



Ice Fish Farm AS – Q3 report

Guðmundur Gíslason, CEO

Roar Myhre, CFO NTS

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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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Highlights in Q3 2020






-  EBIT of NOK 12.88 per kg on salmon.
-  No issues with logistics in sales
-  Performance in sea versus Q3 2019
 - Biomass 39% increase
 - Smolt output 75% increase
-  Smolt stations
 - Build up going faster than planned
 - Mortality on transfer's 6%
-  Premium Organic Ice Fish Salmon
 - New brand
 - 5,000 tons annual production that will start harvest in 2022



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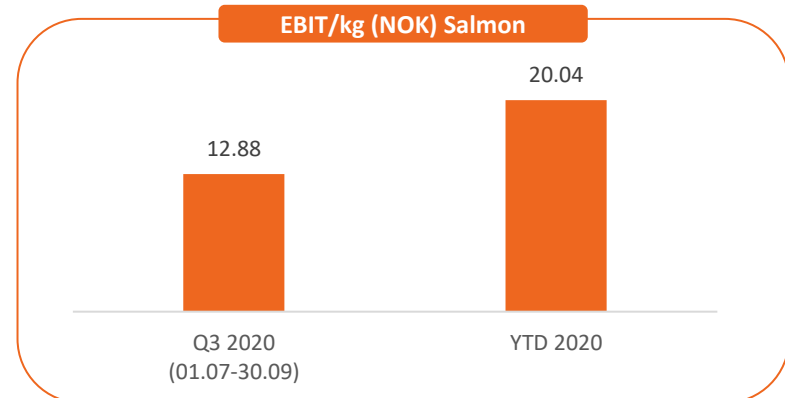
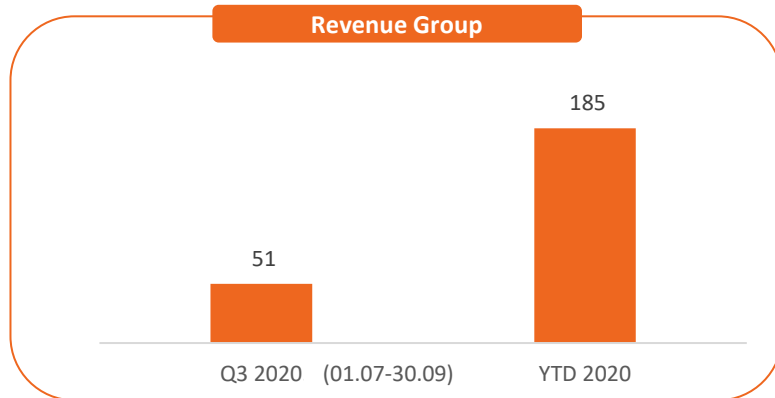
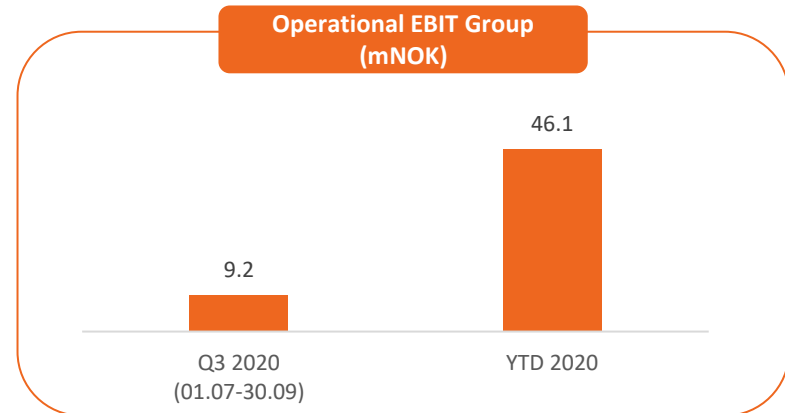
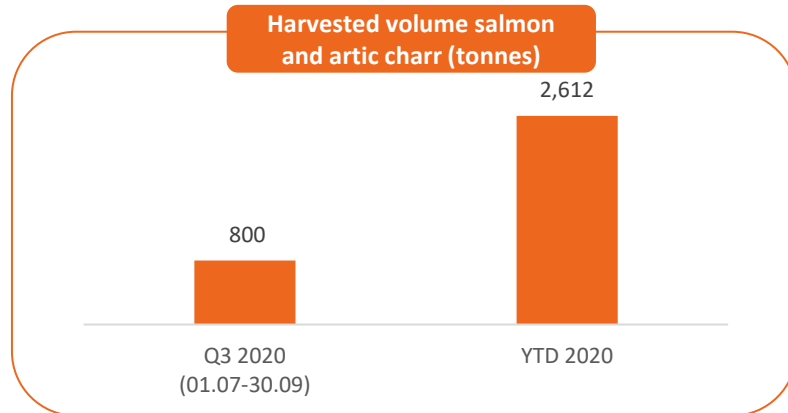
Financial performance

