



Ice Fish Farm AS – half year report

Icelandic Salmon Farmer

1 September 2020

Forward looking statements

This Presentation contains forward-looking information and statements relating to the business, financial performance and results of the Group and/or industry and markets in which it operates.

Forward-looking statements are statements that are not historical facts and may be identified by words such as "aims", "anticipates", "believes", "estimates", "expects", "foresees", "intends", "plans", "predicts", "projects", "targets", and similar expressions. Such forward-looking statements are based on current expectations, estimates and projections, reflect current views with respect to future events, and are subject to risks, uncertainties and assumptions.

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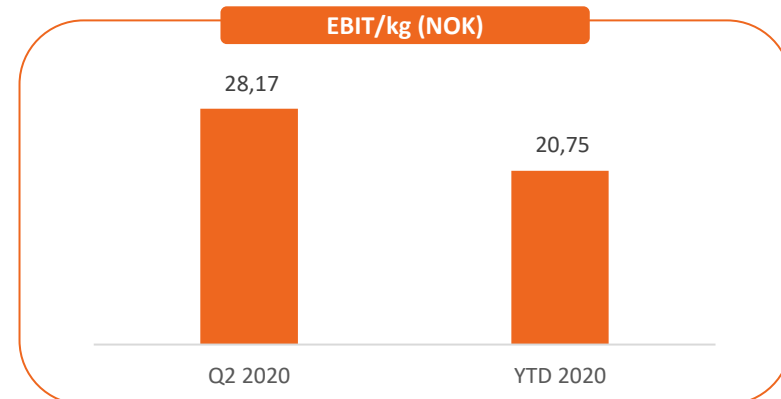
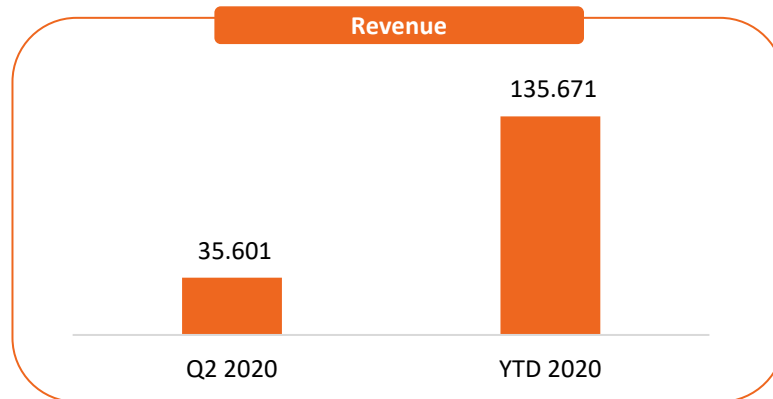
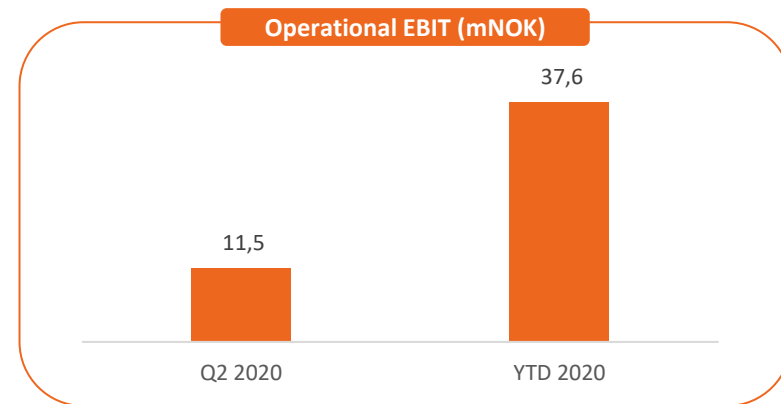
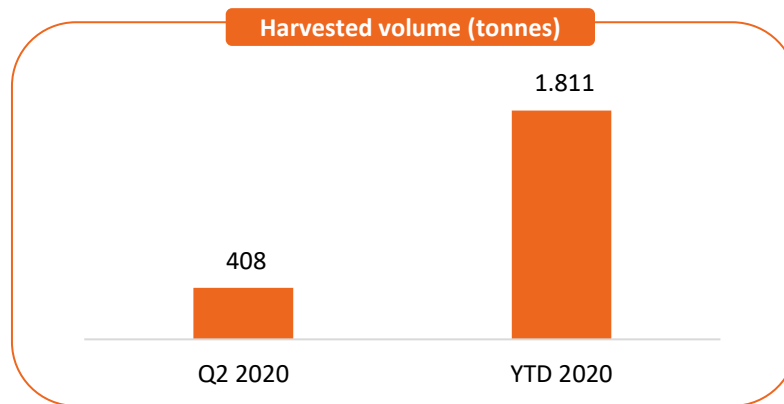
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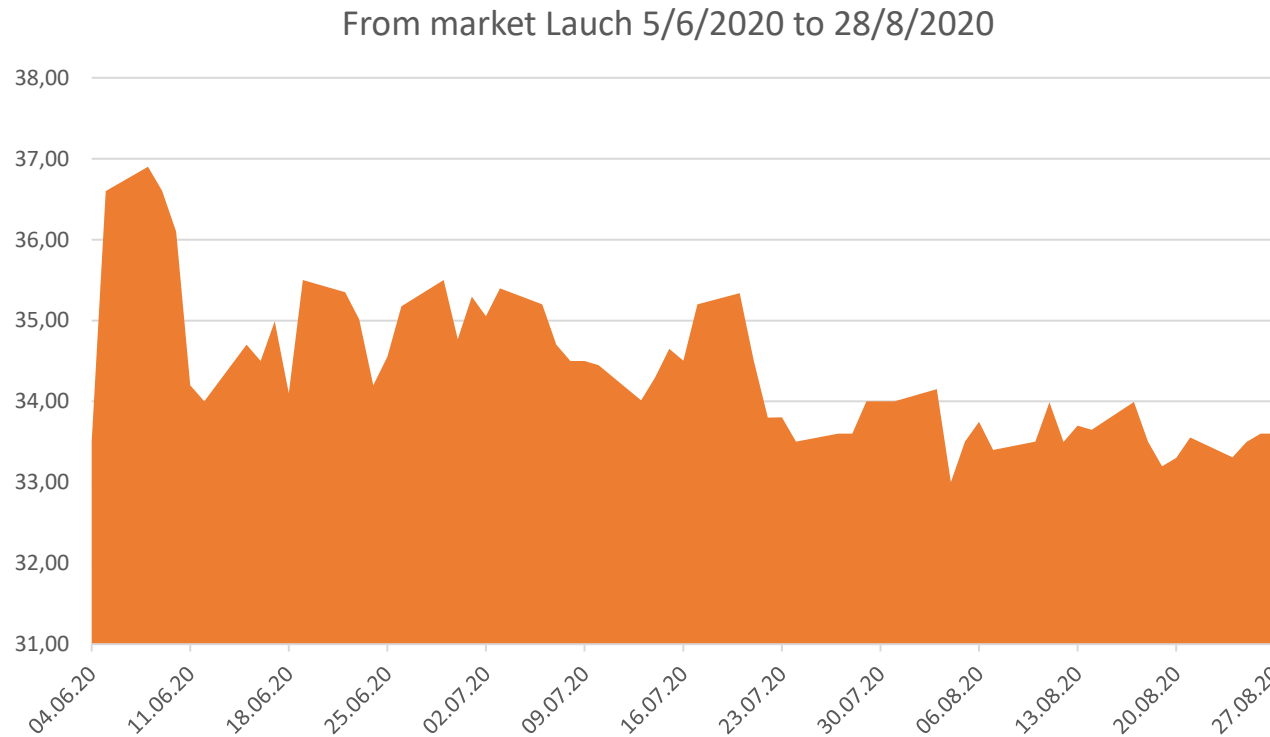
Financial summary



