUITY AND LIABILITIES		**1.475.653**	**1.467.675**

Roald Dolmen Roar Myhre

Guðmundur Gíslason
Chairman of the Board

Roald Dolmen
Board Member

Roar Myhre
Board Member

Dagfinn Eliassen Einar Sverrisson

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 interests	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		-	-	-	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 (ICEGAAP)					-18.392	-18.392	-1.940	**-20.333**
IFRS Adjustment					26.720	26.720	-	**26.720**
Transactions with owners:								
Conversion difference				5.331		5.331	-107	**5.224**
Issued share capital		1.366	59.690			61.055		**61.055**
Adjustments (exchange rate)		34	1.454		-1.488			
At 31 December 2019		**4.931**	**211.089**	**5.331**	**568.717**	**790.069**	**1.030**	**791.099**
Comprehensive income:								
Profit or loss for the period					**38.430**	**38.430**	**-636**	**37.794**
Conversion difference				**-44.874**		-44.874	-97	**-44.971**
Transactions with owners:								
Reclassification due to new parent*		-4.931	-211.089		-1.291.480	-1.507.500		**-1.507.500**
Deemed issue of share capital*		4.500	1.503.000			1.507.500		**1.507.500**
Deemed issue of share capital*		900	300.600			301.500		**301.500**
Transaction costs			-12.965			-12.965		**-12.965**
Effect of issued share capital in subsidiary					-1451	-1.451	1.451	**-0**
Acquisition of non-controlling interests					-1.635	-1.635	-1.655	**-3.290**
At 31 December 2020		**5.400**	**1.790.635**	**-39.543**	**-687.419**	**1.069.074**	**93**	**1.069.166**
Comprehensive income:								
Profit or loss for the period					**-2.667**	**-2.667**	**1**	**-2.666**
Conversion difference				**-476**		-476	1	**-475**
At 31 March 2021		**5.400**	**1.790.635**	**-40.019**	**-690.086**	**1.065.930**	**95**	**1.066.025**

CONSOLIDATED STATEMENT OF CASH FLOW

ICE FISH FARM AS - Group

(NOK 1000)	Note	31.3.2021	31.3.2020
Cash flows from operating activities			
Profit or loss before tax		-4.594	28.966
Net fair value adjustment on biological assets		8.429	-
Gain/loss on disposal of property, plant and equipment		308	-
Depreciation and impairment of property, plant and equipment and right-of-use assets		7.783	5.092
Share of profit or loss of an associate		-469	-1.469
Changes in inventories, trade and other receivables and trade and other payables		24.688	14.589
Finance income		-570	-
Finance costs		4.090	-
Change in other accrual items		-	-4.294
Net cash flows from operating activities		**39.665**	**42.884**
Cash flows from investing activities		-	
Purchase of property, plant and equipment		-100.508	-16.831
Purchase of intangible assets		-1.162	-234
Proceeds from sale of property, plant and equipment		1.178	3.629
Interest received		570	-
Net cash flow from investing activities		**-99.923**	**-13.436**
Cash flow from financing activities			
Proceeds from borrowings		53.143	-
Repayment of borrowings		-14.974	-12.030
Change in related parties liabilities		-164	32.077
Payments for the principal portion of the lease liability		-2.651	-
Interest paid		-4.090	-
Overdraft facility		-29.673	-50.658
Net cash flow from financing activities		**1.591**	**-30.610**
Net change in cash and cash equivalents		-58.667	**-1.163**
Effect of change in exchange rate on cash and cash equivalents		15	**-9**
Cash and cash equivalents, beginning of period		150.118	1.353
Cash and cash equivalents, end of period		**91.466**	**181**

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING PRINCIPLES

CORPORATE INFORMATION

ICE FISH FARM AS and its subsidiaries (collectively "the Group", or "ICE FISH FARM") is a publicly listed company on Euronext Growth, with the ticker symbol IFISH. The ultimate parent company is 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 consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Board of Directors on 23 February 2021.

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 consolidated financial statements of Ice Fish Farm, Ice Fish Farm is seen as a continuity of Fiskeldi Austfjarða hf. The values at Fiskeldi Austfjarða hf. 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.

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 IAS 34 Interim Financial reporting. See note 16 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 quarterly average exchange rates. If currency rates are fluctuating significantly, transaction date exchange rates are applied for significant transactions.

