

2023

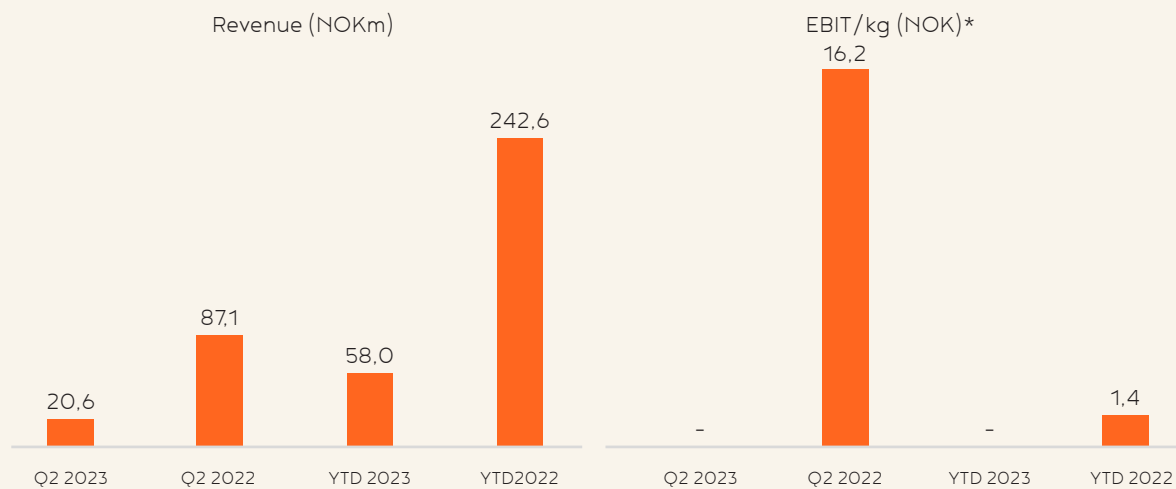


INTERIM  
**REPORT Q2**

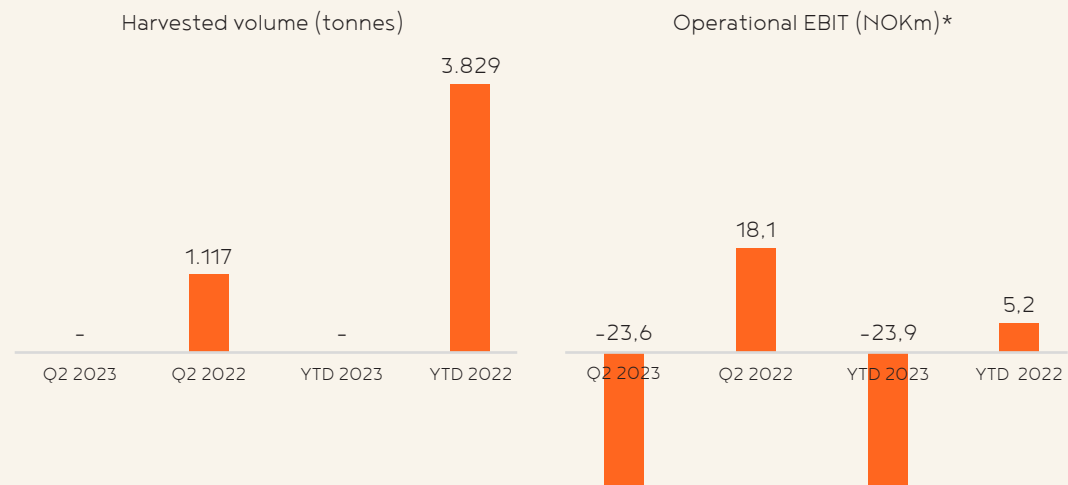
  
**ICE FISH FARM**

## HIGHLIGHTS Q2 2023

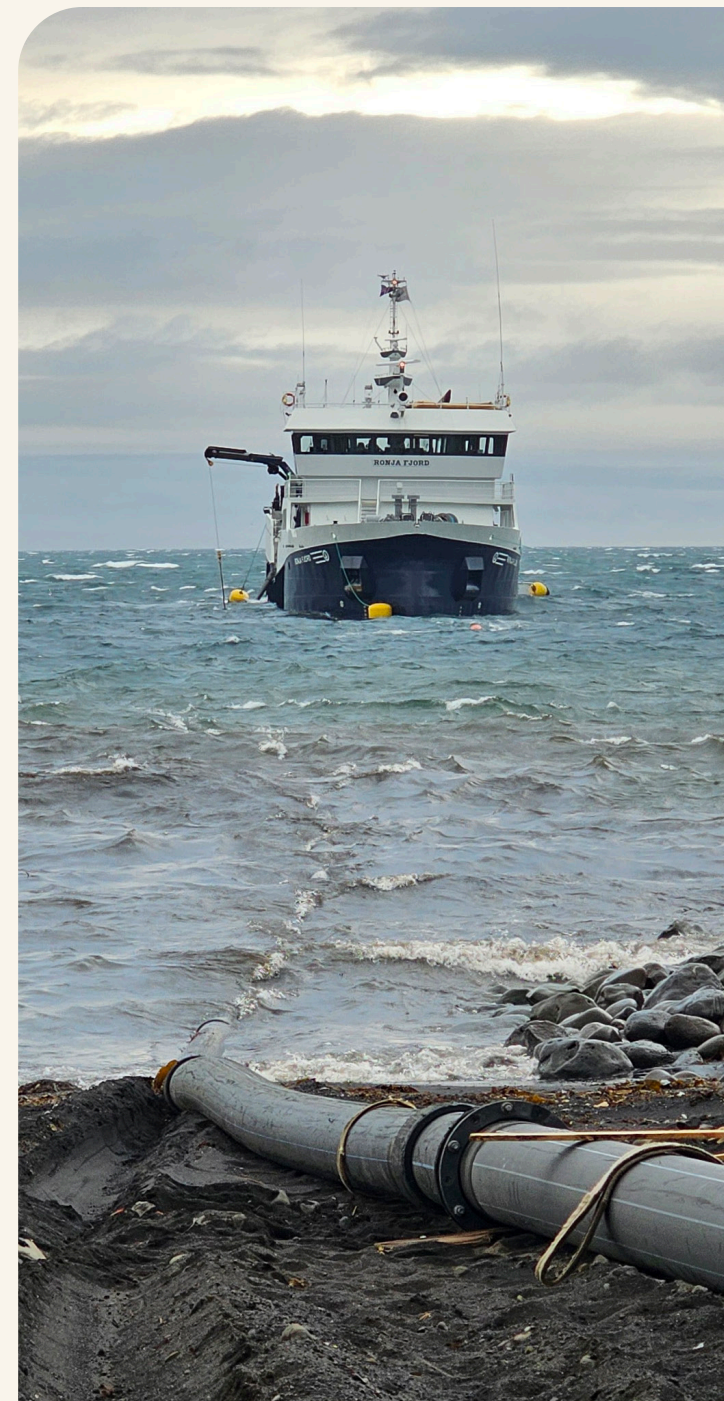
### KEY FIGURES



## INTERIM REPORT Q2 | 2023



\*2022 Q2 and YTD numbers are adjusted for biomass witedown.



## ICE FISH FARM Q2 HIGHLIGHTS

- Harvest will start in Q3 as planned.
- Gen. 2022; 5.4 million fish at Sea and biggest fish is 4,0 kg end of June 2023.
- Gen 2023; Planned release 5,4 million smolt, survival rate better than ever so far
- Operational EBIT of NOKm -23.6 as expected.
- Subsequent offering successfully sold out.

## ICE FISH FARM

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

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

## FINANCIAL PERFORMANCE

Figures in brackets = Q2 2022, unless otherwise specified.

## REVENUES AND RESULTS

### FOR THE QUARTER ENDING 30.6.2023

The Group is still in the process of building biomass and will be during 2023. As planned, there was no harvest in Q2 2023 (1 117 tonnes) due to prioritize biomass built up. This is the last quarter with no harvest. Harvest will resume in Q3 2023.

The Group's revenues in Q2 amounted to NOKm 20.6 (NOKm 87.1). No harvest in the quarter results in no operating income from sale of salmon. Revenues in the quarter are mainly related external sale of service in our harvest station.

Operating EBIT before fair value adjustment of biomass was NOKm -23.6 (NOKm 18.1). No harvesting of salmon at Búlandstindur, harvesting station, in the quarter is the main cause for negative Operating EBIT.

## BALANCE SHEET

### ASSETS

Total assets amounted to NOKm 4 797 at the end of Q2 2023 (NOKm 3 759) compared to 4 647 at the end of Q1 2023. The main reason for the increase is due to build up of biological assets in the quarter.

