



Icelandic Salmon

SUSTAINABLE SALMON FROM ARNARLAX

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

First half 2025 results

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THIS IS ICELANDIC SALMON

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HIGHLIGHTS IN THE FIRST HALF OF 2025

- » Operational EBIT for the first half of 2025 was negative EUR 11.3 million.
- » The harvest volume was 5.1 thousand tonnes and operational EBIT per kg was EUR -2.2
- » Operational and financial performance in the period was impacted by biological challenges and a high cost base from the 2023 generation, alongside a challenging market with lower salmon prices compared to recent years, driven by increased global supply
- » Smolt release to sea during the first half of 2025 was 2.2 million, with an average weight of 272 grams, up from 256 grams in 2024, demonstrating steady progress in the Group's post-smolt strategy
- » In the second quarter of 2025, several changes were made to the management team, including the internal appointments of an interim CFO and an interim COO for Biology.
- » The harvest volume guidance for 2025 is reduced from 15.0 to 13.0 thousand tonnes.
- » The Group implemented Stingray lasers in April 2025 as a part of the strategy for controlling the sea lice
- » New aquaculture legislation is expected to be introduced in Alþingi in second half 2025

EUR million	H1 2025	H1 2024	2024
Operating revenue	35.5	37.2	101.5
Operational EBIT	(11.3)	(4.3)	(5.9)
Production tax	(1.7)	(0.9)	(3.0)
Fair value adjustments and onerous contracts	(13.0)	7.7	12.0
Profit before tax	(30.5)	0.9	(0.9)
Earnings per share (basic and dilluted)	(0.79)	0.07	(0.10)
NIBD incl. lease liabilities	113.4	64.6	86.8
Equity ratio (%)	47,4%	64,6%	56,9%
Harvest volume (1,000 tons gwt)	5.1	3.5	11.7
Operational EBIT/kg (EUR)	(2.2)	(1.2)	(0.5)

OPERATIONS, MARKETS AND STRATEGY

Operational summary

Icelandic Salmon reported operating revenues of EUR 35.5 million in the first half of 2025, a decrease of 5 per cent lower than for the corresponding period of 2024. The decrease in revenue was driven by considerably lower salmon prices compared to the first half 2024, which offset the effect of higher harvest volumes.

The Group harvested a total of 5.1 thousand tonnes during the first half of 2025, where most were harvested in the second quarter. This represents a substantial increase from 3.5 thousand tonnes in the first half of 2024, with a large part of the increase related to early harvesting to safeguard fish welfare in response to rising mortality from biological challenges.

Operational EBIT for the first half of 2025 was negatively impacted by lower market prices and the biological challenges, resulting in negative operational EBIT of EUR 11.3 million compared to negative operational EBIT of EUR 4.3 million in the same period last year.

The biological challenges were related to BKD in the 2023 generation on two sites, which has resulted in a weak performance during a harsh winter followed by an early summer with rapidly rising sea temperatures. This has led to increased mortality and operational costs. Extraordinary expenses of EUR 2.6 million related to the 2023 generation were recognised in the first half of the year. Both sites are expected to be harvested out in the third quarter of 2025. Biology has remained stable at the sites holding the 2024 generation, and as in the previous year, the second quarter was used to build biomass. The first harvest from 2024 generation is expected to begin in October 2025.

In the first half of 2025, Jónas Heiðar Birgisson and Rolf Ørjan Nordli resigned from their positions as CFO and COO Biology of the Group. Edwin Aspli was appointed as interim CFO, having previously held the position of Chief Strategy Officer. Johnny Indergaard was appointed as COO Biology, having previously held the position of Freshwater Manager.

The harvest volume guidance for 2025 is reduced from 15.0 to 13.0 thousand tonnes.

Markets

The Group handles its own sales through an in-house Sales team and continues to build strong relationships across both domestic and international markets. The first half of 2025 was characterised by a challenging market environment, with salmon prices lower than in recent years due to increased global supply. The Group has not experienced any significant effects from the US tariffs introduced earlier in the year but continues to monitor the situation.

Strategy

Icelandic Salmon remains focused on sustainable growth, on the terms of the salmon and in harmony with nature. During the first half of 2025, the Group continued to strengthen its biological platform across both freshwater and seawater operations.

A key milestone in the first half was the implementation of laser-based lice treatment systems, which became operational in April 2025 and are expected to improve lice control while maintaining fish welfare. This is one of several measures in the strategy for controlling sea lice. Preventive measures such as lumpfish and lice skirts are also used, as well as both non-medical and medical treatment. However, the latter is tried to be kept at a minimum.

The previously announced hybrid service vessel, originally scheduled for delivery in early 2025, has also been cancelled. This decision will contribute to reducing the overall investment program and release previously committed capital for 2025.



The investment plan for the next two years has been revised, with the most significant adjustments related to seawater operations. These changes reflect updated biological priorities and market conditions, while maintaining focus on long-term capacity and efficiency improvements.

The Group's smolt production is carried out at four facilities, including Gileyri in the Westfjords and Eldisstöðin Íspór and Fjallalax on the south coast of Iceland. The post-smolt facility Laxabraut, also on the south coast, is expected to be completed and operational in forth quarter 2025.

