Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	983 621 112
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	ICELANDIC SALMON AS
Forretningsadresse:	Industriveien 51 7266 KVERVA

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Åse Marie Fossum
Dato for fastsettelse av årsregnskapet:	25.05.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert

År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 30.07.2024

Resultatregnskap

Beløp i: EUR	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		0	0
Annen driftsinntekt		0	0
Sum inntekter		**0**	**0**
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		0	0
Endring i beholdning av egentilvirkede anleggsmidler		0	0
Varekostnad		0	0
Lønnskostnad	2	103 000	21 000
Avskrivning på varige driftsmidler og immaterielle eiendeler		0	0
Nedskrivning av varige driftsmidler og immaterielle eiendeler		0	0
Annen driftskostnad	2	176 000	147 000
Sum kostnader		**279 000**	**168 000**
Driftsresultat		**-279 000**	**-168 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		0	0
Inntekt på andre investeringer		0	0
Renteinntekt fra foretak i samme konsern		0	0
Annen renteinntekt		15 000	0
Annen finansinntekt		0	0
Verdiøkning andre finansielle instrumenter vurdert til virkelig verdi		0	0
Sum finansinntekter		**15 000**	**0**
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi		0	0
Nedskrivning av finansielle eiendeler		0	0
Rentekostnad til foretak i samme konsern		0	0
Annen rentekostnad		1 000	
Foreign currency gain (loss)	3	90 000	-90 000
Sum finanskostnader		**91 000**	**-90 000**

Resultatregnskap

Beløp i: EUR	Note	2022	2021
Netto finans		**-76 000**	**90 000**
Ordinært resultat før skattekostnad		**-355 000**	**-78 000**
Ordinært resultat etter skattekostnad		**-355 000**	**-78 000**
Årsresultat		**-355 000**	**-78 000**
Overføringer og disponeringer			
Udekket tap		-355 000	-78 000
Sum overføringer og disponeringer		**-355 000**	**-78 000**

Balanse

Beløp i: EUR	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	4, 10	115 729 000	115 571 000
Sum finansielle anleggsmidler		**115 729 000**	**115 571 000**
Sum anleggsmidler		**115 729 000**	**115 571 000**
Omløpsmidler			
Varer			
Fordringer			
Other receivables		10 000	
Sum fordringer		**10 000**	
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	5	1 527 000	1 891 000
Sum bankinnskudd, kontanter og lignende		**1 527 000**	**1 891 000**
Sum omløpsmidler		**1 537 000**	**1 891 000**
SUM EIENDELER		**117 266 000**	**117 462 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	6,7	29 571 000	29 571 000
Overkurs	6	88 600 000	90 622 000
Annen innskutt egenkapital	6	-930 000	-1 089 000
Sum innskutt egenkapital		**117 241 000**	**119 104 000**
Opptjent egenkapital			

Balanse

Beløp i: EUR	Note	2022	2021
Other equity	6	0	-1 666 000
Sum opptjent egenkapital		**0**	**-1 666 000**
Sum egenkapital		**117 241 000**	**117 438 000**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld		25 000	1 000
Kortsiktig konserngjeld	8	0	1 000
Annen kortsiktig gjeld		0	22 000
Sum kortsiktig gjeld		**25 000**	**24 000**
Sum gjeld		**25 000**	**24 000**
SUM EGENKAPITAL OG GJELD		**117 266 000**	**117 462 000**

Konsernets resultatregnskap

Beløp i: EUR	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Revenue from contracts with customers	2.2,4.6	157 593 000	90 806 000
Sum inntekter		**157 593 000**	**90 806 000**
Kostnader			
Cost of goods sold	4.6	78 406 000	52 753 000
Salaries and personnel expenses	2.3,2.4	17 349 000	12 180 000
Other operating expenses	3.4, 3.5	7 456 000	5 915 000
Other operating expenses	2,5	18 229 000	12 644 000
Production tax		1 329 000	307 000
Onerous contracts		122 000	0
Fair value adjustments of biomass		215 000	2 937 000
Income from investment in joint venture		-180 000	-3 000
Sum kostnader		**122 926 000**	**86 733 000**
Driftsresultat		**34 667 000**	**4 073 000**
Finansinntekter og finanskostnader			
Financial income	2.6, 4.5	9 256 000	144 000
Net currency gain		-189 000	351 000
Sum finansinntekter		**9 067 000**	**495 000**
Financial expense	2.6	1 915 000	1 969 000
Sum finanskostnader		**1 915 000**	**1 969 000**
Netto finans		**7 152 000**	**-1 474 000**
Ordinært resultat før skattekostnad		**41 819 000**	**2 599 000**
Skattekostnad på ordinært resultat	2.7	6 902 000	232 000
Ordinært resultat etter skattekostnad		**34 917 000**	**2 367 000**
Årsresultat		**34 917 000**	**2 367 000**

Konsernets resultatregnskap

Beløp i: EUR	Note	2022	2021
Transelation differences related to subsidiaries		96 000	88 000
Translation differences related to subsidiaries		-314 000	-1 000
Sum resultatkomponenter for IFRS-foretak		-218 000	87 000
Totalresultat		**34 699 000**	**2 454 000**

Konsernets balanse

Beløp i: EUR	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Licenses	3.2. 3.2, 4.5	1 626 000	431 000
Other intangible assets	3.2,3.3 ,4.5		547 000
Utsatt skattefordel	2.7	0	3 407 000
Goodwill	3.1,3.2	34 740 000	19 332 000
Sum immaterielle eiendeler		**36 366 000**	**23 717 000**
Varige driftsmidler			
Property, plant & equipment	3.4	81 149 000	52 225 000
Lease asets	3.5	6 975 000	5 827 000
Sum varige driftsmidler		**88 124 000**	**58 052 000**
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	4.4	0	1 647 000
Other long term receivables	4.5	0	4 964 000
Sum finansielle anleggsmidler		**0**	**6 611 000**
Sum anleggsmidler		**124 490 000**	**88 380 000**
Omløpsmidler			
Varer			
Biological assets	3.6	84 146 000	66 899 000
Inventories	3.6	5 043 000	2 538 000
Sum varer		**89 189 000**	**69 437 000**
Fordringer			
Trade receivables	3.7	15 026 000	7 323 000
Other receivables	3.7, 4.1, 4.5	4 748 000	2 126 000
Sum fordringer		**19 774 000**	**9 449 000**

Konsernets balanse

Beløp i: EUR	Note	2022	2021
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	3.8, 3.9	1 853 000	3 744 000
Sum bankinnskudd, kontanter og lignende		**1 853 000**	**3 744 000**
Sum omløpsmidler		**110 816 000**	**82 630 000**
SUM EIENDELER		**235 306 000**	**171 010 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	4.2	29 571 000	29 571 000
Overkurs		88 600 000	90 622 000
Annen innskutt egenkapital	2.4	-930 000	-1 089 000
Sum innskutt egenkapital		**117 241 000**	**119 104 000**
Opptjent egenkapital			
Other equity	2.4	26 975 000	-9 795 000
Sum opptjent egenkapital		**26 975 000**	**-9 795 000**
Sum egenkapital		**144 216 000**	**109 309 000**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	2.7	3 576 000	0
Sum avsetninger for forpliktelser		**3 576 000**	**0**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	3.8, 3.10	51 649 000	38 465 000
Lease liabilities	3.5	5 756 000	4 803 000
Sum annen langsiktig gjeld		**57 405 000**	**43 268 000**
Sum langsiktig gjeld		**60 981 000**	**43 268 000**

Konsernets balanse

Beløp i: EUR	Note	2022	2021
Kortsiktig gjeld			
Interest-bearing debt	3.8, 3.10	6 230 000	2 084 000
Lease liabilities	3.5,3.10	1 186 000	1 086 000
Leverandørgjeld		11 702 000	9 699 000
Tax payables	2.7	1 341 000	0
Other payables	3.8, 3.11, 4.5	9 528 000	5 564 000
Provision for onerous contracts	3.11	122 000	0
Sum kortsiktig gjeld		**30 109 000**	**18 433 000**
Sum gjeld		**91 090 000**	**61 701 000**
SUM EGENKAPITAL OG GJELD		**235 306 000**	**171 010 000**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer:	2023 680040

Enheten

Organisasjonsnummer:	983 621 112
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	ICELANDIC SALMON AS
Forretningsadresse:	Industriveien 51 7266 KVERVA

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Åse Marie Fossum
Dato for fastsettelse av årsregnskapet:	25.05.2023

Grunnlag for avgivelse

År 2022: Årsregnskap er elektronisk innlevert.
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022.

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 17.08.2023

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 983 621 112
ICELANDIC SALMON AS

RESULTATREGNSKAP

Beløp i: EUR	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		0	0
Annen driftsinntekt		0	0
Sum inntekter		**0**	**0**
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		0	0
Endring i beholdning av egentilvirkede anleggsmidler		0	0
Varekostnad		0	0
Lønnskostnad	2	103 000	21 000
Avskrivning på varige driftsmidler og immaterielle eiendeler		0	0
Nedskrivning av varige driftsmidler og immaterielle eiendeler		0	0
Annen driftskostnad	2	176 000	147 000
Sum kostnader		**279 000**	**168 000**
Driftsresultat		**-279 000**	**-168 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		0	0
Inntekt på andre investeringer		0	0
Renteinntekt fra foretak i samme konsern		0	0
Annen renteinntekt		15 000	0
Annen finansinntekt		0	0
Verdiøkning andre finansielle instrumenter vurdert til virkelig verdi		0	0
Sum finansinntekter		**15 000**	**0**
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi		0	0
Nedskrivning av finansielle eiendeler		0	0
Rentekostnad til foretak i samme konsern		0	0

Annen rentekostnad		1 000	
Foreign currency gain (loss)	3	90 000	-90 000
Sum finanskostnader		**91 000**	**-90 000**
Netto finans		**-76 000**	**90 000**
Ordinært resultat før skattekostnad		**-355 000**	**-78 000**
Ordinært resultat etter skattekostnad		**-355 000**	**-78 000**
Årsresultat		**-355 000**	**-78 000**
Overføringer og disponeringer			
Udekket tap		-355 000	-78 000
Sum overføringer og disponeringer		**-355 000**	**-78 000**

Organisasjonsnr: 983 621 112
ICELANDIC SALMON AS

BALANSE

Beløp i: EUR	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	4, 10	115 729 000	115 571 000
Sum finansielle anleggsmidler		**115 729 000**	**115 571 000**
Sum anleggsmidler		**115 729 000**	**115 571 000**
Omløpsmidler			
Varer			
Fordringer			
Other receivables		10 000	
Sum fordringer		**10 000**	
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	5	1 527 000	1 891 000
Sum bankinnskudd, kontanter og lignende		**1 527 000**	**1 891 000**
Sum omløpsmidler		**1 537 000**	**1 891 000**
SUM EIENDELER		**117 266 000**	**117 462 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	6,7	29 571 000	29 571 000
Overkurs	6	88 600 000	90 622 000
Annen innskutt egenkapital	6	-930 000	-1 089 000
Sum innskutt egenkapital		**117 241 000**	**119 104 000**
Opptjent egenkapital			
Other equity	6	0	-1 666 000
Sum opptjent egenkapital		**0**	**-1 666 000**
Sum egenkapital		**117 241 000**	**117 438 000**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			

Leverandørgjeld		25 000	1 000
Kortsiktig konserngjeld	8	0	1 000
Annen kortsiktig gjeld		0	22 000
Sum kortsiktig gjeld		**25 000**	**24 000**
Sum gjeld		**25 000**	**24 000**
SUM EGENKAPITAL OG GJELD		**117 266 000**	**117 462 000**

Organisasjonsnr: 983 621 112
ICELANDIC SALMON AS

KONSERNRESULTATREGNSKAP

Beløp i: EUR	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Revenue from contracts with customers	2.2,4.6	157 593 000	90 806 000
Sum inntekter		**157 593 000**	**90 806 000**
Kostnader			
Cost of goods sold	4.6	78 406 000	52 753 000
Salaries and personnel expenses	2.3,2.4	17 349 000	12 180 000
Other operating expenses	3.4, 3.5	7 456 000	5 915 000
Other operating expenses	2,5	18 229 000	12 644 000
Production tax		1 329 000	307 000
Onerous contracts		122 000	0
Fair value adjustments of biomass		215 000	2 937 000
Income from investment in joint venture		-180 000	-3 000
Sum kostnader		**122 926 000**	**86 733 000**
Driftsresultat		**34 667 000**	**4 073 000**
Finansinntekter og finanskostnader			
Financial income	2.6, 4.5	9 256 000	144 000
Net currency gain		-189 000	351 000
Sum finansinntekter		**9 067 000**	**495 000**
Financial expense	2.6	1 915 000	1 969 000
Sum finanskostnader		**1 915 000**	**1 969 000**
Netto finans		**7 152 000**	**-1 474 000**
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Transelation differences related to subsidiaries		96 000	88 000
Translation differences related to subsidiaries		-314 000	-1 000
Sum resultatkomponenter for IFRS-foretak		-218 000	87 000
Totalresultat		**34 699 000**	**2 454 000**

Organisasjonsnr: 983 621 112
ICELANDIC SALMON AS

KONSERNBALANSE

Beløp i: EUR	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Licenses	3.2. 3.2,	1 626 000	431 000
Other intangible assets	3.2,3.3,4		547 000
Utsatt skattefordel	2.7	0	3 407 000
Goodwill	3.1,3.2	34 740 000	19 332 000
Sum immaterielle eiendeler		**36 366 000**	**23 717 000**
Varige driftsmidler			
Property, plant & equipment	3.4	81 149 000	52 225 000
Lease asets	3.5	6 975 000	5 827 000
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Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	4.4	0	1 647 000
Other long term receivables	4.5	0	4 964 000
Sum finansielle anleggsmidler		**0**	**6 611 000**
Sum anleggsmidler		**124 490 000**	**88 380 000**
Omløpsmidler			
Varer			
Biological assets	3.6	84 146 000	66 899 000
Inventories	3.6	5 043 000	2 538 000
Sum varer		**89 189 000**	**69 437 000**
Fordringer			
Trade receivables	3.7	15 026 000	7 323 000
Other receivables	3.7, 4.1,	4 748 000	2 126 000
Sum fordringer		**19 774 000**	**9 449 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	3.8, 3.9	1 853 000	3 744 000
Sum bankinnskudd, kontanter og lignende		**1 853 000**	**3 744 000**
Sum omløpsmidler		**110 816 000**	**82 630 000**
SUM EIENDELER		**235 306 000**	**171 010 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			

Innskutt egenkapital			
Share capital	4.2	29 571 000	29 571 000
Overkurs		88 600 000	90 622 000
Annen innskutt egenkapital	2.4	-930 000	-1 089 000
Sum innskutt egenkapital		**117 241 000**	**119 104 000**
Opptjent egenkapital			
Other equity	2.4	26 975 000	-9 795 000
Sum opptjent egenkapital		**26 975 000**	**-9 795 000**
Sum egenkapital		**144 216 000**	**109 309 000**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	2.7	3 576 000	0
Sum avsetninger for forpliktelser		**3 576 000**	**0**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	3.8, 3.10	51 649 000	38 465 000
Lease liabilities	3.5	5 756 000	4 803 000
Sum annen langsiktig gjeld		**57 405 000**	**43 268 000**
Sum langsiktig gjeld		**60 981 000**	**43 268 000**
Kortsiktig gjeld			
Interest-bearing debt	3.8, 3.10	6 230 000	2 084 000
Lease liabilities	3.5,3.10	1 186 000	1 086 000
Leverandørgjeld		11 702 000	9 699 000
Tax payables	2.7	1 341 000	0
Other payables	3.8, 3.11	9 528 000	5 564 000
Provision for onerous contracts	3.11	122 000	0
Sum kortsiktig gjeld		**30 109 000**	**18 433 000**
Sum gjeld		**91 090 000**	**61 701 000**
SUM EGENKAPITAL OG GJELD		**235 306 000**	**171 010 000**

Organisasjonsnr: 983 621 112
ICELANDIC SALMON AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

Note
2

Antall årsverk i regnskapsåret
0.00

Note
2

Spesifisering av resultatregnskapet

Lønnkostnader

Lønn	Årets	Fjorårets
	0.00	0.00

Andre ytelser	Årets	Fjorårets
	103000.00	21000.00

Note

Ekstraordinære inntekter og kostnader

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Organisasjonsnr: 983 621 112
ICELANDIC SALMON AS

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper

Note
2.3

Antall årsverk i regnskapsåret
177.00

Note
2.3

Spesifisering av resultatregnskapet

Lønnkostnader

Lønn	Årets	Fjorårets
	12998000.00	8843000.00

Folketrygdavgift	Årets	Fjorårets
	1049000.00	697000.00

Pensjonskostnader	Årets	Fjorårets
	1504000.00	1101000.00

Andre ytelser	Årets	Fjorårets
	1798000.00	1539000.00

Note

Ekstraordinære inntekter og kostnader

Sum		Beløp
Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
01.12.2020		Kjetil Solbø Zahl
800 80 000	Din/Deres referanse	Telefon
Skatteetaten.no		97770651
Org.nr	Vår referanse	Postadresse
974761076	2020/6129528	Postboks 9200 Grønland
		0134 OSLO

ICELANDIC SALMON AS
Industriveien 51
7266 KVERVA

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for Icelandic Salmon AS (org.nr. 983 621 112)

Vi viser til Icelandic Salmon AS (org.nr. 983 621 112) sin søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Fra søknaden siteres:

> *Eiersammensetningen består hovedsakelig av profesjonelle/institusjonelle aktører, men det er også en mindre andel private eiere. Ser man bort i fra aksjer eid av SalMar ASA, så er ca. 41% av aksjonærene tilhørende utenfor Norge.*
>
> *I 2019 omsatte Arnarlax Ehf. laks for over 700MNOK, og sysselsatte 111 personer på Island. Konsernet utgjør dermed ikke en «hjørnesteinsbedrift» i Norge med særlig lokal interesse for regnskapet.*
>
> *Konsernet opererer i en bransje med mange utenlandske aktører, hvor mye av kommunikasjonen skjer på engelsk, men også arbeidsspråket i selskapene i konsernet er hovedsakelig engelsk og islandsk.*
>
> *Konsernets selger laks til markedene i USA, Europa og Asia. Konsernet leverer ikke varer eller tjenester til privatpersoner. Konsernets leverandører er hovedsakelig Islandsk.*

Skattekontorets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte, kunder og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at kommunikasjon med de fleste av kunder og leverandører skjer på engelsk eller islandsk, konsernet opererer i en bransje hvor mye av kommunikasjonen skjer på engelsk, en stor del av selskapets eiere er internasjonale institusjonelle investorer, selskapets ansatte, virksomhet og det meste av adminstrasjonen er lokalisert på Island. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Kit M. Midttun
underdirektør
Innsats, storbedrift
Skatteetaten

Kjetil Solbø Zahl

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Icelandic Salmon AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Icelandic Salmon AS (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the balance sheet as at 31 December 2022 and the income statement, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the balance sheet as at 31 December 2022, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that

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the information required by applicable legal requirements is not included in the board of directors' report, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Trondheim, 21 April 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Christian Ronæss
State Authorised Public Accountant (Norway)

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Christian Ronæss
Statsautorisert revisor
På vegne av: Ernst & Young AS
Serienummer: 9578-5994-4-555967
IP: 77.16.xxx.xxx
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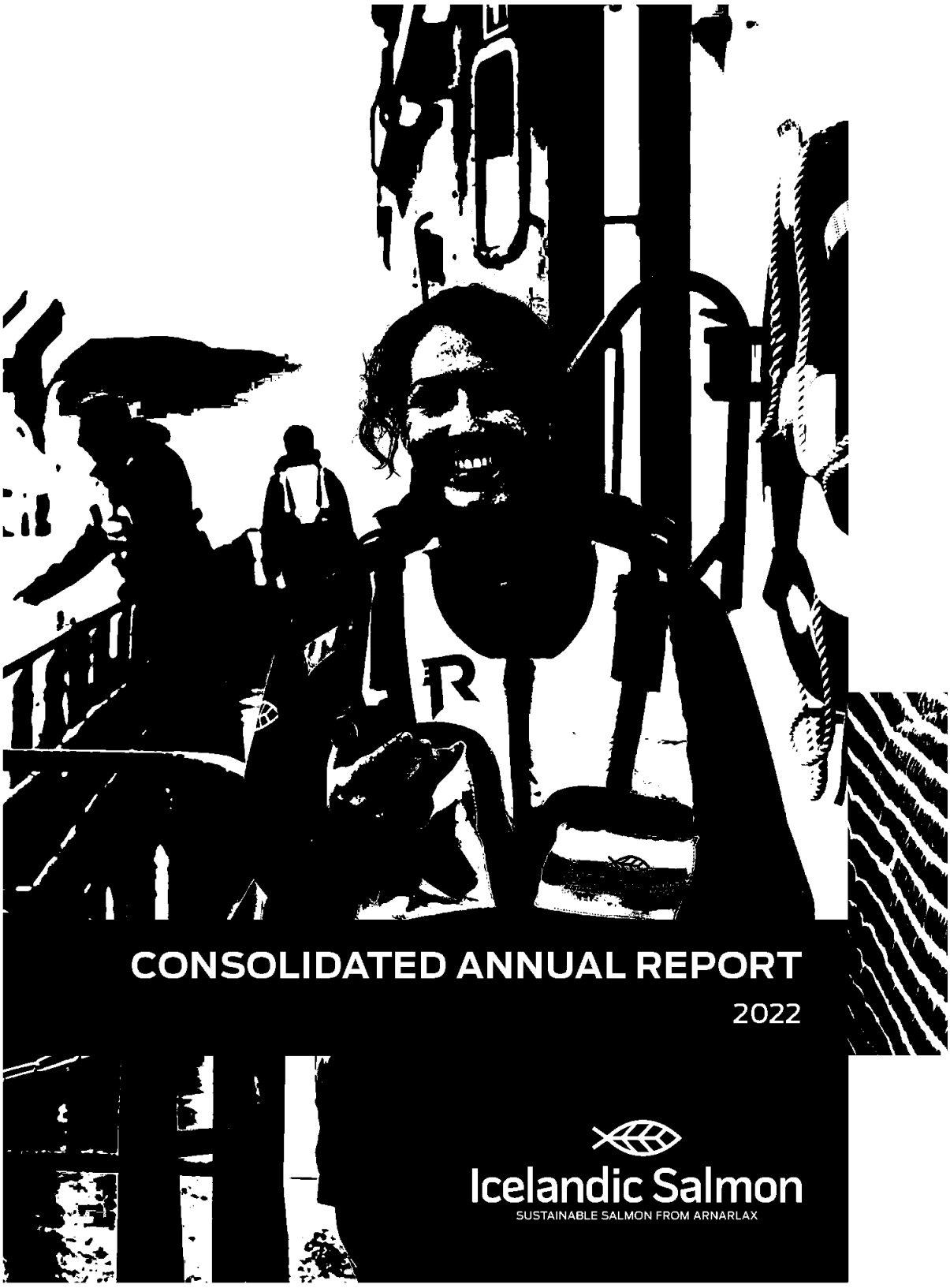
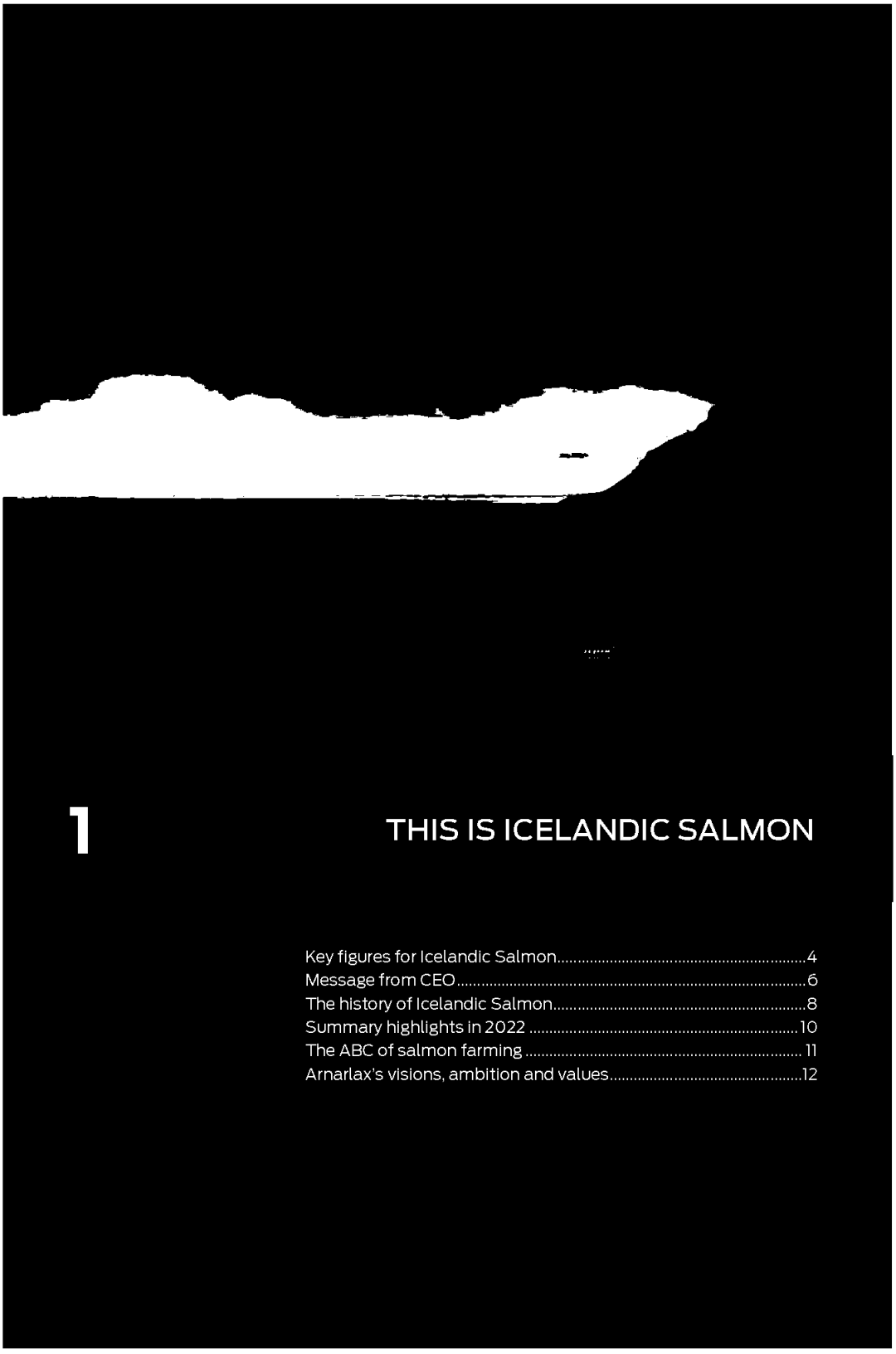

CONSOLIDATED ANNUAL REPORT
2022
Icelandic Salmon
SUSTAINABLE SALMON FROM ARNARLAX

Icelandic Salmon AS
Industrivelen 51
7266 Kverva - Norway

Icelandic Salmon AS owns all shares and is the Parent company of Arnarlax ehf., the largest fish farmer and producer of Atlantic salmon in Iceland. The Parent company's shares are listed on Euronext Growth Oslo. In this report, the Parent company and Arnarlax ehf., with subsidiaries are collectively referred to as „the Group" or „Icelandic Salmon". „Arnarlax" also refers to the brand under which the Group's operations and products are marketed.

While the Parent company is registered in Norway, Arnarlax ehf. has its headquarters in the Icelandic village Bíldudalur. It has been engaged in fish farming since 2010. The Group's farming facilities are strategically located in the beautiful West Fjords of Iceland, a region that is well sheltered with stable and moderate sea temperatures and good tidal currents, creating favourable conditions for salmon farming.

The Group is considered a leading salmon farmer in Iceland, controlling the entire value chain from hatchery to sales.



1 THIS IS ICELANDIC SALMON

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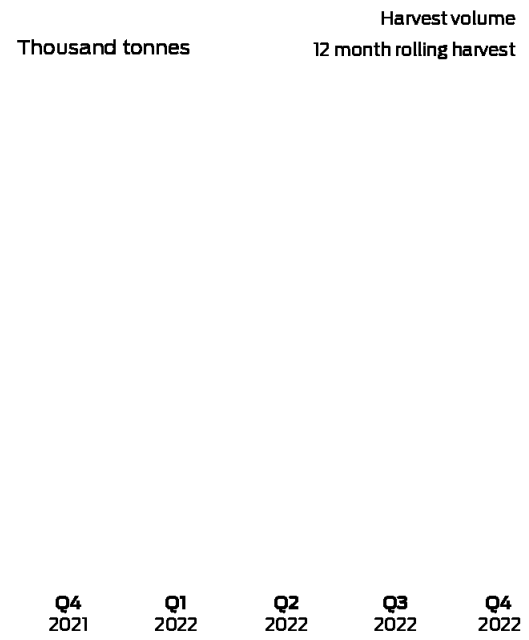
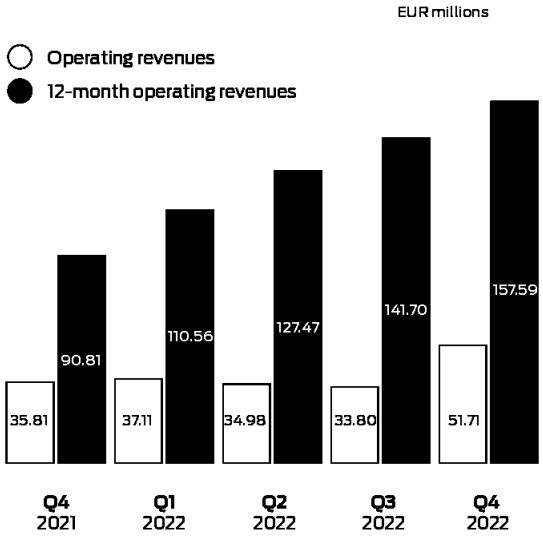
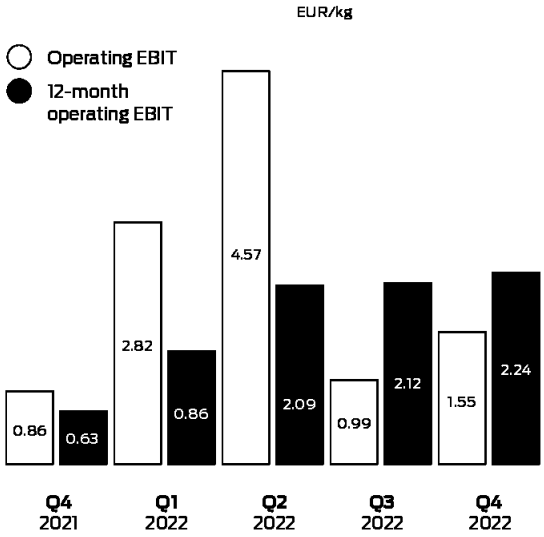
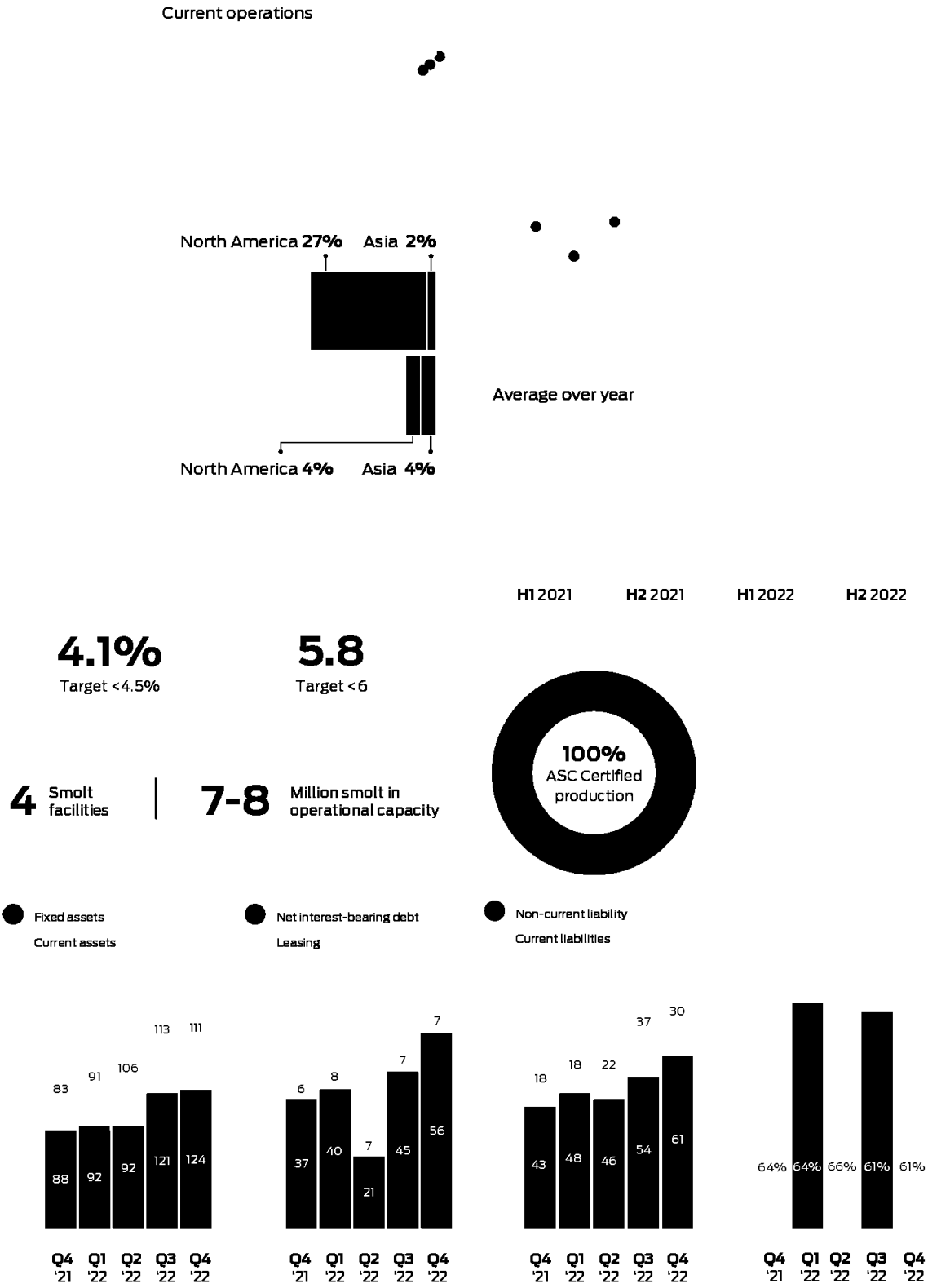
Key Figures for Icelandic Salmon

EUR million	FY 2022	FY 2021
Operating revenue	157.59	90.81
Operational EBIT	**36.15**	**7.31**
Production tax	1.33	0.31
Fair value adjustments	-0.21	-2.94
Profit (loss) before tax	**41.82**	**2.60**
Net interest bearing debts	56.03	36.80
Equity ratio	61%	64%
Harvested volume from own production (tonnes)	16.138	11.537
Operational EBIT EUR/kg.	**2.24**	**0.63**








Current operations
North America 27%
Asia 2%
Average over year
North America 4%
Asia 4%
H1 2021
H2 2021
H1 2022
H2 2022
4.1%
Target <4.5%
5.8
Target <6
100%
ASC Certified production
4 Smolt facilities
7-8 Million smolt in operational capacity
Fixed assets
Current assets
Net interest-bearing debt
Leasing
Non-current liability
Current liabilities
83 91 106 113 111
88 92 92 121 124
6 8 7 7 7
37 40 21 45 56
18 18 22 37 30
43 48 46 54 61
64% 64% 66% 61% 61%
Q4 '21 Q1 '22 Q2 '22 Q3 '22 Q4 '22

MESSAGE FROM CEO

We are proud to be part of the world's global food supply market, and in 2022 we supplied more than 16,000 tonnes of sustainable salmon to consumers worldwide. This was made possible with the dedication of our 177 employees, suppliers and customers.