Biological assets amounted to NOKm 809 of which NOKm 60.8 are FV adjustment in Q2 2023. Compared to NOKm 542 of which NOKm 28.8 are FV adjustment in Q1 2023.

Book value of PP&E increased by NOKm 64.9 between Q1 and Q2 2023. Main reason for the increase is favourable currency fluctuation in the quarter as well as investment of NOKm 44.6.

Increased book value of Licenses of NOKm 68.0 and other goodwill of NOKm 7.3 is due to favourable currency fluctuations.

## OPERATIONAL INFORMATION

### EQUITY AND LIABILITIES

The balance sheet of Ice Fish Farm AS is strong with an equity ratio of 70.4% at end of Q2 2023. The subsequent offering increased the equity by approximately NOKm 50 in the quarter.

Total liabilities amounted to NOKm 1 422 (NOKm 1 579) in Q2 2023 compared to NOKm 1 374 in Q1 2023. Trade and other payables decreased by NOKm 22.9 in Q2 2023.

Net interest-bearing debt including lease liability amounted to NOKm 911 in Q2 2023 (NOKm 1 111) compared to NOKm 1 007 in Q1 2023. Lease liability amounted to NOKm 67 in Q2 2023 compared to 73 in Q1 2023.

The initial drawdown on the new loan facility was executed in Q2. The initial drawdown was used to settle existing term loans as well as to finance the biomass built up.

### INVESTMENTS

Figures in brackets = Q2 2022, unless otherwise specified.

Investments during the Q2 amounted to NOKm 44.6. Major part of investments in the quarter were towards improvements in our smolt facilities and sea farming equipment. Investments during the first half of 2023 amounted to roughly NOKm 84.

Capex investments are focused towards improving our land facilities. We aim for new vaccination house and updated vaccination machines in our land facilities in south. As well as new startfeeding house and increased capacity in our post-smolt facilities. Furthermore, we aim towards increased capacity in our smolt facilities in north, both in freshwater and post-smolt.

