





Ice Fish Farm AS

Q1 2021 report

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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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Table of content

Key Highlights

Financial performance

Growth and Premium build up plan

Appendix



Highlights in Q1 2021

- 🐟 1.496 tons harvested in Q1 and EBIT of 4,8 NOK per kg
- 🐟 50-year storm January increased mortality on fish ready for harvest, increased cost per kg on harvested fish in Q1
- 🐟 Strong equipment and experienced team managed to withstand the storm.
- 🐟 66% increase biomass in sea Q1 2021 vs Q1 2020
- 🐟 50% increase number of Smolt in our smolt stations
- 🐟 First eggs into new smolt station, one year ahead of plan

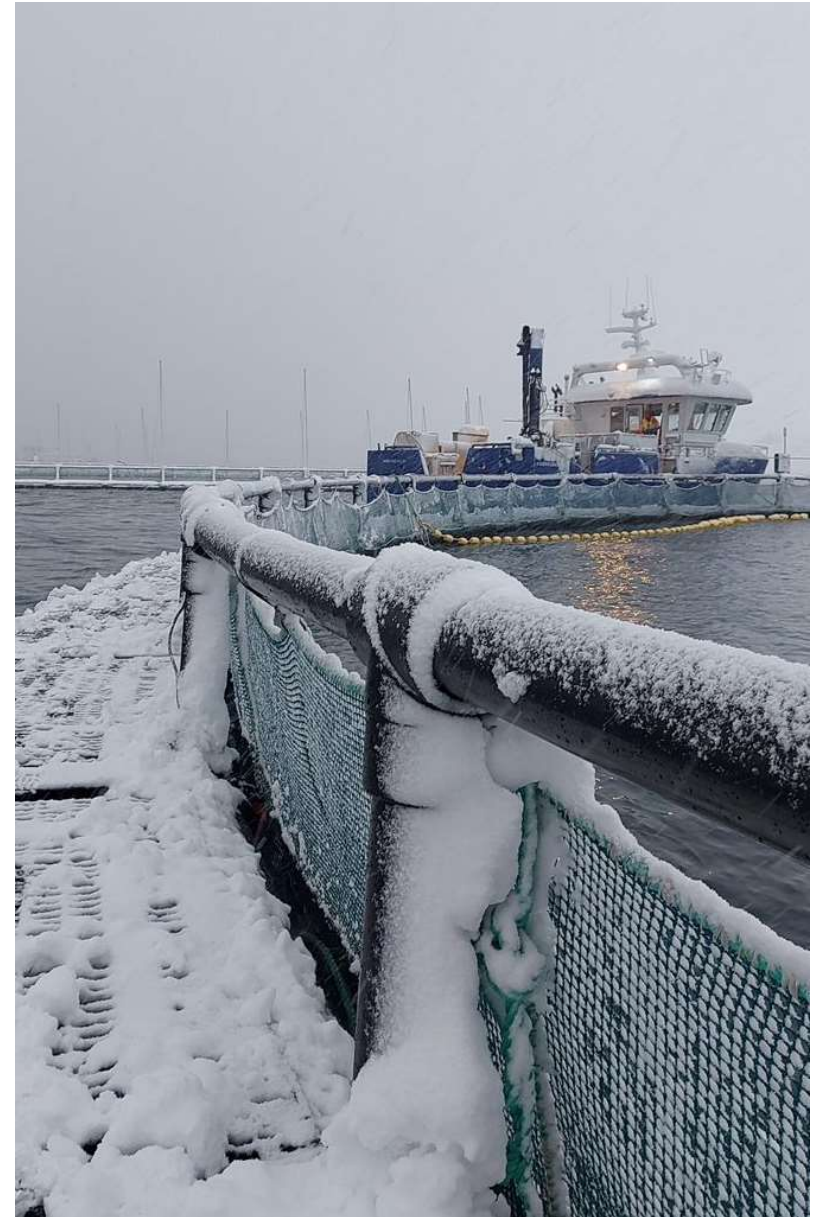


Table of content

Key Highlights

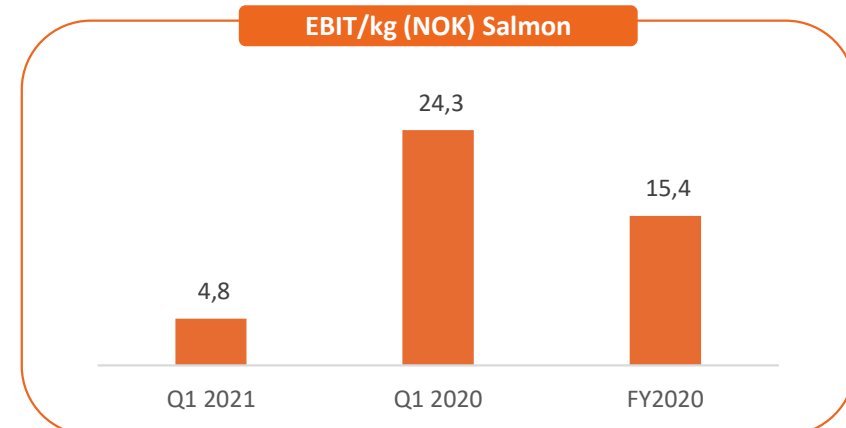
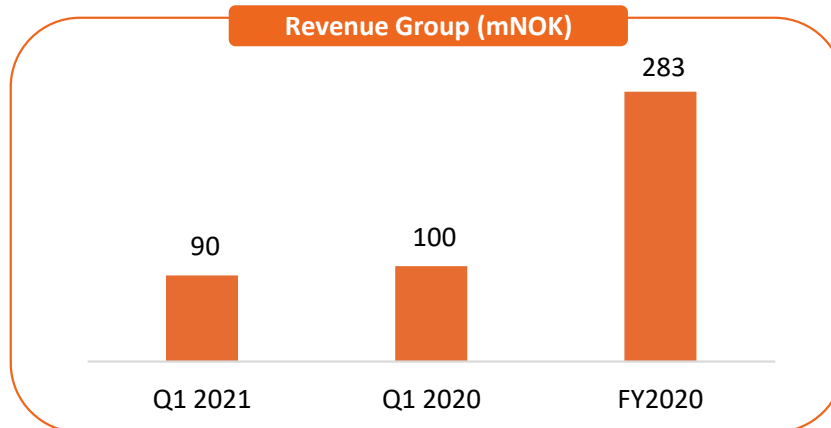
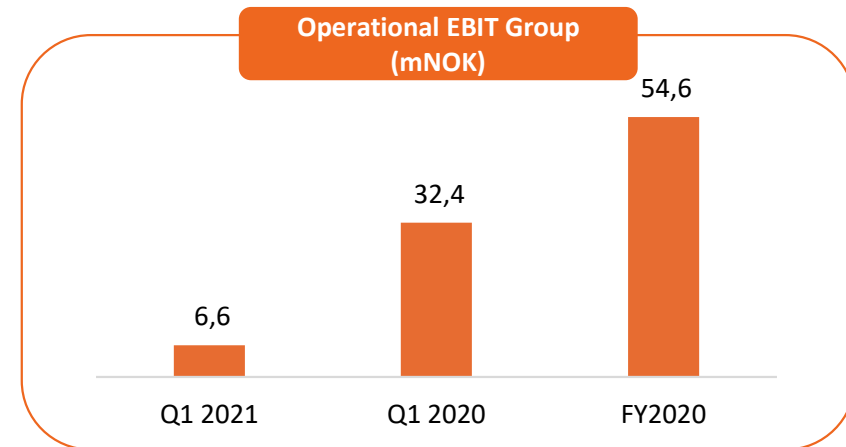
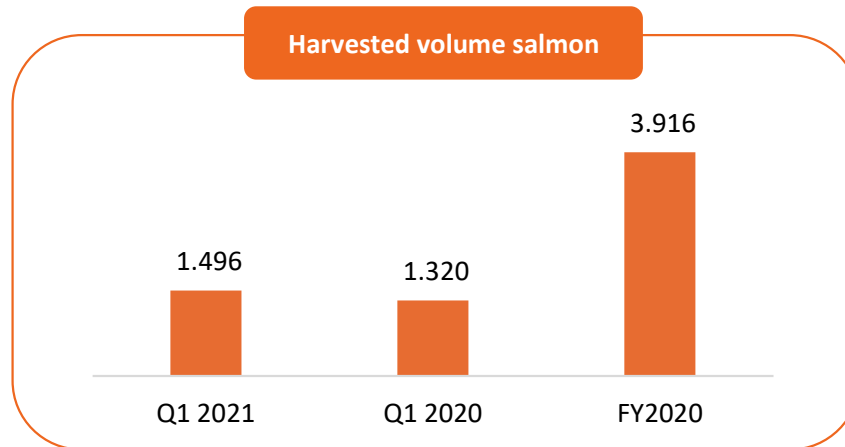
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Growth and Premium build up plan

Appendix








Financial summary



Key comments

- 🐟 Harvested volume was 1.496 tons. Operational EBIT in Q1 was NOK 6.6 million, where operational EBIT for salmon amounted to NOK 7.2 million.
- 🐟 The EBIT is NOK 4,4 per kg in the quarter, with an EBIT for salmon separately being NOK 4,8 per kg.

Financial highlights in Q1 2021

-  **Revenues:** Despite increased harvesting volume and similar prices revenues are decrease in Q1 2021 compared to corresponding month in 2020 due unfavourable currency exchange.
-  **Operating EBIT:** Decreased revenues in Q1 in addition to higher cost cause the operating EBIT to be around NOK 6.6 million in Q1 2021 compared to NOK 32,4 million in Q1 2020.
-  **Operating EBIT per kg** amounted to NOK 4.4 per kg in total and NOK 4,8 per kg for salmon.
-  **Investments in PPE** amounted to NOK 101.5 million in Q1 2021 where around NOK 45.5 million went to the construction of the groups smolt stations in Rifós and Kópasker. Around NOK 40.5 million were invested in ships and barges and the remainder are due to investments in cages and equipment.
-  **NIBD** Increased in Q1 2021 in the amount of around NOK 65,8 million which is around 65% of investments during the period.