Looking back at what has been a successful year for the Group, it has also been a year of uncertainty as a consequence of the Russian invasion of Ukraine. We want to express our deepest sympathy for the people of Ukraine and those impacted by the war.

The war has significantly impacted our market, and we have seen the price of raw materials increase. The cost of transportation has also seen a rise, especially airfreight, which has harmed our sales and ability to access specific markets. Nevertheless, the market price of salmon has also increased, which has and will benefit the Group in the short term. In the long term, we believe that the prices will stabilise at a level that makes salmon accessible for the many and encourages market development in new geographies.

Continuous growth

In 2022, Icelandic Salmon increased its harvested volume by 40 per cent to 16,138 tonnes from 11,521 tonnes in 2021. This is the result of long-term planning and execution of our growth strategy, which includes access to smolt. As part of the strategy, the Group acquired the remaining shares of the Ísþór smolt plant. This move enabled Icelandic Salmon to access sufficient smolts to fully utilize the existing seawater licenses over the next few years. As of 2023, we will see this effect in smolt outputs, which will impact the harvest volumes in 2024. We also expect to see a significant improvement in MAB utilization by increasing the average weight of the smolt, which in turn will reduce the production time at sea. The 2021 acquisition of the smolt plants, Laxabraut 5 and Fjallalax, will also positively affect the overall smolt output in 2023 by increasing the number and average weight of the smolt.

Additionally, the Group received another site approval as part of its 12,200 tonnes license in Patreksfjörður and Tálknafjörður. The new site, Vatneyri, demonstrates promising environmental conditions for salmon production and will be used for smolt output in 2024. Icelandic salmon also invested in additional sea equipment in 2022, which will support the Group's efforts to increase smolt output in the years to come.

Operating in a dynamic and maturing market

Throughout 2022, the Group has continued to experience a high demand for its products. Our strong sales team has worked and collaborated with markets globally, focusing on the European market, the US and Canada. Europe is our main market and will continue to be our main market in the coming years. However, we expect that the US and Canadian markets will take up a more prominent position over the next few years. This trend is mainly driven by a need for more suppliers that can reach the US and Canada by boat. This form of transportation carries a significant upside when it comes to CO2 emissions, in addition to favourable logistics costs. Our customers also have responded positively to the quality of our product when transported by boat.

Part of what enables us to ship our products by boat is that we superchill the salmon to minus one degree in the harvesting plant before packaging. This method

significantly extends the shelf life of the salmon and compensates for the extended transportation time of five to six days when transported by boat.

As mentioned, the past year has seen high market prices for salmon, but it has also seen the Group achieve good market prices. This is due to our excellent sales team and the Group's low share of fixed-price contracts. This has made it possible for the Group to benefit from high spot market prices.

2022 marked the first full year with Icelandic Salmon's pre-rigor fillets on the market, which has been a steadily growing part of our sales. We are confident that the market will continue to enjoy this product. In 2022, 10 per cent of our HOG salmon was used as raw material for our fillet production, representing a strong increase from the year before. This is another trend benefiting the Group's CO2 footprint and improving our logistic costs. The filleting process is done by a contracting partner.

We are also excited about our cooperation with one of our US-based customers. Together, we have created a new brand – Icefjord, Premium Icelandic Salmon. This brand is currently being presented as part of restaurant menus and is available in stores in the US market. We are proud to be now able to reach end consumers through another strong brand.

We are proud of our role in the Icelandic and European markets when it comes to producing sustainable and high-quality salmon. Founded on the principles of operating as sustainable as possible, our entire production has been ASC certified. This is a significant milestone for the Group, and we will continue to work under the highest standards with the aim of continuously improving how we operate.

The Group's position as a leading aquaculture business in Iceland has been made possible by the dedication of our people and the close relationship with the communities where we operate. Throughout the year, we have worked with all of our employees to ensure support for internal learning and development takes place. Our main approach to this is through our Arnarlax Academy program, where we involve and encourage all employees to actively develop company culture while working on improving operations. We support all employees who seek further education, both at a vocational and higher level. As a result of this program, five employees received a diploma for having completed a vocational aquaculture training course. Through the acquisitions of smolt facilities, we have also increased the number of employees working with freshwater production, we also see an increase in employees working with seawater and at the harvest plant, as a result of increased production.

We have also strengthened our sales team and finance department and are excited by the developments we saw in 2022.

In 2022, the Group performed well from an operational perspective. We expanded the number of smolt facilities that we operate and succeeded in bringing on board new talents to develop and strengthen the Group. Icelandic Salmon is now entering 2023 in a strong Financial Position and as a proud contributor to the Icelandic economy and society. Moving forward, we will continue to deliver on our growth strategy and deliver sustainable Icelandic salmon across the world.

The management of Icelandic Salmon and our dedicated and talented employees look forward to another exciting year in 2023.

Björn Hembre //CEO Arnarlax

THE HISTORY OF ICELANDIC SALMON

Arnarlax ehf, a subsidiary of Icelandic Salmon AS, was founded in 2009 in Bíldudalur, a small Icelandic village inside a long fjord called Arnarfjörður. Bíldudalur is the hometown of the company's founder, Matthías Garðarsson, who knew that the area had excellent conditions for farming salmon. Today, the company is Iceland's biggest aquaculture company. Modern salmon farming is relatively new in Iceland compared to our neighbours in the Faroe Islands, Scotland and Norway. The company's vision is „Sustainability – it's in our nature", so to be sustainable in every aspect of its operations and lead the way in terms of cost efficiency, biology and the development of the whole value chain for salmon farming in Iceland.

The Group successfully completed a private placement in the autumn of 2020 followed by a listing on Euronext Growth. At the end of 2022, SalMar owned 51 per cent of the shares in the company. The company is fully integrated with its own hatcheries, sea farms, harvesting plant and sales department. The natural conditions, with good quality seawater and temperatures on a pair with northern Norway, provide a sound basis for engaging its sustainable aquaculture in Iceland.

The company has its headquarters and harvesting plant in Bíldudalur in Iceland's West Fjords region, close to the sea farms located in surrounding fjords. In addition, the company has an office facility in Reykjavík and four smolt facilities, whereby one is located in the West Fjords, and three on the south coast of Iceland.

The company strongly believes in sustainable aquaculture production in Iceland.

2009
Incorporated
Preperation work starts

2014
First Smolt Stocking
500.000 fish put into the ocean

2014
Capital Increase
Private placement of 50 mNOK for biomass growth

2015
SalMar Entry
Invests through Salmus AS

2016
First Harvest
First invoice sent

2016
New Licenses
License extended by 7.000 MT

2016
Acquisition and Capital Increase
Acquisition of Fjarðalax and private placement of 300 mNOK

2016
New Licenses
Fjarðalax licenses renewed

2018
Capital Increase
Private placement of 200 mNOK

2019
SalMar Increase
Ownership now over 50 per cent

2019
NOTC Listing
Company lists its shares on OTC Oslo

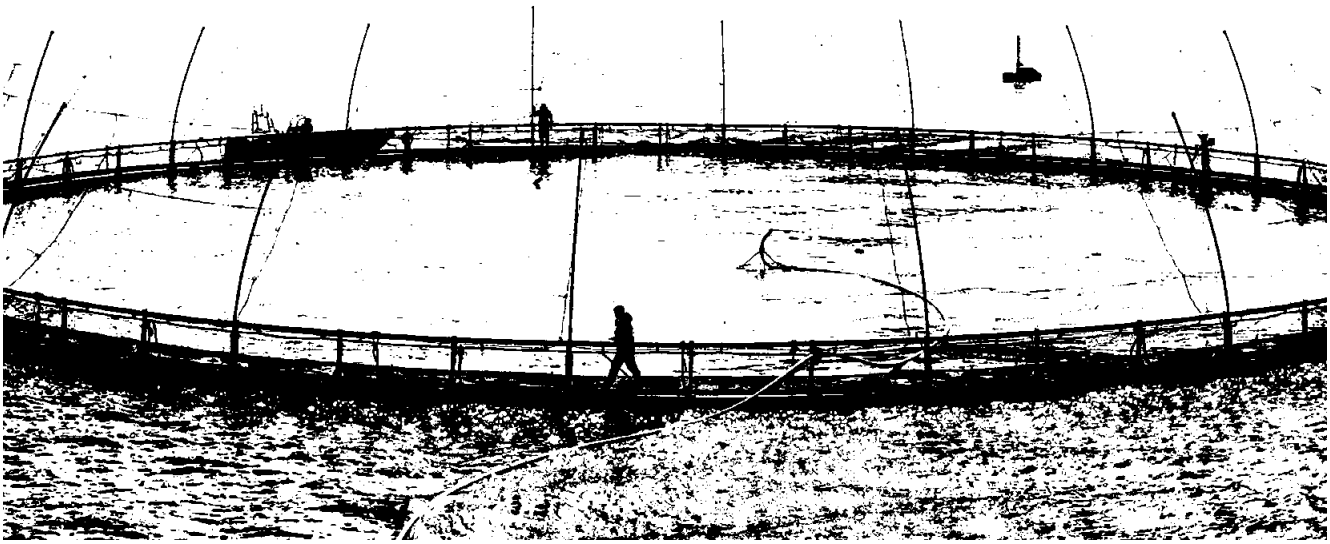
2020
Euronext Listing
Listed on Euronext Growth

2021
Acquisition in FreshWater
Two smolt facilities acquired in South Iceland

2021
New Brand
New corporate brand lunched

2022
Acquisition of Ísþór
Full ownership of smolt facility

- Strong organic growth of 40 per cent in harvest volumes from 11,521 tonnes in 2021 to 16,138 tonnes in 2022.
- Strong improvements in EBIT from EUR 0.63 per kg in 2021 to EUR 2.24 per kg in 2022 after high market price and strong price achievements compared to market prices.
- Company reached end consumers with the brand "IceFjord - Premium Icelandic Salmon".
- Stable development of biological performance with increased cost due to general price increase.
- Further growth underway with smolt production capacity expected to increase by 2 million smolt in 2023, following completion of conversion of two facilities acquired in 2021, and the purchase finalised in August 2022 of the remaining shares in Eldisstöðin Ísþór smolt facility.
- New site approved within existing license in Patreksfjörður and Tálknafjörður.
- Increased demand for sustainable Icelandic salmon in North America. 27 per cent of Groups revenues from North America, up from 4 per cent in 2021.
- All production in sea are ASC certified and the harvest plant is BRC certified. The BRC certificate was upgraded from grade B to grade A in 2022.
- The company estimates total own harvest in 2023 at 16.0 thousand tonnes of sustainable Icelandic Salmon.



THE ABC OF SALMON FARMING

Broodstock

The broodstock are the parent fish which provide the eggs and sperm (milt) required to produce new generations. The fertilised eggs take 60 days to hatch when placed in an incubator kept at 8 ºC.

Eyed salmon eggs

After 25–30 days in the incubator, the eggs have developed to the stage where the eyes of the salmon are clearly visible as two black dots inside the egg.

Fry

The egg hatches when the eggshell cracks open, liberating the baby fish (fry) inside. When it hatches, the fry is attached to a yolk sac, which provides it with the sustenance it needs during its first few weeks of life. From now on, the fish's growth and development will depend entirely on temperature.

Initial feeding

When most of the yolk sac has been absorbed, the fry can be moved from the incubator into a fish tank. They are now ready for initial feeding. The water temperature is kept at 10-14 ºC, and the fry are exposed to dim lighting 24 hours a day. The initial feeding period lasts for six weeks. As they grow, the fry is sorted and moved to larger tanks. Well ahead of their 'smoltification', all the fish are vaccinated before being shipped by wellboat to the fish farm's marine net-pens.

Smoltification

The process whereby juvenile fish transition from a life in fresh-water to a sea-going existence is called smoltification. During this process, the fish develop a silver sheen to their bellies, while their backs turn a blue-green colour. The gills of juvenile fish also change when they become a smolt, to be able to control the balance of body salt when it goes from freshwater to seawater.

On-growing

The farming of fish for human consumption takes place in net-pens – large, enclosed nets suspended in the sea by flotation devices. In addition to a solid anchorage, net-pens require regular cleaning and adequate measures to prevent the farmed fish from escaping. Growth in net-pens is affected by feeding, light, temperature, and water quality.

Harvesting and processing

After approximately 12-24 months after transfer to the farm sites, the first fish are ready for harvesting, depending on the size of the smolt at output to sea. The fish are transported live by wellboat to the harbour next to processing plant. They are then carefully transferred to the plant itself. The fish are killed and bled out using high-tech equipment and always in accordance with the applicable public regulations. After harvesting, the final product is head-on-gutted salmon.

Sales

The salmon is sold by our strong sales team, as fresh whole-gutted or pre-rigor fillets, and distributed to markets domestically and around the world. The pre-rigor fillets are produced by a third party as a contractor to Arnarlax.

Figure 3. The lifecycle of Atlantic Salmon

ARNARLAX'S VISIONS, AMBITION AND VALUES

Vision

Sustainability it's in our nature

Be in compliance with Icelandic Salmon standard

Keep everything in order

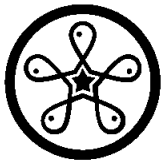
Walk the talk – Follow rules and regulations

Continue to give of us to society at large
and local communities

Ambition

Iceland's leading salmon farmer

Lead by example



Quality

In everything we do

We strive to have quality in everything we do,
our Arnarlax standard guides us to quality

We Care

For our collegaues, for the salmon, for the customer and for the environment

Show respect for colleagues,
community, nature and salmon

Be ready to encourage and embrace
what's being done well

Talking and listening to each other

Team Work

Makes us stronger

We are driven by working together as a Team

Together everyone accomplish more

2 SUSTAINABILITY AND SOCIAL RESPONSIBILITY

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THE LEADER IN ICELANDIC AQUACULTURE

Icelandic Salmon has been at the forefront of the industry for several years. The company is working with neighbouring farmers, local governments, and regulators on improving operations and reducing environmental footprint.

Innovative aquaculture

Icelandic Salmon was the first farming company in Iceland to use lumpfish to reduce lice levels. It was also the first farming company to use 200m cages in Iceland in year 2022. Along with these innovations the company started early to use Aqualine Midgard system in cages on farm sites. The feeding station (OPC), located in the main office building in Bildudalur, has a modern set-up for good control of feeding the fish and cooperate with a company named Spill-free which has a system which helps to optimize the feeding process.

In early year 2022 the Group signed up for 2 hybrid feedbarges that will arrive into operations in year 2023. This technology will decrease oil consumption up to 80.000-100.000 litres a year. In the year 2022 the Group also received a grant from the Energy Fund of Iceland on electricity supply from land and hybrid technology for the feed barges, which will be paid out when the project is completed.

Another project is hybrid technology of the work boats, a project has started with Blámi which is a collaborative project between Landsvirkjun, Orkubúið and Vestfjarðarstofa. The main objective of Blámi is to support and promote innovation and development of energy exchange projects by increasing the share of environmentally friendly fuels, hydrogen and electric fuels in transport and industry.

Innovative part within education is our educational arena, Arnarlax Academy, which is for all employees, held once a year. The company was also the first salmon farming company to offer vocational training for its employees.

Internal control system

Departments of Freshwater, Seawater, Harvest plant and Sales have dedicated teams which monitors daily quality registrations. As follow-up to these daily registrations, the company conducts an internal audit plan throughout the year for these departments. In addition to all daily checks and internal audits, external authorities inspect the operations by scheduled audit plan throughout the year. In addition, risk assessments towards environment, health and safety, and fish welfare are carried out in departments of Freshwater, Seawater and Harvest plant to ensure that the company takes a precautionary approach.

Certified value chain

The total harvested volume in 2022 was ASC (Aquaculture Stewardship Council) certified. By choosing ASC-certified salmon, consumers can be assured that they are buying salmon from a responsible farmer.

ASC is one of the best-known environmental and social responsible certifications in the world of aquaculture and certified producers must satisfy comprehensive environmental and social standards, involving over 400 auditing criteria within eight categories. The ASC Standard is difficult to achieve and to retain. It demands substantial resources in respect of documentation and reporting, before, during and after certification. Furthermore, the company is certified in accordance with the ASC's Chain of Custody scheme.

In the year 2021 the company's harvest plant got BRCGS certified. BRCGS certification is approved by the Global Food Safety Initiative (GFSI), which means that processes in the harvest plant meet quality and food safety requirements internationally. Customers can rest assured that here the salmon is processed in the best way possible with quality and food safety at the forefront from the time salmon enters processing until it arrives to the customer. The certification enhances image and confidence in us as a manufacturer. In December 2022 the company was re-audited and went up from grade B to grade A.

Education programmes

The Group recognizes the importance and value of education and has been among pioneers in educational programmes related to fish farming in Iceland. Together with several

educational institutions, the company has participated in developing education program in co-operation with Icelandic College of Fisheries (Fisktækniskólinn) and is also one of the members of University Centre of the Westfjords (Háskólasetur Vestfjarða). The company runs a trainee programme to recruit young, well-educated people to the company and the industry. In addition, employees who wish to undertake further education, are supported economically by the company .

Contributing to science and research

The Group is the biggest contributor to a State-controlled Environmental Fund, through a fee paid for each kg harvested. The fund aims to reduce the potential impact of salmon farming on nature. The fund has contributed to various projects in recent years.

Working with agencies and government

The company is in active discussions with government agencies and authorities on how to lessen the environmental impact of its farming operations, improve fish health, and improve other aspects of the industry. Latest project is working with authorities and aquaculture companies on how the industry in Iceland can achieve 55 per cent reduction in GHG emissions by year 2030 where the goal will be to set phased emission targets.

Dialogue with stakeholders in transparent way

Transparency is a key element to build trust and inspire an honest dialog between all stakeholders. Lice count numbers are publicly available on the Group's website within a week from lice counting. Monthly production reports are submitted for all active farm sites to the Icelandic Food and Veterinary Authority (MAST) with information regarding harvesting, culling, feeding, biomass, mortality, lice numbers and treatments among other. The company has meetings with local officials to strengthen the relationship and understanding. By being transparent, open about the challenges and respectful towards critics, the company can come across solutions that might be beneficial for all stakeholders.

Open and transparent reporting of our performance increases our stakeholders' trust in us. In 2022, the Group continued its efforts to report through a greater variety of channels. In furtherance of this, The Group has also chosen to commission third-party verification of its sustainability KPIs. The table below shows the many ways the company reports on sustainability-related matters.

Table 1. Stakeholders of the Group.

The company stakeholders

Icelandic Salmon Stakeholders

Internal influence	Business associates	Customer groups	External influence
Employees	Partners	External customers	Government / regulatory authorities
Shareholders/investors	Suppliers	New customers	Industry associations
Board and Group Management	Service providers	International customers	Discussion partners
		National customers	NGOs
			Research establishments
			Local communities
			Media

Table 2. Reporting within the Group

Reporting in Icelandic Salmon

Reporting method	Comment
Annual report	Integrated report, combining sustainability and financial reporting.
Quarterly reports	Quarterly update of financial and operational results.
Half year reporting	Half year financial operational results
Emission accounting	A separate annual information of emissions from the operations submitted to the Environmental Agency of Iceland (UST)
Green accounting	A separate annual report submitted to the Environmental Agency of Iceland (UST).
ASC reports	Audit reports from our ASC-certified sites are available at www.asc-aqua.org
MAST & UST reports	Audit reports from the Food and Veterinary Authority (MAST) www.mast.is and the Environment Agency of Iceland www.ust.is
www.arnarlax.is	The website is updated regularly. Here you will find relevant information.

THE SECRET OF FARMING NUTRITIOUS SALMON

Iceland offers some key factors when it comes to salmon farming. The temperature is in the lower end of optimal conditions for the salmon, long fjords create shelter, while the wind, waves and tidal current ensure that movement of water is sufficient to give the salmon access to oxygen-rich seawater. Icelandic waters are free of several harmful viruses affecting other farming nations. Iceland´s access to clean geothermal water additionally provides very favourable conditions to raising smolt.

It all starts with a premium egg that comes from Iceland. All fry's are grown into smolts, nurtured, and vaccinated in the Group's hatcheries. The time in the hatcheries is usually around 12 months. When the smolts reach 50-100g, they go through smoltification, which is a physiological process that prepares them for leaving the freshwater of the tanks and entering seawater, the same natural process undergone by wild salmon.

Since the sea temperature in Iceland falls below 2ºC during the coldest winter months, smolts are put out in sea cages in the summer/autumn months when the temperature is optimal. The low winter temperatures result in slower growth, and low levels of lice.

The Group has a comprehensive quality system, monitoring every aspect of operations. Meaning that improvements and adjustments to improve safety and quality are regularly implemented. Harvesting is one of the most important factors when it comes to product quality of the salmon. Super-chill cooling technique is used after slaughter to optimise freshness and the quality of the salmon. This allows the Group to deliver fresh salmon to customers in Europe, North America or Asia without compromising quality.

ICELANDIC SALMON MAIN EVENTS 2022

January

- MAST surveillance audit in Fjallalax smoltstation.

February

- Approved 900 tons license for maximum allowed biomass of salmon in smolt facility at Laxabraut 5

March

- The Group signed new contract for 2 new hybrid barges, one steel 900 tons barge and one concrete barge 900 tons for delivery in 2023.
- Awareness month of men cancer – socks given to all male employees to support the awareness month.

April

- First-aid course was held for all employees in all departments.
- HACCP1 food safery course for all employees in harvest plant.
- Icelandic Food and Veterinary Authority (MAST) surveillance audit in harvest plant.
- MOM-B sampling was done at the site Hringsdalur after ending fallowing period.

May

- The Group gives children's life vests to all harbours in Vesturbyggð and Tálknafjörður.
- Green books and emission accounting submitted to UST (Environment agency of Iceland)
- Acquisition of the smolt plant Ísþór in Þorlákshöfn.
- Started to use 200m cages on Hringsdalur farm site.
- Approval of the site Vatneyri in the 12,200 tons license for Patreksfjörður and Tálknafjörður.
- Signed contract for building 4 new apartments in Bíldudalur in cooperation with Vesturbyggð and Hrafnshóll. In total 10 apartments will be built in the project.
- Graduation of 5 candidates for vocational course in Aquaculture from the Icelandic College of Fisheries.
- Summit 25 - Arnarlax academy for the management team of the Group.
- Total 8 employees taking license for operating 15m boats.
- Icelandic Food and Veterinary Authority (MAST) surveillance audit in Gileyri smoltstation.
- Icelandic Food and Veterinary Authority (MAST) surveillance audit for all three licenses in sea.

June

- Participation in North Atlantic Seafood Forum in Bergen, Norway, where Icelandic Salmon was presenting.
- Arnarlax golf tournament in Bíldudalur.
- Haganes and Fossfjörður MOM-B max biomass benthic monitoring.
- ASC surveillance audit for farm sites Eyri, Laugardalur, Tjaldanes and Foss.

July

- Laugardalur MOM-B post fallow benthic monitoring.

August

- Environment Agency (UST) surveillance audit in Gileyri smoltstation.
- Approved renewal of the Fossfjordur license for 1,500 tons MAB.
- Golf school funded for nearby community.
- Arnarlax youth soccer tournament arranged.
- Launch of IceFjord brand in the US in cooperation with one of the Group's good customer.

September

- Icelandic Food and Veterinary Authority (MAST) surveillance audit in Fjallalax smoltstation and Arnarfjörður license.
- Environment Agency (UST) surveillance audit in Fjallalax smoltstation and all licenses in seawater.

October

- Arnarlax Academy held for all employees of the Group. An educational field within the company where staff gather to build company culture, learn about the operations and the future ahead.
- Pink October in Iceland – All employees got the 2022 pink ribbon pin where female cancer association was funded.
- Annual party held for all employees and their spouses.
- Implementation of BluePlantAcademy an e-learning field tailor-made for the aquaculture industry.
- Environment Agency (UST) surveillance audit in Ísþór smoltstation.
- Icelandic Food and Veterinary Authority (MAST) surveillance audit for license in Patreks- and Tálknafjörður.
- Participation in Lagarlíf aquaculture conference in Iceland where the Group's operations were presented.

November

- Free influenza vaccination and health check for all employees.
- Eyri MOM-B max biomass benthic monitoring.

December

- Equal Pay re-certified.
- The harvest plant was BRC re-certified with upgrade to grade A.
- The Group had 100 per cent ASC certification on harvested fish in 2022.
- New hybrid service boat, Fosnafjord, preparing its travel from Norway to Bildudalur from contractor Abyss. The role of the vessel will be installing farm equipment on farm sites.

IMPORTANCE OF REGULATORY BODIES

MAST - Matvælastofnun - the Icelandic Food and Veterinary Authority

Surveillance

The authority audits each issued license at least once a year for freshwater stations, seawater farm sites and harvest plant. Farming equipment, fish welfare, biomass in cages and food safety is audited. All audit reports and licenses can be seen on the website of MAST www.mast.is

Sample taking

At least once a year the authority takes samples from salmon and feed to analyse following:

- Antibiotics
- Avermectins
- Benzimidazoles
- Chloramphenicol
- Heavy metals
- Malachite green, crystal violet
- Mycotoxins
- Nitrofurans
- Pesticides
- Steroids, Stilbenes, resorcylic acid lactones

Monthly production reports are submitted to MAST where production info from all sites and all cages is reported. This info is used for aquaculture dashboard presented on MAST website.

Delousing treatments

MAST oversees approving applications for delousing treatments. In fall 2021 the authorities set limits for mature female lice.

Escapes

In case of an escape or a suspicion of an escape a contingency plan is activated within the Group and MAST is informed immediately along with the Directorate of Fisheries (Fiskistofa). Inspectors from the authorities arrive to the farm soon after being informed.

Escape episode 2021

On 29th August 2021 a hole on cage 11 at farm site Haganes was discovered. Contingency plan of the Group was activated. Fiskistofa and MAST were informed the same day. Inspectors arrived the day after. At this moment it was not known how many fishes had escaped. After harvest from the cage in October 2022 it was discovered that 81,564 fishes were missing. After this event the Group took a decision to withdraw the site from ASC certification. It will then be an evaluation of the CAB (e. certification body) when Haganes site can undergo ASC re-certification again.

UST – Umhverfisstofnun – the Environment Agency of Iceland

Surveillance

The authority audit each license at least once a year for freshwater stations and seawater farm sites. All audit reports and licenses can be found on the website www.ust.is. The authority have surveillance with all wildlife near and around farm sites, go through benthic monitoring reports for sites, waste handling, chemical usage and allowed biomass at each site. The authority also handle external complaints of our operations. Green books and emission accounting are submitted to UST before May 1st each year.

BENTHIC MONITORING AND SITE CERTIFICATES

Benthic monitoring

After a site has been fallowed and then at max biomass a benthic monitoring is conducted by a third-party. The monitoring is done according to guidelines of the Norwegian standard NS9410:2016 which includes evaluation of sediment, faunal investigation, and bottom topography. Two types of surveys are conducted MOM-B and MOM-C. The primary objective of a B-survey is to fulfil the requirements regarding bottom survey in the local impact zone at fallow period as they are defined in NS9410:2016. The primary objective of a C-survey carried out at max biomass is to fulfil requirements by ASC standard and in accordance with chapter 5.0 in the Norwegian standard NS9410:2016 which outlines the methodology for a C-study. The survey includes pH/redox measurements, hydrography, and geochemical and bottom fauna analyses adjacent to the fish farming site.

In year 2022 both sites, Laugardalur and Hringsdalur, that had a new output of fish generations were restored to best conditions for both MOM-B and MOM-C after fallowing, with score of 1 = Very good.

Site certificates

A site certificate is issued for each farm site where inspection of farm equipment installation has been inspected according to requirements of Norwegian standard 9415:2019 – ***Marine fish farms – Requirements for site survey, risk analyses, design, dimensioning, production, installation and operation.*** On the issued site certificate, the installation configuration can be seen for the site. Each certificate is valid for 5 years if no changes are made on the equipment

MOM-B and **MOM-C** with **score of 1 = Very good**

SUSTAINABILITY – IT´S IN OUR NATURE

'Sustainability - it´s in our nature' is our vision and the foundation of all the Group's operations. It is the way it operates as a company and how it behave in the areas surrounding its operations. This includes taking care of its customers, employees, the salmon, and the environment, while developing the industry and moving society in a more sustainable direction.

