



**Icelandic Salmon**

SUSTAINABLE SALMON FROM ARNARLAX

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

First half 2024 results

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## 1

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<b>This is Icelandic Salmon.....</b>	<b>4</b>
Key Figures for Icelandic Salmon.....	5
Our history.....	6
Group.....	7
management.....	7
Highlights in the first half of 2024.....	8
Report for the first half of 2024.....	10
Operations, markets and strategy.....	12
Corporate matters - first half of 2024 update.....	13
Outlook.....	14
Statement of the board of directors.....	15

## 2

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<b>Condensed Consolidated Interim Financial Statements of Icelandic Salmon AS.....</b>	<b>16</b>
Condensed Consolidated Interim Financial Statements of Icelandic Salmon AS.....	17
Notes to the Condensed Consolidated Interim Financial Statements.....	22

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

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

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





# THIS IS ICELANDIC SALMON

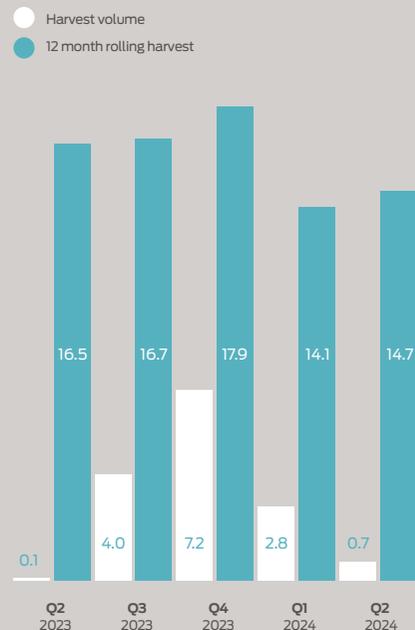
1

- Key Figures for Icelandic Salmon ..... 5
- The history of Icelandic Salmon ..... 6
- Group management ..... 7
- Highlights in the first half of 2024 ..... 8
- Report for the first half of 2024 ..... 10
- Operations, markets and strategy ..... 12
- Corporate matters - first half of 2023 update ..... 13
- Outlook ..... 14
- Statement of the board of directors ..... 15

# Key Figures for Icelandic Salmon

EUR million (MEUR)		H1 2024	H1 2023	FY 2023
Operating revenue	MEUR	37.24	71.58	164.82
<b>Operational EBIT</b>	MEUR	<b>(4.32)</b>	<b>15.31</b>	<b>20.28</b>
Production tax	MEUR	(0.90)	(0.80)	(2.20)
Fair value adjustments	MEUR	7.05	0.22	(4.38)
<b>Profit (loss) before tax</b>	MEUR	<b>0.90</b>	<b>14.16</b>	<b>10.20</b>
Net interest bearing debts	MEUR	51.79	38.16	45.81
Equity ratio	%	65%	68%	64%
Harvested volume from own production (tonnes)	MT	3,471	6,661	17,919
<b>Operational EBIT/kg.</b>	EUR/kg.	<b>(1,24)</b>	<b>2.30</b>	<b>1.13</b>
One off cost	MEUR	7.49	1.82	6.99
Operational EBIT/kg. w/o one-off's	EUR/kg.	0.91	2.57	1.52

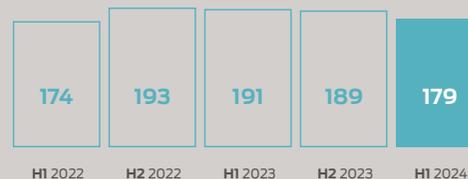
## Harvest Thousand tonnes



## Smolt facilities

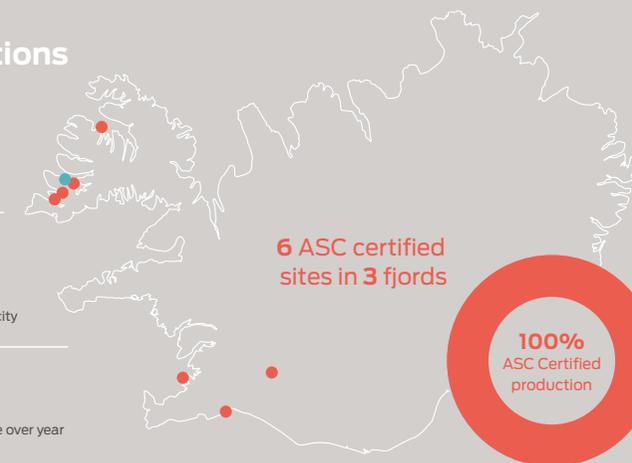
**4** Smolt facilities | **7-8** Million smolt in operational capacity

## Number of Employees Average over year



## Our Locations

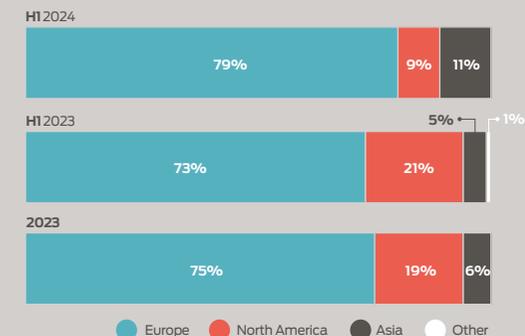
Current operations  
Licence application



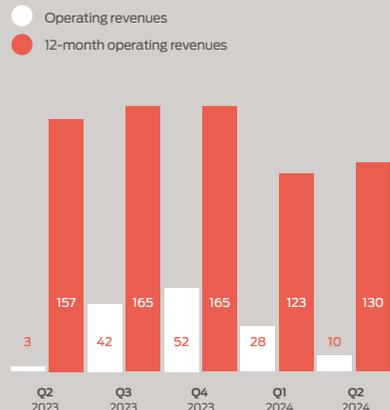
6 ASC certified sites in 3 fjords



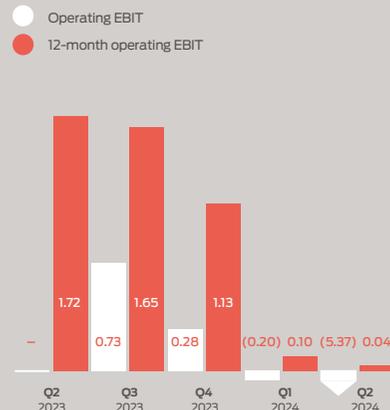
## Geographical distribution of revenues from sales of fish



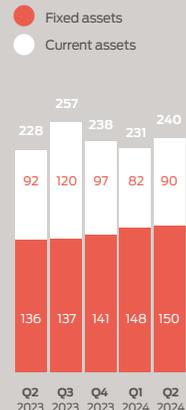
## Operating Revenues EUR millions



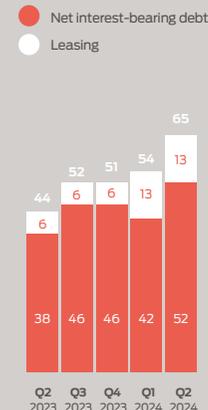
## Operating EBIT EUR/kg



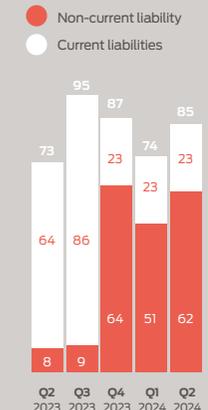
## Assets EUR million



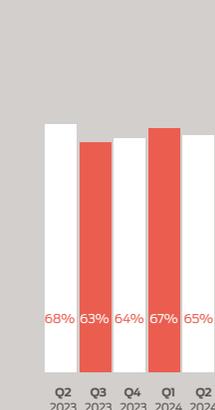
## NIBD EUR million



## Liabilities EUR million



## Equity Ratio



## OUR HISTORY

Arnarlax ehf., a subsidiary of Icelandic Salmon, was founded in 2010 in Bíldudalur, a small Icelandic village inside a long fjord called Arnarfjörður. Bíldudalur is the hometown of the company's founder, Matthías Garðarsson, who knew that the area had excellent conditions for farming salmon. The natural conditions, with good quality seawater and temperatures on a par with northern Norway, provide a sound basis for engaging its sustainable aquaculture in Iceland.