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

### SMOLT PRODUCTION

The plan for our smolt production in 2023 is to continue improving our smolt's robustness. Quality control implementation has been activated, and a third party has evaluated all sites. The focus is improving the fish's conditions on land and utilizing our production capacity. This will strengthen our production on land and at sea. Robust smolt performs better in the sea, and we see a clear difference in FCR and Growth.

Smolt release for 2023 is estimated to be around 5.4M at an average size of 300 gr. Transfer from smolt stations has improved from last year. This is a result of improved quality of the smolt and careful adjustments on how we handle the fish from the tank to the well boat.

Vaccination for ISA has continued. We will also receive an updated and improved vaccine for winter wounds. This vaccine is custom-made for Icelandic conditions. The new vaccine is expected to be accessible for vaccinating our salmon from Q3 2023.

### FARMING IN SEA

High skilled team at sea with top-of-the-line equipment to produce premium sustainable certified salmon from Iceland. The second half of the year is typically our biggest growth period due to higher temperatures in the sea, and with now most of our sites full of salmon ready to grow we can expect good growth and increased production.

We experienced a slightly higher mortality than anticipated in sea operations this quarter, mainly due to winter ulcers and Parvicapsulosis. Improved quality of smolt, optimized handling operations in connection to sea transfer, and a new vaccine towards *Moritella viscosa* is expected to reduce such mortality in the future. The average sea temperature was normal in the quarter but started colder than a normal year.

At one instance in August, we experienced reduced appetite and increased mortality because of cleaning nets with jellyfish on them, resulting in jellyfish particles entering the cages and being exposed to the fish. This was in connection to very low current and less water exchange than usual,

and improved routines to avoid this in the future are being tested and implemented.

At the end of the quarter, we had about 6.8 million fish in the sea of generation 2022 and generation 2023 and total biomass of 8 200 tonnes.

Generation 2022 is spread over 2 fjords into 2 production zones and 4 sites. Generation 2023 is in 2 fjords and will be in 3 sites. All the cages have been updated with stronger nets and an improved setup. All sites are fed from a centralized feeding center.

The Autumn 2022 generation in Reyðarfjörður has had good success, with good feeding and low mortality.

Ice Fish Farm aims to produce 17 000 tonnes of living weight in 2023 and harvest 6 000 tonnes HOG in 2023 and 20 000 tonnes in 2024. This means 1 000 tonnes less production in 2023 than our previous estimate. The aim is to harvest around 300 tonnes in Q3 2023.

#### HARVESTING AND WELL BOAT

Our harvesting station is being updated during the harvesting break period. The update increases the harvesting capacity, improve the biological security and extend the shelf lifetime. An automatic ice transfer system and automatic box handling have been installed. Blood treatment capacity has been improved, and further security measures have been taken. During harvesting break, we managed to negotiate with well boat supplier to use it in other markets and it is planned to come back in service to ICE FISH FARM AS in September.

#### SALES AND CERTIFICATIONS

Ice Fish Farm has secured fixed sales contracts for 30% of the expected harvest volume for the next three quarters. The target is to reach 50% of harvest volume over this period. Certifications are in place out 2024 for our main customer in USA and sales to USA will resume in Q3 2023. Logistics are favorable to USA and we see an increasing number of planes with tourists which improves freight cost on flights. ASC certification is in process and is expected to be reached in the second half of 2024. Our salmon is known for high quality, high amount of omega 3, firmness, taste and strong color due to our clean and cold fjords.

#### LICENSE

The license for 10 000 (6 500 fertile) tonnes in Seyðisfjörður is being processed by authorities; the license will likely be issued Q4 2023 – Q1 2024.

### SHARES

The company's registered share capital is NOK 12.226.124,90, divided into 122.261.249 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 SUBSEQUENT Q2 2023

No significant events have occurred after the balance sheet date.

### OUTLOOK

The planned harvest volume for 2023 is about 6 000 tonnes, and harvesting will resume in Q3 2023. This is possible due to large-sized post-smolt output. The fish is therefore ready for harvest within 15 months of arriving in the sea.

New contracts for the second half of 2023 are being negotiated. Ice Fish Farm has currently secured 30% of the expected harvest volume with the aim to reach 50%, keeping our price premium for certified premium quality sustainable salmon and using the spot market when it is favourable.

Smolt output for 2023 is expected to be 5.4 million at an average weight of 300 gr and about 7 million for 2024.









