

2023

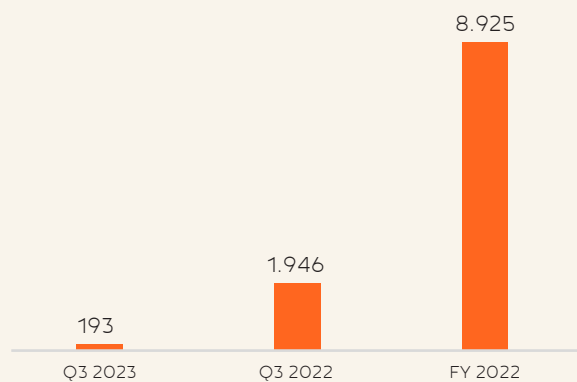


INTERIM
REPORT Q3

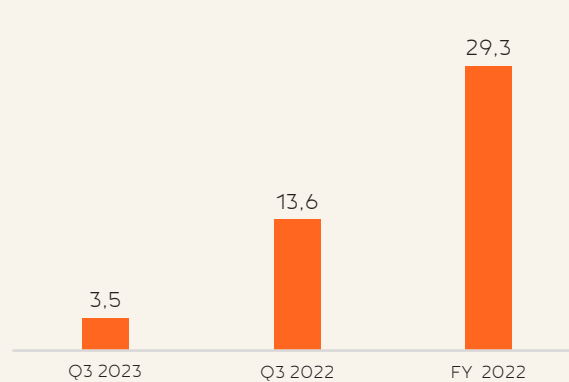

ICE FISH FARM

INTERIM REPORT Q3 | 2023

Harvested volume (tonnes)



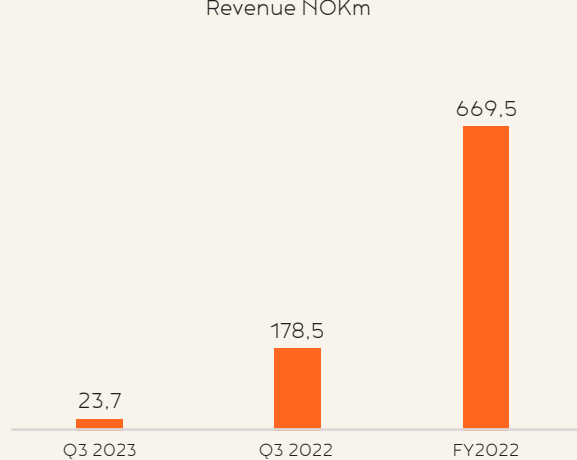
Operational EBIT (NOKm)*



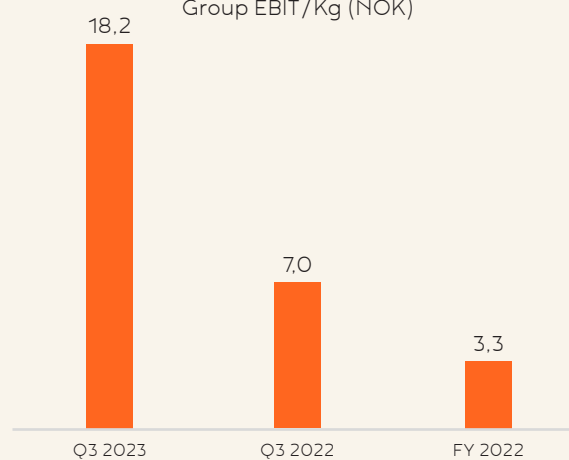
HIGHLIGHTS Q3 2023

KEY FIGURES

Revenue NOKm



Group EBIT/Kg (NOK)



*Harvest resumed in Q3 2023. No harvest in Q1 and Q2 2023.



ICE FISH FARM Q3 HIGHLIGHTS

- Operational EBIT in Q3 amounted to NOKm 3.5
- 18,21 EBIT/kg for the group, limited harvest volume of 193 tonnes.
- Biomass increased by 6 572 tonnes (76%) in the quarter to 15 174 tonnes at the end of Q3.
- Good biological production in the quarter and good condition.
- Smolt transfer with huge improvements, 50% lower mortality compared to 2022..
- Moving harvest from Q4 2023 to Q1 2024 of 1 500 tonnes to achieve higher prices. Total volume for 2024 is increased to 21 500 tonnes.
- Sales resumed with contracts (30%) and price achievement of 86,8 NOK/kg.

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 = Q3 2022, unless otherwise specified.

REVENUES AND RESULTS

FOR THE QUARTER ENDING 30.09.2023

Total revenue in Q3 2023 amounted to NOKm 23.7 (NOKm 178.4), while the operating EBIT before fair value adjustment of biomass was NOKm 3.5 (NOKm 1.2).

Harvest resumed in September. Harvested volume in Q3 amounted to 193 tonnes (1.946 tonnes).