Key comments:

- Historically, Ice Fish Farm has not performed fish generation accounting. This entails that all costs are incurred in the profit and loss statement when the invoices are received, and not when the goods are used/sold
- Ice Fish Farm has implemented the farming tool FishTalk during June 2018 in order to report on a generation accounting basis going forward. Through FishTalk, a pro forma profit and loss statement has been prepared to show a true underlying profitability for the business by applying generation accounting

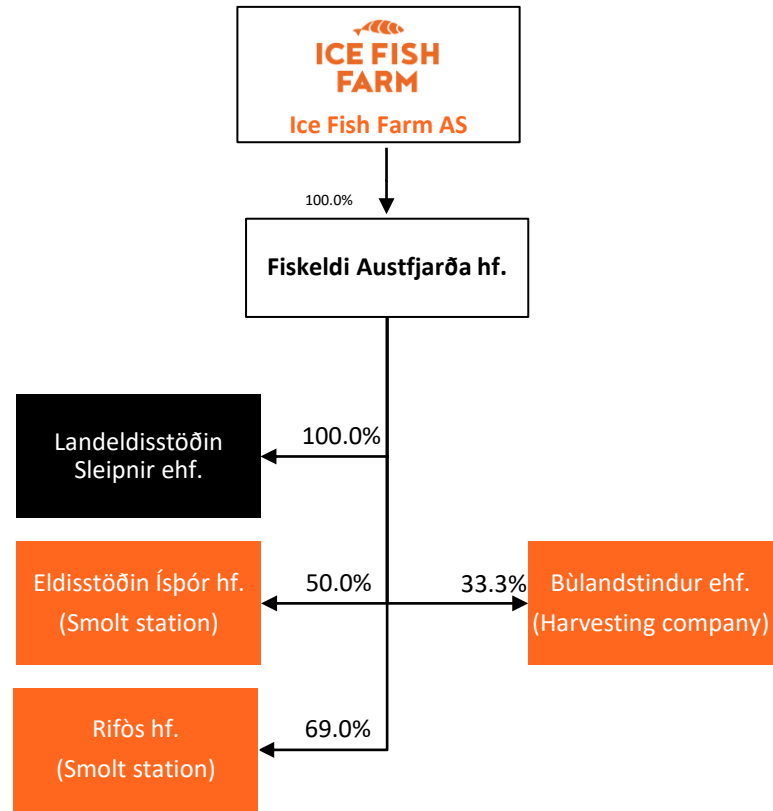
IFISH: Share price development since listing on Oslo Merkur Market



Total of 3.037 trades and value of 94M NOK have been traded.
 Started trading at NOK 33,5 per share and end of August ended at
 NOK 34 per share.