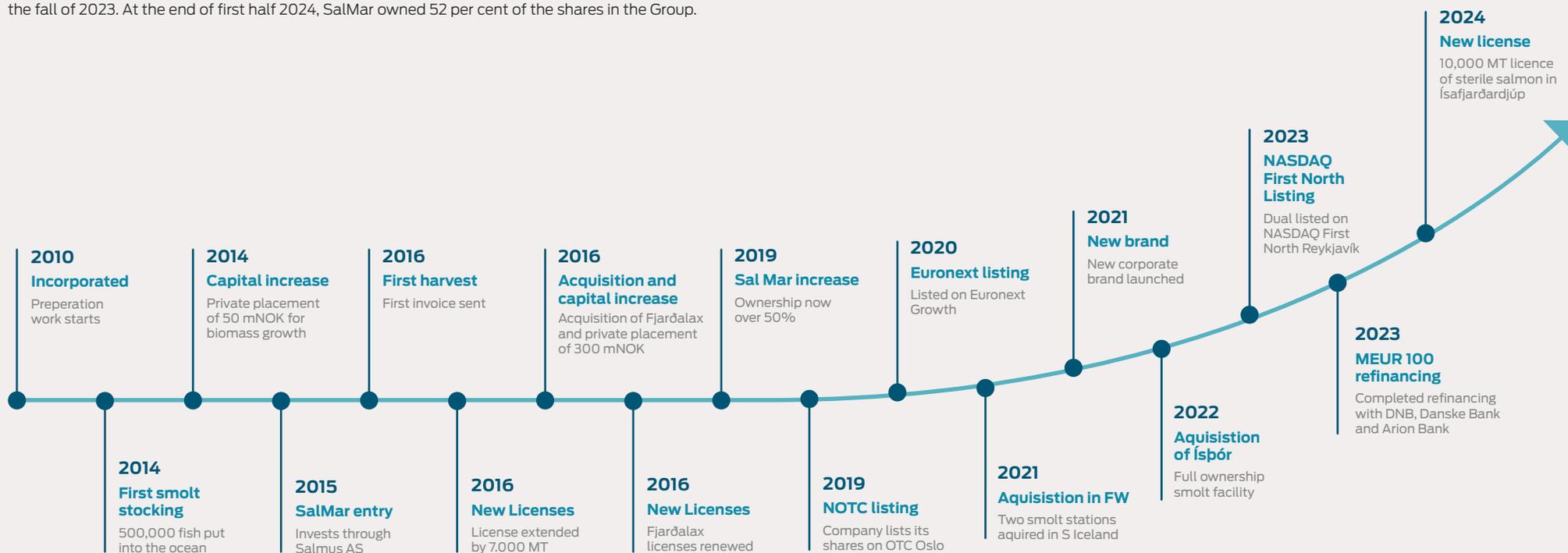
Today, Arnarlax is Iceland's largest producer of Atlantic salmon. The company's vision is "Sustainability – it's in our nature", so to be sustainable in every aspect of its operations and lead the way in terms of cost efficiency, biology and the development of the whole value chain for salmon farming in Iceland.

Icelandic Salmon successfully completed a private placement in the autumn of 2020 followed by a listing on Euronext Growth. The Group also successfully completed a dual listing on NASDAQ First North Reykjavík in the fall of 2023. At the end of first half 2024, SalMar owned 52 per cent of the shares in the Group.

Icelandic Salmon has a fully integrated value chain with its own hatcheries, sea farms, harvesting plant and sales department.

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

The Group strongly believes in sustainable aquaculture production in Iceland.



## GROUP MANAGEMENT

Icelandic Salmon has a competent senior management team, comprising eight individuals with long industry experience. Working closely with SalMar, one of the world's top producers of farmed salmon, the management team leverages its industry knowledge to drive the Group's success in addition to their core operations.

On 30th June 2024, the Groups management team consist of the following members:



**Bjørn Hembre**  
CEO



**Jónas Heiðar Birgisson**  
CFO



**Linda Björk Gunnlaugsdóttir**  
CSO



**Rolf Ørjan Nordli**  
COO of Biology



**Rúnar Ingi Pétursson**  
COO of Harvest Plant



**Silja Baldvinsdóttir**  
Quality Manager



**Karen Ósk Pétursdóttir**  
HR Manager



**Hjörtur Methúsalemsson**  
BD Manager

## HIGHLIGHTS IN THE FIRST HALF OF 2024

- » Received licenses for 10,000 tonnes MAB of sterile salmon at three sites in Ísafjörður. After receiving the licenses the group holds licenses for a total of 33,700 MAB at sea and 3,800 tonnes on land for smolt production
- » Received an increased licence from 200 tonnes to 1.000 tonnes MAB at the company's smolt facility in Gileyri
- » The harvest volume for the first half of 2024 was 3.5 thousand tonnes, down from 6.7 thousand tonnes in the first half of 2023. This decrease follows extraordinary harvesting at the end of last year
- » Biological challenges have impacted certain sea sites and for the Group's smolt facility, Íspór, affecting operational and financial performance. However, mitigating measures are starting to show results
- » Smolt release to sea started in the end of the first half of 2024, with an expected average size of 234 grams, up from 218 grams in 2023 and 147 grams in 2022, demonstrating the success of recent smolt investments
- » The operational EBIT for first half 2024 was negative EUR 4.3 million
- » Ministry of Food, Agriculture and Fisheries sent a law proposal to the Parliament, Alþingi, in April 2024, but the proposal has not yet been approved
- » New procedures and equipment for sea lice treatment have been implemented and invested in, to keep good control of the lice levels
- » Achieved ASC certification for all production in sea
- » The Group reduces its harvest volume guidance for 2024 to 13 thousand tonnes of sustainable Icelandic Salmon

## Operational summary

Icelandic Salmon reported operating revenues of EUR 37.2 million in the first half of 2024, 48 per cent lower than for the corresponding period of 2023 mainly due to lower harvesting during the period.

Operational EBIT was negative of EUR 4.3 million, a decrease from EUR 15.3 million in the corresponding period last year. The decrease is mainly related to biological challenges, booked at a total cost of EUR 7.5 million, high operational cost at one site, and lower harvest volumes. Excluding the biological challenges, operational EBIT was positive EUR 3.2 million.

During the first half of 2024, the Group harvested a total of 3.5 thousand tonnes, where most were harvested in the first quarter of 2024. As the year before, the second quarter was used to building up biological assets and conducting maintenance work at its harvesting facilities. The biological development at most of the Group's sites remained stable, except one site with higher mortality rates at the beginning of the year.

In the first half of the year, sea lice levels remained low after a period with challenging lice levels in late 2023. The Group implemented new procedures for sea lice counting and surveillance in accordance with Icelandic Food and Veterinary Authority's (MAST) updated regulations. Additionally, the Group took in use new mechanical lice treatment measures, allowing quicker responses to potential periods with increased lice levels.