In year 2013 Bíldudalur started in the project *Fragile communities* in 2013 under the name *Bíldudalur - a conversation about the future* with the Icelandic Regional Development Institute (Byggðastofnun).

The project was formally completed at the end of 2016, and it was a joint decision by residents, municipalities and the Regional Development Institute that it was no longer needed due to positive developments in the area, not least because of the boom in the economy.[1]

This year, the Group presents its sustainability section for the third time. The numbers stated in this section have undergone third-party verification.

The bulk of this section is divided into the three central pillars on which the Group rests its thinking about sustainability throughout the value chain.

Table 3. Icelandic Salmon sustainability focus summarized.

Fish

Good fish welfare is the foundation of the Group's business.

We work systematically to create an environment in which the salmon thrives and remains healthy.

Environment and technology

The Group believes in preserving the seas for future generations.

We minimize our footprint with measures and routines throughout the entire value chain.

People and society

The Group acts as a responsible corporate citizen.

We believe in creating local value and safe workplaces and support the local communities where we operate.

1 https://www.byggdastofnun.is/is/verkefni/brothaettar-byggdir/bildudalur

FISH

The Group's goal is to produce sustainable and healthy protein for a growing global population. Sustainable salmon farming therefore takes place on the fish's terms where its tried to not exceed 13kg/m^3 during winter and 19kg/m^3 during summer to make sure that the fish has enough space. This means that the salmon must come first in all aspects of the Group's work.

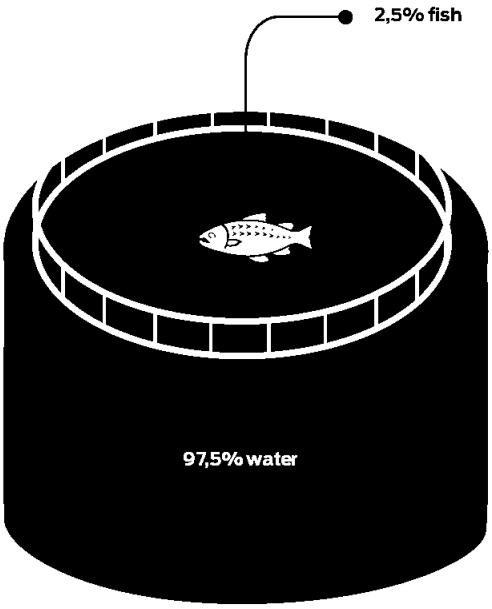
The Group is working systematically on initiatives and procedures relating to fish welfare. At the same time, its known that every single decision made relating to fish health also has a financial, social- and environmental impact throughout the value chain.

Fish - KPI's

Table 4. Biological KPI´s

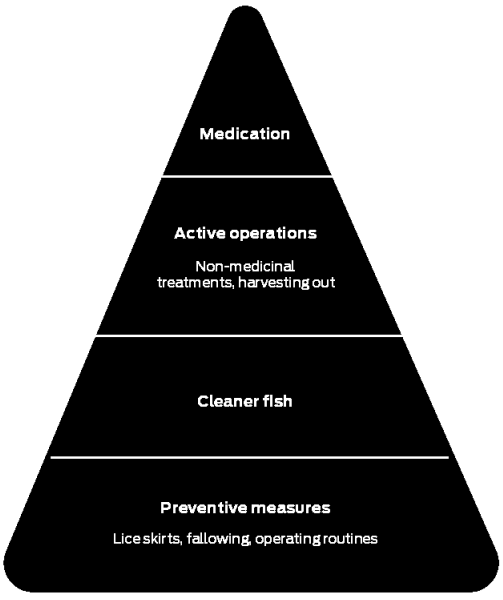
The Group's KPIs		Target	2022	2021	2020
Survival	12-month rolling survival rate[2]	>95%	89.7%	93,3%	90.5%
Antibiotics	Grams of active pharmaceutical ingredients (API) per tonne produced	0	0	0	0
Lice treatments	Total number of treatments. In 2022, 4 sites were treated, 1x treatment on each site	# of treatments in year:	4	3	2
		<3 per cycle[3]	Compliant	Compliant	Compliant
Interaction with wildlife[4]	Birds – Accidental mortality	0	0.43	0.17	0.71
	Birds – Euthanised	0	0	0	0.29
	Marine mammals – Accidental mortality	0	0	0	0
	Marine mammals – Euthanised	0	0	0	0
Fish escapes	No of incidents	0	0	1	0
	No of escaped fish	0	0	81,564[5]	0
Feed	Certification of marine ingredients in fish feed[6]	100%	100%	98.2%	99%
	Certification of soya ingredients in fish feed[7]	100%	100%	100%	100%
	FFDR (fishmeal)	<1.2[8]	0.54	0.32	0.63
	FFDR (fish oil)	<2.52[9]	1.38	1.56	1.98
	Economic feed conversion ratio	<1.19	1.34	1.30	1.43
Certification	Share of active certified sites[10]	100%	100%	83%	86%

2 12-month rolling mortality measured in accordance with the Global Salmon Initiative methodology.
3 Target in accordance with ASC certification requirements.
4 Number of wildlife incidents distributed over number of active sites.
5 Confirmed in October 2022.
6 Fish meal. certified in accordance with Marintrust. MSC or equivalent.
7 Certified in accordance with ProTerra RS or equivalent.
8 Target in accordance with ASC certification requirements.
9 Target in accordance with ASC certification requirements.
10 Active sites in 2022 certified in accordance with ASC.



Fish welfare

Good fish welfare requires systematic efforts to ensure that fish welfare is safeguarded by providing the fish with optimal conditions throughout their lifecycle.



How Icelandic Salmon promotes fish welfare

- Dedicated fish health personnel; visits by Fish health coordinator on monthly basis and by veterinarians according to visiting schedule
- Close follow-up and monitoring of fish welfare indicators
- Use of sites affording optimal biological conditions
- All smolt vaccinated before transfer to seawater farms
- Systematic efforts as regards smolt quality at the hatcheries, by focusing on stable supplies of good quality water, a good tank environment for the fish, optimal oxygenation, good grading and vaccination procedures, temperature control and general fish health
- All delousing treatments carried out, by the Group's crew members, with a risk assessment performed before each operation
- Strict routines for transport between different sites to ensure bio-security
- Keeping numbers of sea lice down
- Density in the cages is below requirement from the government to secure good fish welfare
- Zero use of antibiotics
- Non-GMO

Keeping numbers of salmon lice down

Salmon lice are a natural seawater parasite. As fish farmers, the task is to make sure that the salmon can coexist with the lice. Salmon lice can impair the quality of the salmon's flesh and can, in the worst cases, lead to disease and death. The Group therefore works preventively to keep lice numbers down.

Lice numbers increased between years 2021 and 2022 in all categories but were on average within the national limit set at 0.5. (Table 5).

The Group received an approval from ASC after applying for Variance Request from clause 3.1.7 within the ASC standard v1.3 as a national limit at 0.5 has been set by the Icelandic Food and Veterinary Authorities (MAST) during the sensitive period when wild smolts migrate to sea (April to June). All lice numbers are reported to the Food and Veterinary Authorities in Iceland (MAST) and published on the Group's website within a week from lice counting.

As regards delousing treatments, the Group follows the Global Level set in the ASC standard, which allows three lice treatments per each production cycle on a site (Table 6). This has never been fully utilized. In 2022, 4 sites in operation were deliced one time each. The main strategy for reducing the number of chemical treatments is to take preventive measures, such as lice skirts, fallowing and use of lumpfish.

Table 5. Average level of different stages of lice in years 2020 - 2022 on all active sites

Year	Juveniles	Movables	Adult females	Caligus
2022	0.33	0.33	0.41	2.17
2021	0.19	0.19	0.19	1.61
2020	0.35	0.39	0.19	3.09

Table 6. Number of treatments allowed per cycle in different countries according to the ASC standard.

Number of treatments allowed per cycle in different countries according to the ASC standard

Region	Entry Level (WNMT)	Global Level (WNMT)
Canada (BC)	1	
Chile	9	
Faeroes	6	
Ireland	3	3*
Norway	5	
Scotland	9	

Lumpfish

The Group was the first farming company in Iceland to begin the use of lumpfish to reduce lice levels on sea farms. The lumpfish is born at supplying company in Iceland where it lives before arrival to the farms. Each fish is manually inspected and vaccinated before arrival to ensure their quality and welfare in the sea cages.

Good care is taken of the lumpfish when they are out in sea; they are fed special feed and they have artificial kelp out on the cages where they can go for a rest.

In year 2022 total of 425,000 lumpfish were put out in our cages on 4 sites.

Sustainable feed

As a measure of feed sustainability, we use the Fish Forage Dependency Ratio (FFDR). This quantifies our dependence on wild fish stocks as raw materials in our feed. This is done by assessing the volume of live fish from small pelagic fisheries that is required to make the amount of fish meal or fish oil needed to produce one unit of farmed salmon.

The lower the FFDR we can achieve, the more salmon we can produce on the basis of a globally limited supply of marine raw materials.

According to the ASC standard, feed is deemed to be sustainable if its FFDR (fish meal) is <1.2 and its FFDR (fish oil) is <2.52. In 2022, the company achieved values well below this level.

The company uses an all-round feed that optimises production and promotes good fish health – in other words, a high-value salmon feed that ensures good growth and meets the fishes' nutritional needs. In 2022, approx. 26,200 tonnes of feed were used in the operations.

Feed facts

- All fish feed used is certified.
- All fish feed used is deforestation-free, not genetically modified, and not dependent on endangered fish stocks.
- Dedicated personnel who work with feeding the fish.
- Strategic partnership maintained with the Group's feed suppliers, with whom it work to include sustainable ingredients in the feed it uses.

Certified ingredients used

- All feed is Marine Trust certified.
- 100 per cent of the marine ingredients comes from certified fish stocks.
- ProTerra certified soya is used, which is the strictest certification scheme used to promote the sustainable farming of soya.

Safe and healthy food

It is the Group's responsibility to ensure its customers safety when they eat its salmon and know that it has a healthy nutritional content and has been processed after good food safety measures. For this reason, the Group is certified in accordance with the strictest requirements and guidelines for sustainable aquaculture, including the Aquaculture Stewardship Council (ASC) and BRCGS which emphasizes on food safety.

Icelandic salmon is good nutrition

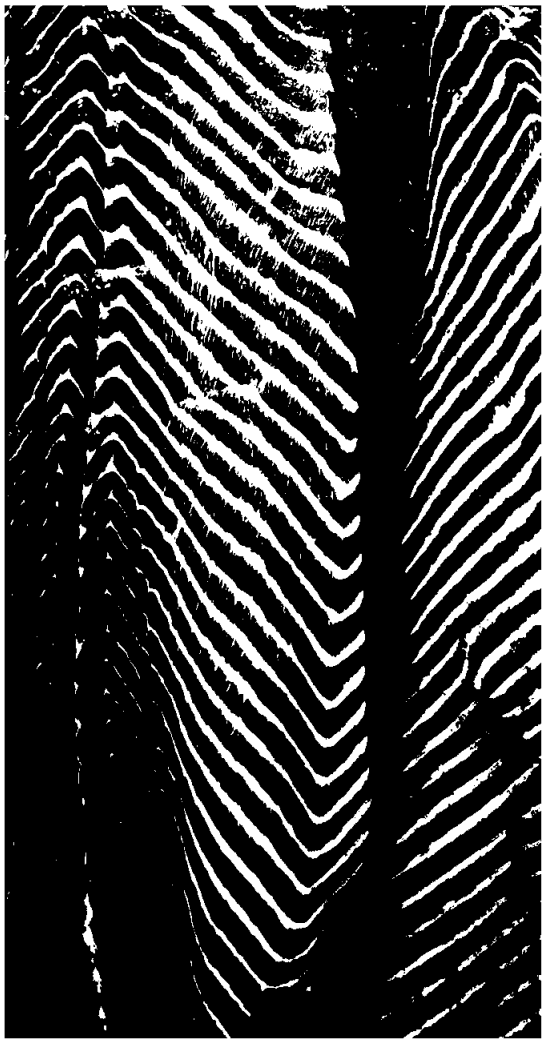
In 2022 our harvested fish[11] had:

- Omega 3 level on average of 2.45 g/100g product
- Omega 6 level on average of 2.6g/100g product
- EPA/DHA level of 0.9g/100g product
- Protein on average of 20.8g/100g product
- Total fat of 18.3 per cent on average

11 Fish harvested from our farm sites Steinanes. Haganes. Foss and Eyri analysed in accredited laboratory.

How we provide safe and healthy food to all our customers

- Local harvesting makes it possible for the Group to offer first-class, fresh super-chilled products right after harvest.
- Good fish welfare is ensured and the correct nutritional content in the fish feed used, which provides healthy food for human consumption.
- The value chain is certified.
- Training in routines and procedures within all departments is important to maintain the high quality of the Group's salmon.
- Regular sample takings are performed from the harvested fish for fatty acid analysis to check the nutrition of the salmon. Internal audits are also performed along with audits and inspections by regulatory authorities, certification agencies and customers.



ENVIRONMENT – SUSTAINABILITY - IT´S IN OUR NATURE

Growing salmon is one of the most sustainable ways of producing protein, in terms of carbon emissions, water, land use, etc. However, production comes with several challenges, as for all commercial food production. Icelandic Salmon is aware of those challenges and is constantly working on minimising the impacts, using innovative solutions, environmental certifications, and strategic monitoring.

Environmental policy

The Group has an active environmental policy. There is good cooperation between companies within the same industry and farm sites in joint fjords. This cooperation is known as ABM (Area Based Management) and aims to share information regarding: 1) diseases and handling of fish, 2) output plans, 3) fallowing periods, 4) monitoring in relation to diseases, and 5) lice monitoring.

The main objectives of the environmental policy are:

- Full compliance with regulations and standards
- Zero escapes
- Optimal feed ratios, reducing organic load on the seabed
- Full openness to using alternative products that may be more environmentally friendly
- Increasing the share of waste that goes to recycling

Genetic risk assessment

Iceland has taken a somewhat unique approach to genetic mixing between farmed and wild salmon. Iceland has legally enacted the use of a unique genetic risk assessment that estimates the potential risk of genetic mixing between farmed and wild salmon and limited the permitted production of farmed salmon based on the outcome of that model.

A large portion of the coastline is also closed off for fish farming. The result is that all of Iceland's major salmon rivers are far away from fish-farming activities.

It is safe to say that the Icelandic authorities are taking a conservative approach when it comes to fish farming and the possible effect on the wild salmon stock. The risk assessment is up for evaluation every third year. Next evaluation is in 2023.

Carrying capacity

Before fish farming is allowed in Iceland, the Icelandic Marine and Freshwater Research Institute conducts a carrying-capacity assessment estimating how much biomass there may be in each farming fjord. This is done to minimize the risk of organic waste accumulating at the bottom of the fjords to affect the total situation in each fjord. The Institute is monitoring the fjords to ensure that production does not excess the carrying capacity.

Environmental assessment

All of the company's farming activity has been through an environmental assessment process. That process includes stakeholder participation and involvement of the Environment Agency of Iceland (UST), the Food and Veterinary Authority (MAST), the Planning Agency and the Marine and Freshwater Research Institute, among other agencies. The outcome is an extensive environment report describing the impact of the farming activity, mitigating measurements, and how the environment should be monitored.

Certifications

As mentioned above, the Group's production of salmon was 100 per cent ASC (Aquaculture Stewardship Council) certified in year 2022. The Group also holds BRC food safety certification and went through re-auditing in December 2022 where the grade went up from B to A.

Green disclosure requirements

Each year, the company submits a green accounting report and emission report to the Environment Agency of Iceland (UST), including information on power usage and usage of oil, water and seawater. The report also covers all chemicals, recycling of waste categories, medicine usage and emissions involved in the company's operations.

Monitoring of the farm sites

After the farming has started, all sites are monitored from the bottom and up. Oxygen levels are monitored daily, and a third-party monitors oxygen in the threshold fjord Arnarfjordur up to three times a year. Benthic samples are conducted by a third-party from the seabed under the cages twice for each generation to see if organic materials are accumulating under the cages. The Food and Veterinary Authority (MAST) also takes fish and feed samples twice a year from the farm sites to sample for heavy metals and dioxins, pesticide residues, antibiotics, etc. MAST also conducts audits once a year for each farming license and so does Environment Agency of Iceland (UST).

GREENHOUSE GAS EMISSIONS

Below is an overview of the Group's greenhouse gas (GHG) emissions. Carbon accounting is a fundamental tool in identifying tangible measures to reduce GHG emissions. The annual carbon accounting report enables the organisation to benchmark performance indicators and evaluate progress over time.

The input data is based on consumption data from internal and external sources, which are converted into tonnes CO2-equivalents (tCO2e). The carbon footprint analysis is based on the international standard; A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol). The GHG Protocol is the most widely used and recognized international standard for measuring greenhouse gas emissions and is the basis for the ISO standard 14064-I.

The carbon inventory is divided into three main scopes of direct and indirect emissions:

Scope 1 includes all direct emission sources. This includes all use of fossil fuels for stationary combustion or transportation, in owned and, depending on the consolidation approach selected, leased, or rented assets. It also includes any process emissions, from e.g. chemical processes, industrial gases, direct methane emissions etc.

Scope 2 includes indirect emissions related to purchased energy; electricity and heating/cooling where the organisation has operational control.

Scope 3 includes indirect emissions resulting from value chain activities. The scope 3 emissions are a result of the company's upstream and downstream activities, which are not controlled by the company, i.e. they are indirect. Examples are business travel, goods transportation, waste handling, consumption of products like feed etc.

Table 7. Greenhouse gas emissions

	Target	Status vs. target	2022	2021	2020
Energy consumption (TJ)					
Scope 1 - Fossil fuels			30	32	15
Scope 2 - Electricity			42	22	18
Scope 1+2 (GHG tCO_2e)			**72**	**55**	**33**
Greenhouse gas emissions (GHG tCO_2e)					
Scope 1 - Fossil fuels	42% reduction from 2020-2030	+99 %	2,054	2,185	1,033
Scope 2 - Electricity			0	0	0
Scope 3		+6 %	68,729	66,824	64,637
Total (Scope 1+2+3)		**+8%**	**70,783**	**69,010**	**65,670**
Intensity[12]					
Energy intensity (GJ/tons produced)			3.5	3.2	2.4
Intensity of GHG emissions ($kgCO_2e$/tons produced) - Scopes 1+2	42% reduction from 2020-2030	+30%	99	128	76
Intensity of GHG emissions ($kgCO_2e$/tons produced) – Scope 3		-31%	3,297	3,923	4,757
Intensity of GHG emissions ($kgCO_2e$/tons produced) - Scopes 1+2+3		-30%	3,396	4,052	4,833

The operations consumed 800,037 liters of fossil fuel (30 TJ) and 11,551 MWh of electricity (42 TJ) in 2022. All electricity used by our operations is from renewable sources.

12 All intensities are calculated with tons produced biomass. gross growth in sea.

Freshwater consumption

Aquaculture generally has a low freshwater requirement compared with other types of food production. The fish live a large part of their lives in the sea and do not depend on supplies of freshwater. Freshwater consumption of the company derives largely from its onshore hatcheries and its harvesting plant.

Fresh water useage only from low-risk areas

In large parts of the world, access to fresh water is a challenge. Icelandic Salmon uses fresh water only from areas where the risk of water shortages, or the risk of poor water quality, is low. The water risk map produced by the World Resource Institute[13] provides a good overview of the water risk in various areas. All the areas in which the company operates are defined as low risk.

Waste management

Waste is a resource which we must take care of, and which can be reused to make new products.
We help to reduce marine pollution

- We ensure that obsolete plastic equipment is recycled by delivering it to established return schemes and collecting other waste for delivery to municipal waste handling systems.
- We contribute to beach cleaning/collection of plastic waste through funding, as well as participating ourselves.

We exploit every part of the salmon

By-products are exploited to the full. All by-products from the harvest plant are sent for further processing, resulting in 100 per cent of the raw materials being utilized. All material is sent to third party production site through closed pipeline from our harvesting plant.

All mortality from seawater production and smolt plants is processed on site by the Group and delivered to a company that use them as ingredients for the biogas-, compost and soil industry.

Project for the sludge from hatcheries is in process where open discussion with the farmers union in the areas of hatcheries is ongoing for how to utilize the sludge as a fertilizer on fields. The overall, long term goal, for the project is to exchange all import of artificial fertilizer to Iceland with reuse of by-products from several industries, including aquaculture.

Treatment of outlet water from harvest plant

All water from the harvest plant is rinsed and disinfected in the water treatment system before being released into the ocean to ensure biosecurity.

Table 8. Fresh water usage.

Consumption of freshwater	2022	2021	2020
Consumption (1.000 m^3)	16,232[14]	5,535	5,505
Intensity (litres per kg gross growth in sea)	779	325	405

13 https://www.wri.org/aqueduct

14 With two new hacheries in the year 2022 the water consumtion increased.

PEOPLE AND SOCIETY

One of the company values is "We Care". We who work at the company care about our colleagues, our partners, and the local communities in which we operate. For us, it is important to behave as a responsible corporate citizen because we believe that this has a positive impact on our own operations and society at large.

With total of 177 employees, in 2022, in five communities the Group is a major employer and an important member of society. This position gives rise to multiple responsibilities to people, society, and industry. Ethical business practice is a key value for the Group. We aim to operate in an honest, proper, and trustworthy manner, and take pride in showing off what we do.

Table 9. People and society

		Target	2022	2021	2020
Employees	No. of full-time equivalents (FTE)		154.4	132.6	110
	Racio of women		26%	23%	24%
Safety & sickness absence	No. of fatalities	0	0	0	0
	LTI's[15]	0	9	7	9
	H-factor[16]	<6	5.8	5.5	7.8
	Sickness absence	<4.5%	4.1%	4.1%	4.3%
Regulatory compliance	No. of violations	0	1[17]	0	0
	Fines in ISK	0	0	0	0

Working with local communities

The Group recognizes the importance of a good and meaningful relationship with the local community and understands its role and responsibility as one of the biggest companies in the region. The company participates in various community projects and is for example a proud sponsor of public transport, culture events, volunteering activities, schools, local sports teams, and clubs.

When buying items, it is looked at whether items can be bought that are being contributed to good causes along the way. In this case we can for example mention items bought where the proceeds went to a good cause. The company is always seeking ways to give something back with its purchases.

Workforce

The company has been blessed with skilled and capable people from all over the world working on the common goal of delivering world-class salmon in harmony with nature. Employees' ideas and innovative thinking are a crucial driver of the company's performance, and the company welcomes forward-thinking and honest dialogue. The safety of our people is a top priority and active measures are taken to reduce accidents by using a dynamic quality system and functioning Health & Safety committee.

Freedom of Association and Collective Bargaining

All employees of the company are free and can bargain collectively for their rights. The workers have access to trade unions and choose a union representative by themselves without managerial interference.

Child labour is not accepted, forced, bonded or compulsory labour and the company does not hire any persons under the age of 16. Persons between the age of 16 and 18 years of age will not be exposed to hazardous health and safety conditions and are under strict supervision during their work.

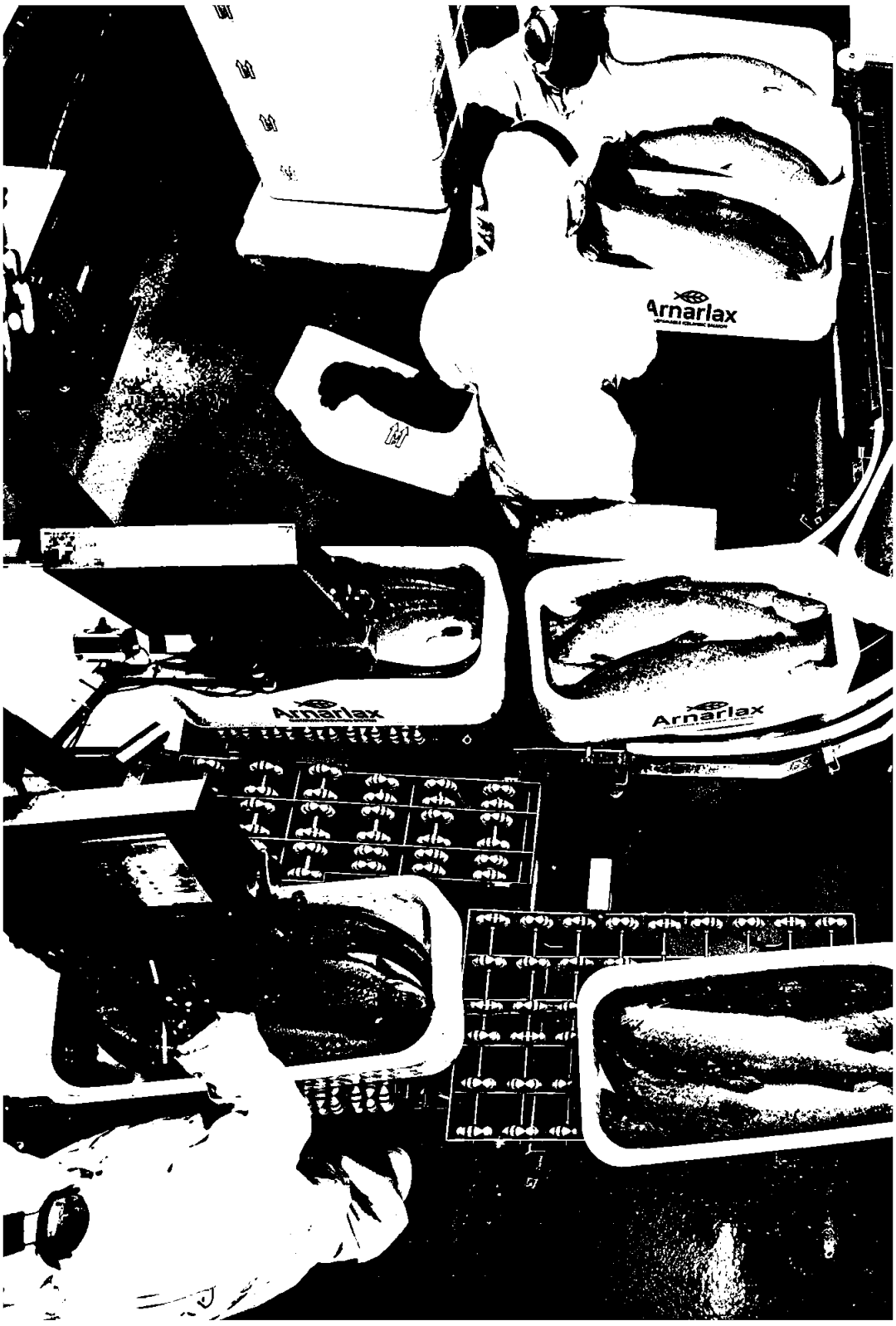
Discrimination

The company has an anti-discrimination policy, ethical guidelines, and ethics gateway.

Anti-discrimination policy

The policy of the company and its subsidiaries is that bullying, sexual harassment, gender-based harassment, violence and any form of inappropriate conduct is not tolerated. Every measure should be taken to prevent this from occurring and to resolve any case as successfully as possible.

15 LTI: Lost time injury. If a worker does not show up at work the day after an incident. it is counted as an LTI.
16 H-factor: Total LTI's over the year * 200.000 work hours / accumulated work hrs over the year.
17 This case has been appealed and final decision is not made.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A workplace should emphasise boosting employees' awareness of the importance of positive communications and make them a highlight of the workplace, such as with education on equal rights.

Ethical guidelines
Ethical Guidelines were first issued in year 2020 within the company. The purpose of the guidelines is to ensure a healthy corporate culture and safeguard the Company's integrity by helping employees to comply with standards for good business practice. Furthermore, the guidelines are intended to act as a tool for self-assessment and for the further development of the Company's corporate identity.

Ethics Gateway - Whistleblowing
A professional and safe venue, implemented in 2021, for employees to whistle blow or report undesirable conduct in the workplace or emotional distress at work. The Ethics Gateway team has specialists in human resources and accredited service providers in health and safety in workplaces. The consultancy company Hagvangur ehf. operates Ethics Gateway.

Equal Pay certification
In December 2021 the company completed its Equal Pay certification process in accordance with standard ÍST85 equal pay standard. The equal wage policy is an inseparable part of the wage policy and is valid for all the organizations employees. The policy is that all employees shall be receiving equal pay and enjoy equal terms of employment and rights for the same jobs or jobs of equal value, so that there is no gender-based pay gap within the company. The Group was re-certified for the equal pay certification at end of year 2022.

All employees of the company receive payment above basic needs wage.

Education and training
The company has an education policy where the company emphasize on education for its work force. The education is in all forms, university studies, courses, diploma, and smaller courses etc.

An ongoing agreement is in place with the Iceland College of Fisheries with educational program in Aquaculture. In May 2022 total of 5 employees graduated from the college. Furthermore, more employees are studying alongside work withing the company in different educational institutions in Iceland where the company supports their study.

Occupational Health and Safety

Health and safety committee
Within the company an health and safety committee is present. On board the committee there are two members from the management group and 4 general employees from different departments. The committee meets at least 4 times a year according to Icelandic law. The committee oversees the health and safety matters within the company along with work environment conditions of the employees. On board the committee there are highly trained employees with various skills and education.

Employees can report issues regarding health and safety in general, food safety or other matters anonymously to the committee. Monitoring is also done via the EQS[18] system where incidents are registered. If the incident is an LTI (e. lost time injury) it is reported to appropriate authority. All documents are kept on file for each case.

Food safety

Sample taking
Quality monitoring is present within the harvest plant where samples are taken and sent regularly to accredited laboratory for analysing bacteria dangerous for the consumer health. An HACCP plan is also followed parallel to the process flow chart where critical points are monitored.

As stated under the chapter of ***Importance of regulatory bodies*** the Icelandic Food and Veterinary authority conducts sample taking at least once a year from raw material and feed for various analysis.

Non-compliance
Any deviation regarding food safety impacts of the product itself within the hatcheries, seawater farm sites and harvest plant is registered into EQS and acted on.

Emergency recall team
An emergency recall team is present in the company consisting of 5 members from management, In emergency cases the team meets up where case is evaluated, and actions taken. The company has never recalled a product batch.

18 Electronic Quality System

THE UN GOALS FOR SUSTAINABILITY

The United Nation Sustainable Development Goals are a collection of 17 global goals designed to serve as guidance towards a more sustainable future for all. Farming salmon in a sustainable way contributes to many of these goals and eight of them are closely linked to the company's operations.

3. Good health and wellbeing
Salmon is a nutritious food, packed with quality protein and essential fatty acids such as Omega 3.

4. Quality education
The company has an education policy and encourages its staff to seek education.

5. Gender equality
The company has a gender equality policy and is Equal Pay certified.

8. Decent work and economic growth
The company is growing economically and has increased its number of staff between years.

11. Sustainable cities and communities
The company is one of the major sponsor of public transport within the area and sponsors various community projects. Bildudalur was once categorized as a fragile community. With good economic growth Bildudalur was out of the project in 2016.

12. Responsible consumption and production
Farming salmon in sea cages is one of the most sustainable ways of producing animal protein for human consumption, in terms of feed and water usage. ASC and BRCGS certified.

13. Climate Action
A large part of the world's greenhouse gas emissions is caused by food production. Farming salmon stands out from other animal protein production for its low level of carbon emissions and usage of water.

14. Life below water
The company aims to utilize the sea areas in which it operates in a sustainable manner and to contribute to reducing marine debris and discharges, by reducing and handling its waste properly and by engaging in all the local coastal communities of which it is a part of.

3 CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE AT ICELANDIC SALMON

Icelandic Salmon aims to uphold and maintain the highest standards of corporate governance and operates according to law and legislation.

The Board of Directors recognizes that good corporate governance contributes to ensuring the protection of all shareholders' interests and ensuring that the Group complies with high ethical and social standards.

Icelandic Salmon has a sustainable approach to salmon farming. As part of the Atlantic Ocean surrounding Iceland, the Group adheres to strict quality standards whilst also aiming to be a low-cost producer. The Group can achieve this goal only through sustainable biological production and commits to farming fish conducive to their wellbeing. Combining the best biological results with cost focus and optimal processes, the Group believes this enables Icelandic Salmon to be a cost-effective producer of farmed salmon in Iceland.

