

ÚTGERDARFÉLAG
REYKJAVÍKUR HF.

ANNUAL AND ESG PRESENTATION 2021

Respectful knowledge of
the ocean's resources



DISCLAIMER

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Furthermore, the projections presented in this document are subject to risks and uncertainties surrounding the industry the Company operates in and other factors beyond the control of the Company. The future performance of the Company may differ from what is presented here.

Accordingly, no guarantee is given as to the accuracy of forecasts, conclusions or projections contained in this document.



ÚTGERÐARFÉLAG REYKJAVÍKUR HF.

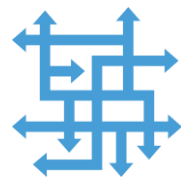


A world-class Icelandic fisheries company with profitability based on sustainability as a guiding principle

One of the largest seafood groups in Iceland

Strong foundation for international competitiveness

Outlook for increased growth due to international demand for wild seafood



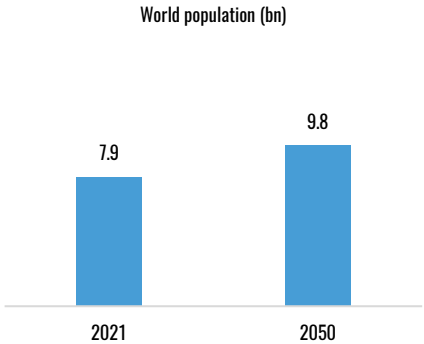
STRATEGY AND GLOBAL TRENDS

The outlook is for strong growth in the seafood sector due to increased international demand for wild seafood. Ú.R.'s strategy is aligned to leverage these long-term trends.

Growing global population

With the growth in population along with rising incomes in developing countries, there is a change in overall diet such as eating more protein and meat. This is driving up global food demand.

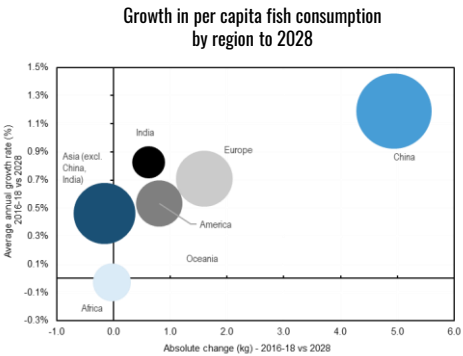
Source: UN



Increasing consumption of seafood

Overall per capita consumption is expected to increase in all continents except Africa where consumption is expected to remain static.

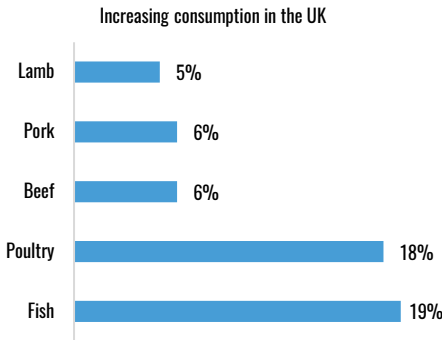
Source: FAO Fish Outlook



Fish as a healthy choice for nutrition

Governments are encouraging people to eat more seafood as a part of a healthy diet, driven by the WHO. Consumers are becoming more selective in their food choices with a focus on health, seen as in this example from the UK.

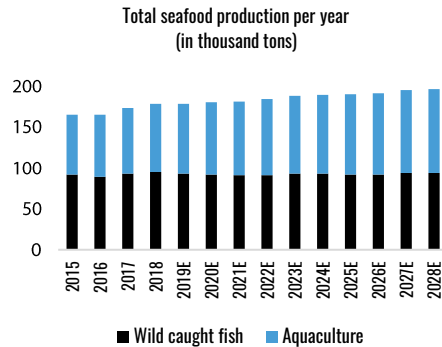
Source: Seafood.org



Limited wild caught fish creates increased demand

With overall increased demand of seafood and limited wild caught fish, coupled with high quality and focus on sustainability, the Icelandic seafood sector and Ú.R. are well positioned to continue to play a major role in this market.

