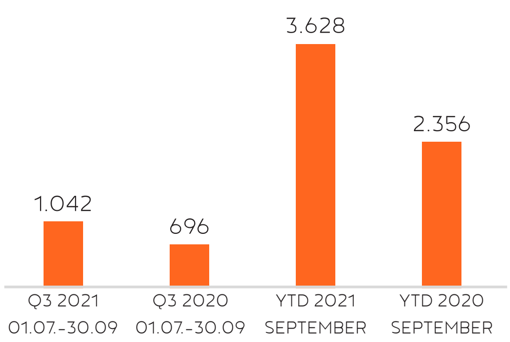
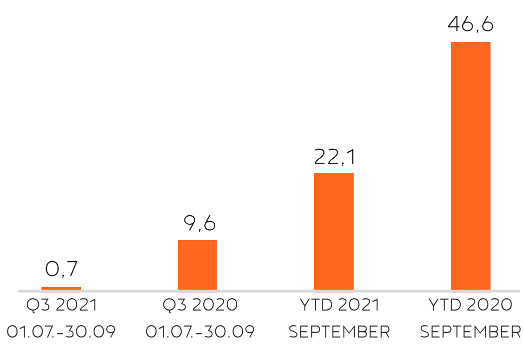
ICE FISH FARM

INTERIM REPORT Q3 | 2021

Harvested volume (tonnes)



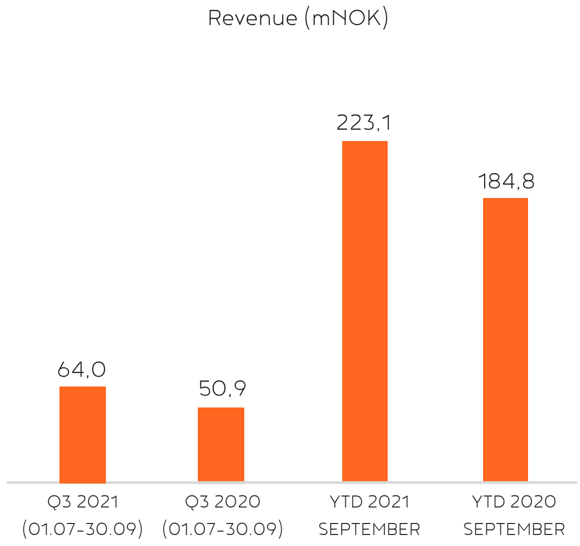
Operational EBIT (mNOK)

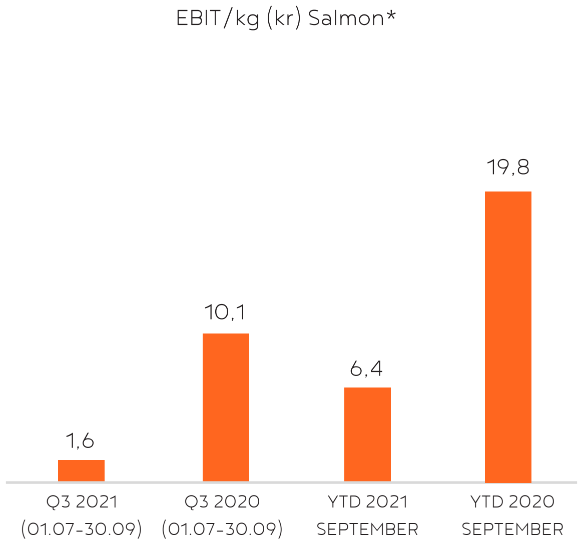


ZERO BYCATCH
PROTEIN RICH
RESPONSIBLE FARMING
PURE PRISTINE WATERS
ICELAND QUALITY
GMO FREE
PREMIUM OMEGA 3
AQUA GAP CERTIFIED QUALITY
100% NATURAL NO ADDITIVES