**FINANCIAL STATEMENT**

**ICE FISH FARM AS - Group**

(NOK 1000)	<b>Q2 2023</b> <b>(01.04-30.06)</b>	<b>Q2 2022</b> <b>(01.04-30.06)</b>	<b>YTD 2023</b>	<b>YTD 2022</b>	<b>FY2022</b>
Operating income salmon	0	77.582	0	233.087	614.979
Other operating income	20.606	9.534	58.016	9.546	54.559
<b>Total revenue</b>	<b>20.606</b>	<b>87.115</b>	<b>58.016</b>	<b>242.633</b>	<b>669.538</b>
Cost of materials	-95.856	88.066	-176.893	223.867	391.926
Employee benefit expenses	48.795	22.920	91.821	34.562	104.136
Other operating expenses	59.786	43.104	103.786	52.084	169.004
Depreciation, amortisation and impairment	31.459	18.838	63.229	30.825	91.507
<b>Operating EBIT before fair value adjustment of biomass</b>	<b>-23.578</b>	<b>-85.813</b>	<b>-23.926</b>	<b>-98.705</b>	<b>-87.035</b>
Net fair value adjustment biomass	32.041	-56.039	18.183	-66.547	-23.891
<b>EBIT</b>	<b>8.464</b>	<b>-141.852</b>	<b>-5.743</b>	<b>-165.251</b>	<b>-110.926</b>
Finance income	96	592	100	1.207	447
Finance costs	-33.440	-8.224	-49.202	-15.224	-61.019
Foreign exchange rate gain/ (-)loss	819	11.423	24.055	12.658	2.400
profit from sale of Isthor	0	0	0	0	84.292
Share of profit or loss of an associate	0	-6.289	0	2.442	-693
<b>Profit or loss before tax</b>	<b>-24.061</b>	<b>-144.349</b>	<b>-30.790</b>	<b>-164.168</b>	<b>-85.498</b>
Income tax	4.812	20.441	6.158	26.884	27.716
<b>Profit or loss for the period</b>	<b>-19.249</b>	<b>-123.908</b>	<b>-24.632</b>	<b>-137.284</b>	<b>-57.782</b>
Items that subsequently may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations	94.280	142.239	286.722	134.177	157.461
<b>Total items that may be reclassified to profit or loss</b>	<b>94.280</b>	<b>142.239</b>	<b>286.722</b>	<b>134.177</b>	<b>157.461</b>
<b>Other comprehensive income for the period</b>	<b>94.280</b>	<b>142.239</b>	<b>286.722</b>	<b>134.177</b>	<b>157.461</b>
<b>Total comprehensive income for the period</b>	<b>75.031</b>	<b>18.331</b>	<b>262.090</b>	<b>-3.107</b>	<b>99.679</b>
<b>Profit or loss for the period attributable to:</b>					
Equity holders of the parent	-16.940	-124.655	-18.145	-137.995	-59.518
Non-controlling interests	-2.309	747	-6.487	711	1.736
<b>Total</b>	<b>-19.249</b>	<b>-123.908</b>	<b>-24.632</b>	<b>-137.284</b>	<b>-57.782</b>
<b>Total comprehensive income for the period attributable to:</b>					
Equity holders of the parent	77.340	17.584	268.577	-3.818	99.675
Non-controlling interests	-2.309	747	-6.487	711	4
<b>Total</b>	<b>75.031</b>	<b>18.331</b>	<b>262.090</b>	<b>-3.107</b>	<b>99.679</b>
<b>Earnings per share ("EPS"):</b>					
- Basic and diluted	-0,14	-2,31	-0,17	-2,56	-0,78
Average number of shares	121.154.810	54.000.000	106.577.884	54.000.000	75.889.831



**FINANCIAL STATEMENT**  
**CONSOLIDATED STATEMENT OF**  
**FINANCIAL POSITION**

**ICE FISH FARM AS - Group**

(NOK 1000)	<b>30.6.2023</b>	<b>31.3.2023</b>	<b>31.12.2022</b>	<b>30.6.2022</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Licenses	1.993.425	1.925.439	1.790.710	1.597.566
Other intangible assets	275.222	267.955	212.329	213.093
Property, plant and equipment	1.376.051	1.311.163	1.220.409	1.242.860
Investments in associated companies	-0	0	0	14.995
Loans to associates	-	0	0	61.626
<b>Total non-current assets</b>	<b>3.644.698</b>	<b>3.504.556</b>	<b>3.223.448</b>	<b>3.130.139</b>
<b>Current assets</b>				
Biological assets	809.535	542.055	342.889	438.902
Inventories	63.252	28.121	39.168	18.154
Trade and other receivables related parties	-0	0	0	0
Trade and other receivables	91.025	40.299	51.473	120.066
Issued share capital receivables	-	502.600	0	0
Cash and cash equivalents	188.728	29.803	25.714	51.851
<b>Total current assets</b>	<b>1.152.541</b>	<b>1.142.878</b>	<b>459.244</b>	<b>628.974</b>
<b>TOTAL ASSETS</b>	<b>4.797.239</b>	<b>4.647.434</b>	<b>3.682.692</b>	<b>3.759.113</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	12.226	12.046	9.153	9.153
Other equity	3.357.129	3.246.143	2.260.749	2.159.696
<b>Equity attributable to the parent</b>	<b>3.369.355</b>	<b>3.258.189</b>	<b>2.269.902</b>	<b>2.168.849</b>
Non-controlling interests	5.990	15.653	11.461	11.673
<b>Total equity</b>	<b>3.375.345</b>	<b>3.273.842</b>	<b>2.281.362</b>	<b>2.180.522</b>
<b>Non-current liabilities</b>				
Non-current interest bearing liabilities	1.077.131	706.876	635.785	400.312
Subordinated loan from related parties	-0	0	0	0
Deferred tax liabilities	83.567	75.266	75.980	64.590
Non-current provisions		0	0	0
<b>Total non-current liabilities</b>	<b>1.160.698</b>	<b>782.143</b>	<b>711.765</b>	<b>464.903</b>
<b>Current liabilities</b>				
Current interest bearing liabilities	23.002	330.324	331.695	587.474
Subordinated loan from related parties	-	0	192.594	175.040
Trade and other payables	238.194	261.126	165.276	351.175
<b>Total current liabilities</b>	<b>261.196</b>	<b>591.449</b>	<b>689.565</b>	<b>1.113.688</b>
<b>Total liabilities</b>	<b>1.421.894</b>	<b>1.373.592</b>	<b>1.401.330</b>	<b>1.578.591</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4.797.239</b>	<b>4.647.434</b>	<b>3.682.692</b>	<b>3.759.113</b>