In the first half of the year, 2.2 million smolts were released to sea, with an average weight of 272 grams, up from 256 grams in 2024.. The Group plans to release 5.4 million smolts in total during 2025, with average weights ranging from 130 to 600 grams.

Operational performance in freshwater has steadily improved over the years, with higher efficiency, better quality, and increased average smolt weights. These improvements reflect solid progress in the Group's post-smolt strategy, and will be a important contributor to improved biological performance in sea, especially during the first winter period.

Licenses

The group has been working closely with the authorities, performing the necessary assessment for the license in Ísafjarðardjúp to be reissued, as it was revoked in the second half 2024 by Environmental and Natural Resources Board of Appeal. The Board of Appeal ruled that the Icelandic Food and Veterinary Authority (MAST) had not conducted a comprehensive, weighted assessment of the potential increased risk of the spread of fish diseases and parasites before issuing the license to Arnarlax. In addition, The Board of Appeal also raised maritime safety issues concerning one of the three sites in question. If the license is reissued the Group will receive licenses 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.

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 wellbeing 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 at 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 Deloitte 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 2024, the Group's community footprint was ISK 1.6 billion. To give some context on the size, this value would represent a total of 1.5 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, and especially in the local communities in which it operates. Full details of Arnarlax's community footprint report are available at www.arnarlax.is.

To document its sustainability and social responsibility efforts, the Group has chosen to be ASC certified.



FINANCIAL REPORT FOR THE FIRST HALF OF 2025

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 Reykjavík, traded under the ticker symbol ISLAX. The Group holds licenses for a maximum allowed biomass (MAB) of 23.7 thousand tonnes.

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

Four smolt facilities with a capacity sufficient for 25-30 thousand tonnes harvested volume