The Group maintains its guidance of 15.0 thousand tonnes harvest of sustainable Icelandic Salmon for 2024.

## Investments

Icelandic Salmon remains focused on growth on the terms of the salmon and in harmony with nature. By the end of first half of 2024, the Group finalised most projects within its smolt strategy and facility expansion as planned.

In the first half of 2024, the Group's main investment activities were related to new seawater equipment, increasing the number of cages and related machinery. The Group also made a downpayment for a new hybrid service vessel, with planned delivery early 2025.

## Licenses

Icelandic Salmon holds licenses of a total of 33,700 tonnes MAB, where-of 10,000 tonnes are for sterile salmon, at sea.

In January 2024, the Group received an increased license for 1,000 tons MAB at its smolt site Gileyri in Tálknafjörður, up from 200 tonnes MAB. This marked a key step in the Group's smolt strategy as it will able improved utilisation of the capacity at its sites and give the Group an opportunity to increase production in the long-term.

In June 2024, the Group received licenses for 10,000 tonnes MAB of sterile salmon at three new sites in Ísafjarðardjúp. This marked a significant milestone as it represented a 43 per cent increase in the Group's license portfolio.

## Operational challenges

In the first quarter of 2024, the Group experienced biological challenges at its smolt facility, Eldisstöðin Ísbór. This led to an extraordinary high mortality rate in the period, and a non-recurring cost of EUR 1.1 million was booked in first half of 2024. Mitigating measures were effective, with a mortality rate normalising by the end of first half and beginning of the third quarter.

Icelandic Salmon also experienced biological challenges at one of its sea site, Steinanes, resulting in high mortality. A non-recurring cost of EUR 4.1 million related to this was booked in the first half of 2024.

The group re-assessed the stock cost value at its Laugardalur site, leading to a write-off of EUR 2.3 million. This re-assessment is related to the lice situation at the end of 2023, where the group recognised that the biological challenges resulted in higher costs than previously accounted for.

## Changes to Group Management team

In the first half of 2024, Linda Gunnlaugsdóttir was appointed as Chief Sales Officer and Rúnar Ingi Pétursson as Chief Operational Officer of Harvest plant.

Karen Ósk Pétursdóttir was appointed as the Group's Human Resource Manager, and Hjörtur Methúsalemsson was appointed the role as Business Development Manager.

## New law proposal

In April 2024, the Ministry of Food, Agriculture and Fisheries sent a law proposal for salmon farming in Iceland to the Parliament, Alþingi. The proposal is still being debated in the Parliament and has not yet been approved.

The aim of the proposed law is to create legal conditions in Iceland to ensure value creation in salmon farming occurs in a sustainable manner. The law proposal suggest that the sector should be regulated based on defined criteria related to farmers' impact on the environment, ecosystem and wild populations. Additionally, it proposes criteria to ensure higher animal welfare standards and low rates of mortality.

As a leading salmon producer committed to sustainable salmon farming, Icelandic Salmon is concerned that the uncertainty in the process of implementing a new aquaculture law could hinder Iceland's economic growth in this sector where global competitiveness is crucial. Despite this, the Group remain committed to working with policymakers and stakeholders to establish a balanced, competitive, and predictable legal and fiscal framework.

# REPORT FOR THE FIRST HALF OF 2024

## Group overview

Icelandic Salmon AS is the sole owner and parent company of Arnarlax ehf. Icelandic Salmon AS inclusive its subsidiaries, is referred to as the "Group" or "Icelandic Salmon" throughout the report. All operational activities in the Group are performed through Arnarlax ehf. and its subsidiaries.

Icelandic Salmon's shares are listed on Euronext Growth in Oslo and NASDAQ First North in Reykjavik, traded under the ticker symbol ISLAX. The Group holds licenses for a maximum allowed biomass (MAB) of 33.7 thousand tonnes, situated in the region of the Icelandic Westfjords.

The Groups organisational structure ensures a well-established and fully integrated value chain for the Group, where it maintains control over every step of the process. The Group procures eggs for its hatcheries, produces its own smolt, has seawater net pen production, operates a harvesting plant, and sells and distributes sustainable Icelandic salmon in Europe, North America and the Far East.

The Group's salmon harvesting facility in the Westfjords region is a key operational asset in the Group's value chain, with a total harvesting capacity of 30.0 thousand tonnes per year. In addition, the Group operates four smolt facilities and a sales department.



### Smolt Facilities



Four smolt facilities with a combined capacity of 8 million smolt.

### Seawater



Farming license of MAB 33,700 tonnes across six ASC certified sites in three fjords.

### Harvesting



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

### Sales



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

## Financial results

The Group's consolidated operating revenues in the first half of 2024 was EUR 37.2 million compared with EUR 71.6 million for the same period last year.

Harvest volume decreased from 6.7 thousand tonnes in the first half of 2023 to 3.5 thousand tonnes in the first half of 2024. Icelandic Salmon did not harvest for third parties in first half of 2024, compared to first half of 2023, when the Group harvested 1.3 thousand tonnes. Icelandic Salmon paused harvesting in June to build up biomass.

In the first quarter of 2024, strong market prices had positive impacts on the Group's results. But, biological challenges and high cost-price of stock at one sea site during the first and second quarter, had a significant impact on the operational result.

Operational EBIT for the first six months of 2024 was negative EUR 4.3 million, down from positive operational EBIT of 15.3 million in the first half 2023. The operational EBIT per kilo was negative EUR 1.24 per kilo and operational EBIT excluding the one-off costs, was positive EUR 0.91 per kilo. For the corresponding period the previous year, the operational EBIT per kilo was EUR 2.30 per kilo or EUR 2.59 per kilo excluding one-off cost.

Operational profit for the first six months of 2024 was EUR 2.5 million, which includes a positive EUR 7.0 million fair value adjustment ([see note 3.0](#) in the financial statement). In comparison, the operating profit for the first six months of 2023 was EUR 14.8 million, with a positive EUR 0.2 million in fair value adjustment.

Net financial items for the first six months of 2024 were negative EUR 1.6 million, compared with negative EUR 0.7 million for the same period in 2023. Financial expenses changed from EUR 1.1 million in the first half of 2023 to EUR 1.7 million in first half 2024. The net currency gain in the first six months of 2024 was EUR 47 thousand, compared to a currency gain of EUR 0.4 million in the first half of 2023.

## Cash Flow

In the first six months of 2024, net cash flow from operating activities was positive EUR 3.4 million, compared with positive cash flow EUR 35.9 million in the same period in 2023. The decrease was mainly a result of the operational challenges experienced in the period.

Additionally, the total harvest volume was lower, and the cost of goods sold was higher, primarily due to the re-evaluation and write-down of the biological assets at one site. [See further note 3.0](#) about change in the book value of biological assets held at sea.

In the first half of 2024, net cash flow from investing activities was EUR 5.9 million, compared with EUR 16.1 million in the same period the year before. The primary investment activities for the first six months were mainly related to seawater equipment. This included a partial payment of a hybrid service boat, to be delivered early 2025, and other seawater equipment for further production in sea.

Net cash flow to financing activities amounted to negative EUR 6.2 million in first half of 2024, mainly due to repayments of the Group's facility agreement and lease agreements. This compares to negative EUR 19.5 million in the same period in the year before.

