Icelandic Salmon
SUSTAINABLE SALMON FROM ARNARLAX

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

First half 2026 results

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

First half 2026 results

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THIS IS ICELANDIC SALMON

1

1H 2026 Key Figures for Icelandic Salmon

Our Locations

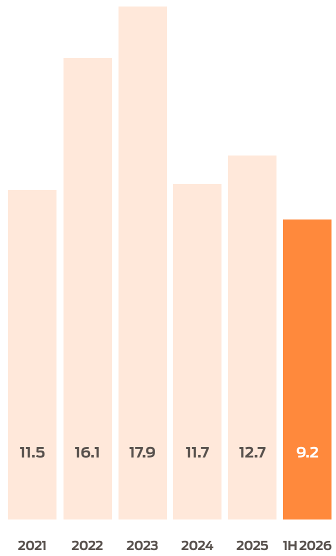
Current operations

License application

In EUR million	1H 2026	1H 2025	FY 2025
Operating revenue	66.8	35.5	90.0
Operational EBIT	**(3.3)**	**(11.3)**	**(18.1)**
Production tax	(2.7)	(1.7)	(3.9)
Fair value adjustments and onerous contracts	(0.4)	13.0	(2.8)
Profit before tax	**(11.3)**	**(30.5)**	**(33.8)**
Earnings per share (basic and diluted) (EUR/share)	(0.29)	(0.79)	(0.80)
NIBD incl. lease liabilities	123.7	113.4	136.4
Equity ratio (%)	43%	47%	45%
Harvest volumes (thousand tonnes gwt)	**9.2**	**5.1**	**12.7**
Operational EBIT per kg (EUR/kg)	**(0.36)**	**(2.23)**	**(1.44)**

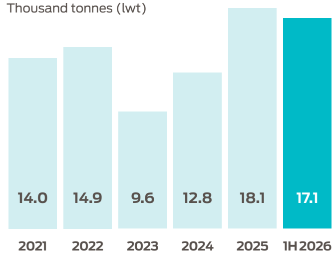
Harvest Volumes

Thousand tonnes gwt



Closing Biomass

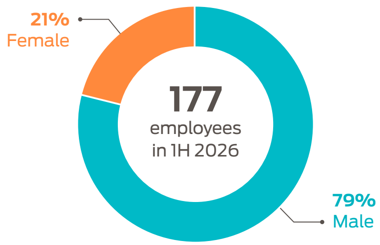
Thousand tonnes (lwt)



Smolt facilities

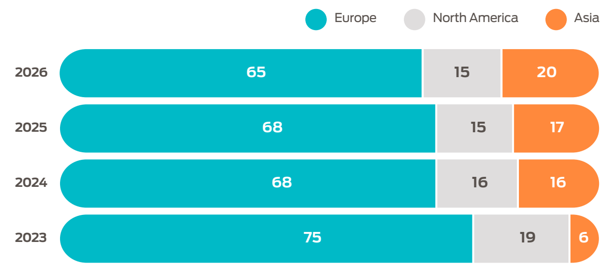
4 smolt facilities with sufficient capacity for 25-30k tonnes harvest

Employees



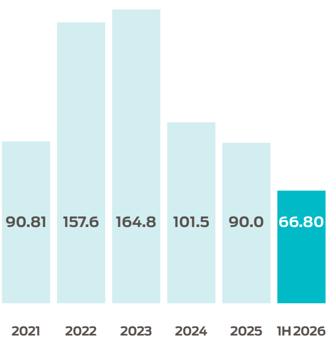
Geographical distribution

of revenues from sales of fish in %



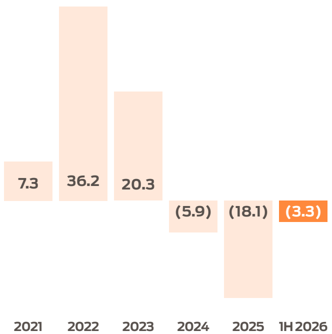
Operating Revenues

EUR million



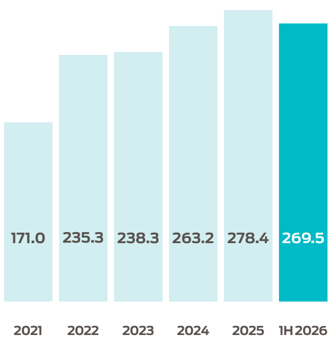
Operational EBIT

EUR million



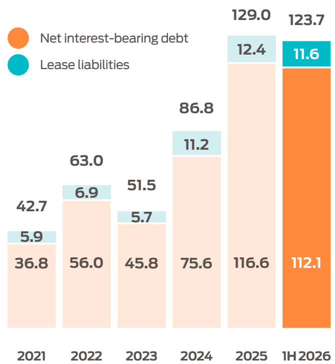
Assets

EUR million

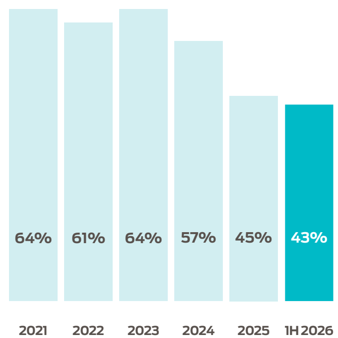


NIBD

EUR million



Equity Ratio



STRATEGY, OPERATIONS, AND MARKETS

Strategy

Icelandic Salmon remains focused on sustainable growth, on the terms of the salmon and in harmony with nature. During the first half of 2026, the Group continued to strengthen its biological platform across its value chain.

