Ice Fish Farm AS – Company Presentation

30th March 2023

Summary of risk factors (I/II)

1. RISK FACTORS SUMMARY

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

- A substantial portion of the Group's income is dependent on contracts with its customers.
- The Group's revenue, and thereby its financial position and future development, is inextricably linked with the obtainable market price of farmed Atlantic salmon at any given time.
- The Group's operations are by nature subject to several biological risks that could have a negative impact on future profitability and cash flows.
- The biological limits for how fast fish can grow have been challenged as the aquaculture industry has intensified its production, which may cause production-related disorders.
- Incidents of significant fish escapes could result in substantial loss of biomass as well as repair costs, spreading of diseases, negative publicity and penalties or other sanctions.
- High mortality related to transporting smolt from tanks to cages in the sea is could have a severe effect on the Group's business.
- The farmed salmon growth depends, among other things, on weather conditions.
- The market for farmed salmon is global and highly competitive.
- The Group's activities are dependent upon licenses and permits from the Icelandic regulators, which may be revoked or not renewed.
- 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.
- 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.
- 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.
- The Group's operations depend on the quality and availability of fish smolt.
- There is a risk that the Group is not able to achieve estimated harvest volumes and that additional capital will be required to reach this goal.
- The Group operates within an industry where use of technology is becoming increasingly important for the Group in order to limit its operating expenses and stay competitive.
- The Group's performance is to a large extent dependent on highly qualified personnel and management and depends on the use of Norwegian and Icelandic employees, which may be subject to travel restrictions, etc.
- There exist environmental organisations that have the aim to eradicate or damage salmon farming and a certain risk of sabotage cannot be ruled out.
- Negative publicity related to the Group and/or its customers could, regardless of its truthfulness, adversely affect its reputation and goodwill.

Summary of risk factors (II/II)

1.2 Legal and regulatory risk

- The authorities may introduce further regulations for the operations of aquaculture facilities which may negatively impact the Group.
- The Group's operations are subject to environmental requirements and the cost of compliance can be expected to increase overtime.
- The Group's activities are subject to the Group maintaining its current permits and approvals.
- The operating hazards inherent in the Group's business increase the Group's exposure to litigation.
- 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.
- 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.
- 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.

1.3 Risk related to the Group's financial situation

- 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.
- No assurance can be given that the Group will succeed maintaining a comfortable cash reserve or raise additional new equity and/or debt financing on attractive terms, or at all.
- Lack of payments from customers/clients may impair the Group's liquidity.
- The Group is exposed to currency fluctuations and changes in exchange rates.
- The Group is in the process of finalising a long-term bank financing package of up to EUR 156.2 million which will contain certain covenants and event of default clauses which may affect the operational and financial flexibility of the Group.
- The Group's liquidity going forward may be negatively affected by factors outside the Group's control, by errors in its financial forecast model or by assumptions proving not to be correct.

1.4 Risks relating to the 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.
- The market price of the Shares have historically been volatile and investors in the Shares could suffer losses.
- Shareholders outside of Norway are subject to exchange rate risk.
- Shareholders not participating in future offerings may be diluted.
- Austur Holding AS holds 56.12% of the outstanding shares in the Company, which may have the effect of delaying, deterring or preventing a change of control of the Company that could be economically beneficial to other shareholders.

Transaction summary

Issuer	▪ Ice Fish Farm AS ("**Ice Fish Farm**" or the "**Company**").
Listing venue	▪ Euronext Growth Oslo (ticker code: IFISH) / NO 001 0884794
Number of shares outstanding	▪ 91,525,424 shares outstanding, each with a par value of NOK 0.10
Market cap	▪ Approx. NOK 2.7bn based on the prevailing share price levels on Euronext Growth Oslo as of 30th of March 2023 and the number of shares outstanding
Offering	▪ Private placement of new shares in the Company (the "**Offer Shares**"), to raise gross proceeds of approximately the NOK equivalent of EUR 44 million (the "**Private Placement**").
Subscription price	▪ To be determined through an accelerated bookbuilding process
Use of proceeds	▪ The net proceeds from the Private Placement will, together with the New Financing, be used towards biomass build-up and capex for 2023 and 2024
Pre-subscriptions	The following close associates of primary insiders and key employees have pre-committed to subscribe for Offer Shares in the Private Placement: ▪ Austur Holding AS for the NOK equivalent of EUR 18.1 million, ▪ Eggjahvíta ehf for the NOK equivalent of approximately EUR 4.5 million, ▪ Krossey ehf for the NOK equivalent of EUR 4.0 million ▪ Asle Rønning, Chairman of the Board through AR invest AS, for NOK 2.5 million
Conversion of shareholder loans	▪ In connection with the Private Placement, shareholder loans of approx. EUR 26 million will be converted at the Offer Price and based on the exchange rates published by Norges Bank on the date of the Private Placement
Managers	▪ Sole Global Coordinator and Joint Bookrunner: DNB Markets, a part of DNB Bank ASA (the "**Global Coordinator**") ▪ Joint Bookrunners: Arion Banki hf. and Nordea Bank Abp, filial i Norge (together with the **Global Coordinator**, the "**Managers**")

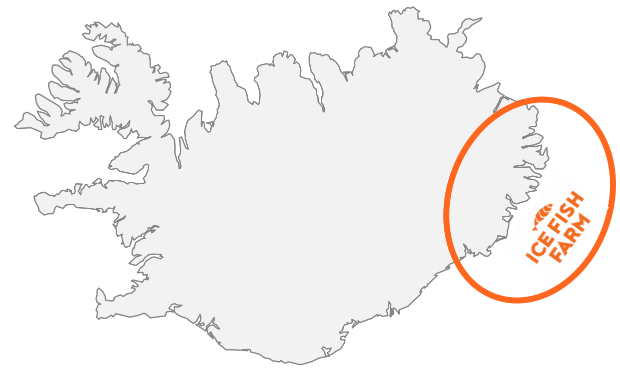
Ice Fish Farm at a glance

Key highlights

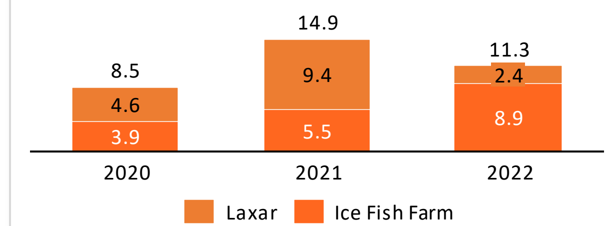
- Ice Fish Farm was founded in 2012 and is located in the East Fjords of Iceland as the only salmon farmer in the area. Iceland is expected to be one of the next growth regions within salmon farming
- The company is vertically integrated and has full control over a well-developed, integrated value chain from hatchery to sales. Ice Fish Farm has partnership with well experienced sales and distribution companies ensuring fish being well received in the market
- Strong shareholder support from the Måsøval family (56% ownership, jointly with Ísfélag Vestmannaeyja hf. through newly established Austur Holding AS)
- In May 2022 Ice Fish Farm acquired Laxar and became the sole salmon farmer in the East Fjords
- Granted licenses of 43.8kt of MAB, whereof 34.5kt for fertile salmon and 9.3kt for sterile salmon. An additional 10.0kt in applications, whereof 6.5kt are for fertile salmon and 3.5kt for sterile salmon
- Ice Fish Farm expects to improve operational performance going forward on the back of scale and by leveraging the strong competence embedded in the Måsøval system
- Holds a series of certifications and is one of very few salmon farmers in the world with AquaGAP certification