Seawater

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



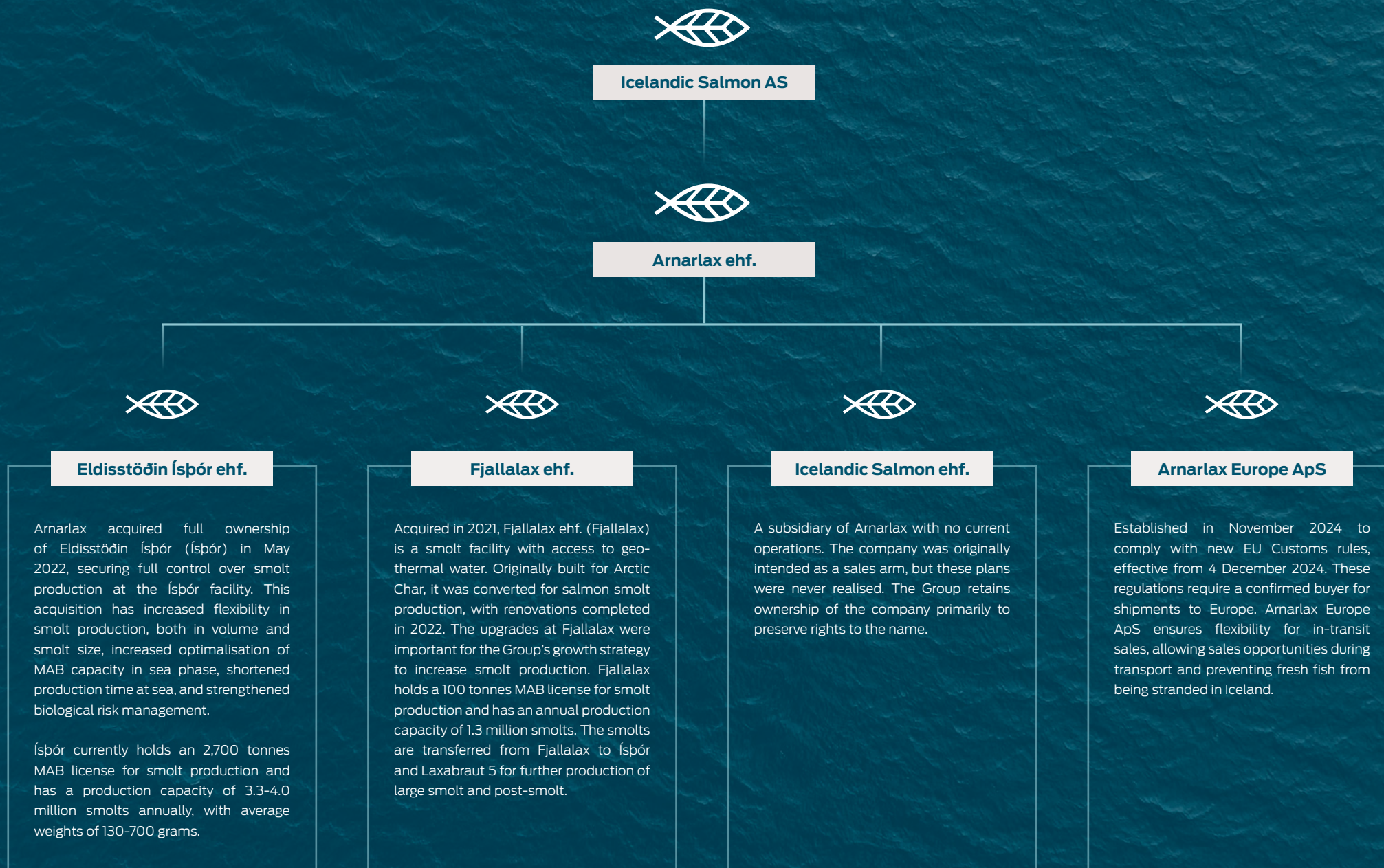
Harvesting

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



Sales

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



Comprehensive Income

The Group's consolidated operating revenues for the first half of 2025 were EUR 35.5 million, down from EUR 37.2 million in the same period last year. The decline was driven by low market prices, with SISALMON 3–6 kg prices averaging EUR 9.73 in the first half of 2024 and EUR 7.18 in the same period of 2025, representing a year-over-year decrease of EUR 2.55 per kg.

Operational EBIT for the period was negative EUR 11.3 million, compared to negative EUR 4.3 million in the first half of 2024. This corresponds to a negative EBIT of EUR 2.23 per kilo, down from EUR 1.24 per kilo in the same period last year. A high cost base from biologically challenged harvested sites, significantly impacted results for first half 2025.

Production tax for the period amounted to EUR 1.7 million, compared to EUR 0.9 million in the first half of 2024. The increase was driven by higher harvested volumes and a higher fixed production fee set by the government.

Operational loss was EUR 26.2 million where of fair value adjustment corresponded to a negative EUR 13.0 million due to lower expected market prices, compared to a loss of EUR 2.5 million in the first half of 2024, which included a positive fair value adjustment of EUR 7.0 million.

Net financial items amounted to negative EUR 4.2 million, compared with negative EUR 1.6 million in the same period last year. Where the financial expenses increased from EUR 1.7 million to EUR 4.1 million, while the net currency result shifted from a gain of EUR 47 thousand to a loss of EUR 201 thousand.

Balance sheet

The Group's balance sheet on 30 June 2025 was at EUR 264.4 million, representing an increase of EUR 1.2 million from year-end 2024. Total equity was EUR 125.326 million at the end of the period. The equity ratio decreased from 57 per cent at the end of 2024 to 47 per cent.

Non-current assets increased from EUR 146.8 million at year end of 2024 to EUR 154 million in the period, mainly due to increase in lease assets following the Group's new lease agreement for a Stingray laser for lice control, as well as ongoing investments supporting the



Group's growth strategy. Current assets decreased from EUR 116.5 million at end of 2024 to EUR 110.5 million at the end of June 2025, mainly due to decrease in biological assets.

Non-current liabilities increased from EUR 91.1 million at year-end 2024 to EUR 110.461 million at the end of June 2025. The increase was largely driven by drawdowns on the Group's facility agreement. At the same time, current liabilities increased from EUR 22.4 million from end of year 2024 to EUR 28.637 million at end of June 2025.

Cash Flow

In the first six months of 2025, net cash flow from operating activities was negative EUR 10.8 million, compared to a positive EUR 3.4 million in the same period in 2024. The decrease was mainly driven by low market prices and biological challenges, which led to elevated production costs for the 2023 generation in both the first and second quarter. In addition, working capital increased due to biomass build-up during the period.

Net cash flow from investing activities was EUR 5.7 million, slightly down from EUR 5.9 million in the first half of 2024. Investments were primarily directed toward expanding production capacity in both freshwater and seawater operations. This included preparations at the Hringsdalur site, where smolts now have been stocked, and the near-completion of the Laxabraut post-smolt facility, which is expected to receive fish later this year.

Net cash flow from financing activities was positive EUR 14.8 million in the first half of 2025, mainly reflecting proceeds from new interest-bearing debt under the Group's facility agreement. This compares to a negative cash flow of EUR 6.2 million in the same period of 2024.

CORPORATE MATTERS - FIRST HALF OF 2025 UPDATE

Shares and shareholders

As of 30 June 2025, Icelandic Salmon AS has a total of 30,961,838 shares outstanding, held by 248 shareholders. The major shareholder, SalMar ASA, maintains ownership of 52.5 per cent of the shares. 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 list marked an important milestone for the Group as accessibility for Icelandic investors increased.

To support liquidity following the First North Reykjavík listing, Icelandic Salmon AS maintains a market making agreement to ensure its shares remain continuously available for trading.

Icelandic Salmon AS share price fluctuated between NOK 119 per share at beginning of year down to NOK 100,5 at end of June 2025, reflecting a decline of 18,4 per cent of the Groups share price.

Icelandic Salmon held its Annual General Meeting (AGM) on June 18th 2025. In accordance with the Shareholder's proposal, the general meeting resolved to re-elect all board members for the Board of Directors ("BOD" or "board").

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 2024.

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 2024, 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 have over the last years experienced considerable growth, contributing significantly to the country's export revenues.

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 establish itself as leader of Iceland's aquaculture industry.

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.

New aquaculture legislation is expected to be introduced in Alþingi in September 2025. 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.