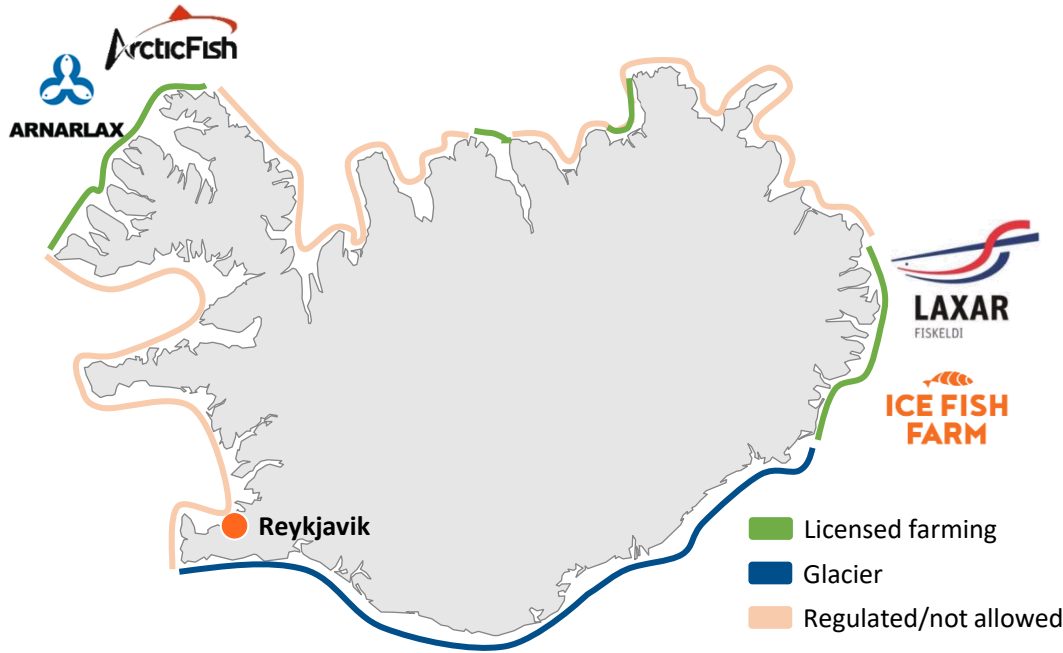


Structure of ICE FISH FARM



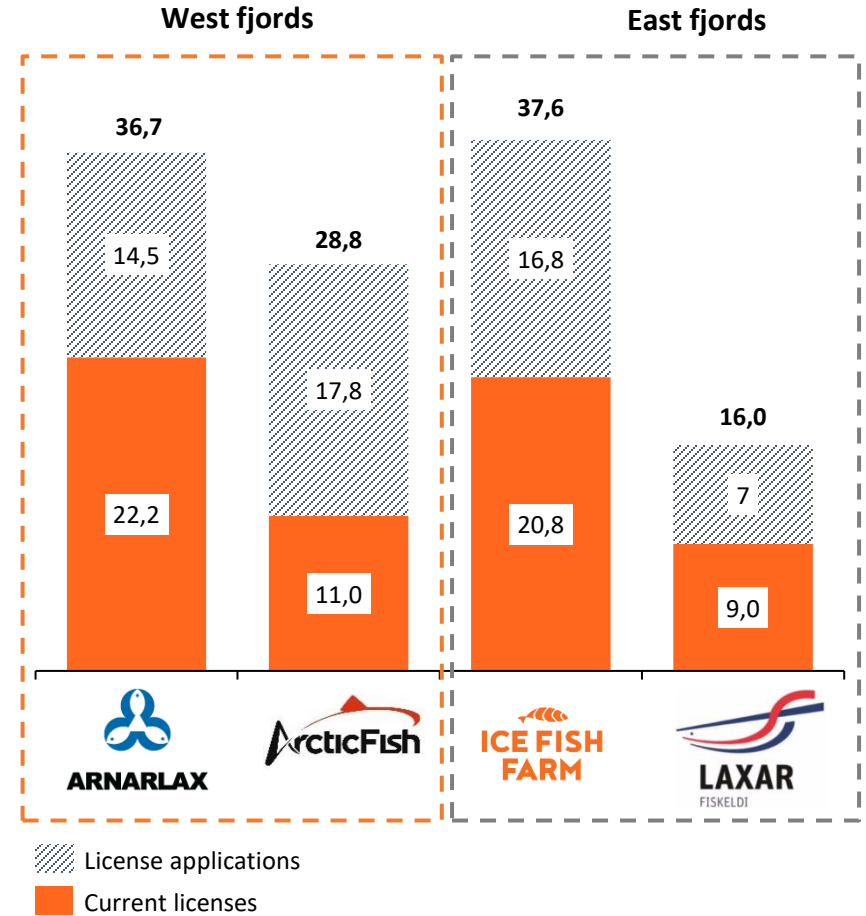
Iceland can grow to more than 100th tons of salmon production

The Icelandic market has four major players on the West and East fjords








- The natural conditions along the southern fjords, with glaciers, tough weather conditions and lack of shielded fjords, make fish farming challenging
- There is also a large area on the west and northern fjords that is closed in order to shield the wild salmon that are being caught by recreational and sports fishing