Key figures

Currency: NOK '000	Q1 2021	Q1 2020*	FY2020
Revenues	90.177	100.070	283.463
Harvested volume	1.496	1.403	4.259
EBITDA	14.424	38.512	18.618
Operating EBIT	6.641	32.393	54.597
EBIT	-1.788	5.867	55.647
EBT	-4.594	10.454	28.307
Profit or loss for the period	-2.666	7.698	37.794
EPS	-0,05	na	0,64
EBITDA margin	16,0%	38,5%	6,6%
Operating EBIT margin	7,4%	32,4%	19,3%
Operating EBIT per kg (total)	4,4	23,1	12,8
Operational EBIT per kg (salmon)	4,8	24,3	15,4
Net cash flow form (to) operating activates	94.676	67.092	-16.125
Investment in PPE	101.543	41.270*	130.653
NIBD	245.308	292.853	179.629
Equity ratio	72,2%	75,2%	72,8%
Cash	91.466	181	150.118

Q1 Financial statements – Income statement

Consolidated statement of comprehensive income

NOK '0000	Q1 2020		Q1 2021
Operating income	100.070	1	90.177
Total revenue	100.070		90.177
Cost of materials	44.957	2	58.681
Employee benefit expenses	5.843	3	9.735
Other operating expenses	10.759		7.338
EBITDA	38.512		14.424
Depreciation, amortisation and impairment	6.118	4	7.783
Operating EBIT	32.393		6.641
Net fair value adjustment biomass	-26.526	5	-8.429
EBIT	5.867		-1.788
Net finance cost	4.587		-2.806
Profit or loss before tax	10.454		-4.594
Income tax expense	-2.756		1.928
Profit or loss for the period	7.698		-2.666
KPIs:			
EBITDA margin	38,48%	6	15,99%

1 The average USD/NOK exchange rate decreased from 9,5 in Q1 2020 to 8,5 in 2021 which equals around 10,5% decreased USD/NOK exchange.

Weaker USD and lower prices cause revenues decrease in Q1 2021 compared to Q1 2020 increased harvested volume.

2 Due to mortality in Q1 cost per kg increased on harvested fish.

Mortality amounted to around 4,4% of total biomass in Q1 2021 compared to 2,2% in Q1 2020.

3 Full time employees (farming and smolt) increased between years amounting to 51 in Q1 2021 compared to 36 in Q1 2020. This resulted in higher employee benefit expenses between.

4 Investments in PPE in 2020 and Q1 2021 result in higher depreciation in Q1 2021 compared to Q1 2020.

5 Fair value adjustment on biomass amounted to negative NOK 8,4 million in Q1 2021 compared to negative NOK 26.5 million in Q1 2020.

Fair Value of Biomass is calculated using forward prices and will vary between quarters.

6 Despite low volume harvested and higher than average mortality EBITDA amounted to NOK 14.4 million which equals around 16% EBITDA margin.

Financial statements – Balance sheet

Consolidated statement of financial position

currency: NOK'000	31.12.2020	31.3.2021	NIBD	NWC	other
Licenses	598.028	597.488	-	-	597.488
Other intangible assets	15.913	16.744	-	-	16.744
Property, plant and equipment	287.628	380.178	-	-	380.178
Investments in associated companies	21.645	22.255	-	-	22.255
Deferred tax assets	2.756	4.712	-	-	4.712
Total non-current assets	925.971	1.021.377	-	-	1.021.377
Biological assets	290.656	262.588	-	262.588	-
Inventories	11.748	9.969	-	9.969	-
Trade and other receivables related parties	41.989	43.243	-	43.243	-
Trade and other receivables	47.193	47.011	-	47.011	-
Cash and cash equivalents	150.118	91.466	91.466	-	-
Total current assets	541.704	454.276	91.466	362.811	-
TOTAL ASSETS	1.467.675	1.475.653	91.466	362.811	1.021.377
Total equity	-1.069.166	-1.066.025	-	-	-1.066.025
Non-current interest bearing liabilities	-251.086	-221.890	-221.890	-	-
Total non-current liabilities	-251.086	-221.890	-221.890	-	-
Current interest bearing liabilities	-53.083	-87.923	-87.923	-	-
Subordinated loan from related parties	-25.578	-26.961	-26.961	-	-
Trade and other payables	-68.761	-72.855	-	-72.855	-
Total current liabilities	-147.422	-187.738	-114.884	-72.855	-
TOTAL EQUITY AND LIABILITIES	-1.467.675	-1.475.654	-336.774	-72.855	-1.066.025
Reported Net cash / (debt)			-245.308	289.956	-44.648

1 Investments in PPE amounted to around NOK 100 million in Q1 2021, mainly in continued construction of new smolt station and ships and barges.