Q3 2021 HIGHLIGHTS

KEY FIGURES





- EBIT NOK 1,6 per kg in Q3 2021 compared to NOK 10,1 per kg in Q3 2020.
- 1042 tons harvested in Q3 2021 compared to 696 tons in Q3 2020.
- Kópasker smolt station delivered first smolt, fully operating, with 7.200 cubic of 13 degrees sea water. Showing growth as expected. 70gr to 220gr in 8 weeks.
- Rifós freshwater and Kópasker sea water are now fully stocked for next year smolt output of 4M smolts at average weight of 350gr. Estimated production gain of HOG 20th tons production that will start harvest in Q3 2023.
- First Organic and Steril salmon in sea in ICELAND. Superior smolt quality from New Kópasker smolt station.
  - Steril salmon have very low mortality and good appetite.
  - Organic salmon will be high premium EBIT maker for ICE.

License update:

- Stöðvafjörður 7.000 tons got advertised, last step of obtaining license.
- Seyðisfjörður 10.000 tons license is flowing in Q4 2021.
- Application for phase 2 in our smolt station in Kópasker 2.700 tons is in process.

*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 also certification and producing Organic Salmon. 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 secondary sale of existing, validly issued shares from minority shareholders, each with a nominal value of NOK 0.10 for a total amount of approximately NOK 89 million.
2021	New land based smolt facility built and operated in Kópasker
	License of fertile salmon increased to 18.500 tons, from 12.000 tons.

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 partly the consolidated financial statements of Fiskeldi Austfjarða hf. Fiskeldi Austfjarða hf. is booked in USD and the numbers below have been translated from USD to NOK.

Figures in brackets = Q3 2020 of Fiskeldi Austfjarða, unless otherwise specified.

REVENUES AND RESULTS

FOR THE QUARTER ENDING 30.9.2021

Operating income amounted to NOK 64.0 million (NOK 50.9 million), while the operating profit before fair value adjustment of biomass was around NOK 0.7 million (NOK 9.6 million).

Revenues increase due to higher volume of salmon harvested in Q3 2021 compared to the same quarter in 2020, 1.042 tons (696 tons).

The fair value adjustment on biomass is positive NOK 9.0 million this quarter, compared to positive NOK 1.4 million in Q3 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 0,7 for the quarter, with an EBIT per kg for salmon separately at NOK 1,6.

FINANCIAL ITEMS AND SHARE OF PROFITS FROM ASSOCIATES

The loss from associated companies in Q3 amounted to NOK 0.3 million (a loss of NOK 1.142 million). This loss is from the ownership shares in the processing facility at Bulandstindur and the smolt production at Isthor.

Finance income amounted to NOK 0.3 million in Q3 2021 mainly due to interest income on loan to associated company Isthor. Finance cost amounted to NOK 6.5 million (NOK 3.9 million) and net foreign exchange rate loss amounted to NOK 3.6 million (a loss of NOK 0.9 million).

BALANCE SHEET

The balance of property plant and equipment has increased of around NOK 244.2 million in the first nine months 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.

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 Q3 2021 amounting to around NOK 92 million are due to investments in property plant and equipment.

The construction of smolt facilities in Rifós and Kópasker continued in Q3 2021 and was the main investments.

SHARES

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 5 in the interim financial statement.

EVENTS IN OR SUBSEQUENT TO Q3 2021

- Kópasker delivered first smolt to sea in October. Good success and there have been more transfers this autumn.
- First transfer of sterile salmon to sea has been done with excellent result, with low mortality and good appetite.
- First transfer of Organic salmon from our new smolt station in Kópasker.
- Mast (Icelandic Food and Veterinary Authority) and Umhverfisstofnun (The Environment Agency of Iceland) have both advertised there proposal of a new farming license for Fiskeldi Austfjarða hf a 100% owned subsidiary of ICE FISH FARM AS, for of 7,000 tons of salmon in Stöðvarfjörður.

  The License is for maximum allowed biomass (MAB) of up to 7,000 tons of sterile salmon in a new site in Stöðvarfjörður. This advertisement of the license is the last step in the application process. Now stakeholders have until November 24 th 2021 to comment on the license and after that it is expected to be issued.

