





**ICE FISH  
FARM**



**Ice Fish Farm AS**

**Q4 2020 report**

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24 February 2021

## Forward looking statements

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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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Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Unless we are required by law to update these statements, we will not necessarily update any of these statements after the date of this report, either to make them confirm to actual results or changes in our expectations.



# Table of content

Key Highlights

Financial performance

Growth and Premium build up plan

Appendix



## Highlights in Q4 2020

- 🐟 Majority of harvest for 2021 contracted
- 🐟 Harvested 4,4 kg fish average vs 4,9 kg fish in Q4 2019
- 🐟 Performance in sea versus Q4 2019
  - Biomass tons 44% increase
  - Number of fish in the sea 57% increase
  - Smolt output 97% increase
  - Biological status excellent



# Table of content

Key Highlights

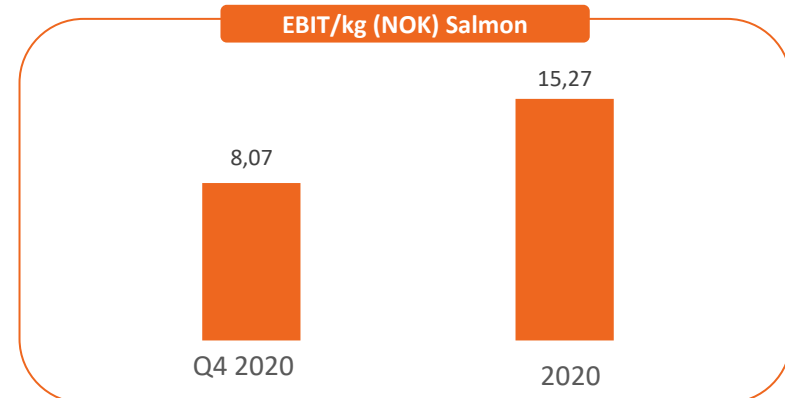
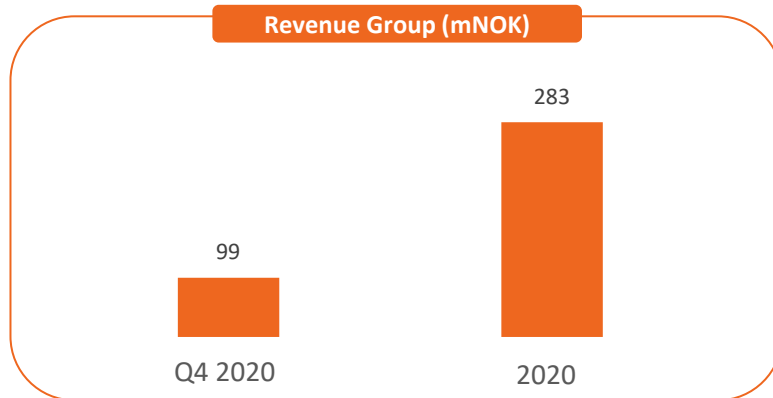
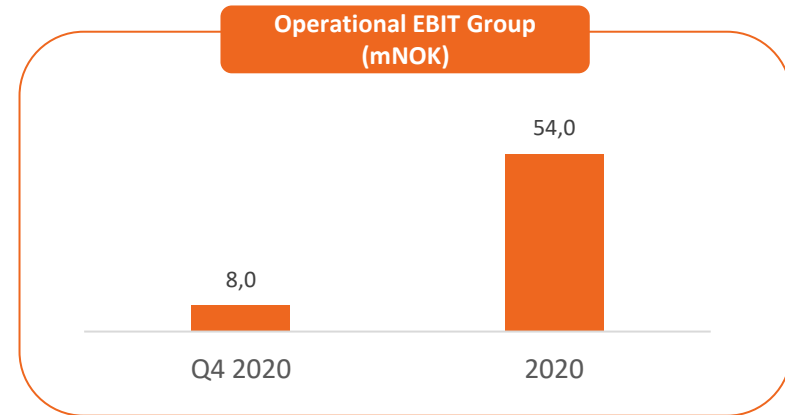
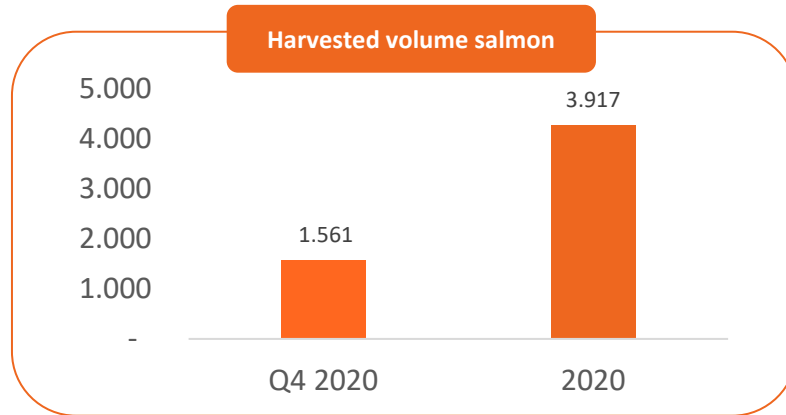
Financial performance