Growth and Premium build up plan

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Financial summary




Key comments

- 🐟 Harvested volume was 800tons, and thereof was Arctic Charr 105 tons. Operational EBIT in Q3 was 11,5M NOK.
- 🐟 The EBIT per kg is NOK 11.48 for the quarter, with an EBIT per kg for salmon separately at NOK 12.88, and arctic charr at NOK 8.89.

Financial highlights in Q3 2020

 Operating revenue NOK 50.9 million.

 Average salmon price NOK 47.49 (NASDAQ) making our Premium NOK 15.51 in the quarter.

 NIBD up by NOK 45 million.

 Equity ratio 75%.

 Cash NOK 152 million.

ICE FISH FARM - KEY FIGURES	Q3 2020	Q3 2019
Operating Revenue	50,929	7,997
Operating EBITDA	17,003	- 12,342
Operating EBIT	9,192	- 16,973
EBIT with fair market value adjustment biomass	10,658	17,400
EBT	4,663	1,588
EPS	0.63	0
Share price increase since launch until end of Q3	+33.9%	
Net cash flow form operating activates	515	18,100
Investments in tangible fixed Assets	109,162	43,760
NIBD	101.314	243.843
Equity ration	75%	70%
Cash	151,991	1,130
Volume harvested	800	99
Operational EBIT per kg salmon	12.88	

Giga growth investment plan, to 35 thousand tons.

Detailed planned capital expenditure overview

Total investment NOKm	2020	2021	2022	2023	2024
Floating rings	12	20	37	19	0
Nets	8	10	26	21	14
Birdnets, cameras, ocean light, feeding pipes, dead fish system	4	8	11	8	8
Mooring systems	6	7	11	6	0
Sum farming operations	30	45	85	55	22
Catamaran	7	19	27	12	0
Feed barge new	0	68	55	0	0
Sum other farming equipment¹	7	87	82	12	0
Smolt stations	55	73	0	0	0
Other	19	11	12	13	13
Sum smolt stations and other	74	84	12	13	13
Total investments	111	216	179	79	35

Total investment NOK 620 million over 5 years period.

Top of the line equipment and smolt stations

Farming operations: New sites for next year.

Other farming equipment: Signed and financed 2 barges and 2 catamarans. Buying hybrid solution approx. 30% more expensive but running cost will be lower.

Smolt stations: Total investment in Rifos will be as planned 128M NOK from 2017-2021, already paid NOK 37M. Planned to be finished in 2021. Output will be in first phase 4M * 400gr smolt, 1.6 tons. Cost of investment per kg 81 NOK and per smolt NOK 32 per smolt.