The group is self supplied with smolts and post-smolts from own facilities located on the south coast of Iceland and in the Westfjords A key milestone in the first half was the implementation of a new tool for non medical lice treatment systems, a service wessel with FLS delicing system, which became operational in June and is 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 Stingray lasers and lice skirts are also used, as well as both medical and non-medical treatment. However, the former is kept at a minimum.

It is an important part of the Group's strategy to sell all the products to the market through an inhouse sales department, as well as having sufficient harvest capacity for own production in Bildudalur, in the area where our production is located, the Westfjords of Iceland.

The Group continued its cost saving initiatives during H1 2026 and is seeing positive effects on operational cost. This program will continue into H2 2026, alongside a targeted long term investment plan aimed at fully utilising the Group's production capacity of 26.000 tonnes.

Operational summary

Icelandic Salmon reported operating revenues of EUR 66.8 million in the first half of 2026, compared with EUR 35.5 million in the corresponding period of 2025 and EUR 90.0 million for the full year 2025.

The year-on-year increase was mainly driven by higher harvest volumes and improved price achievement. The Group harvested a total of 9.2 thousand tonnes in the first half of 2026, compared with 5.1 thousand tonnes in the corresponding period of 2025. A significant portion of the increase in harvest volume was related to accelerated harvesting to safeguard fish welfare in response to biological challenges on the 2024 generation.

The Group reported an operational EBIT of negative EUR 3.3 million in the first half of 2026, compared with negative EUR 11.3 million in the same period of 2025. Results were negatively affected by biological challenges during the period. However, performance improved year-on-year, supported by higher salmon prices, better price achievement, a lower cost base, and improved utilisation of production infrastructure.

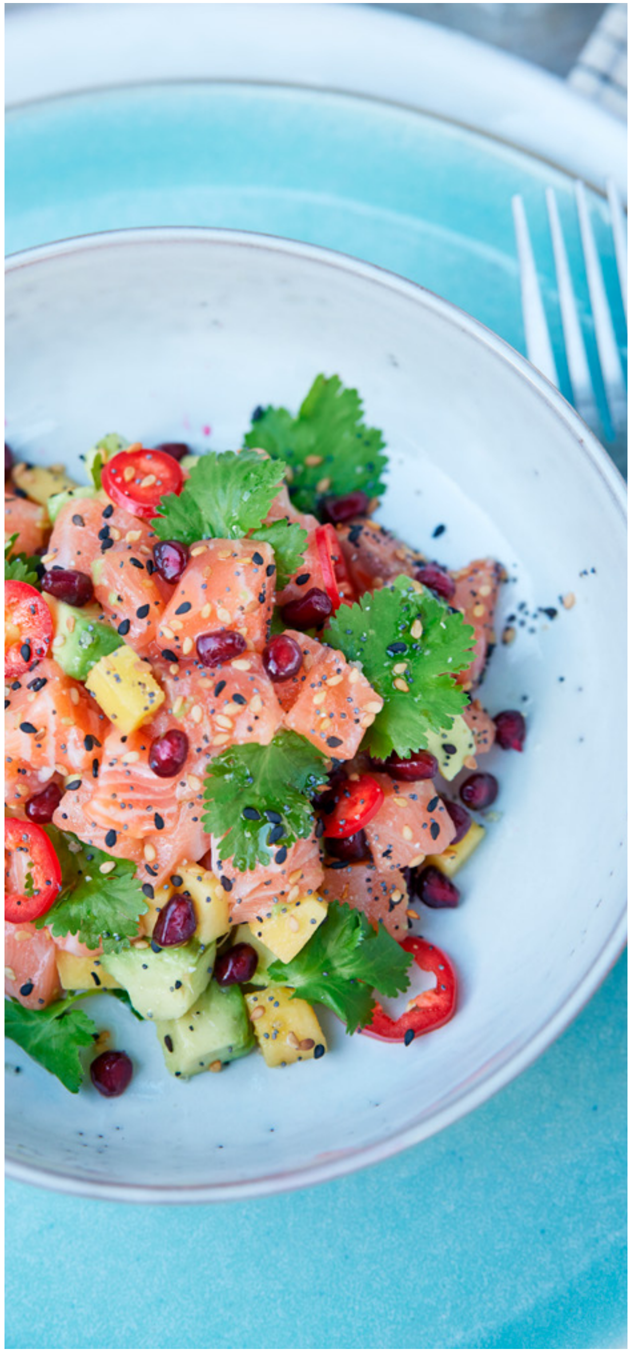
The biological challenges were primarily related to BKD in the 2024 generation, mainly affecting one production site, which was fully harvested during the period. This resulted in increased mortality and higher-than-expected production costs. Extraordinary expenses of EUR 2.9 million related to the 2024 generation were recognised in the first half of 2026.

The 2025 generation has performed well, with stable biological conditions. The first harvest from the 2025 generation is expected to commence in the third quarter of 2026.

During the first half of 2026, Róbert Benedikt Róbertsson was appointed Chief Financial Officer of the Group, succeeding interim CFO Edvin Aspli.

The Group's smolt production is carried out at four facilities, including Gileyri in the Westfjords and Eldisstöðin Ísþór and Fjallalax on the south coast of Iceland. The post-smolt facility Laxabraut, also located on the south coast, is expected to be completed and operational in first quarter 2027.

In the first half of the year, 1.6 million smolts were released to sea, with an average weight of 249 grams, down from 272 grams in 2025. The Group plans to release 5.1 million smolts in total during 2026, with average weights ranging from 130 to 700 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 an important contributor to improved biological performance in sea, especially during the first winter period.



Licenses

In May 2026, the Icelandic Food and Veterinary Authority renewed the Group's 10,000-tonne operating licence in Arnarfjörður, extending its validity by a further 16 years, thus providing a strong foundation for the Group's long-term operations in the region.