  ICE FISH FARM AS has already put out Steril Salmon in Berufjörður with promising outlook. Those smolts were originated from ICE FISH FARM AS new land based smolt farm in Kópasker.

  With this new license the total License of the Company will be 27,800 tons (MAB) and there of 9,300 tons (MAB) sterile. ICE FISH FARM AS has application for 10,000 tons (MAB) License in Seyðisfjörður which is expected to be issued in near future. Total license that ICE FISH FARM AS is expecting to have is 37,800 tons (MAB) of salmon.

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. Most of the harvest volumes until end of 2021 are agreed sold at a fixed price.

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.

Mountain Búlandstindur in Berufjörður, 9,800 ton license

OUTLOOK

Harvesting estimate for 2021 amounts to 4,900 tonnes of salmon. Harvesting estimate for 2022 amounts to 9,000 tonnes and estimate for 2023 is at 20,000 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.

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.

Current applications for licenses:

- 7.000 tons production license in Stöðvafjörður, is expected to be issued in 4 weeks' time.
- 10,000 tons license in Seyðisfjörður is following Stöðvafjörður with an estimate 3-month lag.

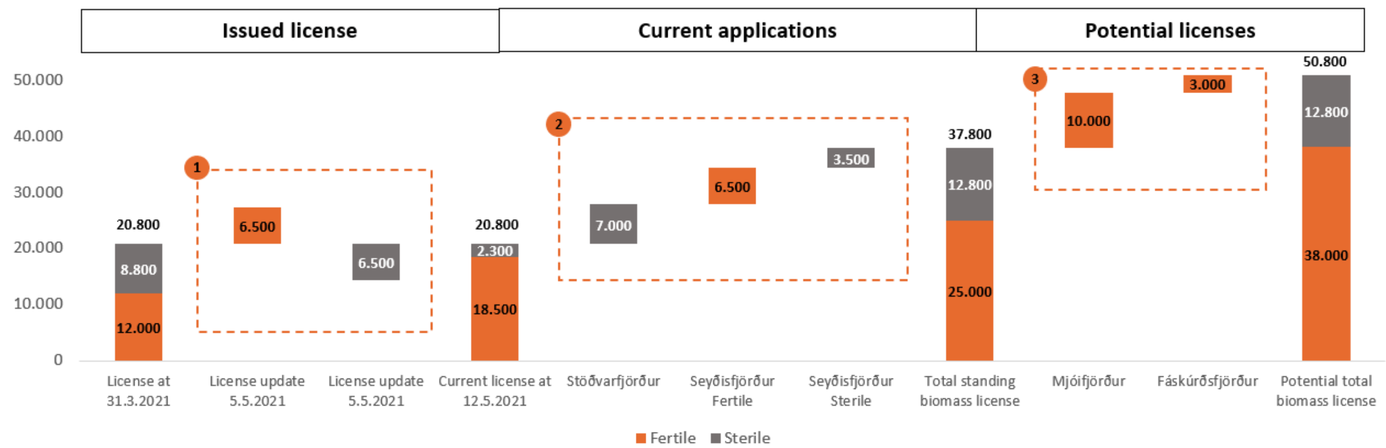
Potential additional licences:

- 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.

- 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 36.000 cubic meters.

Outlook of total licenses of Ice Fish Farm, this is our goal and aim but it is up to government to issue licenses:



Fiskeldi Austfjarða hf, owned 100% by Ice Fish Farm AS received recognition on good performance in 2020.

RESPONSIBILITY STATEMENT BOARD AND CEO

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 July to 30 September 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.