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Major steps for growth in our value chain

Smolt production

- Isthor delivered record number of smolts this year. ICE received 760th smolt in Q3 making total of 1,9M YTD. Planned in Q4 600th. Full year 2,5M smolts.
- Rifos delivered first shipment of 130th in Q3. In Q4 we plan 150th.
- Total output of smolt in 2020 2,78m
- Rifos started using warmer water and now runs on 12 degrees instead of 9 degrees, will gain faster growth.
- Expect to have Kópasker ready for smolt before summer 2021.

Salmon farming

- A bit lower growth than expected.
- Smaller smolt on the 2019 generation.
- Our people more experienced
- High quality smolt
- Low transport mortality 6% compared to 11% previous year.
- Economic of scale with 39% more biomass in sea
- Net cleaning going well with crew on new net cleaning service vessel.

Processing and distribution

- New grader was installed. Increase daily harvest and lower cost per kg.
- Box factory is planned to be ready middle 2021.
- 100% sold into frozen categories, processed in Poland.

End customer

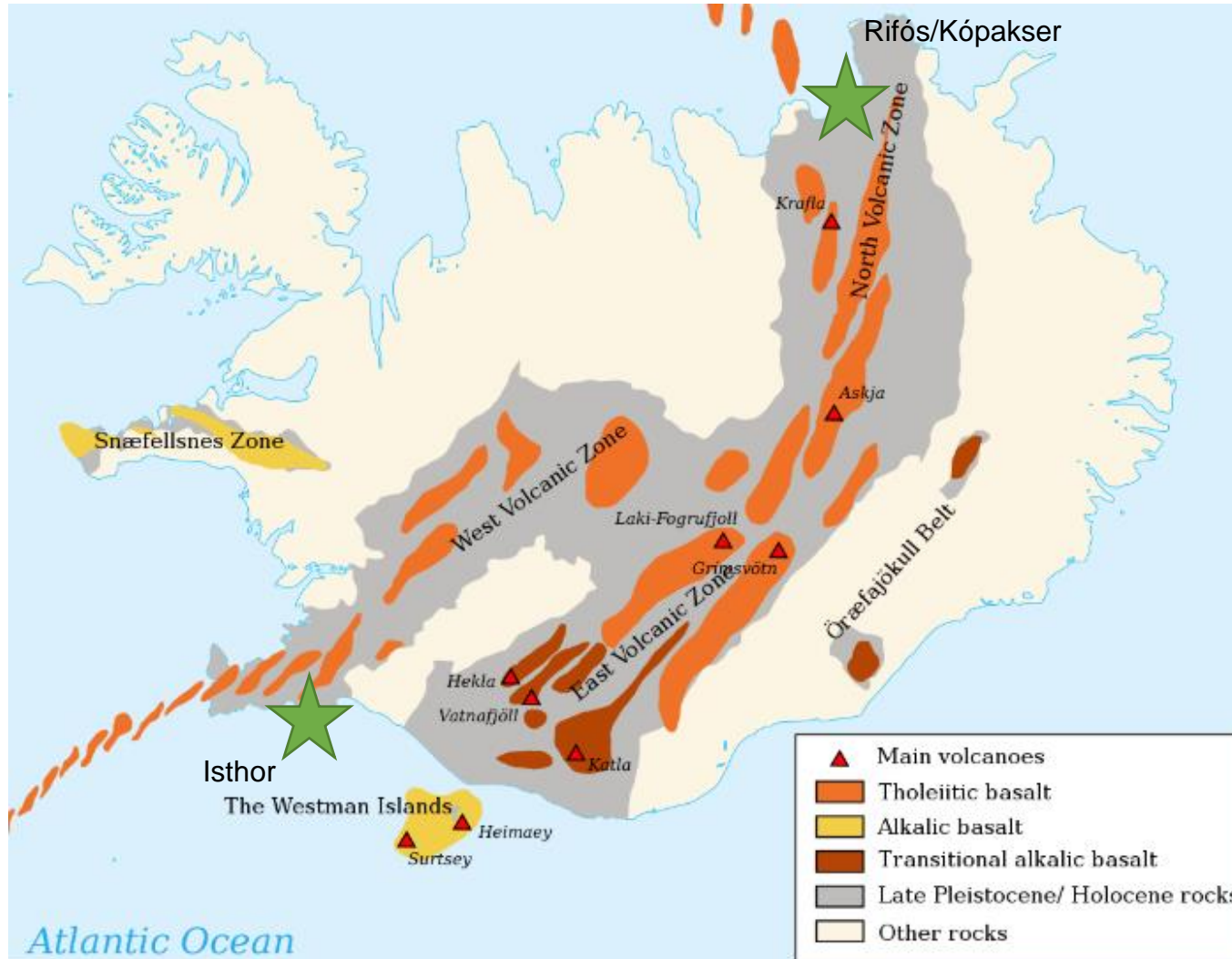
- Sales contracts are in place for majority of harvest til end of June 2021.
- Transport and logistic are solid.
- Obtained organic certification for our production. This is in line with our goal to produce premium salmon.