## Balance sheet

The Group's balance sheet on 30 June 2024 was at EUR 240.2 million, representing an increase of EUR 1.9 million from year-end 2023. Total equity was EUR 155.1 million at the end of the period. The equity ratio increased from 64 per cent at the end of 2023 to 65 per cent.

Non-current assets increased from EUR 141.2 million at year end of 2023 to EUR 149.8 million in the period, mainly due to increase in lease assets following the Group's new lease agreement for a wellboat, as well as ongoing investments supporting the Group's growth strategy. Current assets decreased from EUR 97.1 million at end of 2023 to EUR 90.4 million at the end of June 2024, mainly due to lower outstanding receivables. The Group saw a significant increase in the cost value of its biological assets as it continued to build up its biomass during the first half of 2024.

Non-current liabilities decreased from EUR 62.4 million at the end of the year 2023 to EUR 61.9 million at the end of June 2024. At the same time, current liabilities increased from EUR 23.0 million from end of year 2023 to EUR 23.2 million at end of June 2024.



# OPERATIONS, MARKETS AND STRATEGY

## Challenging operational period

The first half of 2024 was a challenging operational period, due to biological challenges at certain sea sites. The harvest volume for the period of 3.5 thousand tonnes was significantly lower than the total volume of 6.7 thousand tonnes harvested in the corresponding period last year.

The lower volume follows months of extraordinary harvesting at the end of last year, when biological challenges prompted the Group to harvest early for animal welfare reasons. The challenging period continued into 2024, leading to higher mortality rates at certain sites in 2024, affecting total harvest volume.

The Group experienced extraordinarily high mortality at one of its sites in the beginning of 2024, affecting stock scheduled for harvesting in 2025. This resulted in an operational cost impact of EUR 4.1 million in the first half of 2024, with the total financial impact yet to be fully realised.

Due to the biological challenges at the end of 2023, the cost of the stock at one of the Group's sites, Laugardalur, had a significant higher value. The lower estimated forward fish prices in the period and the accumulated cost value of the stock prompted a reassessment of the stock value in the first half of 2024. At the end of the reporting period, it was concluded that the reassessed stock value should be partially expensed in the first half of 2024, resulting in an additional EUR 2.3 million in operational costs.

Biological challenges at the Group's smolt facility, Eldisstöðin Ísbór, impacted the Group's operational cost with a total of EUR 1.1 million. Mitigating measures have been implemented in the period and been effective, with a mortality rate normalising by the end of first half and beginning of the third quarter.

All the above-mentioned events are considered extraordinary and non-recurring events.

## Smolt strategy

The Group's smolt production is currently in three smolt facilities; Gileyri in the Westfjords and Eldisstöðin Ísbór and Fjallalax on the south coast of Iceland. The fourth facility, Laxabraut 5, is still undergoing rebuilding.

The Group expect to take in to use facility at Laxabraut 5 early 2025. That will increase the Groups production capability, allowing the Group to utilize its licenses in sea further.

The group expect to put out 5.5 million smolts during the year of 2024 with the average weight range from 130 gram to 600 gram.

The Group is starting to see benefits of its investments in smolt facilities and has successfully reduced operational cost of smolt production. The cost of smolt production in Iceland has been considered high in comparison to larger smolt facilities in other regions, such as Norway. The Group has taken proactive measures to lower its smolt production costs and remain competitive globally. As a result of these efforts, the cost of smolt in the Group's operations has decreased significantly over the past two years.

## Licenses

In the first half of 2024, the Group achieved two key milestones: receiving licenses for 10,000 tonnes MAB in Ísafjarðardjúp and a license increase of 1,000 tonnes MAB for its smolt facility Gileyri.

The licenses in Ísafjarðardjúp are for 10,000 tonnes MAB sterile salmon on three new sites. The Ísafjarðardjúp is located on the northern part in the Westfjords of Iceland, which is an area considered good for salmon farming.

The Group received a 1,000 tonnes MAB license increase at its smolt facility Gileyri. Although the current production capacity at the facility is lower than 1,000 tonnes, the license gives the Group an opportunity to increase the production in the long-term. It also gives the Group increased flexibility to increase smolt size and production.

## Sustainability and social responsibility

Icelandic Salmon is proud of its natural and sustainable approach to salmon farming in the pristine Arctic waters, a commitment strengthened by their brand launched in 2021. The company upholds strict quality standards while aiming to be a low-cost producer through sustainable biological practices and by prioritising the well-being of its salmon.

By integrating optimal biological practices with cost efficiency and streamlined processes, the Group has established itself as a successful and cost-effective producer of farmed salmon in Iceland. The Group values diversity and corporate social responsibility, acknowledging its roles as an employer, producer, supplier of healthy food, user of natural resources, and steward of financial and intellectual capital. Social responsibility is a core aspect of daily operations, with ongoing efforts to minimise environmental impact and generate local value with the smallest possible footprint.

Environmental issues are monitored and reported annually in the Group's Sustainability Report, available on their homepage at [www.arnarlax.is](http://www.arnarlax.is). This transparent approach showcases the Group's dedication to environmental stewardship and sustainable practices. Additionally, Icelandic Salmon emphasises the importance of social responsibility in the communities where it operates. In collaboration with PWC Iceland, Icelandic Salmon and its subsidiaries have been issuing a community footprint report in recent years, highlighting the Group's positive impact on the Icelandic economy.

In 2023, the [Group's community footprint](#) was ISK 1.7 billion, a 21 per cent increase from the previous year. To give some context to the importance of the Groups export revenues that it creates, the Group created a total of 2.4 per cent of the total export value of the Icelandic economy. The Group expect to continue to grow, and it is committed to enhancing its contribution to the Icelandic community as a whole, and especially in the local communities in which it operates. Full details of Arnarlax's community footprint report are available on their homepage at [www.arnarlax.is](http://www.arnarlax.is).

To document its sustainability and social responsibility efforts, the Group has chosen to be ASC certified, with all production in the first half of 2024 achieving ASC certification.

# CORPORATE MATTERS - FIRST HALF OF 2024 UPDATE

## Shares and shareholders

As of 30 June 2024, Icelandic Salmon AS has a total of 30,961,838 shares outstanding, held by 282 shareholders. The major shareholder, SalMar ASA, maintains ownership of 52.5 per cent of the shares. The list of larger shareholders continues to include Icelandic citizens and companies such as Gildi, one of the Iceland's largest pension funds, and Stefmir, a leading Icelandic Asset Management group owned by Arion bank, remain cornerstone investors. The twenty largest shareholders now collectively hold 96.3 per cent of the shares. For further details, refer to [note 4](#) in the financial statement.

In September 2023, Icelandic Salmon successfully completed its second listing process at the Reykjavík stock exchange, making it a dual-listed company at both the Euronext Growth in Oslo and Nasdaq First North in Iceland. The listing on Nasdaq First North marked an important milestone for the Group as accessibility for Icelandic investors increased.

In relationship to the listing on First North Reykjavík, Icelandic Salmon AS has maintained an active market making agreement where it is secured access for shares in Icelandic Salmon AS on First North market at any given time.

Icelandic Salmon AS share price fluctuated between NOK 145 per share at beginning of year down to NOK 115 at end of June 2024, reflecting a decline of 21 per cent of the Groups share price.

Annual General Meeting Icelandic Salmon held its Annual General Meeting (AGM) on 21 May 2024. No election on Board of Directors ("BOD" or "board") members were needed as all members were elected in 2023 for a period of two years.

The AGM approved the board's authority to acquire treasury shares with a total nominal value of NOK 30,961,868. The shares may be deleted, used for board remuneration, included in incentive schemes, or used as consideration shares in connection with acquisition of businesses.