SIGNIFICANT ACCOUNTING POLICIES

ICE FISH FARM has selected a presentation in which the description of accounting policies as well as estimates, assumptions and judgmental considerations are disclosed in the notes to which the policies relate. As this is an IAS 34 quarterly report, a complete set of notes is not included. A summary of significant and other accounting policies not disclosed in the notes, are therefore summarized below:

EMPLOYEE BENEFIT EXPENSES

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.

OTHER OPERATING EXPENSES

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.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are financial assets initially recognized at fair value 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 AND OTHER PAYABLES

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 their transaction price 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.

OVERVIEW OF FINANCIAL INSTRUMENTS

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 amortized 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 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 financial assets

Financial assets 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 10 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.

CASH AND CASH EQUIVALENTS

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.

FINANCE INCOME AND FINANCE COSTS

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.

FAIR VALUE MEASUREMENT

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, if 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.

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

TAXES

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 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.

INVESTMENTS IN ASSOCIATED COMPANIES

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 of 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.

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

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 4)
- Impairment considerations of property, plant and equipment, and licenses (9)
- Measurement of deferred tax assets
  - 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 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 7)

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

NOTE 2: 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 different assumptions, many of which are not observable. The assumptions are grouped into four different categories:

- Price
- Cost
- Volume
- Discounting

PRICE

An important assumption in the valuation of fish ready for harvest and fish not ready for harvest, is the expected sale price. This is also the assumption that historically has had the greatest fluctuations. In order to estimate the expected sales price, the future price quoted by Fish pool for superior Norwegian salmon (3-6 kg gutted) is used as a starting point. It is the Group's opinion that the use of observable prices increases the reliability and comparability of the price assumptions.

For fish ready for harvest, the future price for the following month is applied. For fish not ready for harvest the starting point is the future price for the month in which the fish is assumed to reach harvest-ready weight. In the event of biological challenges (which incur before the end of the reporting period), an additional price adjustment is made to reflect the impact of this event. Such price adjustment considers that the market price per kilo for small fish is less than for fish of normal size, the price is further adjusted for exporter-margin and clearing cost. This applies to both mature fish and immature fish. Furthermore, adjustments are made for harvesting costs (well-boat, harvest and packaging), transportation costs and quality differences. Adjustments for harvesting costs, transportation costs and quality differences are based on the Group's historical costs, while the other adjustments are based on a discretionary assessment on historical data and the Group's expectation of future market developments.

COST

For fish not ready for harvest, an adjustment is made for the costs associated with further farming the fish to be harvest-ready. Estimates related to future costs are based on the Group's forecasts for each locality. There is uncertainty related to future feed prices, other costs and the biological development of the fish (growth, feed factor and mortality). If the estimated costs are higher than what a normal market participant would include, for example due to previously entered into long-term agreements with subcontractors which makes the costs deviate significantly from the market price, the cost estimate is adjusted to reflect the costs that a rational market participant would apply.

VOLUME

Expected harvest volume is calculated based on the estimated number of fish (individuals) at the reporting date, minus expected future mortality, multiplied by the expected harvest weight (4,5 kg net 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 registered mortality in connection with release. The normal expected harvest weight is the live weight that gives 4 kg gutted weight, unless there are specific conditions present at the end a reporting period that indicate that the fish must be harvested before it reaches this weight. In these cases, the expected harvest weight is adjusted. The expected mortality in the period from the balance sheet date to the time when the fish is ready for harvest is estimated to be 0,5% per. month of incoming fish.

DISCOUNTING

Every time a fish is harvested and sold; a positive cash flow arises. As a simplification, all the remaining expenses are allocated to the same period as the income, so that there is only one cash flow per locality. The cash flow is attributed to the expected month of harvest. The sum of cash flows from all the localities where the Group has fish in the sea are distributed over the entire fish farming period. With the current size of the smolt being released, and the frequency of the smolt releases, this may take up to 24 months. The expected future cash flow is discounted monthly. The discount rate used has a large impact on the estimate of fair value. The monthly discount rate as at the end of the reporting period is estimated at 1-4% 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. License rent

Salmon and trout farming do not take place in a market without competition and barriers to entry. Due to the limited access to fish farming licenses, these currently have a high value. For a hypothetical buyer of live fish to be able to acquire and further farm the fish, it must be assumed that the buyer had a license, locality and other permits required for such production. The calculation is based on that a buyer would demand a significant discount in order to allocate a sufficient share of the return to own licenses, or alternatively to cover the cost of license rent. Modelling a hypothetical annual license rent from prices of traded licenses is difficult, as the price curve will be based on expectations of future profit development in the industry. Furthermore, it is complex to derive a rental cost for shorter periods of time and ultimately per volume, given that the license restrictions are measured at different levels (location, region and Company).