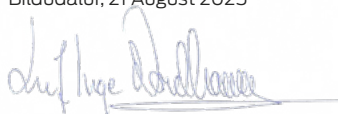
Ongoing organisational and cultural development remains key focus areas for the Group going forward. The Board of Directors extends gratitude to all employees for their commitment and dedication, which has fuelled the Group's remarkable journey year after year and will be key for continued growth going 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 2025 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.

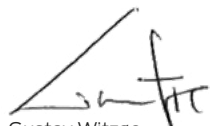
Bíldudalur, 21 August 2025



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





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Condensed Consolidated Interim Financial Statements of Icelandic Salmon AS

Statement of Comprehensive Income

In EUR 1000	Notes	H1 2025	H1 2024	2024
Total operating revenue	2	35,451	37,235	101,455
Cost of goods sold		(22,346)	(18,371)	(58,030)
Salaries and personnel expenses		(8,438)	(9,105)	(18,704)
Other operating expenses		(9,479)	(8,263)	(17,951)
Depreciation and amortization of tangible and intangible non-current assets		(6,516)	(5,813)	(12,663)
Restructuring cost		(234)	0	0
Production tax	6	(1,705)	(898)	(3,038)
Onerous Contracts		0	653	653
Fair value adjustments of biomass	3, 6	(12,977)	7,045	11,370
Operating profit		(26,244)	2,485	3,093
Financial items				
Financial income		29	59	303
Financial expense		(4,059)	(1,692)	(4,742)
Net currency gain/(loss)		(201)	47	396
Net financial items		(4,231)	(1,586)	(4,043)
Profit before tax		(30,474)	899	(950)
Income Tax		6,006	1,399	(2,138)
Net profit for the period		(24,468)	2,298	(3,088)
Net profit for the period attributable to:				
Equity holders of the parent company		(24,468)	2,298	(3,088)
Other comprehensive income				
<i>Items which may subsequently be reclassified to profit or loss</i>				
Net fair value of cash flow hedges		0	(112)	0
Other comprehensive income for the period		0	(112)	0
Total comprehensive income for the period		(24,468)	2,186	(3,088)
Total comprehensive income attributable to:				
Equity holders of the Parent company		(24,468)	2,186	(3,088)
Earnings per share ("EPS"):				
Basic and diluted (EUR Per share)		(0,79)	0,07	(0,10)

Statement of Financial Position

In EUR 1000	Notes	30/06/2025	30/06/2024	31/12/2024
Assets				
Non-current assets				
Goodwill		34,740	34,740	34,740
Licenses		1,659	1,626	1,659
Property, plant & equipment		100,186	100,589	99,084
Lease assets		15,092	12,813	11,287
Other investments		1	1	7
Deferred tax assets		2,245	0	0
Total non-current assets		153,923	149,770	146,776
Current assets				
Biological assets	3	83,069	78,800	94,293
Inventories	3	5,626	3,530	2,444
Trade receivables		9,935	2,022	9,514
Other receivables		6,780	4,558	3,293
Cash and cash equivalents		5,090	1,512	6,901
Total current assets		110,500	90,422	116,445
Total assets		264,423	240,191	263,220

Statement of Financial Position

Continued

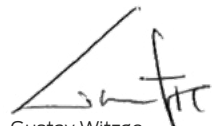
Bíldudalur, 21 August 2025



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Chairman of the Board



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Member of the Board



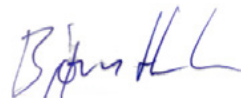
Gustav Witzøe
Member of the Board



Kjartan Olafsson,
Member of the Board



Ulrik Steinvik,
Member of the Board



Bjørn Hembre,
CEO

In EUR 1000	Notes	30/06/2025	30/06/2024	31/12/2024
Equity and liabilities				
Equity				
Share capital	4	29,571	29,571	29,571
Share premium		87,114	88,231	88,231
Other paid-in equity		(909)	(834)	(834)
Other equity		9,549	38,100	32,826
Total equity		125,326	155,069	149,795
Liabilities				
Non-current liabilities				
Interest-bearing borrowings	5	100,397	50,000	79,500
Lease liabilities	5	10,064	9,240	7,804
Deferred tax liabilities		0	2,699	3,761
Total non-current liabilities		110,461	61,938	91,065
Current liabilities				
Interest-bearing borrowings	5	3,000	3,304	3,000
Lease liabilities	5	5,016	3,526	3,359
Trade payables		11,498	9,236	6,471
Tax payables		0	900	0
Other payables		9,123	6,219	9,531
Total current liabilities		28,637	23,184	22,361
Total liabilities		139,098	85,122	113,426
Total equity and liabilities		264,423	240,191	263,220