The Group has also submitted an application to the respective Authorities to expand five of the existing farming sites in Arnarfjörður. Approval of this application would enhance the utilization of the fjord's allowable biomass and support future production flexibility. The timing of the regulatory approval process remains undetermined.

Following the revocation of its operating licence in Ísafjarðardjúp in 2024, the Group has continued to work closely and constructively with the relevant authorities to obtain regulatory reapproval of its license. Significant progress has been made during the year. Once reissued, the operating licence will allow the production of up to 10,000 tonnes (MAB) of sterile salmon across three farming sites in Ísafjarðardjúp, a region well suited for salmon farming in the Westfjords of Iceland.

Markets

The Group handles its own sales and logistics through an in-house Sales team and continues to build strong relationships across both domestic and international markets. The first half of 2026 was characterised by higher global supply and lower salmon prices than expected, although underlying demand remained resilient across key markets. China and the USA continued to be important markets for larger-sized salmon, where demand remained strong despite the weaker price environment. At the same time, Arnarlax experienced increasing demand for Icelandic salmon in several other markets, reflecting the growing recognition of its quality and origin. A significant milestone for the Sales department was achieved during the period when a third-party salmon producer outsourced its sales activities to the Arnarlax Sales team.

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 the 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 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 To document its sustainability and social responsibility efforts, the Group has chosen to have the production in seawater ASC certified, and the harvesting facility BRC certified. BRC is a food safety standard.

FINANCIAL REPORT FOR THE FIRST HALF OF 2026

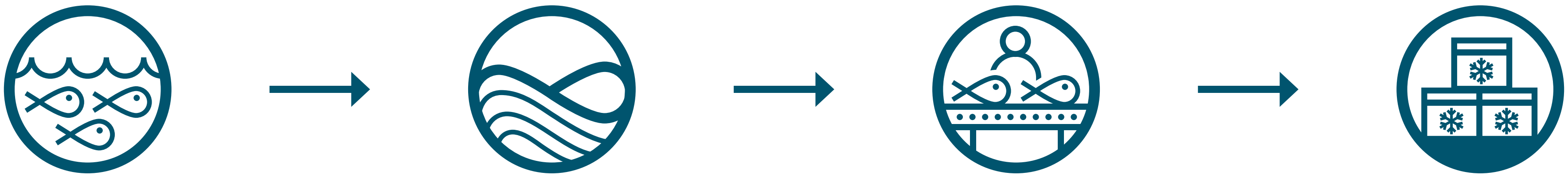
Group overview

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.

Icelandic Salmon AS

Arnarlax ehf.

Eldisstöðin Ísþór ehf.

Arnarlax acquired full ownership of Eldisstöðin Ísþór (Ísþór) in May 2022, securing full control over smolt production at the Ísþór facility. This acquisition has increased flexibility in smolt production, both in volume and smolt size, increased optimalisation of MAB capacity in sea phase, shortened production time at sea, and strengthened biological risk management.

Ísþór currently holds an 2,700 tonnes MAB license for smolt production and has a production capacity of 3.3-4.0 million smolts annually, with average weights of 130-700 grams.

Fjallalax ehf.

Acquired in 2021, Fjallalax ehf. (Fjallalax) is a smolt facility with access to geo-thermal water. Originally built for Arctic Char, it was converted for salmon smolt production, with renovations completed in 2022. The upgrades at Fjallalax were important for the Group's growth strategy to increase smolt production. Fjallalax holds a 100 tonnes MAB license for smolt production and has an annual production capacity of 1.3 million smolts. The smolts are transferred from Fjallalax to Ísþór and Laxabraut 5 for further production of large smolt and post-smolt.

Icelandic Salmon ehf.

A subsidiary of Arnarlax with no current operations. The company was originally intended as a sales arm, but these plans were never realised. The Group retains ownership of the company primarily to preserve rights to the name.

Arnarlax Europe ApS

Established in November 2024 to comply with new EU Customs rules, effective from 4 December 2024. These regulations require a confirmed buyer for shipments to Europe. Arnarlax Europe ApS ensures flexibility for in-transit sales, allowing sales opportunities during transport and preventing fresh fish from being stranded in Iceland.

Comprehensive Income

Operational EBIT for the period was negative EUR 3.3 million, compared to negative EUR 11.3 million in the first half of 2025. This corresponds to a negative EBIT of EUR 0.36 per kilo, compared with negative EUR 2.23 per kilo in the same period last year.

Production tax for the period amounted to EUR 2.7 million, compared to EUR 1.7 million in the first half of 2025. The increase was driven by higher harvested volumes and a higher fixed production fee set by the government.

Operational loss was EUR 6.4 million where of fair value adjustment corresponded to a negative EUR 0.4 million due to lower expected market prices, compared to a loss of EUR 26.2 million in the first half of 2025, which included a negative fair value adjustment of EUR 13.4 million.

Net financial items amounted to negative EUR 4.8 million, compared with negative EUR 4.2million in the same period last year. Where the financial expenses increased from EUR 4.1 million to EUR 4.6 million, while the net currency loss increased from EUR 201 thousand to EUR 281 thousand.

Balance Sheet

The Group's balance sheet on 30 June 2026 was at EUR 269.5 million, representing an decrease of EUR 8.8 million from year-end 2025. Total equity was EUR 115.980 million at the end of the period. The equity ratio decreased from 47 per cent at the end of 2025 to 43 per cent.

Non-current assets decreased from EUR 148.3 million at 31 December 2025 to EUR 146.6 million at the end of the period, primarily due to a reduction in property, plant and equipment and right-of-use assets. The decrease was mainly driven by depreciation exceeding capital investments during the period. Current assets decreased from EUR 130.1 million at end of 2025 to EUR 122.9 million at the end of June 2026, mainly due to decrease in biological assets.