Growth and Premium build up plan

Appendix



# Financial summary



## Key comments

- 🐟 Harvested volume was 1.648 tons, and thereof was Arctic Charr 87 tons. Operational EBIT in Q4 was 8 M NOK, salmon separately 12,6M NOK.
- 🐟 The EBIT per kg is NOK 4,83 for the quarter, with an EBIT per kg for salmon separately at NOK 8,07, and arctic charr at NOK -53,46.

## Financial highlights in Q4 2020

-  **Operating EBIT** 8 million in Q4 2020
-  **Operational EBIT** margin 8% in Q4 2020
-  **Investments** 173 million total year 2020
-  **NIBD** 180 million in Q4
-  **Cash** NOK 150 million Q4 2020
-  **Equity ratio** 73% end of Q4.
-  **Operational EBIT** of 81 million full year  
( - 30 million in Q4 2019)

ICE FISH FARM - KEY FIGURES	Q4 2020	Q4 2019
Operating Revenue	<b>98,681</b>	94,247
Operating EBITDA	<b>15,435</b>	31,825
Operating EBIT	<b>7,957</b>	25,036
EBIT with fair market value adjustment biomass	<b>12,634</b>	5,453
EBT	<b>-,444</b>	2,112
EPS	<b>-0,29</b>	0
Share price increase since launch until end of Q4	<b>+32%</b>	
Net cash flow form operating activates	<b>-81,878</b>	31,599
Investments in tangible fixed Assets total year	<b>173,000</b>	78,652
NIBD	<b>179,629</b>	269,364
Equity ratio	<b>73%</b>	70%
Cash	<b>150,118</b>	1,130
Volume havested salmon	<b>1,561</b>	1,384
Operational EBIT per kg salmon	<b>8,07</b>	18,09



# Table of content

Key Highlights

Financial performance

Looking forward

Appendix



World class feeders: Latest cage  
EFCR at 1,18

# Steps for growth in our value chain

## Smolt production

- Received 550<sup>th</sup> smolt from Ishtor and 150<sup>th</sup> from Rifos in Q4.
- Winter came sooner this year, and delay 150<sup>th</sup> smolt for next spring from Rifós.
- Total output to sea ended at 2,6M average weight 106gr.
- Rifós: Will receive first eggs into new start feeding house in Q1 2021.
- Kópasker: Start moving fish in Q2 2021 in and out to sea.
- Mortality end of Q4 in Rifos will affect output for 2021 and Harvest 2022/23.
- Expect to put into sea in 2021 3,3M smolts with average weight of 200gr. Reason for lower than planned is we are keeping smolt over winter 2021/2022 in Ishtor to have them bigger in the spring. Better license usage.

## Salmon farming

- Lower temperature in sea than average, growth therefore lower.
- First cage in Fáskrúðsfjörður had 1,18 EFCR and 4,02 TGC.
- Not seen sea lice in Fáskrúðsfjord and Berufjodur.
- Net cleaning boat got second net cleaner robot, double output.
- Preparing for new sites in Berufjodur and Fáskrúðsfjörður.