Ideal salmon farming location	Granted license of 43.8kt MAB	Application for additional 10.0kt MAB	Expects operational improvement going forward	Strong support from Måsøval family

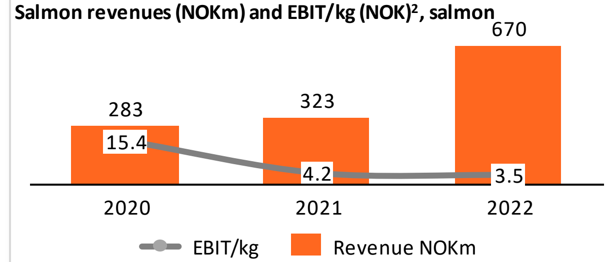
Operational footprint



Harvest volumes salmon (kt)[1]



Salmon revenues (NOKm) and EBIT/kg (NOK)[2], salmon



1. Including Q3 and Q4 2022 volumes for Laxar Total year volume including Laxar of 11.3kt HOG, 2. Excluding Laxar

10 years of experience with salmon farming in Iceland and more than 150 dedicated employees

2012 – Incorporated

Ice Fish Farm founded by Guðmundur Gíslason, Þórður Þórðarson, Jónatan Þórðarson & Þórður Gíslason

2012 – First smolt stocking

First salmon and trout put into sea

2013 – First harvest

First salmon generation harvested

2015 – MNH entry

Midt-Norsk Havbruk AS

Capital placement translating into MNH ownership stake of 45%

2016 – Operational expansion

Investments in cages and equipment

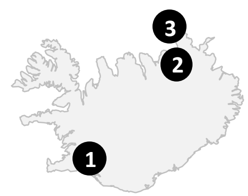
2017 – Capital increase

MNH increases ownership stake to 62.5% (up from 45%)

2017 – Second smolt facility

Acquisition of Rífos

2017 – Third smolt facility



Development of third smolt facility (Kópasker) started

2017 – Capacity increase

1/3 of Búlandstindur (processing facility) sold to Laxar, capacity increased to 100 tonnes per day

2018 – New sales agreement

Sales agreement established with large international supermarket chain in the US

2020 – Måsøval Eiendom entry and listing on OSE Euronext

Måsøval

Måsøval enters in as new majority shareholder

2022 – Acquisition of

LAXAR FISKELDI

Ice Fish Farm acquires Laxar and becomes the sole salmon farmer in the East Fjords of Iceland

2023 – Refinancing with strong bank syndicate

DNB, Landsbankinn, Nordea, Arion Bank

Refinancing package of up to EUR 156.2m

2023 – Måsøval and Isfelag enters strategic partnership

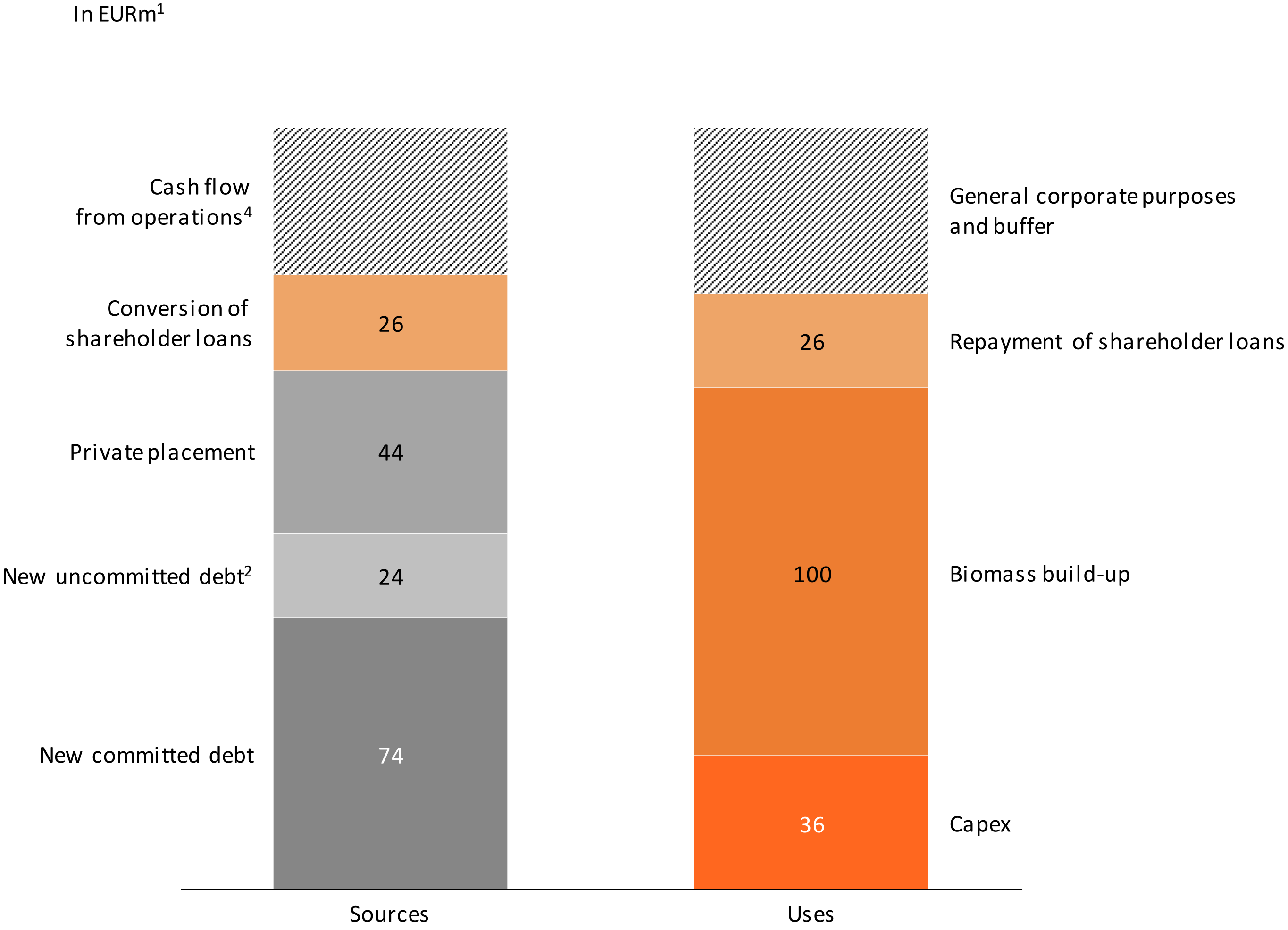
Måsøval, ÍSFÉLAG VESTMANNAEYJA HF.