Non-current liabilities decreased from EUR 128.5 million at year-end 2025 to EUR 126.9 million at the end of June 2026. The decrease was mainly attributable to lower drawdowns under the Group's facility agreement, together with repayments of non-current loans during the period. At the same time, current liabilities increased from EUR 24.94 million from end of year 2025 to EUR 26.79 million at end of June 2026.

Cash Flow Summary

In the first six months of 2026, net cash flow from operating activities was positive EUR 13.4 million, compared to a negative EUR 10.8 million in the same period in 2025. The increase was mainly driven by improved price achievement, lower cost base and better utilisation of the production infrastructure. Net cash flow from investing activities was EUR 1.6 million, down from EUR 5.7 million in the first half of 2025.

The investment plan is scheduled primarily for the second half of 2026, resulting in a limited investments during the first half of the year.

Net cash flow from financing activities amounted to a negative EUR 8.6 million in the first half of 2026, compared with a positive EUR 14.8 million in the corresponding period of 2025. The cash outflow primarily reflected the absence of new drawdowns under the Group's facility agreement, together with repayments of lease liabilities and scheduled repayments of interest-bearing debt.

CORPORATE MATTERS - FIRST HALF OF 2026 UPDATE

Shares and Shareholders

As of 30 June 2026, Icelandic Salmon AS has a total of 30,961,838 shares outstanding, held by 247 shareholders. The major shareholder, SalMar ASA, maintains ownership of 52.5 per cent of the shares. The twenty largest shareholders now collectively hold 96.7 per cent of the shares. For further details, refer to note 4 in the financial statement. Icelandic Salmon AS is a dual-listed company at both the Euronext Growth in Oslo and Nasdaq First North in Iceland.

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 79 per share at beginning of year down to NOK 66,0 at end of June 2026, reflecting a decline of 16,5 per cent of the Groups share price.

Icelandic Salmon held its Annual General Meeting (AGM) on June 18th 2026. 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 2025.

Risks and Uncertainties

The Group remains exposed to market, operational and financial risks, including credit and liquidity risk. The principal risks and uncertainties are unchanged from those described in the Annual Report 2025. Management continuously monitors these risks and applies established policies and procedures to mitigate their potential impact. The Group's investment activities continue to be supported by bank financing, and financial instruments used in the normal course of business primarily comprise trade receivables, trade payables and interest-bearing borrowings.

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.

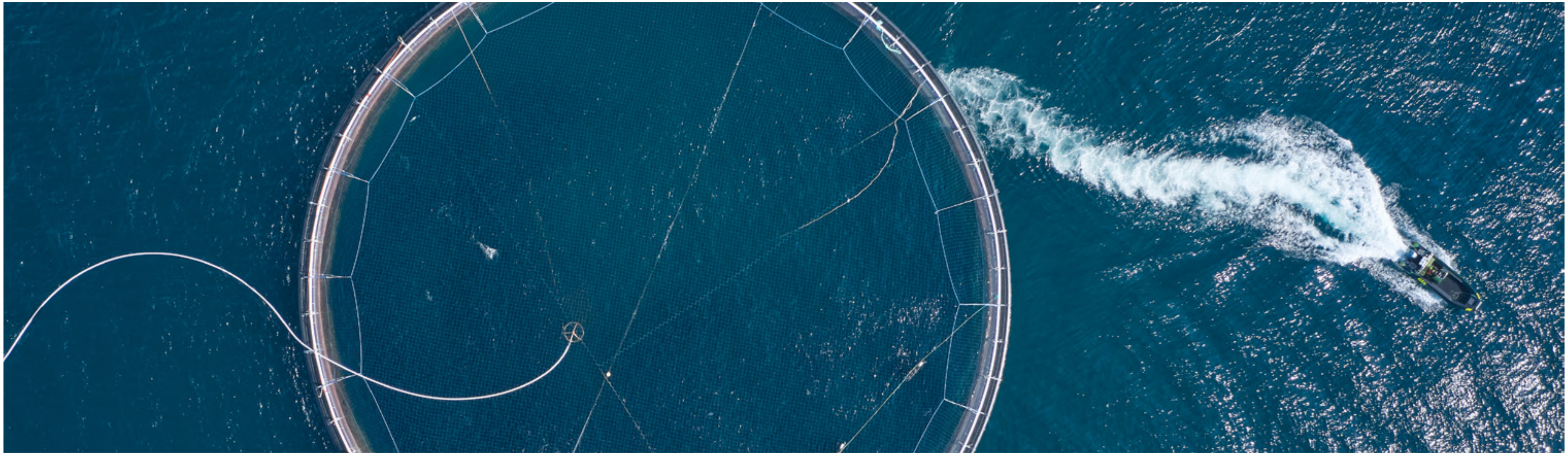
The harvest volume guidance for 2026 remains 21.3 thousand tonnes. Up from 12,7 thousand tonnes in 2025.

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 Group see strong demand for salmon from Iceland in all markets. This positive market outlook suggests continued growth in the years to come.

The Group is concerned that the continued uncertainty surrounding the proposed aquaculture legislation, which was presented to Alþingi in the second quarter of 2026 but was not approved, may hinder investment and growth in Iceland's aquaculture industry at a time when global competitiveness is crucial.

The Group remains committed to working constructively with policymakers and other stakeholders to support a balanced, competitive and predictable legal and fiscal framework. Stable and predictable regulatory conditions are essential for long-term investment, sustainable growth and maintaining the industry's global competitiveness.