Additionally the AGM, approved the board's proposal to distribute no dividend for the operational year of 2023.

## Risks and uncertainties

The Group remains exposed to various market, operational, and financial risks, including credit risk and liquidity risk. Management continues to assess and address these risks through established guidelines. Bank loans continue to support the Group's capital for business investments, and the Group manages financial instruments related to day-to-day operations, such as trade receivables and trade payables.

The Group finalised its re-financing process at end of year 2023, providing the Group with further financial strength and flexibility, allowing the Group to pursue its continuing investments in growth projects and strengthening overall financial stability.



## OUTLOOK

Since Icelandic Salmon's foundation, it has established a significant presence in Iceland's aquaculture industry. The industry is currently in its early stages but experiencing rapid growth, contributing significantly to the country's export revenues. In recent years, the Group has actively pursued growth initiatives and positioned itself as Iceland's leading salmon farming company and the largest salmon producer in the country.

Leveraging optimal conditions for salmon farming in the fjords, the Group commits to responsible resource management for the benefit of its shareholders, employees, customers, local communities and the environment. With sustainability at the forefront, the Group aims to uphold its leading position in Iceland's leading salmon farming producer.

Salmon farming is recognised as one of the most sustainable animal protein production methods, offering advantages including efficient space use, minimal freshwater consumption, and reduced

greenhouse gas emissions. Given the increasing global demand for nutritious, protein-rich food, aquaculture play a crucial role. The Group remains dedicated to pursuing sustainable growth in alignment with the salmon's natural environment.

The new law proposal sent by the Ministry of Food, Agriculture and Fisheries in Iceland to the Icelandic Parliament, Alþingi, is still being debated in the Parliament and has not yet been approved. The Group support the aim of the proposed law, to create legal conditions in Iceland to ensure value creation in salmon farming occurs in a sustainable manner. However, the Group is concerned that the uncertainty in the process of implementing a new aquaculture law could hinder Iceland's economic growth in the industry where global competitiveness is crucial. The Group remains committed to working with policymakers and stakeholders to establish a balanced, competitive and predictable legal and fiscal framework and believes that it is important to pursue efficiency and economies of scale to remain competitive globally. Additionally, stable and predictable regulatory conditions are essential for the sustained growth of the aquaculture sector.

The Group continues to anticipate a limited increase in the global supply of harvested salmon, while at the same time expecting strong demand. This positive market outlook suggests continued growth in the years to come.

The Group has incorporated a strong corporate culture defined by values that include strong commitment to leadership in salmon farming, dedication to high quality, teamwork, and care for colleagues, customers, and the environment. These values are the foundation of the Group's continued success.

Ongoing organisational and cultural development remains key focus areas for the Group going forward. The Board of Directors extends gratitude to all employees for their commitment and dedication, which has fuelled the Group's remarkable journey year after year and will be key for continued growth going forward.



## STATEMENT OF THE BOARD OF DIRECTORS

We declare that, to the best of our knowledge, the half-year financial statements for the period 1 January to 30 June 2024 have been prepared in accordance with ISA 34 – Interim Reporting and that the information contained there provides an accurate and fair view of the Group's assets, liabilities, financial position and overall results.

We further declare that, to the best of our knowledge, the half-year report provides a true and fair view of important events that have taken place during the accounting period and their impact on the half-year financial statements, as well as the most important risk and uncertainties facing the business in the forthcoming accounting period.

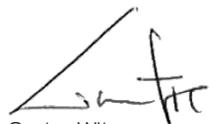
Bíldudalur, 20 August 2024



Leif-Inge Nordhammer,  
Chairman of the Board



Espen Weyergang Marcussen,  
Member of the Board



Gustav Witzøe  
Member of the Board



Kjartan Olafsson,  
Member of the Board



Ulrik Steinvik,  
Member of the Board



Bjørn Hembre,  
CEO





# CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF ICELANDIC SALMON AS

2

Condensed Consolidated Interim Financial Statements of Icelandic Salmon AS..... 17  
Notes to the Condensed Consolidated Interim Financial Statements ..... 22

Icelandic Salmon AS

Condensed Consolidated Interim Financial Statements of Icelandic Salmon AS

Statement of Comprehensive Income

In EUR 1000	Notes	H1 2024	H1 2023	2023
Revenue from contracts with customers	<u>2</u>	37,235	71,583	164,816
<b>Total operating revenue</b>		<b>37,235</b>	<b>71,583</b>	<b>164,816</b>
Cost of goods sold		18,371	33,263	95,979
Salaries and personnel expenses		9,105	9,773	19,800
Other operating expenses		8,263	8,904	19,675
Depreciation		5,813	4,339	9,086
<b>Total operating expenses</b>		<b>41,551</b>	<b>56,278</b>	<b>144,541</b>
<b>Operational EBIT</b>	<u>6</u>	<b>(4,316)</b>	<b>15,305</b>	<b>20,275</b>
Production tax	<u>6</u>	(898)	(800)	(2,195)
Onerous Contracts		653	122	(531)
Fair value adjustments of biomass	<u>3, 6</u>	7,045	219	(4,378)
<b>Operating profit</b>		<b>2,485</b>	<b>14,846</b>	<b>13,171</b>
<b>Income from investments in joint ventures</b>				
<b>Financial items</b>		<b>0</b>	<b>0</b>	<b>0</b>
Financial income		59	29	255
Financial expense		(1,692)	(1,124)	(3,568)
Net currency gain, (loss)		47	409	337
<b>Net financial items</b>		<b>(1,586)</b>	<b>(686)</b>	<b>(2,975)</b>
<b>Profit before tax</b>		<b>899</b>	<b>14,160</b>	<b>10,196</b>
Income Tax		(1,399)	2,917	1,628
<b>Net profit for the period</b>		<b>2,298</b>	<b>11,242</b>	<b>8,568</b>
<b>Net profit for the period attributable to:</b>				
Equity holders of the parent company		2,298	11,242	8,568
<b>Other comprehensive income</b>				
Items which may subsequently be reclassified to profit or loss				
Net fair value of cash flow hedges		(112)	0	0
Translation differences related to subsidiaries		0	48	(21)
<b>Other comprehensive income for the period</b>		<b>(112)</b>	<b>48</b>	<b>(21)</b>
<b>Total comprehensive income for the period</b>		<b>2,186</b>	<b>11,291</b>	<b>8,547</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Parent company		2,186	11,291	8,547
<b>Earnings per share ("EPS"):</b>				
Basic and diluted (EUR Per share)		<b>0.07</b>	<b>0.36</b>	<b>0.28</b>

## Statement of Financial Position

In EUR 1000	Notes	30/6/2024	30/6/2023	31/12/2023
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill		34,740	34,740	34,740
Licenses		1,626	1,626	1,626
Property, plant & equipment		100,589	93,814	99,028
Lease assets		12,813	6,203	5,783
Other investments		1	1	1
<b>Total non-current assets</b>		<b>149,770</b>	<b>136,384</b>	<b>141,178</b>
<b>Current assets</b>				
Biological assets	13	78,800	80,638	65,963
Inventories	13	3,530	2,630	3,992
Trade receivables		2,022	1,025	13,172
Other receivables		4,558	5,319	3,800
Cash and cash equivalents		1,512	2,095	10,189
<b>Total current assets</b>		<b>90,422</b>	<b>91,707</b>	<b>97,116</b>
<b>Total assets</b>		<b>240,191</b>	<b>228,092</b>	<b>238,294</b>

