

ADMISSION DOCUMENT



Ice Fish Farm AS

(A private limited liability company incorporated under the laws of Norway)

Admission to trading of shares on Merkur Market

This admission document (the "**Admission Document**") has been prepared by Ice Fish Farm AS (the "**Company**") and, together with its consolidated subsidiaries, the "**Group**" or "**Ice Fish Farm**") solely for use in connection with the admission to trading (the "**Admission**") of all issued shares of the Company on Merkur Market.

As of the date of this Admission Document, the Company's registered share capital is NOK 5,400,000, divided into 54,000,000 shares, each with a par value of NOK 0.10 (the "**Shares**").

The Shares have been approved for admission to trading on the Merkur Market and it is expected that the Shares will start trading on or about 5 June 2020 under the ticker code "IFISH-ME". The Shares are, and will continue to be, registered in the Norwegian Central Securities Registry (the "**VPS**") in book-entry form. All of the issued Shares rank pari passu with one another and each Share carries one vote.

Merkur Market is a multilateral trading facility operated by Oslo Børs ASA. Merkur Market is subject to the rules in the Norwegian Securities Trading Act of 29 June 2007 no 75 (as amended) (the "**Norwegian Securities Trading Act**") and the Norwegian Securities Trading Regulations of 29 June 2007 no 876 (as amended) (the "**Norwegian Securities Trading Regulation**") that apply to such marketplaces. These rules apply to companies admitted to trading on Merkur Market, as do the marketplace's own rules, which are less comprehensive than the rules and regulations that apply to companies listed on Oslo Børs and Oslo Axess. Merkur Market is not a regulated market. Investors should take this into account when making investment decisions.

THIS ADMISSION DOCUMENT SERVES AS AN ADMISSION DOCUMENT ONLY, AS REQUIRED BY THE MERKUR MARKET ADMISSION RULES. THIS ADMISSION DOCUMENT DOES NOT CONSTITUTE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT HERETO.

Investing in the Company involves a high degree of risk. Prospective investors should read the entire document and, in particular, Section 1 ("Risk Factors") and Section 3.3 ("Cautionary note regarding forward-looking statements") when considering an investment in the Company and its Shares.

Merkur Market Advisors



The date of this Admission Document is 2 June 2020

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IMPORTANT INFORMATION

This Admission Document has been prepared solely by the Company in connection with the Admission. The purpose of the Admission Document is to provide information about the Company and its business. This Admission Document has been prepared solely in the English language.

For definitions of terms used throughout this Admission Document, please refer to Section 14 ("Definitions and glossary of terms").

The Company has engaged ABG Sundal Collier and DNB Markets, a part of DNB Bank ASA, as its advisors in connection with its Admission to Merkur Market (the "**Merkur Advisors**"). This Admission Document has been prepared to comply with the Admission to Trading Rules for Merkur Market (the "**Merkur Market Admission Rules**") and the Content Requirements for Admission Documents for Merkur Market (the "**Merkur Market Content Requirements**"). Oslo Børs ASA has not approved or reviewed this Admission Document or verified its content.

The Admission Document does not constitute a prospectus under the Norwegian Securities Trading Act and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and has not been reviewed or approved by any governmental authority.

All inquiries relating to this Admission Document should be directed to the Company or the Merkur Advisors. No other person has been authorized to give any information, or make any representation, on behalf of the Company and/or the Merkur Advisors in connection with the Admission, if given or made, such other information or representation must not be relied upon as having been authorized by the Company and/or the Merkur Advisors.

The information contained herein is current as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company subsequent to the date of this Admission Document. Any new material information and any material inaccuracy that might have an effect on the assessment of the Shares arising after the publication of this Admission Document and before the Admission will be published and announced promptly in accordance with the Merkur Market regulations. Neither the delivery of this Admission Document nor the completion of the Admission at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Admission Document is correct as of any time since its date.

The contents of this Admission Document shall not be construed as legal, business or tax advice. Each reader of this Admission Document should consult with its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Admission Document, you should consult with your stockbroker, bank manager, lawyer, accountant or other professional advisor.

The distribution of this Admission Document in certain jurisdictions may be restricted by law. Persons in possession of this Admission Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Admission Document in any country or jurisdiction where specific action for that purpose is required.

The Shares may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This Admission Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court (Nw.: *Oslo tingrett*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Admission Document.

Investing in the Company's Shares involves risks. Please refer to Section 1 ("Risk factors").

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no

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guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**", and, together with the Positive Target Market, the "**Target Market Assessment**").

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a private limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Group's senior management (the "**Management**") are not residents of the United States of America (the "**United States**"), and a substantial portion of the Company's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of Management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with Norway.

Similar restrictions may apply in other jurisdictions.

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1 RISK FACTORS

Investing in the Shares involves inherent risks. Before making an investment decision, investors should carefully consider the risk factors and all information contained in this Admission Document, including the Financial Information and related notes. The risks and uncertainties described in this Section 1 ("Risk factors") are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of their investment. The absence of a negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision.

If any of the risks were to materialize, individually or together with other circumstances, it could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flow and/or prospects, which may cause a decline in the value of the Shares that could result in a loss of all or part of any investment in the Shares. The risks and uncertainties described below are not the only risks the Group may face. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on the Group's business, financial condition, results of operations and cash flow. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

The risk factors described in this Section 1 ("Risk factors") are sorted into a limited number categories, where the Company has sought to place each individual risk factor in the most appropriate category based on the nature of the risk it represents. The risks that are assumed to be of the greatest significance are described first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, and the fact that a risk factor is not mentioned first in its category does not in any way suggest that the risk factor is less important when taking an informed investment decision. The risks mentioned herein could materialise individually or cumulatively.

The information in this Section 1 ("Risk factors") is as of the date of this Admission Document.

1.1 Risk related to the business and industry in which the Group operates

Contractual risks: A substantial portion of the Group's income is dependent on contracts with its customers. Should the Group not be able to renegotiate price, renew or obtain new and favourable contracts when the existing contracts expire, this could adversely affect the Group's results of operations, cash flows and financial condition. This includes, inter alia, the contract entered into with two major fish distributors (the "**Distributors**"), which expires 1 July 2020. The contract provides the Distributors with an exclusive right to distribute salmon from the Group, in America, Canada and Europe, including distributions to fulfil orders in sales contracts entered into by the Group with inter alia a high end US based multinational supermarket chain (the "**Retailer**") and a well-known US based Horeca seafood supplier (the "**Supplier**").

The Group is in negotiations with the Distributors, but if the agreement is not extended or replaced with a new agreement, the Group may experience disruption in its sales process. Furthermore, the Group has an agreement with Havsbrún P/F ("**Havsbrún**") concerning feed supply, which expires 20 June 2020. The Group is in negotiations with Havsbrún for an extension. If the Group is not able to get an extension, it could cause disruption to the Group's operations, which could have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group.

Biological risk: The Group's operations are by nature subject to several biological risks that could have a negative impact on future profitability and cash flows. Biological risks include for instance diseases, viruses, bacteria, parasites, outbreak of sea lice and algae blooms, and other contaminants. Algae represent a risk in fish farming because caged fish cannot swim away as they would normally do in the wild. An outbreak of a significant or severe disease represents a cost for the Group through e.g. direct loss of fish, lost growth on biomass, accelerated harvesting, loss of quality of harvested fish and may also be followed by a subsequent period of reduced production capacity.

Production related disorders: The biological limits for how fast fish can grow have been challenged as the aquaculture industry has intensified its production. Intensive farming methods may cause production-related disorders in particular relating to physical deformities and cataracts.

Risk related to escape: Incidents of significant fish escapes could result in substantial loss of biomass as well as repair costs, spreading of diseases to and genetic interaction with wild salmon, negative publicity and penalties or other sanctions from governmental authorities, which again could affect the licenses held by the Group.

Risk related to transportation: The smolt is transported from tanks at the smolt facility to wellboats through pipes. Although mortality related to this process is normal, a higher mortality rate could have a severe effect on the Group's business.

Risk related to weather conditions: The farmed salmon growth depends, among other things, on weather conditions. Unexpected warm or cold temperatures resulting from annual variations can have a significant negative impact on growth rates and feed consumption. Although the Groups' facilities are located in areas where the weather conditions are generally deemed favourable, severe weather conditions, such as storms, could lead to unexpected losses at facilities.

Risk relating to the competitive landscape: The market for farmed salmon is global and highly competitive. Overcapacity, consolidation, increased competition and price pressure in the market may have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group.

Risk relating to the Groups farming licences: The Group's activities are dependent upon licenses and permits from the Icelandic regulators, which may be revoked or not renewed, including if the Group breaches the applicable laws and regulations governing the licenses and permits (including any special terms and conditions of any such licenses or permit). Furthermore, should the Group not be able to obtain additional licences, it may not be able to fulfil its expansion plans, which in turn may negatively impact the financial prospects of the Group.

Risk related to the license of Eldisstöðin Íspór hf.: Eldisstöðin Íspór hf. (a joint venture owned by the Group and Fjardalaks/Arnarlax) was issued an operating license for production of 600 tons of smolt, valid until 3 June 2019. As a new license would not be issued before the previous license expired, Eldisstöðin Íspór hf. was granted a temporary exemption from an operating license. The temporary exemption expires 1 April 2021. Eldisstöðin Íspór hf. has a valid aquaculture licence for 600 ton production until May 2026.

Risks related to the COVID-19 outbreak: The outbreak of the corona virus (COVID-19), may have material adverse effect on the Group. The corona virus may affect the overall performance of the Group's services and result in delays, additional costs and liabilities. The Group may experience reduction in the price and/or volume of export due to severe delays on border areas because of passport and custom checks. Furthermore, the coronavirus may lead to financial distress with the Groups' customers or force majeure in the running customer contracts, which may lead to late payments and outstanding receivables.

Risks related to triploid production: The Group has licenses to produce triploid salmon. Triploid salmon is more fragile than fertile fish, and has a higher proportion of deformities implying that the production of triploid salmon is associated with more risks as compared to the production of diploid salmon. In addition, triploid salmon requires different feed than diploid salmon, meaning that the Group needs to source different feed types and might lose economies of scale and other advantages on feed procurement, which could otherwise be attained if the Group produced only diploid salmon. Additionally, the triploid salmon is associated with a higher degree of reputational risks for the Group as production of triploid salmon has been controversial due to *inter alia* animal welfare.

Risks related to feed costs and supply: Feed costs account for a significant portion of the Group's total production costs, and an increase in feed prices could have a major impact on the Group's profitability. The feed industry is characterized by large, global suppliers operating under cost plus contracts, and feed prices are accordingly directly linked to the global markets for fishmeal, vegetable meal, animal proteins and fish/vegetable/animal oils which are the main ingredients in fish feed. Increases in the prices of these raw materials will accordingly result in an increase in feed prices. The Group may not be able to pass on increased feed costs to its customers. Due to the long production cycle for farmed fish, there may be a significant time lag between changes in feed prices and corresponding changes in the prices of farmed fish and finished products to customers. As the main feed suppliers normally enter into fixed contracts and adapt their production volumes to prevailing supply commitments, there is limited excess of fish feed available in the market. If one or more of the Group's feed contracts were to be terminated on short notice prior to their respective expiration dates, the Group may not be able to find alternative suppliers in the market. Shortage in feed supply may lead to starving fish, accelerated harvesting, loss of biomass and reduced income.

Risks related to food safety and health concerns: Food safety issues and perceived health concerns may have a negative impact on the reputation of and demand for the products and services of the Group. It is of critical

importance to the Group that its products are perceived as safe and healthy in all relevant markets. The food industry in general experiences increased customer awareness with respect to food safety and product quality, information and traceability. A failure by the Group to meet new and exacting market or governmental requirements may reduce the demand for their products which, in turn, may have a material adverse effect on the Group.

Risks related to smolt quality and supply: The Group's operations depend on the quality and availability of fish smolt. The quality of smolt impacts the volume and quality of harvested fish. Poor quality or small smolt may cause slow growth, reduced health, increased mortality, deformities, or inferior end products. Further, as the aquaculture industry has intensified production, the biological limits for how fast fish can grow have also been challenged. As with all other forms of intensive food production, a number of production-related disorders arise, i.e. disorders caused by intensive farming methods. Such disorders may in turn have a material adverse effect on the Group's business, results of operation, financial condition, cash flow and/or prospects

Risks related to loss of key personnel: The Group's performance is to a large extent dependent on highly qualified personnel and management, and the Group's continued ability to compete effectively, implement its strategy and further develop its business depends on its ability to attract new and well qualified employees and retain and motivate existing employees, making it important that the Group is able to implement actions and offer a business model that continues to motivate existing and valuable employees, as well as attract new talents. Any loss of the services of key employees, particularly to competitors, or the inability to attract and retain highly skilled personnel could have a material adverse effect on the Group's business, results of operation, financial condition and/or prospects.

Sabotage risk: Environmental organisations have aims to eradicate salmon farming. The degree of fundamentalism varies from group to group. However, a certain risk of sabotage (i.e. damage to production facilities with the intention of hurting the Group financially and/or exposing it to negative media coverage) cannot be ruled out and may have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group.

Reputational risks: Negative publicity related to the Group and/or its customers could, regardless of its truthfulness, adversely affect its reputation and goodwill. The Group is exposed to the risk that negative publicity may arise from activities of legislators, pressure groups and the media, for instance that fish and other commodities are being bred only to generate profit, which may tarnish the industry's reputation in the market. Loss of certification may furthermore lead to reputational risks. Negative reputational publicity may arise from a broad variety of causes, including incidents and occurrences outside the Group's control. No assurance can be given that such incidents will not occur in the future, which may cause negative publicity about the operations of the Group, which in turn could have a material adverse effect on the Group. Negative publicity could further jeopardize the Group's existing relationships with customers and suppliers or diminish the Group's attractiveness as a potential investment opportunity. In addition, negative publicity could cause the Group's customers to purchase products from the Group's competitors, i.e. decrease the demand for the Group's products. Occurrence of any of these actions could impact the Group's ability to export its products and may in turn have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Risks related to shareholdings: The Group has ownership in two smolt stations, whereas one is Eldisstöðin Íspór Isthor ehf. (a joint venture with Fjardalaks/Arnarlax) and the other is a majority post in Rifós ehf. In addition, the Group has a minority post in a harvesting company, Búlandstindur ehf. These affiliated companies are all vital for the production of the Group. As the Group does not have control as majority owner in Eldisstöðin Íspór ehf. or Búlandstindur ehf., the Group may not have sufficient shareholder influence to secure that the Group's best interest are resolved and implemented. Fiskeldi Austfjarða hf. ("**Fiskeldi**"), a wholly-owned subsidiary of the Company and the Group's main operating entity, is secured 50% of the output of Eldisstöðin Íspór ehf. through a shareholders agreement and has signed a 5 year harvesting agreement with Búlandstindur ehf.

1.2 Legal and regulatory risk

Political risk: The authorities may introduce further regulations for the operations of aquaculture facilities, such as enhanced standards of production facilities, capacity requirements, feed quotas, fish density, site allocation conditions or other parameters for production, which may negatively impact the Group directly, or through its customers.

Environmental Risks: The Group's operations are subject to environmental requirements which govern, among other matters, air pollution emissions, wastewater discharges, solid and hazardous waste management, and the use, composition, handling, distribution and transportation of hazardous materials. Many of these laws and regulations

are becoming increasingly stringent, and the cost of compliance, including penalties if the Group fails to comply, with these requirements can be expected to increase over time.

Regulatory risks: The Group's activities are subject to the Group maintaining its current permits and approvals. The Group's sale of its products is also subject to restrictions on international trade. Further, salmon farming is strictly regulated by licenses and permits granted by the authorities in the countries where the Group operates. Future changes in the domestic and international laws and regulations applicable to the Group, including permits and licences and international trade, can be unpredictable and are beyond the control of the Group, and may imply the need to materially alter the Group's operations and set-up and for the Group to apply for further permits.

Litigation risk: The operating hazards inherent in the Group's business increase the Group's exposure to litigation, which may involve, among other things, contract disputes, personal injury, environmental, employment, intellectual property litigation, tax and securities litigation, and litigation that arises in the ordinary course of business. Any litigation may have a material adverse effect on the Group because of potential negative outcomes, the costs associated with defending the lawsuits, the diversion of the Group's management's resources and other factors.

Insurance risk: The Group may not be able to maintain adequate insurance in the future at rates management considers reasonable or be able to obtain insurance against certain risks. Moreover, the Group's insurance coverage is subject to certain significant deductibles and levels of self-insurance, does not cover all types of losses and, in some situations, may not provide full coverage for losses or liabilities resulting from the Group's operations. In addition, the Group is likely to continue experiencing increased costs for available insurance coverage, which may impose higher deductibles and limit maximum aggregated recoveries. Insurers may not continue to offer the type and level of coverage that the Group currently maintains, and its costs may increase substantially as a result of increased premiums, potentially to the point where coverage is not available on economically manageable terms. Should liability limits be increased via legislative or regulatory action, it is possible that the Group may not be able to insure certain activities to a desirable level. If liability limits are increased and/or the insurance market becomes more restricted, the Group's business, financial condition and results of operations could be materially adversely affected. Furthermore, as adequate insurance coverage is a condition for loans from the Group's lender, Arion Banki hf. ("**Arion Bank**"), a failure to obtain satisfactory insurance coverage, may lead to an event of default in the Group's financing agreements which in turn will have a material adverse effect for the Group.

Risks related to international trade restrictions: The Group's business is affected by laws and regulations in the geographical areas in which the Group operates, and the Group may be exposed to political and other uncertainties, including risks of import-export quotas, wage and price controls and the imposition of trade sanctions, embargoes and other trade barriers. Accordingly, the Group is directly affected by the adoption of laws and regulations and decisions in international bodies and may be required to make significant capital expenditures or operational changes to comply with such laws, regulations and decisions. Many countries control the export and re-export of certain goods, services and technology and impose related export recordkeeping and reporting obligations. The laws and regulations concerning export recordkeeping and reporting; export control and economic sanctions are complex and constantly changing. These laws and regulations may be enacted, amended, enforced or interpreted in a manner materially impacting the Group's operations. Products and services can be denied export or entry for a variety of reasons, some of which are outside the Group's control. Any failure to comply with applicable trade sanctions and restrictions could also result in criminal and civil penalties and sanctions, such as fines and loss of import and export privileges.

Changes in tax laws of any jurisdiction in which the Group operates, or any failure to comply with applicable tax legislation may have a material adverse effect for the Group: The Group is subject to prevailing tax legislation, treaties and regulations in the jurisdictions in which it operates, and the interpretation and enforcement thereof. The Group's income tax expenses are based upon its interpretation of the tax laws in effect at the time that the expense is incurred. If applicable laws, treaties or regulations change, or if the Group's interpretation of the tax laws is at variance with the interpretation of the same tax laws by tax authorities, this could have a material adverse effect on the Group's business, results of operations or financial condition. If any tax authority successfully challenges the Group's operational structure, intercompany pricing policies, the taxable presence of its subsidiaries in certain countries, or if taxing authorities do not agree with the Group's and/or any subsidiaries' assessment of the effects of applicable laws, treaties and regulations, or the Group loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful, the Group's effective tax rate on its earnings could increase substantially and the Group's business, earnings and cash flows from operations and financial condition could be materially and adversely affected.