**FINANCIAL STATEMENT**  
**CONSOLIDATED STATEMENT OF**  
**CASH FLOWS**

**ICE FISH FARM AS - Group**

(NOK 1000)	Note	Q2 2023 (01.04-30.06)	Q2 2022 (01.04-30.06)	YTD 2023 June	YTD 2022 June
<b>Cash flows from operating activities</b>					
Profit or loss before tax		-24.060	-144.349	-30.790	-164.168
Net fair value adjustment on biological assets		-32.041	56.039	-18.183	66.547
Depreciation and impairment of property, plant and equipment and right-of-use assets		31.459	18.839	63.229	30.825
Share of profit or loss of an associate		-	6.438	-	-2.293
Changes in inventories, trade and other receivables and trade and other payables		-309.178	55.072	-384.047	102.008
Finance income		-96	-593	-100	-1.207
Finance costs		33.440	8.224	49.202	15.224
Change in other accrual items		-	-3.839	-	-
<b>Net cash flows from operating activities</b>		<b>-300.476</b>	<b>-4.169</b>	<b>-320.689</b>	<b>46.936</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		-44.574	-61.160	-84.324	-79.141
Purchase of intangible assets		-	-1.370	-	-3.055
Loans to associates		-	708	-	-8.428
Purchase of shares in associates, net of cash acquired		-	-1.400	-	-2.757
Interest received		96	593	100	1.207
<b>Net cash flow from investing activities</b>		<b>-44.478</b>	<b>-62.629</b>	<b>-84.224</b>	<b>-92.174</b>
<b>Cash flow from financing activities</b>					
Proceeds from borrowings		1.140.893	17.209	1.140.893	58.356
Repayment of borrowings		-1.146.553	-71.744	-1.155.408	-124.529
Change in related parties liabilities and subordinated loans		-0	148.939	106.036	148.103
Payments for the principal portion of the lease liability		6.358	-3.750	-11.673	-6.481
Interest paid		-33.440	36.417	-49.202	29.417
Overdraft facility		-	-15.224	-	-15.224
New shares issued		549.680	-	549.680	-
Transaction costs on issue of shares		-13.251	-	-13.251	-
<b>Net cash flow from financing activities</b>		<b>503.687</b>	<b>111.846</b>	<b>567.076</b>	<b>89.642</b>
<b>Net change in cash and cash equivalents</b>		<b>158.733</b>	<b>45.048</b>	<b>162.163</b>	<b>44.404</b>
Effect of change in exchange rate on cash and cash equivalents		192	-38	851	-24
Cash and cash equivalents, beginning of period		29.803	6.842	25.714	7.472
<b>Cash and cash equivalents, end of period</b>		<b>188.728</b>	<b>51.852</b>	<b>188.728</b>	<b>51.852</b>
Non-cash investing and financing activities:					
New shares issued		-	1.050.712	298.630	1.050.712
Shareholder loans		-	-1.050.712	-298.630	-1.050.712

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

**FINANCIAL STATEMENT**  
**CONSOLIDATED STATEMENT OF**  
**CHANGES IN EQUITY**

**ICE FISH FARM AS - Group**

(NOK 1000)	Note	Attributable to the equity holders of the parent				Total	Non-controlling interests	Total Equity
		Share capital	Share premium	Foreign currency translation reserve	Other equity			
<b>At 31 December 2021</b>		<b>5.400</b>	<b>1.790.634</b>	<b>-7.317</b>	<b>-667.473</b>	<b>1.121.244</b>	<b>98</b>	<b>1.121.342</b>
Comprehensive income:						-		-
Profit or loss for the period					-59.518	-59.518	1.737	-57.781
Conversion difference				157.461		157.461		157.461
Issued share capital		3.753	1.046.959			1.050.712	9.627	1.060.339
<b>At 31 December 2022</b>		<b>9.153</b>	<b>2.837.593</b>	<b>150.144</b>	<b>-726.991</b>	<b>2.269.899</b>	<b>11.462</b>	<b>2.281.362</b>
Comprehensive income:						-		-
Profit or loss for the period					-5.384	-5.384		-5.384
Conversion difference				192.442		192.442	4.191	196.633
Issued share capital		2.893	798.338			801.231		801.231
<b>At 31 March 2023</b>		<b>12.046</b>	<b>3.635.931</b>	<b>342.586</b>	<b>-732.375</b>	<b>3.258.189</b>	<b>15.653</b>	<b>3.273.843</b>
Comprehensive income:						-		-
Profit or loss for the period					-16.940	-16.940	-2.309	-19.249
Conversion difference				94.280		94.280		94.280
Issued share capital		181	46.898			47.079		47.079
Transaction costs		-	-13.251			-13.251		-13.251
Non-controlling interest correction from Q1						-	-7.354	-7.354
<b>At 30 June 2023</b>		<b>12.227</b>	<b>3.669.578</b>	<b>436.866</b>	<b>-749.315</b>	<b>3.369.357</b>	<b>5.990</b>	<b>3.375.345</b>







# NOTES TO THE FINANCIAL STATEMENTS

## NOTE 1: GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

### CORPORATE INFORMATION

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

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

The consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Board of Directors on 23 May 2023.