Currency: NOK'000	Dec20	Additions	Disposals	Translation	Mar21
Property and land	66.795	45.543	-	(1)	112.337
Ships and barges	44.270	40.491	(3.355)	12	81.418
Cages and equipment	171.711	15.508	-	(135)	187.084
PP&E (gross)	282.776	101.543	(3.355)	(124)	380.840
Accumulated depreciation	(58.095)				(60.676)
PP&E (net)	224.681	101.543	(3.355)	(124)	320.164
Right-of-use assets (net)	62.948	-	-	3	60.015
Total PP&E total (net)	287.628				380.178

2 NIBD increased by NOK 65,7 million in Q1 and amounted to NOK 245 million at end of Q1 2021.

Current portion of interest bearing liabilities increased by NOK 34.8 million due to short term construction loan. Refinance of the construction loan has been secured.

Equity ratio was similar to year end 2020 or around 72%

Expansion plan – Capex expected to amount to NOK 635 million over next 3 years

Detailed planned capital expenditure overview

NOKm	2021	2022	2023
Floting rings	7	27	41
Nets	8	24	20
Birdnets, cameras, ocean light, feeding pipes, dead fish system	23	23	28
Mooring systems	19	10	16
Farming equipment total	57	83	105
House for fjords	4	4	4
Real estate total	4	4	4
Cars and forklifts	1	1	1
Sum cars and forklifts	1	1	1
Catamaran	21	14	30
Feed Barge	66	69	68
Ships and barges total	87	83	98
Smolt stations	88	10	10
Smolt stations total	88	10	10
Total investments	237	181	217

Top of the line equipment and smolt stations

After Q1 we have invested 100 NOK and secured finance for the total investment in 2021.

Smolt stations: Kópasker and Rifós will be finished during 2021 one year ahead of plan.

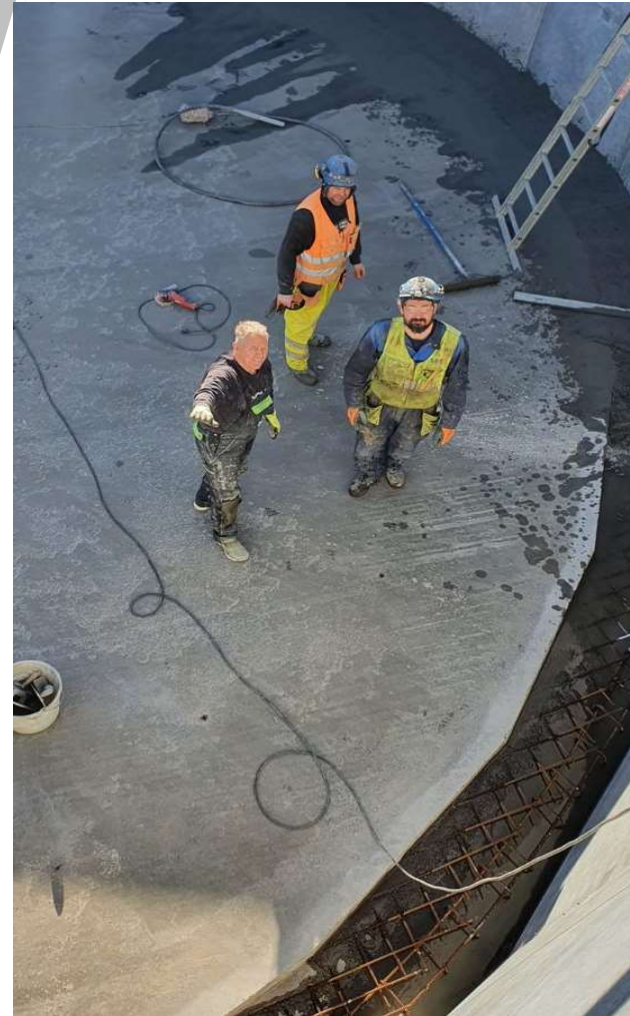
Table of content

Key Highlights

Financial performance

Growth and Premium build up plan

Appendix



Tanks in Kópasker being prepared.

Ice Fish Farm smolt stations expansion plan

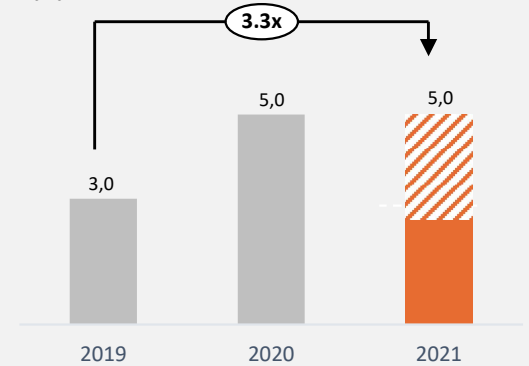


Facility	Description	Capacity
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- 50/50% owned by Icelandic Salmon (Arnarlax) and Ice Fish Farm
- Production of smolt between 100 and 500 grams
- Located near one of Europe's largest underwater rivers
- Ísthor smolt station has increased capacity from 3m to 5m smolts.
- Very experienced team of ten employees.
- The facility currently has a capacity of 17,500 cubics
- **Building 2,000 cubics, to have bigger smolts and be ready in Q4 2021.**

Million smolt capacity p.a. (50% of total) – shared with Arnarlax



400 gr smolts ready for spring release in Rifós.