Premium product proven by extensive certification



Location is everything when you want to grow big smolts



- The Mid-Atlantic Ridge (MAR) is a mid-ocean ridge, a divergent or constructive plate boundary located along the floor of the Atlantic Ocean, and part of the longest mountain range in the world.
- In the area of north of Iceland where Rifos and Kópasker is located there is plenty of warm fresh water and warm sea water in the ground.
- In this area Samherji has been operating land-based salmon farming for 25 years with great result. Stable water supply and good quality of the water. Producing now 1.500 tons of 5kg salmon.
- Only 50 km away from Rifós is the newest thermo powerplant peistareykir, producing 90 MW of power per year.
- In the area we have experienced workers that know salmon smolt farming.

Kópasker GIGA project, Strategically important for growth



100 gr takes 3 months to reach 400 gr.
400gr in sea is 7 months faster than 100gr.

Rifós – fresh water



New start feeding house.
Egg to 20gr

New 6 tanks
20gr to 70gr and vaxinated,
redy for transfer to Kópasker.

Kópasker, 400 gr Post Smolt Station



Post Smolt will be pumped to well boat, about 300 meters.



Drilling for 12.6 degrees full salinity water. Already one finished, plan to finish in Q4.






First phase house being built. Will have 3,000 square meter house built over the tanks. Smolt received from Rifós 70gr and ready for deliver at 400gr,

Bigger smolt is better

Size into sea	Time in sea	Generations	Total months	Tons per generation	Farmed tons
400gr	15	3	45	35,000	105,000
100gr	22	2	44	35,000	70,000

 50% increased volume	35,000 tons
 EBIT/kg	17 NOK
 Increased EBIT	595,000,000 NOK

-  Less risk as time in sea shortens.
-  More use of investment and less investment needed.
-  Environmentally friendlier.

NOW WE HAVE ADDED ORGANIC TO OUR PREMIUM SALMON OFFERING

We have conditions to farm Organic salmon



ORGANIC

We are already producing certified premium salmon under strict certifications with high quality.

Only small adjustments needed to produce Organic.

Organic salmon roes are high quality.

Will use 200 meter cages (40% more space) to make sure they have plenty of space. No handling required during sea farming.

This market has been giving higher prices.

Certifications on our Salmon

Complete transparency of origin and production

Quality at each stage of the production

Commitment towards the local communities

Great aquaculture farming practices

Adherence to principles of corporate social responsibility

Maintenance or improvement of surrounding ecosystem

...Ice Fish Farm is the first Icelandic farmer to have this implementation stage of certification for Organic salmon.

NEW



This is European Organic according to Article 29(1) of Regulation (EC) No 834/2007.