## Processing and distribution

- Harvesting cost is still high, due to low volume.
- Box factory is planned to be ready end of 2021.
- Fresh deliveries started again in Q1.

## End customer

- Sales contracts are in place for majority of harvest til end of Desember 2021.
- Transport and logistic are solid.
- Marketing our salmon in USA.
- Comparison tests, customers love our salmon more than competition.



*Premium product proven by extensive certification*



## Rifós – fresh water smolt station build up





# Pictures from construction of Start feeding house in Rifós smolt station

Desember 2020



Started concrete in November and will receive first eggs in March.

February 2020



# 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,

# Kópasker post smolt site, 12,4 degrees full salinity

September 2020



Start moving smolt to the station beginning May 2021 and output June 2021, **one year ahead of schedule.**

February 2021



## First Cage in Fáskrúðsfjörður of 2019 generation

Started 12. June 2019 with our 2019 generation

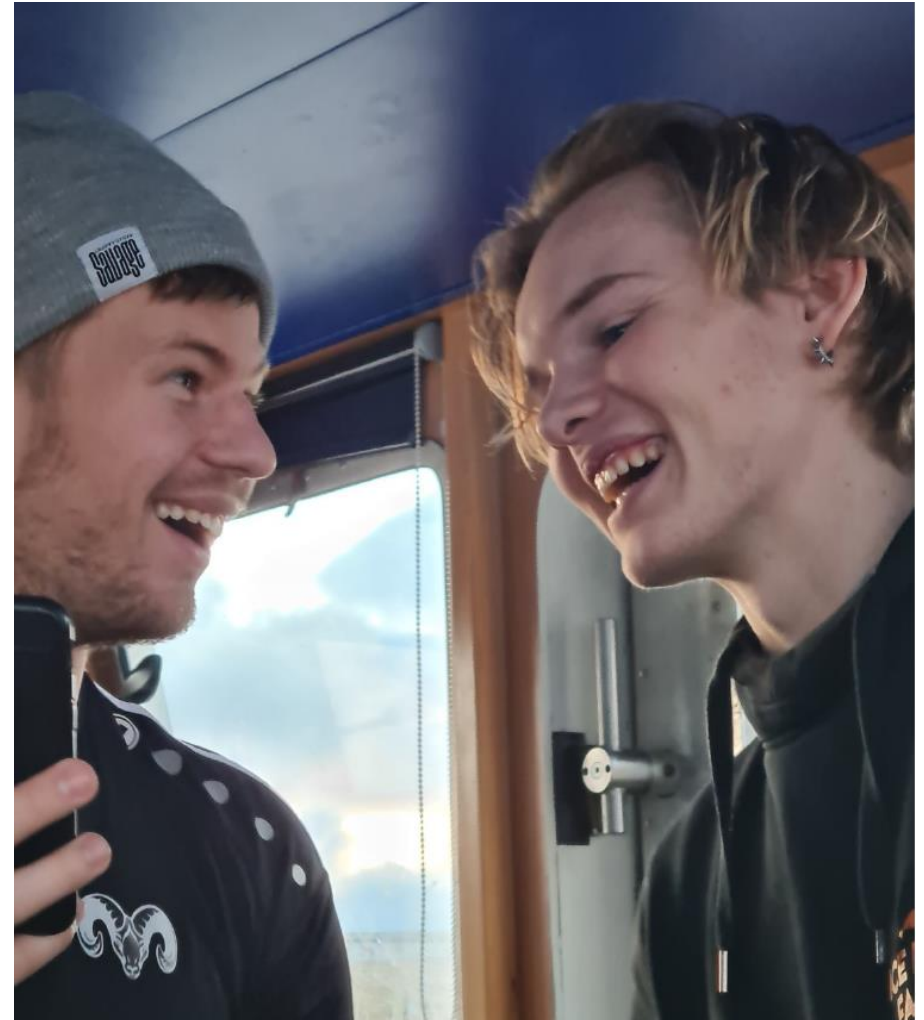
127gr smolt.