The Group recognizes the diversity and importance of its corporate social responsibility as an employer, producer, supplier of healthy food, a user of the natural environment and administrator of financial and intellectual capital. Social responsibility is essential to the Group and incorporated in daily tasks. At the same time, the Group aims to minimize it operations' impact on the natural environment.

Icelandic Salmon AS is listed on the EURONEX Growth stock exchange in Oslo. The Group is required to report on its corporate responsibility and selected related issues under §3-3a and §3-3c of the Norwegian Accounting Act. Some key priorities are described below. A detailed report on all relevant topics can be found in sustainability part of this report in section 2.

Business and Purpose

Arnarlax ehf., subsidiary of Icelandic Salmon, is the Iceland's largest producer of farmed salmon. At end of year 2022, the Group's licenses totalled up to 23,700 tonnes MAB in sea in Iceland and in addition hold licenses of 3,000 tonnes in land-based facilities used for smolt production.

In 2022 Arnarlax acquired remaining share of Eldisstöðin Ísþór smolt facility and with that secured further production on smolt as part of the valuation chain. The acquisition came as a following process of the Groups long term growth strategy, but the Group had acquired two smolt facilities in 2021.

The Groups growth strategy is to maximize utilization of MAB within its licenses and increase license volume in order to obtain critical mass to secure competitiveness in the global market.

Icelandic Salmon AS objectives have been defined as following:

> *"The objective of the company is production, processing and sale of seafood and seafood-based products, as well as conducting other business in connection with these purposes, including through investments and ownership in other companies with same purpose".*

Code of conduct, values and social responsibility

Board of Icelandic Salmon AS approved ethical guidelines in August 2020 that applies for all Icelandic Salmon Group, its employees, Board of Directors and any other who act on behalf of the Group. The purpose of the ethical guidelines are to ensure healthy corporate culture and safeguard the Groups integrity by helping employees to comply with standards for good business practice. Furthermore, the guidelines are intended to act as a tool for self-assessment and for further development on the Group's corporate identity.

It is the Group's ambition to be Iceland's leading salmon farmer. The Group focuses on farming salmon on the salmon's terms and work tirelessly to be outstanding at all levels and in all aspects of production. The operative business has two clear strategic goals, which form the core of the Groups strategic foundation.

> *"Sales shall secure the best possible price and fish farming shall be unbeatable on cost – best for operational efficiency."*

Overarching all business operations and actions is the Group's vision, "*Sustainability – it's in our nature*", meaning all decision relating to production will be made based on the Group's vision. The fish will be farmed in conditions most conductive to their wellbeing. The Group believe that the best biological results will pave the way for the best financial results, and thus safeguard the Groups position as a sustainable salmon producer.

The Group has a set of tenets that describe desired behaviours and a shared understanding of how employees should behave. Through Arnarlax Academy, all employees are given encouragement and opportunities for development as well as introduction and guidelines on the Groups tenets and ethical guidelines.

The Group has a presence in five local communities and its employees are multicultural from all over the world. The Group is therefore aware of the diverse nature of its social responsibilities as an employer, producer and a user of the natural environment. Further description of the social responsibility can be found in sustainability part of the report.

Equity and Dividend

As of 31st December 2022, the company's equity totalled EUR 144.2 million which corresponds to an equity ratio of 61 per cent. The Board considers Icelandic Salmon AS capital structure to be adequate in relation to the Groups objectives, strategy and risk profile.

Icelandic Salmon intends to provide shareholders with a competitive return on invested capital by creating value for the shareholders in the form of share price appreciation over time. The Group has not paid out any dividends to its shareholder and no decisions nor dividend policy have been made on dividend payments while the Group is following its growth strategy.

The Group follows three main long term financial targets linked to its Net Interest Bearing Debts (NIBD), EBITDA and equity.

- Equity Ratio shall be equal to or exceed 35 per cent.
- Interest Cover measured on a rolling 12-month basis, shall not be measured less than 4.0.
- Leverage (NIBD/EBITDA) measured on a rolling 12-month basis, shall not be measured higher than 5.0.

The Group has not issued any increased share capital and no approval of from the AGM has been issued for any share issues.

The Board of Directors

The Group has an active Board of Directors with a prescheduled meeting agenda throughout the year. At an annual general meeting that took place on 21 May 2021, all members of the current Board of Directors were re-elected for a period of two years.

Board of Directors are comprised of five members elected by the AGM, one female and four males. The board Chairman is elected by AGM. All members of the Board of Directors are representatives of the Groups shareholders and all of them have minority stake in the Group ownership, directly or indirectly through a minority stake in other entities.

10th October 2022, one of the board members, Olav Andreas Eirvik, notified the stock exchange and the Board of Directors that he resigns his seat on Icelandic Salmon AS Board of Directors. A new board member will be elected at the latest at the Groups next AGM in 2023. In his absence until new board member will be elected, Ulrik Steinvik, CFO of SalMar ASA, will take his seat as an observer.

One of the board members is deemed to be independent.

Risk management and internal control

The Board is responsible for ensuring that the Group's risk management and internal control system are adequate in relation to the regulations governing the business. The Group's systems and procedures for risk management and internal control are intended to ensure efficient operations, timely and correct financial reporting, as well as compliance with the legislation and regulations to which the Group is subject. The Board performs an annual review of the Group's risk management/corporate governance.

Internal control of financial reporting is achieved through day-to-day follow-up by management and process owners and supervision by the Audit committee. Non-conformances and improved opportunities are followed up and corrective measures implemented. Financial risk is managed by a central unit at the head office, and, where appropriate, considerations is given to the use of financial hedging instruments.

Follow-up and control of compliance with the Group's values and code of conduct take place in the line as part of day-to-day operations.

The company has purchased and maintains a Directors and Officers Liability insurance on behalf of the members of the Board of Directors and the CEO. The insurance also covers any employee acting in a managerial capacity. The insurance policy is issued by a reputable insurer with an appropriate rating and has a limit of liability of NOK 100 million.

Audit committee

Arnarlax ehf, the Icelandic Salmon AS subsidiary, is recognized as a public interest company in Iceland. Therefor the Company had to establish an audit committee for Arnarlax ehf. operations. Committee's responsibilities are in relation to Arnarlax ehf. both publicly and according to the committee's mandates. However, as in the nature of the Group's structure, the committee also take upon assignments set to the committee in relations to Icelandic Salmon AS.

The committee main tasks are to prepare the Board's follow-up of the financial reporting process, monitor the Groups internal controls and routines, as well as to maintain an ongoing dialogue with the Group's auditors.

According to the committee mandate, the committee is required to be comprised of a minimum of three persons elected by the Board of Directors annually. All members of the committee shall be independent from the Groups auditors and majority of the committee shall be independent from the Company or the Group.

As of 31st December 2022, the Audit Committee (AC) comprise the following members:

- Trine Sæther Romuld (AC Chairman)
- Tonette Bjørgård (AC member)
- Erik Bjarnason (AC member)

The Audit committee is required to hold five meetings each year and in 2022 the committee held nine meetings. Majority of the audit committee members are considered to be independent from the Group.

Information and Communication

Communication with shareholders, investors and nearby community is a priority for the Group. The objective is to ensure that the financial markets and shareholders receive correct and timely information. All shareholders have access to the same financial information of the Groups operations and all public information are published on the Group's webpage. All notices sent to the EURONEXT stock exchange are also made available on the Groups website www.arnarlax.is.

The Group holds an open investor presentation in association with the publications issued of the year-end and interim results. The presentations are open to all and provide an overview of the Group's operational and financial performance as well as an overview of the Groups operations. These presentations are also made available on the Groups website. The Group publish a financial calendar that indicates the dates of publication of the Groups interim reporting and presentations both on EURONEXT stock exchange news web as on the Groups homepage.

The Group keep good communications to the nearby community with regular information and updates as requested by the municipality in the area where the Group operates. The group has active dialog as well with the authorities as a part of day-to-day activities.

Auditor

The Groups auditor is appointed by the AGM. The auditor shall draw up a plan for the execution of their auditing activities and the plan shall be discussed by the Audit Committee. Auditors shall hold at least one meeting each year with the Board of Directors at which no representatives of the company's management are present. The auditor attends the board meeting at which the year-end Financial Statements are considered. Auditors are also invited to Audit Committee meetings and shall there inform the committee of remuneration payable to auditor, divided between auditing and other services component.

GROUP MANAGEMENT

The Group benefits from a highly competent senior management team, comprising seven individuals with extensive first-hand experience in fish farming in Iceland. Working closely with SalMar, one of the world's top producers of farmed salmon, the management team leverages its industry knowledge to drive the Group's success. In addition to their core operations, the Group also plays an active role in developing local educational programs within the aquaculture industry and runs its own Arnarlax Academy to foster the growth of leadership skills and positive company culture.

The Group's management team consist of the following members:

Bjørn Hembre
CEO

Jónas Heiðar Birgisson
CFO

Rolf Ørjan Nordli
COO of Biology

Hannibal Hafberg
COO of Harvest Plant

Kjersti Haugen
CSO of Sales

Silja Baldvinsdóttir
Quality Manager

BOARD OF DIRECTORS

Kjartan Ólafsson, Chairman
Current position: Managing Director of Markó Partners
Mr. Ólafsson has served as the chairman of the board of directors since 2013. He has a MSc in Fishery Science from the University of Tromsø with emphasis on economy and finance. Further, he is founder and managing director of Markó Parnters, an Icelandic Seafood advisory boutique.

Espen Weyergang Marcussen, Board member
Current position: CEO of Pactum AS.
Mr. Marcussen has been the CEO of Pactum AS since 2017. Prior to this, he served as the deputy CEO of the shipping company Bergshav. He has also long experience from investment banking with combined 17 years at Handelsbanken and Nordea. Marcussen holds a siviløkonom degree from the Norwegian school of economics (NHH)

Trine Sæther Romuld, Board member
Current position: CFO of SalMar AkerOcean
Ms. Romuld has extensive experience from a broad range of management positions within seafood, consulting, and auditing, from both Norwegian and international companies. Romuld has more than 10 years' experience as a board member and head of / member of audit committees for listed companies, including Bakkafrost, DNB and Kærner. Romuld is currently a board member and member of the audit committee in Sparebank 1 SR-Bank ASA. Romuld is state authorized public accountant form the Norwegian school of economics (NHH).

Leif-Inge Nordhammer, Board member
Current position: Works in his investment company LIN AS.
Mr. Nordhammer was the CEO in SalMar from 1996 to 2016, with a hiatus from 2011 to 2014. He is board member of Kverva AS and Scale Aquaculture (a subsidiary of Kverva AS). He has extensive experience from leadership positions from several companies within aquaculture and has been a part of the industry since 1985. Former companies include Sparebank 1 Midt-Norge, E Boneng & Sønn, Frøya Holding AS and Hydro Seafood AS. Nordhammer has educational background for the Norwegian Armed Forces, Trondheim Business School and University in Trondheim. Nordhammer also seved on the board of directors of Icelandic Salmon from 2016-2019.

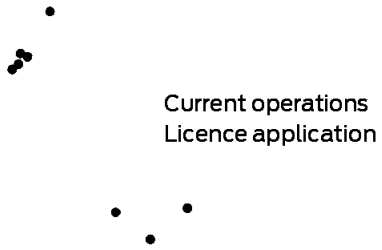
Ulrik Steinvik, observant to BOD
Current position: CFO of SalMar ASA
Steinvik started in the position as Director Business Improvement in August 2017 with SalMar ASA. Mr. Steinsvik holds the title as Norwegian state authorized public accountant. Ulrik Steinvik graduated from the Norwegian School of Economics and Business Administration in 2002.

HIGHLIGHTS FOR 2022

Strong organic Growth

Icelandic Salmon has experienced strong organic growth of 40 per cent in harvest volumes from 11,521 tonnes in 2021 to 16,138 tonnes in 2022.

Icelandic Salmon has seen a stable development of its biological performance, but also an Increase in cost levels due to general price increase and inflation. Feed prices in 2022 have increased significantly and represent a high proportion of the Group's cost.



Positive market reception and with higher EBIT

The Group also see a strong improvement in EBIT from EUR 0.63 per kg in 2021 to EUR 2.24 per kg in 2022. This is explained by high market prices, but also strong price achievement compared to market price. The reception of the Group's brand, which was launched in 2021, has been positive. In 2022, the Group achieved a milestone by reaching the end consumer with the brand IceFjord, -premium Icelandic Salmon. In 2022, the Group had a low share of sold volume on contracts at 19 per cent. This was beneficial in periods during 2022 with high spot prices on salmon and is reflected in the financial results.

Continuing investments in smolt production

In 2022, Icelandic Salmon has invested significantly in smolt production by purchasing the remaining 50 per cent of the shares in Eldisstöðin Ísþór. Further investments were made to improve the Group's additional three smolt production facilities; Gileyri, Fjallalax and Laxabraut 5.

The Group now has a smolt capacity of up to eight million smolts, depending on the size of the smolts. This smolt strategy will give the Group larger smolts, which are expected to increase from 154 grams to 250 grams in 2023. This will reduce production time at sea, which again reduce risk and improve biological performance. The smolt strategy is expected to improve the Group's Maximum allowed biomass (MAB) utilization in the upcoming years.

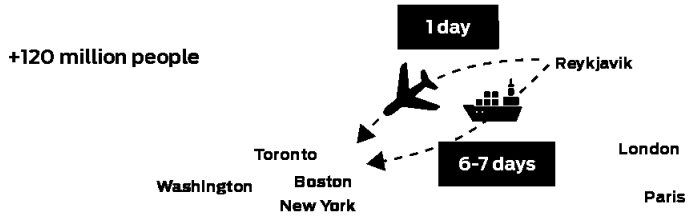
New site approved

The Group received approval for one new site within the 12,200 tonnes license in Patreksfjörður and Tálknafjörður. This will make it possible to increase the output of smolts on that license, supporting improved MAB utilization on this license. The first output from the new site, Vatneyri, is expected to take place in 2024. Additional applications for two new sites within the 10,000 tonnes Arnarfjörður License are expected to be approved in 2023. These new sites will improve the MAB utilization on the Arnarfjörður license.

Enabling further growth, another two applications are being processed by the authorities. The first application of 10,000 tonnes in Ísafjarðardjúp, is expected to be approved in the third quarter 2023. The second application concerns 4,500 tonnes in Arnarfjörður, and there is no expected timing for approval on that one.

Certification

All production within the Group was ASC certified in 2022. This is important documentation for the Group, and the sustainability profile. With the ASC certification, it is documented that the environmental and social responsibility impact of the Group is acceptable and under good governance. This also states that the Group complies with laws and regulations and that employees are treated in a fair way.

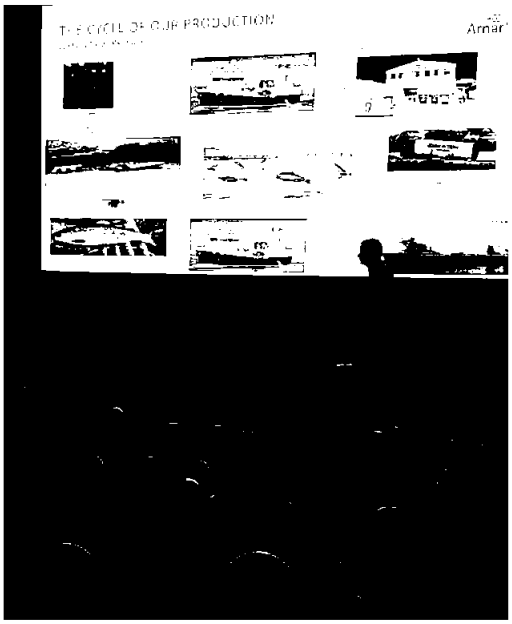


Supporting the Group's focus on Food Safety, the Group's harvest plant is BRC certified. This certification assures customers that they can eat the Group's excellent salmon, without concerns related to food safety. The Group received the BRC certificate in 2021 and the overall score was upgraded from B to A during the audit in November 2022.

The Group's sales team has worked diligently to utilize the Group's well-established shipping route to the US and Canada to deliver fresh salmon. This transportation method represents a 95 per cent reduction in the Group's CO2 footprint when compared to airfreight. It also significantly reduces logistic cost. The utilizing of this transportation method will also be prioritised moving forward. The Group's super chill technology in the Harvest Plant makes this transport route possible, due to the increased shelf-life provided by super chill.

In 2022, the Group continued to develop its pre-rigor filet production, together with a third-party fileting contractor. The volumes of filet increased from 123 tonnes in 2021 to 1,100 tonnes in 2022. The strong market interest for the product remains, and volumes are expected to increase in the upcoming years.

The Group has continued to focus on developing its organization and education. The Arnarlax Academy took place in 2022, and all employees were involved in the process of fostering company culture, and coordinate work streams to reach the Group's operational goals. Efforts to encourage employees to gain a formal education continued in 2022 and 5 employees received their diploma for vocational aquaculture school. In addition, the Group has supported several of its employees to complete higher education.



BOD REPORT FOR 2022

Going concern

The annual Financial Statements for 2022 have been prepared on the assumption that Icelandic Salmon is a going concern under §3-3a of the Norwegian Accounting Act. Regarding the Group's results, Financial Position, backlog and forecasts for the years ahead, the conditions required for continuation as a going concern are hereby acknowledged. In the Board's opinion, the Group's Financial Position is satisfactory.

Groups overview

Icelandic Salmon AS (the "Company") is the sole owner and parent company of Arnarlax ehf., a company incorporated in Iceland. The Company and its subsidiaries are referred to as the "Group" or "Icelandic Salmon". All operational activities in the Group are performed through Arnarlax ehf., and its subsidiaries. The Company acquired remaining shares of one of the smolt facilities previously owned 50/50 with another Icelandic fish farmer. It is now a subsidiary of Arnarlax and consolidated as from that time. The Group is considered a leading salmon farmer in Iceland, controlling the entire value chain from smolt facilities to sales. This organisational structure enables the Group to operate a well-developed and fully integrated value chain, controlling all steps. The Group purchases eggs for its hatcheries, produces its own smolt, has seawater net pen production, operates a harvesting plant and sells sustainable salmon in Europe, North America and the far East.

Global sales of salmon produce are steadily increasing, and the Group is well placed to capitalise on this demand through its pioneering and sustainable approach to salmon production. The Group continues to invest in its future and has done so through biological development, diversifying its range of products and expanding its delivery routes.

The Company's shares are listed on Euronext Growth under the ticker ISLAX. The Group has licenses covering 23.7 thousand tonnes of maximum allowed biomass (MAB). They are all located in the southern part of the Icelandic West fjord region.

The Group currently operates the only salmon harvesting facility in the West fjord region, a key operational asset in the Group's value chain with a total harvesting capacity of 30.0 thousand tonnes per year. The Group also sells harvesting services to third parties to fill up the harvesting capacity. In addition, the Group operates four smolt facilities and sales department.

Smolt Facilities

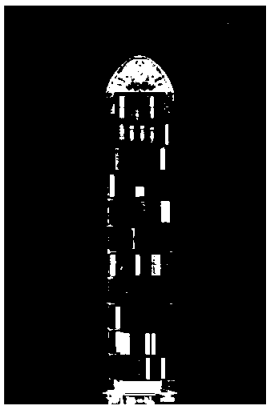
Four smolt facilities with a combined capacity of 8 million smolt

Seawater

Farming license of MAB 23,700 tonnes across six ASC certified sites in three fjords

Harvesting

Harvesting plant in Bíldudalur with yearly harvesting capacity of 30,000 tonnes



Sales

Sales are conducted by the Group's internal sales organisation to both domestic and global markets

Financial results

The Group generated consolidated operating revenues of EUR 158.6 million in 2022 compared with EUR 90.8 million in 2021, representing a 78 per cent increase. Harvesting increased with 40 per cent from 11.5 thousand tonnes in 2021 to 16.1 thousand tonnes in 2022. Icelandic Salmon harvested an addition 8.6 thousand tonnes for third parties compared to 10.9 thousand tonnes year before.

The operational EBIT as defined in the Consolidated Financial Statements was EUR 36.2 million compared with EUR 7.3 million the year before. For 2022 this corresponds to an Operational EBIT 2.24 per kg harvested fish. Improved market conditions have been the main driver for profit increase along with strong price achievements compared to the market from the Groups sales team.

The price of salmon (NASDAQ Salmon Index) has developed positively when compared with previous years. The price of salmon remained unusually high throughout the first half of the year and the Group benefitted from this and its strategic sales and marketing efforts along with the new brand which lunched in 2021, and relatively low contract shares.

In 2022, the production tax paid to the state was EUR 1.3 million, up from EUR 0.3 million the year before. Fair value adjustments of the biomass were negative EUR 0.2 million, reflecting changes in the biological stock value, as further described in note 3.6 in section 4.

Net financial items amounted EUR 7.2 million in 2022 but was negative by EUR 1,5 million in 2021. Which is mainly explained by the effect of fair value gain of previously owned equity interest in Eldisstöðin Ísþór that amounted EUR 9.0 million for the year 2022. Financial expenses amounted EUR 1.9 million in 2022 compared to EUR 2.0 million in 2021, During the year 2022 there was a currency loss amounting EUR 0.2 million compared to currency gain amounting EUR 0.4 million 2021.

The Group's net profit for the year 2022 increased sharply and amounted to EUR 34.9 million compared to a net profit of EUR 2.4 million for the year 2021.

Cash flow

In 2022, net cash flow from operational activities was positive by EUR 11.6 million compared with negative cash flow of EUR 0.24 million in 2021. Strong operational results is the main reason for the shift between years but at the same time the Group built up its' biological assets at cost by EUR 20.0 million.

Net cash flow from investing activities was EUR 27.2 million in 2022, compared with EUR 14.8 million in the year before. The main investment activities for the year were mainly in acquisition of remaining shares of smolt facility Eldisstöðin Ísþór, which now is within the Group as consolidated entity. In addition, the Group followed its expansion projects with continuing investments in the Groups smolt facilities along with investments in cages, mooring and other farm site related equipment. For next year, the Group foresees continuing investments in farm site related equipment among with purchase of new barges and service boats.

Net cash flow from financing activities amounted EUR 13.7 million in 2022 compared to EUR 15.7 million the year before. The Group has a loan agreement with DNB and Arion Bank which was signed in June 2021 and is valid until June 2024. New interest-bearing debt amounted to EUR 22.6 million.

Cash and cash equivalents at 31st December 2022 was EUR 1.9 million, compared to EUR 3.7 million at end of year 2021.

Balance sheet

The Group's balance sheet on 31st December 2022 was at EUR 235.3 million, up with an increase of EUR 64.3 million from the end of the year 2021. Total equity was EUR 144.2 million with equity ratio of 61 per cent at end of year compared to total equity at EUR 109.3 million and with equity ratio at 64 per cent at the end of prior year.

Non-current assets increased from EUR 88.4 million to EUR 124.5 million in the year and current assets increased from EUR 82.6 million to EUR 110.8 million. The main reasons for increased assets in the year are due to increase in the value of biological assets of EUR 17.2 million as described in note 3.6 in section 4 and an increase of fixed assets due to investment activities.

Non-current liabilities increased from EUR 43.3 million from the end of the year 2021 to EUR 61.0 million as of the end of year 2022. Current liabilities increased from EUR 18.4 million from end of 2021 to EUR 30.1 million at end of year 2022.

As of end of 2022, the Group's trade receivables total EUR 15.0 million and its cash and cash equivalents amount to EUR 1.9 million. This indicates that the Group's liquidity position is robust for the upcoming months.

Risk management

The Group has incorporated rigorous risk management systems and routines as part of its daily operations. These systems and practices monitor important risk factors across the Group's entire operation. They are also regularly assessed to ensure the Group operates in accordance with the highest quality and certification standards.

The Group's Chief Executive Officer is responsible for ensuring that the Group operates in compliance with all relevant legislation and that it operates within the guidelines of each entity. In addition, each line organisation is responsible for the follow-up and control of risk factors and compliance with the Group's values and code of conduct.

Operational risk

The most significant risk to the Group is the development of its fish stock, both in smolt production and at sea farms. The Group is constantly developing and implementing risk-reduction measures to protect its fish stock, but there remains a biological risk that could compromise the Group's overall output.

Part of the biological risks is mortality, sea lice and winter wounds. As part of the Group's risk assessment, it has identified mortality due to winter wounds as one of the main risk factors. This risk was mitigated by decreasing the density of enclosed fish, and larger sea pens for exposed areas.

The Group has identified hatchery mortality as a risk factor and is continuously optimising hatchery production to reduce mortality.

Several salmon diseases remain foreign to the Icelandic waters. To protect the wellbeing of its salmon, the Group has implemented additional procedures to minimize the risk and spread of disease. For Icelandic Salmon, this is important because it keeps costs down and improves financials.

As part of the Group's Icelandic heritage, ensuring that the region remains low on disease and supporting its overall health is considered a priority. Therefore, the Group promotes fish welfare through several initiatives such as having dedicated fish health personnel, vaccination of smolt before being transferred to seawater farms, which has led to zero use of antibiotics.

Icelandic Salmon's unique position in the Westfjords allows the Group to operate in close to disease free waters, supporting low medical treatment cost. As such, the Group refrains from antibiotics throughout the entire production cycle. This is an important part of the Group's daily operations. Icelandic Salmon has also implemented standards to minimize the risk of unknown diseases entering the Icelandic environment to preserve the region's status.

Additional operational risks and measures, including the Groups commitments to fish welfare are laid out in the sustainability part of this report in section 2.

Financial risks

The Group's internal control process ensures that it achieves its strategic objectives and provides reliable and transparent financial reporting. It also ensures that the Group operates efficiently whilst complying with laws and regulations. Monitoring financial risk is part of the Board's ongoing risk management, the effectiveness of which is reviewed annually.

The Group finalised its internal protocol in 2020 and has developed additional policies designed to minimise the risk of incorrect financial reporting. The Group's agreed policies and monitored by its management, ensuring that the procedures are carried out as intended by all employees.

The Group has implemented several procedures and controls to prevent and detect any fraud risk which extends to financial misreporting or risk of any other financial fraud. The primary responsibility for prevention and detection of fraud rest with the Senior management and Audit Committee.

A further overview of financial risks, interest rate risk, foreign exchange risk, credit risk and liquidity risk is included in note 4.1 in section 4.

Market price risk

The salmon market price is a risk to the Group as its operations are based on the production and sale of salmon. The Group's profitability and cash flow are strongly correlated with fluctuating movements in the price of salmon.

To mitigate its potential impact, the Group constantly considers with cost reductions. The Group also regularly

considers ways in which to sell a proportion of its stock at a fixed price. This would minimise the risk of fluctuating prices but also poses the risk of the Group not benefitting from high spot market prices.

Volatility in exchange rate can affect the profitability for sales of salmon. Strong local currency can make exports more expensive, while a weaker currency can increase the cost of imported goods, such as feed. To reduce risk of currency fluctuations the Group has implemented process of hedging all fixed price contracts in other currencies than the operational currency. The group has also emphasized on having as much as possible of purchasing contracts in EUR, the Groups operational currency.

Governments can impose regulations and tariffs that affect the price of salmon. Trade disputes and tariffs can disrupt the supply chain and lead to higher prices for customers. This is not considered a major threat when selling to a customer but may have an effect on supply chain.

Climate risk

The climate risks associated with extreme weather, such as high winds, heavy rainfall, and prolonged dry spells, as well as the possibility of rising sea temperatures, have been assessed by the group. To address the risk of extreme winds and waves, all sea installations have been certified to withstand the most severe conditions. The risk of increased rainfall is not deemed to be exceptional as all freshwater activities are supplied by groundwater from wells. Regarding the risk of high temperatures, the group operates in fjords with a temperature range that can tolerate a temperature increase of up to 7 degrees Celsius before reaching critical levels, making the risk negligible.

Liquidity risk

Liquidity risk can be a concern for Icelandic salmon farmers, particularly because they are heavily dependent on the export market. The salmon farming industry is capital-intensive, with significant investments required to establish and maintain hatcheries, sea farms, and processing facilities. The revenues generated by salmon sales can be affected by market fluctuations, which can have a significant impact on cash flow and liquidity.

Additionally, the industry's dependence on international markets for the sale of its products makes it vulnerable to factors such as changes in foreign exchange rates, geopolitical tensions, and global economic conditions. These factors can impact the demand and prices of salmon, leading to reduced revenues and increased risk of illiquidity.

To address liquidity risk, the Group has implemented various mitigating measures. One such measure involves optimizing the cash conversion cycle, while another involves purchasing credit insurance for all customers. The Group regularly updates its liquidity forecasts, which are shared with both management and the Board of Icelandic Salmon. By closely monitoring these forecasts, the Group is better equipped to identify and address any potential threats to its liquidity position in a timely manner.

Sustainability and social responsibility

Icelandic Salmon has a sustainable approach to salmon farming. As part of the Atlantic Ocean surrounding Iceland, the Group adheres to strict quality standards whilst also aiming to be a low-cost producer. The Group can achieve this goal only through sustainable biological production and commits to farming fish conducive to their wellbeing. Combining the best biological results with cost focus and optimal processes, the Group believes this enables Icelandic Salmon to be a cost-effective producer of farmed salmon in Iceland.

The Group recognizes the diversity and importance of its corporate social responsibility as an employer, producer, supplier of healthy food, a user of the natural environment and administrator of financial and intellectual capital. Social responsibility is essential to the Group and incorporated in daily tasks. At the same time, the Group aims to minimise it operations' impact on the natural environment.

The Group is required to report on its corporate responsibility and selected related issues under §3-3a and §3-3c of the Norwegian Accounting Act. Some key priorities are described below. A detailed chapter on all relevant sustainability topics can be found in this report under section 2.

Environmental policy

Salmon farming is considered one of the most environment-friendly ways of producing food and benefits from natural space, freshwater consumption and low greenhouse gas emissions.

Seeking to work in harmony with nature, Icelandic Salmon has a strict environmental policy aiming to make the Group sustainable across its entire operation. The policy includes but is not limited to complying with laws local to Iceland and internationally, adherence to ASC regulation and standards, preventing escapes, optimal feed ratio of the fish, reduction of organic load, using environmentally friendly products and recycling of business materials and waste.

In addition, all farming activity has been through an environmental assessment process. That process includes stakeholder participation and involvement of the Environmental Agency of Iceland, the Food and Veterinary Authority (MAST), the Planning Agency and the Marine and Freshwater Research Institute, among other agencies. The outcome is an extensive environmental report describing the impact of the farming activity, mitigating measurements, and how the environment should be monitored.

Further details of the Groups environmental policy, including its commitment to sustainable fish farming, can be found in Sustainability part of this report under Section 2.

Social and work environment policy

The Group is committed to providing a safe and healthy work environment for all its employees and has an active health and safety committee. All work-related incidents and sickness are monitored and reported by the quality department to the Directors of the Group and reported as such in the Sustainability part of this report under Section 2.

People and society

The Group supports and encourages employees to participate in education and courses provided by the Group or external education that will benefit both employee and the Group. The Group strongly believes in building up a Fish Farm educational program to build a stronger foundation for the industry in Iceland.

Ensuring that the Group operates in line with this value, it actively works to implement a collaborative culture. It does so by offering employees to join the Arnarlax Academy, an educational program introducing employees to the Group's operating structure, governance, and roles of each operating segment. As a result, the Arnarlax Academy supports increased workforce competency.

The program also encourages moral and awareness of

the Group's position in the environment, staying true to our values, „We care" and „Teamwork makes us stronger". In addition to this program, the Group provides vocational aquaculture training, which saw 5 employees receive diplomas in 2022 and ten employees in 2021.

As a strong supporter of cultural happenings in local communities, the Group actively supports local initiatives focusing on youth, cultural and sport activities.

Equal opportunities – workforce diversity and inclusion

The Group is committed to build an inclusive business where all forms of diversity are encouraged. The Group also ensures that the necessary internal processes and culture are in place to promote equal opportunity for all. In 2021, the Group obtained equal pay certification and continues to maintain it in 2022.

The Board and senior management are fully committed to providing equal opportunities for all employees, irrespective of race, gender, religion, national origin, disability, or other personal characteristics.