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 2026 have been prepared in accordance with IAS 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, 25 August 2026

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

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Icelandic Salmon AS

Condensed Consolidated Interim Financial Statements of Icelandic Salmon AS

Statement of Comprehensive Income

In EUR 1000	Notes	H1 2026	H1 2025	2025
Total operating revenue	2	**66,780**	**35,451**	**89,976**
Cost of goods sold		(44,398)	(22,346)	(58,058)
Salaries and personnel expenses		(9,347)	(8,438)	(17,050)
Other operating expenses		(9,718)	(9,479)	(19,173)
Depreciation and amortization of tangible and intangible non-current assets		(6,633)	(6,516)	(13,886)
Restructuring cost		(67)	(234)	(369)
Production tax	6	(2,703)	(1,705)	(3,873)
Fair value adjustments of biomass	3, 6	(349)	(12,977)	(2,777)
Operating profit		**(6,435)**	**(26,244)**	**(25,210)**
Financial items				
Financial income		13	29	362
Financial expense		(4,555)	(4,059)	(8,926)
Net currency gain/(loss)		(281)	(201)	(45)
Net financial items		**(4,823)**	**(4,231)**	**(8,608)**
Profit before tax		**(11,258)**	**(30,474)**	**(33,819)**
Income Tax		(2,177)	(6,006)	(9,005)
Net profit for the period		**(9,081)**	**(24,468)**	**(24,813)**
Net profit for the period attributable to:				
Equity holders of the parent company		(9,081)	(24,468)	(24,813)
Other comprehensive income				
Items which may subsequently be reclassified to profit or loss				
Net fair value of cash flow hedges		0	0	0
Other comprehensive income for the period		**0**	**0**	**0**
Total comprehensive income for the period		**(9,081)**	**(24,468)**	**(24,813)**
Total comprehensive income attributable to:				
Equity holders of the Parent company		**(9,081)**	**(24,468)**	**(24,813)**
Earnings per share ("EPS"):				
Basic and diluted (EUR Per share)		(0,29)	(0,79)	(0,80)

Statement of Financial Position

In EUR 1000	Notes	30/06/2026	30/06/2025	31/12/2025
Assets				
Non-current assets				
Goodwill		34,740	34,740	34,740
Licenses		1,659	1,659	1,659
Property, plant & equipment		94,030	100,186	96,629
Lease assets		11,260	15,092	12,476
Other investments		1	1	1
Deferred tax assets		4,949	2,245	2,773
Total non-current assets		**146,638**	**153,923**	**148,277**
Current assets				
Biological assets	3	97.631	83,069	109,510
Inventories	3	3.150	5,626	2,914
Trade receivables		5,972	9,935	7,482
Other receivables		5,734	6,780	2,869
Cash and cash equivalents		10,385	5,090	7,309
Total current assets		**122,871**	**110,500**	**130,083**
Total assets		**269,510**	**264,423**	**278,360**

Statement of Financial Position

Continued

In EUR 1000	Notes	30/06/2026	30/06/2025	31/12/2025
Equity and liabilities				
Equity				
Share capital	4	29,571	29,571	29,571
Share premium		87,612	87,114	87,114
Other paid-in equity		(909)	(909)	(909)
Other equity		(295)	9,549	9,204
Total equity		**115,980**	**125,326**	**124,980**
Liabilities				
Non-current liabilities				
Interest-bearing borrowings	5	119,514	100,397	120,942
Lease liabilities	5	7,340	10,064	7,529
Total non-current liabilities		**126,855**	**110,461**	**128,472**
Current liabilities				
Interest-bearing borrowings	5	3,000	3,000	3,000
Lease liabilities	5	4,259	5,016	4,919
Trade payables		6,911	11,498	6,506
Other payables		12,506	9,123	10,483
Total current liabilities		**26,676**	**28,637**	**24,908**
Total liabilities		**153,530**	**139,098**	**113,426**
Total equity and liabilities		**269,510**	**264,423**	**278,360**

Bíldudalur, 25 August 2026

Leif-Inge Nordhammer,
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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

Statement of Cash Flow

In EUR 1000	Notes	H1 2026	H1 2025	FY 2025
Cash flow from operating activities:				
Profit before tax		(11,258)	(30,474)	(33,819)
Tax paid in the period		0	0	2,471
Adjustments to reconzile profit for tax to net cash flows:				
Deprecation		6,633	6,516	13,886
Share based payment expense		0	(1)	0
Net foreign exchange diffrences and other items		619	121	(57)
Financial expenses (debt/borrowings and leases)		4,555	4,059	8,926
Financial revenue (interest income)		(13)	(29)	(362)
Onerous contracts		0	0	0
Change in fair value of biomass	3	349	12,977	2,777
Working Capital changes:				
Change in inventories and biomass recognized at cost	3	11,294	(4,935)	(18,464)
Chance in account receivables and other receivables		(1.355)	(3,908)	2,457
Change in payables and other current payables		2.552	4,879	90
Net cash flow from operating activities		**13,375**	**(10,796)**	**(22,094)**
Cash flow (to) from investing activities:				
Purchase of property, plant & equipment		(1,582)	(5,657)	(6,542)
Proceeds of interest income		13	29	362
Net cash flow (to) from investing activities		**(1,569)**	**(5,628)**	**(6,180)**
Cash flow (to) from financing activities:				
Proceeds from new interest-bearing debt	5	0	22,397	45,000
Repayment of interest-bearing debt	5	(1,500)	(1,500)	(3,000)
Payment of principal portion of lease liabilities		(2,549)	(2,144)	(4,590)
Paid interest (debt/borrowings and leases)		(4,532)	(3,942)	(8,537)
Net cash flow (to) from financing activities		**(8,580)**	**14,812**	**28,873**
Net change in cash and cash equivalents		3,226	(1,612)	599
Foreign exchange effects		(150)	(198)	(191)
Cash and cash equivalents as at 1 Jan		7,309	6,901	6,901
Cash and cash equivalents as at period end		**10,385**	**5,090**	**7,309**