ICE Fish Farm AS is a Company incorporated in Norway with headquarters in Iceland. The address of its registered office is Nordfroyveien 413, 7260 Sistranda, Norway. ICE Fish Farm's headquarter is located at Nesbala 122, 170 Seltjarnarnes, Iceland.

Please refer to Annual Report 2022 for further information on accounting principles.

## NOTE 2: BIOLOGICAL ASSETS

### BIOLOGICAL ASSETS

The Group recognises a biological asset when:

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

A biological asset is measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, in accordance with IAS 41 Agriculture and Fair Value IFRS 13. Fair value of biological assets is calculated based on a present value model. The inputs to measure fair value is categorised as level 3 in the valuation hierarchy in IFRS 13 as the most important assumptions in the calculations are not observable in a market. The difference between the fair value of fish and the cost price is included in the fair value adjustment in the consolidated statement of comprehensive income.

Transactions for the sale of live fish rarely incur, therefore the sales price is based on forward prices quoted by Fish Pool. The model uses the forward price for the month the fish is expected to be harvested and the prices are adjusted for estimated harvesting costs, packing and shipping costs to the market, as well as quality differences to arrive at the fair value less cost to sell.

The expected biomass (volume) is based on an estimated number of fish in the sea, adjusted for expected mortality up to the time of harvest and multiplied by the expected harvest weight.

### SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group's biological assets comprise live fish in the sea (salmon and trout), eggs, juveniles and smolt.

The valuation process of determining the fair value less cost to sell includes a number of different assumptions, many of which are not observable. The assumptions are grouped into four different categories:

- Price
- Cost
- Volume
- Discounting

## PRICE

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

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

## COST

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

## VOLUME

Expected harvest volume is calculated on the basis of the estimated number of fish (individuals) at the reporting date, minus expected future mortality, multiplied by the expected harvest weight (4,8 kg live weight). There is uncertainty related to the number of fish in the sea at the balance sheet date, remaining mortality and expected harvest weight. The actual harvest volume may therefore deviate from the expected harvest volume either as a result of a change in biological development, or if special events, such as mass mortality, occur. The estimate of the number of fish at the reporting date is based on the number of smolts released in the sea. The number of smolts is adjusted for expected uncertainty of counting and the actually registered mortality in connection with release. The normal expected harvest weight is considered to be the live weight that gives 4 kg gutted weight, unless there are specific conditions present at the end a reporting period that indicate that the fish must be harvested before it reaches this weight. In these cases, the expected harvest weight is adjusted. The expected mortality in the period from the balance sheet date to the time when the fish is ready for harvest is estimated to be 0,5% per month of incoming fish.

## DISCOUNTING

Every time a fish is harvested and sold, a positive cash flow arises. As a simplification, all the remaining expenses are allocated to the same period as the income, so that there is only one cash flow per locality. The cash flow is attributed to the expected month of harvest. The sum of cash flows from all the localities where the Group has fish in the sea are distributed over the entire fish farming period. With the current size of the smolt being released, and the frequency of the smolt releases, this may take up to 24 months. The expected future cash flow is discounted monthly. The discount rate used has a large impact on the estimate of fair value. The monthly discount rate as at the end of the reporting period is estimated at 1% per month. The discount rate contains the following three main elements: (1) risk adjustment, (2) license rent and (3) time value.

### 1. Risk adjustment

The risk adjustment must reflect the price reduction that a hypothetical buyer would require as compensation for the risk assumed by investing in live fish rather than an alternative placement. As the time to harvest increases, the probability that an event incurs that impacts the cash flow increases. There are three main factors that may incur, and impact the cash flow; a volume change, change in costs, and a change in price.

### 2. License rent

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

### 3. Time value

Finally, the discount rate must reflect the time value of money for the committed capital allocated to the biomass. One must assume that a hypothetical buyer would require compensation for the opportunity cost of investing in live fish. The production cycle for salmon farming is currently up to 24 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.

<b>Carrying amounts of biological assets</b>			
<b>Biological assets</b>	<b>30.6.2023</b>	<b>31.3.2023</b>	<b>30.6.2022</b>
Fish at cost	595.087	360.549	308.147
Fair value adjustment on fish	60.839	28.798	-
<b>Fair value of fish in the sea</b>	<b>655.926</b>	<b>389.347</b>	<b>308.147</b>
Smolt	153.609	152.708	130.755
<b>Carrying amount of biological assets</b>	<b>809.535</b>	<b>542.055</b>	<b>438.902</b>
Total biological assets at cost	748.696	513.257	438.902
Total fair value adjustment on biological assets	60.839	28.798	-
<b>Fair value of biological assets</b>	<b>809.535</b>	<b>542.055</b>	<b>438.902</b>
Onerous contracts		-	-
<b>Carrying amount of onerous contracts</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fish Pool contracts		-	-
<b>Carrying amount of fish pool contracts</b>	<b>-</b>	<b>-</b>	<b>-</b>