Group operational EBIT per kg for Q3 2023 amounted to NOK 18.2 (NOK 7.0).

Average price during the quarter amounted to NOK 86.8 NOK/kg. Sales through fixed contracts positively affected the price achievement during the quarter.

BALANCE SHEET

ASSETS

Total assets amounted to NOKm 4 900 at the end of Q3 2023 (NOKm 3 947) compared to 4 797 at the end of Q2 2023. The main reason for the increase is due to build up of biological assets in the quarter.

Biological assets amounted to NOKm 1 153 of which NOKm 109 is FV adjustment at end of Q3 2023. Compared to NOKm 810 of which NOKm 61 is FV adjustment at end of Q2 2023.

Book value of non-current assets decreased slightly in the quarter. Main reason for the decrease is currency fluctuation in the quarter. Total investments in PP&E amounted to NOKm 50.9 during the quarter.

EQUITY AND LIABILITIES

The balance sheet of Ice Fish Farm AS is strong with an equity ratio of 66.2% at end of Q3 2023.

Total liabilities amounted to NOKm 1 654 (NOKm 1 526) in Q3 2023 compared to NOKm 1 422 in Q2 2023. Trade and other payables increased by NOKm 70.7 in Q3 2023.

Net interest-bearing debt including lease liability amounted to NOKm 1 196 at end of Q3 2023 (NOKm 1 080) compared to NOKm 911 in Q2 2023. Lease liability amounted to NOKm 63 in Q3 2023 compared to 67 in Q2 2023.

Proceeds from borrowings amounted to NOKm 155 in Q3 and cash balance decreased by NOKm 130.

INVESTMENTS

Investments during the Q3 amounted to NOKm 51. Major part of Investments in the quarter were towards improvements in our smolt facilities. Investments YTD 2023 amounted to NOKm 135.3.

Capex budget for 2023 was estimated to reach NOKm 200 and NOKm 210 in 2024. Updated Capex projection indicates that investments will not reach NOKm 200 in 2023. This is the result of delays in investment projects which have been moved from 2023 over to 2024.

Total projected investment 2023 – 2024 of NOKm 410 are mainly focused toward improving the operational performance as well as to reach stable production capacity of 30 000 tonnes.

Investments are projected to reach normal levels after 2024.

OPERATIONAL INFORMATION

SMOLT PRODUCTION

The plan for our smolt production is to continue improving our smolt's

robustness. Quality control implementation has been improved, 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 expect to see a clear improvement in survival, feed conversion ratio and growth.

Smolt release for 2023 was around 5.4 million at an average size above 300 gr. The sizes range from 100 gr to 1 kg and about 1 700 tonnes of smolt are released. Transfer from smolt stations improved as expected with about 95% survival rate after 60 days in sea. This is a huge improvement from last year's smolt release. This is a result of the improved quality of the smolt and careful adjustments to how we handle the fish from the tanks to the well boat. Good utilization of well boat have reduced cost on smolt transfer.

Ice Fish Farm has in Q3 2023 started to use an updated and improved vaccine for *Moritella viscosa* to further improve the protection towards winter ulcers. This vaccine is custom-made for Ice Fish Farm and Icelandic conditions.

In general, the production capacity of smolt depends on the size and number of them. Long term goal is to have bigger smolt to shorten time in the sea and especially in autumn. We are looking into reducing the number of smolt to have bigger smolt in autumn. With updates and investments in smolt stations we aim to produce about 7–8 million 400 gr average smolt size in spring and autumn. This will increase utilization of sites in sea and reduce time in sea and lower risk.

LAND SOUTH

We have adjusted our plans regarding the buildup of Land South. Currently we have three sites in Land South, Fiskalón, Bakki and Laxabraut. Fiskalón, used currently for start feeding and on growing to about 30gr. At Bakki we recently buildup 4 tanks with house over it, installed automatic vaccination machine and have cabinets for egg intake. Laxabraut is used for post smolt production with over 27 000 m³ capacity.

Bakki started using new vaccination machine. This improves our vaccination rate and quality and reduces time needed for personnel, as this vaccination machine is automatic. The new house over the tanks in Bakki improves working conditions, lowers biological risks, and reduces stress for the fish. We have improved transportation of smolt between stations with adjusted

routines, better pumps, pipes, and this has shown better results. We have temporarily decided to reduce the egg intake to improve the smolt quality and the survival rate.

To fully utilize the 27 000 m³ capacity in Laxabraut we are transferring about 400 000, 70–80gr smolt, from Land North as production in North has been excellent and it had extra capacity.

Future investments will be to build a new start feeding house and on growing at Laxabraut and only use bigger tanks in Fiskalón and Bakki. This will ensure significant improvements in operations and give improved smolt quality and ensure optimal exploitation of the production capacity in land south. In the long term we aim to move all smolt production to Laxabraut. This will reduce handling and transport of fish and improve growth and biosecurity, thus resulting in further improvements in smolt quality.