The Group is subject to report annually about its efforts to secure equal opportunities under the „Equality and Anti-discrimination Act of Norway".

The Group has a gender ratio of 26 per cent female and 74 per cent male and actively encourages more female employees to join the business. The Group has as well a multinational workforce whereas in the year 2022 more than 15 nationalities worked for the Group, emphasises the diversity of the Group's workforce.

The Board of Directors of Icelandic Salmon has five members, of which one is female. At year end 2022, the Executive Management team comprised seven people, of which two are female.

Human rights and anti-slavery

The Group fully respects the human rights of all individuals and groups that might be affected by its operations. The Group has a zero-tolerance policy toward human rights violations and illegal conditions and is guided by internationally recognized human rights and labour standards. This is clearly communicated to the Group's suppliers, and Icelandic Salmon will act on any known violation of human rights.

Transparency act

The Group acknowledge the implementation of the Norwegian Transparency Act in July 2022, which is one of the initial measures in the development of guidelines for human rights due diligence. It is anticipated that the EU will also introduce similar regulations soon. The Group is committed to uphold responsible and sustainable practices not only within its own operations but also across our supply chain, prioritizing human rights. The Groups parent company, SalMar, has conducted evaluations to meet the requirements of the Norwegian Transparency Act, evaluating various suppliers that pose a higher risk of violating human rights. Icelandic Salmon AS support these evaluations and stand by them.

Anti-corruption and bribery

The Group is committed to conducting its business ethically and with integrity. Icelandic Salmon will not allow corruption or bribery to occur across any part of its operations. Accordingly, the Group has issued a statement concerning the acceptance of improper or excessive gifts, which can be a form of bribery or corruption, as it is prohibited under the Group's policies and by law. All employees are obligated to report all gifts and offers made to them and reject improper or excessive gifts and offers.

Safe reporting and whistleblowing

The Group is dedicated to creating a safe work environment where employees can safely report wrongdoings in the workplace. All employees are provided whistleblowing training and are protected from reprisal should they file a report.

Outlook

The effects of the pandemic on the salmon market gradually declined in 2021 and from the second quarter 2022 the Group has achieved good market prices. The effect of the pandemic is at a minimum and is expected to remain low throughout 2023. Effects from the pandemic are no longer considered a main risk factor in the Group's operations.

The Group's effort to differentiate and expand its offering have further contributed to improved prices. Important steps to this effect were taken in 2021 with the launch of a new brand *"Arnarlax – Sustainable Icelandic Salmon"*,

and with the opening of a climate friendly seaway transportation route for salmon to North America. This has contributed an increased sales to North America and contributed larger market scale into the new year.

The Russian invasion of Ukraine and imposed sanctions have disrupted many supply chains and impacted the price of raw materials such as fish feed, operations, and logistics. At the same time the market has shown a positive price development and increased demand for Atlantic Salmon, balancing the effect of higher cost. The current geopolitical situation has so far had no significant negative impact on the Icelandic Salmon markets. Management will continue to monitor the situation closely.

Acquisition of the remaining shares in smolt facility Eldisstöðin Ísþór, in addition to further investments in the Groups smolt facilities, has secured the Groups smolt need along with better utilization of the MAB license (Maximum allowed biomass). First effect of the Group's investments will be shown in the smolt output in 2023 and further in 2024, and in the Group's operational results in 2024 and 2025.

The Group's harvesting totalled up to 16.1 thousand tonnes in 2022, an increase from 11.5 thousand tonnes in 2021. Continuing investments in the Group's growth projects, including investments in smolt facilities, are expected to bring the Group higher harvesting and revenues in nearby future. The Group expects to harvest 16.0 thousand tonnes in 2023.

The legal framework for Iceland as a new farming region has been developing for the last few years, but still has a considerable potential for improvement and increased predictability. Strategic planning for the future structure of Iceland as a new farming region is an ongoing process. It is of great importance for all our communities and all stakeholders, both from economic and environmental point of view, that the companies will have the opportunity to focus on being internationally competitive. A key success factor will be to further develop all parts of the value chain and utilize economies of scale when competing in the global markets, serving a demanding buyer's universe and fast-growing retailers with fresh Icelandic salmon every week, within the framework of environmentally sustainable production.

The Group's responsibility is to ensure that it conducts itself in the best possible way to provide value to all of the Group's stakeholders, including shareholders, employees, customers, and the local community and waters in which it operates. With a strong balance sheet, the Group has the needed building blocks to further develop and grow without compromising its core mission: to produce sustainable and good quality Icelandic salmon.

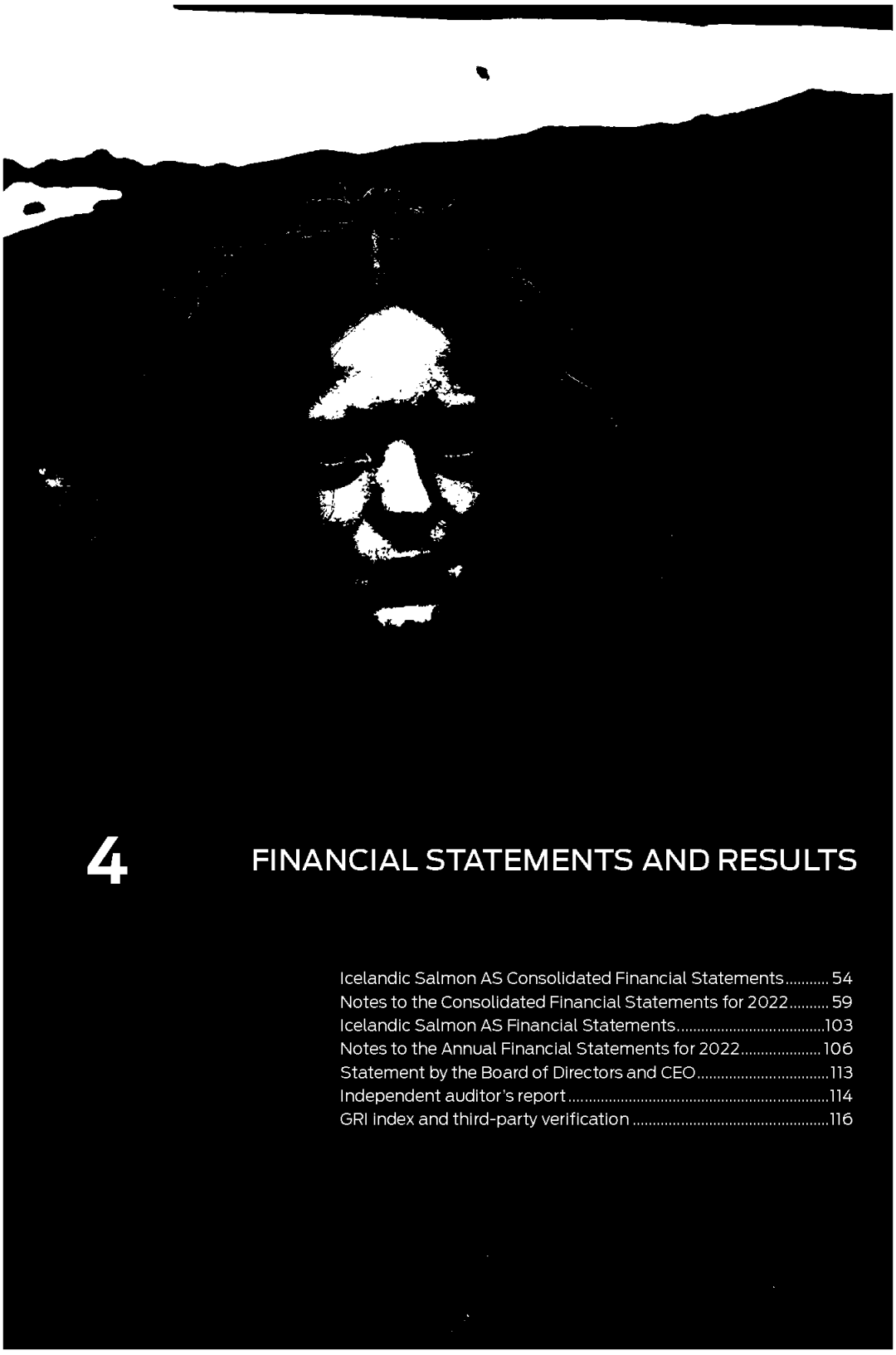
The employees continue to be the Group's most essential key to success. Therefore, continuous development of the organisation through learning and development activities remains a strategic focus area for the Group.
The Board would like to take this opportunity to thank all employees for their hard work and dedication throughout 2022 and the shareholders for their continued investment in the Group's vision.

Subsequent events

In the first quarter of 2023, the smolt facility Ísþór, owned by the Group, experienced a high mortality rate due to POX disease. This event was considered extraordinary and was expensed as operational cost in January 2023. The cost incurred amounted to EUR 81 thousand, which was deemed immaterial.

The Pox outbreak raised concerns about potential impacts on the Group's fish output plans for the year. The management conducted a thorough review and determined that the extraordinary mortality would not affect the output plans for 2023. This is because the number of healthy smolts in the facility exceeds the planned output. Therefore, the POX outbreak was not expected to have a material impact on the Group's operations for the year.

The Company has evaluated other subsequent events. The Company has determined that there were no significant events or transactions that occurred subsequent to year-end that would require adjustment to or disclosure in the Financial Statements. Therefore, the Financial Statements present farily, in all material respects, the Financial Position of the Company as date of the issue and the results of its operations and its cash flows for the year then ended.



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ICELANDIC SALMON AS CONSOLIDATED FINANCIAL STATEMENTS

Statement of Comprehensive Income

In EUR 1000	Note	2022	2021
Revenue from contracts with customers	2.2, 4.6	157,593	90,806
Total operating revenue		**157,593**	**90,806**
Cost of goods sold	4.6	78,406	52,753
Salaries and personnel expenses	2.3, 2.4	17,349	12,180
Other operating expenses	2.5	18,230	12,644
Depreciation	3.4, 3.5	7,456	5,915
Total operating expenses		**121,440**	**83,492**
Operational EBIT	4.6	**36,153**	**7,314**
Production tax		(1,329)	(307)
Onerous Contracts		(122)	0
Fair value adjustments of biomass		(215)	(2,937)
Operating profit		**34,487**	**4,070**
Income from investment in joint venture		**180**	**3**
Financial items			
Financial income	2.6, 4.5	9,256	144
Financial expense	2.6	(1,915)	(1,969)
Net currency gain		(189)	351
Net financial items		**7,151**	**(1,474)**
Profit before tax		**41,817**	**2,600**
Income tax	2.7	6,901	232
Net profit for the year		**34,917**	**2,367**
Net profit (loss) attributable to:			
Equity holders of the parent company		34,917	2,367
Other comprehensive income			
Items which may subsequently be reclassified to profit or loss			
Translation differences related to joint venture		96	88
Translation differences related to subsidiaries		(314)	(1)
Other comprehensive income (loss) for the year		**(217)**	**87**
Total comprehensive income for the year		**34,699**	**2,454**
Total comprehensive income attributable to:			
Equity holders of the parent company		34,699	2,454
Earnings per share ("EPS"):			
Basic and diluted (EUR per share)	4.3	1.13	0.08

Statement of Financial Position

In EUR 1000	Note	31/12/2022	31/12/2021
Assets			
Non-current assets			
Goodwill	3.1, 3.2	34,740	19,332
Licenses	3.2, 3.3, 4.5	1,626	431
Other intangible assets	3.2, 3.3, 4.5	0	547
Property, plant & equipment	3.4	81,149	52,225
Lease assets	3,5	6,975	5,827
Investment in joint venture	4.4	0	1647
Other long-term receivables	4.5	0	4,964
Deferred tax assets	2.7	0	3,407
Total non-current assets		**124,490**	**88,380**
Current assets			
Biological assets	3.6	84,146	66,899
Inventories	3.6	5,043	2,538
Trade receivables	3.7	15,026	7,323
Other receivables	3.7, 4.1, 4.5	4,748	2,126
Cash and cash equivalents	3.8, 3.9	1,854	3,744
Total current assets		**110,816**	**82,630**
Total assets		**235,306**	**171,010**

In EUR 1000	Note	31/12/2022	31/12/2021
Equity and liabilities			
Equity			
Share capital	4.2	29,571	29,571
Share premium		88,600	90,622
Other paid-in equity	2.4	(930)	(1,089)
Other equity	2.4	26,976	(9,795)
Total equity		**144,216**	**109,309**
Liabilities			
Non-current liabilities			
Interest-bearing borrowings	3.8, 3.10	51,649	38.465
Lease liabilities	3.5	5,756	4,803
Deferred tax liabilities	2.7	3,576	0
Total non-current liabilities		**60,981**	**43,268**
Current liabilities			
Interest-bearing borrowings	3.8, 3.10	6,230	2,084
Lease liabilities	3.5, 3.10	1,186	1,086
Trade payables		11,702	9,699
Tax payables	2.7	1,341	0
Provision for onerous contracts	3.11	122	0
Other payables	3.8, 3.11, 4.5	9,528	5,564
Total current liabilities		**30,109**	**18,433**
Total liabilities		**91,090**	**61,701**
Total equity and liabilities		**235,306**	**171,010**

Bíldudalur, 21 April 2023

Kjartan Olafsson,
Chairman of the Board

Trine Sæther Romuld
Member of the Board

Espen Weyergang Marcussen,
Member of the Board

Leif-Inge Nordhammer,
Member of the Board

Bjørn Hembre,
CEO

Consolidated statement of cash flow

In EUR 1000	Note	2022	2021
Cash flow from operating activities:			
Profit before tax		41,817	2,600
Adjustments to reconsile profit for tax to net cash flows:			
Deprecation	3.4, 3.5	7,456	5,915
Share based payment expense	2.4	158	209
Net foreign exchange diffrences and other items		(1,054)	136
Financial expenses (debt/borrowings and leases)	2.6	1,915	1,969
Financial revenue (interest income)		(288)	(144)
Share of (loss) profit from joint ventures		(180)	(3)
Fair value gain related to remeasured shares in joint venture	4.5	(8,968)	0
Change in fair value of biomass	3.6	215	2,937
Working Capital changes:			
Change in inventories and biomass recognized at cost	3.6	(19,967)	(13,470)
Change in payables and receivables	3.6, 3.7	(9,486)	(392)
Net cash flow to from operating activities		**11,619**	**(244)**
Cash flow from investing activities:			
Proceeds from from sale of property, plant & equipment		178	12
Purchase of property, plant & equipment	3.4	(16,617)	(12,886)
Acquisition of a subsidiary, net of cash received	4.5	(10,537)	0
Other investments		(267)	(1,905)
Proceeds of interest income		68	8
Net cash flow to investing activities		**(27,176)**	**(14,771)**
Cash flow from financing activities:			
Proceeds from new interest-bearing debt	3.10	22,630	25,171
Repayment of interest-bearing debt	3.10	(5,828)	(4,826)
Payment of principal portion of lease liabilities	3.5	(1,192)	(785)
Paid interest (debt/borrowings and leases)	2.6	(1,943)	(2,233)
Share based payments		0	(1,618)
Net cash flow from financing activities		**13,667**	**15,709**
Net change in cash and cash equivalents		(1.890)	694
Cash and cash equivalents as at 1 Jan		3,744	3,050
Cash and cash equivalents as at 31 Dec		**1,854**	**3,744**

Consolidated Statment of changes in Equit

Amounts in 1000 EUR

					Other equity				
2021	Note	Share capital	Share premium	Other paid-in equity	Restriced reserve	Statutory reserve	Translation differences	Retained earnings	Total equity
Equity as at 1 Jan 2021		29,571	90,622	288			(1,219)	(11,084)	**108,178**
Net profit for the year		0	0	0	0	0	0	2,367	**2,367**
Other comprehensive income									
Translation difference of foreign interest		0	0	0	0	0	87	0	**87**
Total comprehensive income for the year		**0**	**0**	**0**	**0**	**0**	**87**	**2,367**	**2,454**
Share-based payment, expensed	2.4	0	0	209	0	0	0	0	**209**
Share-based payment, settlement	2.4	0	0	(1,585)	0	0	0	(33)	**(1,618)**
Other changes		0	0	0	0	0	(178)	265	**87**
Other transactions		**0**	**0**	**(1,376)**	**0**	**0**	**(178)**	**232**	**(1,322)**
Equity as at 31 Dec 2021		**29,571**	**90,622**	**(1,089)**	**0**	**0**	**(1,310)**	**8,485**	**109,309**

					Other equity				
2022	Note	Share capital	Share premium	Other paid-in equity	Restriced reserve	Statutory reserve	Translation differences	Retained earnings	Total equity
Equity as at 1 Jan 2022		29,571	90,622	(1,089)	0	0	(1,310)	(8,485)	**109,309**
Net profit for the year		0	0	0			0	34,917	**34,917**
Uncovered loss moved against Share premium		0	(2,023)	0	0	0	0	2,023	**0**
Share in subsidiaries- restrictive reserve		0	0	0	8,971	0	0	(8,971)	**0**
Statutory reserve		0	0	0	0	3,527	0	(3,527)	**0**
Other comprehensive income									
Translation difference of foreign interest		0	0	0	0	0	(217)	49	**(168)**
Total comprehensive income for the year		**0**	**(2,023)**	**0**	**8,971**	**3,527**	**(218)**	**24,491**	**34,749**
Share-based payment, expensed	2.4	0	0	158	0	0	0	0	**158**
Other transactions		**0**	**0**	158	**0**	**0**	**0**	**0**	**158**
Equity as at 31 Dec 2022		**29,571**	**88,600**	**(930)**	**8,971**	**3,527**	**(1,528)**	**16,006**	**144,216**

Restricted reserve

According to the Icelandic Accounting Act act, no. 3/2006 companies can't pay dividends on profit from subsidiaries and joint ventures in excess of the amount that has been paid as dividends to the parent company. The parent company´s share in profit from associated companies, in excess of dividends received, is therefore designated as a restricted equity, under other equity.

Statutory reserve

According to the Icelandic private limited companies law nr. 138/1994 at least 10 per cent of the profit of the Group which is not devoted against losses from previous years and is not contributed to other legal reserves must be contributed to the statutory reserve until it amounts to 10 per cent of the share capital. When that limit has been reached the contribution must be at least 5 per cent of the profit until the statutory reserve amounts to 25 per cent of the share capital of relevant Company of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2022

1. General information, significant accounting policies, judgements, estimates and assumptions

1.1 Corporate information

Icelandic Salmon AS (the "Company" or "Icelandic Salmon" is a limited liability company, incorporated in Norway and headquartered in Kverva. The address of its registered office is Industriveien 51, 7266 Kverva, NORWAY. The Ultimate Parent Company is Kvarv AS.

Icelandic Salmon is the leading salmon farmer in Iceland and the main operation of the Group is production, processing and sale of seafood and seafood-based products.

The Consolidated Financial Statements of the Group for the year ended December 2022 were approved by the Board of Directors on 21 April 2023.

1.2 Basis for preparation

The Consolidated Financial Statements of the Company for the year ended on 31 December 2022 incorporates the Financial Statements of the Company and its subsidiaries which are collectly referred to as "the Group". The Consolidated Financial Statements of the Group comprise the Consolidated Statements of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of cash flow and Consolidated Statement of changes in equity and related notes. The Consolidated Financial Statements of the Group for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by The European Union ("EU"), as well as additional disclosure requirements pursuant to the Norwegian Accounting Act.

The Consolidated Financial Statements have been prepared on a historical cost basis, except for biological assets that have been measured at fair value. Further, the Consolidated Financial Statements are prepared based on the going concern assumption. All figures are presented in EUR thousands (000), except when otherwise noted.

The Consolidated Financial Statements of the Group are prepared in accordance with the same accounting principles as the Consolidated Financial Statements for 2021.

1.3 Significant accounting policies

The Company has selected a presentation in which the description of accounting policies as well as estimates, assumptions and judgmental considerations are disclosed in the notes to which the they relate. A summary of significant and other accounting policies not disclosed in the notes, are summarized below:

Presentation currency and functional currency
The Consolidated Financial Statements are presented in EUR, which is also the functional currency of the Company and Arnarlax ehf. (subsidiary) where the Groups main operation is.

The functional currency is determined in each company within the Group based on the currency within the primary economic environment of that company. Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. Monetary items in foreign currency are at the end of the reporting period translated to functional currency using the closing rate. Differences arising on settlement or translation of monetary items are recognized in the Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

For presentation purposes, items in the Statement of Financial Position are translated from functional currency to presentation currency by using exchange rates at the reporting date. Items within the Statement of Comprehensive Income are translated from functional currency to presentation currency by applying monthly average exchange rates. If currency rates are fluctuating significantly, transaction date exchange rates are applied for significant transactions. Translation differences are recognized in other comprehensive income.

Basis of consolidation
The Group's Consolidated Financial Statements comprise the Parent Company and its subsidiaries as of 31 December 2022. Consolidated companies have been assessed as being controlled by the Group during the reporting period.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Intercompany transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Amounts in 1000 EUR

Business combinations are accounted for by using the acquisition method. The consideration transferred is measured as the fair value of the assets transferred, equity instruments issued, and liabilities incurred or assumed at the date of exchange. All acquisition-related costs are recognized in Statement of Comprehensive Income except for costs to issue debt or equity, which are recognized in accordance with IFRS 9 and IAS 32. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognized directly in the Statement of Comprehensive Income.

Company's within the Group:		Ownership			
Subsidiary	**Registered office**	**2022**	**2021**	**Parent Company**	**Country**
Arnarlax ehf.	Strandgata 1, 465 Bíldudalur	100%	100%	Icelandic Salmon AS	Iceland
Fjallalax ehf.	Strandgata 1, 465 Bíldudalur	100%	100%	Arnarlax ehf.	Iceland
Eldisstöðin Ísþór ehf.	Nesbraut 25, 815 Þorlákshöfn	100%	50%	Arnarlax ehf.	Iceland

Current versus non-current classification

An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Cash and short-term deposits

Cash and cash equivalents in the Statement of Financial Position and the Statement of Cash Flows includes cash and restricted cash with a restriction less then three months from end of the reporting period.

Equity and share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown as a deduction from the proceeds received.

Equity is defined as any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Statement of cash flows

The Consolidated Statement of cash flows is prepared using the indirect method.

Amounts in 1000 EUR

New accounting standards

New standards and interpretations adopted and effective during the periods

The following new IFRS standards have been adopted by the Group effective 1 January 2022:

IAS 16 (Amendments) – Property, Plant and Equipment – Proceeds before Intended Use	The IASB issued amendments to IAS 16, which prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use; that is, proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The adoption of the amendments did not have a material impact on the Consolidated Financial Statements of the Group.
IAS 37 (Amendment) – Onerous Contracts – Cost of Fulfilling a Contract	The IASB issued amendments to IAS 37 to specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. The adoption of the amendments did not have a material impact on the Consolidated Financial Statements of the Group.
Annual Improvements to IFRS Standards 2018-2020 Cycle **IFRS 9 Financial Instruments**	The IASB issues amendments on IFRS 9, which clarifies that in applying the '10 percent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The adoption of the amendments did not have a material impact on the Consolidated Financial Statements of the Group.

New and revised IFRSs in issue but not yet effective

The Group has not early adopted new standards or amendments to IFRSs that have been issued and are permitted for early adoption. The following amendments are effective from 1 January 2023:

IFRS 10 and IAS 28 (Amendments) – Sale or Contribution of Assets between Investor and its Associate or Joint Venture	The IASB issues amendments to IFRS 10 and IAS 28, which relate to situations where there is a sale or contribution of assets between an investor and its associate or joint venture. The amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The Group anticipates that the application of these amendments may have an impact on the Consolidated Financial Statements in future periods should such transactions arise.

Amounts in 1000 EUR

IAS 1 (Amendments) – Classification of Liabilities as Current or Non-Current	The IASB issues amendments to IAS 1, which affect the presentation of liabilities as current or noncurrent in the statement of Financial Position. The amendment does not impact the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The Group anticipates that the application of these amendments may have an impact on the Consolidated Financial Statements in future periods.

Annual Improvements to IFRS Standards 2018-2020 Cycle

The Annual Improvements include amendments to the following Standards that are relevant to the Company:

IFRS 16 Leases	The IASB issues amendments on IFRS 16, which removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.
AS 1 Presentation of Financial Statements, Practice statement 2 and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	The IASB issues amendments to IAS 1, which affect the presentation of liabilities as current or noncurrent in the statement of Financial Position. The amendment does not impact the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The Group anticipates that the application of these amendments may have an impact on the Consolidated Financial Statements in future periods.
IAS 12 Income Taxes	The aim to improve accounting policy disclosures and to help users of the inancial Statements to distinguish between changes in accounting estimates and changes in accounting policies. The amendment is effective for annual periods beginning on or after 1 January 2023.

The Management of the Company do not expect that the adoption of the amended standards listed above or other issued new standards and amendments scheduled that become effective in subsequent periods will have a material impact on the Consolidated Financial Statements of the Group in future periods.

1.4 Significant accounting judgements, estimates and assumptions

The preparation of the Consolidated Financial Statements in accordance with IFRS and applying accounting policies requires management to make judgments, estimates and assumptions about the reported amounts of assets, liabilities, revenues and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on information available when the Consolidated Financial Statements are prepared, historical experience and other factors that are considered to be relevant. Existing circumstances and assumptions may change due to events arising that are beyond the Group's control. Therefore, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant estimates:

- Fair value measurement of biological assets (see note 3.7 for relevant disclosures)
- Impairment considerations of goodwill (see note 3.2 for relevant disclosures)
- Fair value measurement of assets and liabilities acquired in business combinations (see note 4.5 for relevant disclosure)

The Group has conducted an analysis of the impact of climate risk on its operations, as detailed in Section three of the Board's report on risk assessment. As of the reporting date, the Group has deemed the risk to be negligible.

Amounts in 1000 EUR

2. Financial results

2.1 Operating Segments

Accounting principles

An operating segment is a component of an entity:

a. That engages in business activities from which it may earn revenues and incur expenses
b. whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
c. for which discrete financial information is available.

The operating segments represents the business units for which the chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

The Group owns and operates fish farming in the Icelandic fjords and the main purpose of the Group is production, processing and sale of seafood and seafood-based products, as well as conducting other business in connection with the purposes, including through investments and ownership in other companies with same purpose. The Group operates and manages its business as one operating segment based on the manner in which the Chief Executive Officer, the Group's chief operating decision maker, assesses performance and allocates resources across the Group. The segment reporting is therefore identical to the Group Consolidated Financial Statements presented in this report.

Amounts in 1000 EUR

2.2 Revenue from contracts with customers

Accounting principles

The Group recognizes revenue from the sale of salmon at the point in time when control of the goods is transferred to the customer. The transfer of control to the customer depends on shipping terms, but will normally occur when the goods are delivered to the customer. Other revenues from the sale of services relate primarily to the sale of harvesting services. Revenue from contracts with customers is recognized when control of the goods and the service has been transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and/or service.

Revenues from contracts with customers are recognized in the Statement of Comprehensive Income or loss net of discounts. Transaction prices are fixed upfront without any variable consideration. There is no right of return and refunds are only given if delivered goods are damaged or if there is a discrepancy in delivered goods compared to agreements. The normal credit term is 21 days upon delivery to the customers. Refunded amounts have historically been immaterial.

Revenue recognized at point in time (sale of goods) and revenue recognized over time (other revenue) is as follows:

Specifications of revenue	**2022**	**2021**
Sales of goods	148,657	81,628
Other revenue	8,936	9,177
Revenue from contracts with customers	**157,593**	**90,806**

Disaggregated revenue from contracts with customers

The Group's revenue based on geographical markets from contracts with customers in which the revenue is earned are presented below:

Group revenues by geographical market:	**2022**	**%**	**2021**	**%**
Europe, excl. Norway	88,710	56.3%	57,597	63.4%
USA	34,335	21.8%	12,464	13.7%
Norway	26,255	16.7%	16,110	17.7%
Other	8,293	5.3%	4,635	5.1%
Revenue from contracts with customers	**157,593**	**100.0%**	**90,806**	**100.0%**

The primary operational income for the Group is denominated in EUR. In 2022, 61 per cent of the Group's operational income was generated in EUR, while other operational income was mostly in USD. Since exchange rate volatility can impact the profitability of salmon sales, the Group has taken steps to mitigate currency risk by hedging all fixed price contracts denominated in currencies other than the operational currency.

Amounts in 1000 EUR

2.3 Salaries and personnel expenses

Salaries and personnel expenses	2022	2021
Salaries, incl. holiday allowance and bonuses	12,998	8,843
Social security and employers national insurance expenses	1,049	697
Pension expenses	1,504	1,101
Other benefits	1,798	1,539
Total salaries and personnel expenses	**17,349**	**12,180**
Number of full-time equivalents employed during the financial year:	177	135

Pension expenses related to defined contribution which consists of expense incurred by the Group for employees that are required by local laws to participate in pension schemes. These pension schemes are not sponsored or administered by the Group. Pursuant to the requirements of the schemes, the Group is required to contribute a certain percentage of its payroll costs to the pension schemes. Such contributions are charged to the consolidated statements of comprehensive income in the period they incurred in accordance with the rules of the pension schemes. The Group has no further payment obligations once these contributions have been paid.

Remuneration to Group management:	2022	2021
Bjørn Hembre, CEO	428	342
Management group Arnarlax, consist of three COO's, QM, CBDO and CFO	902	798
Total remuneration to Group's management	**1,330**	**1,140**

Remuneration to BOD:		
Fee to members of the BOD	103	21
Total remuneration to Group's BOD	**103**	**21**

The Group's management includes the CEO and six other officers. All fixed salary employees, including the management of the Group, have performance-related bonus scheme. Performancerelated bonus is based on shared goals and individual valuation. The amount of the bonus is set by the Board of Directors at the beginning of each bonus period as fixed percentage of the EBIT for the Group and is decided on by the valuation of the management and the CEO. The total bonus amount for the year 2021 was set by the Board of Directors as two per cent of the operational EBIT for the Group and was paid out to all employees under the scheme in January 2022. The CEO and part of the senior executive team were granted performance-related bonuses in addition to the fixed salary bonus scheme. BOD approved similar bonus scheme for the year 2022 that was expensed during the operational year but paid out in January 2023.

In the reporting period the Group's management consisted of seven personells from which six of them living in the local community near the company's headquarters. The management, as well as other personells, that live near the company headquarters all pay taxes and obligations to the local municipalicy as laws and regulations apply. Further breakdown and information on taxes and obligations to the authorities can be found in the community footprint issued on the Group's website.

Amounts in 1000 EUR

Note 2.4 Share-based incentive schemes

Accounting principles

The Company operates an equity-settled, share-based compensation scheme, under which the Company receives services from Arnarlax's employees as consideration for equity instruments (stock options) of the Company. Equity-settled share based options are measured at the fair value of the equity instruments at the grant date using Black-Scholes valuation model, excluding the effect of non-market-based vesting conditions. The fair value determined at the grant date is expensed and recognized in employee benefits on a straight-line basis over the vesting period of the options with a corresponding increase in equity. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-marketbased vesting conditions and recognizes any impact in the Statement of Comprehensive Income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity.

On 19 February 2021, the Company granted 205,850 share options with an exercise price of NOK 115.00, respectively, to the CEO and certain key employees. The Company's intention is that the options will be equity-settled. The option holders must stay in the employment of the Group over a vesting period of three years from the grant date until 19 February 2024. As at 31 December 2022, the fair value of the agreements was determined to be EUR 504 thousand and pro rata accrual in the amount of EUR 158 thousand was expensed as other employee benefits, with a corresponding entry to other paid-in equity.