Statement of Cash Flow

In EUR 1000	Notes	H1 2025	H1 2025	FY 2024
Cash flow from operating activities:				
Profit before tax		(30,474)	899	(950)
Tax paid in the period		0	(542)	(3,840)
Adjustments to reconcile profit for tax to net cash flows:				
Deprecation		6,516	5,813	12,663
Share based payment expense		(1)	(1)	26
Net foreign exchange differences and other items		121	81	51
Financial expenses (debt/borrowings and leases)		4,059	1,692	4,742
Financial revenue (interest income)		(29)	(59)	(303)
Onerous contracts		0	(653)	(653)
Change in fair value of biomass	3	12,977	(7,045)	(11,370)
Working Capital changes:				
Change in inventories and biomass recognized at cost	3	(4,935)	(5,330)	(15,412)
Change in account receivables and other receivables		(3,908)	0	4,165
Change in payables and other current payables		4,879	8,572	(1,692)
Net cash flow from operating activities		(10,796)	3,426	(12,574)
Cash flow (to) from investing activities:				
Purchase of property, plant & equipment		(5,657)	(5,942)	(8,938)
Purchase of intangible assets		0	0	(32)
Proceeds of interest income		29	59	303
Net cash flow (to) from investing activities		(5,628)	(5,883)	(8,667)
Cash flow (to) from financing activities:				
Proceeds from new interest-bearing debt	5	22,397	9,000	45,000
Repayment of interest-bearing debt	5	(1,500)	(12,000)	(18,500)
Payment of principal portion of lease liabilities		(2,144)	(1,728)	(3,443)
Paid interest (debt/borrowings and leases)		(3,942)	(1,796)	(4,658)
Net change in overdraft		0	304	0
Net cash flow (to) from financing activities		14,812	(6,220)	18,399
Net change in cash and cash equivalents		(1,612)	(8,677)	(2,841)
Foreign exchange effects		(198)	0	(447)
Cash and cash equivalents as at 1 Jan		6,901	10,189	10,189
Cash and cash equivalents as at period end		5,090	1,512	6,901

Statement of Changes in Equity

In EUR 1000

2024	Notes	Share capital	Share premium	Other paid-in equity	Other equity				Total equity
					Restricted reserve	Statutory reserve	Translation differences	Retained earnings	
Equity as at 1 Jan 2024		29,571	88,231	(805)	8,968	4,421	(1,431)	23,928	152,884
Net profit for the year		0	0	0	0	0	0	(3,088)	(3,088)
Statutory reserve		0	0	0	0	243	0	(243)	0
Total comprehensive income for the period		0	0	0	0	243	0	(3,331)	(3,088)
Share-based payment, expensed		0	0	(29)	0	0	0	26	(3)
Other changes		0	0	0	0	0	0	1	1
Other transactions		0	0	(29)	0	0	0	27	(1)
Equity as at 31 Dec 2024		29,571	88,231	(834)	8,968	4,663	(1,431)	20,625	149,795

In EUR 1000

2025	Notes	Share capital	Share premium	Other paid-in equity	Other equity				Total equity
					Restricted reserve	Statutory reserve	Translation differences	Retained earnings	
Equity as at 1 Jan 2025		29,571	88,231	(834)	8,968	4,663	(1,431)	20,625	149,795
Net profit for the year		0	0	0	0	0	0	(24,468)	(24,468)
Uncovered loss moved against Share premium		0	(1,117)	0	1,117	0	0	0	0
Total comprehensive income for the period		0	(1,117)	0	1,117	0	0	(24,468)	(24,468)
Share-based payment, expensed		0	0	(75)	0	0	0	75	0
Other changes		0	0	0	0	0	0	(1)	(1)
Other transactions		0	0	(75)	0	0	0	74	(1)
Equity as at 30 June 2025		29,571	87,114	(909)	10,085	4,663	(1,431)	(3,769)	125,326

Statutory reserve

According to the Icelandic Financial Statements act No. 2/1995 at least 10% of the profit of the Group which is not devoted against losses from previous years and is not contributed to other legal reserves must be contributed to the statutory reserve until it amounts to 10% of the share capital. When that limit has been reached the contribution must be at least 5% of the profit until the statutory reserve amounts to 25% of the share capital of relevant Company of the Group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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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”. 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 one of 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	30/06/2025	30/06/2024	31/12/2024	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 Íspór ehf.	Nesbraut 25, 815 Þorlákshöfn	100%	100%	100%	Arnarlax ehf.	Iceland
Icelandic Salmon ehf.	Strandgata 1, 465 Bíldudalur	100%	100%	100%	Arnarlax ehf.	Iceland
Arnarlax Europe	Lautrupsgade 11, Copenhagen	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 2024. A full description of all material accounting principles used in the most recent Consolidated Financial Statements is given in the Group’s 2024 annual report, which is available on the Company’s website www.arnarlax.is. The Group has not early adopted any standards, interpretation or amendment with effective date after 1 January 2025. 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 Statement](#)s, 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 sites in the Icelandic fjords along with hatchery operations. The main purpose of the Group is the production, processing and sale of seafood and seafood-based products, as well as conducting other business in connection with this purpose, including through investments and ownership in other companies with the 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 2024.