LAND NORTH

Land North has both fresh and post smolt facilities. Rifós is the freshwater site and Kópasker saltwater post smolt facility. Rifós was completely rebuilt in 2020 and has been in operations since then. We are currently building a new grow-out house in Rifós that will hold 10–30 g fish, and that will allow for all-in all-out in Rifós, giving significant improvements in biosecurity in addition to increased production capacity.

Kópasker site is getting improved water treatment equipment before we take in smolt for 2024 generation in Q4 2023. Phase 1 was completed in 2022 and we have now started on phase 2. It involves building four 1500 cubic tanks, almost double capacity, reaching then total of 13 200 m³ of tank capacity.

Output 2023 from North is the most successful output in ICE history with less than 2% mortality rate after 60 days at sea. This has been a learning year for Land North, and we can expect good growth of salmon from Land North.

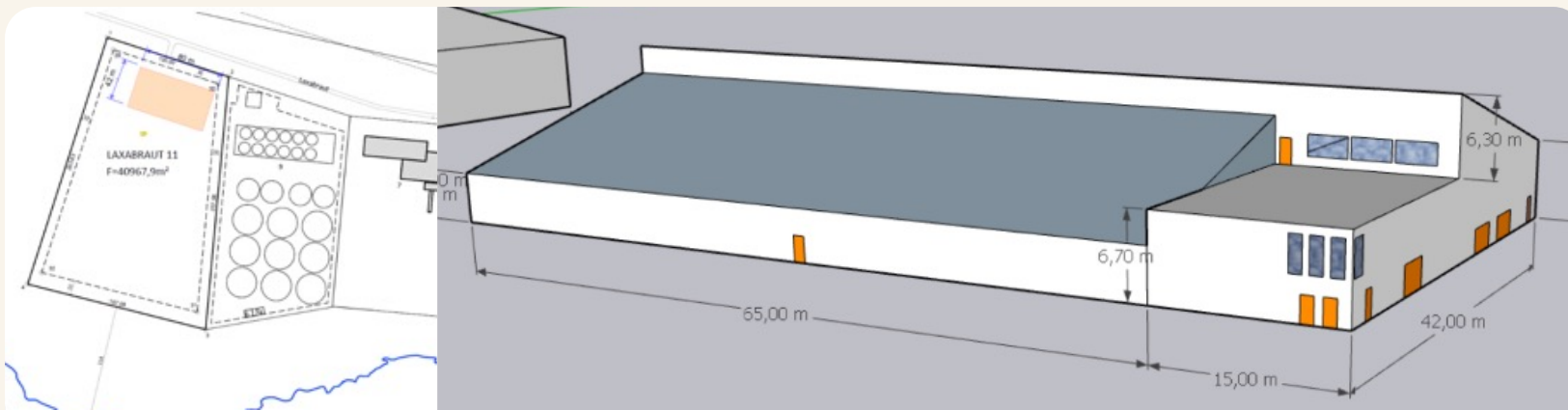
Main challenges in Land North are making sure that we are on track with investments to increase production. This is an ongoing project where the goal is to have fish in the new house in Rifós in Q2 2024 and fish in new tanks in Kópasker in Q3 2024 for 2025 generation.

FARMING IN SEA

In September we made a record in produced biomass of over 2 500 tonnes and biomass increased by 6 572 tonnes in the quarter or 76% increase. At the end of the quarter, we had about 10,2 million fish in the sea of generation 2022 and 2023 and total biomass of 15 200 tonnes compared to 6 500 tonnes end of Q2 2023.

The average sea temperature was 7,5°C and close to normal in the quarter. Overall conditions in the sea were good during the quarter. Due to optimal farming conditions and our sustainable certifications, Whole Foods and AquaGap, we do not treat sea lice with chemicals, not use copper on nets and only natural coloring in our feed. There have never been treatments for sea lice on the East Coast. This is huge benefit to fish welfare, growth and production cost.

At one instance in August, we experienced reduced appetite and increased mortality due to jellyfish. We analyzed the issue, identified the reason for increased mortality and successfully implemented actions that reduced the mortality level back to normal level.



PRODUCTION ZONES

East coast zone management was implemented in 2022. This involves having each production zone to reduce risk and increase biological results. Ice Fish Farm is the only farmer in the total farming area of east coast.

Generation 2022 is spread into two fjords and therefore into two production zones and making a total using four sites. Generation 2023 is spread into two fjords and two production zones and making a total of three sites.

Production zone 1 is Fáskrúðfjörður with 3 sites, Fagraeyri, Höfðahúsabót and Einstigi. Our generation 2022 spring is in Höfðahúsabót and Fagraeyri.