Source: FAO





BOARD DIRECTORS AND CEO



Magnús Helgi Árnason
Chairman of the Board
since November 2019



Agnes Guðmundsóttir
Joined the Board
in April 2016



Rebekka Guðmundsóttir
Joined the Board
in April 2016

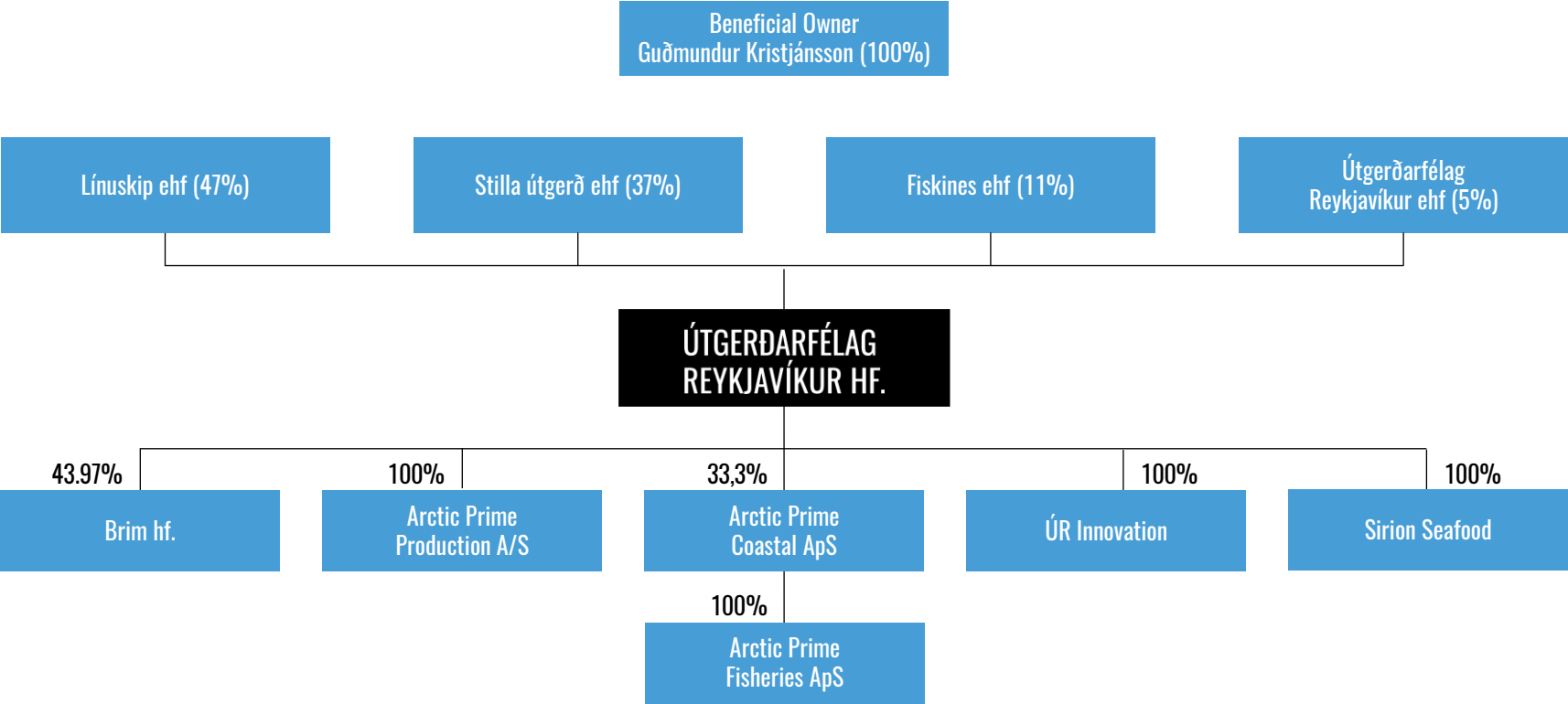


Runólfur Viðar Guðmundsson
Chief Executive Officer
since September 2018



SHAREHOLDER INFORMATION

Guðmundur Kristjánsson is 100% beneficial owner of Ú.R. as per the investment structure seen below¹.