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. 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 recognised in the Consolidated Statement of Comprehensive Income 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 2025	H1 2024	FY 2024
Sales of goods	35,178	37,122	101,106
Other revenues	273	113	349
Revenue from contracts with customers	35,451	37,235	101,455

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

Group revenues by geographic market:	H1 2025	%	H1 2024	%	FY 2024	%
Europe	27,160	77%	29,477	79%	68,683	68%
North America	4,780	13%	3,498	9%	16,887	17%
Asia	3,510	10%	4,261	11%	15,884	16%
Other	0	0	0	0%	0	0%
Revenue from contracts with customers	35,451	100%	37,235	100%	101,455	100%

The operational income for the Group is denominated in EUR. In the first half of 2025, 73,2 per cent of the Group's operational income was generated in EUR (FY 2024: 63 per cent), while 23,7 per cent was generated in USD (FY 2024: 33,2 per cent). 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.

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	30/06/2025	30/06/2024	31/12/2024
Finished Products	3,982	1,185	482
Raw materials	1,571	2,296	1,892
Boxes	73	49	70
Total inventories	5,626	3,530	2,444
Biological assets	83,069	78,800	94,293
Total biological assets and inventories	88,695	82,330	96,737

Book value of biological assets recognized at fair value	30/06/2025	30/06/2024	31/12/2024
Biological assets held at sea farms at cost	72,299	57,178	73,034
Fair value adjustment of biological assets	(405)	8,247	12,572
Total biological assets held at sea by fair value	71,894	65,425	85,606
Roe, fry, smolt and arctic char fish at cost	11,175	13,375	8,687
Total biological assets	83,069	78,800	94,293

Change in the book value of biological assets held at sea farm carried at fair value	30/06/2025	30/06/2024	31/12/2024
Biological assets held at sea farm 1 Jan	85,606	57,128	57,128
Increase resulting from production/purchase	35,530	27,676	88,225
Reduction resulting from sale/harvesting	(33,789)	(19,679)	(63,937)
Reduction resulting from incident-based mortality	(2,476)	(6,746)	(4,912)
Reduction resulting from re-valuation of stock value	0	0	(2,267)
Net fair value adjustment	(12,977)	7,045	11,370
Biological assets held at sea farm at end of period	71,894	65,425	85,606

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 estimate relates to the number of fish and is carried out at site level. The Group had incidents at one site in its sea farm in the first half of 2025, and basis for write-down on another site that resulted in incident-based mortality as defined above. The total effect on the Group's operational profit at cost was EUR 2.6 million.

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.

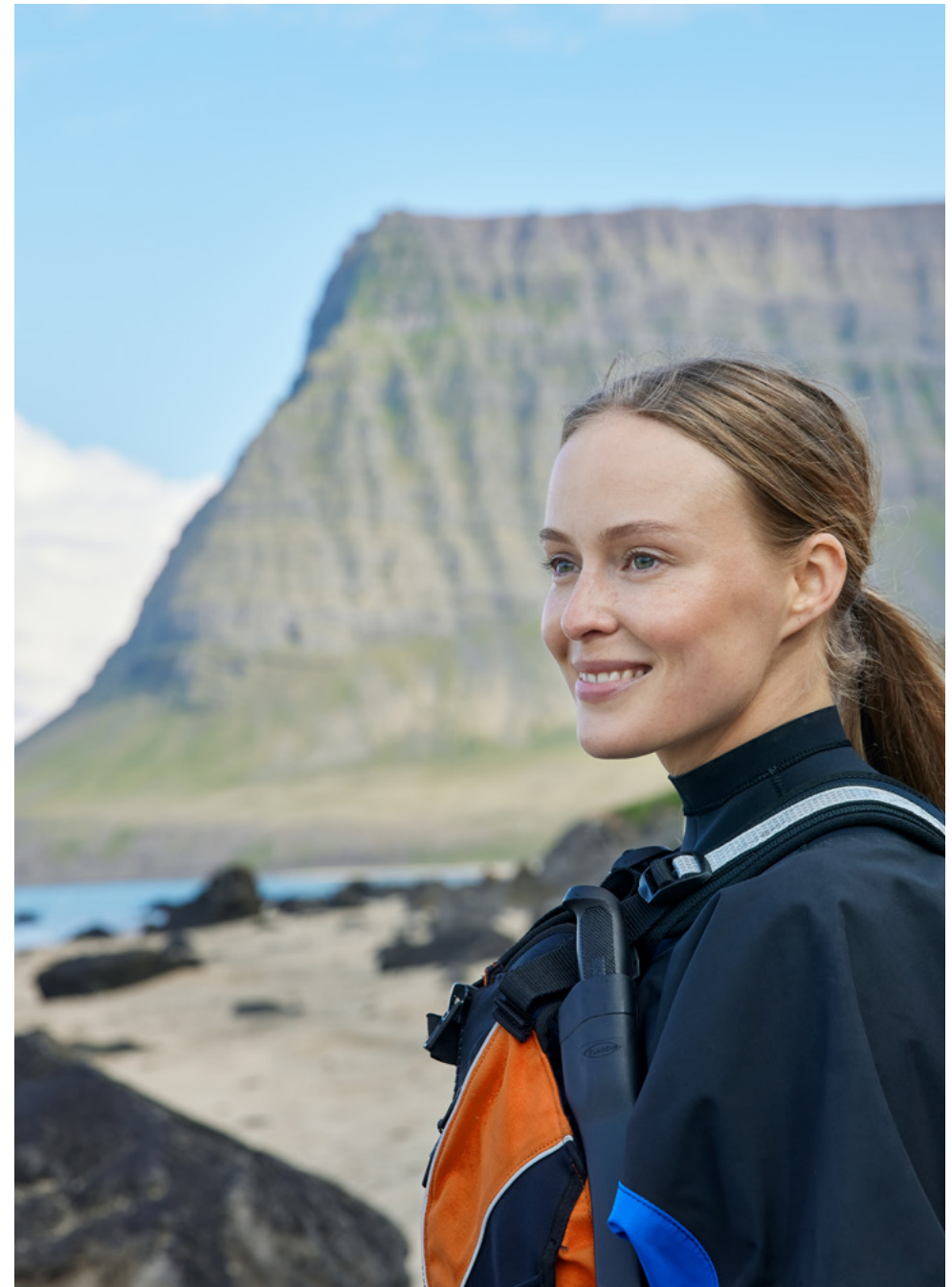
Estimated future revenues are calculated on the basis of Fish Pool forward prices on the balance sheet date. A quarterly price average is calculated, since the fish are harvested over several periods. Forward prices are adjusted for export supplements, shipping, sales and harvesting cost. An adjustment is also made for expected variations in fish quality. In the absence of the price quotations on Fish Pool, forward prices for 2026 and 2027 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:

Expected harvesting period:	30/06/2025	30/06/2024	31/12/2024
Q3-2024		7.07	
Q4-2024		7.36	
Q1-2025		9.19	10.02
Q2-2025		9.24	10.26
Q3-2025	5.75	6.68	7.24
Q4-2025	6.45	7.02	7.46
Q1-2026	8.47	9.55	9.91
Q2-2026	8.13	9.53	9.21
Q3-2026	6.43		7.40
Q4-2026	6.97		8.19
Q1-2027	8.77		
Q2-2027	8.3		
Discount factor:	3,5%	4,50%	5,00%



4 Share capital and shareholders

As at 30 June 2025, the parent company's share capital comprised:

	No,	Face value	Share capital in EUR
Ordinary shares	30,961,868	0,96	29,571,137

Shareholders

The Company's 20 largest shareholders as at 30 June 2025 were:

	No,	Shareholding
SalMar ASA	16,248,152	52.48%
J.P. Morgan SE	2,699,950	8.72%
Íslandsbanki hf.	2,361,581	7.63%
Clearstream Banking S.A.	2,339,764	7.56%
Holta Invest AS	1,149,133	3.71%
Pactum Vekst AS	701,983	2.27%
MP Pensjon PK	619,706	2.00%
Roth	599,661	1.94%
Nima Invest AS	574,853	1.86%
Kristians and AS	450,000	1.45%
Surfside Holding AS	274,804	0.89%
VPF DNB Norge Selektiv	257,374	0.83%
Verdipapirfondet DNB SMB	239,222	0.77%
Alden AS	217,776	0.70%
DNB Bank ASA	193,925	0.63%
Lithinon AS	186,881	0.60%
Skandinaviska Enskilda Banken AB	159,695	0.52%
J.P. Morgan SE	158,389	0.51%
Verdipapirfondet KLP Aksjenorge	135,666	0.44%
HAGANES AS	134,496	0.43%
Total 20 largest shareholders	29,703,011	95.93%
Total other shareholders	1,258,857	4.07%
Total no, of shares	30,961,868	100.00%

Shares owned by members of the board and directors. 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 (1)	Boardmember		
Espen Marcussen (3)	Boardmember		
Ulrik Steinvik (1)	Boardmember		
Bjørn Hembre (4)	CEO	32,900	0.11%
Johnny Indergaard (5)	COO SeaWater	650	0.00%
Rúnar Ingi Pétursson (6)	COO Harvest Plant	750	0.00%

(1) Leif Inge Nordhammer, Gustav Witzøe, Ulrik Steinvik all indirectly own shares through 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) Espen Marcussen indirectly owns shares through a minority stake in Pactum Vekst AS

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

(5) Johnny Indergaard directly owns shares.

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

5 Interest-bearing liabilities

Non-current interest-bearing borrowings	30/06/2025	30/06/2024	31/12/2024
Interest-bearing borrowing to credit institutions	103,397	53,304	82,500
Next year's installment on non-current interest-bearing borrowings	(3,000)	(3,304)	(3,000)
Total non-current interest-bearing borrowings	100,397	50,000	79,500
Leasing liabilities	15,080	12,765	11,163
Next year's installment on leasing liabilities	(5,016)	(3,526)	(3,359)
Total non-current leasing liabilities	10,064	9,240	7,804
Total non-current interest-bearing liabilities	110,461	59,240	87,304
Current interest-bearing debt			
Bank overdraft	0	304	0
Next year's installment on non-current interest-bearing borrowings	3,000	3,000	3,000
Total debt to credit institutions	3,000	3,304	3,000
Next year's installment on leasing liabilities	5,016	3,526	3,359
Total current interest-bearing debt	8,016	6,830	6,359

Financial covenants

As of 30 June 2025, the Company remained compliant with its solvency covenants, maintaining a book equity ratio above the required 35 per cent. While the Company did not meet the original thresholds for the interest coverage ratio (ICR) and the net interest-bearing debt to EBITDA (NIBD/EBITDA) leverage covenant, these have been waived in line with the terms of the agreement reached with the company creditors. The agreement was finalised in February 2025. With the new agreement, the covenants require an equity ratio above 35 per cent and profit requirement that requires that the Company's 12-month rolling interest coverage ratio must not be lower than 1.50:1 first measured on 30 September 2025, not be lower than 2.00:1 first measured 31 March 2026 and not be lower than 2.50:1 first measured 30 September 2026 and thereafter.