Production zone 2 is Reyðarfjörður inner area with 2 sites, Gripaldi and Sigmundarhús. Our generation 2022 autumn is in Gripaldi and Sigmundarhús.

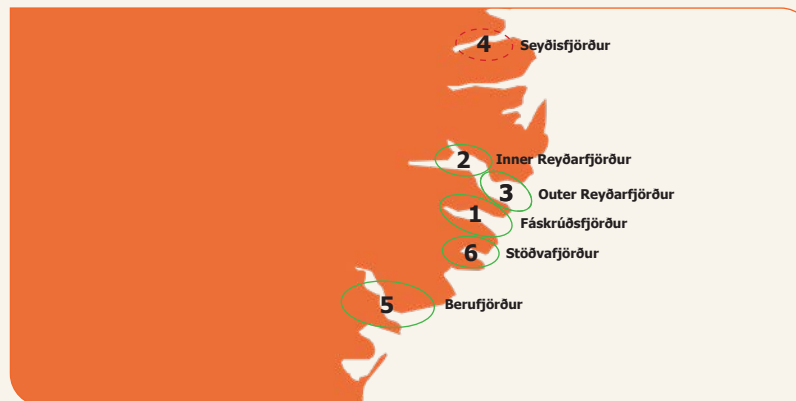
Production zone 3 is Reyðarfjörður outer area with 3 sites, Vattarnes, Kolmúli, and Rífsker. Our generation 2023 spring is in Vattarnes.

Production zone 4 is in Seyðisfjörður with 3 sites, currently waiting for license expected during 2024.

Production zone 5 is in Berufjörður with 4 sites, Glímeyri, Svarthamar, Gautavík and Hamraborg. Our generation 2023 autumn is in Svarthamar and Glímeyri.

Production zone 6 is in Stöðvafjörður with 1 site. Not used as it is only for sterile salmon.

Currently using 4 production zones and 7 sites in operation. This shows how we spread the production on the East coast and take full advantage of not having any neighbor. With improved smolt average weight we can optimize utility of the zones.



Revised investment plan is lower than originally planned due to better utilization of existing equipment.

HARVESTING

Our harvesting station was updated during Q1-Q3 2023. The update ensures necessary harvesting capacity, improves biosecurity, and extends the shelf lifetime of the fish. An automatic ice transfer system and semi-automatic box handling. Blood treatment capacity has been improved, added chilling in the blood water tank and further security measures have been taken. We are looking into further capacity increase for expected increased harvest going forward.

Box prices are temporarily high due to low volume of production of boxes in 2023. Ice Fish Farm has a contract with a box factory securing them an acceptable return on the investment in the factory. With increased volumes we expect to have better prices on boxes next year. There is higher cost in harvest station due to low activities. We expect to be competitive when volume has increased.

Wellboat arrived in Iceland in September and has been at our disposal. The wellboat is capable to carry enough live fish to have full production in our harvesting station.

SALES AND CERTIFICATIONS

Ice Fish Farm has secured fixed sales contracts for 30% of the expected harvest volume for Q4 2023 and Q1 2024. We have not increased contracts levels due to the expected high spot prices. Customers have been pleased with the quality of our salmon and its long shelf life.

Certifications are in place to the end of 2024 for our main customer in the USA and sales to the USA have successfully resumed. 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 colour due to our clean and cold fjords.

LICENSE AND GOVERNMENT

The license for 10 000 (6 500 fertile) tonnes in Seyðisfjörður is being processed by authorities and the license will likely be issued during 2024. If license will not be issued before next spring, then Ice Fish Farm has possibility to use current licenses for the production and smolt output 2024.

Authorities have introduced vision for fish farming with a comprehensive suggestion how it wants to support the industry towards growth and sustainability. Key factors are larger smolt, one company per production zone, no tolerance for escapes and carrying capacity per production zone. ICE FISH FARM has already taken lead in these main key factors to determine growth. ICE has big smolt, controls all zones in East Fjords, not had any escapes and sites have received good status under cages. Government promises increase in capacity and lower taxes if these points are met.

New risk assessment was postponed and is expected to be completed by the end of the year.

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 Q3 2023

The CEO of Ice Fish Farm AS, Guðmundur Gíslason, has given notice to the Company's board of directors that he wishes to resign from his position as CEO, to further focus on developing the Company's sales strategy going forward. Gíslason has headed the company from its early stages and through a period of strong growth, and the board of directors are very thankful for his invaluable contribution.

The board of directors will start the process to recruit a new CEO and expects that the process may take some months. Gudmundur Gislason will continue to be CEO until the new one replaces him.

OUTLOOK

We are moving harvest volume of 1 500 tonnes from Q4 and increase the volume in Q1 2024 by the same amount to total volume of 21 500 tonnes for 2024. This is done to optimize production and to achieve higher prices.