Måsøval controlling 70.7% of the joint company

Sources: Company information

Company refinancing to support future growth plans

Sources and uses for 2023-2024[1]

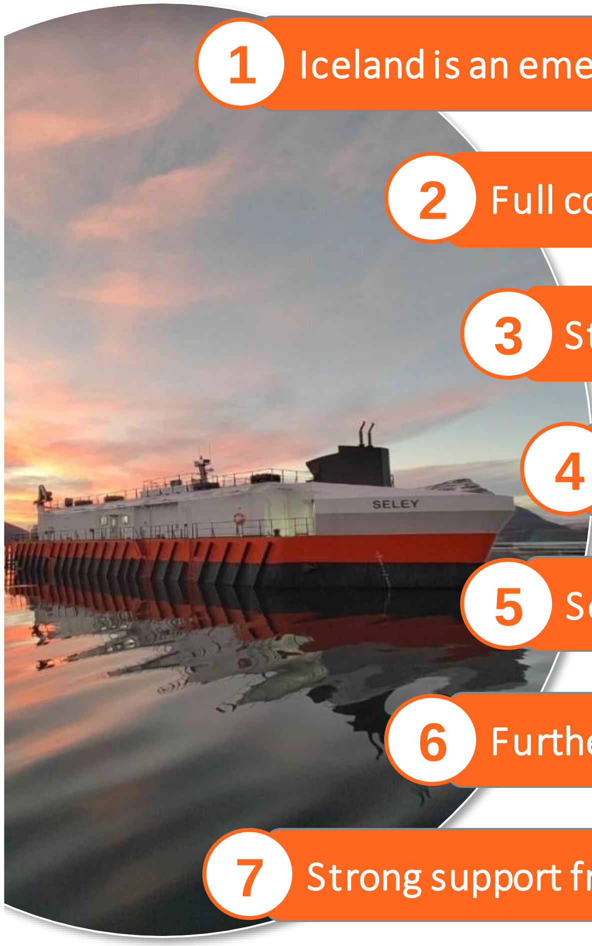


Growth plan to be financed through combination of debt, equity and cash flow from operations

- Ice Fish Farm has reached an agreement with banks for a refinancing package of up to EUR 156.2m (the "**New Financing**")
  - The refinancing package represents an increase in loan amount of approx. ~74EURm comparing to the Company's Net bank debt per 31.12.2022
  - The new financing includes a capex facility of EUR 20m for financing of new equipment, a biomass facility of up to EUR70m, EUR 60m Term Loan Facility to refinance certain existing debt and a EUR 6.2m Term Loan Facility
- Conditional for the refinancing, the company will carry out a Private Placement of EUR 70m (including the conversion of ~EUR 26m in shareholder loans)
- Strong support from majority shareholder Austur Ehf. to participate with pro-rata share (56%[3])
- Company expect to harvest 26,000 tonnes during 2023-2024 that will give positive cash flows in the period

1. Conversion rate of EUR/NOK 11.3 utilized; 2. Uncommitted debt facility of EUR 23.5m to finance biomass and capex program; 3. Including conversion of shareholder loan provided to Ice Fish Farm from Austur Ehf; 4. Illustrating cash flow contribution from harvested volumes for the period (accounting for factors such as interest costs and biomass / NWC build up)
Sources: Company information

Key investment highlights



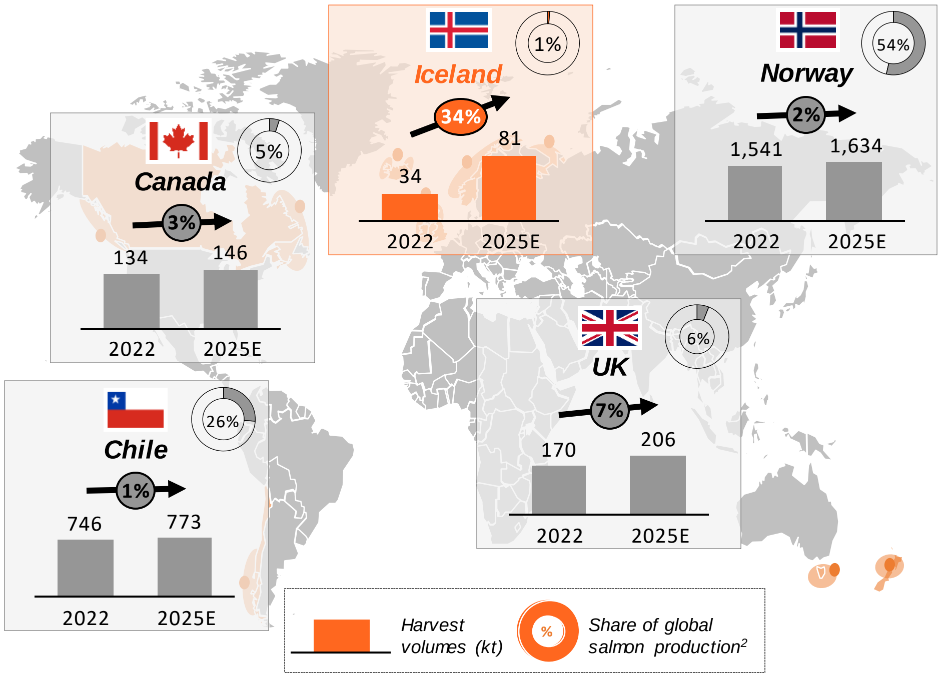
1. Iceland is an emerging salmon farming region with substantial growth potential
2. Full control of the East Fjords and largest license portfolio – reducing operational risk
3. Strategically positioned for distribution at premium prices
4. Firm pathway for strong growth – targeting 30,000t capacity for 2025
5. Several initiatives implemented to unlock growth plan
6. Further upside potential under current licenses and pending application
7. Strong support from Måsøval, one of the leading salmon farming operations in Norway