3. Time value

Finally, the discount rate must reflect the time value of money for the committed capital allocated to the biomass. One must assume that a hypothetical buyer would require compensation for the opportunity cost of investing in live fish. The production cycle for salmon farming is currently up to 18 months, therefore the cash flow will cover a corresponding period. Given a constant selling price throughout the period, the cash flow will decrease for each passing month as costs are incurred to farm the fish to a harvest-ready weight. These costs increase for each month the fish is in the sea. This makes the effect of deferred cash flows lower than if the cash flows were constant, however, the component is still important due to the large total value of biological assets.

Carrying amounts of biological assets

Biological assets	**31.3.2021**	**31.12.2020**
Fish at cost	182.251	208.103
Fair value adjustment on fish	42.821	51.249
Fair value of fish in the sea	**225.072**	**259.353**
Smolt	37.515	31.304
Carrying amount of biological assets	**262.588**	**290.656**
Total biological assets at cost	219.767	239.407
Total fair value adjustment on biological assets	42.821	51.249
Fair value of biological assets	**262.588**	**290.656**
Onerous contracts	-	-
Carrying amount of onerous contracts	**-**	**-**
Fish Pool contracts	-	-
Carrying amount of fish pool contracts	**-**	**-**

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICIES

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

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

Right-of-use assets are recognised separately from property, plant and equipment and presented in note 4.

No impairments of property, plant and equipment were made in 2019, 2020 or as of 31.3.2021. For the group's principles related to impairment of property, plant and equipment, see note 9 in the 2020 consolidated financial statements.

	Property and land	Ships	Cages, machinery and equipment	Total
Acquisition cost 31.12.2020	66.795	44.270	171.711	282.776
Additions	45.543	40.491	15.508	101.543
Assets sold	-	-3.355	-	-3.355
Currency translation effects	-2	12	-135	-125
Acquisition cost 31.3.2021	112.337	81.419	187.084	380.839
Accumulated depreciation and impairment 31.12.2020	1.888	4.818	51.389	58.095
Depreciation for the period	284	-	4.213	4.496
Assets sold	-	-1.869	-	-1.869
Currency translation effects	-1	-4	-41	-47
Accumulated depreciation and impairment 30.3.2021	2.170	2.945	55.561	60.676
Carrying amount 31.12.2020	64.907	39.452	120.322	224.681
Carrying amount 31.3.2021	110.166	78.474	131.524	320.164
Economic useful lives	33 years	13 years	5-10 years	
Depreciation method	Straight-line method			

NOTE 4: RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

ACCOUNTING POLICIES

At inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period 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 as separate line items in the consolidated statement of financial position.

Measuring the right-of-use asset

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

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses, applying the same policies for impairment as for property, plant and equipment (Note 6). 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 equipment in Iceland. Additionally, the Group leases office equipment for which the Group recognises right-of-use assets. Leases of land and buildings generally have lease terms between 5 and 10 years, while motor vehicles and other equipment generally have lease terms between 3 and 7 years. The Group also leases some machinery and equipment that are expensed as incurred as they are either considered short term or of low value.