We are aiming at 30 000 tonnes with the investment program that is in full force in the next 2 years. When we reach stable 30 000 tonnes production, it will be based on successful operations and necessary investments achievements.

Smolt output for 2023 ended in Q3 at total for the year and generation 2023 of 5.4 million at an average weight above 300 gr and we expect about 7 million for 2024.

The company has stated to look into the possibility of dual listing in Iceland.

Sistranda, 16 November 2023

Asle Rønning
Martin Staveli
Hege Dahl

Aðalsteinn Ingólfsson
Einar Sigurðsson







FINANCIAL STATEMENT

ICE FISH FARM AS - Group

(NOK 1000)	Note	Q3 2023 (01.07-30.09)	Q3 2022 (01.07-30.09)	YTD 2023	YTD 2022	FY2022
Operating income salmon		16.755	169.297	16.755	402.384	614.979
Other operating income		6.944	9.178	64.961	18.724	54.559
Total revenue		23.700	178.475	81.715	421.109	669.538
Cost of materials		-115.547	41.223	-292.441	265.090	391.926
Employee benefit expenses		37.974	35.748	129.795	70.310	104.136
Other operating expenses		65.779	70.913	169.565	122.998	169.004
Depreciation, amortisation and impairment	3, 4	31.979	29.414	95.208	60.238	91.507
Operating EBIT before fair value adjustment of biomass		3.515	1.177	-20.412	-97.527	-87.035
Production tax		-387	0	0	0	0
Net fair value adjustment biomass	2	48.001	52.853	66.184	-13.693	-23.891
EBIT		51.129	54.031	45.772	-111.221	-110.926
Finance income		266	56	366	1.262	447
Finance costs		-34.050	-22.756	-83.252	-37.980	-61.019
Foreign exchange rate gain/ (-)loss		-31.822	-1.951	-7.767	10.707	2.400
profit from sale of Isthor		0	84.292	0	84.292	84.292
Share of profit or loss of an associate		0	-3.134	0	-693	-693
Profit or loss before tax		-14.476	110.537	-44.880	-53.631	-85.498
Income tax		2.895	-23.217	9.053	3.667	27.716
Profit or loss for the period		-11.581	87.320	-35.827	-49.964	-57.782
Items that subsequently may be reclassified to profit or loss:						
Exchange differences on translation of foreign operations		-108.649	154.072	178.073	288.249	157.461
Total items that may be reclassified to profit or loss		-108.649	154.072	178.073	288.249	157.461
Other comprehensive income for the period		-108.649	154.072	178.073	288.249	157.461
Total comprehensive income for the period		-120.230	241.392	142.246	238.285	99.679
Profit or loss for the period attributable to:						
Equity holders of the parent		-8.630	87.834	-29.340	-50.676	-59.518
Non-controlling interests		-2.951	-514	-6.487	711	1.736
Total		-11.581	87.320	-35.827	-49.964	-57.782
Total comprehensive income for the period attributable to:						
Equity holders of the parent		-117.279	241.906	148.733	237.573	99.675
Non-controlling interests		-2.951	-514	-6.487	711	4
Total		-120.230	241.392	142.246	238.285	99.679
Earnings per share ("EPS"):						
- Basic and diluted		-0,07	0,96	-0,26	-0,72	-0,78
Average number of shares		122.261.249	91.525.424	111.863.121	70.677.966	75.889.831

FINANCIAL STATEMENT
CONSOLIDATED STATEMENT OF
FINANCIAL POSITION

ICE FISH FARM AS - Group

(NOK 1000)	Note	30.9.2023	30.6.2023	31.12.2022	30.9.2022
ASSETS					
Non-current assets					
Licenses		1.954.419	1.993.425	1.790.710	1.680.707
Other intangible assets		226.900	275.222	212.329	231.426
Property, plant and equipment	3, 4	1.334.712	1.376.051	1.220.409	1.297.759
Total non-current assets		3.516.031	3.644.698	3.223.448	3.209.892
Current assets					
Biological assets	2	1.153.203	809.535	342.889	556.357
Inventories		75.823	63.252	39.168	46.217
Trade and other receivables		96.476	91.025	51.473	78.753
Cash and cash equivalents		58.389	188.728	25.714	55.876
Total current assets		1.383.891	1.152.541	459.244	737.203
TOTAL ASSETS		4.899.921	4.797.239	3.682.692	3.947.095
EQUITY AND LIABILITIES					
Equity					
Share capital		12.226	12.226	9.153	9.153
Other equity		3.230.788	3.357.129	2.260.749	2.401.088
Equity attributable to the parent		3.243.014	3.369.355	2.269.902	2.410.241
Non-controlling interests		2.847	5.990	11.461	10.407
Total equity	5	3.245.861	3.375.345	2.281.362	2.420.648
Non-current liabilities					
Non-current interest bearing liabilities	7	1.233.183	1.077.131	635.785	799.353
Deferred tax liabilities		90.420	83.567	75.980	70.666
Total non-current liabilities		1.323.603	1.160.698	711.765	870.019
Current liabilities					
Current interest bearing liabilities	7	21.560	23.002	331.695	157.552
Subordinated loan from related parties		-	-	192.594	179.416
Trade and other payables		308.897	238.194	165.276	319.460
Total current liabilities		330.457	261.196	689.565	656.429
Total liabilities		1.654.060	1.421.894	1.401.330	1.526.448
TOTAL EQUITY AND LIABILITIES		4.899.921	4.797.239	3.682.692	3.947.096