License update

Overall new licenses in ICELAND have been moving along:

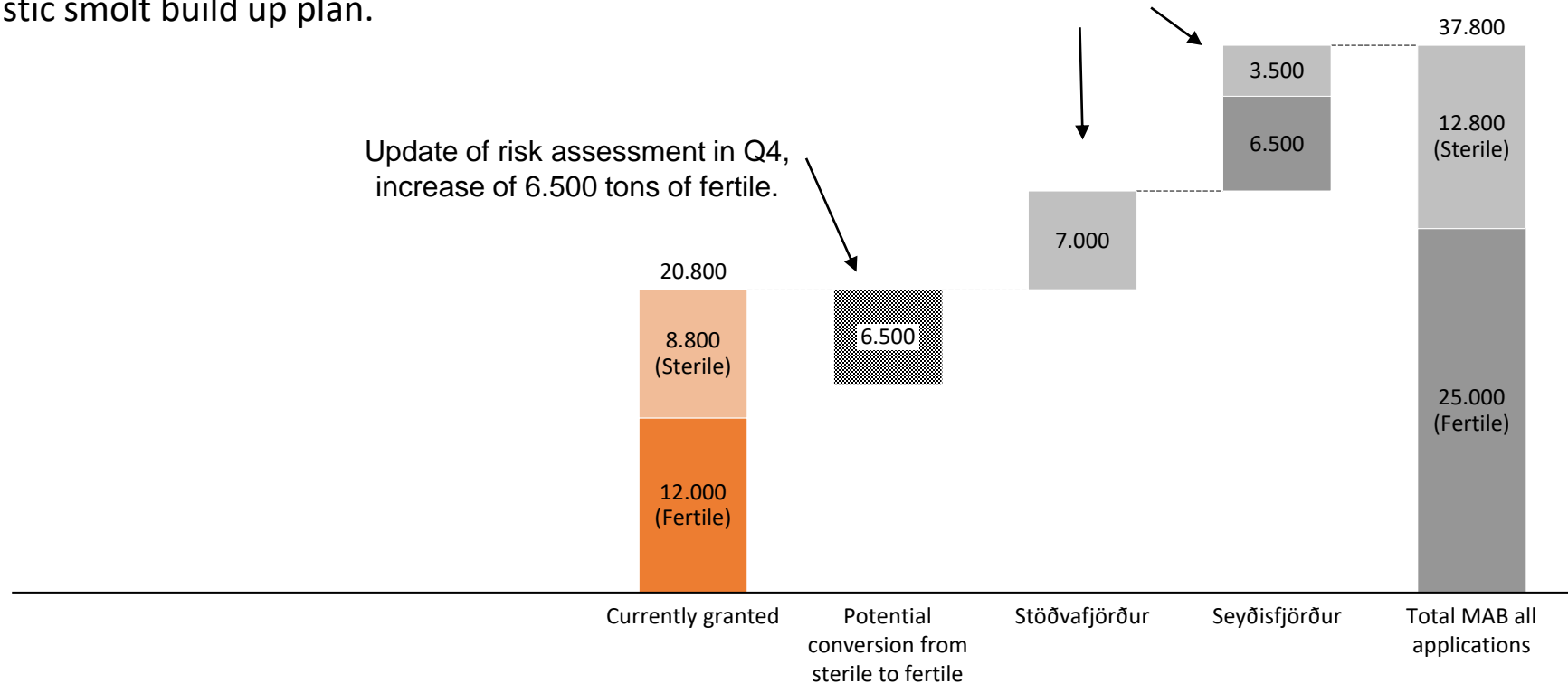
- Laxar has received additional 10th tons of license.
- Licenses for smolt production have been issued.

Only few people working on this currently in our institutions.

- Minister has given more funds to hire more people.

 We are ready for growth with fantastic smolt build up plan.

Outlook for applications to become licenses first half 2021.




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"

Outlook:


Sales

-  Premium prices and good biological status gives the outlook of continued good performance.

Harvest

-  Harvest for 2020 estimated at 3.500 tons.
-  Harvest for 2021 estimated at 8.700 tons.
-  Harvest for 2022 estimated at 15.500 tons.