Sistranda 11.11.2021

Martin Staveli Chairman of the Board	Guðmundur Gíslason Board Member	Roar Myhre Board Member
Anders Måsøval Board Member	Einar Thor Sverrisson Board Member	

FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ICE FISH FARM AS - Group

(NOK 1000)	Note	Q3 2021 (01.07-30.09)	Q3 2020 (01.07-30.09)	YTD 2021 September	YTD 2020 September	FY2020
Operating income		64.025	50.929	223.079	184.782	283.463
Total revenue		**64.025**	**50.929**	**223.079**	**184.782**	**283.463**
Cost of materials		33.397	18.192	117.908	71.479	139.633
Employee benefit expenses		9.555	8.026	30.374	21.524	30.835
Other operating expenses		11.050	7.307	27.889	23.093	28.874
Depreciation, amortisation and impairment		9.297	7.811	24.778	22.046	29.524
Operating profit before fair value adjustment of biomass		**725**	**9.592**	**22.130**	**46.640**	**54.597**
Net fair value adjustment biomass		8.975	1.466	-10.261	-3.627	1.050
Operating profit		**9.700**	**11.058**	**11.869**	**43.013**	**55.647**
Finance income		342	0	1.532	0	1.532
Finance costs		-6.521	-3.951	-15.087	-12.211	-15.863
Foreign exchange rate gain/ (-)loss		-3.564	-902	151	-988	-6.454
Share of profit or loss of an associate		-293	-1.142	-1.927	-1.063	-6.555
Profit or loss before tax		**-336**	**5.063**	**-3.462**	**28.751**	**28.307**
Income tax expense		4.287	-1.186	7.374	-6.555	9.487
Profit or loss for the period		**3.950**	**3.877**	**3.912**	**22.196**	**37.794**
Items that subsequently may be reclassified to profit or loss:						
Exchange differences on translation of foreign operations		26.626	-25.709	29.959	48.333	-44.971
Total items that may be reclassified to profit or loss		**26.626**	-25.709	29.959	48.333	-44.971
Other comprehensive income for the period		**26.626**	-25.709	29.959	48.333	-44.971
Total comprehensive income for the period		**30.576**	**-21.832**	**33.871**	**70.529**	**-7.177**
Profit or loss for the period attributable to:						
Equity holders of the parent		3.959	3.748	3.909	22.227	38.430
Non-controlling interests		-9	129	3	-31	-636
Total		**3.950**	**3.877**	**3.912**	**22.196**	**37.794**
Total comprehensive income for the period attributable to:						
Equity holders of the parent		30.585	-21.971	33.868	70.660	-6.444
Non-controlling interests		-9	139	3	-131	-733
Total		**30.576**	**-21.832**	**33.871**	**70.529**	**-7.177**
Earnings per share ("EPS"):						
- Basic and diluted		0,07	0,07	0,07	0,41	0,64
Average number of shares		54.000.000	54.000.000	54.000.000	54.000.000	60.434.335

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ICE FISH FARM AS - Group

(NOK 1000)	Note	30.9.2021	31.12.2020
ASSETS			
Non-current assets			
Licenses		615.283	598.028
Other intangible assets		20.610	15.913
Property, plant and equipment		531.799	287.628
Investments in associated companies		19.789	21.645
Loans to subsidiaries and associates		52.175	47.193
Deferred tax assets		4.586	2.756
Total non-current assets		**1.244.243**	**973.164**
Current assets			
Biological assets		331.824	290.656
Inventories		12.277	11.748
Trade and other receivables		49.523	41.989
Cash and cash equivalents		46.367	150.118
Total current assets		**439.991**	**494.511**
TOTAL ASSETS		**1.684.234**	**1.467.675**
EQUITY AND LIABILITIES			
Equity			
Share capital		5.400	5.400
Share premium		1.790.635	1.790.635
Other equity		-693.091	-726.962
Equity attributable to the parent		**1.102.944**	**1.069.073**
Non-controlling interests		88	93
Total equity		**1.103.032**	**1.069.166**
Non-current liabilities			
Non-current interest bearing liabilities		399.064	251.086
Total non-current liabilities		**399.064**	**251.086**
Current liabilities			
Current interest bearing liabilities		38.617	53.083
Subordinated loan from related parties		26.968	25.578
Trade and other payables		116.554	68.761
Total current liabilities		**182.139**	**147.422**
Total liabilities		**581.203**	**398.508**
TOTAL EQUITY AND LIABILITIES		**1.684.234**	**1.467.675**