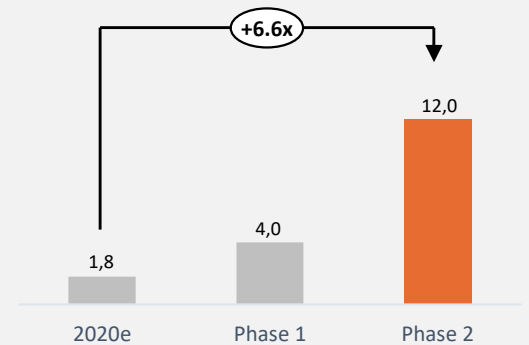
Rifós:

- Rifós and the buildout of Kópasker in the north of Iceland will provide Ice with large smolt between 200-800 grams
- The large smolt will cut production time in the sea by 3-4 months, which will allow the Company to utilize its licenses in a more efficient manner
- The smolt from Rifós will be moved to Kópasker when its size has reached around 100 grams to grow into post-smolt sizes close to 300-800 grams

Kópasker:

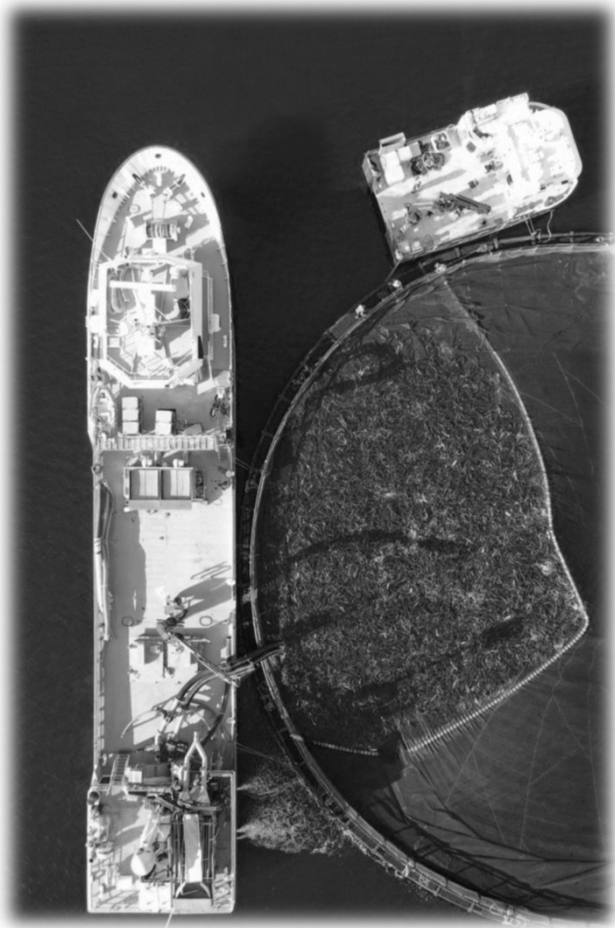
- Phase 1: Building 7.200 cubics capacity with 13 degrees sea water and will be in operation Q2 2021, one ahead of schedule. Output of 4m smolts and 1.200 tons of biomass with average weight 200-800gr
- **Phase 2: Building 3 houses with total cubic of 33.600. 2.700 tons standing biomass license has been applied and expected output of 12M 400gr smolt. Application and planning has already been submitted.**

Million smolt capacity for Ice

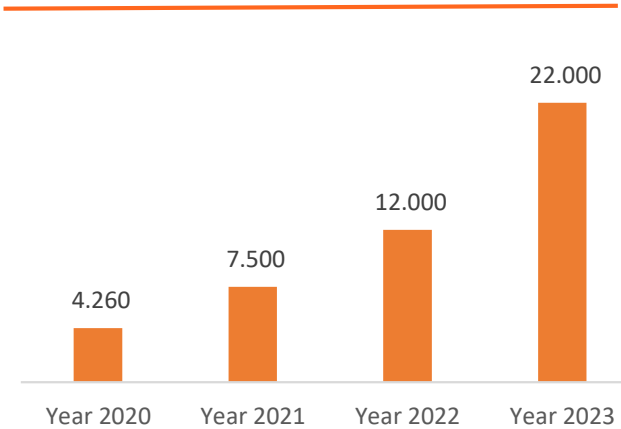


Total smolt capacity ICE FISH FARM :
 2021: 6,5M 250gr average
 With phase 2: 14,5M 400gr average