Finished harvest 18 February 2021

Average Harvest weight 5,6 kg.

EFCR 1,18

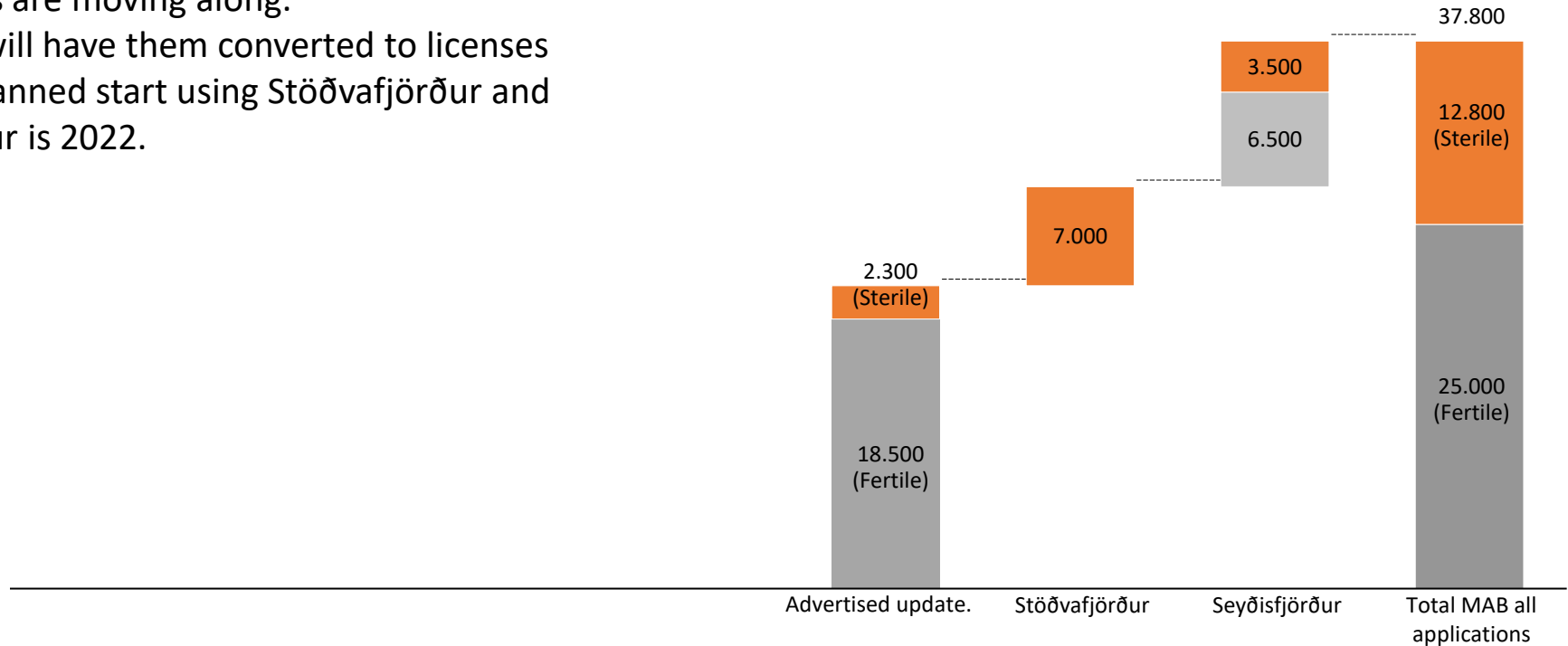
95% superior quality.



# License update, after Q4

Current licenses of 20,800 tons have been advertised by government in Q1 2021 with more fertile salmon. From 12,000 tons to 18,500 tons.

Applications are moving along. Optimistic will have them converted to licenses this year. Planned start using Stöðvafjörður and Seyðisfjörður is 2022.