Sistranda 11.11.2021

Martin Staveli
Chairman of the Board

Guðmundur Gíslason
Board Member

Roar Myhre
Board Member

Anders Måsøval
Board Member

Einar Thor Sverrisson
Board Member

CONSOLIDATED STATEMENT OF CASH FLOWS

ICE FISH FARM AS - Group

(NOK 1000)	Note	YTD 30.9.2021	YTD 30.09.2020	FY 2020
Cash flows from operating activities				
Profit or loss before tax		-3.462	28.459	28.015
Net fair value adjustment on biological assets		10.261	3.627	-1.050
Gain/loss on disposal of property, plant and equipment		317	-	-
Currency difference interest bearing liabilities		-	-4.296	-5.506
Depreciation and impairment of property, plant and equipment and right-of-use assets		24.778	20.184	27.662
Share of profit or loss of an associate		1.927	1.063	6.555
Changes in inventories, trade and other receivables and trade and other payables		7.713	-48.522	-30.833
Finance income		-1.532	-	-
Finance costs		15.087	-	-
Net cash flows from operating activities		**55.090**	**515**	**24.843**
Cash flows from investing activities				
Purchase of property, plant and equipment		-266.513	-109.162	-152.519
Purchase of intangible assets		-5.252	-685	-3.701
Loans to associates		-6.698	-	-
Purchase of shares in subsidiaries, net of cash acquired		-	-2.706	-1.804
Proceeds from sale of property, plant and equipment		1.212	-	-
Related parties receivables, change			1.040	-
Interest received		1.532	-	-
Net cash flow from investing activities		**-275.720**	**-111.513**	**-158.024**
Cash flow from financing activities				
Proceeds from borrowings		224.591	55.099	84.848
Repayment of borrowings		-28.759	-61.765	-64.044
Change in related parties liabilities		651	-	-3.287
Payments for the principal portion of the lease liability		-8.013	-7.425	-10.082
Interest paid		-15.087	-1.331	-1.780
Overdraft facility		-56.580	-11.531	47.994
Proceeds from issuance of equity		-	287.925	227.635
Net cash flow from financing activities		**116.803**	**260.972**	**281.284**
Net change in cash and cash equivalents		**-103.828**	**149.974**	**148.103**
Effect of change in exchange rate on cash and cash equivalents		77	887	885
Cash and cash equivalents, beginning of period		150.118	1.130	1.130
Cash and cash equivalents, end of period		**46.367**	**151.991**	**150.118**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ICE FISH FARM AS - Group

(NOK 1000)	Note	Attributable to the equity holders of the parent					Non-controlling interests	Total Equity
		Share capital	Share premium	Foreign currency translation reserve	Other equity	Total		
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			-12.966			-12.966		-12.966
Effect of issued share capital in subsidiary					-1451	-1.451	1.451	1
Acquisition of non-controlling interests					-1.635	-1.635	-1.655	-3.290
At 31 December 2020		**5.400**	**1.790.634**	**-39.543**	**-687.419**	**1.069.073**	**93**	**1.069.166**
Comprehensive income:								
Profit or loss for the period					-2.666	-2.666	1	-2.665
Conversion difference				-476		-476	1	-476
At 31 March 2021		**5.400**	**1.790.634**	**-40.019**	**-690.085**	**1.065.930**	**95**	**1.066.025**
Comprehensive income:					-	-		-
Profit or loss for the period					2.628	2.628	2	2.630
Conversion difference				3.809		3.809	3	3.812
At 30 June 2021		**5.400**	**1.790.634**	**-36.210**	**-687.457**	**1.072.367**	**100**	**1.072.467**
Comprehensive income:					-	-		-
Profit or loss for the period					3.950	3.950	-9	3.941
Conversion difference				26.626		26.626	-2	26.624
At 30 September 2021		**5.400**	**1.790.634**	**-9.584**	**-683.507**	**1.102.943**	**88**	**1.103.032**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING PRINCIPLES