The four market players have all applied for new licenses¹



The East fjords of Iceland have a number of favorable conditions



Aquaculture conditions in the East fjords		Key advantages
	<p>1 Little wildlife</p> <p>Few wild fish with natural habitat or spawning in the area, translating into low risk of interbreeding with wild salmon¹</p>	<p>Low risk of genetic mix with wild salmon</p>
	<p>2 Recycling of water</p> <p>No need to recycle water in smolt stations at current time, which lowers cost in the smolt production facility compared to Norwegian competition²</p>	<p>Low smolt production cost</p>
	<p>3 Stable temperatures</p> <p>Stable and moderate temperatures in the sea, resulting in reduced risk of sea lice and diseases and thus high yield on biomass³</p>	<p>High biomass yield and reduced risk of sea lice</p>
	<p>4 Melting of glaciers and snow</p> <p>Melting of glaciers and snow, although perhaps not as prominent as in other fjords, also contributes fresh cold water as a natural delousing for the salmon</p>	<p>Contributing to the low temperatures and 'natural delousing' for the salmon</p>
	<p>5 Long fallowing periods</p> <p>Longer fallowing periods will reduce spread of disease between generations in the future enabled by increased capacity⁴</p>	<p>Low mortality risk</p>

Sources: ¹Guidetoiceland.is: "The Ultimate Guide to Fishing in Iceland", ²With the current capacity there is no need to recycle water in smolt stations. However, Ice Fish Farm might need to recycle water if the Company choose to expand capacity at Isthor. ³More information can be found on slide 22, ⁴Currently too low production to benefit from long fallowing periods.

Value-chain updates

Smolt production

- The eggs are purchased from Stofnfiskur and distributed between the three smolt station
 - ðsthor
 - Rifós
 - Kópasker (planned construction)
- Ice Fish Farm expects to stock ~3 million smolts in 2020, and is in the process of expanding three facilities to meet the expected future growth
- **Rifos/Kopasker investment is now in full flow and on track.**

Salmon farming

- Ice Fish Farm currently operates two fjords, in Berufjörður and Fáskrúðsfjörður, with licenses for a combined volume of 20,800 tonnes salmon (12kt fertile and 8.8kt sterile)
- **New site being built in Berufjodur called Hamraborg, 18 cages.**
- **New boat for washing nets, reduce cost of washing and more washing possible.**
- **Contracts for 2 barges have been signed and one catamaran.**

Processing and distribution

- **New grader from Marel will be installed this fall, doubling output.**
- **Box factory is planned to be ready early 2021.**

End customer

- **Sales contracts are now on majority of harvest in place til end of June 2021.**
- **Transport and logistic are going well.**



Premium product proven by extensive certification



The only net pen salmon farmer in the world with the highly sought after AquaGAP certification which ensures environmentally-friendly production

Ice Fish farm can utilize the sustainability pull from consumers to extract premium pricing from ESG oriented distributors and retailers




Certified quality and sustainable aquaculture

- The AquaGAP Standard was developed by IMO in cooperation with the Swiss Bio-Foundation based on customer requests with an increasing amount of retailers taking the decision to only source seafood from certified suppliers
- The aim is to bring farming practices to an internationally recognized level and ensure consumer trust in quality seafood products
- The AquaGAP logo ensures that quality seafood from all regions can be recognized by importers/retailers and most importantly, the final consumer
- Sustainability and the quality of production and harvesting has been certified by AquaGap. The certification assures transparency of origin with full traceability from roe to delivery

Qualifications

<i>Complete transparency of origin and production</i>	<i>Quality at each stage of the production</i>
<i>Commitment towards the local communities</i>	<i>Great aquaculture farming practices</i>
<i>Adherence to principles of corporate social responsibility</i>	<i>Maintenance or improvement of surrounding ecosystem</i>

Consumers are increasingly adding sustainability as a purchase criteria...

...Ice Fish Farm is the only net pen salmon producer in the world with the prestigious certification

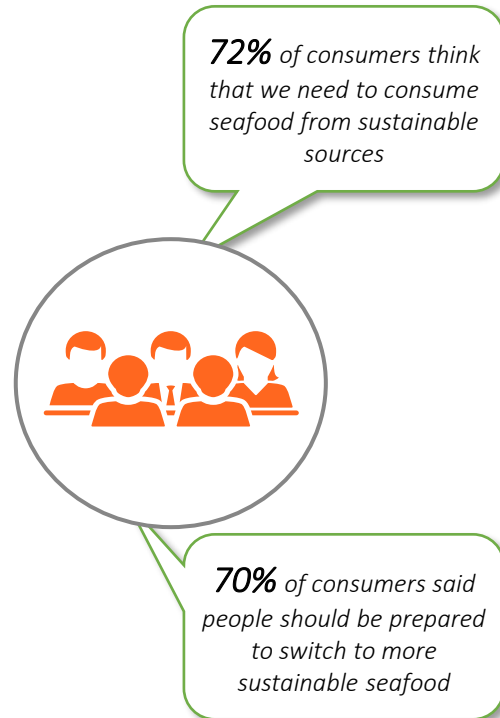


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Financial statement

Consolidated statement of comprehensive income

' 000 NOK	Q2 2020	Q2 2019	FY 2019
Total revenue	35 601	49 505	293 304
Cost of materials	3 105	29 395	225 178
Employee benefit expenses	7 617	10 506	26 960
Other operating expenses	6 244	7 397	33 554
Depr., amort. and impairment	7 141	3 853	18 770
Operating profit, before fair value adjustment of biomass	11 493	-1 646	-11 159
Net fair value adj. biomass	21 434	55 944	33 704
Operating profit	32 927	54 298	22 545
Finance income	-	0	34
Finance cost	-3 434	-4 025	-16 172
Foreign exch.rate gain/loss	-12 063	-1 484	2 067
Share of profit/loss of associate	3 231	2 862	3 296
Profit/loss before tax	20 662	51 651	11 767
Income tax expense	-4 124	-10 446	-5 149
Profit/loss for the period	16 538	41 205	6 621
TOTAL	16 538	41 205	6 621