1.3 Risk related to the Issuer's financial situation

Risks associated with changes to accounting rules or regulations: Changes to existing accounting rules or regulations may impact the Group's future profit and loss or cause the perception that the Group is more highly leveraged. New accounting rules or regulations and varying interpretations of existing accounting rules or regulations may be adopted in the future and could adversely affect the Group's financial position and results of operations.

Risks related to financing: No assurance can be given that the Group will succeed maintaining a comfortable cash reserve for future operations, and no assurances can be given that the Group will be able to raise additional new equity and/or debt financing on attractive terms, or at all.

Risks related to contractual default by counterparties: Lack of payments from customers/clients may impair the Group's liquidity. The concentration of the Group's customers may impact the Group's overall exposure to credit risk as customers may be similarly affected by prolonged changes in economic- and industry conditions. The Group is especially dependent on the exclusive sales contract with the Distributors, which provides the Distributors with an exclusive right to distribute salmon from the Group, in America, Canada and Europe, including distributions to fulfil orders in the sales contracts entered into by the Group with the Retailer and the Supplier.

Having only one purchaser, i.e. one sales channel, default by one by this purchase could have severe effect on the Group's economy.

Market risk, including currency and interest risk: The Group is exposed to currency fluctuations and changes in exchange rates. All cash is held in ISK, however a material part of the Groups revenue is in foreign currencies, including USD. The Group is exposed to changes in interest rates, as some of the debt in the Group has a floating interest rate. Adverse movement in currency or interest rates have a material adverse impact on the Group's financial performance.

Risks related to terms of current financing and events of default: The Group is primarily financed by loans and credit lines from Arion Bank, as well as with loans from its shareholders. The Group has various loan agreements with Arion Bank, such as two overdraft agreements, 13 loan agreements and 14 collateral letters (collectively the "Credit Agreements"). The Credit Agreements contain various financial covenants and undertakings such as inter alia; to provide audited financial statements, to have sufficient operational and property insurance, not to sell substantial parts of its business without consent, not to merge with another company or demerge without the bank's consent, not to repay any loans or obligations or change their terms without a consent of the bank (provided however that such obligations may be repaid if they become due), not to set assets as a collateral for a loan if the bank already holds a collateral in that specific asset, without the bank's consent, not to make significant investments in excess of ISK 10M-140M without the consent of the bank, not to issue convertible bonds, stock options or subscriptions rights to the shares of Fiskeldi or other financial instruments related to shares in Fiskeldi, without the consent of the bank. In connection with the Private Placement (as defined below), Arion Bank released its pledge over the shares in Fiskeldi, provided that the Company agreed to re-establish the same pledge in 51% of the shares of Fiskeldi as soon as possible, as security for Fiskeldi's overdraft agreements. In addition, Fiskeldi is required to have an equity ratio of minimum 35%.

The Group's ability to comply with the covenants described above, as well as maintaining adequate security, can be impacted by events beyond its control and it may be unable to do so. Upon the occurrence of an event of default, the lenders could elect to declare all amounts outstanding under the Credit Agreements to be immediately due and payable. In addition, the lenders would have the right to proceed against the assets the Group provided as collateral pursuant to the related security agreements. If the debt under its Credit Agreements were to be accelerated, the Group may not have sufficient cash on hand, or be able to refinance the loan or to sell sufficient collateral to repay it, which would have an immediate adverse effect on its business and operating results. This could potentially cause the Group to cease operations and result in a complete loss of an investment in the shares.

1.4 Risks relating to the Shares and the Admission

Risks related to future sales of shares: Future sales, or the possibility for future sales of substantial numbers of the Shares may affect the market price of the Shares in an adverse manner.

An active trading market for the Company's shares on Merkur Market may not develop: The Shares have not previously been tradable on any stock exchange, other regulated marketplace or multilateral trading facilities. No assurances can be given that an active trading market for the Shares will develop on Merkur Market, nor sustain if an active trading market is developed. The market value of the Shares could be substantially affected by the extent to which a secondary market develops for the Shares following completion of the Admission.

Volatility of the share price: The market price of the Shares may be highly volatile and investors in the Shares could suffer losses. The trading price of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including quarterly variations in operating results, , adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, significant contracts, acquisitions or strategic relationships, publicity about the Group, its products and services or its competitors, lawsuits against the Group, unforeseen liabilities, changes to the regulatory environment in which it operates or general market conditions. In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Group, and these fluctuations may materially affect the price of the Shares.

Shareholders outside of Norway are subject to exchange rate risk: All of the Shares will be priced in Norwegian Kroner ("NOK"), the lawful currency of Norway and any future payments of dividends on the Shares or other distributions from the Company will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in the NOK against their local currency, as the foreign currency equivalent of any dividends paid on the Shares or price received in connection with any sale of the Shares could be materially impacted upon by adverse currency movements.

Pre-emptive rights may not be available to all holders of Shares: Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate in the issuance of new shares for cash consideration. Shareholders in the United States as well as in certain other countries may be unable participate in an offer of new shares unless the Company decides to comply with local requirements in such jurisdictions, and in the case of the United States, unless a registration statement under the U.S. Securities Act is effective with respect to such rights and shares or an exemption from the registration requirements is available. In such cases, shareholders resident in such non-Norwegian jurisdictions may experience a dilution of their holding of the Shares, possibly without such dilution being offset by any compensation received in exchange for subscription rights. In addition, the general meeting may resolve to waive the pre-emptive right of all existing shareholders .Furthermore, the shareholders may resolve to grant the board of directors an authorization to increase the share capital of the Company and set aside any pre-emptive rights for the shareholders, without the prior approval of the shareholders. Such authorization may also result in dilution of the shareholders' holding of Shares.

The Company will incur increased costs as a result of being listed on Merkur Market: As a company with its shares listed on Merkur Market, the Company will be required to comply with Oslo Børs' reporting and disclosure requirements for companies listed on Merkur Market. The Company will incur additional legal, accounting and other expenses in order to ensure compliance with these and other applicable rules and regulations. The Company anticipates that its incremental general and administrative expenses as a company with its shares listed on Merkur Market will include, among other things, costs associated with annual and interim reports to shareholders, shareholders' meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation. In addition, the Board of Directors and management may be required to devote significant time and effort to ensure compliance with applicable rules and regulations for companies with its shares listed on Merkur Market, which may entail that less time and effort can be devoted to other aspects of the business. Any such increased costs, individually or in the aggregate, could have an adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

Shareholders not participating in future offerings may be diluted: The Company may in the future decide to offer additional Shares or other securities in order to finance new capital-intensive projects, or in connection with unanticipated liabilities or expenses or for any other purposes. Any such additional offering could reduce the proportionate ownership and voting interests of holders of Shares, as well as the earnings per share and the net asset value per share of the Company, and any offering by the Company could have a material adverse effect on the market price of the Shares.

Majority shareholder risk: A concentration of ownership may have the effect of delaying, deterring or preventing a change of control of the Company that could be economically beneficial to other shareholders. Further, the interests of shareholders exerting a significant influence over the Company may not in all matters be aligned with the interests of the Company and the other shareholders of the Company.

2 RESPONSIBILITY FOR THE ADMISSION DOCUMENT

This Admission Document has been prepared solely in connection with the Admission to trading on Merkur Market.

The Board of Directors of Ice Fish Farm AS accepts responsibility for the information contained in this Admission Document. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Admission Document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

2 June 2020

The Board of Directors of Ice Fish Farm AS

Gudmundur Gislason
(Chairman)

Einar Sverrisson
(Board Member)

Roald Dolmen
(Board Member)

Roar Myhre
(Board Member)

Dagfinn Eliassen
(Board Member)

3 GENERAL INFORMATION

3.1 Other important investor information

The Company has furnished the information in this Admission Document. No representation or warranty, express or implied, is made by the Merkur Advisors as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Admission Document is, or shall be relied upon as a promise or representation in this respect, whether as to the past or the future. The Merkur Advisors assume no responsibility for the accuracy or completeness or the verification of this Admission Document and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Admission Document or any such statement.

Neither the Company nor the Merkur Advisors, or any of their respective affiliates, representatives, advisors or selling agents, is making any representation to any purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

3.2 Presentation of financial and other information

3.2.1 Financial information

The Company was incorporated on 16 March 2020, and consequently, has not published any historical financial information. However, the Company is a holding company which owns 100% of the shares in Fiskeldi, the former parent company of the Group, incorporated on 30 March 2012. As of the date of this Admission Document, Fiskeldi is the Company's only direct subsidiary and the Company does not hold any other assets. Therefore, the financial statements presented herein are the audited consolidated financial statements of Fiskeldi for the years ending 31 December 2019 and 31 December 2018 (the "**Financial Statements**"), and the presentation of, and any reference to, the Group's or the Company's historic financial information, or similar terms or references, shall be understood accordingly.

The Financial Statements have been prepared in accordance with Icelandic Generally Accepted Accounting Principles ("**IS-GAAP**"), the Annual Accounts Act No. 3/2006 and the Auditing Act No. 79/2008. The Financial Statements have been audited by KPMG ehf. For the year ending 31 December 2020, the Company will prepare consolidated financial statements for the Group in accordance with NGAAP or IFRS, including cash flow statements and notes.

The Company presents the financial statements in USD (presentation currency). Reference is made to Section 8 ("Selected financial information and other information") for further information.

3.2.2 Industry and market data

In this Admission Document, the Company has used industry and market data obtained from independent industry publications, market research and other publicly available information. Although the industry and market data is inherently imprecise, the Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Admission Document that was extracted from industry publications or reports and reproduced herein.

Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data and statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Admission Document (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's

future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 1 ("Risk factors") and elsewhere in this Admission Document.

Unless otherwise indicated in the Admission Document, the basis for any statements regarding the Company's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

3.3 Cautionary note regarding forward-looking statements

This Admission Document includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Admission Document. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. For a non-exhaustive overview of important factors that could cause those differences, please refer to Section 1 ("Risk factors").

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Admission Document.

4 REASONS FOR THE ADMISSION

The Company believes the Admission will:

- enhance the Group's profile with investors, business partners, suppliers and customers;
- allow for a trading platform and liquid market for the Shares;
- facilitate for a more diversified shareholder base and enable additional investors to take part in the Group's future growth and value creation;
- provide a platform to pursue inorganic growth opportunities (e.g. M&A) through an eased access to i) equity capital markets and ii) use of Shares as currency in future M&A transactions; and
- further improve the ability of the Group to attract and retain key management and employees.

No equity capital or proceeds will be raised by the Company upon the Admission, but the Company has completed a reorganization and a private placement immediately prior to the Admission, as further described in Section 6 ("The Private Placement").

5 DIVIDENDS AND DIVIDEND POLICY

5.1 Dividends policy

The Company will strive to follow a dividend policy favourable to the shareholders. The amount of any dividend to be distributed will be dependent on, inter alia, the Company's investment requirements and rate of growth. As of the date of this Admission Document, the Company is in a growth phase and will most likely not be in a position to pay dividends in the near future. There can be no assurance that in any given year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the policy.

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in Section 5.2 ("Legal and contractual constraints on the distribution of dividends") below, as well as capital expenditure plans, financing requirements and maintaining the appropriate strategic flexibility.

Neither the Company nor Fiskeldi has paid any dividends during the financial years 2019 or 2018.

5.2 Legal and contractual constraints on the distribution of dividends

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Board of Directors must take into account applicable legal restrictions, as set out in the Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44 (as amended) (the "**Norwegian Private Companies Act**"), the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in force at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Private Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Dividends may be paid in cash or in some instances in kind. The Norwegian Private Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Private Companies Act regulates what may be distributed as dividend, and provides that the Company may distribute dividends only to the extent that the Company after said distribution still has net assets to cover (i) the share capital and (ii) other restricted equity (i.e. the reserve for unrealized gains and the reserve for valuation of differences).
- The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorize the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.
- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

Pursuant to the Norwegian Private Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the General Meeting when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian private limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Private Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 11 ("Norwegian taxation").

5.3 Manner of dividends payment

Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder, and will be paid to the shareholders through DNB Verdipapirservice (the "**VPS Registrar**"). Shareholders registered in the VPS who have not supplied the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

6 THE PRIVATE PLACEMENT

6.1 Details of the Private Placement

On 28 May 2020, the Company completed a private placement (the "**Private Placement**"), consisting of:

- (i) a share capital increase for a total amount of NOK 301.5 million, by issuing 9,000,000 Shares, at a subscription price of NOK 33.50 per Share; and
- (ii) a secondary sale of existing, validly issued Shares from minority shareholders of the Company, each with a nominal value of NOK 0.10, for a total amount of approximately NOK 89 million.

The bookbuilding period for the Private Placement took place from 26 May 2020 to 28 May 2020, notifications of allocation was issued on 28 May 2020 and payment took place on 28 May 2020.

6.2 Corporate reorganization prior to the Private Placement

Immediately prior to resolving the Private Placement, all of the shares in Fiskeldi were contributed to the Company, against an issuance of 45,000,000 Shares in the Company to the shareholders of Fiskeldi, simultaneously with a write down of the existing share capital of the Company (the "**Reorganization**"), which thereby established the same shareholder structure in the Company as in Fiskeldi immediately prior to the Reorganization.

Due to local requirements for a minimum number of two shareholders, one share in Fiskeldi will be transferred to and held by Landeldisstöðin Sleipnir ehf., a wholly owned subsidiary of Fiskeldi.

6.3 Shareholdings following the Private Placement

Upon completion of the registration of the Private Placement in the Norwegian Register of Business Enterprises on 29 May 2020, the 20 largest shareholders of the Company were as set out in Section 10.4 ("Ownership structure").

6.4 Use of proceeds

The proceeds from the Private Placement will primarily be used to develop Ice Fish Farm's current value chain, in order to support growth within the Group's existing licenses, for example as follows:

- Planned larger investments in smolt stations to meet expected future growth – Kópasker of MNOK 73.5 for post-smolt production;
- With more volumes, Ice Fish Farm intends to rent bigger vessels;
- Planned investments in primary processing plant (Bùlandstindur); and
- The Group is considering to increase volumes with new Baader machines and other investments to handle harvest in 2023 and 2024.

In addition to the above, the proceeds will be used to repay two convertible shareholder loans for a total amount of approximately NOK 59 million, cf. also Section 8.8.2 ("Convertible Shareholder loans"), and to cover relevant transaction costs incurred in connection with the Private Placement.

6.5 Lock-up

6.5.1 The Company

Pursuant to a lock-up undertaking entered into in connection with the Private Placement, the Company has undertaken that it will not, without the prior written consent of the Merkur Advisors, during the period up to and including the date falling 12 months from the first day of trading of the Shares on Merkur Market, (1) issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other equity interest in the capital of the Company or any securities convertible into or exercisable for such Shares or other equity interests, or (2) enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or other equity interests, whether any such transaction described in (1) or (2) above is to be settled by delivery of the Shares or other securities or interests, in cash or otherwise, or (3) publicly announce or indicate an intention to effect any transaction specified in (1) or (2)

above. The foregoing shall not apply to the granting of options or other rights to Shares, or the honouring of options or such other rights to Shares, by the Company pursuant to any management or employee share incentive schemes.

6.5.2 Board Members and Management

Pursuant to lock-up undertakings entered into in connection with the Private Placement, management and members of the Board of Directors holding shares have undertaken that they will not, without the prior written consent of the Merkur Advisors, during the period up to and including the date falling 12 months from the first day of trading of the Shares on Merkur Market, (1) offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, pledge or otherwise transfer or dispose of any securities (the "**Securities**") or Shares or any securities convertible into or exercisable or exchangeable for Securities or Shares or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Securities or Shares, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Securities, Shares or such other securities, in cash or otherwise, or (3) agree or publicly announce an intention to effect any transaction specified in clause (1) or (2).

6.5.3 Existing shareholders

Pursuant to lock-up undertakings entered into in connection with the Private Placement, the existing shareholders of Fiskeldi, including Midt-Norsk Havbruk AS, have undertaken that they will not, without the prior written consent of the Merkur Advisors, during the period up to and including the date falling 6 months from the first day of trading of the Shares on Merkur Makret, (1) offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, pledge or otherwise transfer or dispose of any Securities or Shares or any securities convertible into or exercisable or exchangeable for Securities or Shares or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Securities or Shares, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Securities, Shares or such other securities, in cash or otherwise, or (3) agree or publicly announce an intention to effect any transaction specified in clause (1) or (2).

7 BUSINESS OVERVIEW

This section provides an overview of the Company's business as of the date of this Admission Document. The following discussion contains forward-looking statements that reflect the Company's plans and estimates, see Section 3.3 ("Cautionary note regarding forward-looking statements") above, and should be read in conjunction with other parts of this Admission Document, in particular Section 1 ("Risk factors").

7.1 Introduction

Fiskeldi was founded in 2012 by the existing management and the Group is now considered one of the leading salmon farmers in Iceland, situated in the east fjords of Iceland (the "**East Fjords**"). The Norwegian seafood company NTS ASA controls ~63% of Ice Fish Farms' shares through its subsidiary Midt-Norsk Havbruk AS ("**MNH**").

The Group considers its salmon to be a sustainable premium product, differentiated from other salmon producers, enabled *inter alia* by high quality fish carefully farmed in harmony with nature in the East Fjords. Furthermore, Ice Fish Farm is the only salmon farmer in the world with the highly sought after AquaGAP certification which ensures environmentally-friendly production.

Ice Fish Farm has a well-developed and fully integrated value-chain controlling all steps from hatchery to sales. The Company has a contract with the Distributors, which are well experienced sales and distribution companies and strong end-customers, like the Retailer and the Supplier, with proven ability to achieve premium pricing.