The Company's NIBD/12-month rolling EBITDA should not exceed 5.50:1 first measured on 31 March 2026, not exceed 5.00:1 first measured 30 September 2026 and not exceed 4.50:1 first measured 31 March 2027 and thereafter.

In line with the sustainability-linked loan agreement, the sustainability performance reporting has commenced for the Financial Year ending 31 December 2024, and the first report has been delivered in accordance with the agreed terms.

Reconciliation of changes in liabilities to credit institutions incurred as a result of financing activities in the period of January to June 2025

	Carrying amount at 01/01/2025	Cash from Financing activities	Non cash-generating effects			Carrying amount at 30/06/2025
			Currency effects	Current portion of long-term debt	Other effects	
Non-current debts	82,500	20,897	0	(3,000)	0	100,397
Current debts to credit institutions	0	0	0	3,000	0	3,000
Total debts to credit institutions	82,500	20,897	0	0	0	103,397
Non-current and current lease liabilities	11,163	(2,469)	(78)	0	6,464	15,080
Total interest-bearing debts	93,663	18,428	(78)	0	6,464	118,477

**Reconciliation of changes in lease liabilities incurred as a result of financing activities
the period January to June 2025**

	2025	2024
Lease liability 1 January	11,163	5,665
Adjustments and indexation of existing agreements	82	139
Additions (New leases)	6,178	9,246
Interest on lease liability (profit and loss)	312	608
Installments on lease liabilities paid (cash flow)	(2,144)	(3,482)
Interest on lease liabilities paid (cash flow)	(325)	(593)
Termination of leases	(108)	(135)
Currency translation differences	(78)	(285)
Total lease liabilities at 30 June	15,080	11,163

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

	H1 2025	H1 2024
Depreciation expense of leased assets	1,961	1,424
Interest expense on lease liabilities (included in finance expenses)	312	608
Total amount recognized in profit or loss during H1	2,273	2,032
Cash flow relating to lease liabilities		
Instalments on lease liabilities paid (cash flow)	(2,144)	(1,424)
Interest on lease liabilities paid (cash flow)	(325)	(593)
Total cash flow relating to lease liabilities	(2,286)	(2,017)

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	101,397	0	101,397
Lease liabilities	10,487	4,592	0	0	15,080
Current debt to credit institutions	0	0	3,000	0	3,000
Total interest bearing liabilities	10,487	4,592	103,397	0	118,477
Lease liabilities	(10,487)	(4,592)	0	0	(15,080)
Cash and cash equivalents	(1,341)	(496)	(1,156)	(2,097)	(5,090)
Net interest-bearing debts (NIBD)	(1,341)	(496)	102,241	(2,097)	98,307



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 and a non-IFRS metric used by the Company to evaluate its performance, reflecting the results of underlying operations for each period. As a widely recognized industry benchmark, Operational EBIT provides valuable insights to investors and other stakeholders. The difference between Operational EBIT and operating profit/loss arises from items the Group believes may impact comparability between periods or across companies in the industry. It is important to note that Operational EBIT is not intended to replace IFRS-based income statement measurements. Operational EBIT is calculated by excluding specific items that are not related to underlying operations.

	H1 2025	H1 2024	FY 2024
Operating profit	(26,244)	2,485	3,093
Production tax	1,705	898	3,038
Onerous Contracts	0	(653)	(653)
Restructuring cost	234	0	0
Fair value adjustments of biomass	12,977	(7,045)	(11,370)
Operational EBIT	(11,328)	(4,316)	(5,893)

Production tax

The production tax represents resource tax in Iceland. It increased the loss by EUR 1.7 million in H1 2025 compared to EUR 0.9 million in H1 2024 and 3.0 million for the full year 2024.

Operational EBIT per kg gutted weight

Operational EBIT per kg gutted weight (GW) is defined as a key APM 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 2025	H1 2024	FY 2024
Operational EBIT	(11,328)	(4,316)	(5,893)
Harvested volume (tonnes)	5,084	3,471	11,688
Operational EBIT per kg gutted weight	(2.2)	(1.24)	(0.50)

Net interest bearing debt (NIBD)

Net interest bearing debt is an alternative performance measure used by the Group. The performance measure 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.

	30/06/2025	30/06/2024	31/12/2024
Non-current interest-bearing debt	100,397	50,000	79,500
Current interest bearing debt	3,000	3,304	3,000
Cash and cash equivalents	(5,090)	(1,512)	(6,901)
Net interest bearing debt (NIBD)	98,307	51,792	75,599