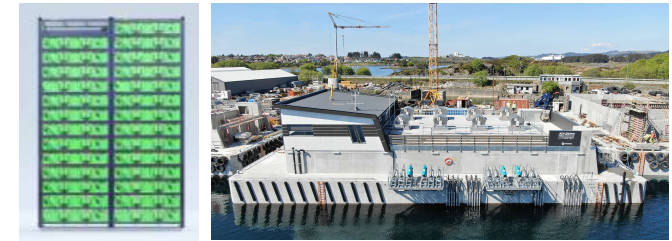
Steps for growth in our value chain



Projected harvest 2021 - 2023



- Preparing for more biomass
- Building new sites in Berufjörður and Fáskrúðsfjörður.
- Sub feeding and removal of bird nets during winter.
- Training new staff.
- New Hybrid Barges to lower CO2
- Quality feed with more marine protein and Panaferd.
- Use good farming environment to grow big salmon.
- Lower temperature in sea than average in Q1, growth therefore lower.
- Our strategy of low density in cages has shown good result and will continue with that.



- Benefits of hybrid solution for Barges
- Lower emissions (NOx and Sox)
- Lower fuel consumption (up to 60%)
- Less generator/diesel-engine running hours (1-7 hours)
- Less generator/diesel-engine maintenance
- Less acoustic noise
- Less vibrations
- One of the safest batteries on the market
- DNV-GL approved batteries
- Low CO2 footprint

Steps for growth in our value chain



- BEWI producer of boxes for salmon plans to start production in Djúpvogur.
- Construction off new box factory has started.
- The factory is expected to start operation early 2022.
- Savings with new box factory is expected to be 1,2 NOK per kg.



New Box Factory in Djúpvogur, cut cost per kg 1,2 NOK.



Steps for growth in our value chain



- With our super chilled salmon, we gain 4 days extra shelf life.
- Transport takes 8-9 days to USA with sea freight.
- Customers are happy and quality is excellent.
- CO2 is 94% less with sea freight.
- Much lower transport cost to USA, savings of 15 NOK per kg. Giving huge advantage in USA.
- Building up new customer base in rest of the world to prepare for more harvest in Q4 2021.
- Fresh deliveries started again in Q1

Francisco Pinto managing partner in ULTCO, our representative in USA :

“Through innovation and product diversification ICE FISH FARM maintained premium prices during the COVID pandemic. Production varied from fresh fillets, smoked items, prepared food to sushi. ICE FISH FARM is present in all retail departments and has at the same time achieved fantastic utilization of the fish.

Goal for 2021 is to use our growth to establish long term customers in the fine dining and natural retailers.”

Further with 6+ salmon is being introduced to Asian market.



Advantage of 15 NOK per kg in transport cost to USA fresh.

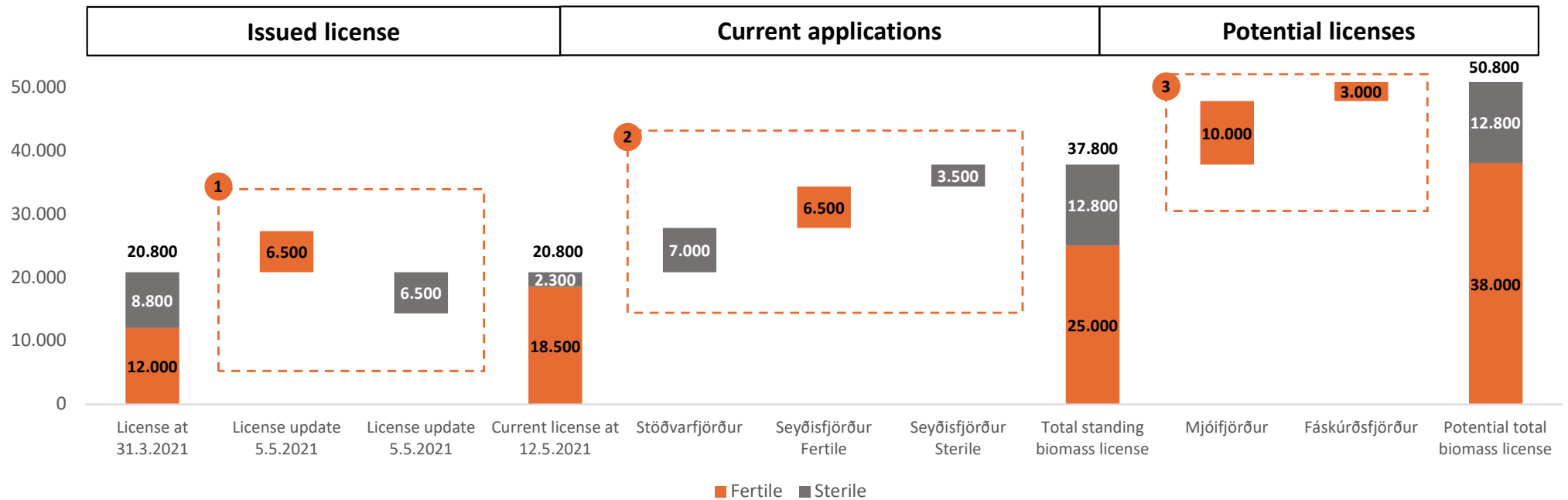


Product variations.