CORPORATE INFORMATION

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

ICE FISH FARM AS is a Company incorporated in Norway with headquarters in Iceland. The address of its registered office is 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	**30.9.2021**	**31.12.2020**
Fish at cost	254.379	208.103
Fair value adjustment on fish	40.988	51.249
Fair value of fish in the sea	**295.367**	**259.353**
Smolt	36.457	31.304
Carrying amount of biological assets	**331.824**	**290.656**
Total biological assets at cost	290.836	239.407
Total fair value adjustment on biological assets	40.988	51.249
Fair value of biological assets	**331.824**	**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 8.

No impairments of property, plant and equiment were made in 2019 or as of 31 December 2020. For the group's principles related to impairment of property, plant and equipment, see note 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	103.893	110.564	48.297	262.754
Assets sold	-	-3.452	-	-3.452
Currency translation effects	2.136	1.499	5.052	8.687
Acquisition cost 31.9.2021	**172.824**	**152.881**	**225.060**	**550.765**
Accumulated depreciation and impairment 31.12.2020	1.888	4.818	51.389	58.095
Depreciation for the period	1.683	-	13.571	15.253
Assets sold	-	-1.923	-	-1.923
Currency translation effects	58	139	1.510	1.707
Accumulated depreciation and impairment 30.9.2021	**3.628**	**3.034**	**66.470**	**73.132**
Carrying amount 31.12.2020	**64.907**	**39.452**	**120.322**	**224.681**
Carrying amount 30.9.2021	**169.195**	**149.848**	**158.590**	**477.633**
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	-	-8.103	-704	-8.807
Additions	-	-	-	-
Currency translation effects	-	-	1	1
Balance at 31 September	**-**	**52.530**	**1.612**	**54.142**

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	10.963
One to two years	11.008
Two to three years	10.331
Three to four years	7.882
Four to five year	5.138
More than five years	6.746
Total undiscounted lease liabilities at 30.9.2021	**52.068**

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	-8.013
Cash payments for the interest portion of the lease liability	-1.232
Interest expense on lease liabilities	1.232
Currency translation effects	2
Total lease liabilities at 30.9.2021	**52.068**
Current lease liabilities in the statement of financial position	10.963
Non-current lease liabilities in the statement of financial position	41.105
Total cash flow effect for YTD 2021	-9.245

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

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.

	30.9.2021	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	**30.9.2021**	**31.12.2020**	**30.9.2021**	**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 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.

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

Overview of the 20 largest shareholders:	**30.9.2021**		**31.12.2020**	
Shareholder:	**Number:**	**Ownership:**	**Number:**	**Ownership:**
MÅSØVAL EIENDOM AS	30.020.121	55,59%	0	0,00%
Eggjahvita ehf	7.122.384	13,19%	7.122.384	13,19%
Hregg ehf.	3.028.220	5,61%	3.026.745	5,61%
State Street Bank and Trust Comp	2.021.615	3,74%	1.600.000	2,96%
Grjót ehf.	1.323.204	2,45%	1.323.204	2,45%
VERDIPAPIRFONDET NORGE SELEKTIV	1.317.698	2,44%	1.340.607	2,48%
Áning Ásbru ehf	892.593	1,65%	892.593	1,65%
MAXIMUM HOLDING AS	723.058	1,34%	966.612	1,79%
VERDIPAPIRFONDET DNB SMB	595.267	1,10%	626.914	1,16%
Gleði ehf	537.776	1,00%	537.776	1,00%
VERDIPAPIRFONDET PARETO INVESTMENT	525.000	0,97%	473.876	0,88%
CLEARSTREAM BANKING S.A.	367.299	0,68%	252.056	0,47%
PORTIA AS	330.000	0,61%	330.000	0,61%
Nordea Bank Abp	300.000	0,56%	300.000	0,56%
CRESSIDA AS	270.000	0,50%	270.000	0,50%
CENTRA CAPITAL AS	265.000	0,49%	265.000	0,49%
J.P. Morgan Bank Luxembourg S.A.	274.647	0,51%	735.396	1,36%
FRETHEIM BRUK AS	232.616	0,43%	232.616	0,43%
MP PENSJON PK	229.170	0,42%	229.170	0,42%
VERDIPAPIRFONDET DNB NORGE PENSJON	211.733	0,39%	303.725	0,56%
Total of the 20 largest shareholders	**50.587.401**	**93,68%**	**20.828.674**	**38,57%**
Other shareholders	3.412.599	6,32%	33.171.326	61,43%
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 in the 2020 year end report 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 Q3 2021 and 30.9.2021	**Shareholders**	**Associate**	**Total**
Current loans and borrowings to related parties		52.175	52.175
Current trade and other payables to related parties		-	-
Current loans and borrowings from related parties	26.968		26.968
Sales to related parties			-
Purchases from related parties (incl. Management fees)		59.714	59.714
Interest paid to related parties	731		731
Interest received from related parties		1.162	1.162