Production

-  Smolt investments and build up is going faster as planned.

Financial





-  Strong balance sheet and cash level.
-  After the issue of new capital ICE is well prepared for growth and/or mergers and acquisitions.
-  Barges and boats for 2021 have been financed.
-  Currently working on financing for smolt stations and further investments.



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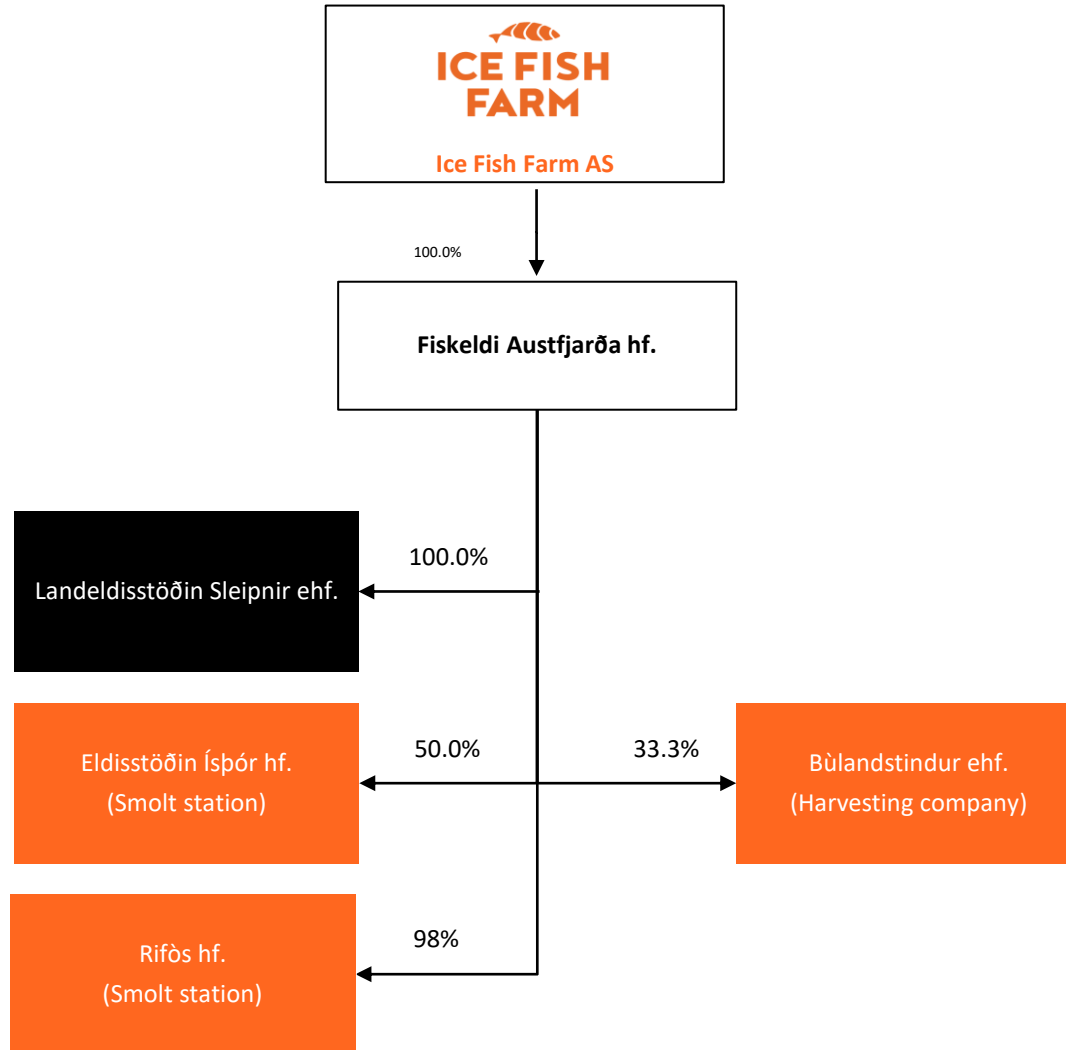
Consolidated statement of comprehensive income