Exceptional quality and big fish for sushi..

License update, Current licenses, applications and potential additional licenses



1 Total license at end of Q1 2021 amounted to 20.800 tons:

- Fertile license was 12.000 tons
- Sterile license was 8.800 tons

The Icelandic government issued updated license where license of 6.500 tons of sterile salmon was converted to license 6.500 tons of fertile salmon.

Total license current license still amount to 20.8000 tons:

- **Fertile license is now 18.500 tons**
- **Sterile license is now 2.300 tons.**

2 Hopeful that our current license application in Stöðvarfjörður (7.000 tons sterile) and in Seyðisfjörður (6.500 tons fertile and 3.500 sterile) will be granted in 2021.

3 Extra 3.000 tons biomass in Fáskrúðsfjörður. This has been applied for and if granted would come as addition to our 11.000 tons in Fáskrúðsfjörður.

The application is based on the decision of the Marine Institute, in the risk assessment from June 2020, that by using smolt of average weight over 400gr additional 2.000 tons biomass of fertile would be granted.

3 Application in Mjóifjörður of 10.000 tons standing biomass since 2014. Minister has ordered Marine Institute of Iceland to issue biomass and risk assessment for the fjörd.

ICE FISH FARM has approval from the National Planning Agency of Iceland to move on with the work on final environment report for Mjóifjordur. It is likely that biomass will be auctioned off by the minister as soon as Marine Institute has issued its findings.

We have a reason to believe that the position of ICE FISH FARM will be strong when auction will take place due to our work on environmental report and general position in the East.

Outlook:

Market

- 🐟 Global supply of salmon increased during Q1 2021
- 🐟 Majority of harvest 2021 is contracted
- 🐟 Transportation cost are expected to decrease after COVID-19

Harvest

- 🐟 In 2020 Ice Fish Farm harvested 3.917 tons of salmon
- 🐟 In 2021 Ice Fish Farm expects to harvest 7.500 tons. 90% increase
- 🐟 In 2022 Ice Fish Farm expects to harvest 12.000 tons. 60 % increase
- 🐟 In 2023 Ice Fish Farm expects to harvest 22.000 tons. 83 % increase

Finance and business development

- 🐟 Strong balance sheet and secured loan lines are foundation for continued investments in line with our growth plan

License – Future Growth

- 🐟 MAB
- 🐟 More licenses

Sustainability and responsible farming

- 🐟 Continue to creating world class team
- 🐟 Invest in sustainable production, certified and Organic
- 🐟 Continue to farm with low risk and keep our salmon happy
- 🐟 Lower CO2 with hybrid barges, limit airfreight
- 🐟 Surroundings safely monitored close surveillance
- 🐟 Risk Assessment for the wild salmon



Table of content

Key Highlights

Financial performance

Growth and Premium build up plan

Appendix



Financial statements

Consolidated statement of comprehensive income

Currency: NOK '000	Q1 2021	Q1 2020	FY2020
Operating income	90.177	100.070	283.463
Total revenue	90.177	100.070	283.463
Cost of materials	58.681	44.957	139.633
Employee benefit expenses	9.735	5.843	30.835
Other operating expenses	7.338	10.759	28.874
Depreciation, amortisation and impairment	7.783	6.118	29.524
EBIT before biomass FV adj.	6.641	32.393	54.597
Net fair value adjustment biomass	-8.429	-26.526	1.050
Operating profit	-1.788	5.867	55.647
Finance income	570	-	1.532
Finance costs	-4.090	-4.722	-15.863
Foreign exchange rate gain/ (-)loss	246	12.637	-6.454
Share of profit or loss of an associate	469	-3.328	-6.555
Profit or loss before tax	-4.594	10.454	28.307
Income tax expense	1.928	-2.756	9.487
Profit or loss for the period	-2.666	7.698	37.794

Currency: NOK '000	Q1 2021	Q1 2020	FY2020
<i>Items that subsequently may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations	-476	127.386	-44.971
Total comprehensive income for the period	-3.142	135.084	-7.177