7.2 History and important events

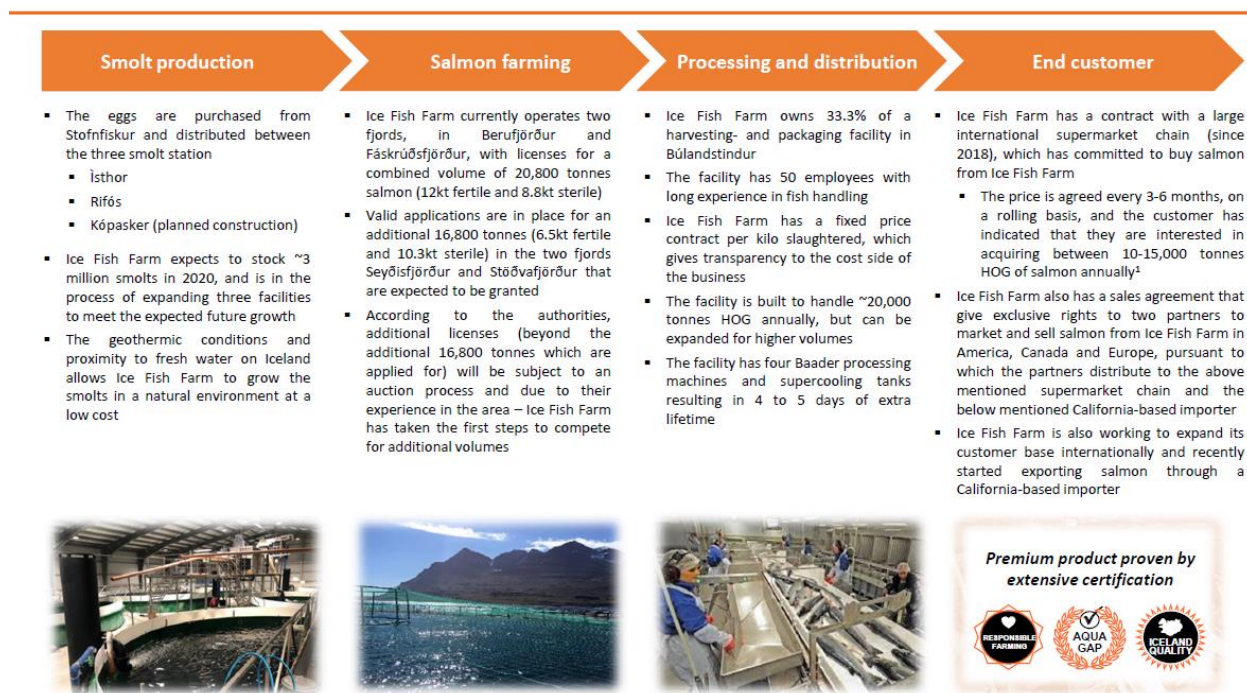
The table below shows the Group's key milestones from its incorporation and to the date of this Admission Document:

Year	Event
2012	<ul style="list-style-type: none">Fiskeldi Austfjarða hf. is incorporated on 30 March 2012.
2012	<ul style="list-style-type: none">First salmon and trout put into sea on July 2012.
2013	<ul style="list-style-type: none">Financing obtained through loan agreement with Arion Bank.
2013	<ul style="list-style-type: none">Acquisition of 50% of Isthor, the Group's first smolt facility.
2015	<ul style="list-style-type: none">MNH acquires a 45% ownership stake.
2017	<ul style="list-style-type: none">First salmon generation harvested.
2018	<ul style="list-style-type: none">Sales started to the Retailer, as well as sales agreement with the Distributors.
2019	<ul style="list-style-type: none">4,007 tonnes of salmon harvested.

7.3 Group overview

7.3.1 Well-developed and fully integrated value-chain

The Group has a well-developed and fully integrated value chain, controlling all steps, from smolt production, salmon farming, processing and distribution and to the end customer, as illustrated in the following:



Sources: Company information
²Ice Fish Farm's salmon

7.3.2 The Group's licenses

The Group currently holds licenses for production of 20,800 tonnes of salmon in two fjords and five sites, of which 12,000 tonnes is fertile and 8,800 tonnes is sterile, with validly submitted applications, pending approval of final environmental report, for an additional 16,800 tonnes (6.5kt fertile and 10.3kt sterile) in two additional fjords.

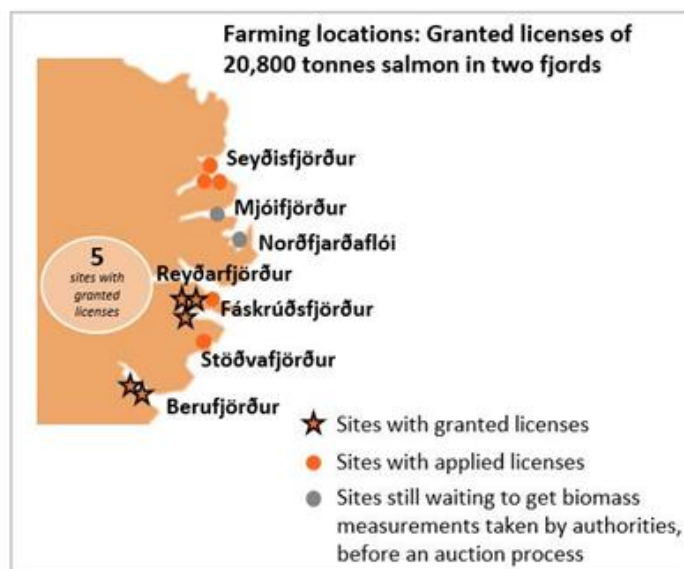
Ice Fish Farm is currently the main producer of salmon in the East Fjords. A summary of the licenses are included in the table below.

Location	Status	Tonnes	Comments
Berufjörður	Granted effective to 21 March 2029	9,800	The current aquaculture licenses have been issued on a 10-year rolling basis, but the Company plans to apply for 16 year renewals when they are reissued. Icelandic regulations permit transfers of aquaculture licenses to new legal entities (and thereby new owners) with the approval of the Icelandic Food and Veterinary Authority.
Fáskrúðsfjörður	Granted effective to 21 March 2029	11,000	
Stöðvafjörður	Final approval pending	6,800	Risk assessment (step 2.a) is complete, and biomass measurements have been made. A draft of the environmental report has been submitted to the National Planning Agency (the "NPA") and all requested research has been completed (step 3). The applications for operational licenses and aquaculture licenses have been submitted and confirmed according to legal requirements (step 4). The regulations in general dictate that issuance of the licenses will be after the approval from NPA on the final environmental report (step 5).

Seyðisfjörður	Final approval pending	10,000	Biomass measurements have been made and the risk assessment is pending approval from authorities (step 2a). A draft of the environmental report has been submitted to the NPA and all requested research has been completed (step 3). The applications for operational licenses and aquaculture licenses have been submitted (step 4). The authorities have confirmed that the application for operational licenses and aquaculture license fulfils the legal requirements.
Volume, including additional expected 16,800 tonnes		37,600	<ul style="list-style-type: none"> • 20,800 tonnes aquaculture licences have already been granted, with issued licenses on a 16-year rolling basis. • Additional 16,800 tonnes applications are being processed. These applications have been confirmed to be governed by the old laws on fish farming and are therefore not subject to auction. • Renewal of these licenses are subject to general conditions on farming and no major breach of law on fish farming may have occurred.

The fertile fish is divided equally between the fjords. The total license in Berufjörður is 9,800 tonnes and the total license in Fáskrúðsfjörður is 11,000 tonnes. Berufjörður sites are located on 50 meters depth and Fáskrúðsfjörður's sites are located on 50-80 meter depth. Berufjörður has been producing salmon since 2003 and the Group acquired the licenses in 2012. Fáskrúðsfjörður is considered to have good conditions for salmon farming due to good depth and water renewal.

The licenses may be renewed by a new owner, provided no significant changes are made to the nature and scope of the operation.



7.3.3 Favourable conditions in the East Fjords

In the Group's opinion, the East Fjords of Iceland have a number of favourable conditions. The hydrographic conditions on East Fjords have many similarities to Finnmark, Norway, with stable and moderate temperatures in the sea, resulting in reduced risk of sea lice and diseases and thus high yield on the biomass. The temperatures fluctuates between 2 and 9 degrees °C and rarely goes below 2 degrees °C. The similar farming conditions to Finnmark in

Norway has yielded a high EBIT/kg for the Group with considerable cost and profitability potential for Ice Fish Farm which is expected to materialize with increasing production volumes.

The direct costs associated with prevention and treatment for sea lice are increasing, meaning that Ice Fish Farm is able to mitigate these costs which can be added to the bottom line. Despite marginally lower growth rates in cold waters, this is expected to be more than offset by the cost benefit of not having to treat sea lice.

In addition to the above, the East Fjords have the following key characteristics:

- Few wild fish with natural habitat or spawning in the area, translating into low risk of interbreeding with wild salmon.
- Melting of glaciers and snow, although perhaps not as prominent as in other fjords, also contributes fresh cold water as a natural delousing for the salmon.
- No need to recycle water in smolt stations at current time, which lowers cost in the smolt production facility compared to Norwegian competition.
- Longer following periods reducing spread of potential diseases between generations.

7.4 Principal Markets and Material Contracts

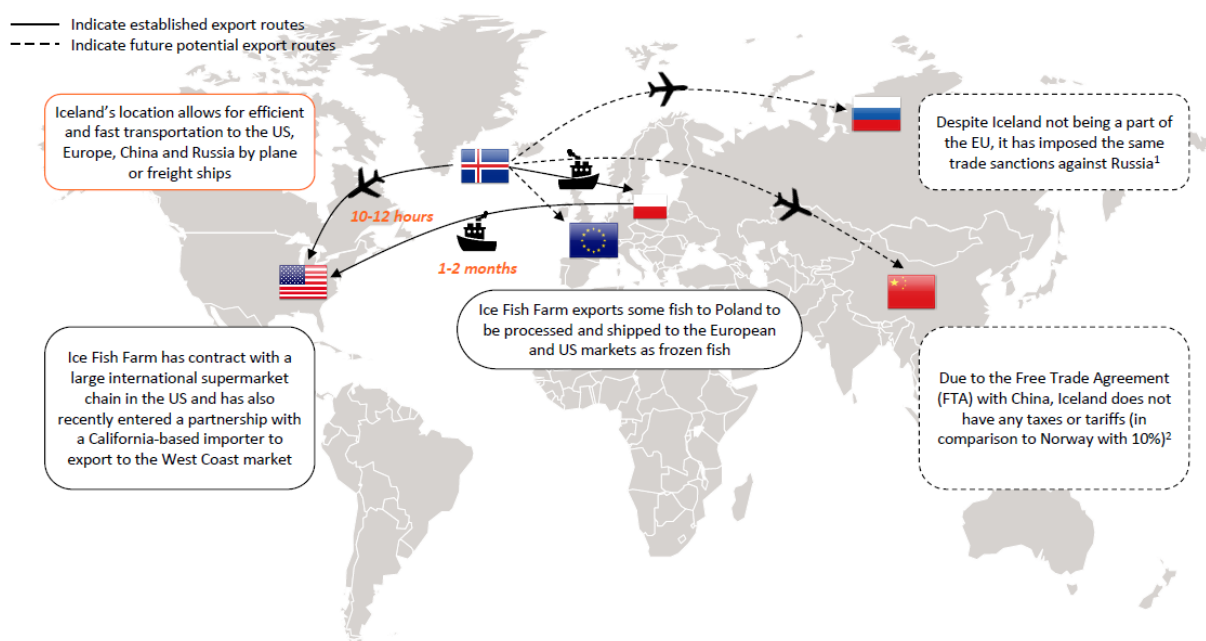
7.4.1 Introduction

The Group has a history of strong customer relationships backed by international recognition for its 'naturally raised' salmon, principally in the US and also to a certain extent in Europe.

Ice Fish Farm has an existing contract with the Retailer and has also recently started to export salmon through the Supplier, which sells the Group's products to the Horeca segment on the US West Coast.

With a proven track record and existing foothold in the Horeca segment in the US, Ice Fish Farm believes it is strongly positioned to attracting new customers with its sought-after premium products from Iceland from e.g. Alibaba in China.

The below overview sets out the Group's current export routes, with an overview of potential new export routes.



Sources: Company information

¹Intrafish: "Icelandic Salmon Farming Gets Big Boost From China Deal", ²Intrafish: Russia To Ban Icelandic Seafood Imports³

7.4.2 Sales contract with the Distributors

In October 2018, Fiskeldi entered into a sales contract with the Distributors. One of the Distributors is a major distributor of Norwegian Salmon and Norwegian Fjord Trout that handles the logistics for Ice Fish Farm and acts as a third-party handler between Ice Fish Farm and the Retailer. The other of the Distributors is a specialty seafood company focused on responsible, traceable, and high quality offerings.

The sales contract gives the Distributors an exclusive right to sell salmon produced by the Group in America, Canada and Europe, including distributions to fulfil orders in sales contracts entered into by the Group with inter alia the Retailer and the Supplier. The agreements with the Retailer and the Supplier have been entered into directly by Fiskeldi, but all distributions are made through the Distributors.

In the Group's opinion, the agreement provides competitive prices for the salmon it produces and secures a sales channel for its products.

7.4.3 The Retailer

In 2018, Fiskeldi entered into a customer contract with the Retailer, committing the Retailer to buy salmon from the Group and thereby providing the Group with access to the consumer market in the United States.

7.4.4 The Supplier

Fiskeldi has also entered into an agreement with the Supplier, pursuant to which the Group is able to access and provide the Horeca segment on the West Coast of the United States with its salmon products.

7.4.5 The Group's largest suppliers

Set out below is an overview of the Group's five largest suppliers based on purchase volumes during the period 1 January 2019 to 31 March 2020:

No.	Supplier	Provides supply of
1	Havsbrún P/F.	Fish meal, fish oil and fish feed.
2	Eldisstöðin Íspór hf. ¹	Smolt.
3	Búlandstindur ehf. ²	Harvesting and packaging services.
4	Hvalpsund Net A/S	Aquaculture equipment.
5	Aqualine A/S.	Aquaculture equipment

1 Fiskeldi has an ownership interest of 50% of the shares in Eldisstöðin Íspór hf.

2 Fiskeldi has an ownership interest of 33,3% of the shares in Búlandstindur ehf.

7.4.6 The Group's future pricing expectations

The Group has historically achieved a premium price relative to the spot price for salmon in Norway (FCA Oslo). Going forward, the Group expects to maintain the current price premium for its salmon due to its environmentally friendly farming methods, high nutritional values and high quality meat, rich flavour and texture.

Ice Fish Farm's use of high quality fish feed with a significantly higher marine index compared to the feed generally applied in the industry, leads to a better biological performance and higher nutritional value of the end product.

Due to the hydrographic conditions, in the East Fjords, the Group may keep the fish at sea for longer without the risk of biological problems. This does not only increase the potential price per kg, but also reduces slaughtering cost and waste product.

7.4.7 Other material contracts

In addition to the above, the Group has entered into certain lease agreements for office facilities in Borgartún 24, Reykjavík. The lease fee is ISK 173,405 plus VAT per month and is linked to the consumer price index. Although the original fixed term has expired, this agreement is still in force and therefore has a 6-month term notice which increases to 9 months 1 May 2021.

Neither the Company nor any other Group company has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Admission Document. Further, the Group has not entered into any other contract outside the ordinary course of business that contains any provision under which any member of the Group has any obligation or entitlement that is material to the Group as of the date of this Admission Document.

7.5 Group organisation

7.5.1 Introduction

Following completion of the the Reorganization, the Company (Ice Fish Farm AS) became the parent company of the Group. The commercial, sales and distribution activities are performed by Fiskeldi, the wholly owned subsidiary of the Company. The salmon farming activities, such as operation of smolt facilities and harvesting activities, are performed by other Group companies, which enables the Group to operate a well-developed and fully integrated value chain, controlling all steps from hatchery to sales, from smolt production, through salmon farming, processing and distribution and to the end customer.

Reference is also made to the structure chart included in Section 10.2 ("Legal structure").

7.5.2 Ice Fish Farm AS

Ice Fish Farm AS is the parent company of the Group. The Company's shares are admitted to trading on Merkur Markets. The Company holds 100% of the shares in Fiskeldi. Ice Fish Farm AS does not perform any operational activities.

7.5.3 Fiskeldi Austfjarða hf.

Fiskeldi's primary activity is salmon farming and it also has ownership interests in Landeldisstöðin Sleipnir ehf. (100%), Rífrós hf. (69%), Eldisstöðin Íspór hf. (50%) and Búlandstindur ehf. (33.3%). As of the date of this Admission Document, Fiskeldi is the only salmon farmer in the world with AquaGAP certification which ensures environmentally-friendly production.

The contracts with the Distributors, the Retailer and the Supplier are entered into directly by Fiskeldi.

7.5.4 Landeldisstöðin Sleipnir ehf.

Landeldisstöðin Sleipnir ehf. currently has no operations, but may be used in the future to operate smolt stations.

7.5.5 Rífrós hf.

Rífrós hf. primary business activity is the operation of a smolt station. The smolt station is located north east in Iceland.

7.5.6 Eldisstöðin Íspór hf.

Eldisstöðin Íspór hf. primary business activities are smolt- and fish farming. Eldisstöðin Íspór hf. is the second largest supplier of services to Fiskeldi.

7.5.7 Búlandstindur ehf.

Búlandstindur ehf. primary business operations are harvesting activities, processing of line caught cod and haddock, and salmon farmed in sustainable ways, and packaging services. Búlandstindur ehf.'s harvesting and processing facilities are located in Iceland. Búlandstindur ehf. is the third largest supplier of services to Fiskeldi.

7.6 Dependency on contracts, patents, licenses, trademarks, etc.

7.6.1 Dependency on contracts

It is the Company's opinion that the Group's existing business and profitability are not dependent upon any contracts. However, the agreements described in Section 7.4 ("Principal Markets and Material Contracts"), are considered to be of material importance to the Group.

7.6.2 Dependency on patents, licenses, trademarks, etc

Other than the licenses described in Section 7.3.2 ("The Group's licenses"), the Group's existing business and profitability is not dependent on any patents, licenses or other intellectual property.

7.7 Related party transactions

In connection with the Groups salmon farming operations, Fiskeldi has entered into an agreement for harvesting and packaging services with Búlandstindur ehf. The harvesting and packaging services under the agreement with Búlandstindur ehf. are provided on a price per kilo basis and price depend on the volume of salmon processed. Búlandstindur ehf. is the third largest supplier of services to Fiskeldi.

Fiskeldi is also party to a shareholders agreement regarding the shareholding in Eldisstöðin Íspór hf. Pursuant to the shareholders agreement, Fiskeldi is entitled to use up to 50% of the smolt manufacturing capacity of Eldisstöðin Íspór hf. The cost related to Fiskeldi's share of the smolt production is allocated to Fiskeldi. Fiskeldi pays fixed costs in proportion with the smolt production Fiskeldi receives from Eldisstöðin Íspór hf. Eldisstöðin Íspór hf. is the second largest supplier of services to Fiskeldi.

7.8 Legal and arbitration proceedings

From time to time, the Group may become involved in litigation, disputes and other legal proceedings arising in the course of its business. Neither the Company nor any other company in the Group, is, nor has been, during the course of the preceding 12 months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

8 SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION

8.1 Introduction and basis for preparation

The audited consolidated financial statements as of and for the years ending on 31 December 2019 and 31 December 2018 (the Financial Statements) have been prepared in accordance with IS-GAAP, the Annual Accounts Act No. 3/2006 and the Auditing Act No. 79/2008. The Financial Statements are included herein as Appendix B and Appendix C, respectively.

The Company was incorporated on 16 March 2020, and consequently, has not published any historical financial information. However, the Company is a holding company which owns 100% of the shares in Fiskeldi, the former parent company of the Group, incorporated on 30 March 2012. As of the date of this Admission Document, Fiskeldi is the Company's only direct subsidiary and the Company does not hold any other assets. Therefore, the financial statements presented herein are the consolidated financial statements of Fiskeldi for the years ending 31 December 2019 and 31 December 2018, and the presentation of, and any reference to, the Group's or the Company's historic financial information, or similar terms or references, shall be understood accordingly.