## Statement of Financial Position

Continued

Bildudalur, 20 August 2024



Leif-Inge Nordhammer,  
Chairman of the Board



Espen Weyergang Marcussen,  
Member of the Board



Gustav Witzøe  
Member of the Board



Kjartan Olafsson,  
Member of the Board



Ulrik Steinvik,  
Member of the Board



Bjørn Hembre,  
CEO

In EUR 1000	Notes	30/6/2024	30/6/2023	31/12/2023
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	4	29,571	29,571	29,571
Share premium		88,231	88,600	88,231
Other paid-in equity		(834)	(880)	(805)
Other equity		38,100	38,266	35,887
<b>Total equity</b>		<b>155,069</b>	<b>155,557</b>	<b>152,884</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Interest-bearing borrowings	5	50,000	0	54,500
Lease liabilities	5	9,240	5,026	4,772
Deferred tax liabilities		2,699	3,416	3,130
<b>Total non-current liabilities</b>		<b>61,938</b>	<b>8,441</b>	<b>62,402</b>
<b>Current liabilities</b>				
Interest-bearing borrowings	5	3,304	40,253	1,500
Lease liabilities	5	3,526	959	894
Trade payables		9,236	10,269	8,679
Tax payable		900	4,431	2,385
Provision for onerous contracts		0	0	653
Other payables		6,219	8,182	8,897
<b>Total current liabilities</b>		<b>85,122</b>	<b>72,535</b>	<b>85,409</b>
<b>Total liabilities</b>		<b>240,191</b>	<b>228,092</b>	<b>238,294</b>

## Statement of Cash Flow

In EUR 1000	Notes	H1 2024	H1 2023	FY 2023
<b>Cash flow from operating activities:</b>				
Profit before tax		899	14,160	10,196
Tax paid in the period		(542)	0	(1,055)
<b>Adjustments to reconcile profit for tax to net cash flows:</b>				
Deprecation		5,813	4,339	9,086
Share based payment expense		(1)	50	125
Net foreign exchange differences and other items		81	(207)	106
Gain or loss of sale of assets		0	0	(391)
Financial expenses (debt/borrowings and leases)		1,692	1,124	3,568
Financial revenue (interest income)		(59)	(29)	(255)
Onerous contracts		(653)	0	531
Change in fair value of biomass	3	(7,045)	(219)	4,378
<b>Working Capital changes:</b>				
Change in inventories and biomass recognized at cost	3	(5,330)	6,139	14,856
Change in account receivables and other receivables		0	0	2,830
Change in payables and receivables		8,572	10,511	(3,843)
<b>Net cash flow from operating activities</b>		<b>3,426</b>	<b>35,867</b>	<b>40,133</b>
<b>Cash flow (to) from investing activities:</b>				
Proceeds from sale of property, plant & equipment		0	6	495
Purchase of property, plant & equipment		(5,942)	(16,138)	(25,839)
Proceeds of interest income		59	29	227
<b>Net cash flow (to) from investing activities</b>		<b>(5,883)</b>	<b>(16,104)</b>	<b>(25,117)</b>
<b>Cash flow (to) from financing activities:</b>				
Proceeds from new interest-bearing debt	5	9,000	4,000	23,500
Repayment of interest-bearing debt	5	(12,000)	(21,732)	(25,699)
Payment of principal portion of lease liabilities		(1,728)	(509)	(981)
Paid interest (debt/borrowings and leases)		(1,796)	(1,281)	(3,501)
Net change in overdraft		304	0	0
<b>Net cash flow (to) from financing activities</b>		<b>(6,220)</b>	<b>(19,522)</b>	<b>(6,680)</b>
Net change in cash and cash equivalents		(8,677)	242	8,335
Cash and cash equivalents as at 1 Jan		10,189	1,854	1,854
<b>Cash and cash equivalents as at period end</b>		<b>1,512</b>	<b>2,095</b>	<b>10,189</b>

## Statement of Changes in Equity

In EUR 1000

H 2024	Notes	Share capital	Share premium	Other paid-in equity	Cash flow hedge reserve	Other equity			Retained earnings	Total equity
						Restricted reserve	Statutory reserve	Translation differences		
Equity as at 1 Jan 2024		29,571	88,231	(805)		8,968	4,421	(1,431)	23,929	152,884
Net profit for the year		0	0	0	0	0	0	0	2,298	11,242
Statutory reserve		0	0	0	0	0	243	0	(243)	0
<b>Other comprehensive income</b>		0	0	0	(112)	0	0	0	0	0
Translation differences in subsidiaries and joint venture		0	0	0	0	0	0	0	0	0
<b>Total comprehensive income for the year</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>(112)</b>	<b>0</b>	<b>243</b>	<b>0</b>	<b>2,055</b>	<b>2,186</b>
Share-based payment, expensed		0	0	(29)	0	0	0	0	26	(3)
<b>Other transactions</b>			<b>0</b>						<b>1</b>	<b>1</b>
<b>Equity as at 30 June 2024</b>		<b>29,571</b>	<b>88,231</b>	<b>(834)</b>	<b>(112)</b>	<b>8,968</b>	<b>4,663</b>	<b>(1,431)</b>	<b>26,011</b>	<b>155,069</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1 Corporate information and basis for preparation

### Corporate information

Icelandic Salmon AS (The “Company” or the “Parent”) is a limited liability company, incorporated in Norway and headquartered in Kverva. The address of its registered office is Industriveien 51, 7266 Kverva, Norway. The ultimate parent company is Kvarv AS. The Company’s shares are listed on Euronext Growth in Norway and Nasdaq First North on Iceland. Majority of the Company’s shares are held by SalMar ASA which is listed on Oslo Stock Exchange. The Condensed Consolidated Interim Financial Statements incorporate the Financial Statements of the Company and its subsidiaries collectively the “Group” or “Icelandic Salmon”.

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

### Subsidiaries

Subsidiaries are entities ultimately controlled by the Group. Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Subsidiary	Registered office	30/6/2024	30/6/2023	31/12/2023	Company	Country
Arnarlax ehf.	Strandgata 1, 465 Bíldudalur	100%	100%	100%	Icelandic Salmon AS	Iceland
Fjallalax ehf.	Strandgata 1, 465 Bíldudalur	100%	100%	100%	Arnarlax ehf.	Iceland
Eldisstöðin Ísbór ehf.	Nesbraut 25, 815 Þorlákshöfn	100%	100%	100%	Arnarlax ehf.	Iceland

### Accounting principles

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Accounting Standards, IAS 34 Interim Financial Reporting. The Condensed Consolidated Interim Financial Statements have been prepared on the historical cost bases excepted for biological assets, which is measured at fair value with gain and losses recognized in the Statement of Comprehensive Income.

The same accounting policies and classification have been followed in these Condensed Consolidated Interim Financial Statements as were applied in the preparation of the Group’s Consolidated Financial Statements for the year ended 31 December 2023. A full description of all material accounting principles used in the most recent Consolidated Financial Statements is given in the [Group's 2023 annual report](#), which is available on the Company’s website [www.arnarlax.is](http://www.arnarlax.is). The Group has not early adopted any standards, interpretation or amendment with effective date after 1 January 2024. There are no new standards or amendments in short term perspective which have been issued, but are not yet effective, that are considered to have an impact on the Group. The Condensed Consolidated Interim Financial Statements are unaudited.

To increase the value of information disclosed in the notes to the Condensed Consolidated Interim Financial Statements, information disclosed are relevant and material. That means that information that are neither relevant nor material for the reader are not disclosed.