Statement of Changes in Equity

In EUR 1000

					Other equity				
2025	**Share capital**	**Share premium**	**Other paid-in equity**	**Cash flow hedge reserve**	**Restricted reserve**	**Statutory reserve**	**Translation differences**	**Retained earnings**	**Total equity**
Equity as at 1 Jan 2025	**29,571**	**88,231**	**(834)**		**8,968**	**4,663**	**(1,430)**	**20,625**	**149,795**
Net profit for the year	0	0	0		0	0	0	(24,813)	**(24,813)**
Uncovered loss moved against Share premium	0	(1,117)	0		0	0	0	1,117	**0**
Other comprehensive income									
Translation difference of foreign interest	0	0	0		0	0	0	0	**0**
Total comprehensive income for the period	**0**	**(1,117)**	**0**	**0**	**0**	**0**	**0**	**(23,696)**	**(24,813)**
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**	**0**	**74**	**(1)**
Equity as at 31 Dec 2025	**29,571**	**87,114**	**(909)**		**8,968**	**4,663**	**(1,430)**	**(2,997)**	**124,980**

In EUR 1000

					Other equity				
2026	**Share capital**	**Share premium**	**Other paid-in equity**	**Cash flow hedge reserve**	**Restricted reserve**	**Statutory reserve**	**Translation differences**	**Retained earnings**	**Total equity**
Equity as at 1 Jan 2026	**29,571**	**87,114**	**(909)**	**0.000**	**8,968**	**4,663**	**(1,430)**	**(2,997)**	**124,980**
Net profit for the period	0	0	0	0	0	0	0	(9,081)	**(9,081)**
Uncovered loss moved against Share premium	0	498	0	0	0	0	0	(498)	**0**
Other comprehensive income									
Translation difference of foreign interest	0	0	0		0	0	0	0	**0**
Total comprehensive income for the period	**0**	**498**	**0**	**0**	**0**	**0**	**0**	**(9,579)**	**(9,081)**
Other changes	0	0	0	0	0	0	0	80	**80**
Other transactions	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**80**	**80**
Equity as at 31 Dec 2025	**29,571**	**87,612**	**(909)**	**0**	**8,968**	**4,663**	**(1,430)**	**(12,496)**	**115,980**
	(0)	0	0	0	0				

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

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	Registerted office	30/06/2026	30/06/2025	31/12/2025	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 Ísþór 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 2025. A full description of all material accounting principles used in the most recent Consolidated Financial Statements is given in the Group's 2025 annual report, which is available on the Company's website www.arnarlax.is. The Group has not early adopted any standards, interpretations or amendments that were not yet effective as of 1 January 2026. There are no new standards, interpretations or amendments issued but not yet effective that are expected to have a material 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 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 2025.

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:

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

Specifications of revenue:	**H1 2026**	**H1 2025**	**FY 2025**
Sales of goods	66,537	35,178	89,472
Other revenues	243	273	504
Revenue from contracts with customers	**66,780**	**35,451**	**89,976**

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 2026**	**%**	**H1 2025**	**%**	**FY 2025**	**%**
Europe	43,203	65%	27,160	77%	60,616	67%
North America	9,567	14%	4,780	14%	13,814	15%
Asia	13,767	21%	3,510	10%	15,546	17%
Revenue from contracts with customers	**66,537**	**100%**	**35,451**	**100%**	**89,976**	**100%**

The operational income for the Group is denominated in EUR. In the first half of 2026, 63,5 per cent of the Group's operational income was generated in EUR (FY 2025: 64,4 per cent), while 35,4 per cent was generated in USD (FY 2025: 32,9 per cent).

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	**30/06/2026**	**30/06/2025**	**31/12/2025**
Finished Products	632	3,982	0
Raw materials	2.465	1,571	2,854
Boxes	52	73	60
Total inventories	**3.150**	**5,626**	**2,914**
Biological assets	97.631	83,069	109,510
Total biological assets and inventories	**100,781**	**88,695**	**112,424**

Book value of biological assets recognized at fair value	**30/06/2026**	**30/06/2025**	**31/12/2025**
Biological assets held at sea farms at cost	72.772	72,299	89,758
Fair value adjustment of biological assets	9,446	(405)	9,795
Total biological assets held at sea by fair value	**82.217**	**71,894**	**99,553**
Roe, fry, smolt and arctic char fish at cost	15,414	11,175	9,957
Total biological assets	**97.631**	**83,069**	**109,510**

Change in the book value of biological assets held at sea farm carried at fair value	**30/06/2026**	**30/06/2025**	**31/12/2025**
Biological assets held at sea farm 1 Jan	99,553	85,606	85,606
Increase resulting from production/purchase	35.595	35,530	94,030
Reduction resulting from sale/harvesting	(49,576)	(33,789)	(72,241)
Reduction resulting from incident-based mortality	(3.004)	(2,476)	(2,476)
Reduction resulting from re-valuation of stock value	0	0	(2,588)
Net fair value adjustment	**(349)**	**(12,977)**	**(2,777)**
Biological assets held at sea farm at end of period	**82.218**	**71,894**	**99,553**