The Company presents the financial information in USD (presentation currency).

The Financial Statements have been audited by the independent auditor of Fiskeldi, KPMG ehf., as set forth in the auditor's report, which is included in the Financial Statements (see Appendix B and Appendix C). The auditor's reports do not include any qualifications.

The selected financial information presented in Section 8.2 to Section 8.6 below has been derived from the Financial Statements and should be read in connection with, and is qualified in its entirety by reference to, the Financial Statements included herein as Appendix B and Appendix C.

8.2 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates and judgments, please see note 1 in each of the Financial Statements, incorporated herein as Appendix B and Appendix C.

8.3 Selected statement of income

The table below sets out selected data from the Group's audited consolidated income statement for the year ended 31 December 2019, with comparable figures for the year ended 31 December 2018.

(In USD)	Year ended 31 December	
	2019 (consolidated)	2018 (consolidated)
Operating revenue		
Fair value adjustment on biological assets	(2,027,773)	5,908,107
Sales	33,316,022	22,626,398
	31,288,249	28,534,505
Operating expenses		
Materials and feed	20,644,454	19,473,872
Salaries and salary-related expenses	3,062,405	3,283,297
Other production and operating expenses	3,856,774	3,641,114
	27,563,633	26,398,283
EBITDA	3,724,616	2,136,222
Depreciation	2,088,890	1,174,995
Operating profit before financial income and expenses	1,635,726	961,227

(In USD)	Year ended 31 December	
	2019 (consolidated)	2018 (consolidated)
Financial income and (expenses)		
Interest revenue	3,820	1,467
Foreign exchange rate gain	234,841	1,042,564
Interest expenses	(1,833,373)	(1,647,190)
	(1,594,712)	(603,159)
Share of profit (loss) in associates	374,354	(228,598)
Net profit before income tax	415,359	129,470
Income tax	180,562	6,349
Net profit for the year	595,921	123,121
Net profit attributable to:		
Net profit before income tax	816,322	115,463
Net financial income and expenses	(220,401)	7,658
Net profit for the year	595,921	123,121

8.4 Selected statement of financial position

The table below sets out selected data from the Group's audited consolidated balance sheet for the year ended 31 December 2019, with comparable figures for the year ended 31 December 2018.

(In USD)	Year ended 31 December	
	2019 (consolidated)	2018 (consolidated)
Assets		
Operating assets	17,742,745	11,199,469
Intangible assets	1,637,088	1,421,425
Shares in associates	3,557,397	3,302,958
Deferred tax assets	349,673	174,092
Total non-current assets	23,286,903	16,097,944
Inventories	30,882,442	33,950,512
Receivables – related parties	4,137,385	430,849
Trade and other receivables	4,504,650	1,586,126
Cash and cash equivalents	128,741	214,922
Total current assets	39,653,218	36,183,409
Total assets	62,940,120	52,281,353
Equity		
Share capital	561,654	406,117
Share premium	24,041,199	17,243,066

(In USD)	Year ended 31 December	
	2019	2018
	(consolidated)	(consolidated)
Reserve	2,119,925	2,818,770
Accumulated deficit	(1,584,337)	(2,905,464)
Equity attributable to owners of the company	25,138,441	17,562,489
Non-controlling interest	117,268	353,893
Total equity	25,255,709	17,916,382
Liabilities		
Interest-bearing long-term liabilities	6,414,567	4,295,298
Subordinated loan from related parties	2,906,676	6,765,293
Total long-term liabilities	9,321,243	11,060,591
Bank overdraft	14,831,808	13,276,298
Interest-bearing short-term liabilities	3,181,770	3,034,906
Subordinated loan from related parties	3,371,781	1,320,474
Account payables – related parties	1,141,192	172,428
Accounts payable	5,171,627	4,748,500
Other payables	664,991	751,826
Total short-term liabilities	28,363,169	23,304,380
Total liabilities	37,684,412	34,364,971
Total equity and liabilities	62,940,120	52,281,353

8.5 Selected statement of cash flows

The table below sets out selected data from the Group's audited consolidated statement of cash flows for the year ended 31 December 2019, with comparable figures for the year ended 31 December 2018.

(In USD)	Year ended 31 December	
	2019	2018
	(consolidated)	(consolidated)
Cash flows from operating activities		
Net profit for the year	747,817	140,701
Difference between net earnings and cash from operations:		
Depreciation	2,003,593	1,078,467
Currency exchange difference of interest bearing liabilities	(95,017)	(386,562)
Share of (profit) or loss of associates	(440,953)	307,546
Income tax	(180,562)	6,349
Working capital from (used in) operating activities	2,034,878	1,146,501
Changes in operating assets and liabilities:		
Inventories, decrease (increase)	2,963,610	(6,047,787)
Receivables, increase	(2,924,443)	(685,375)
Current liabilities, increase	1,337,587	59,867
Changes in operating assets and liabilities	1,376,754	(6,673,295)
Cash flows from (used in) operating activities	3,411,632	(5,526,794)

<i>(In USD)</i>	Year ended 31 December	
	2019 <i>(consolidated)</i>	2018 <i>(consolidated)</i>
Cash flows used in investing activities		
Investments in operating assets	(8,755,865)	(5,362,349)
Sales price of operating assets	193,301	0
Investments in intangible assets	(371,371)	(278,073)
Investments in subsidiaries less cash acquired	0	(182,210)
Cash flows used in investing activities	(8,933,935)	(5,822,632)
Cash flows from financing activities		
Interest-bearing liabilities, new loans	5,238,865	4,878,718
Interest-bearing liabilities, loan payments	(2,740,586)	(1,912,121)
Related party liabilities, change	1,370,233	5,355,675
Bank overdrafts, change	1,567,848	3,128,948
Cash flows from financing activities	5,436,150	11,451,220
(Decrease) increase in cash and cash equivalents	(86,154)	101,794
Effects of translation difference on cash and cash equivalents	(27)	(134)
Cash and cash equivalents at the beginning of the year	214,922	113,262
Cash and cash equivalents at the year end	128,741	214,922
Non cash-investing and financing activities		
Issued new share capital	6,953,669	0
Loans from related parties	(6,953,669)	-

8.6 Selected statement of changes in equity

Changes in equity is presented in the equity note of the financial statements as of and for the year ending on 31 December 2019 and 2018. An overview is included below.

<i>(In USD)</i>				Equity attributable to owners of the Company	Non- controlling interest	Total
	Share capital	Reserve	Accumulated deficit			
As of 1 January 2018.....	406,117	20,454,522	(2,959,596)	17,901,043	381,662	18,282,705
Translation differences	-	(454,017)	-	(454,017)	(35,427)	(489,444)
Capitalised R&D cost.....	-	278,073	(278,073)	-	-	-
Transferred.....	-	(171,365)	171,365	-	-	-
Recognised non- controlling interest..	-	-	-	-	-	-
Loss for the year.....	-	-	115,463	115,463	7,658	123,121
As at 31 December 2018	406,117	20,107,213	(2,950,841)	17,562,489	353,893	17,916,382
As of 1 January 2019.....	406,118	20,107,213	(2,950,841)	17,562,489	353,893	17,916,382
Issued share capital	155,537	6,798,132	-	6,953,669	-	6,953,669
Translation differences	-	(194,039)	-	(194,039)	(16,224)	(210,263)
Capitalised R&D cost.....	-	331,874	(331,874)	-	-	-
Transferred.....	-	(882,057)	882,057	-	-	-
Recognised non- controlling interest..	-	-	-	-	-	-
Profit for the year....	-	-	816,322	816,322	(220,401)	595,921
As of 31 December 2019	561,564	26,161,123	(1,584,336)	25,138,441	117,268	25,255,709

8.7 Significant changes in the Group's financial or trading position

Other than the Reorganization and the Private Placement, the Group has not carried out any transactions after the last audited accounts that represent a change of more than 25% in its total assets, revenue or profit or loss.

8.8 Material borrowings

8.8.1 Bank loans

The Group is primarily financed by the following loans and credit lines from Arion Bank:

- Overdraft agreement up to USD 25 million with total balance of ISK 1,278 million (as of 3 April 2020), for the purpose of refinancing previous overdraft agreements and finance operating costs for biomass cultivation for fish farming.
- 14 loan agreements with total remaining outstanding amount on 21 May 2020 is ISK 760.7 million.
- 15 collateral letters issued by the Group for a total amount of ISK 3,649.2 million, pursuant to which the Group has pledged as collateral all its assets and its receivables to secure payment.

Current debt to Arion Bank is therefore approximately ISK 2,039 million.

The loan agreements from Arion Bank contain various conditions that the Group needs to fulfil. Below is a table which sets out certain key information about the 9 largest loans.

Date	Loan amount (outstanding)	Repayment	Interest
10.09.13	ISK 150 million (ISK 62.7 million)	4 instalments, half-yearly, each shall amount to 1/20 of the principal amount to be paid in full on the last payment date. Extension right clause.	6 month REIBOR as applicable each interest period with added 4.5% interest premium.
10.03.15	ISK 165 million (ISK 37.7 million)	84 monthly instalments, each shall amount to 1/84 of the principal amount to be paid in full on the last payment date.	1 month REIBOR as applicable each interest period with added 4.5% interest premium.
18.03.16	ISK 150 million	33 monthly instalments, each shall amount to 1/57 of the principal amount to be paid in full on the last payment date. Extension right clause.	1 month REIBOR as applicable each interest period with added 4.5% interest premium.
02.06.16	ISK 66 million	33 monthly instalments, each shall amount to 1/81 of the principal amount to be paid in full on the last payment date. Extension right clause.	1 month REIBOR as applicable each interest period with added 4.5% interest premium.
09.05.18	USD 0.9 million (ISK 91 million)	36 monthly instalments, each shall amount to 1/72 of the principal amount to be paid in full on the last payment date. Extension right clause.	1 month REIBOR as applicable each interest period with added 4.5% interest premium.
29.09.19	USD 1 million (ISK 101.6 million)	36 monthly instalments, each shall amount to 1/72 of the principal amount to be paid in full on the last payment date. Extension right clause.	1 month REIBOR as applicable each interest period with added 4.5% interest premium.
16.05.19	ISK 14.4 million (ISK 13.6 million)	60 monthly instalments, each shall amount to 1/180 of the principal amount to be paid in full on the last payment date. Extension right clause.	1 month REIBOR as applicable each interest period with added 4.5% interest premium.
20.05.19	USD 1.8 million (ISK 221 million)	36 monthly instalments, each shall amount to 1/60 of the principal amount to be paid in full on the last payment date. Extension right clause.	1-12 month LIBOR as applicable each interest period with added 4.5% interest premium.
15.04.20	ISK 150 million (ISK 150 million)	24 monthly instalments, each shall amount to 1/72 of the principal amount to be paid in full on the last payment date. Extension right clause.	1 month REIBOR as applicable each interest period with added 6.45% interest premium.

8.8.2 Convertible Shareholder loans

Fiskeldi has obtained two convertible shareholder loans, for a total amount of approximately NOK 59 million. The maturity date of both shareholder loans are 31 December 2020. The loans are convertible if not repaid in full on the maturity date at a conversion rate of NOK 14 per share.

The shareholders have accepted that no conversion rights or other rights of the shareholders will be triggered as a result of the Private Placement or the Admission and the Company expects to repay the convertible shareholder loans in connection with the Private Placement.

8.8.3 Other shareholder loans

In addition to the convertible shareholder loans which are expected to be settled in connection with the Private Placement, Fiskeldi has also obtained additional (non-convertible) shareholder loans from its shareholders for a total amount of approximately NOK 26 million.

8.8.4 Purchase/lease agreements

The Group has also entered into four purchase/lease agreements concerning vessels, on the following key terms:

- (i) **Sigríður:** Purchase/lease agreement dated 8 October 2019. Purchase price NOK 19.3M plus VAT. Danske Bank has assumed the purchase agreement and leases the vessel to the Group pursuant to an agreement dated 29 March 2020. Total amount of the agreement is NOK 23,151,737. Lease period is 96 months. The lease payments is NOK 218,103 plus VAT per month. Rent payment in advance (NOK 4,525,118 plus VAT). As security for leasing fees, MNH has guaranteed the payment of the lease in case of default from Fiskeldi. Interest is NIBOR 90 with 1.07% base rate, 1.95% margin and 3.02% contract rate p.a.
- (ii) **Úlfsey:** This lease was refinanced with Danske Bank on 4 July 2019 for an amount of NOK 7,517,000 plus VAT. Danske Bank therefore became the lessor of the vessel Úlfsey. Lease period is 60 months. The lease payments is NOK 136,415 plus VAT per month. As security for leasing fees: MNH guarantees the payment of the lease in case of default from FA. Interest is NIBOR 90 as applicable each interest period with 1.57% base rate, 1.95% margin and 3.52% contract rate p.a. In the secondary lease period, a fixed annual rental fee of 136,415 plus VAT is paid in advance. The lease does not include an option to buy.
- (iii) **Gísli:** Lease agreement dated 4 July 2019 for an amount of NOK 7,000,000 plus VAT. Danske Bank is the lessor. Lease period is 84 months. The lease payments is NOK 100,577 plus VAT per month. As security for leasing fees, MNH has guaranteed the payment of the lease in case of default from Fiskeldi. Interest is NIBOR 90 as applicable each interest period with 1.57% base rate, 1.95% margin and 3.52% contract rate p.a.
- (iv) **Bessi:** Lease agreement signed 27 June 2019 for an amount of NOK 12,473,100. Danske Bank is the lessor. Lease period is 96 months. The lease payment is NOK 148,441 plus VAT per month. As security for leasing fees, MNH has guaranteed the payment of the lease in case of default from Fiskeldi. Interest is NIBOR 90 as applicable each interest period with 1.50% base rate, 1.95% margin and 3.45% contract rate p.a.
- (v) **Hvaley:** Lease agreement dated 7 May 2018. The lessor is Steinsvik Rental AS. The lease period is 84 months. The lease fee is NOK 340,195 per month plus VAT. Support agreement fee NOK 1,000 per month. Lessee is obliged to ensure that the leased property is duly insured.

8.8.5 Intra-group loans

Fiskeldi has provided certain intra-group loans to its affiliates to fund operations, as follows:

- **Eldisstöðin Íspór hf.:** An overdraft loan agreement, currently in an amount of approximately ISK 475 million.
- **Rífós hf.:** A total of ISK 230 million has been provided, which Rífós hf. shall either pay back or may convert to shares.
- **Búlandstindur ehf.:** A total of ISK 10 million has been provided, which Búlandstindur shall either pay back or may convert to shares.

8.8.6 *Share pledges*

As collateral for Fiskeldi's current and future liabilities towards Arion Bank, whatever the nature of such liabilities, the shareholders of Fiskeldi previously agreed to pledge 51% of their shares in Fiskeldi (including rights attached thereto) in favour of Arion Bank. In connection with the Reorganization, Arion Bank released its pledge, provided that the Company agreed to re-establish the same pledge in 51% of the shares of Fiskeldi as continued security for Fiskeldi's liabilities towards Arion Bank.

While the agreement over pledged shares is in force, the Company may not without Arion Bank's consent, sell, lease transfer or otherwise dispose of the pledged shares or permit the same to occur, nor to create or permit to subsist any security interest or other rights over the pledged shares, amend or change the articles of association of Fiskeldi nor do, cause or permit to be done anything to adversely affect the pledge without Arion Bank's prior consent. As long as no events of default have occurred, the Company keeps all voting rights and other rights of ownership, provided however that Arion Bank is entitled to dividends being paid directly to and retained by the Arion Bank.

In the event of a default Arion Bank has the right without obtaining the consent of the Company, among other things, to:

- (i) sell or otherwise dispose of all or any of the pledged shares and the related rights; and/or
- (ii) exercise in relation to the pledged shares, and any related rights, any powers which would be exercisable by a legal and/or beneficial owner of them and all other powers conferred on security by law and as Arion Bank may in its discretion think fit.

In addition, Fiskeldi has pledged its shares in Eldisstöðin Íspór ehf. (50% of the total share capital) as collateral for the ISK 150 million loan, dated 10 September 2013 and by an amendment, dated 15 April 2020. The collateral in the shares now also secures the ISK 150 million loan which was recently provided by Arion Bank. As further collateral for the last mentioned loan, the Company pledged its claim against Eldisstöðin Íspór ehf. pursuant to a loan agreement in the amount of ISK 405 million.

8.9 **Grants**

The Group has not received any grants.

8.10 **Working capital statement**

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Admission Document.

9 THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND OTHER CONSULTANTS

9.1 Introduction

The General Meeting is the highest decision-making authority of the Company. All shareholders of the Company are entitled to attend and vote at General Meetings and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is vested with its Board of Directors and the Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's Chief Executive Officer (the "**CEO**"), is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must, according to Norwegian law, brief the Board of Directors about the Company's activities, financial position and operating results at a minimum of one time per month.

9.2 The Board of Directors

9.2.1 General

The Articles of Association provide that the Board of Directors shall comprise between four and eight board members, as elected by the Company's shareholders in an ordinary or extraordinary general meeting (as applicable).

The Company's registered business address, c/o NTS ASA, Fjordgata 8, 7900 Rørvik Norway, serves as business address for the members of the Board of Directors in relation to their directorship in the Company.

9.2.2 The composition of the Board of Directors

The names and positions of the members of the Board of Directors are set out in the table below.

Name	Function	Served since ¹	Term expires	Shares
Gudmundur Gislason	Chairman	2020	2022	13.2% ²
Einar Sverrisson	Director	2020	2022	21% ³
Roald Dolmen	Director	2020	2022	55.6% ⁴
Roar Myhre	Director	2020	2022	55.6% ⁴
Dagfinn Eliassen	Director	2020	2022	55.6% ⁴

1 All of the members of the Board of Directors are also board members of Fiskeldi.

2 Gislason holds the Shares through Egghjavita ehf. of which he holds 100% of the shares.

3 Sverrisson serves as Board Member as a representative of Eggjahvita ehf., Hregg, ehf. and Grjót ehf.

4 Dolmen, Myhre and Eliassen serves as Board Members as representatives of MNH, which is the holder of the Shares.

9.2.3 Brief biographies of the Board Members

Set out below are brief biographies of members of the Board of Directors, including their managerial expertise and experience, in addition to an indication of any significant principal activities performed by them outside of the Company.

Gudmundur Gislason, Chairman

Mr. Gislason is the founder of the Group, and has extensive experience from executive management roles and entrepreneurship. Position held since 2012. He is also a board member of the organization for fish farmers in Iceland and the Icelandic Seafood organization.

Einar Sverrisson, Director

Mr. Sverrisson is a Supreme Court Attorney at Law and partner since 2005 at Jonsson & Hall Law Firm in Reykjavik. Mr. Sverrisson is a board member of several companies in the white fish industry, has been an active lawyer since 2002 and became high court lawyer in 2008. His previous experience includes manager roles in several companies.