Balance sheet

' 000 NOK	30.06.2020	30.06.2019
Licenses	682 976	615 036
Other intangible assets	15 012	14 374
Property, plant and equipment	228 132	156 655
Investments in associated companies	30 073	31 235
Total non-current assets	956 193	817 300
Biological assets	253 986	228 846
Inventories	12 988	6 904
Trade and other receivables related parties	39 979	36 327
Trade and other receivables	23 391	39 552
Cash and cash equivalents	273 057	1 130
Total current assets	603 401	312 760
TOTAL ASSETS	1 559 594	1 130 060
Share capital	5 400	4 931
Share premium	1 790 925	211 089
Other equity	-623 046	574 282
Non-controlling interests	302	1 030
Total equity	1 173 581	791 332
Total non-current liabilities	103 716	89 691
Total current liabilities	282 297	249 037
Total liabilities	386 013	338 728
TOTAL EQUITY AND LIABILITIES	1 559 594	1 130 060

Investments for our build up plan

Detailed planned capital expenditure overview (estimates)

Total investment NOKm	2020	2021	2022	2023	2024
Floating rings	12	22	37	19	0
Nets	8	17	26	21	14
Birdnets, cameras, ocean light, feeding pipes, dead fish system	4	7	11	8	8
Mooring systems	6	6	11	6	0
Sum farming operations	30	51	85	55	22
Catamaran	0	13	27	12	0
Feed barge new	0	54	55	0	0
Sum other farming equipment¹	0	67	82	12	0
Smolt stations	35	73	0	0	0
Other	27	11	12	13	13
Sum smolt stations and other	63	85	12	13	13
Total investments	93	203	179	79	35

Planned capital expenditure per year

In NOK million

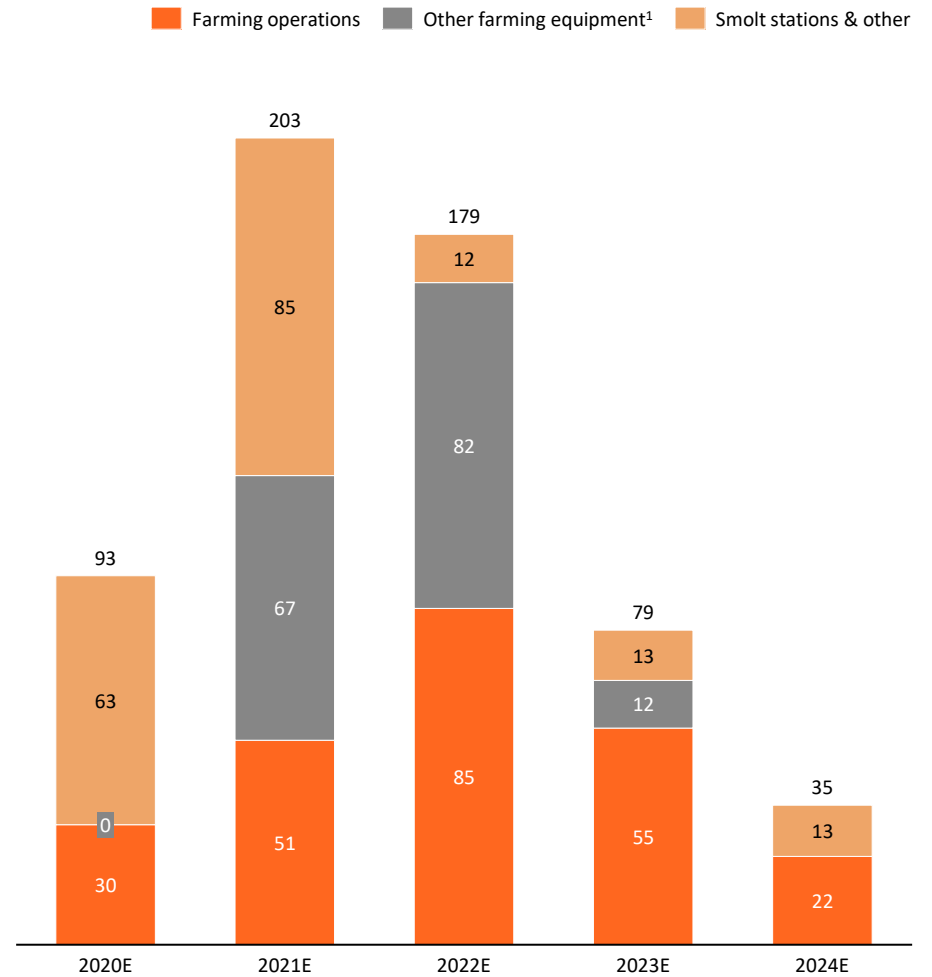


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Forward looking - summary

Sales

- Contracts for sale until end of June 2021 for majority of harvest.
- Marketing of ICE FISH FARM brand is underway for USA market and other markets.
- Premium prices and good biological status gives the outlook of continued good performance.