<sup>1</sup>Issuance 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

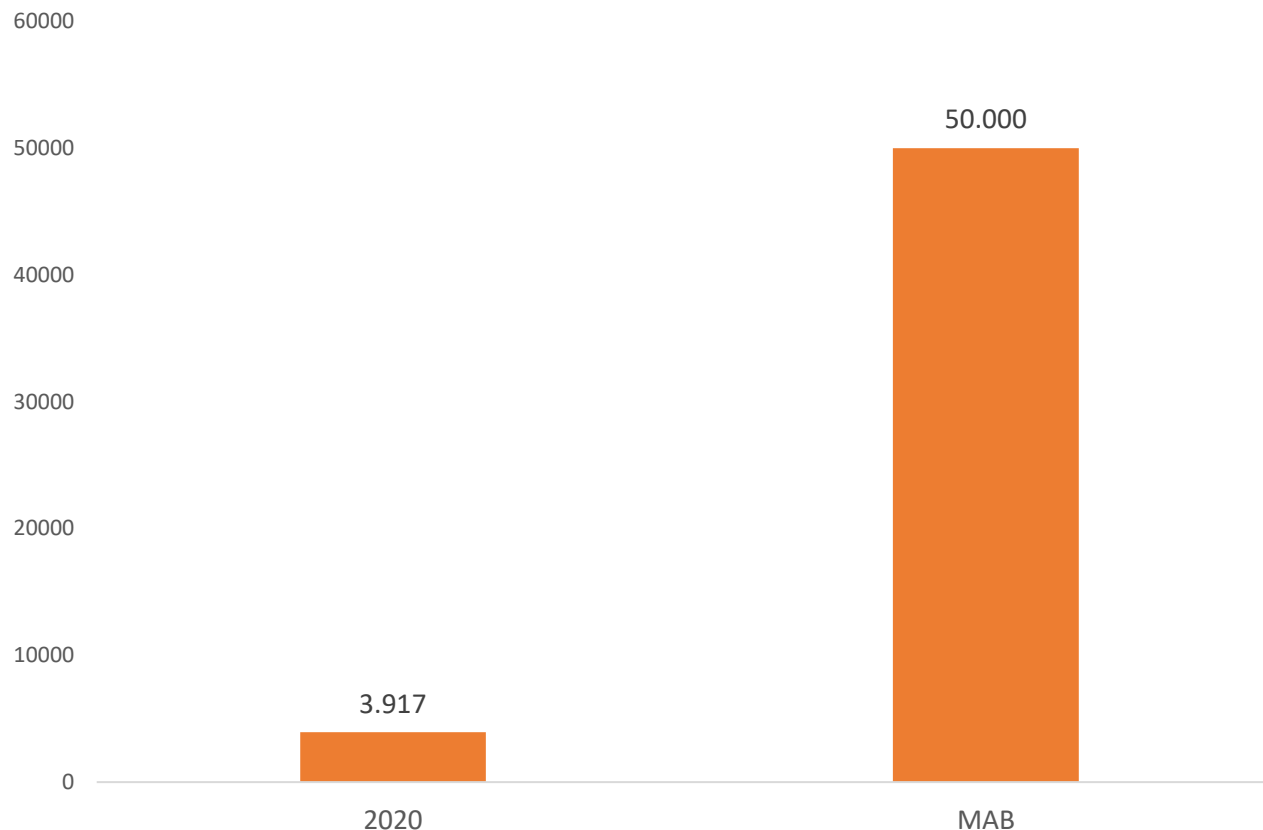
<sup>2</sup>Assumes the Icelandic regulation is changed to the Norwegian "MAB model"



# Potential future growth to 50.000 tons, 15 times more than 2020 harvest

By utilizing Maximum biomass allowance (MAB) in our fjords in our plans we achieve up to 30% more harvest volume with MAB.

Future license of 37,800 tons could reach harvest volume of 50,000 tons.