Roald Dolmen, Director

Mr. Dolmen is currently serving as the head of strategy and business development in the Norwegian listed company NTS ASA. He has previously held several senior executive positions within MNH, including CEO, production manager and project leader. Mr. Dolmen has more than 20 years of experience from Damfisk AS, today a part of the MNH group.

Roar Myhre, Director

Mr. Myhre is currently serving as the Chief Financial Officer in NTS ASA. He has a strong financial background with previous experience from Sparebank1 SMN and Sinkaberg-Hansen in senior finance positions. In Sinkaberg-Hansen, Mr. Myhre worked with economics and finance related to the company's fish farming operations.

Dagfinn Eliassen, Director

Mr. Eliassen is the deputy CEO of NTS ASA. He has a strong background from several years in Cermaq where he had leading positions related to farming of salmon. There he also was involved in the whole value-chain from smolt-production, farming operations, wellboats/transport and harvesting. He has also good experience from the role as a Director in companies related to NTS ASA.

9.3 Management

9.3.1 General

As of the date of this Admission Document, the Group's senior management team consists of four individuals. The management team is employed locally by Fiskeldi in Iceland, and not the Company. The names of the members of the management and their respective positions are presented in the table below.

Name	Position	Employed since	Shares	Options held
Gudmundur Gislason	Chief Executive Officer	2012	13.2% ¹	N/A
Thordur Thordarson	General Manager	2012	1% ²	N/A
Kjartan Lindbøl	Farming Manager	2018	No	N/A
Jonatan Thordarson.....	Farming Manager	2012	1.7% ³	N/A

1 Gislason holds the Shares through Egghjavita ehf. of which he holds 100% of the shares.

2 Thordur Thordarson holds the Shares through Gleði ehf. of which he holds 100% of the shares.

3 Jonatan Thordarson holds the Shares through Áning Ásbrú ehf. of which he holds 100% of the shares.

The Company's registered business address is c/o NTS ASA, Fjordgata 8, 7900 Rørvik Norway. However, it is the address of its wholly-owned subsidiary Fiskeldi at Nesbala 122, 170 Seltjarnarnes, Iceland, which serves as business address for the members of the Company's senior management team in relation to their employment with the Group.

9.3.2 Brief biographies of the management

Gudmundur Gislason, Chief Executive Officer

Please see Section 9.2.3 ("Brief biographies of the Board Members") above for a brief biography for Gudmundur Gislason.

Thordur Thordarson, General Manager

Mr. Thordarson, Attorney at Law, serves as the General Manager and handles legal affairs, licenses and sales. He has extensive experience in within consulting with more than 30 years of experience within the aquaculture sector. Mr. Thordarson is educated as a Lawyer from the University of Iceland and studied Law at Queen Mary and Westfield College in London.

Kjartan Lindbøl, Farming Manager

Mr. Lindbøl operates as the farming manager of the Group and is also an employee of MNH. He has more than 10 years of experience from fish farming in Vest-Finnmark with executive positions in Norway Royal Salmon. Mr. Lindbøl is also responsible of the training program, which secures the Group's highly skilled fish farming labor.

Jonatan Thordarson, Farming Manager

Mr. Thordarson operate as the second farming manager and has held the position since 2014. He is responsible for the day-to-day operations in the smolt farm, farming site and processing site. Mr. Thordarson has more than 22 years of experience from fish farming in Iceland and Norway, with experience as manager of Fjardalax (acquired by Arnarlax) and founder of Dyrfiskur.

9.4 Share incentive schemes

The Group has not implemented any share incentive schemes.

9.5 Employees and other consultants

As of the date of this Admission Document, the Group has 37 employees. The table below shows the development in the numbers of full-time employees over the last two years:

	Year ended 31 December	
	2019	2018
Number of employees ¹	33 ²	37

1 Number of employees stated as the average for each financial year.

2 In addition, there are 50 employees at the harvesting- and packaging facility in Búlandstindur, which the Group owns 33.3% of.

9.6 Benefits upon termination

No employee, including any member of the Company's senior management team, has entered into employment agreements which provide for any special benefits upon termination. None of the members of the Board of Directors has service contracts with the Company and none will be entitled to any benefits upon termination of office.

9.7 Corporate governance

The Company is not subject to the Corporate Governance Code, but the Company intends over time to implement the recommendations of the Corporate Governance Code.

9.8 Conflicts of interests etc.

No member of the Board of Directors or Management has, or have had, as applicable, during the last five years preceding the date of the Admission Document:

- any convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company.

To the Company's knowledge, there are currently no actual or potential conflicts of interest between the Company and the private interests or other duties of any of the Board Members and members of the Management, including any family relationships between such persons.

10 SHARE CAPITAL AND SHAREHOLDER MATTERS

10.1 Corporate information

The Company's legal name is Ice Fish Farm AS and the Company's commercial name is Ice Fish Farm. The Company is a private limited liability company (Nw.: *aksjeselskap*), validly incorporated and existing under the laws of Norway and in accordance with the Norwegian Private Companies Act. The Company is registered in the Norwegian Register of Business Enterprises with company registration number 924 824 913. The Company was incorporated on 16 March 2020.

The Company's registered business address is c/o NTS ASA, Fjordgata 8, 7900 Rørvik Norway. The Group's principal place of business is at the registered address of Fiskeldi, Nesbala 122, 170 Seltjarnarnes, Iceland. The telephone number to the Company's principal offices is +354 896 0426 and its website is "<https://www.icefishfarm.is>".

The Shares are registered in book-entry form with VPS under ISIN NO 001 0884794. The Company's register of shareholders in VPS is administrated by the VPS Registrar, Dronning Eufemias gate 30, Oslo, Norway. The Company's LEI-code is 98450040PEERA56F3E42.

The Company expects to apply for a listing of its Shares on Oslo Børs or Oslo Axess within 12 months from the date of the Admission, subject to favourable market conditions and an assessment of the Company's readiness for such listing.

10.2 Legal structure

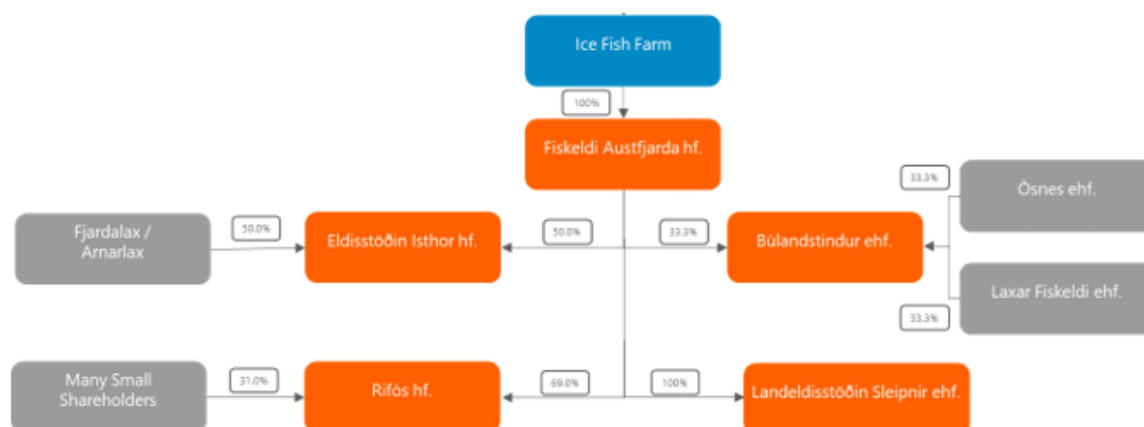
The Company is the parent company of Fiskeldi. See Section 7.5 ("Group organisation") for more information on Fiskeldi. Through its subsidiary, Fiskeldi, the Company also hold ownership interests in Landeldisstöðin Sleipnir ehf., Rífós ehf., Eldisstöðin Íspór hf. and Búlandstindur ehf.

The main activity of the Group is salmon farming.

The following table sets out brief information about the Company's subsidiaries and other ownership interests at the date of this Admission Document.

Company name	Registered office	Activity	Ownership interest	Shareholder
Fiskeldi Austfjarða hf.	Seltjarnarnes, Iceland	Operating company	100%	Ice Fish Farm AS
Landeldisstöðin Sleipnir ehf.	Seltjarnarnes, Iceland	Operating company	100%	Fiskeldi Austfjarða hf.
Rífós hf.	Kópasker, Iceland	Operating company	69%	Fiskeldi Austfjarða hf.
Eldisstöðin Íspór hf.	Thorlákshöfn, Iceland	Operating company	50%	Fiskeldi Austfjarða hf.
Búlandstindur ehf.	Djúpivogur, Iceland	Operating company	33,3%	Fiskeldi Austfjarða hf.

The following chart sets out the Group's legal structure as of the date of this Admission Document.



10.3 Share capital and share capital history

10.3.1 Overview

As of the date of this Admission Document, the Company's registered share capital is NOK 5,400,000, divided into 54,000,000 shares, each with a par value of NOK 0.10. All of the Company's shares have been issued under the Norwegian Private Companies Act, and are validly issued and fully paid.

The Company has one class of shares, and accordingly there are no differences in the voting rights among the Shares. The Company's shares are freely transferable, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal. Pursuant to the Articles of Association, the Company's shares shall be registered in VPS.

10.3.2 Share capital history

The table below shows the development in the Company and Fiskeldi's share capital for the period covered by the Financial Statements to the date of the Admission Document. There have not been any other capital increases in the Company other than as set out in the table below, neither by way of contribution in cash or in kind for the period covered by the Financial Statements until the date of this Admission Document.

Ice Fish Farm AS

Date of registration	Type of change	Change in share capital (NOK)	New share capital (NOK)	Nominal value (NOK)	New number of total issued shares	Subscription price per share (NOK)
16 March 2020	Incorporation	30,000	30,000	30	1,000	30
29 May 2020	Share capital decrease	30,000	0	30	N/A	N/A
29 May 2020	Share capital increase by contribution in kind	4,500,000	4,500,000	0.10	45,000,000	33.50
29 May 2020	Share capital increase by cash contributions	900,000	5,400,000	0.10	54,000,000	33.50

Fiskeldi Austfjarða hf.

Date of registration	Type of change	Change in share capital (ISK)	New share capital (ISK)	Nominal value (ISK)	New number of total issued shares	Subscription price per share (ISK)
9 April 2019	Share capital increase by cash contribution	18,899,295	70,129,908	1	18,899,295	44.1899

10.4 Ownership structure

As of 1 June 2020, being the last practical date prior to the date of this Admission Document, the Company's twenty largest shareholders was as presented in the table below.

#	Shareholder	Number of Shares	Per cent of share capital
1	Midt-Norsk Havbruk AS	30,020,121	55.6
2	Eggjahvita ehf.	7,122,384	13.2
3	Hregg ehf.	3,026,745	5.6
4	DNB Asset Management AS	2,388,060	4.4
5	Grjót ehf.	1,323,204	2.5
6	Swedbank Robur Fonder AB	1,194,000	2.2
7	Maximum Holding AS	973,329	1.8

8	Áning Asbrú ehf.	912,593	1.7
9	Gleði ehf.	537,776	1.0
10	Nordea Investment Management AB	500,000	0.9
11	Alfred Berg Kapitalforvaltning Norge	350,000	0.6
12	FIRST Fondene AS	300,000	0.6
13	Verdipapirfondet Pareto Investment Fund	300,000	0.6
14	Centra Capital AS	265,000	0.5
15	SEB Prime Solutions-Sissener Canopus	250,000	0.5
16	Freitheim Bruk AS	232,616	0.4
17	MP Pensjon PK	229,170	0.4
18	Stefnir Asset Management hf.	180,000	0.3
19	Toluma Norden AS	180,000	0.3
20	Portia AS	180,000	0.3
Total top 20		50,464,997	93.5
Others.....		3,535,003	6.5
Total		54,000,000	100

As of the date of this Admission Document, no shareholder other than Midt-Norsk Havbruk AS (55.6%), Eggjahvita ehf. (13.2%) and Hregg ehf. (5.6%) holds more than 5% of the issued Shares.

As of the date of this Admission Document, the Company does not hold any treasury shares.

There are no arrangements known to the Company that may lead to a change of control in the Company.

10.5 Authorisations

10.5.1 Authorisation to increase the share capital

As at the date of this Admission Document, the Board of Directors does not hold any authorisations to increase the share capital.

10.5.2 Authorisation to acquire treasury shares

As at the date of this Admission Document, the Board of Directors does not hold any authorisations to acquire Shares in the Company.

10.6 Financial instruments

Other than as set out in Section 8.8 above, neither the Company nor any of the Company's subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries.

10.7 Shareholder rights

The Company has one class of shares in issue and all Shares provide equal rights in the Company, including the rights to any dividends. Each of the Company's shares carries one vote. The rights attached to the Shares are further described in Section 10.8 ("The Articles of Association") and Section 10.9 ("Certain aspects of Norwegian corporate law").

10.8 The Articles of Association

The Articles of Association are enclosed in Appendix A to the Admission Document. Below is a summary of the provisions of the Articles of Association as of 28 May 2020.

10.8.1 Objective of the Company

Pursuant to section 2, the objective of the Company is fish farming and related activities, including ownership and participation in other companies with the same business, and the company may obtain external loans and provide group financing.

10.8.2 Share capital and par value

Pursuant to section 3, the Company's share capital is NOK 5,400,000 divided into 54,000,000 shares, each with a nominal value of NOK 0.10. The Shares are registered with a central securities depository (the Norwegian Central Securities Depository (VPS)). The Company's shares are freely transferable.

10.8.3 The board of directors

Pursuant to section 4, the Board of Directors shall consist of between four and eight members, according to the shareholders' decision in a general meeting of the Company.

10.8.4 Restrictions on transfer of Shares

Pursuant to the section 3, the Shares are freely transferable.

10.8.5 Signatory right

The signatory right lies with the Chairman of the Board solely or two board members jointly.

10.8.6 General meetings

Documents relating to matters to be dealt with by the Company's general meeting, including documents which pursuant to law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's website. A shareholder may nevertheless request that documents which relate to matters to be dealt with at the general meeting are sent to him/her.

The annual general meeting shall deal with and decide the following matters:

- Approval of the annual accounts and the annual report, including distribution of dividend; and
- Any other matters, which according to the law or the articles of association fall within the responsibility of the general meeting.

10.9 Certain aspects of Norwegian corporate law

10.9.1 General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that a written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting is sent to all shareholders with a known address no later than seven days before the annual general meeting of a Norwegian private limited liability company shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy (the proxy holder is appointed at their own discretion). Although Norwegian law does not require the Company to send proxy forms to its shareholders for general meetings, the Company plans to include a proxy form with notices of general meetings. All of the Company's shareholders who are registered in the shareholders' register kept and maintained with VPS as of the date of the general meeting, or who otherwise have reported and documented ownership of shares in the Company, are entitled to participate at general meetings, without any requirement of pre-registration.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders shall also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 10% of the share capital demands such in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings.

10.9.2 Voting rights – amendments to the articles of association

Each Share carries one vote. In general, decisions shareholders are entitled to make under Norwegian law or the articles of association may be made by a simple majority of the votes cast. In the case of elections or appointments (e.g. to the board of directors), the person(s) who receive(s) the greatest number of votes cast is elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe for shares in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the articles of association, to authorize an increase or reduction of the share capital, to authorize an issuance of convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at the general meeting in question. Moreover, Norwegian law requires that certain decisions, i.e. decisions that have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the articles of association.

In general, only a shareholder registered in VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees.

There are no quorum requirements that apply to the general meetings.

10.9.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Company's Articles of Association must be amended, which requires the same vote as other amendments to the articles of association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. The preferential rights may be deviated from by a resolution in the general meeting passed with the same vote required to amend the articles of association. A deviation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the articles of association, authorize the board of directors to issue new Shares, and to deviate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered par share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States and other jurisdictions upon the exercise of preferential rights may require the Company to file a registration statement or prospectus in the United States under United States securities laws or in such other jurisdictions under the laws of such jurisdictions. Should the Company in such a situation decide not to file a registration statement or prospectus, the Company's U.S. shareholders and shareholders in such other jurisdictions may not be able to exercise their preferential rights. To the extent that shareholders are not able to exercise their rights to subscribe for new shares, the value of their subscription rights will be lost and such shareholders' proportional ownership interests in the Company will be reduced.

10.9.4 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including, but not limited to, those described in this paragraph and the description of general meetings as set out above. Any of the Company's

shareholders may petition Norwegian courts to have a decision of the board of directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 10% or more of the Company's share capital have a right to demand in writing that the Board of Directors convenes an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

10.9.5 Rights of redemption and repurchase of shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not lead to the share capital with deduction of the aggregate nominal of the holding of own shares is less than the minimum allowed share capital of NOK 30,000, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the general meeting of the Company's shareholders cannot be granted for a period exceeding two years.

10.9.6 Shareholder vote on certain reorganizations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the articles of association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the general meeting to pass upon the matter.

10.9.7 Liability of board members

Board Members owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Board members may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the articles of association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the articles of association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

10.9.8 Indemnification of board members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Board Members against certain liabilities that they may incur in their capacity as such.

10.9.9 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

10.10 Dividend policy

Pursuant to the Norwegian Private Companies Act, dividends may only be declared to the extent that the Company has distributable funds and the Board of Directors finds such a declaration to be prudent in consideration of the size, nature, scope and risks associated with the Company's operations and the need to strengthen its liquidity and financial position. Apart from this, there are no formal restrictions on the distribution of dividends. However, as the Company's ability to pay dividends is dependent on the availability of distributable reserves, it is, among other things, dependent upon receipt of dividends and other distributions of value from its subsidiaries and companies in which the Company may invest. See Section 5 ("Dividends and dividend policy") for more information on the Company's dividend policy.

10.11 Takeover bids and forced transfers of shares

The Company is not subject to the takeover regulations set out in the Norwegian Securities Trading Act, or otherwise.

The Shares are, however, subject to the provisions on compulsory transfer of shares as set out in the Norwegian Private Companies Act. If a private limited liability company alone, or through subsidiaries, owns 9/10 or more of the shares in the subsidiary, and may exercise a corresponding part of the votes that may be cast in the general meeting, the board of directors of the parent company may resolve that the parent company shall take over the remaining shares in the company. Each of the other shareholders in the subsidiary have the right to require the parent company to take over the shares. The parent company shall give the shareholders a redemption offer pursuant to the provisions of the Norwegian Private Companies Act. The redemption amount will in the absence of agreement or acceptance of the offer be fixed by a discretionary valuation.

11 NORWEGIAN TAXATION

This section describes certain tax rules in Norway applicable to shareholders who are resident in Norway for tax purposes ("Norwegian Shareholders") and to shareholders who are not resident in Norway for tax purposes ("Non-Resident Shareholders"). The statements herein regarding taxation are based on the laws in force in Norway as of the date of this Admission Document and are subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares. Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of Shares. The statements only apply to shareholders who are beneficial owners of Shares. Please note that for the purpose of the summary below, references to Norwegian Shareholders or Non-Resident Shareholders refers to the tax residency rather than the nationality of the shareholder. Please also note that the tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdictions in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.