## 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 2022 or as of 30.6.2023.

	Property and land	Ships	Cages, machinery and equipment	Total
<b>Acquisition cost 31.12.2022</b>	503.009	288.381	509.088	1.300.478
Additions	50.469	7.876	25.979	84.324
Assets sold	-	-	-	-
Currency translation effects	59.078	33.714	59.767	152.559
<b>Acquisition cost 30.06.2023</b>	<b>612.556</b>	<b>329.971</b>	<b>594.834</b>	<b>1.537.361</b>
<b>Accumulated depreciation and impairment 31.12.2022</b>	15.365	17.396	126.508	159.269
Depreciation for the period	8.565	11.156	31.413	51.134
Assets sold	-	-	-	-
Currency translation effects	1.739	1.969	14.321	18.030
<b>Accumulated depreciation and impairment 30.06.2023</b>	<b>25.670</b>	<b>30.521</b>	<b>172.242</b>	<b>228.433</b>
<b>Carrying amount 31.12.2022</b>	<b>487.644</b>	<b>270.985</b>	<b>382.580</b>	<b>1.141.209</b>
<b>Carrying amount 30.06.2023</b>	<b>586.886</b>	<b>299.450</b>	<b>422.592</b>	<b>1.308.928</b>
Economic useful lives	33 years	13 years	5-10 years	
Depreciation method			Straight-line method	

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

### ACCOUNTING POLICIES

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

### GROUP AS A LESSEE

At the commencement date, the Group recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets (with an yearly cost of less than 50.000 NOK)

For these leases, the Group recognises the lease payments as operating expenses in the consolidated statement of comprehensive income.

#### Measuring the lease liability

The lease liability is initially measured at the present value of the lease

payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option to extend the lease when the Group is reasonably certain to exercise this option, and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The lease payments included in the measurement comprise:

- Fixed lease payments, less any lease incentives received
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group presents its right-of-use assets in the consolidated statement of financial position as part of Property, plant and equipment.

### Measuring the right-of-use asset

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

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses, applying the same policies for impairment as for property, plant and equipment (Note 3). 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	Ships	Cages, machinery and equipment	Total
<b>Balance at 01 January</b>	78.759	442	79.201
Additions	-	-	-
Depreciations	-11.676	-419	-12.095
Currency translation effects	17		17
<b>Balance at 30 June</b>	<b>67.100</b>	<b>23</b>	<b>67.123</b>
Remaining lease term or remaining useful life	3-6 years	1-4 year	
Depreciation plan	Straight-line		

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

## LEASE COMMITMENTS NOT INCLUDED IN THE LEASE LIABILITIES

### Extension and termination options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the Group's business needs. Management applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, they considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

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

### Purchase options

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

## The Group's lease liabilities

<b>Discounted lease liabilities and maturity of cash outflows</b>	<b>30.6.2023</b>	<b>31.12.2022</b>	<b>30.6.2022</b>
Less than one year	23.002	23.093	23.231
One to two years	21.786	22.616	23.000
Two to three years	14.051	19.913	21.786
Three to four years	4.336	7.076	14.051
Four to five year	3.557	4.299	4.336
More than five years	-	1.391	3.557
<b>Total undiscounted lease liabilities at 31.3.2022</b>	<b>66.732</b>	<b>78.388</b>	<b>89.961</b>
<b>Changes in the lease liabilities</b>	<b>30.6.2023</b>	<b>31.12.2022</b>	<b>30.6.2022</b>
<b>Total lease liabilities at beginning of year</b>	<b>78.388</b>	<b>49.359</b>	<b>49.359</b>
New leases recognised during the period	0	-	-
New leases recognised through acquisition	0	47.053	47.053
Cash payments for the principal portion of the lease liability	-11.673	-18.031	-6.481
Cash payments for the interest portion of the lease liability	-1.073	-521	-566
Interest expense on lease liabilities	1.073	521	566
Currency translation effects	16	8	30
<b>Total lease liabilities at en of period</b>	<b>66.732</b>	<b>78.388</b>	<b>89.961</b>
	<b>30.6.2023</b>	<b>31.12.2022</b>	<b>30.6.2022</b>
<b>Current lease liabilities in the statement of financial position</b>	<b>23.002</b>	<b>23.093</b>	<b>23.231</b>
Non-current lease liabilities in the statement of financial position	43.729	55.296	66.730
Total cash flow effect for YTD	-12.746	-18.552	-7.047



	30.6.2023	31.12.2022
Ordinary shares, par value 0,10 NOK per share	12.226.125	9.152.542
<b>Total ordinary shares issued and fully paid</b>	<b>12.226.125</b>	<b>9.152.542</b>

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

Changes in share capital	Number of shares		Share capital	
	30.6.2023	31.12.2022	30.6.2023	31.12.2022
Beginning of period	91.525.424	54.000.000	9.152.542	5.400.000
New issuance of share capital	30.735.825	37.525.424	3.073.583	3.752.542
<b>End of period</b>	<b>122.261.249</b>	<b>91.525.424</b>	<b>12.226.125</b>	<b>9.152.542</b>

## 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.

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

Overview of the 20 largest shareholders:	30.6.2023	
	Number:	Ownership:
AUSTUR HOLDING AS	67.595.359	55,29%
J.P. Morgan SE	25.505.810	20,86%
Banque De Luxembourg S.A.	7.486.076	6,12%
SIX SIS AG	3.073.003	2,51%
Laxar eignarhaldsfélag ehf.	2.327.221	1,90%
State Street Bank and Trust Comp	1.846.614	1,51%
CLEARSTREAM BANKING S.A.	1.566.161	1,28%
VPF DNB NORGE SELEKTIV	1.247.043	1,02%
Landsbankinn hf.	850.294	0,70%
ABK HOLDING AS	598.705	0,49%
FJØYRO HOLDING AS	593.757	0,49%
MAXIMUM HOLDING AS	561.312	0,46%
VERDIPAPIRFONDET PARETO INVESTMENT	560.000	0,46%
GIMLI HOLDING AS	555.012	0,45%
VERDIPAPIRFONDET DNB SMB	547.083	0,45%
Íslandsbanki hf.	523.351	0,43%
FRØY KAPITAL AS	480.000	0,39%
PORTIA AS	475.000	0,39%
MP PENSJON PK	429.170	0,35%
HALK INVEST AS	412.451	0,34%
<b>Total of the 20 largest shareholders</b>	<b>117.233.422</b>	<b>95,89%</b>
Other shareholders	5.027.827	4,11%
<b>Total</b>	<b>122.261.249</b>	<b>100%</b>