Sources: Company information

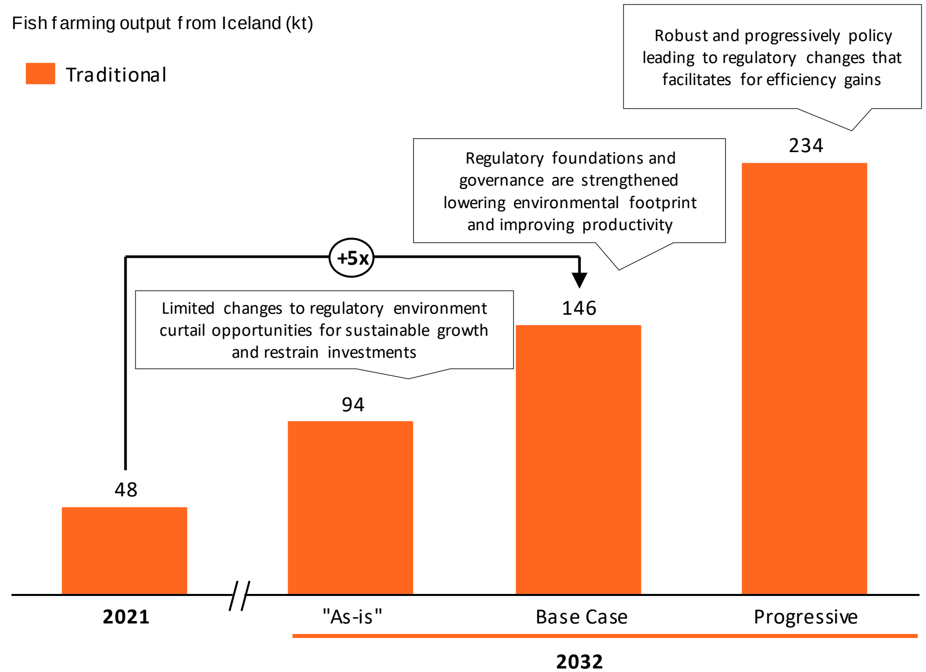
1

Iceland is the most emerging salmon farming region globally - already growing rapidly

Iceland set to grow faster than other regions short-to-mid-term



Recent report showcase significant growth potential long-term



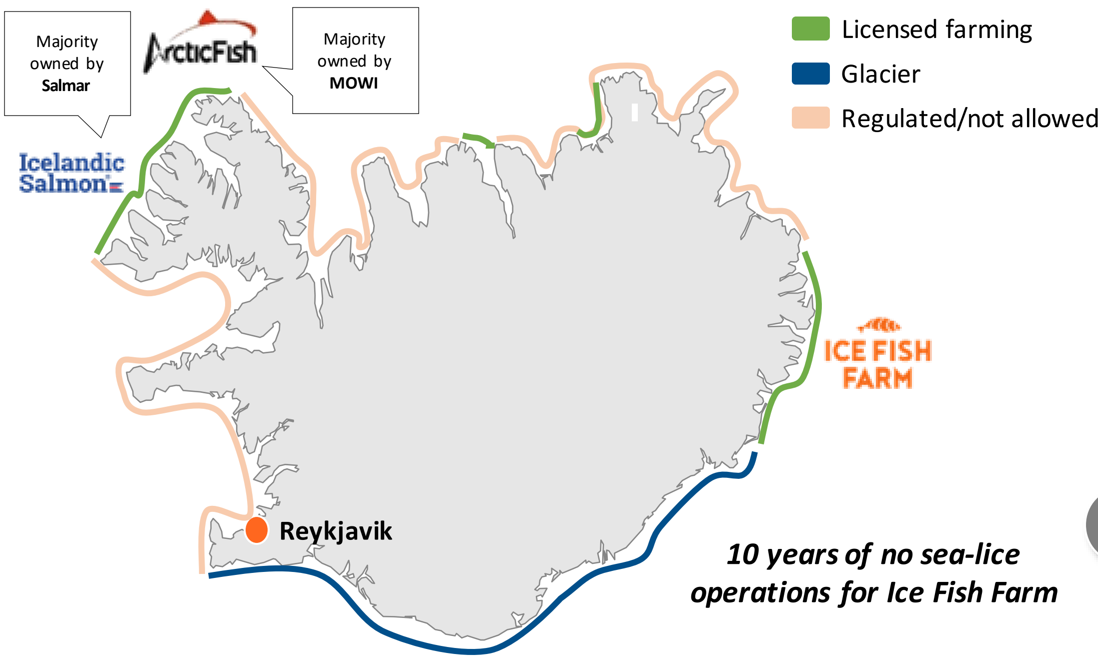
- **Scarcity of coastlines** suitable for salmon farming globally
- While growth is stagnating in other regions, **Iceland** is by far the region with the **highest growth expectations going forward**
- Icelandic harvest volumes set to grow by 2.5x towards 2025

- Recent report prepared for the Icelandic Ministry of Food, Agriculture and Fisheries from Boston Consulting Group suggest **significant growth in Icelandic aquaculture volumes longer-term** through certain key drivers:
  - Overall maturity of the supply chain
  - Strengthening of the regulatory system
  - Technological development

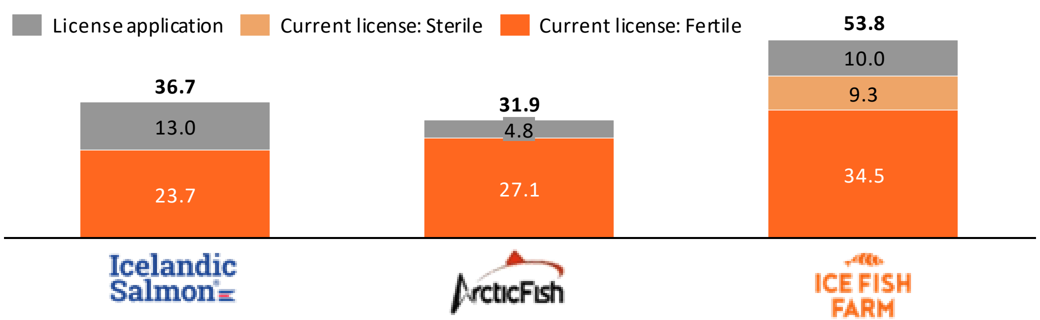
Source: Boston Consulting report 2022 " The State and Future of Aquaculture in Iceland"; Kontali; Company information

Full control of the East fjords – holding the most license volume in Iceland

Iceland has three major players...



...and Ice Fish Farm has the most licensed volume (kt)



IFISH is the sole player with full control of the East fjords...

...providing unique operational advantages compared to Icelandic peers and Norwegian farmers...