11.1 Norwegian shareholders

11.1.1 Taxation of dividends

Norwegian corporate shareholders (i.e. limited liability companies and similar entities) ("**Norwegian Corporate Shareholders**") are comprised by the Norwegian participation exemption. Under the exemption, only 3% of dividend income on shares in Norwegian limited liability companies is subject to tax as ordinary income (22% flat rate as of 2019), implying that such dividends are effectively taxed at a rate of 0.66%. For Norwegian Corporate Shareholders that are considered to be "Financial Institutions" under the Norwegian financial activity tax the effective rate of taxation for dividends is 0.75%.

Dividends distributed to Norwegian shareholders that are individuals (i.e. shareholders who are natural persons) ("**Norwegian Individual Shareholders**") are grossed up with a factor of 1.44 before taxed as ordinary income (22% flat rate, resulting in an effective tax rate of 31.68%) to the extent the dividend exceeds a tax-free allowance.

The tax-free allowance is calculated on a share-by-share basis for each individual shareholder on the basis of the cost price of each of the Shares multiplied by a risk-free interest rate. The risk-free interest rate is based on the effective rate of interest on treasury bills (Nw.: *statskasseveksler*) with three months maturity plus 0.5 percentage points, after tax. The tax-free allowance is calculated for each calendar year and is allocated solely to Norwegian Individual Shareholders holding Shares at the expiration of the relevant calendar year. Norwegian Individual Shareholders who transfer Shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated tax-free allowance one year exceeding the dividend distributed on the Share ("unused allowance") may be carried forward and set off against future dividends received on (or gains upon realization of, see below) the same Share. Any unused allowance will also be added to the basis of computation of the tax-free allowance on the same Share the following year.

The Shares will not qualify for Norwegian share saving accounts (Nw.: *aksjesparekonto*) for Norwegian Individual Shareholders as the shares are listed on Merkur Market (and not Oslo Børs or Oslo Axess).

11.1.2 Taxation of capital gains

Sale, redemption or other disposal of Shares is considered as a realization for Norwegian tax purposes.

Capital gains generated by Norwegian Corporate Shareholders through a realization of shares in Norwegian limited liability companies, such as the Company, are comprised by the Norwegian participation exemption and therefore tax exempt. Net losses from realization of Shares and costs incurred in connection with the purchase and realization of such Shares are not tax deductible for Norwegian Corporate Shareholders.

Norwegian Individual Shareholders are taxable in Norway for capital gains derived from realization of Shares, and have a corresponding right to deduct losses. This applies irrespective of how long the Shares have been owned by the individual shareholder and irrespective of how many Shares that are realized. Gains are taxable as ordinary income in the year of realization and losses can be deducted from ordinary income in the year of realization. Any gain or loss is grossed up with a factor of 1.44 before taxed at a rate of 22% (resulting in an effective tax rate of 31.68%). Under current tax rules, gain or loss is calculated per Share, as the difference between the consideration received for the Share and the Norwegian Individual Shareholder's cost price for the Share, including costs incurred

in connection with the acquisition or realization of the Share. Any unused tax-free allowance connected to a Share may be deducted from a capital gain on the same Share, but may not create or increase a deductible loss. Further, unused tax-free allowance related to a Share cannot be set off against gains from realization of other Shares.

If a Norwegian shareholder realizes Shares acquired at different points in time, the Shares that were first acquired will be deemed as first sold (the "first in first out"-principle) upon calculating taxable gain or loss. Costs incurred in connection with the purchase and sale of Shares may be deducted in the year of sale.

A shareholder who ceases to be tax resident in Norway due to domestic law or tax treaty provisions may become subject to Norwegian exit taxation of capital gains related to shares in certain circumstances.

11.1.3 Net wealth tax

The value of Shares is taken into account for net wealth tax purposes in Norway. The marginal net wealth tax rate is currently 0.85% of the value assessed. The value for assessment purposes for the Shares is equal to 75% of the total tax value of the Company as of 1 January of the year before the tax assessment year. However, if the share capital in the Company has been increased or reduced by payment from or to shareholders in the year before the tax assessment year, the value for assessment purposes for the Shares is equal to 75% of the total tax value of the Company as of 1 January of the tax assessment year. The value of debt allocated to the Shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 75%).

Norwegian limited liability companies and similar entities are exempted from net wealth tax.

11.2 Non-Resident Shareholders

11.2.1 Taxation of dividends

Dividends paid from a Norwegian limited liability company to shareholders who are not resident in Norway for tax purposes ("**Non-Resident Shareholders**") are generally subject to Norwegian withholding tax at a rate of 25% unless the recipient qualifies for a reduced rate according to an applicable tax treaty or other specific regulations. The shareholder's country of residence may give credit for the Norwegian withholding tax imposed on the dividend.

If a Non-Resident Shareholder is carrying on business activities in Norway and the Shares are effectively connected with such activities, the Non-Resident Shareholder will be subject to the same taxation of dividend as a Norwegian Shareholder, as described above.

Non-Resident Shareholders that are corporate shareholders (i.e. limited liability companies and similar entities) ("**Foreign Corporate Shareholders**") resident within the European Economic Area ("**EEA**") are exempt from Norwegian withholding tax pursuant to the Norwegian participation exemption provided that the Foreign Corporate Shareholder is genuinely established and carries out genuine economic activities within the EEA.

Dividends paid to Non-Resident Shareholders that are individual shareholders (i.e. shareholders who are natural persons) ("**Foreign Individual Shareholders**") are as the main rule subject to Norwegian withholding tax at a rate of 25%, unless a lower rate has been agreed in an applicable tax treaty. If the individual shareholder is resident within the EEA, the shareholder may apply to the tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share, see Section 11.1.1 ("Taxation of dividends"). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

In accordance with the present administrative system in Norway, a distributing company will generally deduct withholding tax at the applicable rate when dividends are paid directly to an eligible Foreign Shareholder, based on information registered with the VPS. Foreign Corporate and Individual Shareholders must document their entitlement to a reduced withholding tax rate by (i) obtaining a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state, which cannot be older than three years, and (ii) providing a confirmation from the shareholder that the shareholder is the beneficial owner of the dividend. In addition, Foreign Corporate Shareholders must also present either (i) an approved withholding tax refund application or (ii) an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate or a withholding tax exemption. Such documentation must be provided to either the nominee or the account operator (VPS). Dividends paid to Non-Resident Shareholders in respect of nominee

registered shares are not eligible for reduced treaty withholding tax rate at the time of payment unless the nominee, by agreeing to provide certain information regarding beneficial owner, has obtained approval for reduced treaty withholding tax rate from the Norwegian tax authorities. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Foreign Individual and Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Foreign Corporate Shareholders that have suffered withholding tax although qualifying for the Norwegian participation exemption.

Non-Resident Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments.

11.2.2 Taxation of capital gains

Gains from realization of Shares by Non-Resident Shareholders will not be subject to tax in Norway unless the Non-Resident Shareholders are holding the Shares in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

11.2.3 Net wealth tax

Non-Resident Shareholders are not subject to Norwegian net wealth tax with respect to the Shares, unless the shareholder is an individual, and the shareholding is effectively connected with a business which the shareholder takes part in or carries out in Norway. Such taxation may be limited according to an applicable tax treaty.

11.3 Transfer taxes etc. VAT

No transfer taxes, stamp duty or similar taxes are currently imposed in Norway on purchase, issuance, disposal or redemption of shares. Further, there is no VAT on transfer of shares.

12 SELLING AND TRANSFER RESTRICTIONS

12.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares admitted to trading on Merkur Market.

The Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Admission Document does not constitute an offer and this Admission Document is for information only and should not be copied or redistributed. If an investor receives a copy of this Admission Document, the investor may not treat this Admission Document as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Admission Document, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

12.2 Selling restrictions

12.2.1 United States

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the U.S. Securities Act; or (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, the Merkur Market Advisor has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Shares as part of its allocation at any time other than (i) within the United States to QIBs in accordance with Rule 144A or (ii) outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Shares will be restricted and each purchaser of the Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 12.3.1 ("United States").

12.2.2 United Kingdom

The Merkur Market Advisor has represented, warranted and agreed that:

- a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") in connection with the issue or sale of any Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and
- b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Shares in, from or otherwise involving the United Kingdom.

12.2.3 European Economic Area

In no member state (each a "**Relevant Member State**") of the EEA have Shares been offered and in no Relevant Member State other than Norway will Shares be offered to the public pursuant to an offering, except that Shares may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

- a) to persons who are "qualified investors" within the meaning of Article 2(e) in the EU Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Merkur Market Advisor for any such offer; or
- c) in any other circumstances falling under the scope of Article 3(2) of the EU Prospectus Regulation;

provided that no such offer of Shares shall result in a requirement for the Company or Merkur Market Advisor to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

This EEA selling restriction is in addition to any other selling restrictions set out in this Admission Document.

12.2.3.2 Other jurisdictions

The Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Switzerland, Japan, Canada, Australia or any other jurisdiction in which it would not be permissible to offer the Shares.

In jurisdictions outside the United States and the EEA where an offering would be permissible, the Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

12.3 Transfer restrictions

12.3.1 United States

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Admission Document and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities, regulatory authority or any state of the United States, subject to certain exceptions, may not be offered or sold within the United States.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Shares, was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Shares or any economic interest therein to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Admission Document.
- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.
- If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.

- The purchaser acknowledges that the Company, the Merkur Market Advisor and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Shares within the United States purchasing pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Admission Document and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.
- The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, or any economic interest therein, as the case may be, such Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser will not deposit or cause to be deposited such Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Shares are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.
- The purchaser acknowledges that the Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.
- The purchaser acknowledges that the Company shall not recognize any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.
- If the purchaser is requiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that Company, the Merkur Market Advisor and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

12.3.2 European Economic Area

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Shares under, the offers contemplated in this Admission Document will be deemed to have represented, warranted and agreed to and with the Merkur Market Advisor and the Company that:

- a) it is a qualified investor within the meaning of Articles 2(e) of the EU Prospectus Regulation; and
- b) in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Shares acquired by it in an offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Merkur Market Advisor has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on terms of an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

13 ADDITIONAL INFORMATION

13.1 Admission to Merkur Market

On 22 May 2020, the Company applied for Admission to Merkur Market. The first day of trading on Merkur Market is expected to be on or about 5 June 2020.

Neither the Company nor any other entity of the Group have securities listed on any stock exchange or other regulated market place.

13.2 Information sourced from third parties and expert opinions

In this Admission Document, certain information has been sourced from third parties. The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

The Company confirms that no statement or report attributed to a person as an expert is included in this Admission Document.

13.3 Independent auditor

The Company's independent auditor is Ernst & Young AS (business registration number 976 389 387, and registered business address at Dronning Eufemias gate 6, 0191 Oslo, Norway). The partners of Ernst & Young AS are members of The Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforening*). Ernst & Young AS has been the Company's independent auditor since 17 May 2020.

KPMG ehf. has been the auditor of Fiskeldi and its subsidiaries since 2012. The partners of KPMG ehf. are members of The Institute of State Authorized Public Accountants in Iceland (Is.: *Félag löggiltra endurskoðenda*).

Neither Ernst & Young AS nor KPMG ehf. has audited, reviewed or produced any report on any other information in this Admission Document.

13.4 Advisors

The Company has engaged ABG Sundal Collier ASA (business registration number 883 603 362, and registered business address at Munkedamsveien 45 Vika Atrium, N-0250 Oslo, Norway) and DNB Markets, a part of DNB Bank ASA (business registration number 984 851 006, and registered business address at Dronning Eufemias gate 30, Oslo, Norway) as the Merkur Advisors.

Arntzen de Besche Advokatfirma AS (business registration number 982 409 705, and registered business address at Bygdøy Allé 2, N-0257 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

Advokatfirmaet Thommessen AS (business registration number 957 423 248, and registered business address at Haakon VIIIs gate 10, N-0116 Oslo, Norway) is acting as Norwegian legal counsel to the Merkur Advisors.

14 DEFINITIONS AND GLOSSARY OF TERMS

When used in this Admission Document, the following defined terms shall have the following meaning:

Admission	The admission to trading of the Company's shares on Merkur Market.
Admission Document	This admission document, dated 2 June 2020.
Appropriate Channels for Distribution	Has the meaning ascribed to such term under "Important Information".
Arion Bank	Arion Banki hf
Articles of Association	Articles of Association of the Company as of 28 May 2020.
Board of Directors	The board of directors of the Company.
Board Members	The members of the Board of Directors.
CEO	Chief Executive Officer.
Company	Ice Fish Farm AS.
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance last updated 30 October 2014.
Credit Agreements	The Group's loan agreements with Arion Bank
Distributors	Two major fish distributors which the Company have entered into contracts with.
EEA	European Economic Area.
East Fjords	The east fjords of Iceland.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
FSMA	The Financial Services and Markets Act 2000.
Financial Statements	The audited consolidated financial statements of Fiskeldi for the years ending 31 December 2019 and 31 December 2018.
Fiskeldi	Fiskeldi. Austfjarða hf
Foreign Corporate Shareholders	Non-Resident Shareholders that are corporate shareholders (i.e. limited liability companies and similar entities).
Foreign Individual Shareholders	Non-Resident Shareholders that are individual shareholders (i.e. other shareholders than Foreign Corporate Shareholders).
Group	The Company together with its subsidiaries.
Havsbrún	Havsbrún P/F.
Ice Fish Farm	Ice Fish Farm AS.
IFRS	International Financial Reporting Standards as adopted by the EU.
IS-GAAP	Icelandic Generally Accepted Accounting Principles.
ISK	Icelandic kroner, the currency of Iceland.
LEI	Legal Entity Identifier.
LIBOR	London Inter-bank Offered Rate.
Management	The members of the Group's senior management.
Merkur Advisors	ABG Sundal Collier ASA and DNB Markets, a part of DNB Bank ASA.
Merkur Market	The multilateral trading facility for equity instruments operated by Oslo Børs ASA.
Merkur Market Admission Rules	Admission to trading rules for Merkur Market as of April 2020.
Merkur Market Content Requirements	Content requirements for Admission Documents for Merkur Market as of March 2020.
MNH	Midt-Norsk Havbruk AS
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended.
MiFID II Product Governance Requirements	MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures.
Negative Target Market	Has the meaning ascribed to such term under "Important Information".
NGAAP	Norwegian Generally Accepted Accounting Principles.
NIBOR	Norwegian Interbank Offered Rate.
NOK	Norwegian kroner, the currency of the Kingdom of Norway.
Non-Resident Shareholders	Shareholders who are not resident in Norway for tax purposes.
NPA	National Planning Agency
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) domiciled in Norway for tax purposes.
Norwegian Individual Shareholders	Norwegian Shareholders other than Norwegian Corporate Shareholders.
Norwegian Private Companies Act	The Norwegian Private Limited Liability Companies Act of 13 June 1997 no 44 (as amended) (<i>Nw.: aksjeloven</i>).
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended) (<i>Nw.: verdipapirhandelloven</i>).

Norwegian Securities Trading Regulation	The Norwegian Securities Trading Regulation of 29 June 2007 no 876 (as amended) (<i>Nw.: verdipapirforskriften</i>).
Norwegian Shareholders	Shareholders who are resident in Norway for tax purposes.
Oslo Børs (or OSE)	Oslo Børs ASA.
Positive Target Market	Has the meaning ascribed to such term under "Important Information".
Private Placement	The private placement in the Company completed on 28 May 2020 consisting of (i) a share capital increase for a total amount of NOK 301.5 million, by issuing 9,000,000 Shares, at a subscription price of NOK 33.50 per Share; and, (ii) a secondary sale of existing, validly issued Shares from minority shareholders of the Company, each with a nominal value of NOK 0.10, for a total amount of approximately NOK 89 million.
Retailer	A high end US based multinational supermarket chain.
REIBOR	Reykjavik Interbank Offered Rate.
Relevant Member State	Each Member State of the European Economic Area which has implemented the EU Prospectus Directive.
Reorganization	Contribution of the shares in Fiskeldi to the Company, against issue of 45,000,000 Shares in the Company to the shareholders of Fiskeldi, simultaneously with a write down of the existing share capital of the Company.
Securities	Securities of the Company.
Shares (or Share)	Means the shares of the Company, each with a nominal value of NOK 0.10, or any one of them.
Supplier	A well-known US based Horeca seafood supplier.
Target Market Assessment	Negative Target Market together with the Positive Target Market.
USD	United States Dollars, the currency of the United States.
United States (or US)	The United States of America.
VPS	The Norwegian Central Securities Depository (<i>Nw.: Verdipapirsentralen</i>).
VPS Registrar	DNB Verdipapirservice.

APPENDIX A
ARTICLES OF ASSOCIATION

<p>VEDTEKTER</p> <p>ICE FISH FARM AS</p> <p>vedtatt på ekstraordinær generalforsamling 28. mai 2020</p>	<p>ARTICLES OF ASSOCIATION</p> <p>ICE FISH FARM AS</p> <p>adopted at an extraordinary general meeting 28 May 2020</p>
<p>§ 1 - Foretaksnavn</p> <p>Selskapets navn er Ice Fish Farm AS.</p>	<p>§ 1 – Company name</p> <p>The Company's name is Ice Fish Farm AS.</p>
<p>§ 2 - Virksomhet</p> <p>Selskapets virksomhet er fiskeoppdrett og tilhørende aktiviteter, inkludert eierskap og deltakelse i andre selskaper med lignende virksomhet, herunder kan selskapet ta opp eksterne lån og foreta konsernfinansiering.</p>	<p>§ 2 – The company's business</p> <p>The objective of the company is fish farming and related activities, including ownership and participation in other companies with the same business, and the company may obtain external loans and provide group financing.</p>
<p>§ 3 - Aksjekapital</p> <p>Aksjekapitalen er kr 5.400.000, fordelt på 54.000.000 aksjer, hver pålydende kr 0,10. Selskapets aksjer skal bli registrert i et verdipapirregister (Verdipapirsentralen i Norge (VPS)).</p> <p>Selskapets aksjer skal være fritt omsettelige.</p>	<p>§ 3 – Share capital</p> <p>The Company's share capital is NOK 5,400,000 divided into 54,000,000 shares each with a nominal value of NOK 0.10.</p> <p>The Company's share shall be registered in a securities register (the Norwegian Central Securities Depository (VPS)).</p> <p>The Company's share shall be freely transferable.</p>
<p>§ 4 – Styre</p> <p>Selskapets styre skal ha fra 3 til 7 medlemmer, etter generalforsamlingens nærmere beslutning.</p>	<p>§ 4 – Board of directors</p> <p>The Company's Board of Directors shall consist of 3 to 7 members, according to the decision of the general meeting.</p>
<p>§ 5 - Signatur</p> <p>Selskapets firma kan tegnes av styrelederen alene eller to styremedlemmer i fellesskap.</p>	<p>§ 5 – Signatory rights</p> <p>The Chairman of the Board solely or two board members jointly have the right to sign on behalf of the company.</p>
<p>§ 6 - Generalforsamling</p> <p>Dokumenter som gjelder saker som skal behandles på selskapets generalforsamling, inkludert lovpålagte dokumenter eller vedlegg til innkallingen, behøver ikke sendes til aksjonærene dersom dokumentene blir gjort tilgjengelig på selskapets hjemmeside. Til tross for det foregående, kan en aksjonær be om en kopi av dokumenter som gjelder saker som skal behandles på generalforsamlingen.</p> <p>På den ordinære generalforsamling skal følgende</p>	<p>§ 6 – General meeting</p> <p>Documents concerning matters to be considered at the Company's general meeting, including documents which by law must be included in or enclosed with the notice of the general meeting, need not be sent to shareholders if the documents are made available on the Company's website. Notwithstanding the foregoing, a shareholder may request a copy of documents which concern matters to be considered at the</p>

<p>spørsmål behandles og avgjøres:</p> <ul style="list-style-type: none"> • Godkjenning av årsregnskapet og årsberetningen, herunder utdeling av utbytte. • Andre saker som etter loven eller vedtektene hører under generalforsamlingen. 	<p>general meeting.</p> <p>The annual General Meeting shall deal with and decide the following matters:</p> <ul style="list-style-type: none"> • Approval of the annual accounts and the annual report, including distribution of dividend. • Other issues, which according to the law or the Articles of Association come under the General Meeting.
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APPENDIX B
AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FISKELDI AUSTFJARÐA HF FOR THE
YEAR ENDED 31 DECEMBER 2018

Fiskeldi Austfjarða hf.
Financial Statements 2018
Consolidation
USD

Fiskeldi Austfjarða hf.
Nesbala 122
170 Seltjarnarnesi

Reg. no. 520412-0930

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Endorsement by the Board of Directors and the Managing Director

Company was established in 2012. The main purpose of the Company is salt water fish farming.