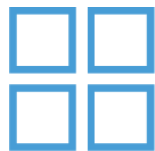
1. Shareholder information updated as of November 2021

ÚTGERÐARFÉLAG
REYKJAVÍKUR HF.

FINANCIAL PERFORMANCE OVERVIEW

2021 Consolidated Financial Statements





2021 HIGHLIGHTS

Revenue

EUR 79.99 million

(vs EUR 55.6 million in 2020)

Profit before tax

EUR 26.88 million

(vs EUR 7.9 million in 2020)

Book value of TAC

EUR 103.8 million

(vs EUR 81.6 million in 2020)

Equity ratio

49.8%

(vs 53.9% in 2019)

Revenues, PBT and COVID-19

- Revenues grew strongly to EUR 79.99m, up 45% from 2020.
- Demand was strong from the Asian markets, coupled with increased total catch from the purchase of Sólborg.
- With COVID-19, continued with the rigid processes put in place to ensure health and safety for employees and seafood products.
- Brim also had strong results with allocated profit to Ú.R. at EUR 23.5m, up 96.4% from 2020.

Bond and promissory notes issuance

- In October 2021, Ú.R. successfully issued an unsecured bond for a total of ISK 7bn, or approximately EUR 46.99m, with two bond series which were publicly listed on Nasdaq Iceland in May 2022.
- Ú.R. continued to rollover its three- and six-month promissory notes, with the outstanding amounts totaling EUR 20m as at year-end 2021.
- The objective of the bond and promissory notes issuance is to diversify liquidity and funding risk, and for investment opportunities in line with Ú.R.'s long-term strategy.

Purchase of a second vessel

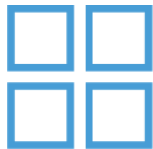
- Ú.R. purchased the Tasermiut fishing vessel from APF, now called Sólborg for EUR 22.9m.

Ú.R. Innovation

- Invested in Rafnar Maritime for its international expansion. Innovations set them apart with their boat design for the world's harshest conditions yet perfect for all conditions.
- Further increased its shareholder in the company Zym Ice, which produces Unbroken® RTR, from 25% to 40% to support its international marketing activities.
- Íslandssjóður (Iceland Funds) and Ú.R. signed an MoU for the establishment of an ISK 10bn fund "IS Sjávarútvegssjóður" to specialize in fisheries and ocean-related activities. The establishment of the fund is planned for launch by Q3 2022.

Annual and ESG Report

- Ú.R. is proud to issue its second Annual and Environment, Social and Governance Report



2021 HIGHLIGHTS



Ú.R. is an original signatory to the Social Environment Policy established by Fisheries Iceland in 2020, based on the UN Sustainable Development Goals.



Ú.R. was in 38th place amongst “Iceland’s Strongest Companies in 2021” awarded by Creditinfo.



Ú.R. is among the 2.2% of Icelandic companies awarded “Excellent in Iceland in 2021” by Viðskiptablaðið and Keldan.



Ú.R. was the first Icelandic company to be awarded Landsbankinn’s sustainability label in its lending portfolio.



Ú.R. is holder of Marine Stewardship Council (MSC) and Iceland Responsible Fisheries certifications in sustainable fishing.



INCOME STATEMENT

Amounts in EUR	2021	2020
Operating revenue	76.993.168	55.162.326
Cost of goods solds	(69.099.984)	(50.921.196)
Gross margin	7.893.184	4.241.131
Other income and capital gains	1.007.550	4.231.560
Other operating expenses	(1.707.012)	(1.671.032)
Operating profit	7.193.722	6.801.659
Impact of subsidiaries and affiliates	25.212.318	13.515.281
Net finance costs	(5.524.696)	(13.290.516)
	19.687.622	224.765
Profit before taxes	26.881.344	7.026.424
Income tax expense	(573.046)	905.409
Profit for the year	26.308.299	7.931.832

Business focus:

- Gain access to quota and key species to maximize revenues and margins.
- Focus on efficient operations for both Ú.R. and its invested companies. High variable costs that are directly linked to revenues and pricing fluctuations ensures the business is flexible to absorb any reduction in production.
- Leverage opportunities for vessel utilization where best allocated between Iceland and Greenland.
- For longer-term profitability, Ú.R. continues to focus on innovation and higher margins in profitable, growing markets.