- Sole operator of five fjords on the East coast
- Implementation of production zones – separating generations
- Optimizing operation with 2x smolt releases yearly

REDUCING RISK OF BIOLOGICAL CONTAMINATION ACCROSS SITES AND GENERATIONS

...with a robust platform for operations

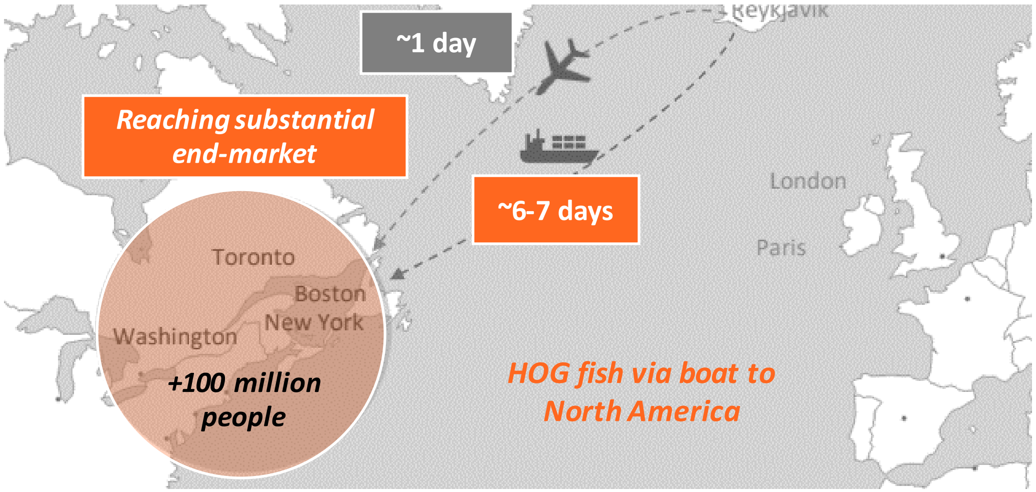
5 fjords[1]	14 sites	5 smolt facilities	1 harvest facility
FJORD DIVERSIFICATION	**PRODUCTION OPTIMIZATION**	**7-8 MILLION POST-SMOLT CAPACITY**	**30KT PROCESSING CAPCITY ON ONE SHIFT**

Sources: Company information
1. Including license applications

ICE FISH FARM

Strategically positioned for distribution at premium prices

Low CO2 footprint and cost on boat to US, and still keep premium quality



Strong demand from US market

- Experiencing increased high-end customer demand for sustainable salmon in the US
- Continued focus on sea born transport to the US market

Utilizing Icelandic super chill technology

- Ensuring the high quality of the fish remains intact
- Chills the salmon down below freezing point of water within an hour

- Iceland with duty free exports to China – likely with direct flights in near future
- Aiming to divide distribution between Asia, Europa and the US to diversify market risk

Competitive advantage in logistics and cost compared to airfreight

Strong price performance

AquaGAP

- AquaGAP certification ensures environmentally-friendly production
- Enables Ice Fish Farm to utilize the sustainability pull from consumers to extract premium pricing from ESG oriented distributors and retailers
- Contract with U.S. retailer Whole Foods resulting in premium pricing on sizes 2.5-6+ kg

WHOLE FOODS MARKET

- Ice Fish Farm has been able to maintain a substantial and stable premium price relative to the Nasdaq price for Norway (FCA Oslo)
- The Company expects to maintain this price premium due to their environmentally friendly farming methods, high nutritional values and high quality meat, rich flavor and texture

Achieving >NOK 10 price premium

Able to achieve significant price premium

Premium product proven by extensive certification

PURE PRISTINE WATERS | RESPONSIBLE FARMING | ZERO BYCATCH | ICELAND QUALITY | PREMIUM OMEGA 3 | AQUA GAP | PROTEIN RICH | GMO FREE | 100% NAUTRAL | PRODUCT OF ICELAND

4

ICE FISH FARM

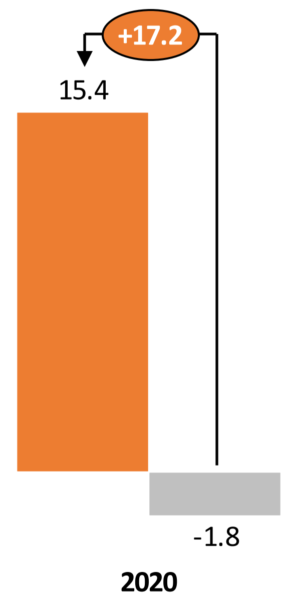
The best Icelandic farmer from 2020 to H1 2021…

…but hit hard by ISA and winter wounds in H2 2021 which has affected 2022 heavily

EBIT/kg performance for salmon: Ice Fish Farm[1] vs. Icelandic peers average (NOK)

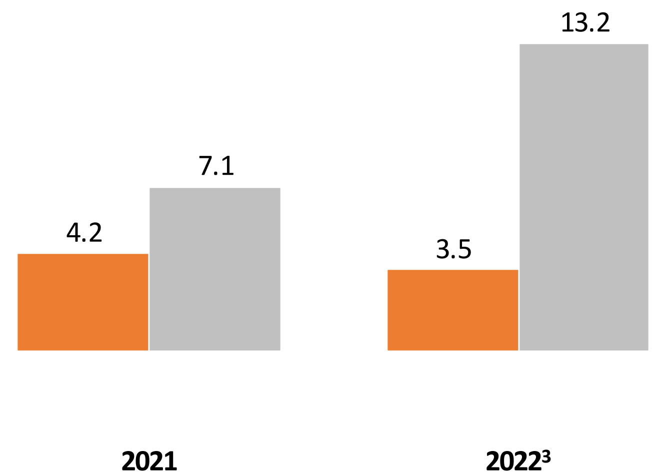
2020
Industry leading performance in Iceland

- Industry leading performance, especially driven by strong price achievement on the back of the off-take contract with Whole Foods



2021-2022
Period of biological challenges

- Issues with ISA and winter wounds detected during 2H 2021 and 1H2022
  - Needed to carry out early harvest due to wounds on fish after transferring fish between cages
  - Needed to cull and harvest small fish due to ISA outbreak during 2022
- Resulted in high mortality and lower harvest than expected for 2021 and 2022



Ice Fish Farm   Avg. Icelandic peers[2]

Source: Copmany information
1. EBIT/kg figures excluding Laxar Fiskeldi; 2. Consist of Icelandic Salmon and Arctic Fish, 3. Adjusted for write-offs due to early harvest of biomass

Strong growth outlook, expecting to reach harvest of 30,000t HOG in 2025

Several initiatives implemented on the back of challenging period

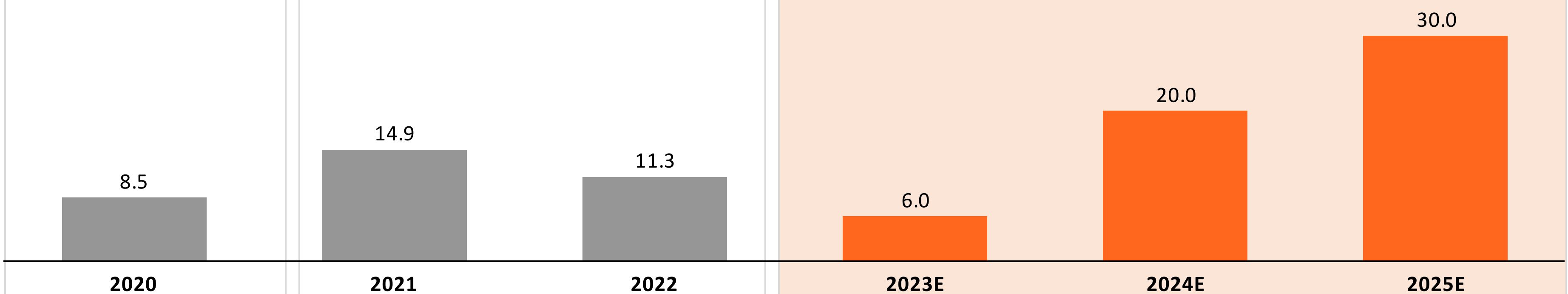
Harvest volumes (kt)