## Growth investment plan.

### Detailed planned capital expenditure overview

NOKm	2021	2022	2023
Floting rings	21	40	21
Nets	8	24	20
Birdnets, cameras, ocean light, feeding pipes, dead fish system	10	16	13
Mooring systems	12	11	6
<b>Sum farming equipment</b>	<b>50</b>	<b>91</b>	<b>59</b>
Catamaran	13	13	28
Feed Barge new	66	66	68
<b>Sum other farming equipment</b>	<b>79</b>	<b>79</b>	<b>96</b>
Smolt stations	88	-	-
Other	14	10	11
<b>Sum smolt stations and other</b>	<b>102</b>	<b>10</b>	<b>11</b>
<b>Total investments</b>	<b>231</b>	<b>181</b>	<b>165</b>

Total investment NOK 577 million over 3 years period.

### Top of the line equipment and smolt stations

The upcoming update on license allow usage of **MAB** (maximum biomass allowance) and more sites and generations in the fjords.

That means investment in more barges and catamarans are needed for the upcoming years than where previously planned.

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

# Marketing our unique selling points

## THE PERFECTLY PINK SALMON OF YOUR DREAMS



PREMIUM QUALITY NURTURED IN PRISTINE WATERS  
IN HARMONY WITH NATURE OF THE EASTERN FJORDS OF ICELAND



-  High in protein
-  Rich with Omega 3
-  Icelandic quality
-  Safely monitored
-  Responsible farming
-  Care for nature  
- long term sustainability

The beautifully pink salmon of Berufjordur is available at major seafood stores and restaurants around Iceland.



## Sales and markets



Differentiated product, highest quality, premium brand.

**ICE FISH SALMON.** Origin ICELAND, high on Omega3 , AquaGap certification, sustainable, color is 30+, full traceability, no chemicals, no GMO, no treatments, relaxed farming, fantastic taste, low carbon footprint with smolt stations run on geothermal electricity and natural hot water from the ground, flow through, super chilled in box, no copper on nets and natural coloring.

**Steril salmon first harvest in 2023**, no early maturity means more superior salmon, faster growth, less risk for wild salmon. This salmon will be sold at higher price as market is asking for lower risk and more environmentally friendly. **Whole Foods approved.**

**Organic salmon first harvest in 2023**, aimed at markets that prefer organic salmon.

Markets are developing and more awareness on our key selling points.




Demand for ICE FISH FARM is starting again from HORECA segment.

Logistics to USA have improved with direct boat from ICELAND to Halifax and arrives in Boston 8 days. Much less CO2 versus airfreight.






# Outlook:





## Market

-  Premium prices and good biological status gives the outlook of continued good performance and increasing demand
-  Retail sector has grown during COVID, and this consumption has created bigger market for salmon
-  Majority of harvest 2021 is sold out

## Iceland fastest growing salmon region in the world

-  Total exports of salmon from Iceland increased 2020 to 32,000 tons from 25,000 in 2019, outlook for 2021 is over 40,000 tons
-  Total value was 10,9% of Icelandic seafood exports in 2020
-  More salmon means less costs and even more satisfied customers

## Harvest

-  In 2020 Ice Fish Farm harvested 3.917 tons of salmon.
-  In 2021 Ice Fish Farm expects to harvest 7.500 tons. 50% 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. 40% increase

# Outlook:

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## Finance and business development

- 🐟 Good operational performance
- 🐟 Strong balance sheet and cash level to continue growth
- 🐟 Smolt build up, Barges and boats for 2021 have been financed
- 🐟 Financing for smolt stations have been financed
- 🐟 Open for Potential merger and acquisitions