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

Right-of-use assets	Property and land	Ships	Cages, machinery and equipment	Total
Balance at 01 January	-	60.633	2.315	62.948
Depreciations	-	-2.701	-235	-2.936
Additions	-	-	-	-
Currency translation effects	-	-	3	3
Balance at 31 March	**-**	**57.932**	**2.083**	**60.015**
Remaining lease term or remaining useful life		3-6 years	1-4 year	
Depreciation plan		Straight-line		

The Group's lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Total
Less than one year	10.802
One to two years	11.126
Two to three years	10.666
Three to four years	9.659
Four to five year	5.941
More than five years	9.233
Total undiscounted lease liabilities at 31.3.2021	**57.428**

Changes in the lease liabilities	Total
Total lease liabilities at 31.12.2020	60.079
New leases recognised during the period	-
Cash payments for the principal portion of the lease liability	-2.651
Cash payments for the interest portion of the lease liability	-431
Interest expense on lease liabilities	431
Currency translation effects	2
Total lease liabilities at 31.3.2021	57.430
Current lease liabilities in the statement of financial position	10.802
Non-current lease liabilities in the statement of financial position	46.628
Total cash flow effect for YTD 2021	-3.082

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 to exercise the option to renew or terminate the lease. That is, they consider all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

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

Purchase options

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

NOTE 5: SHARE CAPITAL AND SHAREHOLDER INFORMATION

ACCOUNTING POLICIES

EQUITY AND LIABILITIES

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

COSTS RELATED TO EQUITY TRANSACTIONS

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

DISTRIBUTION TO SHAREHOLDERS

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

	31.3.2021	31.12.2020	31.12.2019	1.1.2019
Ordinary shares, par value 1 ISK per share			4.932	3.532
Ordinary shares, par value 0,10 NOK per share	5.400.000	5.400.000	-	-
Total ordinary shares issued and fully paid	**5.400.000**	**5.400.000**	**4.932**	**3.532**

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

	Number of shares		Share Capital	
Changes in share capital	**31.3.2021**	**31.12.2020**	**31.3.2021**	**31.12.2020**
Beginning of period	54.000.000	70.129.908	5.400.000	4.932.000
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	-	900.000
End of period	54.000.000	54.000.000	5.400.000	5.400.000

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

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

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

Overview of the 20 largest shareholders:		**Origin**	**31.3.2021**		**31.12.2020**	
Shareholder:			**Number:**	**Ownership:**	**Number:**	**Ownership:**
MIDT-NORSK HAVBRUK AS		Norway	30.020.121	55,59%	30.020.121	55,59%
Eggjahvita ehf		Iceland	7.122.384	13,19%	7.122.384	13,19%
Hregg ehf.		Iceland	3.026.745	5,61%	3.026.745	5,61%
State Street Bank and Trust Comp	NOM	USA	2.000.000	3,70%	1.600.000	2,96%
Grjót ehf.		Iceland	1.323.204	2,45%	1.323.204	2,45%
VERDIPAPIRFONDET NORGE SELEKTIV		Norway	1.317.698	2,44%	1.340.607	2,48%
Áning Ásbru ehf		Iceland	892.593	1,65%	892.593	1,65%
MAXIMUM HOLDING AS		Norway	792.500	1,47%	966.612	1,79%
J.P. Morgan Bank Luxembourg S.A.	NOM	Luxembourg	742.111	1,37%	735.396	1,36%
VERDIPAPIRFONDET DNB SMB		Norway	631.176	1,17%	626.914	1,16%
Gleði ehf		Iceland	537.776	1,00%	537.776	1,00%
VERDIPAPIRFONDET PARETO INVESTMENT		Norway	508.000	0,94%	473.876	0,88%
PORTIA AS		Norway	330.000	0,61%	330.000	0,61%
Nordea Bank Abp	NOM	Sweden	300.000	0,56%	300.000	0,56%
CLEARSTREAM BANKING S.A.		Luxembourg	297.005	0,55%	252.056	0,47%
VERDIPAPIRFONDET DNB NORGE PENSJON		Norway	270.189	0,50%	303.725	0,56%
CRESSIDA AS		Norway	270.000	0,50%	270.000	0,50%
CENTRA CAPITAL AS		Norway	265.000	0,49%	265.000	0,49%
FRETHEIM BRUK AS		Norway	232.616	0,43%	232.616	0,43%
MP PENSJON PK		Norway	229.170	0,42%	229.170	0,42%
Total of the 20 largest shareholders			51.108.288	94,64%	50.848.795	94,16%
Other shareholders			2.891.712	5,36%	3.151.205	5,84%
Total			**54.000.000**	**100%**	**54.000.000**	**100%**