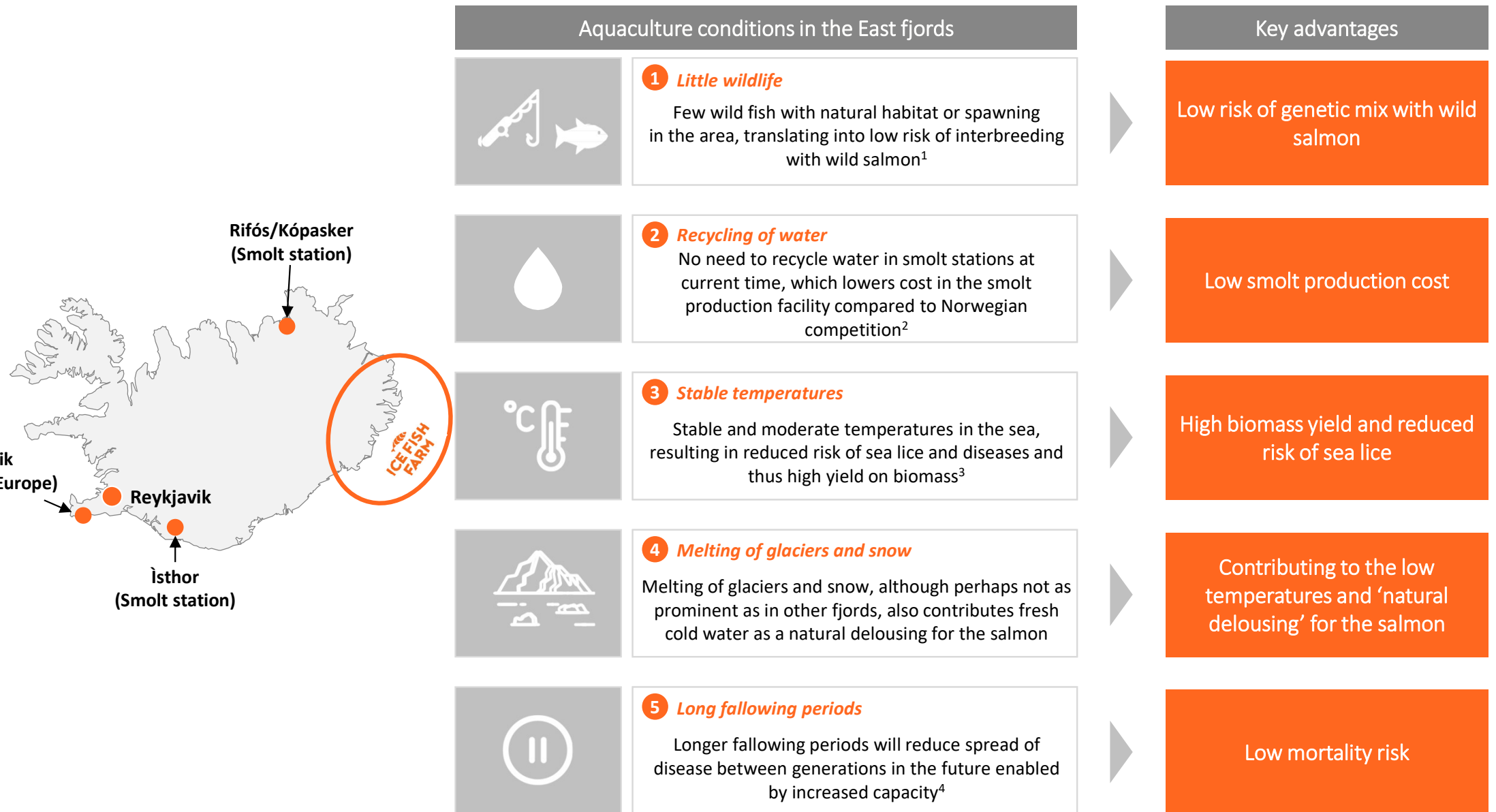
<i>Profit or loss for the period attributable to:</i>			
Equity holders of the parent	-2.667	8.399	38.430
Non-controlling interests	1	-701	-636
Total	-2.666	7.698	37.794

<i>Total comprehensive income for the period attributable to:</i>			
Equity holders of the parent	-3.143	135.785	-6.444
Non-controlling interests	1	-701	-733
Total	-3.142	135.084	-7.177

Consolidated statement of financial position

Currency: NOK '000	31.3.2021	31.12.2020
Non-current assets		
Licenses	597.488	598.028
Other intangible assets	16.744	15.913
Property, plant and equipment	380.178	287.628
Investments in associated companies	22.255	21.645
Deferred tax assets	4.712	2.756
Total non-current assets	1.021.377	925.971
Current assets		
Biological assets	262.588	290.656
Inventories	9.969	11.748
Trade and other receivables related parties	29.711	41.989
Trade and other receivables	60.543	47.193
Cash and cash equivalents	91.466	150.118
Total current assets	454.276	541.704
TOTAL ASSETS	1.475.653	1.467.675
Share capital	5.400	5.400
Share premium	1.790.635	1.790.635
Other equity	-730.105	-726.962
Equity attributable to the equity holders of the parent	1.065.930	1.069.073
Non-controlling interests	95	93
Total equity	1.066.025	1.069.166
Non-current interest bearing liabilities	221.890	251.086
Total non-current liabilities	221.890	251.086
Current liabilities		
Current interest bearing liabilities	87.923	53.083
Subordinated loan from related parties	26.961	25.578
Trade and other payables	72.855	68.761
Total current liabilities	187.737	147.422
Total liabilities	409.627	398.508
TOTAL EQUITY AND LIABILITIES	1.475.653	1.467.675

The East fjords of Iceland have a number of favorable conditions



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.

Structure of ICE FISH FARM