' 000 NOK	Q3 2020	Q3 2019	FY 2019
Total revenue	50,929	7,997	293,304
Cost of materials	18,192	1,838	225,178
Employee benefit expences	8,026	7,808	26,960
Other operating expences	7,707	10,692	33,554
Depr., amort. and impairment	7,811	4,631	18,770
Operating profit, before fair value adjustment of biomass	9,192	-16,973	-11,159
Net fair value adj. biomass	1,466	34,372	33,704
Operating profit	10,658	17,400	22,545
Finance income	-	0	34
Finance cost	-3,951	-3,938	-16,172
Foreign exch.rate gain/loss	-902	4,685	2,067
Share of profit/loss of associate	-1,142	-2,559	3,296
Profit/loss before tax	4,663	15,588	11,767
Income tax expence	-1,106	-6,639	-5,149
Profit/loss for the period	3,557	8,949	6,621
TOTAL	3,557	8,949	6,621

Balance sheet

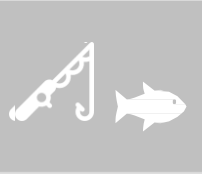



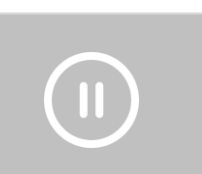
' 000 NOK	30.09.2020	30.06.2019
Licenses	664,527	615,036
Other intangible assets	14,430	14,374
Property, plant and equipment	274,951	156,655
Investments in associated companies	28,282	31,235
Total non-current assets	982,189	817,300
Biological assets	301,054	228,846
Inventories	17,143	6,904
Trade and other receivables related parties	40,038	36,327
Trade and other receivables	39,237	39,552
Cash and cash equivalents	151,991	1,130
Total current assets	549,462	312,760
TOTAL ASSETS	1,531,651	1,130,060
Share capital	5,400	, 931
Share premium	1,790,925	211,089
Other equity	-648,613	574,282
Non-controlling interests	438	1,030
Total equity	1,148,150	791,332
Total non-current liabilities	117,518	89,691
Total current liabilities	265,983	249,037
Total liabilities	383,501	338,728
TOTAL EQUITY AND LIABILITIES	1,531,651	1,130,060