FINANCIAL STATEMENT
CONSOLIDATED STATEMENT OF
CASH FLOWS

ICE FISH FARM AS - Group

(NOK 1000)	Note	Q3 2023 (01.07-30.09)	Q3 2022 (01.07-30.09)	YTD 2023 September	YTD 2022 September
Cash flows from operating activities					
Profit or loss before tax		-14.090	110.537	-44.880	-53.631
Net fair value adjustment on biological assets		-48.001	-52.854	-66.184	13.693
Depreciation and impairment of property, plant and equipment and right-of-use assets		31.979	29.413	95.208	60.238
Share of profit or loss of an associate		-	2.986	-	693
Changes in inventories, trade and other receivables and trade and other payables		-224.091	-51.678	-584.082	37.671
Finance income		-266	-55	-366	-1.262
Finance costs		34.050	22.756	83.252	37.980
Foreign exchange rate gain/ (-)loss		31.822	-1.951	7.767	10.707
Net cash flows from operating activities		-188.597	-25.140	-509.286	21.796
Cash flows from investing activities					
Purchase of property, plant and equipment		-50.961	-34.403	-135.285	-113.544
Purchase of intangible assets		-	-613	-	-3.668
Loans to associates		-	66.865	-	58.437
Purchase of shares in associates, net of cash acquired		-	2.757	-	-
Interest received		266	55	366	1.262
Net cash flow from investing activities		-50.695	168.650	-134.919	76.476
Cash flow from financing activities					
Proceeds from borrowings		154.609	88.568	1.295.502	146.924
Repayment of borrowings		-	-174.919	-1.155.408	-299.448
Change in related parties liabilities and subordinated loans		-	4.375	106.036	152.478
Payments for the principal portion of the lease liability		-1.936	-5.761	-13.609	-12.242
Interest paid		-34.050	-67.397	-83.252	-37.980
Overdraft facility		-	15.224	-	-
New shares issued		-	-	549.680	-
Transaction costs on issue of shares		-9.256	-	-22.507	-
Net cash flow from financing activities		109.367	-139.910	676.442	-50.268
Net change in cash and cash equivalents		-129.925	3.600	32.237	48.004
Effect of change in exchange rate on cash and cash equivalents		-414	423	437	399
Cash and cash equivalents, beginning of period		188.728	51.852	25.714	7.472
Cash and cash equivalents, end of period		58.388	55.875	58.388	55.875
Non-cash investing and financing activities:					
New shares issued		-	-	298.630	1.050.712
Shareholder loans		-	-	-298.630	-1.050.712

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

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		
At 31 December 2021		5.400	1.790.634	-7.317	-667.473	1.121.244	98	1.121.342
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
At 31 December 2022		9.153	2.837.593	150.144	-726.991	2.269.899	11.462	2.281.362
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
At 31 March 2023		12.046	3.635.931	342.586	-732.375	3.258.189	15.653	3.273.843
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 cost		-	-13.251			-13.251		-13.251
Non-controlling interest						-	-7.354	-7.354
At 30 June 2023		12.227	3.669.578	436.866	-749.315	3.369.357	5.990	3.375.345
Comprehensive income:						-		-
Profit or loss for the period					-8.630	-8.630	-2.951	-11.581
Conversion difference				-108.457		-108.457	-192	-108.649
Transaction costs			-9.256			-9.256		-9.256
At 30 September 2023		12.227	3.660.322	328.409	-757.945	3.243.014	2.847	3.245.861



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 Strandgata 18, 735 Eskifjörður, 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.

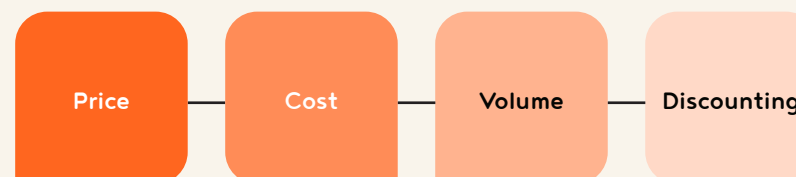
Transactions for the sale of live fish rarely incur, therefore the sales price is based on forward prices quoted by Fish Pool. The model uses the forward price for the month the fish is expected to be harvested and the prices are adjusted for estimated harvesting costs, packing and shipping costs to 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

An important assumption in the valuation of fish ready for harvest (mature fish) and fish not ready for harvest (immature fish), is the expected sale

price. This is also the assumption that historically has had the greatest fluctuations. In order to estimate the expected sales price, the future price quoted by Fish pool for superior Norwegian salmon (3–6 kg gutted) is used as a starting point. It is the Group's opinion that the use of observable prices increases the reliability and comparability of the price assumptions.