It is the opinion of the Board of Directors that the Financial Statements include all information necessary to give a fair view of the financial position at the year-end, operating results for the year 2018 and changes in cash and cash equivalents for the year 2018. The Company's profit for the year amounted to USD 0.1 million. According to the balance sheet the total equity at the year-end amounted to USD 17.9 million including share capital in the amount of USD 0.4 million.

Shareholders at the beginning of the year and year-end were nine. Shareholders are as follows:

	Shareholding
Midt Norsk Havbruk AS	62,06%
Eggjahvíta ehf.	17,63%
Hregg ehf.	7,26%
Grjót ehf.	3,73%
Áning Ásbrú ehf.	2,88%
Maximum Holding AS	2,70%
Gleði ehf.	2,22%
Freitheim Bruk AS	0,85%
Haspro AS	0,41%
RoDo Invest AS	0,16%
Dolomen Invest AS	0,11%

Company's Board of Directors proposes that no dividend will be paid to shareholders in the year 2019, but otherwise refers to the financial statements regarding settlement of loss and other changes in equity.

The Board of Directors of Fiskeldi Austfjarða hf. and the Managing Director hereby confirm the Financial Statements of the Group for the year 2018 by means of their signatures.

Trondheim, 6/5 2019

Board of Directors:

The image shows five handwritten signatures in blue ink. The first three are smaller and arranged in a row at the top, while the last two are larger and more prominent, stacked below them. The signatures are written on a light-colored background.

Independent auditor's report

To the Board of Directors and Shareholders of Fiskeldi Austfjarða hf.

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Fiskeldi Austfjarða hf. (the Company), which comprise the balance sheet as at December 31, 2018, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with the Icelandic Financial Statement Act.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of consolidated financial statements in Iceland and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and CEO for the Financial Statements

The Board of Directors and CEO are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Icelandic Financial Statement Act, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors and CEO are responsible for assessing 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 they either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Groups's financial reporting process.

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 skepticism 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 internal control.

Independent auditor's report, contd.:

Auditor's Responsibilities for the Audit of the Financial Statements, contd.:

- 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 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 to cease to continue as a going concern.
- 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.

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.

Report on Other Legal and Regulatory Requirements

Pursuant to the legal requirement under Article 104, Paragraph 2 of the Icelandic Financial Statement Act No. 3/2006, we confirm that, to the best of our knowledge, the report of the Board of Directors accompanying the financial statements includes the information required by the Financial Statement Act if not disclosed elsewhere in the financial statements.

Reykjavík, 31 May 2019

KPMG ehf.



Consolidated Income Statement for the year 2018

	Notes	2018	2017
Operating revenue			
Fair value adjustment on biological assets		5.908.107	2.149.044
Sales		22.626.398	12.944.502
		<u>28.534.505</u>	<u>15.093.546</u>
Operating expenses			
Materials and feed		19.473.872	11.645.611
Salaries and salary-related expenses	2	3.283.297	2.572.711
Other production and operating expenses		3.641.113	4.266.959
		<u>26.398.282</u>	<u>18.485.282</u>
EBITDA		2.136.222	(3.391.737)
Depreciation	5	1.174.995	814.110
Operating profit (loss) before financial income and expenses		961.227	(4.205.846)
Financial income and (expenses)			
Interest revenue		1.467	31.577
Foreign exchange rate loss		1.042.564	(118.355)
Interest expenses		(1.647.190)	(1.207.707)
		<u>(603.159)</u>	<u>(1.294.485)</u>
Share of loss in associates	6	(228.598)	255.871
Net profit (loss) before income tax		129.470	(5.244.460)
Income tax	3	(6.349)	675.857
Net profit (loss) for the year	8	<u>123.121</u>	<u>(4.568.603)</u>
Net profit (loss) attributable to:			
Owners of the company		115.463	(4.574.671)
Non-controlling interest		7.658	6.068
Net profit (loss) for the year		<u>123.121</u>	<u>(4.568.603)</u>

Consolidated Balance Sheet as at 31 December 2018

	Notes	2018	2017
Assets			
Operating assets	4	11.199.469	7.049.616
Intangible assets	5	1.421.425	1.317.608
Shares in associates	6	3.302.958	3.651.061
Deferred tax assets	10	174.092	194.004
Total non-current assets		16.097.944	12.212.290
Inventories	7	33.950.512	28.121.332
Trade and other receivables		2.017.975	954.522
Cash and cash equivalents		214.922	113.261
Total current assets		36.183.409	29.189.116
Total assets		52.281.353	41.401.406
Equity			
Share capital		406.117	406.117
Share premium		17.243.066	17.243.066
Reserve		2.818.770	3.211.456
Accumulated deficit		(2.905.464)	(2.959.596)
Equity attributable to owners of the company		17.562.489	17.901.043
Non-controlling interest		353.893	381.662
Total equity	8	17.916.382	18.282.705
Liabilities			
Interest-bearing long-term liabilities	9	4.295.298	3.512.708
Subordinated loan from related party	11	6.765.293	0
Total long-term liabilities		11.060.591	3.512.708
Bank overdraft		13.276.246	10.167.513
Interest-bearing short-term liabilities	9	3.034.906	1.381.159
Subordinated loan from related party	11	1.320.474	2.730.092
Accounts payable		4.920.928	4.883.284
Other payables		751.826	443.944
Total short-term liabilities		23.304.381	19.605.992
Total liabilities		34.364.972	23.118.700
Total equity and liabilities		52.281.354	41.401.406

Consolidated Statement of Cash Flows for the year 2018

	Notes	2018	2017
Cash flows from operating activities			
Net profit (loss) for the year	7	140.701	(4.568.603)
Difference between net earnings and cash from operations:			
Depreciation	3	1.078.467	814.110
Currency exchange difference of interest bearing liabilities .....	(	386.562)	353.655
Share of loss (profit) of associates	5	307.546	(255.871)
Income tax	9	6.349	(675.857)
Working capital from (used in) operating activities		<u>1.146.502</u>	<u>(4.332.566)</u>
Changes in operating assets and liabilities:			
Inventories, increase .....	(	6.047.787)	(2.466.300)
Receivables, increase .....	(	685.375)	(76.587)
Current liabilities, (decrease) increase		59.869	724.237
Changes in operating assets and liabilities		<u>(6.673.296)</u>	<u>(1.818.650)</u>
Cash flows used in operating activities		<u>(5.526.794)</u>	<u>(6.151.216)</u>
Cash flows used in investing activities			
Investments in operating assets	3	(5.362.349)	(2.340.384)
Investments in intangible assets		(278.073)	(193.646)
Investments in subsidiaries less cash acquired		(182.210)	(1.897.283)
Cash flows used in investing activities		<u>(5.822.632)</u>	<u>(4.431.313)</u>
Cash flows from financing activities			
Issued new share capital		0	11.442.230
Interest-bearing liabilities, new loans		4.878.718	423.183
Interest-bearing liabilities, loan payments .....	(	1.912.121)	(1.776.483)
Related party liabilities, change		5.355.675	240.292
Bank overdrafts, change		<u>3.128.948</u>	<u>324.436</u>
Cash flows from financing activities		<u>11.451.220</u>	<u>10.653.658</u>
Increase in cash and cash equivalents		101.794	71.129
Effects of translation difference on cash and cash equivalents .....	(	134)	0
Cash and cash equivalents at the beginning of the year.....		113.262	42.133
Cash and cash equivalents at the year end		<u>214.922</u>	<u>113.262</u>

Notes to the Financial Statements

1. Summary of Accounting Policies

a. The Consolidated Financial Statements have been prepared in accordance with the Financial Statements Act and the Regulation on the Presentation and Contents of the Financial Statements and Consolidated Financial Statements. The Financial Statements have been prepared on the historical cost basis except for:

- Sea cages and other equipment were revalued to fair value at the end of October 2013.
- Shares in subsidiaries and associates are accounted with the equity method.
- Value of fish and spawn is based on insurance value

The determination of fair value on assumptions which are dependent on management judgement about the development of various factors in the future. Actual selling price of assets and settlement values of liabilities may differ from these estimates.

b. Fixed assets

(i) Recognition and measurement

Operating assets are capitalised at their revalued cost, less depreciation.

(ii) Depreciation

Depreciation is recorded on a straight-line basis over estimated useful life of the relevant asset until residual value has been met. The estimated useful life is specified as follows:

Building	33 year
Ship	13 year
Cages, machinery and equipment	10 year
Vehicles	5 year

c. Revenue recognition

Revenue from sale of services is recognised in the income statement when the service has been provided. Revenue is not recognised if there is significant uncertainty regarding recovery of the consideration due.

d. Shares in subsidiaries and associates

Subsidiaries are entities controlled by the parent company. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Shares in subsidiaries and associates are accounted for with the equity method. According to the equity method shares in subsidiaries and associates are recognised at cost adjusted for share of profit of subsidiaries and impairment of specific assets.

e. Inventories

Inventories comprise fish, spawn being farmed and feed. Value of fish and spawn is based on insurance value or historical cost. Feed is recorded at historical cost.

f. Trade receivables

A provision for loss on trade receivables is made to meet the risk attached to lending operations. The provision is in the amount of \$0 (2017: \$33k). Allowance for doubtful receivables is deducted from trade receivables in the balance sheet.

g. Deferred income tax liability

The Company's deferred income tax liability is calculated and recorded in the Balance Sheet. The liability represents the difference in the accounting methods used for tax purposes compared to the ones used for Financial Statements. The difference is due to the fact that income tax is calculated based on other premises than the ones used for financial reporting, basically due to timing differences.

Notes, contd.:

2. Salaries and salary-related expenses

Salaries and salary-related expenses are specified as follows:

	2018	2017
Salaries	2.967.044	2.374.862
Pension expenses	357.593	245.231
Other salary-related expenses	288.357	214.560
Capitalised R&D cost	(329.697)	(261.941)
Total salaries and salary-related expenses	3.283.297	2.572.711
Average number of employees	37	36
Number of employees at the end of the period	34	36

Salaries and other benefits paid to the Board of Directors and key management for their work for the Company for the year amounted to 332 thousand. kr.

3. Deferred tax liability

Effective income tax specified as follows:

	2018	2017
Loss before income taxes	129.470	(5.244.460)
Calculated taxes based on current tax ratio	20,0% (25.894)	20,0% 1.048.892
Exchange rate difference	8,0% 10.419 (0,1%)	6.051
Share of profit (loss) in associates	(35,3%) (45.720)	(1,0%) 51.174
Write-down of tax asset	42,4% 54.846	0,0% (425.249)
Effective income tax	(4,9%) (6.349)	(13,0%) 680.868

4. Operating assets

Operating assets and depreciation are specified as follows:

	Building	Ship	Cages, machinery and equipment	Total
Total value at 1.1.2018	656.533	615.388	8.026.720	9.298.641
Addition during the year	603.498	2.009.827	2.749.024	5.362.349
Translation difference	(100.872)	0	(33.157)	(134.029)
Total value at 31.12.2018	1.159.159	2.625.215	10.742.587	14.526.961
Total depreciation 1.1.2018	21.748	218.786	2.008.491	2.249.025
Depreciation during the year	52.008	87.682	938.777	1.078.468
Total depreciation 31.12.2018	73.756	306.468	2.947.268	3.327.492
Net book value at 31.12.2018	1.085.403	2.318.747	7.795.319	11.199.469
Depreciation ratios	3 %	8%	10-20%	

Notes, contd.:

5. Intangible assets

Intangible assets are specified as follows:

	Goodwill	Capitalised R&D cost	Total
Carrying amount at 1.1.2018	936.837	380.771	1.317.608
Additions during the year	0	278.073	278.073
Depreciation	(96.528)	0	(96.528)
Translation differences	(77.728)	0	(77.728)
Carrying amount at 31.12.2018	762.581	658.844	1.421.425
Depreciation ratios	10%	0-10%	

Depreciation is specified as follows:

	2018	2017
Operating assets according to note 3	1.078.468	764.411
Intangible assets	96.528	49.699
Total depreciation	1.174.996	814.110

6. Shares in associates

Shares in associates are specified as follows:

	Share	Nominal value in ISK	Book value
Eldisstöðin Íspór ehf.	50%	2.000.000	2.617.041
Búlandstindur ehf.	33%	70.250.000	685.917
Total shares in associates			3.302.958

Shares in associates are specified as follows:

	2018	2017
Book value 1.1.	3.651.061	3.135.069
Investment in Búlandstindur ehf. during the year	182.210	0
Share of profit in associates	(228.598)	255.871
Translation difference	(301.715)	260.121
Book value 31.12	3.302.958	3.651.061

7. Inventories

Inventories are specified as follows:

	Portion of insurance- value	2018	2017
Spawn being farmed, Berufjörður	80%	23.252.943	19.727.405
Spawn being farmed, Þorlákshöfn	80%	7.149.816	5.458.862
Spawn being farmed, Rifós		2.120.443	2.246.753
Finished goods		404.986	176.122
Feed		1.022.325	512.191
Inventories total		33.950.512	28.121.333

Spawn being farmed in Berufjörður and Þorlákshöfn are valued at insurance value. Spawn being farmed from Rifós and feed are valued at historical cost. Finished goods are valued at sales price less cost of sale.

Notes, contd.:

8. Stockholders' Equity

The Company's total share capital according to its Articles of Association amounts to ISK 51,2 million. Share premium represents excess payments above nominal value that shareholders have paid for shares sold by the Company.

	Share capital	Reserve	Accumulated deficit	Equity attributable to owners of the company	Non-controlling interest	Total
Equity at 1.1.2018	406.117	20.454.522	(2.959.596)	17.901.043	381.662	18.282.705
Translation differences ..	(454.017)			(454.017)	(35.427)	(489.444)
Capitalised R&D cost		278.073	(278.073)	0		0
Transferred	(171.365)		171.365	0		0
Recognised non-controlling interest				0	0	0
Loss for the year			115.463	115.463	7.658	123.121
Equity at 31.12.2018	406.117	20.107.213	(2.950.841)	17.562.489	353.893	17.916.382

Reserve is specified as follows:

	2018	2017
Share premium	17.243.066	17.243.066
Revaluation reserve	1.955.935	2.127.300
Translation differences	130.395	584.412
Capitalised R&D cost	658.844	380.771
Share of profit in associates	118.973	118.973
Total reserve	20.107.213	20.454.522

Notes, contd.:

9. Interest-bearing liabilities

Interest-bearing liabilities consist of the following:

Interest-bearing liabilities, average interest rate 9.4% (2016:9.4%)	7.330.204	4.893.867
Interest-bearing current liabilities	(3.034.906)	(1.381.159)
Total interest-bearing long-term liabilities	<u>4.295.298</u>	<u>3.512.708</u>

Aggregated annual maturities of interest bearing liabilities are as follows:

Repayments in 2019/2018	3.034.906	1.381.159
Repayments in 2020/2019	1.406.194	1.492.320
Repayments in 2021/2020	1.088.834	780.798
Repayments in 2022/2021	388.687	401.325
Repayments in 2023/2022	268.082	232.111
Repayments in 2024/2023	1.143.502	312.254
Subsequent	0	293.899
Total interest-bearing liabilities	<u>7.330.204</u>	<u>4.893.867</u>

The company has pledge all its operating assets, inventories, shares in subsidiaries and associates as collateral for interest-bearing liabilities.

10. Deferred income tax asset

Deferred tax asset is specified as follows:

	2018	2017
Deferred income tax liability at 1.1	194.004 (	680.868)
Acquisitions through business combinations	0	191.880
Income tax for the year	(6.349)	675.857
Translation difference	(13.563)	7.135
Income tax asset at 31.12	<u>174.092</u>	<u>194.004</u>

Deferred income tax liability is attributed to the following items

Operating assets	(462.007)	(450.838)
Inventories	(1.064.646)	(1.071.596)
Deferred taxable exchange rate	(146.561)	97.679
Trade receivables	0	57.455
Tax loss carry-forward	2.100.130	2.030.552
Unrecognised tax asset	(252.823)	(469.247)
Income tax asset at 31.12	<u>174.092</u>	<u>194.004</u>

Carry-forward tax losses can be used as follows:

Tax loss for the year 2011, utilisable until year-end 2021	0	40.947
Tax loss for the year 2014, utilisable until year-end 2024	287.491	346.190
Tax loss for the year 2015, utilisable until year-end 2025	149.515	163.248
Tax loss for the year 2016, utilisable until year-end 2026	5.015.981	5.808.216
Tax loss for the year 2017, utilisable until year-end 2027	3.223.309	3.794.158
Tax loss for the year 2018, utilisable until year-end 2028	1.824.355	0
Total carry-forward tax losses	<u>10.500.650</u>	<u>10.152.760</u>

Notes, contd.:

11. Related parties

Related party definition

Related parties consist of shareholders, associates, Board members and CEO and close family members of theirs, and companies controlled by them. Pricing in business transactions between related parties is comparable to other transactions of the company.

The subordinated loan from related parties is considered subordinate to all financial obligations of the borrower to Arion Bank hf. The foregoing includes that the borrower may not pay any payments in connection with this loan, neither principal nor interest, until the Company's obligations with Arion Bank hf. have been fully paid or if the Bank gives its permission.