## NOTE 6: RELATED PARTY TRANSACTIONS

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

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

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

<b>Related party transactions and balances Q1 2023 and 31.03.2023</b>	<b>Related party</b>	<b>Shareholders</b>	<b>Associate</b>	<b>Total</b>
Current trade and other payables to related parties	-	-	-	-
Current trade and other receivables to related parties	2.860	-	-	2.860
Current loans and borrowings from related parties	-	-	-	-
Purchases from related parties (incl. Management fees)	7.579	-	-	7.579
Interest on loans from related parties	-	-	-	-

<b>Related party transactions and balances Q2 2022 and 30.6.2022</b>	<b>Related party</b>	<b>Shareholders</b>	<b>Associate</b>	<b>Total</b>
Current loans and borrowings to related parties	-	-	61.626	61.626
Current trade and other payables to related parties	-	-	2.613	2.613
Current loans and borrowings from related parties	-	175.040	-	175.040
Sales to related parties	-	-	-	-
Purchases from related parties (incl. Management fees)	-	-	11.441	11.441
Interest paid to related parties	-	888	-	888
Interest received from related parties	-	-	1.289	1.289

## NOTE 7: INTEREST BEARING LIABILITIES

<b>Non-current interest bearing loans and borrowings</b>	<b>30.6.2023</b>	<b>31.3.2023</b>	<b>31.12.2022</b>	<b>30.6.2022</b>
Loan from banks (principal)	1.033.402	657.342	580.489	333.582
Leasing liability	43.729	49.534	55.296	66.730
<b>Total non-current interest bearing loans and borrowings</b>	<b>1.077.131</b>	<b>706.876</b>	<b>635.785</b>	<b>400.312</b>

<b>Current interest bearing loans and borrowings</b>	<b>30.6.2023</b>	<b>31.3.2023</b>	<b>31.12.2022</b>	<b>30.6.2022</b>
Loan from banks, due within 12 months	-	307.322	308.602	144.925
Subordinated loan from related parties, due within 12 months	-	-	192.594	175.040
Leasing liability, due within 12 months	23.002	23.002	23.093	23.231
<b>Current interest bearing loans and borrowings</b>	<b>23.002</b>	<b>330.324</b>	<b>524.289</b>	<b>762.514</b>

All subordinate loans from related parties were converted to equity in Q1 2023.

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

<b>Assets pledged as security for interest bearing loans and borrowings</b>	<b>30.6.2023</b>	<b>31.3.2023</b>	<b>31.12.2022</b>	<b>30.6.2022</b>
<b>Secured balance sheet liabilities:</b>				
Non-current interest bearing liabilities	1.077.131	706.876	635.785	400.312
Current interest bearing liabilities	23.002	330.324	524.289	343.196
<b>Total</b>	<b>1.100.133</b>	<b>1.037.200</b>	<b>1.160.073</b>	<b>1.162.826</b>

<b>Carrying amount of assets pledged as security for secured liabilities:</b>	<b>30.6.2023</b>	<b>31.3.2023</b>	<b>31.12.2022</b>	<b>30.6.2022</b>
Biological assets	827.999	542.055	342.889	438.902
Cash and cash equivalents	188.728	29.803	25.714	51.851
Investments in associated companies	-	-	-	14.995
Right-of-use assets	23	67.123	79.201	91.364
Property, plant and equipment	1.376.028	1.244.040	1.141.208	1.151.496
<b>Total</b>	<b>2.392.778</b>	<b>1.883.021</b>	<b>1.589.012</b>	<b>1.766.763</b>

## NOTE 9: SUBSEQUENT EVENTS

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### **ACCOUNTING POLICIES**

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

## ALTERNATIVE PERFORMANCE MEASURES

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

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

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

### Operational EBIT

Operational EBIT is operational profit before fair value adjustments. Operational EBIT is a major alternative performance measure in the salmon farming industry. A reconciliation from EBIT to Operational EBIT is provided below.

NOK 1000	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
EBIT	8.464	-141.852	12.720	-165.251	-110.926
Net fair value adjustment biomass	-32.041	56.039	-36.646	66.547	23.891
Operational EBIT of salmon before fair value adjustment	-23.578	-85.813	-23.926	-98.705	-87.035
Biomass write-down (one off)	0	103.931	0	103.931	116.324
<b>Operational EBIT *</b>	<b>-23.578</b>	<b>18.118</b>	<b>-23.926</b>	<b>5.226</b>	<b>29.288</b>

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

### Operational EBIT per kg

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

NOK	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Operational EBIT *	-23.578	18.118	-23.926	5.226	29.288
Total harvested volumes	0	1.117	0	3.829	8.925
<b>Operational EBIT per kg</b>	<b>N/A</b>	<b>16,22</b>	<b>N/A</b>	<b>1,4</b>	<b>3,3</b>

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



**REARED IN  
PRISTINE ICELANDIC NATURE**