Harvest

- Harvest for 2020 is adjusted to sales and fully use best growth period in sea in Q3 and Q4. 4.350 tons instead of 6.150
- Harvest for 2021 increased from 6.800 tons to 8.300 tons.

Production

- Capacity for increased harvest will be secured with new equipment and bigger harvesting boat.
- Smolt investments and build up is going as planned.
- Salmon is healthy and eating well in sea. No sea lice, no chemicals, no treatments.
- License applications are going as planned and expected. Risk assessment has been approved and allows ICE FISH FARM to update current license to 18.500 tons fertile instead of 12.000 tons. Applications will have 6.500 of fertile instead of 0 before.

Financial capacities

- ICE FISH FARM is now using IFRS accounting for the first time and therefore can be compared to other farmers.
- After the issue of new capital ICE is well prepared for growth and further organic growth or mergers and acquisitions.
- Credit lines and financing is being worked on for further growth. Currently have available 225M NOK overdraft allowance for biomass growth.

Covid-19

- Covid-19 has not had direct affect on ICE.
- Iceland has had strict regulation regarding Covid-19.

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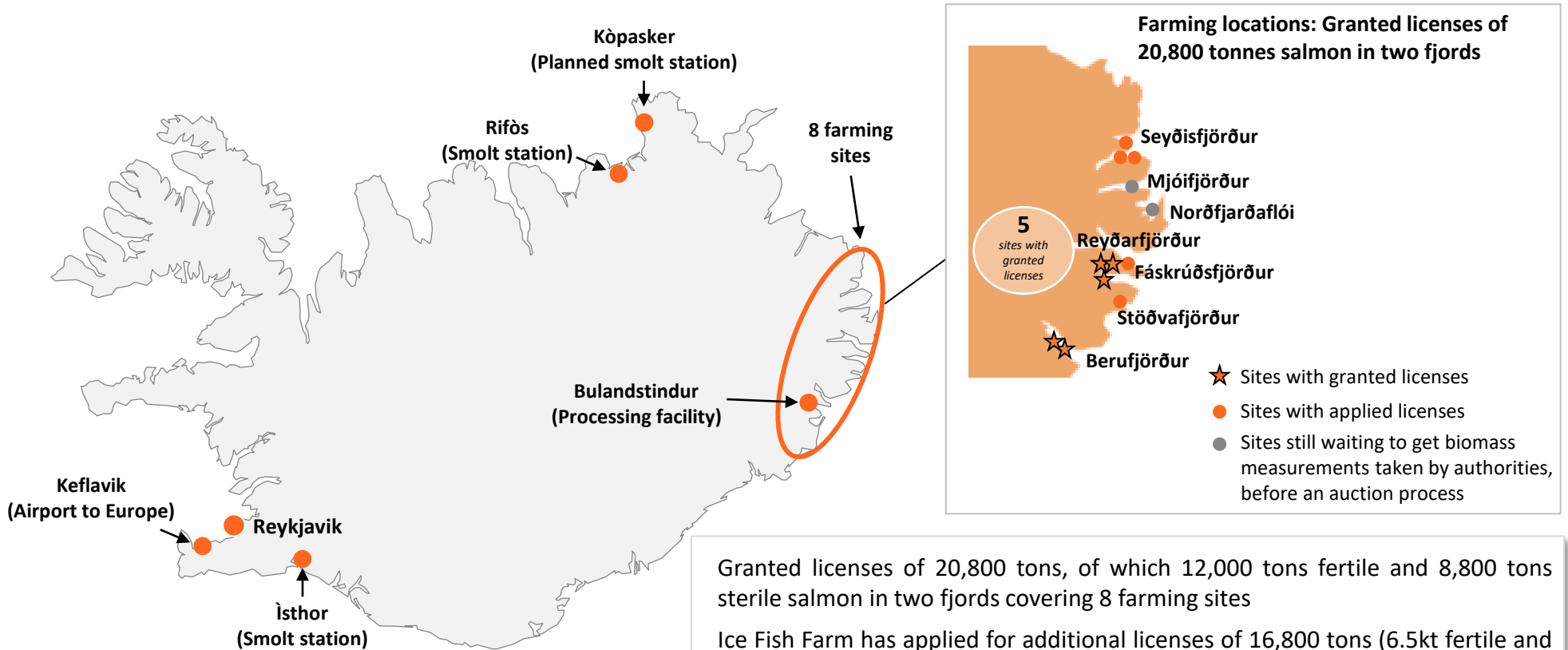
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Ice Fish Farm is one of the leading Icelandic salmon farmers based on granted licenses – situated in the East fjords



Granted licenses of 20,800 tons, of which 12,000 tons fertile and 8,800 tons sterile salmon in two fjords covering 8 farming sites