Financial highlights:

- Revenues increased by 39.5% to EUR 76.99m in 2021 with a stronger gross margin ratio of 10.25% in 2021 versus 7.6% in 2020. The main driver is the higher demand since Covid-19. Most sales were done through Icelandic Japan and Sirion Seafood.
- Other revenues were down from EUR 4.2m to EUR 1m due to the FX translation difference for payment on the Glitnir case.
- The jump in revenues from subsidiaries from EUR 13.5m to EUR 25.2m is with a higher allocation of profit from Brim, where their results showed overall improved gross margins and operational effectiveness.
- Financing costs are at normal levels, whereas they were higher in 2020 due to the EUR 3.7m loss of shares sold in Kristján Guðmundsson that were offset by other interest debt income from APF.



BALANCE SHEET: ASSETS

Amounts in EUR	31.12.2021	31.12.2020
Fixed assets		
Fishing rights	103.838.198	81.857.200
Property, plant and equipment	58.515.848	35.959.052
Rental property	0	4.513.314
Holdings in subsidiaries and affiliates	279.207.326	260.514.906
Holdings in other companies	1.248.789	1.439.575
Related party receivables	6.040.134	18.205.595
	<u>448.850.295</u>	<u>402.189.642</u>
Current assets		
Inventories	3.173.491	5.444.483
Trade receivables	647.395	939.646
Related party receivables	4.567.686	30.988.333
Other short-term receivables	2.161.156	2.893.594
Cash	40.532.003	11.260.541
	<u>51.081.731</u>	<u>51.526.597</u>
Total assets	<u>499.932.026</u>	<u>453.716.240</u>

Business focus:

- Maintain strong working capital and liquidity, especially to cover monthly cyclical movements. Business cyclicity is stable throughout the year with fishing all year round and sales of frozen products.
- Close relationships with customers for sales and receivables management.
- Mix of revenues generated by investments in key companies, Brim and other.

Financial highlights:

- In November 2021, Ú.R. acquired capelin quota from Brim, which accounts for the increased book value of catch quota.
- Ú.R. purchased the Tasermiut fishing vessel from APF, now called Sólborg for EUR 22.9m. The evaluation was done by Atlantic Shipping in Denmark.
- Related party receivables decreased with the purchase of Tasermiut and the purchase of own shares.
- The building in Fiskislóð was purchased for a total of EUR 4.9m, which had been previously rented. The value was appraised by Fasteignamarkaðurinn ehf. The corresponding Lease Payable in liabilities was nil.
- In 2021, Ú.R. bought 33% shares in APC as part of a restructuring of the AP Group, where APC owns 100% of APF.
- Overall cash increased with the bond issuance done in the H2 2021.



BALANCE SHEET: EQUITY AND LIABILITIES

Amounts in EUR	31.12.2021	31.12.2020
Equity		
Share capital	4.973.522	5.128.322
Share premium account	89.896.750	107.235.415
Statutory reserve fund	1.282.083	1.282.083
Translation differences	1.183.848	2.162.203
Restricted capital account	42.506.087	22.422.951
Unallocated own shares	109.194.217	106.169.766
Equity	249.037.217	244.400.750
Long-term liabilities and obligations		
Interest-bearing debt	170.229.311	151.579.804
Lease payable	0	3.848.246
Income tax liability	26.190.706	25.793.030
	196.420.017	181.401.081
Short-term liabilities		
Interest-bearing debt	50.244.798	25.108.680
Lease payable	0	173.349
Accounts payable and other current liabilities	4.128.103	2.425.604
Unpaid calculated taxes	94.805	206.776
Liabilities to related companies	7.086	0
	54.474.791	27.914.409
Total liabilities	250.894.808	209.315.490
Total equity and liabilities	499.932.026	453.716.240

Business focus:

- Maintain a strong equity ratio at over 50%. Focus is on reinvesting profits for business growth – both organic and for acquisition.
- A new dividend policy was approved in 2020 to pay 50% of net profit to shareholders, subject to meeting Ú.R.'s loan facilities conditions.
- All credit facilities are provided by Landsbankinn and denominated in Euros.
- In 2020, Ú.R. issued promissory notes in Icelandic krona for the first time as the market had favorable interest rate conditions. The purpose is to diversify liquidity and currency risk..