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 is based on the number of fish and is performed at the individual site level. During the first half of 2026, the Group experienced incidents at three sea farming sites, resulting in incident-related mortality as defined above. The combined impact on the Group's operational profit measured at cost was EUR 3.0 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 2027 and 2028 have been caluculated 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:	30/06/2026	30/06/2025	31/12/2025
Q3-2025		6.28	
Q4-2025		6.64	
Q1-2026		8.55	8.16
Q2-2026		8.15	8.16
Q3-2026	5.85	6.28	6.40
Q4-2026	6.70	6.64	6.90
Q1-2027	8.20	8.55	8.41
Q2-2027	7.87	8.15	8.16
Q3-2027	6.27		6.40
Q4-2027	6.67		6.90
Q1-2028	8.52		
Q2-2028	8.38		
Discount factor:	3.5%	3.5%	3.5%

4 Share capital and shareholders

As at 30 June 2026, 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 2026 were:

	No,	Shareholding
SalMar ASA	16,248,152	52.48%
J.P. Morgan SE	2,480,353	8.01%
Íslandsbanki hf.	2,355,413	7.61%
Clearstream Banking S.A.	2,293,667	7.41%
Holta Invest AS	1,149,133	3.71%
Surfside Holding AS	703,131	2.27%
Pactum Vekst AS	701,983	2.27%
MP Pensjon PK	619,706	2.00%
Nima Invest AS	606,512	1.96%
Roth	599,661	1.94%
Kristians and AS	450,000	1.45%
Skandinaviska Enskilda Banken AB	345,432	1.12%
VPF DNB Norge Selektiv	244,724	0.79%
Verdipapirfondet DNB SMB	224,294	0.72%
Alden AS	197,776	0.64%
DNB Bank ASA	183,732	0.59%
J.P. Morgan SE	158,389	0.51%
Verdipapirfondet KLP Aksjenorge	132,509	0.43%
Haganes AS	129,496	0.42%
Borgano AS	100,000	0.32%
Total 20 largest shareholders	**29,924,063**	**96.65%**
Total other shareholders	1,037,805	3.35%
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 Olafsson (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 and Ulrik Steinvik indirectly own 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 its shares within custody account within J.P. Morgan SE.
(3) Gustav Witzøe indirectly owns 92.6 per cent of the shares in Kverva AS which, through Kverva Industries AS, holds 44.27 per cent of the shares 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) Johnny Indergaard owns shares through his own name.
(7) Rúnar Ingi Pétursson owns shares within custody account within Íslandsbanki hf.

5 Interest-bearing liabilities

Non-current interest-bearing borrowings	30/06/2026	30/06/2025	31/12/2025
Interest-bearing borrowing to credit institutions	122,514	103,397	123,942
Next year's installment on non-current interest-bearing borrowings	(3,000)	(3,000)	(3,000)
Total non-current interest-bearing borrowings	**119,514**	**100,397**	**120,942**
Leasing liabilities	15,080	12,765	11,163
Next year's installment on leasing liabilities	(4,259)	(5,016)	(4,919)
Total non-current leasing liabilities	**7,340**	**10,064**	**7,529**
Total non-current interest-bearing liabilities	**126,855**	**110,461**	**128,472**
Current interest-bearing debt			
Next year's installment on non-current interest-bearing borrowings	3,000	3,000	3,000
Total debt to credit institutions	**3,000**	**3,000**	**3,000**
Next year's installment on leasing liabilities	4,259	5,016	4,919
Total current interest-bearing debt	**7,259**	**8,016**	**7,919**

Financial covenants

As of 30 June 2026, the Company remained compliant with its financial covenants following the covenant waivers granted under the agreement reached with the Company's creditors. The Company maintained 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 requirements have been waived in accordance with the terms of the agreement finalised in September 2025.

Under the amended agreement, the financial covenants require the Company to maintain an equity ratio above 35 per cent and to satisfy profitability requirements. The Company's 12-month rolling interest coverage ratio (ICR) must not be lower than 2.00:1, first measured on 31 March 2026; and 2.50:1, first measured on 30 September 2026 and thereafter.

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

Reconciliation of changes in liabilities to credit institutions incurred as a result of financing activities in the period of January to June 2026

			Non cash-generating effects			
	Carrying amount at 01/01/2026	Cash from Financing activities	Currency effects	Current portion of long-term debt	Other effects	Carrying amount at 30/06/2026
Non-current debts	123,942	(1,500)	0	(3,000)	72	119,514
Current debts to credit institutions	0	0	0	3,000	0	3,000
Total debts to credit institutions	**123,942**	**(1,500)**	**0**	**0**	**72**	**122,514**
Non-current and current lease liabilities	12,449	(2,846)	469	0	1,527	11,599
Total interest-bearing debts	**136,391**	**(4,346)**	**469**	**0**	**1,599**	**134,113**

Reconciliation of changes in lease liabilities incurred as a result of financing activities the period January to June 2026

	2026	2025
Lease liability 1 January	**12,449**	**11,163**
Adjustments and indexation of existing agreements	213	82
Additions (New leases)	814	6,178
Interest on lease liability (profit and loss)	588	312
Installments on lease liabilities paid (cash flow)	(2,549)	(2,144)
Interest on lease liabilities paid (cash flow)	(297)	(325)
Termination of leases	(89)	(108)
Currency translation differences	469	(78)
Total lease liabilities at 30 June	**11,599**	**15,080**