## 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



# Table of content

Key Highlights

Financial performance

Growth and Premium build up plan

Appendix



# Financial statement

## Consolidated statement of comprehensive income

(NOK 1000)	Note	Q4 2020 (01.10-31.12)	Q4 2019 (01.10-31.12)	YTD 2020	FY2019
Revenue from contracts with customers	2,3	98,681	94,247	283,463	293,304
<b>Total revenue</b>		<b>98,681</b>	<b>94,247</b>	<b>283,463</b>	<b>293,304</b>
Cost of materials	5	68,154	49,106	139,633	225,178
Employee benefit expenses		9,311	3,938	30,835	26,960
Other operating expenses		5,781	9,378	31,315	33,554
Depreciation, amortisation and impairment	6,7,8	7,478	6,788	27,662	18,770
<b>Operating profit before fair value adjustment of biomass</b>		<b>7,957</b>	<b>25,036</b>	<b>54,018</b>	<b>-11,159</b>
Fair value adjustment biomass	4	4,677	-19,583	1,050	33,704
<b>Operating profit</b>		<b>12,634</b>	<b>5,453</b>	<b>55,068</b>	<b>22,545</b>
Finance income		1,532	34	1,532	34
Finance costs	8	-3,652	-3,813	-15,576	-16,172
Foreign exchange rate gain/ (-) loss		-5,466	-2,579	-6,454	2,067
Share of profit or loss of an associate		-5,492	3,017	-6,555	3,296
<b>Profit or loss before tax</b>		<b>-444</b>	<b>2,112</b>	<b>28,015</b>	<b>11,769</b>
Income tax expense		16,042	4,216	9,545	-5,149
<b>Profit or loss for the period</b>		<b>15,598</b>	<b>6,328</b>	<b>37,560</b>	<b>6,621</b>