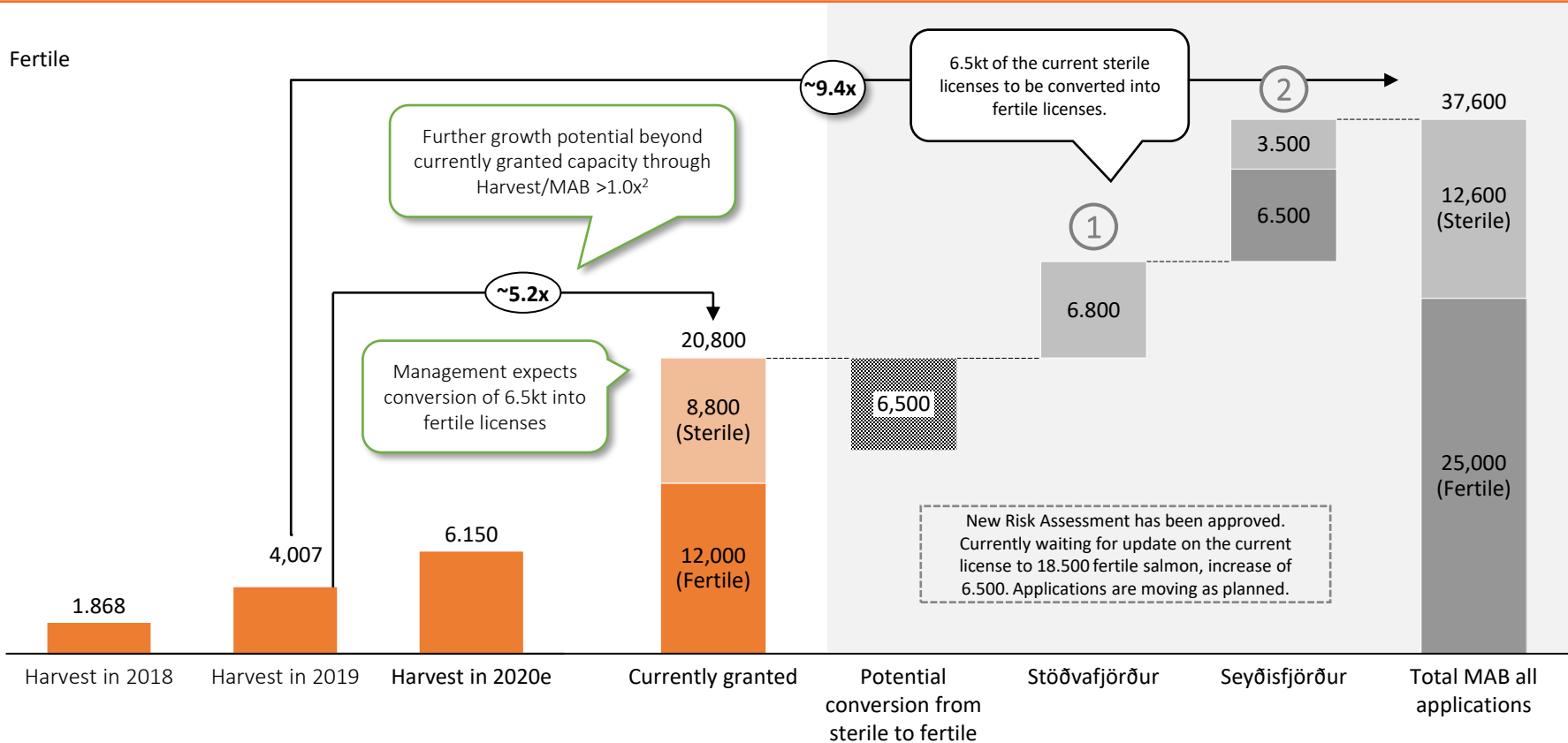
Ice Fish Farm has applied for additional licenses of 16,800 tons (6.5kt fertile and 10.3kt sterile) salmon in two additional fjords

The Icelandic licenses are expected to be changed towards the Norwegian model. Norwegian fish farmers have been allowed to harvest as much as they want as long as the biomass at sea never exceeds the maximum allowed biomass ('MAB') per license. If this change is implemented, it will imply that Ice Fish Farm may be able to harvest substantially more volumes going forward

Ice Fish Farm has ample room for growth under already granted licenses, and has pending applications for additional capacity of 16,800 tonnes of salmon

	Beruffjörður	Fáskrúðsfjörður	Stöðvafjörður	Seyðisfjörður
Fertile (tonnes)	6,000	6,000	-	6,500
Sterile (tonnes)	3,800	5,000	6,800	3,500
Status / granted	✓	✓	Pending ¹	Pending ¹