	2022		2021	
	Number of shares '000	Weighted avg exercise price	Number of shares '000	Weighted avg exercise price
Outstanding at the beginning of period	194	533	165	212
Granted during the period	0	0	206	564
Forfeited during the period	(10)	(29)	(12)	(31)
Exercised during the period	0	0	(165)	(212)
Outstanding at the end of period	184	504	194	533
Average remaining contractual life at year-end		1.2		2.2

Amounts in 1000 EUR

Estimate of the year's award was based on the following assumptions:

	2022
Date of award	19.2.2021
Plan	2021
Volatility	34.88%
Risk free rate	0.54%
Share price at date of award	115
Weighted average fair value on date of award	28.01
Option's lifespan	1.2
Model employed	Black-Scholes

Directors' and key employees's interests in the Share-based incentive scheme

				Number outstanding	
Date of grant	**Expiry date**	**Key employees**	**Exercise price**	**31/12/2022**	**31/12/2021**
2021	2024	CEO Björn Hembre	115	100,000	100,000
2021	2024	Company's Directors	115	51,600	51,600
2021	2024	Other key employees	115	32,305	42,800
				183,905	**194,400**

During the year 2022 the Group recognized total expenses of EUR 158 thousand (2021: EUR 209 thousand) related to share-based payment transactions, which are included in Salaries and personnel expenses in the statement of other comprehensive income.

Salmar ASA RSU program (2021 and earlier):
The parent of the Company, SalMar ASA, operates a restricted share scheme in which the companies within its control receive services from employees in return for equity instruments in the Parent. In 2021 EUR 33 thousand was paid to SalMar ASA by Arnarlax ehf with a contra entry against other equity. By the end of year 2021 Arnarlax employees are no longer part of the SalMar ASA RSU program and no payments were made during the year 2022.

Amounts in 1000 EUR

Note 2.5 Other operating expenses

Specification of other operating expenses:	2022	2021
Services, marketing and travel expenses	6,325	4,593
Maintenance expenses	4,125	2,544
Operating equipment & consumables expenses	3,599	1,777
Other expenses	2,923	2,833
Freight & delivery expenses	503	310
Fee expenses	426	294
Insurance expenses	329	293
Total	**18,230**	**12,644**

The Company pays fees based on the Company's licenses and production

During one of the Group's regular safety inspections at the end of August 2021, a hole was discovered in one pen at the Haganes location in Arnarfjörður. Immediately after, employees initiated appropriate measures in accordance with the Group's well-established response plan and informed relevant authorities. No employee was harmed. Following the incident, the Group has adapted its routines to prevent future potential incidents of this kind.

In October 2022, following the final harvest from the pens, the Icelandic Food Authority (MAST) initiated its own investigation of the incident. The MAST investigation concluded by administrating the Group with a EUR 819 thousand fine for not having reported the incident at an earlier stage. Arnarlax is confident that the Group reported the incident within an appropriate timeframe after discovery. The Group has appealed the MAST's decision on the grounds of having responded appropriately when the incident was discovered and in line with laws and regulations. The fine is included in other expenses.

Environmental fees

The Company pays fees to Icelandic environmental fund. Environmental fund of fish farming operates based on law no. 71/2008, on fish farming, and is an independent fund owned by the state and is administrated by the Ministry of Fisheries and Agriculture and collected by the Icelandic Food and Veterinary Authority. The fund's objective is to limit the environmental effects caused by fish farming. Holders of operational permits of fish farming pay a yearly fee to the fund and as such the Company paid a total of EUR 0.6 million in 2022 compared to EUR 0.5 million in 2021. The fee is based on fixed price of 20 SDR for each tonnes of the Company's production license. Environmental fees are included in the cost of goods sold.

Amounts in 1000 EUR

Production tax (Resource fee)
The Company pays fees to aquaculture fund categorized as production tax. Fees to aquaculture is based on law no. 89/2019 on fees for fish farming in the sea. The Directorate of Fisheries shall assess and charge the fee amount in accordance with guidelines laid down in the 2nd article of the same law. According to a temporary provision of the law, the amount of the fee was 3/7th of the calculated fee in 2022 and will be 4/7th in 2023. From 2026 the fee charged will be full fee in accordance with the law. Resource fee imposed on the Company was calculated to EUR 1.3 million for the year 2022 compared to EUR 0.3 million in 2021. The calculation is based on average NASDAQ prices from the period of August to October from the year before. Tax percentage is also based on same price table. For taxation in 2022, the NASDAQ median value price was 5.31 EUR/kg. in 2021 that set the tax percentage to 3.5 per cent of harvested volume of gutted weight. For taxation in 2021, the median value price was 4.31 EUR/kg. setting the tax percent to 2.0 per cent. This shows that production tax has more than four folded between years. To highlight the performance of underlying operations before deduction of the production tax, the Company has chosen to report it on a separate line in the Statement of Comprehensive Income below Operational EBIT.

Auditor:
The remuneration (excl. VAT) paid to the Group's auditor breaks down as follows:

2022	Others	EY	Total
Statutory auditing services	31	258	289
Other services	0	18	18
Total	**31**	**275**	**306**

2021	Others	EY	Total
Statutory auditing services	176	111	286
Other services	25	0	25
Total	**200**	**111**	**311**

Remuneration paid to the Group's auditors are included in other operating expenses in the Statement of Comprehensive Income.

Amounts in 1000 EUR

Note 2.6 Financial income and expenses

Financial income	2022	2021
Interest income	288	144
Fair value gain of previously owned equity interest*	8,968	0
Total financial income	**9,256**	**144**

*See further note 4.5

Financial expenses	2022	2021
Interest expenses on debts and borrowings	1,643	1,827
Interest expenses on lease liabilities	272	142
Total financial expenses	**1,915**	**1,969**

Note 2.7 Tax expense

Accounting principles

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities.

Deferred tax assets are recognized when it is probable that the relevant tax entities will have a sufficient profit for tax purposes in subsequent periods to utilize the tax asset or when there are taxable temporary differences that will reverse in future periods. The companies recognize previously unrecognized deferred tax assets to the extent it has become probable that the company can utilize the deferred tax asset. Similarly, the Company will reduce a deferred tax asset to the extent that the Group no longer regards it as probable that it can utilize the deferred tax asset.

Deferred tax and deferred tax assets are measured based on the expected future tax rates applicable to the companies in the Group where temporary differences have arisen.

Deferred tax assets and deferred tax are recognized at their nominal value and classified as non-current assets and long-term liabilities in the Statement of Financial Position.

Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Amounts in 1000 EUR

Current income tax expense:	2022	2021
Change deferred tax/deferred tax assets (ex. OCI effects)	6,901	232
Total income tax expense	**6,901**	**232**

Reconciliation deferred tax (liablities)/assets	2022	2021
Deferred tax assets recognized in the Consolidated Statement of Financial Position at 1 January	3,407	3,677
Tax recognized in the Concolidated Statement of Comprehensive Income	(6,901)	(232)
Tax recognized trough equity	0	(37)
Deferred tax associated with acquisitions	(1,216)	0
Tax payable	1,341	0
Translation differences	(207)	0
Deferred tax (liabilities)/assets recognized in Consolidated Statement of Financial Position 31.12.2022	**(3,576)**	**3,407**

Deferred tax (liabilities)/assets are split as follows:	2022	2021
Property, plant and equipment	(11,172)	469
Biological assets	(5,832)	(5,795)
Other current assets	(152)	(4,724)
Liabilities	60	5,200
Losses carried forward (including tax credit)	4,945	25,407
Exchange rate difference	(783)	296
Basis for deferred tax (liablities)/assets:	**(12,935)**	**20.854**
Calculated deferred tax (liabilities)/assets	**(2,587)**	**4,171**
- Deferred tax assets not recognized	989	763
Net deferred tax (liabiliites)/assets recognized in Consolidated Statement of Financial Position	**(3,576)**	**3,407**

Reconciliation of income tax expense	2022	2021
Profit before taxes	**41,817**	**2,600**
Income tax expense at corporate income tax rate in Norway (22%)	9,200	572
Effect of tax rates outside Norway	(836)	(52)
Non-taxable and non-deductible items	(1,463)	(281)
Deferred tax assets not recognized current year	(0)	(7)
Recognized in Consolidated Statement of Comprehensive Income	**6,901**	**232**

Carry forward loss	Fjallalax ehf.	Eldisstöðin Ísþór ehf.	Icelandic Salmon AS	
Loss for 2020, expires end of 2030	313	0	0	313
Loss for 2021, expires end of 2031	91	392	0	483
Loss for 2022, expires end of 2032	21	0	0	21
No expiry (tax loss Norway)	0	0	4,127	4,127
Total carry forward loss	**426**	**392**	**4,127**	**4,945**

For losses carried forward in Norway (Icelandic Salmon AS) and for Fjallalax ehf in Iceland, no deferred tax asset is recorded.

Amounts in 1000 EUR

3. Assets and liabilities

3.1 Goodwill

Accounting principles

Goodwill represents the excess of the purchase price of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities, contingent liabilities, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment at least annually, and whenever there is an indication that the asset may be impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The value in use calculation is performed using discounted expected future cash flows. The discount rate applied to these cash flows is based on the weighted average cost of capital and reflects current market assessments of the time value of money.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating unit (CGU) that is expected to benefit from the business combinations, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill	31/12/2022	31/12/2021
Carrying amount at beginning of the year	19,332	19,332
Addition business combination*	15.407	0
Carrying amount at year end	34,740	19,332

*See further note 4.5.

Amounts in 1000 EUR

3.2 Impairment

Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill and indefinite lifetime liceneses relates. If the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

The Group comprise of one CGU for goodwill being the icelandic fish farming operations of Arnarlax ehf.

The table below outlines the carrying amounts of goodwill at year ended:

	2022	2021
Arnarlax ehf.	19,332	19,332
Eldisstöðin Ísþór ehf.	15,407	0
Total Goodwill	**34,740**	**19,332**

Basis for determining the recoverable amount
Impairment is tested by calculating the recoverable amount of the CGU. The recoverable amount of the cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on the financial forecast for the period 2023-2026 that has been approved by management and the Board of Directors. Cash flows beyond 2027 have been extrapolated using a 2.5 per cent terminal growth rate. An impairment loss is recorded if the carrying amount of the CGU exceeds the estimated value in use.

The Group has determined that the following assumptions are the key assumptions used in determining the current estimate of value in use:

- Forcasted harvested volume
- EBIT/kg
- Forcasted market price for harvested products
- Investment (CAPEX) forcast
- Discount rate (WACC)

Harvest volume
Forecast of harvested volume are estimated based on current production and future harvesting plans, adjusted for expected increases in future output given current licenses.

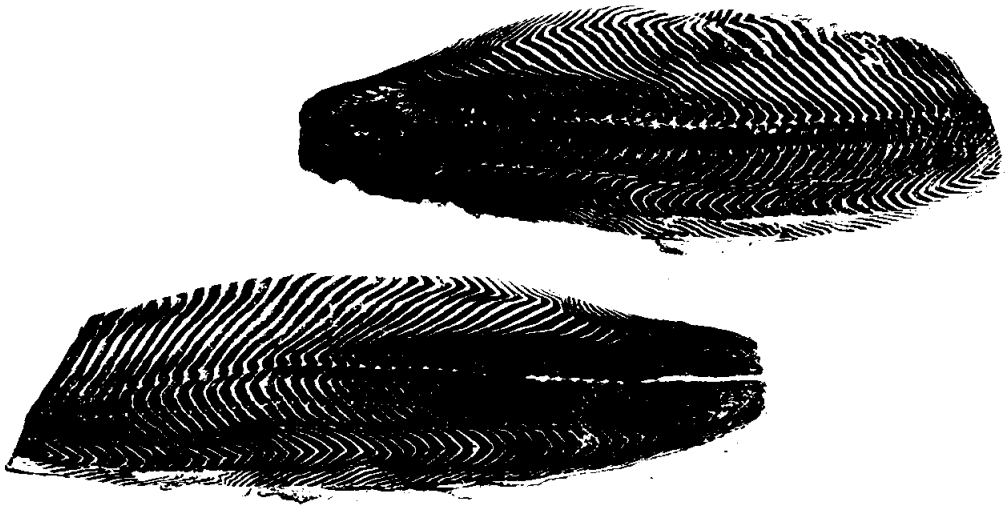
EBIT/kg
EBIT per kg is volitile to fluctuations in the price of salmon. Forecast market prices for the harvested products are based on market data from Fishpool (fishpool.eu). Estimates for production cost are based on historical figures and expectations.

Investment (CAPEX) forcast
A detailed CAPEX forecast is used which includes CAPEX needed for the forecast increase in production. Investment after 2026 have been estimated with simplified approach to estimate the maintenance investment of assets required to maintain the production volume.

Discount rate (WAAC)
The discount rate used reflects management's estimate of the risk specified for the CGU. The discount rates are based on the Weighted Average Cost of Capital (WACC) methodology. In the model a ten-year risk-free rate has been used. Calculation of the final discount rates also takes into account market risk premium, debt risk premium, gearing and beta value. In the calculations, the Group has applied estimated cash flows after tax. The discount rate for the year 2022 is estimated post - tax 10.2 per cent compared to 7.8 per cent previous year.

Sensitivity
In connection with the impairment testing of intangible assets, a sensitivity analysis has been performed. With the assumptions used, the recoverable amount of the cash-generating unit was in reasonable excess of its carrying amount as of 31 December 2022 and 2021. There is sufficient headroom in place and that there are no triggers indicating that impairment is necessary. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount of the cash-generating unit is based would not cause the carrying amount of the cash-generating unit to exceed its recoverable amount.

Based on the above assessments, there were no impairment indicators identified related to the fish farming licenses or goodwill as of 31 December 2022.



Note 3.3 Other intangible assets

Accounting principles
Intangible assets that are purchased individually are capitalized at acquisition cost. Intangible assets acquired in connection with the purchase of a business entity are capitalized at acquisition cost when the criteria for separate posting are met.

	Licenses	Other intangibles	Total
Carrying amount at 1 January 2021	**0**	**0**	**0**
Additions	431	547	978
Carrying amount at 31 December 2021	**431**	**547**	**978**
Business combination moved to licenses	547	(547)	0
Additions new licenses	267	0	267
Additions business combinations	381	0	381
Carrying amount at 31 December 2022	**1,626**	**0**	**1,626**

Licenses
Licenses that the Group owns and has purchased are capitalized at their cost. In Iceland, licenses are granted for a period of 16 years and must then be renewed. Licenses will be renewed if the applicant meets the prevailing statutory and regulatory requirements at the time the license comes up for renewal. A small charge must be paid for the license's renewal. As licenses have a contractual 16 year lifetime, with the possibility of renewal, the Group has elected to presume that these licenses have indefinite useful lifetime. They are therefore not amortized, but tested annually for impairment.

In 2022, the Group invested significantly in smolt production by purchasing the remaining 50 per cent of the shares in Eldisstöðin Ísþór. The Group now has a smolt capacity of up to eight million smolts, depending on the size of the smolts. This smolt strategy will give the Group larger smolts, which are expected to increase from 154 grams to 250 grams in 2023. This will reduce production time at sea, which again reduce risk and improve biological performance. The smolt strategy is expected to improve the Group's Maximum allowed biomass (MAB) utilization in the upcoming years.

The Group currently holds license of 23,700 tonnes maximum allowed biomass in the southern part of the Icelandic Westfjords, Arnarfjörður, Patreksfjörður and Tálknafjörður. In 2022 the company got revisions on two current licenses. In Patreksfjörður a site was moved further out the fjord to a more optimal farming location. The new site will be used for the first time in 2024. In Arnarfjörður, the company got an updated licenses where the size of three of companies' sites was increased. The Group also got a renewal on a license in Fossfjörður for 1,500 tonnes MAB, the Group has appealed the decision and believes the license should be 3,000 tonnes MAB.

Application for 10,000 tonnes MAB in Ísafjarðardjúp is still being processed at the Icelandic Food and Veterinary Authority and the Environmental Agency who give out the licenses. Coastal planning was taken in to affect in 2023 and issues regarding farming sites inside white beams from lighthouses were raised resulting in delays of license process. The timeline is unclear when those issues will be resolved, but the Company expects application in Ísafjarðardjúp to be resolved in the third quarter 2023.

The application for 4,500 tonnes increase in Arnarfjörður has been updated and will now focus on 16,000 tonnes total MAB for the Group in Arnarfjörður, the maximum the carrying capacity allows. The work on environmental impact report for the increase in biomass and change of sites is currently underway and will be submitted to the Planning agency when finalized. As for now, management does not know the exact timeline of the application process.

At year end the Group had recognized licenses amounting EUR 1.6 million (Compared to 31.12.2021: 1.0 million). For further information see business combination note 4.5.

Amounts in 1000 EUR

3.4 Fixed assets - Property, plant & equipment

Accounting principles

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 if the asset qualifies 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 recognized in Statement of Comprehenive Income 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 recognized separately from property, plant and equipment and presented in note 3.5.

	Plant and equipment	Land, buildings & other property	Assets under construction	Total
Acquistion cost at 1 Jan 2021	**43,669**	**9,098**	**10,866**	**63,633**
Additions	8,664	10,912	(6,667)	12,909
Sold and disposed	(65)	0	0	(65)
Acquisition cost at 31 Dec 2021	**52,268**	**20,010**	**4,199**	**76,477**
Additions	10,984	1,828	4,205	17,018
Addition business combination	3,847	15,450	0	19,298
Sold and disposed	(200)	0	(13)	(213)
Foreign exchange effect	(24)	(984)	(13)	(1,021)
Acquisition cost at 31 Dec 2022	**66,875**	**36,305**	**8,378**	**111,559**
Acc. dep. & impairment at 1 Jan 2021	**(17,332)**	**(1,397)**	**(522)**	**(19,251)**
Depreciation	(4,578)	(983)	522	(5,039)
Sold and disposed	38	0	0	38
Acc. dep. & impairment at 31 Dec 2021	**(21,873)**	**(2,380)**	**0**	**(24,253)**
Depreciation	(5,069)	(1,112)	0	(6,181)
Sold and disposed	22	0	0	22
Foreign exchange effect	(11)	13	0	3
Acc. dep. & impairment at 31 Dec 2022	**(26,931)**	**(3,478)**	**0**	**(30,409)**
Carrying amount at 31 Dec 2022	**39,944**	**32,827**	**8,378**	**81,149**
Carrying amount at 31 Dec 2021	**30,395**	**17,630**	**4,199**	**52,225**

Useful lives	3-30 years	30-40 years
Depreciation plan	Straight-line	Straight-line
Gains/losses on sale of non-current assets	(6)	0

As of 31 December 2022, the Group had PP&E at total of EUR 81.1 million compared to 52,2 million as of 31 December 2021. The PP&E consist of property, plant and equipment, land, buildings and other property, and assets under construction. Plant and equipment mainly consist of operational equipment's, floating pens boats and aquaculture tanks. Land building & other property mainly consist of Real Estate, land and other non-removable assets. The useful life of these PP&E differs from three years, up to forty years. Assets under construction relates to ongoing investment projects later to be moved to the relevant nature of PP&E when taken to usage.

See further note 4.5 regarding addition of the year arising from business combination.
No impairments of property, plant and equipment were incurred in 2022 or 2021.

3.5 Leases

Accounting principles
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee applies a single recognition and measurement approach for all leases, with exception for leases with a term of less than 12 months and for leases relating to assets with a low underlying value.

Non-lease components in a lease arrangement are not capitalized as a part of the lease. This applies to the Group´s lease arrangements of wellboat, where crew costs and other service elements included in lease amount are excluded from the value of the right-of-use asset and lease liability. If not stated in the contract, non-lease components are estimated based on markets price on the service element.

A lease liability is initially recognized as the present value of lease payments that are not paid on the commencement date of the lease contract. The lease payments are discounted by using the by using the Group's incremental borrowing rate as a discount rate. The Group assesses it's incremental borrowing rate based on it´s current rating, adjusted for nature of the underlying asset and duration of the lease agreement.

A lease liability is subsequentially measured by using effective interest rate. The lease liability is revalued when there is a change in future payments due to a change in index or interest rate. The lease liability is also revalued if there is a change in the Group's estimation on residual payments in relation to the lease contract, if there is a change in estimation on utilization of an option to buy the underlying asset, or if there is a change in the expected lease term.

The right of use asset is depreciated on a straight-line basis from the commencement date until the final date of the contract, except when the Group becomes an owner of the asset at the end of the lease period or has an option to purchase the asset at the end of the lease period, and intends to do so. In those cases the asset is depreciated over the expected useful life of the asset, which is the same method as used for depreciation of other operating assets of the Group. The right of use asset is adjusted for any impairment or revaluation of the lease liability if that occur.

Amounts in 1000 EUR

Lease assets	
Balance at 1 January 2021	**1,995**
Additions and changes of leases in the year	4,708
Depreciation	(876)
Balance at 1 January 2022	**5,827**
Additions and changes of leases in the year	2,292
Addition business combination *	131
Depreciation	(1,275)
Balance at 31 December 2022	**6,975**

Lease liabilities	
Balance at 1 January 2021	**1,901**
Additions and changes of leases in the year	4,772
Payments	(927)
Accretion of interest	142
Balance at 1 January 2022	**5,889**
Additions and changes of leases in the year	2,112
Addition business combination*	134
Payments	(1,465)
Accretion of interest	272
Balance at 31 December 2022	**6,942**

*See note 4.5

	2022	2021
Current lease liabilities	1,186	1,086
Non-current lease liabilities	5,756	4,803
Total Lease liabilities	**6,942**	**5,889**

Summary of amounts recognized in the Consolidated Statments of Comprehensive Income:	2022	2021
Depreciation expense of leased assets	1,275	876
Interest expense on lease liabilities (included in finance expenses)	272	142
Total amount recognized in profit or loss	**1,547**	**1,018**

The Group had total cash outflows for leases of EUR 1.5 million in 2022 compared with EUR 0.9 million in 2021.

3.6 Biological assets and inventory

Accounting principles

Biological assets

Live fish are accounted for in accordance with IAS 41 Agriculture. The main principle is that such assets are measured at fair value less cost of sale. Fair value is measured in accordance with IFRS 13 within level 3 which is based on factors that are not drawn from observable markets assumptions. Changes in value are recognized and classified under fair value adjustments in the Consolidated Statement of Comprehensive Income.

Roe, fry, smolt and artic char are valued at historic cost. Historic cost is deemed to be the best estimate of fair value for these assets, due to little biological conversion.

The fair value of biological assets held at the Group's sea farms is calculated using a model based on future cash flow. The present value is calculated based on estimated revenues, less estimated remaining production costs until the fish is harvestable at the individual site. A fish is harvestable when it has reached the estimated weight required for harvesting specified in the Company's budgets and plans. The estimated value is discounted to present value in the Consolidated Statement of Financial Position. Present value is estimated for the biomass at each site.

Incoming cash flows are calculated as the estimated biomass at harvest multiplied by the price expected to be achieved at the same time. The estimated biomass (volume) at harvest is calculated based on the number of individual fish held in sea farms on the balance sheet date, adjusted for expected mortality until harvest and multiplied by the estimated weight of the fish at harvest.

The price is calculated using the Fish Pool forward price for the estimated harvesting date that was in effect at the end of the reporting period. Forward prices are adjusted for an exporter supplement, as well as harvesting, sales and carriage costs. In addition, an adjustment is made to take account of expected differences in fish quality. Price adjustments are made at the site level.

Management estimates the remaining production costs based on experience and current market conditions for the farming of fish up until they reach a harvestable weight. In the model, instead of being a separate cost element in the calculation, compensation for license fees and site leasing costs is included in the discount factor, and thereby reduces the fair value of the biomass.

The fair value of the biomass is calculated using a monthly discounting of the cash flow based on the second last harvesting month in the harvesting plan. The discount factor is intended to reflect three main components:

1. The risk of incidents that affect the cash flow.
2. Synthetic license fees and site leasing costs.
3. The time value of money.

The discount factor is set based on an average for all the Group's sites and which, in the Group's assessment, provides a sensible growth curve for the fish – from smolt to harvestable fish.

The risk adjustment must take account of the risk involved in investing in live fish. A fish spends from 16 up to 24 months at a sea farm, and the risk will be higher the longer the time until harvest. Biological risk, the risk of increased costs and price risk will be the most important elements to be recognized. The present value model includes a theoretical compensation for license fees and site leasing costs as a surplus to the discount factor in the model, instead of being a cost-reducing factor in the calculation.

Inventories

Inventories is comprised of feed, packaging materials and finished goods. Inventories are stated at the lower of cost or net realizable value. Net realizable value is the expected sales price less completion costs and costs to be incurred in marketing, selling, and distributing the inventory. Cost is determined using the first-in, first-out method.

Finished products includes direct material cost, direct personnel expenses, and indirect processing cost (full production cost). Interest costs are not included in the inventory value. If cost value of inished product is estimated higher than realised sales value, based on judgement of the management, the finished products is revaluated based on best estimate on product valuation. Finished product is never valued over cost value. Value is based on the principle of first-in-first-out.

Book value of biological assets and inventories	**31/12/2022**	**31/12/2021**
Raw materials	4,112	2,470
Boxes	67	67
Finished Products	864	0
Inventories	5,043	2,538
Biological assets	84,146	66,899
Total biological assets and inventories	**89,189**	**69,437**

Write-downs

Cost of finished products recognized as an expense in respect of write-downs of inventory to net realizable value.

	2022	**2021**
Write downs within period	2,101	95

Fair value

Fair value adjustments are part of the Group's operating profit/loss, but changes in fair value are presented on a separate line to provide a greater understanding of the Group's profit/loss on sold goods. The item comprises:

	2022	**2021**
Change in fair value of the biomass	(215)	(2,937)
Recognized fair value adjustments	**(215)**	**(2,937)**

Book value of biological assets recognized at fair value	**31/12/2022**	**31/12/2021**
Biological assets held at sea farms at cost	68,094	57,127
Fair value adjustment of biological assets	5,580	5,795
Total biological assets held at sea by fair value	73,674	62,922
Roe, fry, smolt and arctic char fish at cost	10,473	3,977
Total biological assets	**84,146**	**66,899**

Amounts in 1000 EUR

Raw materials comprise mainly feed for smolt and marine-phase fish production. It also includes raw materials for use in processing, as well as packaging. Stocks of biological assets are associated with farming activities on land and at sea, and comprise roe, fry, smolt, arctic char and fish held at sea farm. Finished goods comprises whole salmon, fresh and frozen, as well as processed salmon products.

Change in the book value of biological assets held at sea farm carried at fair value	**31/12/2022**	**31/12/2021**
Biological assets held at sea farm 1 Jan	62,922	49,211
Increase resulting from production/purchase	80,674	61,648
Reduction resulting from sale/harvesting	(68,155)	(44,959)
Reduction resulting from incident-based mortality	(1,552)	(42)
Net fair value adjustment	(215)	(2,937)
Translation differences	(0)	(0)
Biological assets held at sea farm 31 Dec	**73,674**	**62,922**

Incident-based mortality

In the event of incidents exceeding three per cent mortality in a period based on a single incident, or if the mortality exceeds five per cent over several periods based on one and the same incident, an assessment is made as to whether there is a basis for write-down. The assessment relates to the number of fish and is carried out at site level. Incident-based mortality is recognized under cost of goods sold in the Consolidated Statement of Comprehensive Income.

The assessment relates to the number of fish and is carried out at site level. The Group had one incident in it's sea farm in the year 2022 that resulted in incident-based mortality as defined above. The total effect on the Group's operating profit at cost was EUR 1.3 million. The corresponding numbers for 2021 was one incident and effect on Group's operating profit at cost of EUR 41 thousand. The Group also had one incident in it's land based smolt facilities with total effect on the Groups operating profit at cost EUR 0.5 million but no incident affected the Groups operating profit in year 2021 on land based facilities.

Biological assets held at sea farms 31 Dec 2022:	**Cost**	**Fair value adjustment**	**Carrying amount**
< 1 kg (LW)	7,455	623	8,077
1-4 kg	39,835	3,268	43,103
> 4 kg (GW)	20,804	1,689	22,494
Biological assets held at sea farms	68,094	5,580	73,674
Roe, fry, smolt and arctic char fish at cost	10,473	0	10,473
Biological assets total:	**78,566**	**5,580**	**84,146**

Biological assets held at sea farms 31 Dec 2021:	**Cost**	**Fair value adjustment**	**Carrying amount**
< 1 kg (LW)	7,254	722	7,975
1-4 kg	29,563	2,941	32,503
> 4 kg (GW)	20,310	2,133	22,443
Biological assets held at sea farms	57,127	5,795	62,922
Roe, fry, smolt and arctic char fish at cost	3,977	0	3,977
Biological assets total:	**61,104**	**5,795**	**66,899**

Amounts in 1000 EUR

The discount rate at end of year 2022 was 5.0 per cent per month, which reflects the biomass capital cost, risk and synthetic license fees and site rental charges. The discount rate was changed from end of year 2021 from 4,0 per cent and is based on increased margin that should give a higher contribution to the owner of the licenses and higher expectations of profitability in the industry.

The fair value calculation is based on following forward prices:

Expected harvesting period:	Forward price 31/12/2022	Expected harvesting period:	Forward price 31/12/2021
Q1-2023	8.60	Q1-2022	6,80
Q2-2023	8.94	Q2-2022	6,73
Q3-2023	7.12	Q3-2022	5,53
Q4-2023	7.28	Q4-2022	6,08
Q1-2024	7.84	Q1-2023	6,32
Q2-2024	8.12	Q2-2023	6,34
Q3-2024	6.81	Q3-2023	5,29
Q4-2024	7.07	Q4-2023	5,41

Sensitivity assessment

The estimated fair value of biological assets has been calculated using different parameters. The effect on the estimated fair value of biological assets is summarised below:

2022	Increase	Effect on estimated fair value 31/12/2022	Decrease	Effect on estimated fair value 31/12/22
Change in forward price	0,5 EUR per kg.	2,486	0,5 EUR per kg.	(2,486)
Change in discount factor	1%	(733)	1%	762
Change in harvesting time	1 month earlier	(1,318)	1 month later	1,388
Change in biomass	1%	293	1%	(293)

2021	Increase	Effect on estimated fair value 31/12/2021	Decrease	Effect on estimated fair value 31/12/21
Change in forward price	0,5 EUR per kg.	5,526	0,5 EUR per kg.	(5,526)
Change in discount factor	1%	(1,436)	1%	3,394
Change in harvesting time	1 month earlier	(1,396)	1 month later	1,809
Change in biomass	1%	555	1%	(555)

Amounts in 1000 EUR

3.7 Trade and other receivables and allowance for expected credit losses

Accounting principles

The Group's trade receivables consist solely of amounts receivable from revenue from contracts with customers. Trade receivables are generally on payment terms of 21 days.

Trade and other receivables are financial assets which are initially recognized at transaction price determined under IFRS 15. The Group always recognizes an allowance for trade receivables and other receivables that are in scope of the expected credit loss model. The expected credit losses are estimated using a provision matrix based on the Group's historical credit loss experience and based on individual estimate of each trade receivable.

The Group recognizes an allowance for expected credit losses (ECLs) for its financial assets. ECLs are based on the cash flows that the Group expects to receive. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

The Group bases the allowance of its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

	31/12/2022	31/12/2021
Trade receivables	15,502	7,723
Allowance for expected credit losses	(476)	(400)
Total trade receivables	**15,026**	**7,323**
Other receivables	4,624	2,002
Bonds	309	309
Allowance for expected credit losses (Bonds)	(185)	(185)
Total other receivables	**4,748**	**2,126**
Total receivables	**19,774**	**9,449**

Allowance for expected credit losses are classified as other operating expenses in the Statement of Comprehensive Income. Changes in allowance for expected credit losses are charged to expenses during the period are presented below:

Amounts in 1000 EUR

Allowance for expected credit losses	2022	2021
Total allowance for expected credit losses 1 Jan.	585	673
Total allowance for expected credit losses 31 Dec	661	585
Change in allowance for expected credit losses during the year	**76**	**(87)**

	2022	2021
Actual loss incurred	(199)	(101)
Change in allowance for expected credit losses	284	(1)
Exchange rate difference	(9)	15
Allowance recognized in Statments of Comprehensive Income	**76**	**(87)**

See Note 4.1 for further details of the credit risk and foreign exchange risk associated with trade receivables and other receivables.

As at 31 December, the Group's outstanding net trade and other receivables had the following payment profile:

EUR 1000	Total	Not due	<30 d	31-60d	60-90d	>90d
31/12/2022	15,026	12,925	2,082	0	9	10
31/12/2021	7,323	4,685	1,970	90	13	565

3.8 Financial instruments and Capital structure - Overview of financial instruments and fair value measurement

Accounting principles

Classification of financial instruments
The Groups' financial instruments are grouped in the following categories:

Financial assets at amortized cost
Trade, other receivables and other long-term receivables are part of the Group's business model with the sole objective to collect contractual cash flows. Additionally, if the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, thereby passing the "SPPI test", constituting debt instruments measured at amortized cost.