NOTE 6: RELATED PARTY TRANSACTIONS

Related parties are Group companies, associates, major shareholders, members of the board and Management in the parent company and the group subsidiaries. Note 1, 2 and 12 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 Q1 2021 and 31.3.2021	**Shareholders**	**Associate**	**Total**
Current loans and borrowings to related parties		43.243	43.243
Current trade and other payables to related parties		1.242	1.242
Current loans and borrowings from related parties	26.961		26.961
Sales to related parties			-
Purchases from related parties (incl. Management fees)		10.823	10.823
Interest paid to related parties	361		361
Interest received from related parties		528	528

Related party transactions and balances Q4 2020 and 31.12.2020	**Shareholders**	**Associate**	**Total**
Current loans and borrowings to related parties		41.989	41.989
Current trade and other payables to related parties		1.756	1.756
Current loans and borrowings from related parties	25.578		25.578
Sales to related parties			-
Purchases from related parties (incl. Management fees)		41.664	41.664
Interest paid to related parties	1.358		1.358
Interest received from related parties		3.236	3.236

NOTE 7: INTEREST-BEARING LIABILITIES

Non-current interest-bearing loans and borrowings	**31.3.2021**	**31.12.2020**
Loan from Arion Bank hf. (principal)	175.262	201.729
Subordinated loan from related parties (principal)	-	-
Leasing liability	46.628	49.357
Total non-current interest-bearing loans and borrowings	**221.890**	**251.086**

Current interest-bearing loans and borrowings	**31.3.2021**	**31.12.2020**
Loan from Arion Bank hf., due within 12 months	77.121	41.397
Subordinated loan from related parties, due within 12 months	26.961	25.578
Overdraft facility	-	964
Leasing liability, due within 12 months	10.802	10.722
Current interest-bearing loans and borrowings	**114.884**	**78.661**

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 213 million.

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

Assets pledged as security for interest bearing loans and borrowings	31.3.2021	31.12.2020
Secured balance sheet liabilities:		
Non-current interest bearing liabilities	221.890	251.086
Current interest bearing liabilities	114.884	78.661
Total	**336.774**	**329.747**
Carrying amount of assets pledged as security for secured liabilities:		
Inventories	9.969	11.748
Biological assets	262.588	290.656
Cash and cash equivalents	91.466	150.118
Investments in associated companies	22.255	21.645
Right-of-use assets	60.015	62.948
Property, plant and equipment	320.164	224.681
Total	**773.189**	**761.797**

COVENANT REQUIREMENTS

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

- Equity/Enterprise value >35%

There has not been a breach in any financial covenants for the Group's interest-bearing loans and borrowing in the current or prior periods.

NOTE 8: SUBSEQUENT EVENTS

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.

The group obtained license update where 6.500 tons of sterile was converted to fertile salmon well as obtaining standing biomass license instead of production limit.

ALTERNATIVE PERFORMANCE MEASURES

Ice Fish Farm's consolidated financial information is prepared in accordance with international financial reporting standards (IFRS).

In addition, the management's intention is to provide alternative performance measures, which are regularly reviewed by the management to enhance the understanding of the company's performance, but not replacing the financial statements prepared in accordance with IFRS.

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

OPERATIONAL EBIT

Operational EBIT is operational profit before fair value adjustments. Operational EBIT is a major alternative performance measure in the salmon farming industry.

NOK 1000	Q1 2021	Q1 2020	2020
Operational result before fair value adjustment	6.641	32.393	54.597
Operational EBIT	**6.641**	**32.393**	**54.597**

Operational EBIT per kg

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

NOK	Q1 2021	Q1 2020	2020
Operational result before fair value adjustment	6.641	32.393	54.597
Total harvested volumes	1.496	1.403	4.259
Operational EBIT per kg	**4,4**	**23,1**	**12,8**

Operational EBIT per kg (Salmon)

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

NOK	Q1 2021	Q1 2020	2020
Operational result before fair value	7.203	32.038	60.421
Total harvested volumes salmon	1.496	1.320	3.916
Operational EBIT per kg	**4,8**	**24,3**	**15,4**

Operational EBIT per kg (Arctic charr)

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

NOK	Q1 2021	Q1 2020	2020
Operational result before fair value	-563	356	-5.824
Total harvested arctic charr	0	83	343
Operational EBIT per kg	**na.**	**4,3**	**- 17,0**

REARED IN
PRISTINE ISLANDIC NATURE

ICE FISH FARM

Icefishfarm.is