## 2 Operating revenue and segmentation

The Group owns and operates fish farming in the Icelandic fjords and the main purpose of the Group is production, processing and sale of seafood and seafood-based products, as well as conducting other business in connection with the purposes, including through investments and ownership in other companies with same purpose. The Group operates and manages its business as one operating segment based on the manner in which the Chief Executive Officer, the Group's chief operating decision maker, assesses performance and allocates resources across the Group. The segment reporting is therefore identical to the Group Consolidated Financial Statements presented in the Group's Consolidated Annual Report of 2023.

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

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

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

Specifications of revenue:	H1 2024	H1 2023	FY2023
Sales of goods	37,122	69,329	160,640
Other revenues	113	2,254	4,176
<b>Revenue from contracts with customers</b>	<b>37,235</b>	<b>71,583</b>	<b>164,816</b>

Other revenues primarily include income from the sale of harvesting services, as well as lease revenues from employee accommodations, sales of sludge to processing companies and other services.

### Disaggregated revenue from contracts with customers

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

Group revenues by geographic market:	H1 2024	%	H1 2023	%	FY 2023	%
Europe	29,364	79%	50,935	73%	120,657	75%
North America	3,498	9%	14,378	21%	30,381	19%
Asia	4,261	11%	3,277	5%	9,602	6%
Other	0	0	739	1%	0	0%
<b>Revenue from contracts with customers</b>	<b>37,122</b>	<b>100%</b>	<b>69,329</b>	<b>100%</b>	<b>160,640</b>	<b>0</b>

The primary operational income of sales of goods for the Group is demonstrated in EUR. In first half 2024, 76 per cent of the Group's operational income was generated in EUR, while other operational income was mostly in USD, compared to 64 per cent of the Group's operational income was generated in EUR in financial year 2023. Since exchange rate volatility can impact the profitability of salmon sales, the Group has taken steps to mitigate currency risk by hedging all fixed price contracts denominated in currencies other than the operational currency. The above revenue figures exclude Other revenues which is included in revenue in the statement of profit or loss.

### 3 Biological assets and inventories

#### Inventories

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

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

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

Book value of biological assets and inventories	30/06/2024	30/06/2023	31/12/2023
Finished Products	1,185	0	2,279
Raw materials	2,296	2,595	1,432
Other inventories	0	0	219
Boxes	49	35	62
<b>Total inventories</b>	<b>3,530</b>	<b>2,630</b>	<b>3,992</b>
Biological assets	78,800	80,638	65,963
<b>Total biological assets and inventories</b>	<b>82,330</b>	<b>83,268</b>	<b>69,955</b>

Book value of biological assets recognized at fair value	30/06/2024	30/06/2023	31/12/2023
Biological assets held at sea farms at cost	57,178	63,284	55,927
Fair value adjustment of biological assets	8,247	5,799	1,202
<b>Total biological assets held at sea by fair value</b>	<b>65,425</b>	<b>69,083</b>	<b>57,128</b>
Roe, fry, smolt and arctic char fish at cost	13,375	11,555	8,835
<b>Total biological assets</b>	<b>78,800</b>	<b>80,638</b>	<b>65,963</b>

Change in the book value of biological assets held at sea farm carried at fair value	30/06/2024	30/06/2023	31/12/2023
Biological assets held at sea farm 1 Jan	57,128	73,674	73,674
Increase resulting from production/purchase	27,676	29,338	82,870
Reduction resulting from sale/harvesting	(19,679)	(32,298)	(86,452)
Reduction resulting from incident-based mortality	(6,746)	(1,849)	(8,584)
Net fair value adjustment	7,045	219	(4,378)
<b>Biological assets held at sea farm at end of period</b>	<b>65,425</b>	<b>69,083</b>	<b>57,128</b>

#### Incident-based mortality

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

**Fair value**

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

Estimated future revenues are calculated on the basis of Fish Pool forward prices on the balance sheet date. A quarterly price average is calculated, since the fish are harvested over several periods. Forward prices are adjusted for export supplements, shipping, sales and harvesting cost. An adjustment is also made for expected variations in fish quality. In the absence of the price quotations on Fish Pool, forward prices for 2025 and 2026 have been calculated on the basis of price expectations obtained from industry analysts.

The monthly discount factor reflects the time value of money, the risk in biological production and a hypothetical fees in relation to the farming. The discount factor is based on expectations on profitability in the industry which impact the hypothetical fees.

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

**The fair value calculation is based on following forward prices in EUR:**

<b>Expected harvesting period:</b>	<b>Forward price 30/06/2024</b>	<b>Forward price 30/06/2023</b>	<b>Forward price 31/12/2023</b>
Q3-2023		6.82	
Q4-2023		6.9	
Q1-2024		8.34	9.58
Q2-2024		8.55	10.02
Q3-2024	7.07	6.97	7.4
Q4-2024	7.36	7.14	7.62
Q1-2025	9.19	7.29	9.13
Q2-2025	9.24	7.29	9.09
Q3-2025	6.68		6.67
Q4-2025	7.02		6.85
Q1-2026	9.55		
Q2-2026	9.53		
Discount factor:	4.50%	5.00%	5.00%



## 4 Share capital and shareholders

As at 30 June 2024

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

### Shareholders

The Company's 20 largest shareholders as at 30 June 2024 were:

	No,	Shareholding
SalMar ASA	16,248,152	52.48%
J.P. Morgan SE	2,966,425	9.58%
Íslandsbanki hf.	2,335,463	7.54%
Clearstream Banking S.A.	1,944,606	6.28%
Holta Invest AS	938,314	3.03%
Pactum Vekst AS	825,862	2.67%
MP Pensjon PK	619,706	2.00%
Roth	599,661	1.94%
Nima Invest AS	565,088	1.83%
Kristians and AS	515,000	1.66%
Hortulan AS	450,000	1.45%
VPF DNB Norge Selektiv	290,900	0.94%
Verdipapirfondet DNB SMB	257,374	0.83%
Alden AS	241,798	0.78%
DNB Bank ASA	217,776	0.70%
Lithinon AS	200,451	0.65%
J.P. Morgan SE	186,881	0.60%
Haganes AS	153,770	0.50%
Verdipapirfondet KLP Aksjenorge	135,666	0.44%
Surfside Holding AS	127,000	0.41%
<b>Total 20 largest shareholders</b>	<b>29,819,893</b>	<b>96.31%</b>
Total other shareholders	1,141,975	3.69%
<b>Total no, of shares</b>	<b>30,961,868</b>	<b>100.00%</b>

Shares owned by members of the board and directors.

Name	Title	Shares	Shareholding
Leif Inge Nordhammer (1)	Chairman of the board		
Kjartan Ólafsson (2)	Boardmember	550,000	1.78%
Gustav Witzøe (3)	Boardmember		
Espen Marcussen (4)	Boardmember		
Ulrik Steinvik (1)	Boardmember		
Björn Hembre (5)	CEO	32,900	0.11%
Rolf Ørjan Nordli (1)	COO SeaWater		
Rúnar Ingi Pétursson (6)	COO Harvest Plant	750	0.00%

(1) Leif Inge Nordhammer, Ulrik Steinvik and Rolf Ørjan Nordli, all indirectly owns shares through minority stake in SalMar ASA.

(2) Kjartan Ólafsson owns 100% of the shares in Berg Fjárfesting ehf, which own 100% of the shares in Gyða ehf. Gyða ehf. has it's shares within custody account within J.P. Morgan SE.