Transaction to related parties specified as follows:

	2018	2017
Purchase from associates	4.495.719	3.943.087
Related parties - account payable	172.428	782.321
Subordinated loan from related parties	8.085.767	2.730.092
Related parties - receivable	430.849	393.071
Interest expenses to related parties	371.841	265.275

APPENDIX C
AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FISKELDI AUSTFJARÐA HF FOR THE
YEAR ENDED 31 DECEMBER 2019

Fiskeldi Austfjarða hf.
Financial Statements 2019
Consolidation
USD

Fiskeldi Austfjarða hf.
Nesbala 122
170 Seltjarnarnesi

Reg. no. 520412-0930

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Endorsement by the Board of Directors and the Managing Director

The company was established in 2012. The main purpose of the Company is salt water fish farming.

It is the opinion of the Board of Directors that the Financial Statements include all information necessary to give a fair view of the financial position at the year-end, operating results for the year 2019 and changes in cash and cash equivalents for the year 2019. The Company's profit for the year amounted to USD 737 thousand. According to the balance sheet the total equity at the year-end was USD 25,058 thousand including share capital in the amount of USD 562 thousand.

Shareholders at the beginning of the year and year-end were nine. Shareholders are as follows:

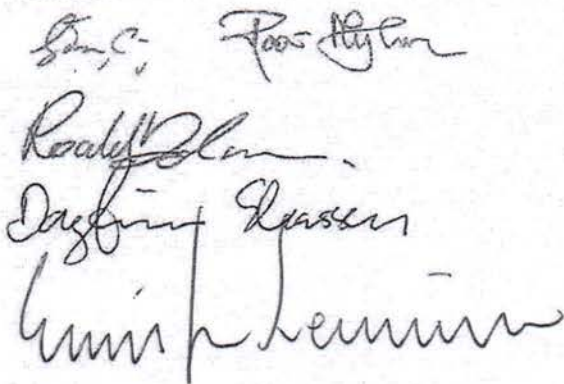
	Shareholding
Midt Norsk Havbruk AS	62,06%
Eggjahvita ehf.	17,63%
Hregg ehf.	7,26%
Griót ehf.	3,73%
Áning Ásbrú ehf.	2,88%
Maximum Holding AS	2,70%
Gleði ehf.	2,22%
Freitheim Bruk AS	0,85%
Haspro AS	0,41%
RoDo Invest AS	0,16%
Dolomen Invest AS	0,11%

The company's Board of Directors proposes that no dividend will be paid to shareholders in the year 2020, but otherwise refers to the financial statements regarding allocation of loss and other changes in equity.

The Board of Directors of Fiskeldi Austfjarða hf. and the Managing Director hereby confirm the Financial Statements of the Company for the year 2019 by means of their signatures.

Trondheim, 16/5 2020

Board of Directors:



Independent auditor's report

To the Board of Directors and Shareholders of Fiskeldi Austfjarða hf.

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Fiskeldi Austfjarða hf. (the Company), which comprise the balance sheet as at December 31, 2019, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with the Icelandic Financial Statement Act.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of consolidated financial statements in Iceland and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and CEO for the Financial Statements

The Board of Directors and CEO are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Icelandic Financial Statement Act, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors and CEO are responsible for assessing 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 they either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 skepticism 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 internal control.

Independent auditor's report, contd.:

Auditor's Responsibilities for the Audit of the Financial Statements, contd.:

- 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 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 to cease to continue as a going concern.
- 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.

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.

Report on Other Legal and Regulatory Requirements

Pursuant to the legal requirement under Article 104, Paragraph 2 of the Icelandic Financial Statement Act No. 3/2006, we confirm that, to the best of our knowledge, the report of the Board of Directors accompanying the financial statements includes the information required by the Financial Statement Act if not disclosed elsewhere in the financial statements.

Reykjavík, 16/5 2020

KPMG ehf.



Consolidated Income Statement for the year 2019

	Notes	2019	2018
Operating revenue			
Fair value adjustment on biological assets .....	(	2.027.773)	5.908.107
Sales		33.316.022	22.626.398
		<u>31.288.249</u>	<u>28.534.505</u>
Operating expenses			
Materials and feed		20.644.454	19.473.872
Salaries and salary-related expenses	2	3.062.405	3.283.297
Other production and operating expenses		3.856.774	3.641.114
		<u>27.563.633</u>	<u>26.398.283</u>
EBITDA		3.724.616	2.136.222
Depreciation	5	<u>2.088.890</u>	<u>1.174.995</u>
Operating profit before financial income and expenses		1.635.726	961.227
Financial income and (expenses)			
Interest revenue		3.820	1.467
Foreign exchange rate loss		234.841	1.042.564
Interest expenses .....	(	1.833.373)	(1.647.190)
	(	<u>1.594.712)</u>	<u>(603.159)</u>
Share of profit (loss) in associates	6	374.345	(228.598)
Net profit before income tax		415.359	129.470
Income tax	3	<u>180.562</u>	<u>(6.349)</u>
Net profit for the year	8	<u>595.921</u>	<u>123.121</u>
Net profit attributable to:			
Owners of the company		816.322	115.463
Non-controlling interest .....	(	220.401)	7.658
Net profit for the year		<u>595.921</u>	<u>123.121</u>

Consolidated Balance Sheet as at 31 December 2019

	Notes	2019	2018
Assets			
Operating assets	4	17.742.745	11.199.469
Intangible assets	5	1.637.088	1.421.425
Shares in associates	6	3.557.397	3.302.958
Deferred tax assets	10	349.673	174.092
Total non-current assets		<u>23.286.903</u>	<u>16.097.944</u>
 Inventories	 7	 30.882.442	 33.950.512
Receivables - related parties	11	4.137.385	430.849
Trade and other receivables		4.504.650	1.587.126
Cash and cash equivalents		128.741	214.922
Total current assets		<u>39.653.218</u>	<u>36.183.409</u>
Total assets		<u><u>62.940.120</u></u>	<u><u>52.281.353</u></u>
 Equity			
Share capital		561.654	406.117
Share premium		24.041.199	17.243.066
Reserve		2.119.925	2.818.770
Accumulated deficit		(1.584.337)	(2.905.464)
Equity attributable to owners of the company		<u>25.138.441</u>	<u>17.562.489</u>
Non-controlling interest		117.268	353.893
Total equity	8	<u>25.255.709</u>	<u>17.916.382</u>
 Liabilities			
Interest-bearing long-term liabilities	9	6.414.567	4.295.298
Subordinated loan from related parties	11	2.906.676	6.765.293
Total long-term liabilities		<u>9.321.243</u>	<u>11.060.591</u>
 Bank overdraft		 14.831.808	 13.276.246
Interest-bearing short-term liabilities	9	3.181.770	3.034.906
Subordinated loan from related parties	11	3.371.781	1.320.474
Account payables - related parties	11	1.141.192	172.428
Accounts payable		5.171.627	4.748.500
Other payables		664.991	751.826
Total short-term liabilities		<u>28.363.169</u>	<u>23.304.380</u>
Total liabilities		<u>37.684.412</u>	<u>34.364.971</u>
Total equity and liabilities		<u><u>62.940.120</u></u>	<u><u>52.281.353</u></u>

Consolidated Statement of Cash Flows for the year 2019

	Notes	2019	2018
Cash flows from operating activities			
Net profit for the year	8	747.817	140.701
Difference between net earnings and cash from operations:			
Depreciation	5	2.003.593	1.078.467
Currency exchange difference of interest bearing liabilities .....	(	95.017)	(386.562)
Share of (profit) loss of associates	6	(440.953)	307.546
Income tax	3	(180.562)	6.349
Working capital from (used in) operating activities		2.034.878	1.146.501
Changes in operating assets and liabilities:			
Inventories, decrease (increase)		2.963.610	(6.047.787)
Receivables, increase .....	(	2.924.443)	(685.375)
Current liabilities, increase		1.337.587	59.867
Changes in operating assets and liabilities		1.376.754	(6.673.295)
Cash flows from (used in) operating activities		3.411.632	(5.526.794)
Cash flows used in investing activities			
Investments in operating assets	4	(8.755.865)	(5.362.349)
Sales price of operating assets	4	193.301	0
Investments in intangible assets	5	(371.371)	(278.073)
Investments in subsidiaries less cash acquired		0	(182.210)
Cash flows used in investing activities		(8.933.935)	(5.822.632)
Cash flows from financing activities			
Interest-bearing liabilities, new loans		5.238.656	4.878.718
Interest-bearing liabilities, loan payments .....	(	2.740.586)	(1.912.121)
Related party liabilities, change		1.370.233	5.355.675
Bank overdrafts, change		1.567.848	3.128.948
Cash flows from financing activities		5.436.150	11.451.220
(Decrease) increase in cash and cash equivalents .....	(	86.154)	101.794
Effects of translation difference on cash and cash equivalents .....	(	27)	(134)
Cash and cash equivalents at the beginning of the year.....		214.922	113.262
Cash and cash equivalents at the year end		128.741	214.922
Non-cash investing and financing activities			
Issued new share capital	8	6.953.669	0
Loans from related parties .....	(	6.953.669)	0

Notes to the Financial Statements

1. Summary of Accounting Policies

a. The Consolidated Financial Statements have been prepared in accordance with the Financial Statements Act and the Regulation on the Presentation and Contents of the Financial Statements and Consolidated Financial Statements. The Financial Statements have been prepared on the historical cost basis except for:

- Sea cages and other equipment were revalued to fair value at the end of October 2013.
- Shares in subsidiaries and associates are accounted with the equity method.
- Value of fish and spawn is based on insurance value

The determination of fair value on assumptions which are dependent on management judgement about the development of various factors in the future. Actual selling price of assets and settlement values of liabilities may differ from these estimates.

b. Fixed assets

(i) Recognition and measurement

Operating assets are capitalised at their revalued cost, less depreciation.

(ii) Depreciation

Depreciation is recorded on a straight-line basis over estimated useful life of the relevant asset until residual value has been met. The estimated useful life is specified as follows:

Building	33 year
Ship	13 year
Cages, machinery and equipment	10 year
Vehicles	5 year

c. Revenue recognition

Revenue from sale of services is recognised in the income statement when the service has been provided. Revenue is not recognised if there is significant uncertainty regarding recovery of the consideration due.

d. Shares in subsidiaries and associates

Subsidiaries are entities controlled by the parent company. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Shares in subsidiaries and associates are accounted for with the equity method. According to the equity method shares in subsidiaries and associates are recognised at cost adjusted for share of profit of subsidiaries and impairment of specific assets.

e. Inventories

Inventories comprise fish, spawn being farmed and feed. Value of fish and spawn is based on insurance value or historical cost. Feed is recorded at historical cost.

f. Trade receivables

A provision for loss on trade receivables is made to meet the risk attached to lending operations. The provision is in the amount of \$0 (2017: \$33k). Allowance for doubtful receivables is deducted from trade receivables in the balance sheet.

g. Deferred income tax liability

The Company's deferred income tax liability is calculated and recorded in the Balance Sheet. The liability represents the difference in the accounting methods used for tax purposes compared to the ones used for Financial Statements. The difference is due to the fact that income tax is calculated based on other premises than the ones used for financial reporting, basically due to timing differences.

Notes, contd.:

2. Salaries and salary-related expenses

Salaries and salary-related expenses are specified as follows:

	2019	2018
Salaries	2.910.360	2.967.044
Pension expenses	374.293	357.593
Other salary-related expenses	263.105	288.357
Capitalised R&D cost	(485.354)	(329.697)
Total salaries and salary-related expenses	3.062.405	3.283.297
Average number of employees	33	37
Number of employees at the end of the period	37	34

Salaries and other benefits paid to the CEO amounted to \$150k for the year.

3. Income tax

Effective income tax specified as follows:

	2019	2018
Profit before income taxes	415.359	129.470
Calculated taxes based on current tax ratio	20,0% (83.072)	20,0% (25.894)
Exchange rate difference	(21,7%) (90.077)	8,0% 10.419
Share of profit (loss) in associates	18,0% 74.869	(35,3%) (45.720)
Effect of unrecognised tax asset	67,1% 278.841	0,0% 54.846
Effective income tax	43,5% 180.561	(4,9%) (6.349)

4. Operating assets

Operating assets and depreciation are specified as follows:

	Building	Ship	Cages, machinery and equipment	Total
Total value at 1.1.2019	1.159.159	2.625.215	10.742.587	14.526.961
Addition during the year	1.095.884	2.079.568	5.580.414	8.755.865
Translation difference	(237.299)	0	(55.549)	(292.848)
Total value at 31.12.2019	2.017.744	4.704.783	16.267.452	22.989.978
Total depreciation 1.1.2019	73.756	306.468	2.947.268	3.327.492
Depreciation during the year	71.805	337.399	1.554.892	1.964.096
Translation difference	(17.719)	0	(26.636)	(44.355)
Total depreciation 31.12.2019	127.842	643.867	4.475.524	5.247.233
Net book value at 31.12.2019	1.889.901	4.060.916	11.791.928	17.742.745
Depreciation ratios	3 %	8%	10-20%	

Notes, contd.:

5. Intangible assets

Intangible assets are specified as follows:

	Goodwill	Licence	Total
Carrying amount at 1.1.2019	762.581	658.844	1.421.425
Additions during the year	0	371.371	371.371
Depreciation	(85.297)	(39.497)	(124.794)
Translation differences	(30.914)	0	(30.914)
Carrying amount at 31.12.2019	646.370	990.718	1.637.088
Depreciation ratios	10%	10%	

Depreciation is specified as follows:

	2019	2018
Operating assets according to note 4	1.964.096	1.078.468
Intangible assets	124.794	96.527
Total depreciation	2.088.890	1.174.995

6. Shares in associates

Shares in associates are specified as follows:

	Share	Nominal value in ISK	Book value
Eldisstöðin Íspór ehf.	50%	2.000.000	2.586.049
Búlandstindur ehf.	33%	70.250.000	971.348
Total shares in associates			3.557.397

Shares in associates are specified as follows:

	2019	2018
Book value 1.1.	3.302.958	3.651.061
Investment in Búlandstindur ehf. during the year	0	182.210
Share of profit in associates	374.345	(228.598)
Translation difference	(119.906)	(301.715)
Book value 31.12	3.557.397	3.302.958

7. Inventories

Inventories are specified as follows:

	Portion of insurance- value	2019	2018
Spawn being farmed, Berufjörður	80%	22.203.391	23.252.943
Spawn being farmed, Þorlákshöfn	80%	6.526.948	7.149.816
Spawn being farmed, Rifós		1.365.842	2.120.443
Finished goods		0	404.986
Feed		786.261	1.022.325
Inventories total		30.882.442	33.950.512

Spawn being farmed in Berufjörður and Þorlákshöfn are valued at insurance value. Spawn being farmed from Rifós and feed are valued at historical cost. Finished goods are valued at sales price less cost of sale.

Notes, contd.:

8. Stockholders' Equity

The Company's total share capital according to its Articles of Association amounts to ISK 70.1 million. Share premium represents excess payments above nominal value that shareholders have paid for shares sold by the Company.

	Share capital	Reserve	Accumulated deficit	Equity attributable to owners of the company	Non-controlling interest	Total
Equity at 1.1.2019	406.117	20.107.213	(2.950.841)	17.562.489	353.893	17.916.382
Issued share capital	155.537	6.798.132		6.953.669		6.953.669
Translation differences ..		(194.039)		(194.039)	(16.224)	(210.263)
Capitalised R&D cost		331.874	(331.874)	0		0
Transferred		(882.057)	882.057	0		0
Recognised non-controlling interest				0	0	0
Profit for the year			816.322	816.322	(220.401)	595.921
Equity at 31.12.2019	561.654	26.161.123	(1.584.336)	25.138.441	117.268	25.255.709

Reserve is specified as follows:

	2019	2018
Share premium	24.041.198	17.243.066
Revaluation reserve	830.049	1.955.935
Translation differences	(63.644)	130.395
Capitalised R&D cost	990.718	658.844
Share of profit in associates	362.802	118.973
Total reserve	26.161.123	20.107.213

Notes, contd.:

9. Interest-bearing liabilities

Interest-bearing liabilities consist of the following:

	2019	2018
Interest-bearing liabilities	9.596.337	7.330.204
Interest-bearing current liabilities	(3.181.770)	(3.034.906)
Total interest-bearing long-term liabilities	6.414.567	4.295.298

Aggregated annual maturities of interest bearing liabilities are as follows:

Repayments in 2020/2019	3.181.770	3.034.906
Repayments in 2021/2020	2.333.100	1.406.194
Repayments in 2022/2021	1.263.849	1.088.834
Repayments in 2023/2022	773.686	388.687
Repayments in 2024/2023	674.594	268.082
Subsequent	1.369.337	1.143.502
Total interest-bearing liabilities	9.596.336	7.330.205

The company has pledged all its operating assets, inventories, shares in subsidiaries and associates as collateral for interest-bearing liabilities.

10. Deferred income tax asset

Deferred tax asset is specified as follows:

	2019	2018
Deferred income tax liability at 1.1	174.092	194.004
Income tax for the year	180.562	(6.349)
Translation difference	(4.981)	(13.563)
Income tax asset at 31.12	349.673	174.092

Deferred income tax liability is attributed to the following items

Operating assets and finance lease liabilities	(571.816)	(462.007)
Inventories	(1.066.224)	(1.064.646)
Deferred taxable exchange rate	(107.571)	(146.561)
Tax loss carry-forward	2.063.584	2.100.130
Unrecognised tax liability (asset)	31.700	(252.824)
Income tax asset at 31.12	349.673	174.092

Carry-forward tax losses can be used as follows:

Tax loss for the year 2014, utilisable until year-end 2024	276.170	287.491
Tax loss for the year 2015, utilisable until year-end 2025	143.627	149.515
Tax loss for the year 2016, utilisable until year-end 2026	4.831.311	5.015.981
Tax loss for the year 2017, utilisable until year-end 2027	2.740.448	3.223.309
Tax loss for the year 2018, utilisable until year-end 2028	1.381.747	1.824.355
Tax loss for the year 2019, utilisable until year-end 2029	944.617	1.824.355
Total carry-forward tax losses	10.317.920	10.500.651

Notes, contd.:

11. Related parties

Related party definition

Related parties consist of shareholders, associates, Board members and CEO and close family members of theirs, and companies controlled by them. Pricing in business transactions between related parties is comparable to other transactions of the company.

The subordinated loan from related parties is considered subordinate to all financial obligations of the borrower to Arion Bank hf. The foregoing includes that the borrower may not pay any payments in connection with this loan, neither principal nor interest, until the Company's obligations with Arion Bank hf. have been fully paid or if the Bank gives its permission.

Transaction to related parties specified as follows:

	2019	2018
Purchase from associates	4.696.615	4.340.232
Related parties - account payable	1.141.192	172.428
Subordinated loan from related parties	6.278.457	8.085.767
Related parties - receivable	4.137.385	430.849
Interest expenses to related parties	379.293	371.841