2020 Industry leading performance in Iceland	2021-2022 Period of biological challenges	2023+ Strong growth outlook

Harvest volume (kt)

Several initiatives implemented to prevent biological challenges

- **A** ISA affected sites has been ***harvested***
- **B** Improved infrastructure and operations to ***prevent winter wounds***
- **C** Brought in ***fish welfare expertise*** from Norway
- **D** Improved ***smolt*** strategy
- **E** Implementation of ***production zones***
- **F** Increased ***control*** of internal and external factors



2023E	2024E	2025E
Period of biomass build-up	*Reaping from scale economics*	*Stable operations with substantial volumes*

Source: Company information

ICE FISH FARM

Several initiatives implemented to ensure growth going forward

Key initiatives implemented to reach 30,000kt

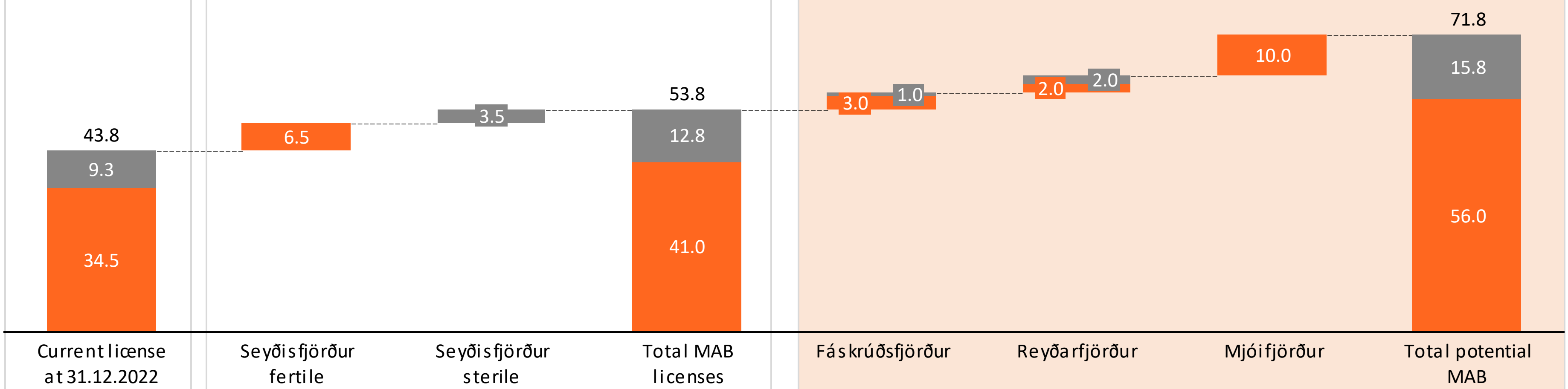
Initiative and description	Key advantages
A *ISA affected sites has been harvested* All ISA infected fish was culled and harvested throughout 2022	Next generations will have no interaction with ISA affected sites or production areas
B *Improved infrastructure and operations* Investments in stronger and more robust cages, in addition to having lower biomass density in pens	Preventing winter wounds
C *Bringing in fish welfare expertise from Norway* Norwegian fish welfare experts brought in to support preventive initiatives	All fish to be ISA vaccinated going forward (pending regulatory approval)
D *Improved smolt strategy* Significant investments in smolt quality, improving the robustness of the smolt	Expected to yield capacity of ~8million 300-400 gram on avg. per year within end of 2024
E *Implementation of production zones* Clear zoning plan to production including periods of fallowing and biomass optimization	Reducing biological risk
F *Increased control and biosecurity* Implementation of site quality control, surveillance, monitoring and consistent separation of equipment and teams	Reducing biological risk

Clear roadmap to reach **30,000t** *harvest in* **2025**

Potential to increase license capacity by ~30kt through applications and ongoing assessments of fjord capacity in Eastern fjords of Iceland

Ice Fish Farm license overview (kt)

Issued licenses of 43.8kt MAB	Current outstanding applications of 10.0kt MAB	Potential licenses of 18kt MAB



- *The planning agency has given a ruling and the application for licenses in **Seyðisfjörður** is in process*

- *Potential of additional biomass in **Fáskrúðsfjörður** and **Reyðarfjörður***
  - *According to a recent addition to the Marine Research Institute's risk assessment from June 2020 fertile biomass can be added given a minimum smolt size of 400 gram.*
- *It is expected that allowed biomass in **Mjóifjörður** is to be auctioned*
  - *The ministry has not stated when the action will take place*

Iceland licensing process:

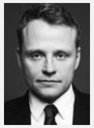
- Ice Fish Farm has previously submitted an evaluation report to the National Planning Agency which was approved by the agency in 2014
- Later the laws were changed, discontinuing traditional application processes and allowing the government to auction the fjord's biomass

Ice Fish Farm expects to have a strong position in the auction given the company's work on environmental reports and general position in the East Fjords

7

Experienced management team and organization, supported by one of the leading salmon farmers in Norway

Experienced management team



Guðmundur Gíslason
CEO
- Co-founder of Ice Fish Farm
- Bs in Business and MBA from University of Reykjavík

Jens Garðar Helgason
Deputy CEO
- Former CEO of Laxar, CEO of Fiskimid Exporting
- Norwegian School of Economics and University of Iceland

Róbert Róbertsson
CFO
- Education from the University of Iceland
- Former Manager of Transaction Advisory at EY Iceland

Kjartan Lindbol
COO for Sea
- Joined Ice Fish Farm in 2018
- Previous experience from NRS Finnmark

Jóhannes Sigurðsson
COO Land South
- Aquaculture scientist from Fröya Videregaende
- Former COO of Laxar Fiskeldi, MOWI, Lerøy, Grieg and Samherji

Fannar Þorvaldsson
COO Land North
- CEO of Rifós worked in aquaculture for 36 years, built up Rifós and Kópasker with his team

Elís H. Grétarsson
General manager Harvesting
- CEO Búlandstindur from start back in 2014 with his wife and team in Djúpivogur

Vidar Aspehaug
Fish Health Manager
- PhD in fish health from University of Bergen, specialized in ISA
- Founder and former CEO and CBDO in Pato Gen