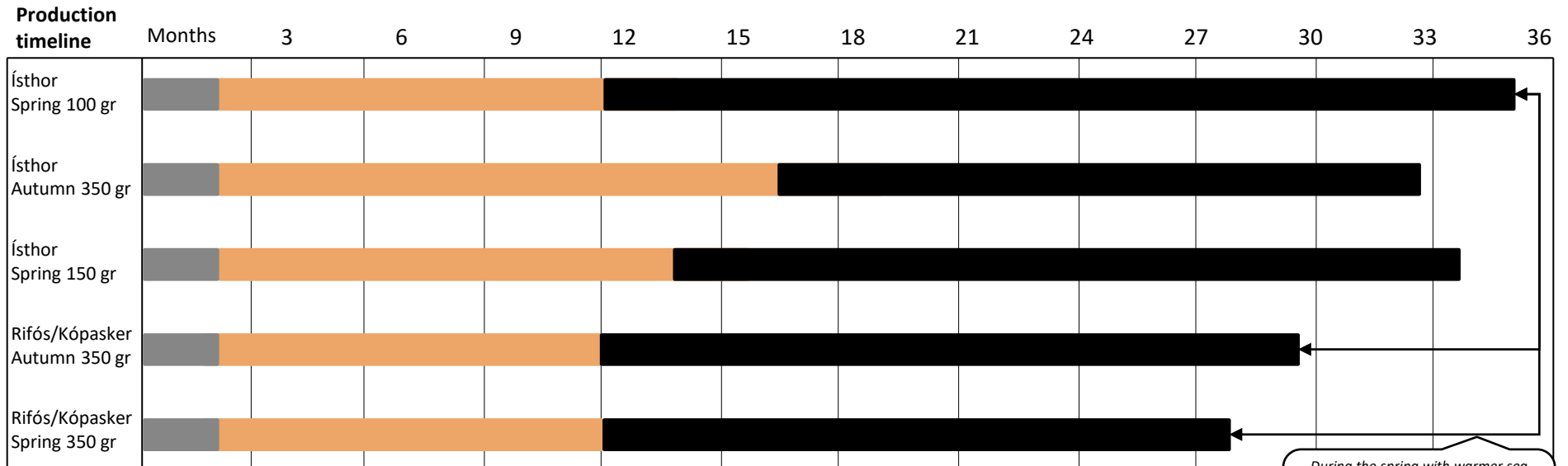
■ Sterile ■ Fertile



¹Issuance of the license will occur after potential approval from NPA on the final environmental report (last step in the approval process for Icelandic farming license) – Icelandic Government

²Assumes the Icelandic regulation is changed to the Norwegian “MAB model”

The production process spans ~12 months at smolt station and 16-23 months at sea, depending on smolt weight



During the spring with warmer sea water, Rifós/Kópasker is expected save 7 months production time during the spring and 5 months during the autumn

Incubation/spawn

- The spawn can only be farmed at Ísthor and Rifós where the incubators are located

Smolt station

- The smolt is usually held in the tanks for approximately 12-17 months
- Ice Fish Farm expects to move the smolt from Rifós after 12 months to Kópasker
- At Kópasker Ice Fish Farm is targeting to grow the smolt to an average size of 350-400 grams

Fish at sea

- The current smaller smolt will usually require 20-23 months at sea. When Ice Fish Farm can start using larger smolts, the period at sea will be reduced to 16-18 to reach a satisfactory weight
- This creates opportunity to better utilize licenses – i.e. shorter time to grow to harvest size means reduced exposure to biological risk, higher seawater capacity and reduced number of active sites

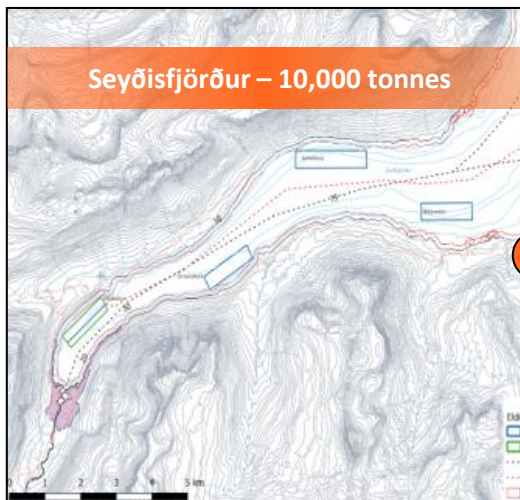
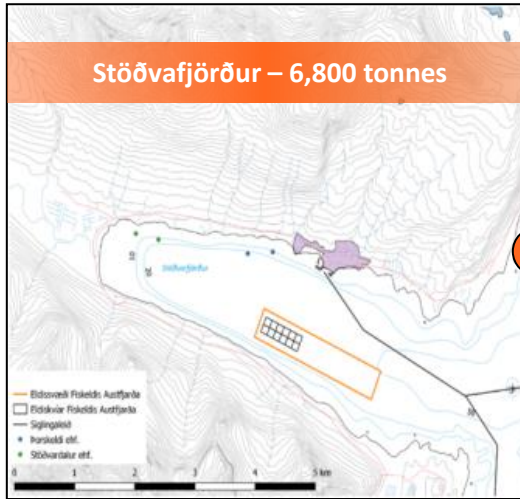
Ice Fish Farm has two pending applications for a total of 16,800 tonnes

Final approval for salmon farming in Seyðisfjörður and Stöðvafjörður expected granted

Geographical location of the new fjords

Comments

- The total applications for Stöðvafjörður and Seyðisfjörður amasses a total of 16,800 tonnes salmon of which 6,500 tonnes is for fertile salmon and the remaining 10,300 tonnes for sterile salmon
- Ice Fish Farm has submitted all necessary documents for the first stages
- The Company has submitted a report to the NPA (National Planning Agency) together with all the required research in a final environmental report
- If the NPA finds the information and reports to be sufficient they will issue a verdict based on the application
- When the verdict has been issued Ice Fish Farm can use the application in Icelandic Food and Veterinary Authority and Environmental Agency
- The Company's applications in these two fjords is not expected to be contested by any other fish farmer



Both applications for the two fjords were initially only for sterile salmon, but the Company is working with the Marine Research Institute to have more fertile salmon with countermeasures such as enclosed cages – in process to convert 6,500 tonnes of sterile salmon in Seyðisfjörður to fertile applications