The starting point is the future price for the month the fish is planned to be harvested. In the event of biological challenges (which occur 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. 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

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. 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.

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 site. The cash flow is attributed to the expected month of harvest. The sum of cash flows from all the sites 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 occur that impacts the cash flow increases. There are three main factors that may occur, 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 very high value. In order for a hypothetical buyer of live fish to be able to acquire and further farm the fish, it must be assumed that the buyer had a license, site and other permits required for such production. Currently it is not allowed to rent licenses, however, in a hypothetical market for buying and selling live fish, we assume that this would be possible. In this scenario, a hypothetical buyer would demand a significant discount in order to allocate a sufficient share of the return to own licenses, or alternatively to cover the cost of license rent. Modeling a hypothetical annual license rent from prices of traded licenses is difficult, as the price curve will be based on expectations of future profit development in the industry. Furthermore, it is complex to derive a rental cost for shorter periods of time and ultimately per volume, given that the license restrictions are measured at different levels (site, 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.

Carrying amounts of biological assets

Biological assets	30.9.2023	30.6.2023	31.12.2022	30.9.2022
Fish at cost	926.322	595.087	218.022	427.640
Fair value adjustment on fish	108.840	60.839	42.656	52.853
Fair value of fish in the sea	1.035.162	655.926	260.678	480.494
Smolt	118.041	153.609	82.211	75.863
Carrying amount of biological assets	1.153.203	809.535	342.889	556.357
Total biological assets at cost	1.044.363	748.696	300.233	503.504
Total fair value adjustment on biological assets	108.840	60.839	42.656	52.853
Fair value of biological assets	1.153.203	809.535	342.889	556.357
Onerous contracts	-	-	-	-
Carrying amount of onerous contracts	-	-	-	-
Fish Pool contracts	-	-	-	-
Carrying amount of fish pool contracts	-	-	-	-

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICIES

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

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

Right-of-use assets are recognised separately from property, plant and equipment and presented in note 8.

No impairments of property, plant and equipment were made in 2022 or as of 30 September 2023.

	Property and land	Ships	Cages, machinery and equipment	Total
Acquisition cost 31.12.2022	503.009	288.381	509.088	1.300.478
Additions	70.578	7.942	56.765	135.285
Assets sold	-	-16.895	-214	-17.109
Currency translation effects	37.967	21.578	38.395	97.940
Acquisition cost 30.09.2023	611.555	301.007	604.033	1.516.595
Accumulated depreciation and impairment 31.12.2022	15.365	17.396	126.508	159.269
Depreciation for the period	12.623	22.059	46.313	80.995
Assets sold	-	-6.453	-26	-6.479
Currency translation effects	1.081	1.224	8.900	11.205
Accumulated depreciation and impairment 30.09.2023	29.069	34.226	181.696	244.991
Carrying amount 31.12.2022	487.644	270.985	382.580	1.141.209
Carrying amount 30.09.2023	582.485	266.781	422.338	1.271.604
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
Balance at 01 January	78.759	442	79.201
Reclassification between asset categories	-521	521	-
Adjustment of right-of-use assets	-2.031	-	-2.031
Depreciations	-13.612	-600	-14.212
Currency translation effects	151	-	151
Balance at 30 September	62.746	363	63.108

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

Discounted lease liabilities and maturity of cash outflows	30.9.2023	31.12.2022	30.9.2022
Less than one year	21.560	23.093	23.188
One to two years	21.888	22.616	22.857
Two to three years	13.799	19.913	20.784
Three to four years	3.815	7.076	10.627
Four to five year	1.474	4.299	4.267
More than five years	-	1.391	2.478
Total undiscounted lease liabilities at 31.3.2022	62.535	78.388	84.202

Changes in the lease liabilities	30.9.2023	31.12.2022	30.9.2022
Total lease liabilities at beginning of year	78.388	49.359	49.359
Adjustment lease liability	-2.138	-	-
New leases recognised through acquisition	0	47.053	47.053
Cash payments for the principal portion of the lease liability	-13.609	-18.031	-12.242
Cash payments for the interest portion of the lease liability	-1.325	-521	-543
Interest expense on lease liabilities	1.325	521	543
Currency translation effects	-106	8	33
Total lease liabilities at en of period	62.535	78.388	84.202