10 years experience of salmon farming in the East fjords

+

Strong support from Måsøval family and highly competent resources

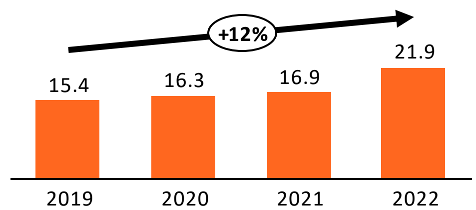
Lars Måsøval
Chair of the Board Måsøval and majority owner Måsøval Eiendom

Asle Rønning
Chair of the Board Ice Fish Farm, CEO Måsøval Eiendom, Previously CEO in Måsøvål

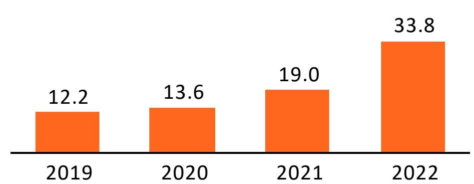
Ola Loe
Adviser in Ice Fish Farm, 25 years of experience from salmon farming industry

Måsøval bringing high competence in leading salmon farming operations, on the back of a strong growth track record and industry leading performance:
- Knowledge in fish welfare, biosecurity and operational excellence
- Competence in financing, industry consolidation and financial planning
- Strong financial support

Harvest volumes salmon (kt)



EBIT/kg (NOK)



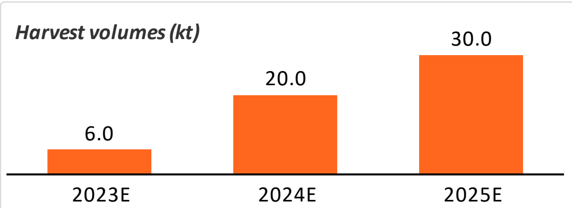
Måsøval bringing best practices from Norway

Source: Company information, Måsøval AS financial reports

Summary
All set to improve performance and deliver on growth plan

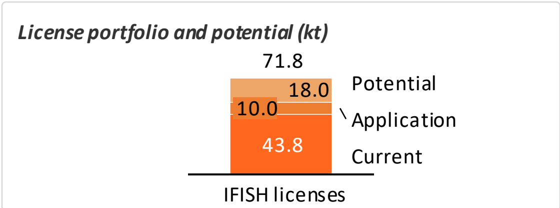
1. Biomass and capex financing in place for 2023-2024

- ✓ Refinancing enables the company to unlock significant growth potential



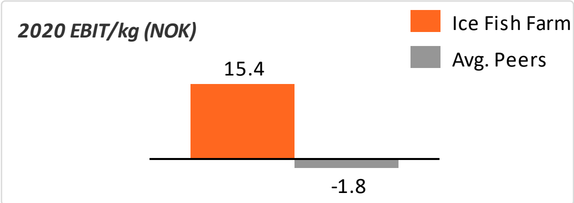
2. Several initiatives taken and further growth potential

- ✓ Ice Fish Farm holds a significant license portfolio totalling > 40kt MAB with applications for additional volumes and further upside potential



3. Expect to revert to historical strong performance with new biomass and operational routines

- ✓ In 2020, the company was the best performing Icelandic salmon farmer
- ✓ Several initiatives taken to get back to superior performance levels



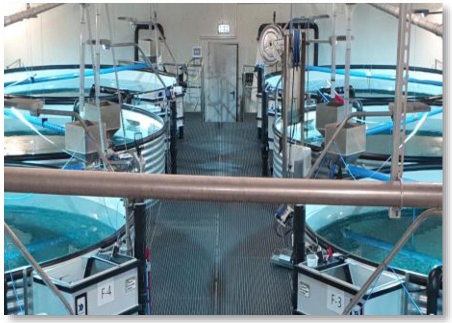
4. Strong support from existing shareholders

- ✓ Måsøval family supportive and contributing strongly to daily operations with best practices
- ✓ Strong support from other local shareholders such as Ísfélag Vestmannaeyja

Måsøval
Krossey ehf
ÍSFÉLAG VESTMANNAEYJA HF.

Appendix: Operating state-of-the art assets facilitating for growth plan

Improved quality on smolt supports Ice Fish Farm's growth plan



Rifós & Kópasker

- New facility built in 2020-2021 with tank capacity of more than 10,000 m3
- Holding capacity of ~3.7 million smolt per year with ~350 gram average size
- License of 1,000 tonnes MAB, with additional application for 3,500 tonnes MAB
- High density and running on 8-12 degrees fresh- and seawater
- Located close to port, easing transportation of smolt to sea sites

Laxabraut, Bakki og Fiskalón:

- Facility built in 2016 with tank capacity of more than 35,000 m3
- Holding capacity of ~4.0 million smolt per year with ~400 gram average size
- License of 2,700 MAB

Firm smolt strategy will be key part of the upcoming growth journey

90-600 grams in 2021 → ***200-900 grams in 2022-24***

Holding substantial processing capacity

Bulandstindur

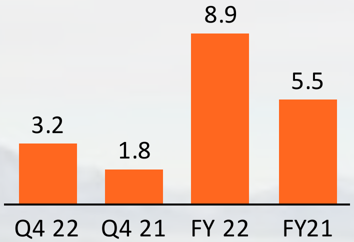
- Current capacity of 50 fish per minute, planning to increase to 70 fish per minute
- One shift currently capable to process ~24,000 fish per day, targeting ~33,000 fish going forward
- Translate to ~150 tons per day capacity and yearly capacity of ~30,000 on one shift.
- Further improvements involves focus toward treating blood water, waste and secure biosecurity

Processing facility in place for future growth outlook

Appendix: Key highlights Q4 2022

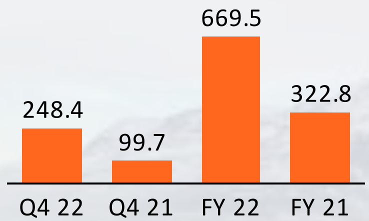
Harvested volume (HOG kt):

3,150t HOG (1,823)



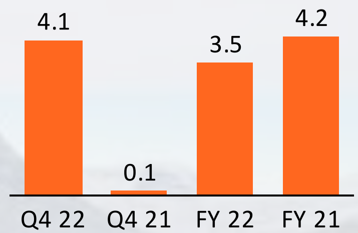
Total group revenues:

NOK 248m (99.7)



Operational EBIT before write-down:

NOK 4.1 / KG (0.1)



Strategic Update:

Agreement on refinancing

- Harvest volumes excluding Laxar volumes before acquisition (January – May)
- Including full year Laxar volumes translate to 11.3kt

- Revenue increased due to higher volumes
- Premium certified salmon contract gave good price achievement for small fish

- Operational EBIT Farming: NOK 4.1 /kg HOG

- Agreement reached with banks on a refinancing package of up to EUR 156.2m

Risk Factors (I/VI)

1. RISK FACTORS

*An investment in the Company's shares involves inherent risks. Before making an investment decision, investors should carefully consider the risk factors (the "**Risk factors**"), the other information contained in this Presentation and all publicly available information about the Group. The risks and uncertainties described herein 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. 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.*

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.