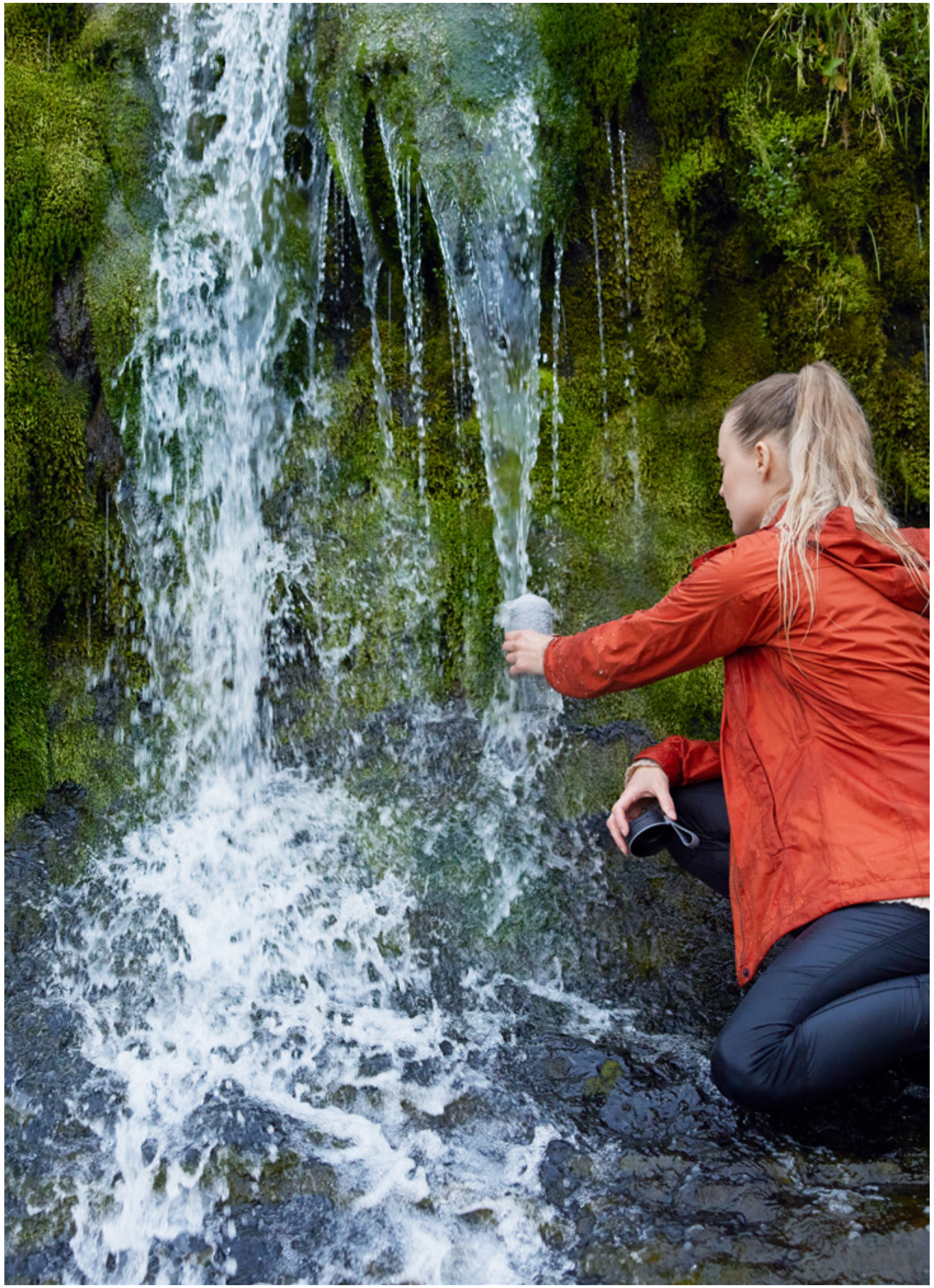
Summary of amounts recognized in the Condensed Consolidated Interim Statement of Comprehensive Income:

	H1 2026	H1 2025
Depreciation expense of leased assets	2,452	1,961
Interest expense on lease liabilities (included in finance expenses)	588	312
Total amount recognized in profit or loss during H1	**3,040**	**2,273**
Cash flow relating to lease liabilities		
Instalments on lease liabilities paid (cash flow)	(2,549)	(2,144)
Interest on lease liabilities paid (cash flow)	(297)	(325)
Total cash flow relating to lease liabilities	**(2,846)**	**(2,286)**

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	119,514	0	119,514
Lease liabilities	7,188	4,411	0	0	11,599
Current debt to credit institutions	0	0	3,000	0	3,000
Total interest bearing liabilities	**7,188**	**4,411**	**122,514**	**0**	**134,113**
Lease liabilities	(7,188)	(4,411)	0	0	(11,599)
Cash and cash equivalents	(541)	(693)	(1,725)	(7,426)	(10,385)
Net interest-bearing debts (NIBD)	**(541)**	**(693)**	**120,789**	**(7,426)**	**112,130**



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 2026	H1 2025	FY 2025
Operating profit	**(6,435)**	**(26,244)**	**(25,210)**
Production tax	2,703	1,705	3,873
Restructuring cost	67	234	369
Fair value adjustments of biomass	349	12,977	2,777
Operational EBIT	**(3,316)**	**(11,328)**	**(18,191)**

Production tax

The production tax represents resource tax in Iceland. It Increased the loss by EUR 2.7 million in H1 2026 compared to EUR 1.7 million in H1 2025 and 3.9 million for the year 2025.

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 2026	H1 2025	FY 2025
Operational EBIT	(3,316)	(11,328)	(18,191)
Harvested volume (tonnes)	9,201	5,084	12,671
Operational EBIT per kg gutted weight	**(0.36)**	**(2.23)**	**(1.44)**

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.

	30/06/2026	30/06/2025	31/12/2025
Non-current interest-bearing debt	119,514	100,397	120,942
Current interest bearing debt	3,000	3,000	3,000
Cash and cash equivalents	(10,385)	(5,090)	(7,309)
Net interest bearing debt (NIBD)	**112,130**	**98,307**	**116,633**

Icelandic Salmon
SUSTAINABLE SALMON FROM ARNARLAX

2026