Financial Liabilities at amortized cost
Financial liabilities at amortized cost includes the Group's interest bearing and non-interest bearing debts.

Write-off policy (expected loss)
The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in the consolidated statements of comprehensive income.

Amounts in 1000 EUR

Derecognition of financial assets
The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralised borrowing for the proceeds received.

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument in IAS 32.

Fair value measurement
All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements, the Group has used the following assumption to measure fair value:

Financial assets
Management assessed that the carrying amount of cash and cash equivalents, trade receivables, other receivables and other long-term receivables is a reasonable approximate of their fair value.

Financial liabilities
Management assessed that the carrying amounts of trade and other payables is a reasonable approximate of their fair value. The fair values of the Group's interest-bearing debts are similar to the carrying amount, as the interest rates are floating.

Financial instruments

Assets	**31/12/2022**	**31/12/2021**
Other long-term receivables	0	4,964
Trade receivables	15,026	7,323
Other receivables	4,748	2,126
Cash and cash equivalents	1,854	3,744
Total financial assets	**21,627**	**18,157**

Liabilities	**31/12/2022**	**31/12/2021**
Non-current interest-bearing liabilities	51,649	38,465
Current interest-bearing liabilities*	6,230	2,084
Trade payables	11,702	9,699
Tax payables	1,341	0
Provision for onerous contracts	122	0
Other current payables	9,528	5,564
Total financial liabilities	**80,572**	**55,811**

Non-current and current interest-bearing liabilities are recognized at amortized cost.

Amounts in 1000 EUR

3.9 Cash and cash equivalents

Cash and cash equivalents	31/12/2022	31/12/2021
Bank deposits, unrestricted	1,854	3,744
Cash and cash equivalents in the statement of Financial Position	**1,854**	**3,744**

At 31 December 2022, the Group has used a overdraft facility of EUR 4.1 million (see note 3.10).

3.10 Interest-bearing loans and borrowings

Non-current interest-bearing borrowings	2022	2021
Interest-bearing borrowing to credit institutions (in EUR)	53,749	40,549
Next year's installment on non-current interest-bearing borrowings (in EUR)	(2,099)	(2,084)
Total non-current interest-bearing borrowings to credit institutions	**51,649**	**38,465**

Current interest-bearing borrowings	2022	2021
Bank overdraft (in EUR)	4,130	0
Next year's installment on non-current interest-bearing borrowings (in EUR)	2,099	2,084
Total current interest-bearing borrowings to credit institutions	**6,230**	**2,084**

Debt facilities are entered into by Arnarlax ehf. Interest-bearing borrowings to credit institutions consist of a combined EUR 56.0 million facilities entered in to 30 June 2021, and amendment to that facility in addition of EUR 5.0 million facility entered in October 2022. Debt facilities are split into revolving facility, term facility and overdraft facility. The current loan agreement is valid until June 2024 and there for presented as a long-term interest-bearing borrowings in the Group's Consolidated Statements of Financial Position. The interest rate is the aggregate of a margin of two to four per cent in addition to EURIBOR rate.

For maturity structure of interest-bearing borrowings, references are made to note 4.1. Lease liabilities are presented separately from interest-bearing borrowings to credit institutions and disclosed in note 3.5.

Financial covenants

The Company has a solvency requirement which means that the book equity ratio must be above 35 per cent and profit requirement that requires that the Company's 12-month rolling interest coverage ratio must not be lower than 4.0:1. In addition, the Company's NIBD / 12-month rolling EBITDA should not exceed 5.0:1. The Company was in compliance with these covenants as at 31 December 2022.

Amounts in 1000 EUR

Reconciliation of changes in liabilities to credit instutions incurred as a result of financing activities

2022	1 January 2022	New interestbearing borrowings	Repayment of interestbearing borrowings	Refinancing of borrowings	Current portion of longterm borrowings	Other changes	31 December 2022
Non-current interest-bearing borrowings to credit institutions	38,465	18,875*	(3,578)	0	(2,313)	201	51,649
Current interest-bearing borrowings to credit institutions	2,084	4,130	(2,250)	0	2,313	(48)	6,230
Total liabilities from financing	**40,549**	**23,005**	**(5,828)**	**0**	**0**	**153**	**57,879**

*Included in new borrowings of the year are loans arising from business combination see further note 4.5

2021	1 January 2021	New interestbearing borrowings	Repayment of interestbearing borrowings	Refinancing of borrowings	Current portion of longterm borrowings	Other changes	31 December 2021
Non-current interest-bearing borrowings to credit institutions	0	18,171	(1,000)	23.875	(2.250)	(331)	38,465
Current interest-bearing borrowings to credit institutions	20,462	7,000	(3,826)	(23.875)	2.250	73	2,084
Total liabilities from financing	**20,462**	**25,171**	**(4,826)**	**0**	**0**	**(258)**	**40,549**

Reconciliation of changes in lease liabilities incurred as a result of financing activities:

2022	1 January 2022	New leases recognized	Cash flows	Current portion of long-term leases	31 December 2022
Non-current lease liabilities (Note 3.5)	4,803	2,184*	(148)	(1,083)	5,756
Current lease liabilities (Note 3.5)	1,086	0	(1,044)	1,145	1,186
Total liabilities from financing	**5,889**	**2,184**	**(1,192)**	**62**	**6,942**

*Included in new lease recognized are lease arising from business combination see further note 4.5

2021	1 January 2021	New leases recognized	Cash flows	Current portion of long-term leases	31 December 2021
Non-current lease liabilities (Note 3.5)	1.442	4.772*	(325)	(1.086)	4.803
Current lease liabilities (Note 3.5)	460	0	(460)	1.086	1.086
Total liabilities from financing	**1.901**	**4.772**	**(785)**	**0**	**5.889**

*Included in new leases recognized are lease arising from business combination see further note 4.5

Amounts in 1000 EUR

3.11 Onerous Contracts

Accounting principle

Provision
A provision is recognized when, and only when, the Group has a constructive obligation (legal or self-imposed) deriving from an event which has occurred, and it is probable (more likely than not) that a financial settlement will take place as a result of that liability, and the amount in question may be reliably quantified Provisions are reviewed on each reporting date, and the level reflects a best estimate of the liability concerned.

Onerous contracts
IAS 37 defines an onerous contract as a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under the contract. Unavoidable costs are the lower of the costs of fulfilling the contract and any compensation or penalties from the failure to fulfill it. If a contract can be terminated without incurring a penalty, then it is not onerous.

The definition of onerous contract focuses on the costs of fulfilling the obligations compared to the expected benefits. Similarly, a contract not performing as well as anticipated, or as well as possible, is not onerous unless the costs of meeting the obligations under the contract exceed the expected benefits.

The recognition and measurement of onerous contract provisions are (as discussed in IFRS 15:BC296) subject to the general requirements of IAS 37 and, as such, are based on the entity's 'best estimate' of the (net) expenditure required to settle an obligation (IAS 37:36).

Physical fixed-price sales contracts whose price is less than the price used as the basis for adjusting the fair value of the biomass are recognized as liabilities in the Consolidated Statement of Financial Position. The amount recognized as a liability is the difference between the market price at the end of the reporting period plus costs to sell and the contract price. Changes in provisions are recognized in a separate line in the Consolidated Statement of Comprehensive Income and are included in the operational profit.

Provision related to onerous contracts was EUR 0.1 million for the year 2022. The effect is recognized as separte line in the Consolidated Statement of Comprehensive Income with with contra entry to current liabilities. No provision of onerous contracts was recognized in the year 2021.

3.12 Other current payables

Other current payables comprise:	31/12/2022	31/12/2021
Withheld taxes	6	2
Unpaid payroll expenses	1,404	1,085
Accured interest expense	356	170
Other accrued expenses *	7,761	4,307
Total other current payables	**9,528**	**5,564**

* Other accrued expenses consist of accruals for operational expense and accrued accumulated clean up expenses for sites.

Amounts in 1000 EUR

4. Financial risk management and other notes

4.1 Capital & Risk Management

Accounting principle

Financial risk
Through its activities, the Group is exposed to various kinds of financial risk: market risk, credit risk and liquidity risk. The Company's management assesses these risks on an ongoing basis and draws up guidelines for dealing with them. The Group has bank loans raised for the purpose of providing capital for investment in the Company's business. In addition, the Company has financial instruments such as trade receivables, trade payables, etc, which are ascribable directly to day-to-day business operations.

Interest rate risk
The Groups operating results and cash flow from operations are largely independent of changes in market interest rates. The Group has an insignificant part of its assets which are interest-bearing. The Groups long-term loans have variable interest rates based on EURIBOR. The Group has not entered into any swaps or other derivatives in relation to interest rate risk.

Foreign exchange risk
The Group operates in a global environment which exposes it to foreign currency fluctuations mainly related to any trade receivables or trade payables denominated in foreign currency. Interest bearing debt is denominated in EUR which is the functional currency of the borrowing entity Arnarlax ehf. The Directors of the Group monitor the risk related to currency fluctuation in relation to day to day operations. The Group has not entered into any forward contracts or other derivatives in relation to currency risk.

Credit risk
The risk that counterparties do not have the financial strength to meet their obligations is considered low, since, historically, losses due to bad debts have been small. The Group has no material credit risk relating to individual counterparties or counterparties which may be considered a group due to similarities in the credit risk. The Group has guidelines to ensure that sales are made only to customers that have not previously had material payment problems, and that outstanding balances do not exceed fixed credit limits. Part of the total trade receivable is insured. The gross credit risk on the balance sheet date corresponds to the Group's trade receivables portfolio on the balance sheet date. See note 3.8.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Cash flow forecasts are drawn up on a regular basis and the Accounting department monitors rolling forecasts of the Group's liquidity requirements to ensure that the Group has sufficient cash equivalents to meet operational liabilities, as well as at all times having adequate flexibility in the form of unused credit facilities (see consolidated statement of cash flows), such that the Group does not infringe borrowing limits or specific borrowing conditions. The Group's objective is to have sufficient cash, cash equivalents or medium-term credit facilities to meet its payment obligations in the short term.

Amounts in 1000 EUR

The table below details the Group's non-derivative financial liabilities classified by maturity structure. The figures presented in the table are undiscounted contractual cash flows.

Maturity structure for financial liabilities as at 31 Dec 2022	Less than 1 year	1-2 years	2-3 years	3-4 years	5 years and more	Total
Non-current interest-bearing bank loans	2,099	51,649	0	0	0	53,749
Current interest-bearing bank loans	4,130	0	0	0	0	4,130
Trade payables and other short-term payables	11,702	0	0	0	0	11,702
Lease liabilities	1,180	1,068	762	620	3,312	6,942
Tax payable	1,341	0	0	0	0	1,341
Other current liabilities	9,650	0	0	0	0	9,650
Total liabilities	**30,101**	**52,718**	**762**	**620**	**3,312**	**87,514**

Maturity structure for financial liabilities as at 31 Dec 2021	Less than 1 year	1-2 years	2-3 years	3-4 years	5 years and more	Total
Non-current interest-bearing bank loans	2,084	2,084	36,380	0	0	40,549
Trade payables and other short-term payables	9,699	0	0	0	0	9,699
Lease liabilities	1,098	1,088	1,011	753	1,939	5,889
Other current liabilities	5,564	0	0	0	0	5,564
Total liabilities	**18,444**	**3,172**	**37,391**	**753**	**1,939**	**61,701**

Interest rate risk sensitivity

The sensitivity to a possible change in interest rates, with all other variables held constant, on the Group's profit before tax, is illustrated below.

Interest rate sensitivity*	Increase / decrease in basis points	Effect on profit before tax	Effect on equity
31/12/2022	+/- 100	579	463
31/12/2021	+/- 100	405	324

*The figures given above are absolute figures

The primary operational income for the Group is denominated in EUR. In 2022, 61 per cent of the Group's operational income was generated in EUR, while other operational income was mostly in USD. Since exchange rate volatility can impact the profitability of salmon sales, the Group has taken steps to mitigate currency risk by hedging all fixed price contracts denominated in currencies other than the operational currency.

The Group's operational costs are primarily denominated in EUR and significant purchases are also contracted in EUR. However, around 40 per cent of the operational costs are in Icelandic Krona (ISK), which is a currency that is highly vulnerable to fluctuations in the global market. While the group acknowledges the impact of currency fluctuations on its operational cost, there has been no hedging against ISK to EUR. The main components of the operational costs in ISK are salaries, domestic contractor and supplier purchases, and taxes.

Amounts in 1000 EUR

Capital structure and equity

The objective of the Group's capital management is to safeguard the Group's continued operations in order to secure a return on investment for shareholders and other stakeholders, and maintain an optimal capital structure for reducing capital costs. By ensuring a good debt-to-equity ratio the Group will support its business operations, and thereby maximise the value of the Group's shares.

The Group manages and makes changes to its capital structure in response to an ongoing assessment of the financial conditions under which the business operates, and its short and medium-term outlook. No changes were made in the guidelines covering this area in 2022.

As of 31 December 2022, the Group had an equity ratio of 61.3 per cent (64 per cent as at 31 December 2021). See Note 3.11 for further details of the Group's net interest-bearing debt.

Amounts in 1000 EUR

4.2 Share capital and shareholders

As at 31 December 2022, the parent company's share capital comprised:

	No.	Face value	Share capital in EUR
Ordinary shares	30,961,868	0.96	29,571,137

Shareholders

The Company's 20 largest shareholders as at 31 December 2022 were:

	No.	Shareholding
SalMar ASA	15,798,152	51.02%
J.P. Morgan bank luxembourg S.A.	2,882,986	9.31%
Íslandsbanki hf.	2,444,463	7.90%
Gyda ehf.	1,000,000	3.23%
Holta Invest AS	938,314	3.03%
Pactum Vekst AS	825,862	2.67%
MP Pensjon PK	619,706	2.00%
Roth	599,661	1.94%
Clearstream Banking S.A.	569,526	1.84%
Nima Invest AS	563,088	1.82%
State Street Bank and Trust comp	515,000	1.66%
Kristians and AS	470,000	1.52%
Haganes AS	270,705	0.87%
VPF DNB Norge Selektiv	257,374	0.83%
Verdipapirfondet DNB SMB	231,249	0.75%
Alden AS	217,776	0.70%
Lithinon AS	186,881	0.60%
Verdipapirfondet Eika Spar	185,492	0.60%
Verdipapirfondet Pareto Investment	185,000	0.60%
DNB Bank ASA	170,537	0.55%
Total 20 largest shareholders	**28,931,772**	**93.44%**
Total other shareholders	2,030,096	6.56%
Total no. of shares	**30,961,868**	**100.00%**

Amounts in 1000 EUR

Shares owned by members of the board and directors.

Name	Title	shares	Shareholding
Kjartan Olafsson *	Chairman of the board	1,000,000	3.23%
Trine Sæther Romuld ***	Boardmember	***	
Olav Andreas Ervik ***	Boardmember	***	
Leif Inge Nordhammer ***	Boardmember	***	
Espen Marcussen ****	Boardmember	****	
Bjørn Hembre **	CEO	32,900	0.11%
Rolf Ørjan Nordli ***	COO SeaWater	***	***

* Kjartan Ólafsson owns indirectly through Gyda ehf. Kjartan Olafsson owns 100 per cent of the shares in Berg Fjárfesting ehf, which own 100 per cent of the shares in Gyda ehf.
** Björn Hembre owns indirectly through IVMA AS which is one of minority stakeholders in Icelandic Salmon AS. Björn owns 100 per cent of the shares in IVMA AS.
*** Trine Sæther Romuld, Olav Andreas Ervik, Leif Inge Nordhammer and Rolf Ørjan Nordli: all indirectly owns share through minority stakes in SalMar ASA.
**** Espen Marcussen indirectly owns shares through a minority stake in Pactum AS

See further information regarding share options in note 2.4

4.3 Earnings per share

Earnings per share	2022	2021
Net profit for the year	34,917	2,367
No. of shares outstanding as at 1 Jan	30,962	30,962
Share issue during the year	0	0
No. of shares outstanding as at 31 Dec	30,962	30,962
Average no. of shares outstanding through the year (basic and diluted)	**30,962**	**30,962**
Earnings per share (EUR)		
Basic and diluted	1.13	0.08

Amounts in 1000 EUR

4.4 Group companies

Ownership and voting interest :

Subsidiary	31/12/2022	31/12/2021	Company	Registered office	Principal activity
Arnarlax ehf.	100%	100%	Icelandic Salmon AS	Strandgata 1, 465 Bíldudalur, Iceland	Fish farming
Fjallalax ehf.	100%	100%	Arnarlax ehf.	Strandgata 1, 465 Bíldudalur, Iceland	Fish farming
Eldisstöðin Ísþór ehf.	100%	50%	Arnarlax ehf.	Þorlákshöfn, Iceland	Fish farming
Icelandic Salmon ehf.	100%	100%	Arnarlax ehf.	Tálknafjörður, Iceland	Dormant*

* Share capital of Icelandic Salmon ehf. consists solely of ordinary shares, which are held directly by the Group. The company is dormant and not consolidated in these cConsolidated Financial Statements as its effects would be immaterial in the opinion of management.

**See not 4.5 business combination

4.5 Business Combination

Accounting principle

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

Business acquisitions in 2022

Acquistion of Eldisstöðin Ísþór ehf..
The Company's fully owned subsidiary, Arnarlax ehf., signed a Share Purchase Agreement (SPA) on 25th of May for the remaining 50% of shares in its joint venture, Eldisstöðin Ísþór ehf. ("Ísþór"). The transaction was subject to approval from the Icelandic Competition Authorities (ICA) and certain other closing conditions. The ICA approved the acquistion on 2nd of August and all other closing condision was closed on 17 of August, which is the acquisition date.

With this acquisition the Group has gained full control over its joint venture and therefore in accordance with IFRS the Group has remeasured its 50% equity interest held before the acquistion to fair value. The remeasurement resulted in a fair value gain of 9.0 million recognized as other financial items in the Consolidated Statement of Comprehensive Income.

After the transaction the Group owns 100 per cent of the shares in Ísþór. The purpose of the transaction is to increase the flexibility in size of smolt and increased number of smolt supporting the company's growth plans. For accounting purposes, the transaction will be treated as a business combination with effect from the acquisition date. With this acquisition the Group takes another important step in its strategy of increasing smolt weight, allowing increased MAB license utilization while reducing production time in sea and thereby biological risk. No material external transaction costs were incurred in the connection with the acquisition.

Amounts in 1000 EUR

As part of the acquistion, Ísþór repaid to the former owners a liability amounting to EUR 4.3 million founded by a loan from Arnarlax.

Eldisstöðin Ísþór ehf's assets acquired and liabilities recognized at the date of acquisition:	Carrying amount	Adjustment to fair value	Fair value
Property, plant and equipments	12,970	6,328	19,298
Investment in associates	1	0	1
Lease assets	131	0	131
Cash	51	0	51
Long term debt	(375)	0	(375)
Deferred tax liability	50	(1,266)	(1,216)
Trade payables	(1,304)	0	(1,304)
Lease liability	(134)	0	(134)
Liabilities - former owners	(4,290)	0	(4,290)
Other current liabilities	(89)	0	(89)
Net identifiable assets and liabilities	**7,010**	**5,062**	**12,073**
Cash consideration			**10,588**

Total consideration and recognized goodwill	
Cash consideration	10,588
Fair value of previously held equity interest*	16,892
Minus net idendifiable assets and liabilities	(12,073)
Goodwill	**15,407**

Net cash outflow arising on acquistion	
Cash consideration	10,588
Less cash and cash equivalent balances acquired	(51)
Net cash outflow arising on acquistion	**10,537**

*Fair value of previously held equity interest include intercompany long-term liability of EUR 6.3 million and Equity of EUR 10.6 million have been consolidated as of 31 December 2022.

Business acquisitions in 2021

Arnarlax signed a contract on 11 May 2021 for the acquisition of all shares in Fjallalax ehf, for a cash consideration of EUR 0.67 million. Of that amount, EUR 0.47 million was paid on 11 June 2021 which is defined as the acquisition date and EUR 0.2 million in end of January 2022. Below is the fair value of assets and liabilities acquired based on final purchase price allocation according to IFRS 3.

After the transaction the Group owns 100 per cent of the shares in Fjallalax ehf. The purpose of the transaction is to increase the flexibility in size of smolt and increased number of smolt supporting the company's growth plans. For accounting purposes, the transaction will be treated as a business combination with effect from the acquisition date.

Amounts in 1000 EUR

With this acquisition the Group takes important step in its strategy of increasing smolt weight, allowing increased MAB license utilization while reducing production time in sea and thereby biological risk. No material external transaction costs were incurred in the connection with the acquisition.

Fjallalax ehf's assets acquired and liabilities recognized at the date of acquisition:	Book value	Adjustment to fair value	Fair value
Biomass - Arctic Char	41	0	41
Lease assets	365	0	365
Trade and other receivables	26	0	26
License	0	928	928
Equipment and machinery	18	0	18
Deferred tax liability	0	(186)	(186)
Lease liabilities	(338)	0	(338)
Trade and other payables	(159)	0	(159)
Current portion of leasing	(27)	0	(28)
Net identifiable assets and liabilities	**(75)**	**743**	**667**
Cash consideration			**667**

Assets and liabilities of Fjallalax ehf. have been consolidated as of 31 December 2021.

4.6 Related party transactions

Accounting principles

Balances and transactions between Icelandic Salmon AS and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its joint ventures are disclosed below.

Transactions with related parties in 2022:	Sales	Purchases	Receivables	Liabilities
Eldisstöðin Ísþór ehf., joint venture	252	2,861	0	0
Entities related to Salmar ASA, parent company	731	53	0	0
Entities related to Kvarv AS, ultimate parent	189	9,119	27	1,354
Entities related to chairman of Icelandic Salmon AS	49	448	4	37

Transactions with related parties in 2021:	Sales	Purchases	Receivables	Liabilities
Eldisstöðin Ísþór ehf., joint venture	0	3,719	4,964	0
Salmar ASA, shareholder in Icelandic Salmon AS	0	34	0	34
Entities related to SalMar ASA parent company	3,426	0	166	0
Entities related to Kvarv AS, ultimate parent	0	6,482	0	532
Entities related to shareholder of Icelandic Salmon AS	0	492	11	41

Transactions between the Group and related parties are undertaken at market terms and conditions.
See note 2.3 for remuneration to group management and board of directors.

Icelandic Salmon AS is part of the SalMar Group. The Group's Parent Company is Salmar ASA. SalMar's Parent Company is Kverva Industrier AS, which owns 41.27 per cent of the shares in SalMar ASA. The Ultimate Parent Company is Kvarv AS, which prepares its own consolidated accounts in accordance with NGAAP.

4.7 Subsequent events

The Group has evaluated subsequent events. The Group has determined that there were no significant events or transactions that occurred subsequent to year-end that would require adjustment to or disclosure in the financial statements. Therefore, the financial statements present farily, in all material respects, the financial position of the Group as date of the issue and the results of its operations and its cash flows for the year then ended.

4.8 Effect of the War in Ukraine

On 24 February 2022 the Russian army invaded Ukrain. The market effect for the Company is minimal as sales to Russia and Ukraine has been very low prior to the invasion. The Russian invasion and imposed sanctions have disrupted many supply chains and impacted the price of raw materials such as fish feed, operations, and logistics. At the same time the market has shown a positive price development and increased demand for Atlantic Salmon, balancing the effect of higher cost. The current geopolitical situation has so far had no significant negative impact on the Icelandic Salmon markets. Management will continue to monitor the situation closely.

Amounts in 1000 EUR

4.9 Alternative performance measures

The Group prepares its Financial Statements in accordance with International Financial Reporting Standards (IFRS). In addition, management has established alternative performance parameters (APMs) to provide useful and relevant information to users of its Financial Statements. Alternative performance parameters have been established to provide greater understanding of the Company's underlying performance, and do not replace the Consolidated Financial Statements prepared in accordance with international accounting standards (IFRS): The performance parameters have been reviewed and approved by the Group's management and Board of Directors. Alternative performance parameters may be defined and used in other ways by other companies.

Operational EBIT

Operational EBIT is an APM used by the Group and the most important measure of its performance under IFRS, since it shows the results of underlying operations during the period. The difference between Operational EBIT and operating profit/loss relates to items which are classified in the Financial Statements on the line for fair value adjustments. These items are market value and fair value assessments linked to assumptions about the future. Operational EBIT shows the underlying operation and the results of transactions undertaken in the period.

Operational EBIT is the Groups's most important measure of its performance under IFRS, since it shows the results of underlying operations during the period. Specific items not associated with underlying operations are presented on separate lines in the Consolidated Financial Statements.

	2022	2021
Operating profit	**34,487**	**4,070**
Production tax	1,329	307
Onerous contracts	122	0
Fair value adjustments of biomass	215	2,937
Operational EBIT	**36,153**	**7,314**

Production tax

The production tax represents resource tax as described in note 2.5. Production tax reduces profit by EUR 1.3 million in 2022 compared to EUR 0.3 million in 2021.

Operational EBIT per kg gutted weight

Operational EBIT per kg gutted weight (GW) is defined as a key APMs for the Group. The performance parameter is used to assess the profitability of the goods sold and the Group's operations. The performance parameter is expressed per kg of harvested volume.

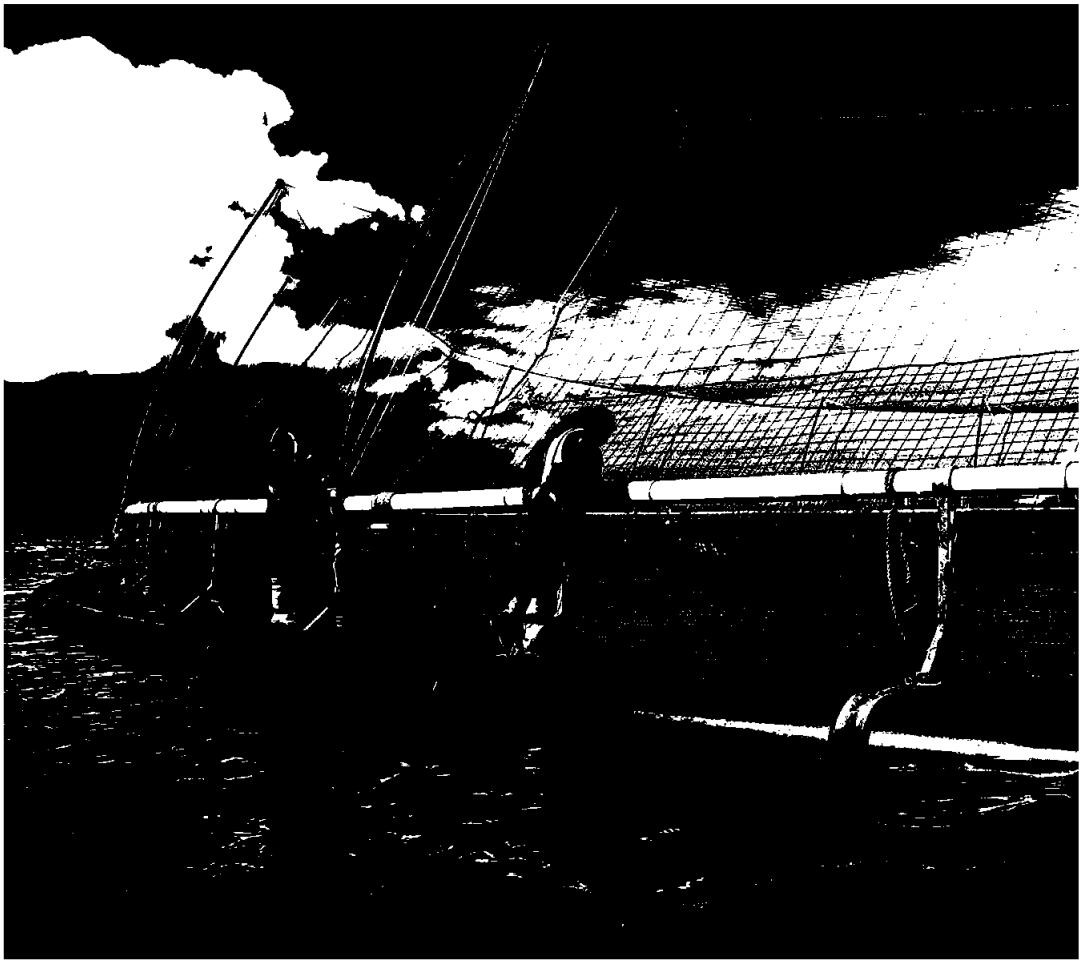
	2022	2021
Operational EBIT	36,153	7,314
Harvested volume (tonnes)	16,138	11,537
Operational EBIT per kg gutted weight	**2.24**	**0.63**

Amounts in 1000 EUR

Net interest bearing debt (NIBD)

Net interest bearing debt is an alternative performance measure used by the Group. The performance measure is used to express the Groups's working capital, and is an important performance measure for investors and other users, because it shows net borrowed capital used to finance the Group. Net interest-bearing debt is defined as long-term and short-term debt to credit institutions, less cash and cash equivalents. Lease liabilities under IFRS 16 are not included in the calculation of Net interest-bearing debt.

	2022	2021
Non-current interest-bearing borrowings	51,649	38,465
Current interest bearing borrowings	6,230	2,084
Cash and cash equivalents	(1,854)	(3,744)
Net interest bearing debt (NIBD)	**56,025**	**36,805**



Amounts in 1000 EUR

ICELANDIC SALMON AS FINANCIAL STATEMENTS

Income Statement

In EUR 1000	Note	2022	2021
Operating revenues and expenses			
Payroll expenes	2	103	21
Other operating expenses	2	176	146
Total operating expenses		**280**	**167**
Operating loss		**(280)**	**(167)**
Financial items			
Other interest income		15	0
Other interest expenses		(1)	0
Foreign currency (loss) gain	3	(90)	90
Net financial items		**(76**	**89**
Loss for the year		**(355)**	**(78)**

In EUR 1000	Note	2022	2021
Assets			
Non-Current assets			
Investments in subsidiaries	4, 10	115,729	115,571
Total non-current assets		**115,729**	**115,571**
Current assets			
Other current receivables		10	0
Bank deposits, cash & cash equivalents	5	1,527	1,891
Total current assets		**1,537**	**1,891**
TOTAL ASSETS		**117,266**	**117,462**
Equity and liabilities			
Equity			
Share capital	6,7	29,571	29,571
Share premium	6	88,600	90,622
Other paid-in equity	6	(930)	(1,089)
Other equity	6	0	(1,667)
Total equity		**117,241**	**117,438**
Liabilities			
Current liabilities			
Trade payables		26	1
Current payables to group companies	8	0	1
Other current liabilities		0	23
Total liabilities		**26**	**24**
TOTAL EQUITY AND LIABILITIES		**117,266**	**117,462**

Kverva, 21 April 2023

Kjartan Olafsson,
Chairman of the Board

Trine Sæther Romuld
Member of the Board

Espen Weyergang Marcussen,
Member of the Board

Leif-Inge Nordhammer,
Member of the Board

Bjørn Hembre,
CEO

Statement of Cash Flow

In EUR 1000	Note	2022	2021
Cash flow from Operating Activities			
Loss before tax		(355)	(78)
Change in trade payables and other current liabilities		(8)	(200)
Net cash flow from Operating Activities		**(363)**	**(278)**
Cash flow from Financing Activities			
Net change in debt to group companies	8	(1)	(1)
Net cash flow from financing activities		**(1)**	**(1)**
Net change in bank deposits, cash & cash equivalents		(364)	(279)
Bank deposits, cash & cash equivalents 1 Jan		1,891	2,170
Cash & cash equivalents as at 31 Dec		**1,527**	**1,891**

Amounts in 1000 EUR

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR 2022

1 Accounting principles

The Annual Financial Statements have been prepared pursuant to the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway (NGAAP). The Financial Statements are denominated in EUR, which is the company's functional currency.