Market prices of farmed Atlantic salmon: The Group's revenue, and thereby its financial position and future development, is inextricably linked with the obtainable market price of farmed Atlantic salmon at any given time. Prices can vary significantly over time, due to factors both on the supply and demand side. Demand for the Group's products is affected by a number of different factors, such as changing customer preferences, seasonality, changes in prices and volumes of substitute products and general economic conditions. The driving factors behind the obtainable market price of farmed salmon are primarily external, and therefore the Group has limited flexibility to adjust product prices. A short-term or long-term decline in the price for the Group's products could have a material adverse effect on its revenue, and thereby affect its overall operational result, financial position or ability for future development.

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. As examples, the Company experienced (i) outbreaks of the infectious salmon anemia (ISA) at the Signumdarhus and Vattarnes sites in April/May 2022, and at Hamraborg and Svarthamar in May/June 2022, which reduced the harvest volumes for 2022 and 2023, and (ii) and winter wounds in the second half of 2021, which had a material negative effect on the financial results in 2022. Any future outbreaks 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, which may affect the harvest volumes and the Group's and consequently adversely affect the Group's results of operations.

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 and by cars. Although mortality related to this process, i.e. transporting smolt from tanks to cages in the sea is known, 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 Factors (II/VI)

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.

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, which may in turn have a material adverse effect on the Group's business, results of operation, financial condition, cash flow and/or prospects. The Group carries out smolt production on land utilising recirculating aquaculture systems technologies. Although the Group has not suffered incidents of mass fish mortality in its smolt production thus far, such events may occur in the future. Such events may result in a substantial loss of biomass and consequently have a material adverse effect on the Group's business, operating result, financial position and/or prospects.

Risks relating to capital expenditures: The Group has implemented an investment program to reach a total estimated smolt capacity of up to 8 million of average size smolt to 400 grams, which correspond to a potential harvest of 30,000 tonnes of HOG salmon in 2025. There is a risk that the Group is not able to achieve the estimated harvest volumes and that additional capital will be required to reach this goal. If the estimated capital expenditures is not sufficient, the Group's future operating result may be adversely affected.

Risks relating to technological advancements: The Group operates within an industry where use of technology is becoming increasingly important for the Group in order to limit its operating expenses and stay competitive. Technology is not only an important asset in order to produce products of higher quality at lower costs, but also to be able to meet rapid changes in customer preferences for products. In addition, authorities in various jurisdictions such as Norway and Canada, have recently indicated that the regulatory regimes and the granting of licenses may award fish farmers that are able to develop and implement new technologies designated to solve or minimize the different environmental and sustainability issues, such as closed fish farm. There can be no guarantee that the Group will be able to keep up with technological advancement or regulatory technology requirements within the industry, nor that it will have sufficient financial resources to invest in new and relevant technology going forward. If the Group is unable to implement new technology, its operations as well as competitiveness, could be adversely affected

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 it 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.

ICE FISH FARM

Risk Factors (III/VI)

Risks related to foreign employees: The Group is dependetnt upon the use of Norwegian and Icelandic employees, travel restrictions, change in regulation related to the use of foreign employees, may have a material adverse effect on the business, results of operation and financial condition.

Sabotage risk: There exist environmental organisations that have the aim to eradicate or damage 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 Groups 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.

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, inadequate insurance coverage may also lead to an event of default in the Group's financing agreements which in turn will have a material adverse effect for the Group.

Risk Factors (IV/VI)

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, new laws or taxes are introduced, 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 Group'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.

Market risk, including currency and interest risk: The Group is exposed to currency fluctuations and changes in exchange rates. A material part of the Groups revenue is in foreign currencies, including EUR and USD, and the Group's costs are in, or effected by, both ISK, NOK, USD and EUR. The Group's presentation currency is NOK. The accounting currency is EUR, and the Group can have significant amount of debt denominated in other currencies. The Group can therefore also be exposed to foreign exchange risk relating to balance sheet translation. The Group is further exposed to changes in interest rates, as the debt in the Group has a floating interest rate. Adverse movement in currency or interest rates may have a material adverse impact on the Group's financial performance.

Risk Factors (V/VI)

Risks related to terms of current financing and events of default: The Group is in the process of finalising a long-term bank financing package of up to EUR 156.2 million with DNB Bank ASA, Nordea Bank Abp, filial i Norge, Arion Banki hf. and Landsbankinn hf., which will replace its current financing. The new bank financing will contain, and any future financing agreements may contain, certain covenants and event of default clauses, including financial covenants, cross default provisions and restrictive covenants and performance requirements, which may affect the operational and financial flexibility of the Group. Such restrictions could affect, and in many respects limit or prohibit, among other things, the Group's ability to incur additional indebtedness, create liens, sell assets, or engage in mergers or acquisitions. These restrictions could further limit the Group's ability to plan for or react to market conditions or meet extraordinary capital needs or otherwise restrict corporate activities. There can be no assurance that the restrictions will not materially and adversely affect the Group's ability to finance its future operations or capital needs.

The Group's ability to comply with the covenants described above, as well as maintaining adequate security, can further 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 financing 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 financing 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.

Liquidity risk: The Company has experienced periods of strained liquidity after the ISA breakout and during the refinancing process. The Company believes that the refinancing of its bank debt and the contemplated private placement can reasonably be expected to provide it with sufficient liquidity until the end of 2024, following which it aims to be cash flow positive. However, the Company's liquidity going forward will be affected by a number of factors, many of which are wholly or partly outside the Company's control, including but not limited to market prices for the Company's products, biology, feed costs, energy costs and other operating expenses as well as interest rates and FX rates, all of which can have a negative impact on the Company's liquidity. Furthermore, there can be errors in the Company's financial forecast models which may result in its liquidity forecasts proving not to be accurate. During the refinancing process, the Company has improved its financial forecast model after identifying certain errors and also introduced certain procedures to remedy such issues going forward, but there can be no assurance that errors in the financial forecast model or any assumptions proving to not be correct, or errors in the financial model will not affect the Company's liquidity forecasts. Any negative development in the Company's liquidity may have a material negative effect on the Company.

1.4 Risks relating to the Shares

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.

Volatility of the share price: The market price of the Shares have historically been 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.

Risk Factors (VI/VI)

Shareholders outside of Norway are subject to exchange rate risk: All of the Shares are priced in Norwegian Kroner ("**NOK**"), the lawful currency of Norway and any payments of dividends on the Shares or other distributions from the Company are 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.

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: Austur Holding AS, a strategic partnership between Måsøval Eiendom and Ísfélag Vestmannaeyja hf., holds 56.12% of the outstanding shares in the Company prior to the Private Placement. 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.