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

*Description of the significant related party balances above *

NOTE 7: INTEREST-BEARING LIABILITIES

Non-current interest bearing loans and borrowings	30.9.2021	31.12.2020
Loan from Arion Bank hf. (principal)	357.959	201.729
Subordinated loan from related parties (principal)		-
Leasing liability	41.105	49.357
Total non-current interest bearing loans and borrowings	**399.064**	**251.086**

Current interest bearing loans and borrowings	30.9.2021	31.12.2020
Loan from Arion Bank hf., due within 12 months	27.654	41.397
Subordinated loan from related parties, due within 12 months	26.968	25.578
Overdraft facility		964
Leasing liability, due within 12 months	10.963	10.722
Current interest bearing loans and borrowings	**65.585**	**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 it's loans and borrowings, presented in the table below:

Assets pledged as security for interest bearing loans and borrowings	30.9.2021	31.12.2020
Secured balance sheet liabilities:		
Non-current interest bearing liabilities	399.064	251.086
Current interest bearing liabilities	65.585	78.661
Total	**464.649**	**329.747**
Carrying amount of assets pledged as security for secured liabilities:		
Inventories	12.277	11.748
Biological assets	331.824	290.656
Cash and cash equivalents	46.367	150.118
Investments in associated companies	19.789	21.645
Right-of-use assets	54.142	62.948
Property, plant and equipment	477.633	224.681
Total	**942.057**	**761.797**

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.

15 SUBSEQUENT EVENTS

IIf 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.

There have been no significant events subsequent to the reporting date.

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.

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	Q1 2021	Q2 2021	Q3 2021	YTD 2021
Operational result before fair value adjustment	6.641	14.764	725	22.130
Operational EBIT	**6.641**	**14.764**	**725**	**22.130**

Operational EBIT per kg

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

NOK	Q1 2021	Q2 2021	Q3 2021	YTD 2021
Operational result before fair value adjustment	6.641	14.764	725	22.130
Total harvested volumes	1.496	1.090	1.042	3.628
Operational EBIT per kg	**4,4**	**13,5**	**0,7**	**6,1**

Operational EBIT per kg (Salmon)

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

NOK	Q1 2021	Q2 2021	Q3 2021	YTD 2021
Operational result before fair value	7.219	14.336	1.690	23.245
Total harvested volumes salmon	1.496	1.090	1.042	3.628
Operational EBIT per kg	**4,8**	**13,2**	**1,6**	**6,4**

Operational EBIT per kg (Arctic Charr)

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

NOK	Q1 2021	Q2 2021	Q3 2021	YTD 2021
Operational result before fair value	-579	429	-965	-1.115
Total harvested arctic charr	0	0	0	0
Operational EBIT per kg	**na.**	**na.**	**na.**	**na.**

REARED IN PRISTINE ISLANDIC NATURE

ICE FISH FARM