	30.9.2023	31.12.2022	30.6.2022
Current lease liabilities in the statement of financial position	21.560	23.093	23.188
Non-current lease liabilities in the statement of financial position	40.975	55.296	61.014
Total cash flow effect for YTD	-14.934	-18.552	-12.785

	30.9.2023	31.12.2022
Ordinary shares, par value 0,10 NOK per share	12.226.125	9.152.542
Total ordinary shares issued and fully paid	12.226.125	9.152.542

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

Changes in share capital	Number of shares		Share capital	
	30.9.2023	31.12.2022	30.9.2023	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
End of period	122.261.249	91.525.424	12.226.125	9.152.542

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:	30.9.2023	
	Number:	Ownership:
AUSTUR HOLDING AS	67.595.359	55,29%
J.P. Morgan SE	25.643.240	20,97%
Banque De Luxembourg S.A.	7.486.076	6,12%
Landsbankinn hf.	3.177.515	2,60%
SIX SIS AG	3.073.003	2,51%
State Street Bank and Trust Comp	1.846.614	1,51%
CLEARSTREAM BANKING S.A.	1.438.370	1,18%
VPF DNB NORGE SELEKTIV	1.247.043	1,02%
ABK HOLDING AS	603.332	0,49%
FJØYRO HOLDING AS	593.757	0,49%
VERDIPAPIRFONDET PARETO INVESTMENT	562.204	0,46%
MAXIMUM HOLDING AS	561.312	0,46%
GIMLI HOLDING AS	555.012	0,45%
VERDIPAPIRFONDET DNB SMB	547.083	0,45%
Íslandsbanki hf.	520.811	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%
CRESSIDA AS	375.000	0,31%
Total of the 20 largest shareholders	117.622.352	96,21%
Other shareholders	4.638.897	3,79%
Total	122.261.249	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.

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 2023 and 30.9.2023	Related party	Shareholders	Associate	Total
Current trade and other payables to related parties	12.996	-	-	12.996
Current trade and other receivables to related parties	4.616	-	-	4.616
Sales to related parties	1.577	-	-	1.577
Purchases from related parties (incl. Management fees)	8.636	-	-	8.636

Related party transactions and balances Q3 2022 and 30.9.2022	Related party	Shareholders	Associate	Total
Current loans and borrowings to related parties			46.825	46.825
Current trade and other payables to related parties			2.311	2.311
Current loans and borrowings from related parties		26.938		26.938
Purchases from related parties (incl. Management fees)			90.458	90.458
Interest paid to related parties		1.477		1.477
Interest received from related parties			1.370	1.370

NOTE 7: INTEREST BEARING LIABILITIES

Non-current interest bearing loans and borrowings	30.9.2023	30.6.2023	31.12.2022	30.9.2022
Loan from banks (principal)	1.192.208	1.033.402	580.489	738.339
Leasing liability	40.975	43.729	55.296	61.014
Total non-current interest bearing loans and borrowings	1.233.183	1.077.131	635.785	799.353

Current interest bearing loans and borrowings	30.9.2023	30.6.2023	31.12.2022	30.9.2022
Loan from banks, due within 12 months	-	-	308.602	134.364
Subordinated loan from related parties, due within 12 months	-	-	192.594	179.416
Leasing liability, due within 12 months	21.560	23.002	23.093	23.188
Current interest bearing loans and borrowings	21.560	23.002	524.289	336.968

ICE FISH FARM is fully financed through 2025. Total bank facility of EURm 156.2. Net loans from the bank syndicate amounted to EURm 100.7 at the end of Q3 2023.

NOTE 8: SUBSEQUENT EVENTS

ACCOUNTING POLICIES

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

The CEO of Ice Fish Farm AS, Guðmundur Gíslason, has given notice to the Company's board of directors that he wishes to resign from his position as CEO, to further focus on developing the Company's sales strategy going forward. Gíslason has headed the company from its early stages and through a period of strong growth, and the board of directors are very thankful for his invaluable contribution. The board of directors will start the process to recruit a new CEO and expects that the process may take some months. Guðmundur Gíslason will continue to be CEO until the new one replaces him.



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	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
EBIT	51.129	54.031	45.386	-111.221	-110.926
Net fair value adjustment biomass	-48.001	-52.853	-66.184	13.693	23.891
Operational EBIT of the group before fair value adjustment	3.515	1.177	-20.412	-97.527	-87.035
Biomass write-down (one off)	0	12.393	0	116.324	116.324
Operational EBIT *	3.515	13.570	-20.412	18.796	29.288

*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	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Operational EBIT *	3.515	13.570	-20.412	18.796	29.288
Total harvested volumes	193	1.946	193	3.829	8.925
Operational EBIT per kg	18,2	7,0	-105,8	4,9	3,3

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

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