## Balance sheet

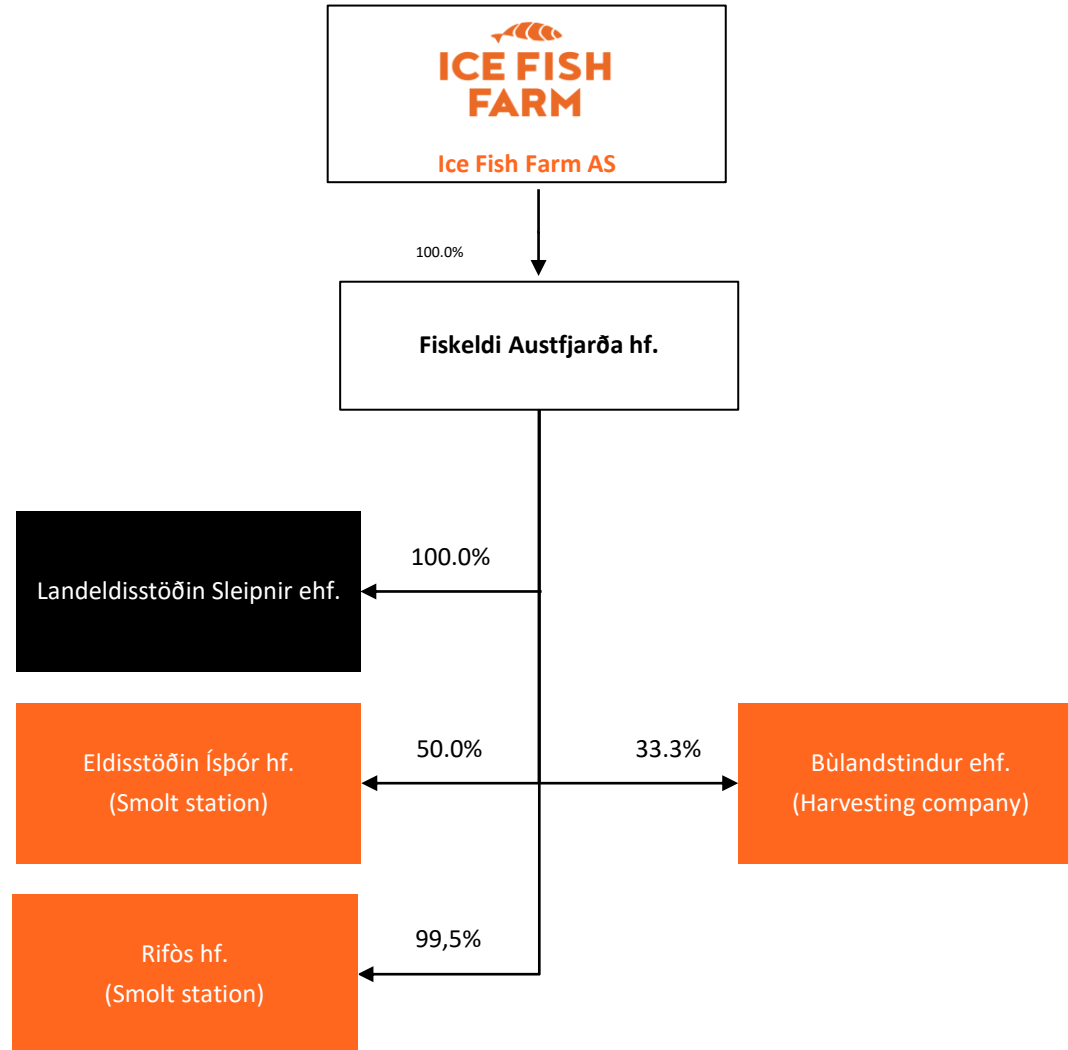
### BALANCE SHEET

#### ICE FISH FARM AS – Group

(NOK 1000)	Note	31.12.2020	31.12.2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Licenses	7,9	598,028	615,036
Other intangible assets	7	15,913	14,374
Property, plant and equipment	6,8,9	287,628	156,655
Investments in associated companies		21,645	31,235
Deferred tax assets		2,756	
<b>Total non-current assets</b>		<b>925,971</b>	<b>817,300</b>
<b>Current assets</b>			
Biological assets	4	290,656	228,846
Inventories	5	11,748	6,904
Trade and other receivables related parties	13	41,989	36,327
Trade and other receivables		47,193	39,552
Cash and cash equivalents		150,118	1,130
<b>Total current assets</b>		<b>541,704</b>	<b>312,760</b>
<b>TOTAL ASSETS</b>		<b>1,467,675</b>	<b>1,130,060</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	5,400	4,931
Share premium		1,790,925	211,089
Other equity		-727,253	574,282
<b>Equity attributable to equity holders of the parent</b>		<b>1,069,073</b>	<b>790,302</b>
Non-controlling interests		93	1,030
<b>Total equity</b>		<b>1,069,166</b>	<b>791,332</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	8,14	251,086	57,203
Subordinated loan from related parties	14	-	25,521
Deferred tax liabilities		-	6,967
<b>Total non-current liabilities</b>		<b>251,086</b>	<b>89,691</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	14	53,083	187,770
Subordinated loan from related parties	14	25,578	
Trade and other payables		68,761	61,267
<b>Total current liabilities</b>		<b>147,422</b>	<b>249,037</b>
<b>Total liabilities</b>		<b>398,508</b>	<b>338,728</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,467,675</b>	<b>1,130,060</b>

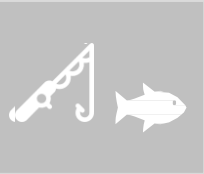



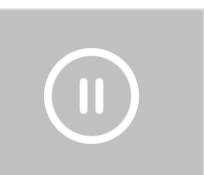


# Structure of ICE FISH FARM



# The East fjords of Iceland have a number of favorable conditions



Aquaculture conditions in the East fjords		Key advantages
	<p><b>1 Little wildlife</b></p> <p>Few wild fish with natural habitat or spawning in the area, translating into low risk of interbreeding with wild salmon<sup>1</sup></p>	<p>Low risk of genetic mix with wild salmon</p>
	<p><b>2 Recycling of water</b></p> <p>No need to recycle water in smolt stations at current time, which lowers cost in the smolt production facility compared to Norwegian competition<sup>2</sup></p>	<p>Low smolt production cost</p>
	<p><b>3 Stable temperatures</b></p> <p>Stable and moderate temperatures in the sea, resulting in reduced risk of sea lice and diseases and thus high yield on biomass<sup>3</sup></p>	<p>High biomass yield and reduced risk of sea lice</p>
	<p><b>4 Melting of glaciers and snow</b></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><b>5 Long fallowing periods</b></p> <p>Longer fallowing periods will reduce spread of disease between generations in the future enabled by increased capacity<sup>4</sup></p>	<p>Low mortality risk</p>