(3) Gustav Witzøe indirectly controls a majority shareholding in Kverva AS, which, through Kverva Industries AS, owns shares in SalMar ASA and holds a majority voting right in SalMar ASA.

(4) Espen Marcussen indirectly owns shares through a minority stake in Pactum Vekst AS

(5) Björn Hembre owns indirectly through IVMA AS which is one of minority stakeholders in Icelandic Salmon AS. Björn owns 100% of the shares in IVMA AS.

(6) Rúnar Ingi Pétursson owns shares within custody account within Íslandsbanki hf.

## 5 Interest-bearing liabilities

Long-term interest-bearing borrowings	30/06/2024	30/06/2023	31/12/2024
Interest-bearing borrowings to credit institutions	53,304	37,381	56,000
Next year's installment on non-current interest-bearing borrowings	(3,304)	(37,381)	(1,500)
<b>Total non-current interest-bearing borrowings</b>	<b>50,000</b>	<b>0</b>	<b>54,500</b>
Leasing liabilities	12,765	5,985	5,665
Next year's installment on leasing liabilities	(3,526)	(959)	(894)
<b>Total non-current leasing liabilities</b>	<b>9,240</b>	<b>5,026</b>	<b>4,772</b>
<b>Total non-current interest-bearing liabilities</b>	<b>59,240</b>	<b>5,026</b>	<b>59,272</b>
<b>Current interest-bearing liabilities</b>			
Bank overdraft	304	2,871	0
Next year's installment on non-current interest-bearing borrowings	3,000	37,381	1,500
<b>Total debt to credit institutions</b>	<b>3,304</b>	<b>40,253</b>	<b>1,500</b>
Next year's installment on leasing liabilities	3,526	959	894
<b>Total current interest-bearing liabilities</b>	<b>6,830</b>	<b>41,212</b>	<b>2,394</b>

### Financial covenants

The Company has a solvency requirement which means that the book equity ratio must be above 35 per cent and profit requirement that requires that the Company's interest coverage ratio must be lower than 3.0. In addition, the Company's NIBD / 12-month rolling EBITDA should not exceed 6.0.

As of 30 June 2024, the Company was compliant with all these covenants, ensuring its financial stability and meeting its required financial metrics. The Company is also subjected to certain sustainability linked covenants along with its sustainability linked loan agreement signed in 1 November 2023. Sustainability measures will take place for the first time at end of year 2024 and are there for not applicable at end of June 2024.

### Reconciliation of changes in liabilities to credit institutions incurred as a result of financing activities the period January to June 2024

	Carrying amount at 01/01/2024	Cash from Financing activities	Non cash-generating effects			Carrying amount at 30/06/2024
			Currency effects	Current portion of long-term	Other effects	
Non-current borrowings	56,000	(3,000)	0	(3,000)	0	50,000
Current borrowings to credit institutions	0	304	0	3,000	0	3,304
<b>Total debts to credit institutions</b>	<b>56,000</b>	<b>(2,696)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,304</b>
Non-current and current lease liabilities	5,665	(1,719)	(57)	0	8,679	12,569
<b>Total interest-bearing liabilities</b>	<b>61,665</b>	<b>(4,414)</b>	<b>(57)</b>	<b>0</b>	<b>8,679</b>	<b>65,873</b>

**Reconciliation of changes in lease liabilities incurred as a result of financing activities the period  
January to June 2024**

	2024	2023
<b>Lease liability 1 January</b>	<b>5,665</b>	<b>6,942</b>
Adjustments to lease liabilities	(330)	(614)
New contracts	8,924	445
Interest on lease liability (profit and loss)	312	115
Instalments on lease liabilities paid (cash flow)	(1,399)	(509)
Interest on lease liabilities paid (cash flow)	(227)	(115)
Termination of leases	(123)	0
Currency translation differences	(57)	(279)
<b>Total lease liabilities at 30 June</b>	<b>12,766</b>	<b>5,985</b>

**Summary of amounts recognized in the Condensed Consolidated Interim Statement of  
Comprehensive Income:**

	H1 2024	H1 2023
Depreciation expense of leased assets	1,424	651
Interest expense on lease liabilities (included in finance expenses)	312	115
<b>Total amount recognized in profit or loss during H1</b>	<b>1,736</b>	<b>766</b>

**Cash flow relating to lease liabilities**

Instalments on lease liabilities paid (cash flow)	(1,424)	(509)
Interest on lease liabilities paid (cash flow)	(227)	(115)
<b>Total cash flow relating to lease liabilities</b>	<b>(1,651)</b>	<b>(624)</b>

Adjustments to lease liabilities comprise effect of terminated contracts during the period.

**Breakdown of net interest-bearing debt by currency (all figures are in EUR):**

	NOK	ISK	EUR	Other	Total
Non-current debts	0	0	50,000	0	50,000
Lease liabilities	8,407	4,343	0	0	12,750
Current debt to credit institutions	0	0	3,304	0	3,304
<b>Total interest bearing liabilities</b>	<b>8,407</b>	<b>4,343</b>	<b>53,304</b>	<b>0</b>	<b>66,055</b>
Lease liabilities	(8,407)	(4,343)	0	0	(12,750)
Cash and cash equivalents	(1,035)	(172)	(25)	(280)	(1,512)
<b>Net interest-bearing debts (NIBD)</b>	<b>(1,035)</b>	<b>(172)</b>	<b>53,279</b>	<b>(280)</b>	<b>51,792</b>



## 6 Alternative performance measures

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

### Operational EBIT

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

	H1 2024	H1 2023	FY 2023
<b>Operating profit</b>	<b>2,485</b>	<b>14,846</b>	<b>13,171</b>
Production tax	898	800	2,195
Onerous Contracts	(653)	(122)	531
Fair value adjustments of biomass	(7,045)	(219)	4,378
<b>Operational EBIT</b>	<b>(4,316)</b>	<b>15,305</b>	<b>20,275</b>

### Production tax

The production tax represents resource tax in Iceland. It reduces profits by EUR 0.89 million in H1 2024 compared to EUR 0.8 million in H1 2023 and 2.2 million for the year 2023.

### Operational EBIT per kg gutted weight

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

	H1 2024	H1 2023	FY 2023
Operational EBIT	(4,316)	15,305	20,275
Harvested volume (tonnes)	3,471	6,661	17,919
<b>Operational EBIT per kg gutted weight</b>	<b>(1.24)</b>	<b>2.30</b>	<b>1.13</b>

### Net interest bearing debt (NIBD)

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

	30/06/2024	30/06/2023	12/12/2022
Non-current interest-bearing debt	50,000	0	54,500
Current interest bearing debt	3,304	40,253	1,500
Cash and cash equivalents	(1,512)	(2,095)	(10,189)
<b>Net interest bearing debt (NIBD)</b>	<b>51,792</b>	<b>38,157</b>	<b>45,811</b>

### One-Off and unusual Items

One-Off and unusual Items are income or expenses with limited predictive value because it is reasonable to expect that similar items will not arise for several future annual reporting periods. These may include significant costs such as the loss of biological assets due to unforeseen biological challenges or other unusual expenses that are not part of the group's regular day-to-day activities.

### Operational EBIT, Excluding One-Off Items

Operational EBIT, excluding one-off items, represents the operational EBIT as defined in the alternative performance measures, with the exclusion of any one-off costs from the calculation.



**Icelandic Salmon**

SUSTAINABLE SALMON FROM ARNARLAX

2024