Use of estimates
Preparation of Annual Financial Statements in accordance with generally accepted accounting principles requires management to make assessments, estimates and assumptions that affect the application of the accounting principles and the recognized value of assets and liabilities in the Statement of Financial Position, revenues and expenses for the financial year, as well as disclosures about uncertain assets and liabilities on the reporting date. Estimates and their underlying assumptions are based on historic experience and other factors considered to be relevant and obable at the time the assessment is made. These estimates affect the book value of assets and liabilities when their value is not based on other sources. Estimates are assessed continuously and final values and results may deviate therefrom. Changes in accounting estimates are recognized in the period in which the change takes place.

Shares in subsidiaries
Subsidiaries classified as non-current assets are recognized in accordance with the cost method. Subsidiaries are companies in which Icelandic Salmon AS has a controlling influence as a result of legal or de facto control. A controlling interest is, in principle, deemed to exist when more than 50 per cent of the voting capital is owned either directly or indirectly.

Dividend and other distributions are recognized as other financial income. If dividends exceed the share of profit and loss withheld after acquisition, the surplus amount represents a repayment of invested capital, and the distributions are deducted from the value of the investment in the Statment of Financial Position.

Classification and valuation of Financial Position items
Means of payment comprise cash, bank deposits and other short-term investments that can be converted into cash in no more than three months.

Assets intended for permanent ownership or use are classified as non-current assets. Other assets are classified as current assets and normally include items due for payment in less than a year, as well as items relating to the production cycle. For the classification of current and non-current liabilities, similar criteria applies.

Non-current assets are recognized at acquisition cost. If the recoverable value of a non-current asset is lower than its book value, and the impairment is not expected to be temporary, the carrying amount of the asset is reduced to its recoverable amount. Non-current assets with a limited economic lifespan are depreciated systematically.

Current assets are recognized at the lower of acquisition cost and fair value. Other non-current liabilities and current liabilities are recognized at their nominal value.

Amounts in 1000 EUR

Receivables
Trade receivables and other receivables are recognized at their nominal value, less a provision for bad debts. Provisions for bad debts are made on the basis of an individual assessment of the receivable concerned.

Cash and cash equivalents
Cash and cash equivalents in the Statement of Financial Position and the Statement of Cash Flows includes cash and restricted cash with a restriction less then three months from end of the reporting period.

Presentation currency and functional currency
As of January 1st 2021 the functional currency of Icelandic Salmon was changed to EUR and the Financial Statements are presented in EUR, which is also the functional currency of Arnarlax ehf (subsidiary) where the Groups main operation is.

Transactions in foreign currencies are recognized in the Statement of Financial Position at the exchange rate in effect when the transaction took place. Monetary items denominated in foreign currencies are translated into EUR at the exchange rate in effect on the reporting date. Non-monetary items valued at historic cost expressed in foreign currencies are translated into EUR using the exchange rate in effect when the transaction took place. Changes in exchange rates are recognized in the Income Statement under other financial items in the accounting period in which they occur.

Tax
The tax expense is matched against the profit/loss before tax. The tax expense comprises tax payable (tax on the year's direct taxable income) and change in net deferred tax. To the extent it is probable that they may come to be used, deferred tax assets and liabilities are presented net in the Statment of Financial Position.

Statement of cash flow
The Company's Statement of Cash Flow shows a breakdown of total cash flow generated by operating, investing and financing activities. The statement shows the individual activity's effect on cash and cash equivalents. The Statement of Cash Flow has been prepared in accordance with the indirect method.

Change in accounting principle and comparable figures
The figures for the previous year's annual Financial Statements are comparable.

Amounts in 1000 EUR

2 Payroll expenses and other operating expenses

Included in payroll expenses are benefits paid to Directors of the company as follows:

Payroll expenses	2022	2021
Directors' fees	103	21
Total payroll expenses	**103**	**21**

Remuneration of Board of directors for the year 2022 comprise of EUR 103 thousand compared to EUR 21 thousand in 2021.

The company's CEO is employed by and receives a salary from the subsidiary Arnarlax ehf. For further information see note 2.3 of Consolidated Financial Statements of Icelandic Salmon AS. As Icelandic Salmon AS has no employees of its own and is therefor not obliged to provide an occupational pension scheme pursuant to the Norwegain Mandatory Occupational Pensions Act.

On 19 February 2021, the Company granted 205,850 share options with an exercise price of NOK 115.00, respectively, to the CEO and certain key employees. The Company's intention is that the options will be equity-settled. The option holders must stay in the employment of the Group over a vesting period of three years from the grant date until 19 February 2024. As at 31 December 2022, the fair value of the agreements was determined to be EUR 504 thousand (2021: EUR 533 thousand) and pro rata accrual in the amount of EUR 158 thousand (2021: EUR 155 thousand) was recognized as an investment in subsidiaries, with a corresponding entry to other paid in equity.

Corresponding amounts have been recognized as salary by Arnarlax ehf. For further details, see note 2.4 the Consolidated Financial Statements of Icelandic Salmon AS.

Included in operating expenses are remuneration paid to statitutory auditors as follows:

	Others	EY	Total
Statutory auditing services	0	53	53
Total remuneration to auditors in 2022:	**0**	**53**	**53**
Statutory auditing services	19	19	38
Total remuneration to auditors in 2021:	**19**	**19**	**38**

Fees are presented inclusive of VAT.

Amounts in 1000 EUR

3 Currency gains (losses)

The effect of currency gains or losses are recognized under other financial expenses in the Income Statement. The currency gain/(loss) are related to bank balances in NOK.

4 Shares in group companies

Company	Shareholding	Registered office	Book value	Net profit/ (loss) 2022	Book value of equity at 31 Dec 2022
Arnarlax ehf	100%	Bildudal - Iceland	115,729	35,272	142,684

5 Cash and cash equivalents

The Company´s cash and cash equivalent consist of bank balances and withholding tax.

	31.12.2022	31.12.2021
Bank balances	1,527	1,883
Bank balances, withholding tax	0	8
Total cash and cash equivalent	**1,527**	**1,891**

Amounts in 1000 EUR

6 Share capital and shareholders

Share capital as at 31 December 2022 comprised:

	No.	Face value	Share capital in EUR
Ordinary shares	30,961,868	0.96	29,571,137

The company has only one class of shares.

The company's 20 largest shareholders as at 31 December 2022 were:

	No. of shares	Shareholding
SalMar ASA	15,798,152	51.02%
J.P. Morgan bank luxembourg S.A.	2,882,986	9.31%
Íslandsbanki hf.	2,444,463	7.90%
Gyda ehf.	1,000,000	3.23%
Holta Invest AS	938,314	3.03%
Pactum Vekst AS	825,862	2.67%
MP Pensjon PK	619,706	2.00%
Roth	599,661	1.94%
Clearstream Banking S.A.	569,526	1.84%
Nima Invest AS	563,088	1.82%
State Street Bank and Trust comp	515,000	1.66%
Kristians and AS	470,000	1.52%
Haganes AS	270,705	0.87%
VPF DNB Norge Selektiv	257,374	0.83%
Verdipapirfondet DNB SMB	231,249	0.75%
Alden AS	217,776	0.70%
Lithinon AS	186,881	0.60%
Verdipapirfondet Eika Spar	185,492	0.60%
Verdipapirfondet Pareto Investment	185,000	0.60%
DNB Bank ASA	170,537	0.55%
Total 20 largest shareholders	**28,931,772**	**93.44%**
Total other shareholders	2,030,096	6.56%
Total no. of shares	**30,961,868**	**100.00%**

Amounts in 1000 EUR

Shares owned by members of the board and senior executives:

Name		No. of shares	Share-holding
Kjartan Olafsson *	Chairman of the board	1,000,000	3.23%
Trine Sæther Romuld ***	Boardmember	***	
Olav Andreas Ervik ***	Boardmember	***	
Leif Inge Nordhammer ***	Boardmember	***	
Espen Marcussen ****	Boardmember	****	
Bjørn Hembre **	CEO	32,900	0.11%
Rolf Ørjan Nordli ***	COO SeaWater	***	

* Kjartan Ólafsson owns indirectly through Gyda ehf. Kjartan Olafsson owns 100 per cent of the shares in Berg Fjárfesting ehf, which own 100 per cent of the shares in Gyda ehf.
** Björn Hembre owns indirectly through IVMA AS which is one of minority stakeholders in Icelandic Salmon AS. Björn owns 100 per cent of the shares in IVMA AS.
*** Trine Sæther Romuld, Olav Andreas Ervik, Leif Inge Nordhammer and Rolf Ørjan Nordli: all indirectly owns share through minority stakes in SalMar ASA.
**** Espen Marcussen indirectly owns shares through a minority stake in Pactum AS

7 Equity

	Share capital	Share premium	Other paid-in equity	Uncovered loss	Total equity
Equity 1 Jan 2021	**29,571**	**90,622**	**288**	**(1,590)**	**118,891**
Year's change in equity:					
Net loss for the year	0	0	0	(78)	(78)
Share-based payment, expensed	0	0	209	0	209
Share-based payment, settlement	0	0	(1,585)	0	(1,585)
Equity 31 Dec 2021	**29,571**	**90,622**	**(1,089)**	**(1,667)**	**117,438**
Equity 1 Jan 2022	**29,571**	**90,622**	**(1,089)**	**(1,667)**	**117,438**
Year's change in equity:					
Net profit loss for the year	0	0	0	(355)	(355)
Uncovered loss moved against Share Premium	0	(2,023)	0	2,023	0
Share-based payment, expensed	0	0	158	0	158
Equity 31 Dec 2022	**29,571**	**88,600**	**(930)**	**0**	**117,241**

For further information on share-based payments see note 2.4 in Consolidated Financial Statements of Icelandic Salmon AS.

Amounts in 1000 EUR

8 Intra-group balances, etc.

Other short-term payables	2022	2021
Group Companies	0	1
Total	0	1

Related parties transactions in the years 2022 and 2021 were insignificant.

9 Tax

Breakdown of the year's taxable income	2022	2021
Profit/loss before tax	(355)	(78)
Year's taxable income	(355)	(78)

Breakdown of temporary differences	2022	2021
Accumulated tax-loss carryforwards 1 January	(4,172)	(3,816)
Loss of the year	(355)	(78)
Foreign currency differences	229	(184)
Accumulated tax-loss carryforwards 31 December	(4,127)	(4,001)
Not included in the calculation of deferred tax	4,127	4,001
Deferred tax liability (+) / tax asset (-)	0	0
Tax rate used to calculate deferred tax	22%	22%

Deferred tax assets are calculated at 22 per cent on all temporary differences between the book value and tax value of assets and liabilities, and loss carried forward at the end of the reporting period. Taxable and deductible temporary differences that reverse or may reverse in the same period are offset. Deferred tax assets are recognized when it is probable that the Company will have adequate profit for tax purposes in subsequent periods to utilize the tax asset.

Reconciliation of nominal to actual tax rate	2022	2021
Profit/loss before tax	(355)	(78)
Expected tax on income at nominal tax rate	(78)	(17)
Carry forward loss not recognized in Income Statement as tax asset*	78	17
Estimated tax expense	0	0
Effective tax rate	0.0%	0.0%

*The Company's Carry forward loss of EUR 4.2 million does not expire according to Norwegian laws. The Company will recognize and record tax asset when there is an dequate profit for tax purposes to utilize the existing carry forward loss.

10 Loans and guarantees

Icelandic Salmon AS has pledged shares it holds in Arnarlax Ehf. as security for its subsidiary's liabilities. Icelandic Salmon AS owns 100 per cent of the shares in Arnarlax ehf, the book value of which was EUR 115,7 million as at 31 December 2022.

STATEMENT BY THE BOARD OF DIRECTORS AND CEO

According to the best knowledge of the Board of Directors and the CEO, the nsolidated Financial Statements are in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements in the Norwegian Financial Statement Act. It is the opinion of the Board of Directors and the CEO that the Consolidated Financial Statments give a fair view of the Group's assets, liabilities and Financial Position as at 31 December 2022 and the Group's results and changes in cash in the year 2022

Furthermore, it is the opinion of the Board of Directors and the CEO that the Financial Statements and the Endorsement by the Board of Directors for the year 2022 give a fair view of the Group's results, Financial Position and development and describe the main risk factors faced by the Group.

The Board of Directors and the Chief Executive Officer hereby confirm these Consolidated Financial Statements with their signature.

Bíldudalur April 21 2023

Kjartan Olafsson,
Chairman of the Board

Trine Sæther Romuld
Member of the Board

Espen Weyergang Marcussen,
Member of the Board

Leif-Inge Nordhammer,
Member of the Board

Bjørn Hembre,
CEO

INDEPENDENT ACCOUNTANT'S ASSURANCE REPORT

To the board of directors in Icelandic Salmon AS

Scope

We have been engaged by Icelandic Salmon AS to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Icelandic Salmon AS's sustainability reporting as defined in the Icelandic Salmon AS's GRI Index (see the document GRI content index 2022 on p. xx) (the "Subject Matter") as of 31 December 2022 and for the period from 1 January to 31 December 2022.
Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Annual report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Icelandic Salmon AS

In preparing the Subject Matter, Icelandic Salmon AS applied the relevant criteria from the Global Reporting Initiative (GRI) sustainability reporting standards as well as own defined criteria (the "Criteria"). The Criteria can be accessed at globalreporting.org and are available to the public. Icelandic Salmon AS has also applied relevant criteria from the reporting standards of the Global Salmon Initiative (GSI). Such Criteria were specifically designed for companies and other organizations that want to report their sustainability impacts in a consistent and credible way. As a result, the Subject Matter information may not be suitable for another purpose.

Icelandic Salmon AS's responsibilities

The Board of Directors and Group Chief Executive Officer (management) are responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'). This standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We are independent of the company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if a reasonable assurance engagement had been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with key personnel to understand the business and the reporting process
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period
- Checked on a sample basis the calculation Criteria against the methodologies outlined in the Criteria
- Performed analytical review procedures of the data
- Identified and tested the assumptions supporting the calculations
- Tested, on a sample basis, the underlying source information
- Checked the presentation requirements outlined in the Criteria

We believe that our procedures provide us with an adequate basis for our conclusion. We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 31 December 2022 and for the period from 1 January 2022 to 31 December 2022 in order for it to be in accordance with the Criteria.

Trondheim, 23 April 2022
ERNST & YOUNG AS

The assurance report is signed electronically

Christian Ronæss
State Authorised Public Accountant

GRI INDEX AND THIRD-PARTY VERIFICATION

Built on the basis of the guidelines issued by the Global Reporting Initiative (GRI), Icelandic Salmon AS reports on its activities in the field of corporate social responsibility and sustainability within Annual report, sustainability report and other information published on the Groups website.

Statement of use	**Icelandic Salmon AS has reported in accordance with the GRI Standards for the preiod 1 January 2022 - 31 December 2022**
GRI 1 used	**GRI 1 used**
Applicable GRI Sector Standard(s)	**N/A**

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
General disclosures		
	2-1 Organizational details	Icelandic Salmon AS
	2-2 Entities included in the organization's sustainability reporting	Arnarlax ehf.
	2-3 Reporting period, frequency and contact point	1st January 2022 - 31 st December 2022.
	2-4 Restatements of information	N/A First reporting
	2-5 External assurance	This report - vísa í EY assurance letter
	2-6 Activities, value chain and other business relationships	This report ABC of salmong farming
	2-7 Employees	This report - People and society
	2-8 Workers who are not employees	This report - People and society
	2-9 Governance structure and composition	This report - Corporate governance at Icelandic Salmon
	2-10 Nomination and selection of the highest governance body	This report - Corporate governance at Icelandic Salmon
	2-11 Chair of the highest governance body	This report - Corporate governance at Icelandic Salmon
	2-12 Role of the highest governance body in overseeing the management of impacts	This report - Corporate governance at Icelandic Salmon
	2-13 Delegation of responsibility for managing impacts	This report - Corporate governance at Icelandic Salmon and Group management
	2-14 Role of the highest governance body in sustainability reporting	This report - Corporate governance at Icelandic Salmon and Group management
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	This report - Corporate governance at Icelandic Salmon and Group management
	2-16 Communication of critical concerns	This report - BOD Report for 2022
	2-17 Collective knowledge of the highest governance body	This report - Corporate governance at Icelandic Salmon and Group management
	2-18 Evaluation of the performance of the highest governance body	This report - Corporate governance at Icelandic Salmon and Group management
	2-19 Remuneration policies	This report - Corporate governance at Icelandic Salmon
	2-20 Process to determine remuneration	This report - Equity and Dividend
	2-21 Annual total compensation ratio	Page 68
	2-22 Statement on sustainable development strategy	This report - Message from CEO
	2-23 Policy commitments	Ethical-Guidelines-Arnarlax-2020_EN.pdf
	2-24 Embedding policy commitments	Ethical-Guidelines-Arnarlax-2020_EN.pdf
	2-25 Processes to remediate negative impacts	This report - Corporate governance at Icelandic Salmon
	2-26 Mechanisms for seeking advice and raising concerns	Page 33-35
	2-27 Compliance with laws and regulations	This report - Corporate governance at Icelandic Salmon
	2-28 Membership associations	SFS, SA, University center in Isafjordur
	2-29 Approach to stakeholder engagement	Page 15
	2-30 Collective bargaining agreements	This report - People and society

GRI INDEX ICELANDIC SALMON AS

OMISSION			GRI SECTOR STANDARD REF. NO.
REQUIREMENT(S) OMITTED	REASON	EXPLANATION	

A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 22
	3-2 List of material topics	Page 22
Economic performance		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Section 4
	201-2 Financial implications and other risks and opportunities due to climate change	This report, Section 3, Climate risk, page 50
	201-3 Defined benefit plan obligations and other retirement plans	This report, Note 2.3 Salary and personnel expenses, page 67, and Note 2.4 Share-based incentive schemes, page 68
	201-4 Financial assistance received from government	
Market presence		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	
	202-2 Proportion of senior management hired from the local community	This report, Note 2.3 Salary and personnel expenses, page 67
Indirect economic impacts		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	
	203-2 Significant indirect economic impacts	Disclosed in annual social footprint report on www.arnarlax.is
Procurement practices		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Disclosed in annual social footprint report on www.arnarlax.is
Anti-corruption		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	This report, Section 3, Anti-corruption and bribery, page 51
	205-2 Communication and training about anti-corruption policies and procedures	This report, Section 3, Anti-corruption and bribery, page 51
	205-3 Confirmed incidents of corruption and actions taken	No such incidents, not disclosed in report
Anti-competitive behavior		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	
Tax		
GRI 207: Tax 2019	207-1 Approach to tax	This report, Note 2.5 Other operating expenses page 70 and Note 2.7 Tax expense page 72.
	207-2 Tax governance, control, and risk management	This report, Note 2.7 Tax expense page 72.
	207-3 Stakeholder engagement and management of concerns related to tax	
	207-4 Country-by-country reporting	
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environment
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 26
	301-2 Recycled input materials used	Page 31
	301-3 Reclaimed products and their packaging materials	
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environment
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 30
	302-2 Energy consumption outside of the organization	Page 30
	302-3 Energy intensity	Page 30
	302-4 Reduction of energy consumption	Page 30
	302-5 Reductions in energy requirements of products and services	Page 30

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	Information unavailable/incomplete	Goal to report on this for year 2023	
	Information unavailable/incomplete	Goal to report on this for year 2023	
	Information unavailable/incomplete		
	Not applicable	Goal to report on this for year 2023	
	Information unavailable/incomplete	Goal to report on this for year 2023	
	Information unavailable/incomplete	Goal to report on this for year 2023	
	Not applicable		
	Not applicable		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
Water and effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environment
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 31
	303-2 Management of water discharge-related impacts	Page 31
	303-3 Water withdrawal	Page 31
	303-4 Water discharge	Page 31
	303-5 Water consumption	Page 31
Biodiversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environment
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
	304-2 Significant impacts of activities, products and services on biodiversity	Page 21
	304-3 Habitats protected or restored	Page 21
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Válisti fugla | Icelandic Institute of Natural History (ni.is)
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environment
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 30
	305-2 Energy indirect (Scope 2) GHG emissions	Page 30
	305-3 Other indirect (Scope 3) GHG emissions	Page 30
	305-4 GHG emissions intensity	Page 30
	305-5 Reduction of GHG emissions	Page 30
	305-6 Emissions of ozone-depleting substances (ODS)	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	Environment
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 31
	306-2 Management of significant waste-related impacts	Page 31 / Green books 2022
	306-3 Waste generated	Page 31 / Green books 2022
	306-4 Waste diverted from disposal	Page 31 / Green books 2022
	306-5 Waste directed to disposal	Page 31 / Green books 2022
	307-1 Non-compliance with environmental laws and regulations	
Supplier environmental assessment		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	
	308-2 Negative environmental impacts in the supply chain and actions taken	
Employment		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	

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REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
304-1	Not applicable	Arnarlax does not operate in any protected areas.	
305-6	Not applicable	No emissions of ozone-depleting substances within the operations.	
305-7	Not applicable	No nitrogen oxides, sulfur oxides and other significant emissions within the operations.	
	Not applicable	We are in compliance.	
308-1	Information unavailable/incomplete	The aim is to report on this for year 2023.	
308-2	Information unavailable/incomplete	The aim is to report on this for year 2023.	
401-1	Information unavailable/incomplete	First report. The aim is to report on this for year 2023.	
401-2	Information unavailable/incomplete	First report. The aim is to report on this for year 2023.	
401-3	Information unavailable/incomplete	First report. The aim is to report on this for year 2023.	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
Labor/management relations		
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	
Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	People and society
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	This report - People and society
	403-2 Hazard identification, risk assessment, and incident investigation	This report - People and society
	403-3 Occupational health services	This report - People and society
	403-4 Worker participation, consultation, and communication on occupational health and safety	This report - People and society
	403-5 Worker training on occupational health and safety	This report - People and society
	403-6 Promotion of worker health	This report - People and society
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8 Workers covered by an occupational health and safety management system	This report - People and society
	403-9 Work-related injuries	This report - People and society
	403-10 Work-related ill health	This report - People and society
Training and education		
GRI 3: Material Topics 2021	3-3 Management of material topics	People and society
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	
	404-2 Programs for upgrading employee skills and transition assistance programs	This report - Education programmes on p9 and Ecuation and training on p41.
	404-3 Percentage of employees receiving regular performance and career development reviews	
Diversity and equal opportunity		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	This report - Corporate governance at Icelandic Salmon and Group management
	405-2 Ratio of basic salary and remuneration of women to men	Vísa í jafnlaunavottun
Non-discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	People and society
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	
Freedom of association and collective bargaining		
GRI 3: Material Topics 2021	3-3 Management of material topics	People and society
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
Child labor		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	
Forced or compulsory labor		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	
Security practices		
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	

OMISSION			GRI SECTOR STANDARD REF. NO.
REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
402-1	Information unavailable/incomplete	First report. The aim is to report on this for year 2023.	
403-7	Not applicable		
404-1	Information unavailable/incomplete	Data gathering around all training is incomplete.	
	Information unavailable/incomplete	First report. The aim is to report on this for year 2023.	
406-1	Confidentiality constraints	All incidents received through Ethical portal are taken care of. High confidentiality is regarding these incidents within the company.	
407-1	Not applicable	Collective bargaining and the right to choose or form a union is bonded in Icelandic laws no. 80/1938.	
408-1	Not applicable	No child labor or incidents regarding the topic are present within the operations.	
409-1	Not applicable	No forced or compulsory labor or incidents regarding the topic are present within the operations.	
410-1	Not applicable	No force, inhuman or degrading treatment of employees.	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION
Rights of indigenous peoples		
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	
Local communities		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs 413-2 Operations with significant actual and potential negative impacts on local communities	
Supplier social assessment		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria 414-2 Negative social impacts in the supply chain and actions taken	
Public policy		
GRI 415: Public Policy 2016	415-1 Political contributions	
Customer health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	People and society
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page 35
Marketing and labeling		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling 417-2 Incidents of non-compliance concerning product and service information and labeling 417-3 Incidents of non-compliance concerning marketing communications	
417-		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	

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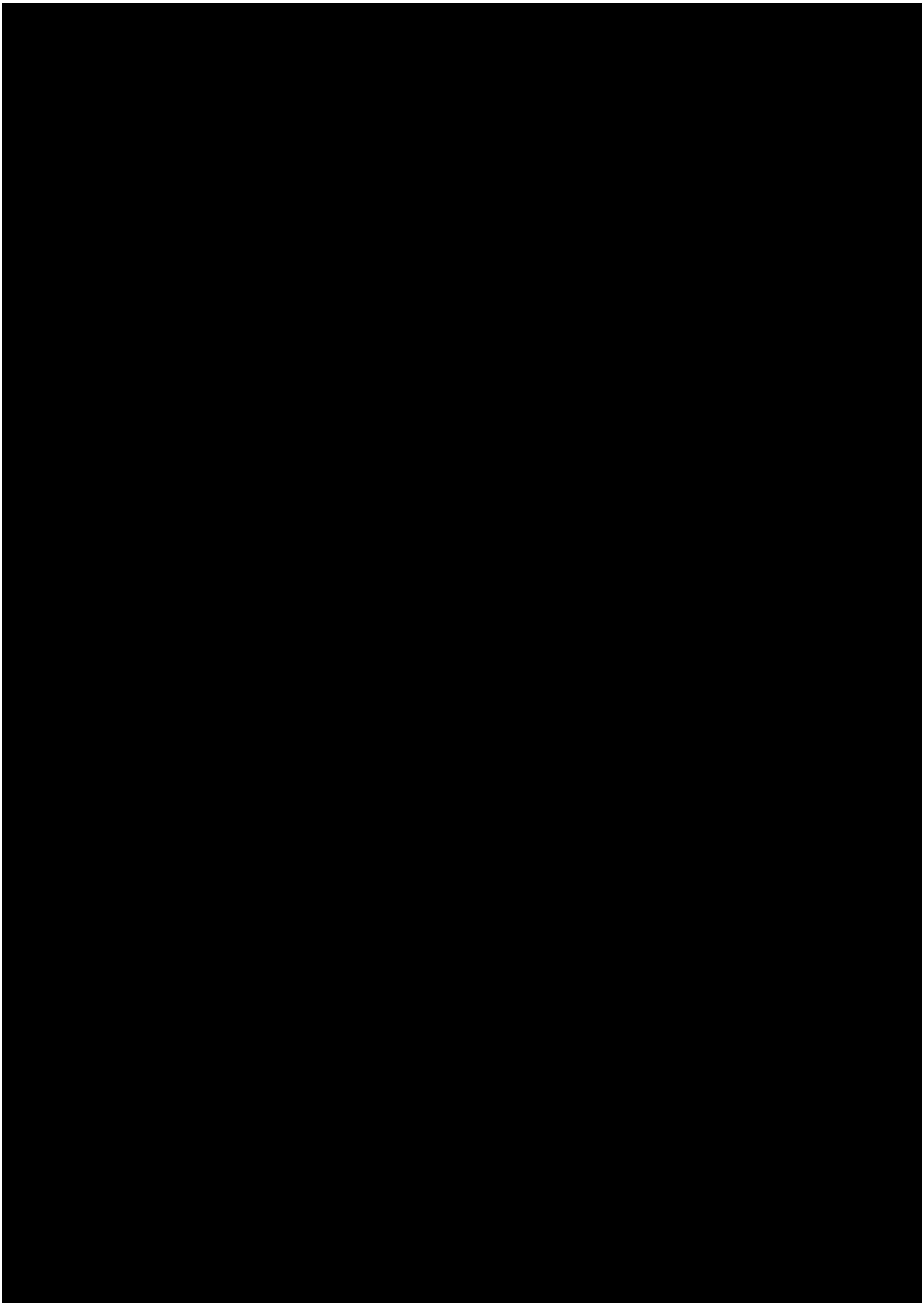
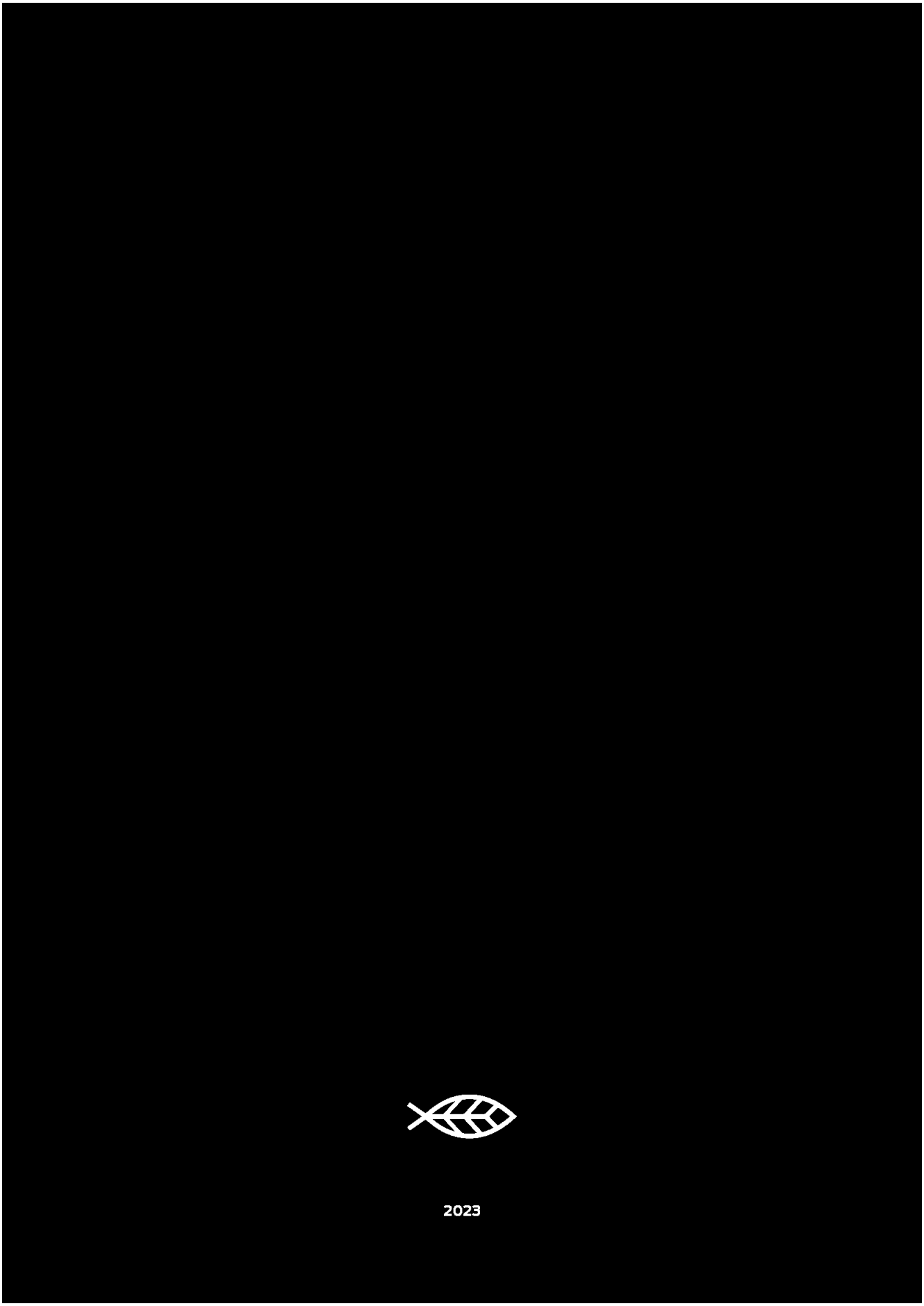
REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
411-1	Not applicable	No indigenous people are in Iceland.	
413-1	Not applicable	No vulnerable groups.	
413-2	Not applicable	No actual or significant negative impacts on local communties.	
414-1	Information unavailable/incomplete	We aim to report on this indicator for our 2023 report.	
414-2	Information unavailable/incomplete	We aim to report on this indicator for our 2023 report.	
415-1	Not applicable		
416-1			
416-2	Not applicable	No incidents of non-compliance concerning the health and safety impact of products.	
417-1	Not applicable	We are a manufacturer and distributor of our products to primary producers.	
417-2	Not applicable	No incidents	
417-3	Not applicable	No incidents	
418-1	Not applicable	No substantiated complaints concerning breaches of customer privacy and losses of customer data.	

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