Structure of ICE FISH FARM

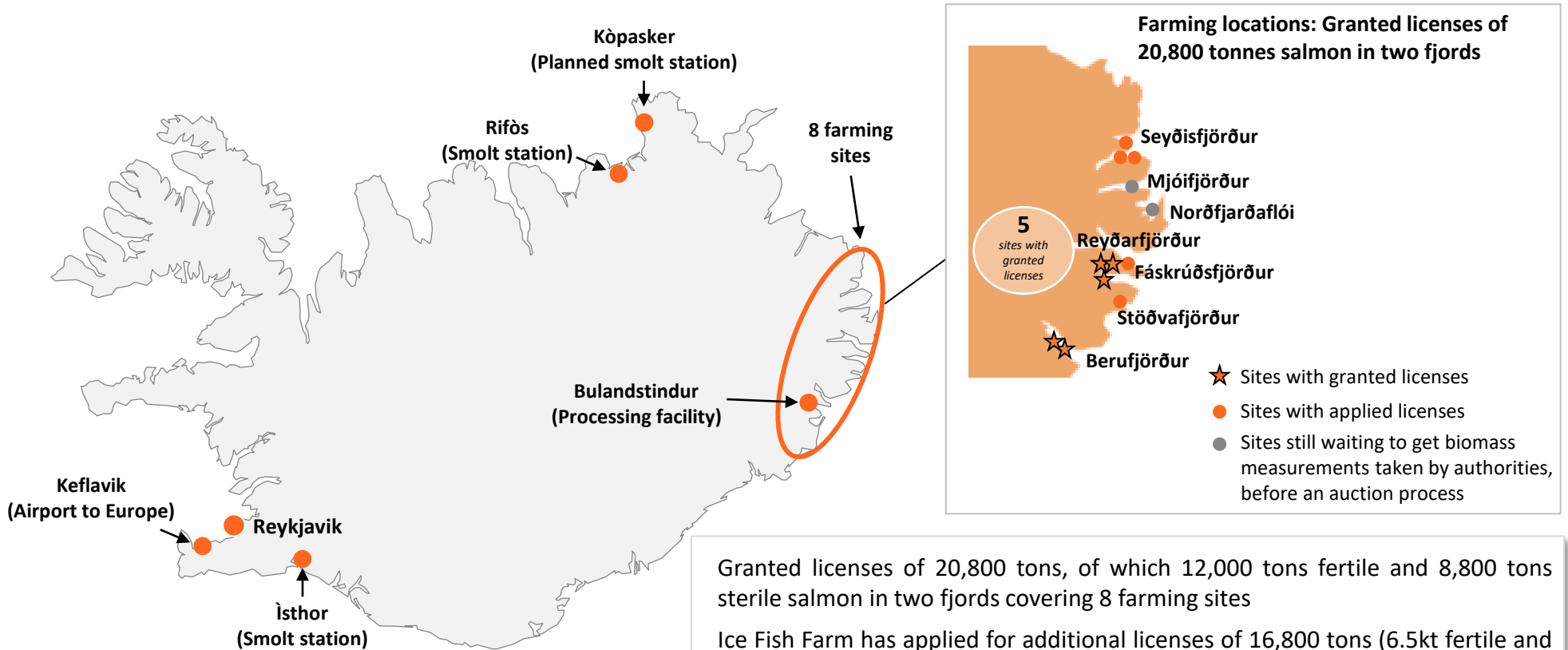


The East fjords of Iceland have a number of favorable conditions



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>

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

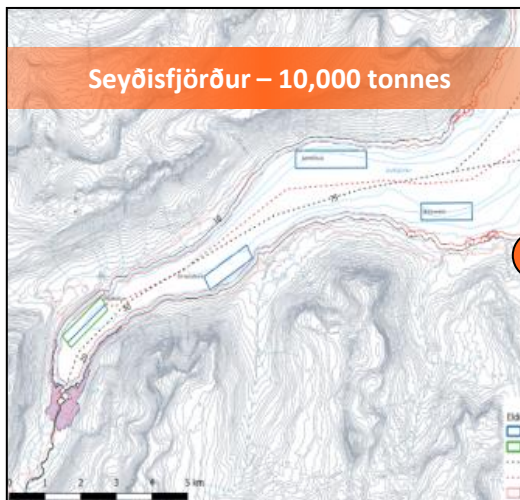
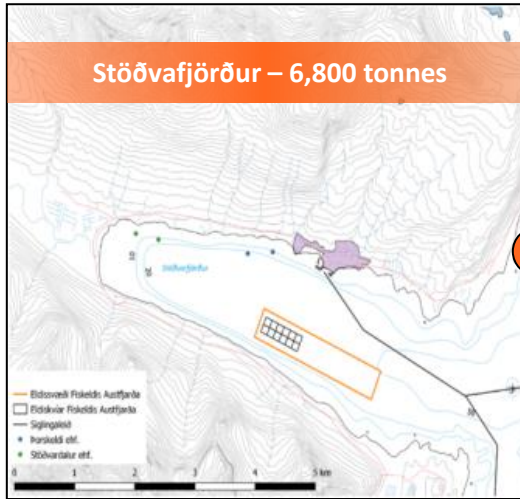
Ice Fish Farm has two pending applications for a total of 16,800 tonnes

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