Financial highlights:

- Ú.R. issued a bond totaling ISK 7bn, or approximately EUR 46.99m. The objective is to diversify its funding and liquidity concentration risk.
- The decrease in the Share Premium Account from EUR 107.2m to EUR 89.89m resulted from Ú.R. buying its own shares. This was a requirement for the bond issuance regarding connected parties in order to simplify the equity.
- The Restricted Capital Account increased to EUR 42.5m from EUR 22m relating to shares linked to Brim's profitability, where no dividends can be paid from this account.
- Overall interest-bearing debt resulted from the bond issuance done in H2 2022.



CASHFLOW

Amounts in EUR	2021	2020	Amounts in EUR	2021	2020
Operating activities			Financing activities		
Operation profit	7.193.722	6.801.659	Dividends paid	(3.200.000)	(2.169.869)
Depreciation	2.437.566	1.956.943	Repayments of rental debt	(187.991)	(168.547)
Loss on disposal of property, plant and equipment	127.104	12.951	Repayments of long-term debt	(7.300.000)	(6.875.000)
Working capital generated from operations	9.758.391	8.771.663	Bond issuance	46.808.511	0
Inventories, decrease (increase)	2.229.724	(1.678.426)	New promissory notes	1.791.553	16.992.250
Other operating assets, decrease, (increase)	737.449	(620.556)	Increase, (reduction) of debt to related companies	0	(858.494)
Operating liabilities, (decrease)	(798.231)	(19.329.305)		37.912.073	6.920.340
Cash from operations without interest and taxes	11.927.333	(12.856.734)	(Decrease) increase in cash	29.715.138	(181.509)
Interest and dividends paid	86.138	56.216	Cash at the beginning of the year	11.260.541	11.674.074
Interest paid	(6.276.703)	(5.942.196)	Exchange rate translate effect on cash	96.325	(232.023)
Exchange rate difference, received (paid)	1.167.125	(668.966)	Cash at the end of the year	40.532.003	11.260.541
Income tax paid	(375.155)	(491.740)			
Net cash generated by operating activities	6.528.737	(19.903.416)			
Financing activities					
(Purchased) catch quotas	(22.280.998)	0			
(Purchased), sold, fixed assets	(7.356.867)	(11.713)			
(Sold) bonds to related parties	(12.420.364)	(5.383.257)			
Bond proceeds from related parties	19.431.618	13.041.946			
(Purchased) investment securities	0	(18.694)			
Dividends from affiliates	6.934.142	4.585.285			
Net cash flow from acquiring a subsidiary	0	(914.634)			
(Acquired), sold, holdings in associated companies	(168.008)	3.354.458			
Decrease, (increase), in claims from related companies	594.804	(1.851.914)			
	(15.265.673)	12.801.567)			

Business focus:

- Generate profit for reinvestment into the company to finance the operations. A new dividend policy was approved in 2020 to pay 50% of net profit
- Ú.R. strives to maintain a minimum of EUR 7m in cash liquidity.

Financial highlights:

- Ú.R. issued a bond totaling an equivalent of ISK 7bn, or approximately EUR 46.99m.
- Dividends paid totaled EUR 3.2m.
- Maximum dividends proposed total EUR 13m for payment in 2022 vs EUR 26m profit in 2021.



RISK MANAGEMENT

Ú.R.'s business activities are exposed to a variety of risk factors related to its operations and financials. Effective risk management is important to minimize the risk of material misstatements and for the business to perform.

The following description of risk factors is not complete and is not listed in any order of priority.

Fishing rights

The core assets on Ú.R.'s balance sheet is fishing rights. To avoid concentration of risk in both supply and demand, Ú.R. holds a diverse portfolio of quota of fish species. As well, it has invested in Brim and APF to secure fishing rights in the North Atlantic.

Credit risk

Ú.R.'s credit risk mainly related to accounts receivables from customers that would not be able to pay for goods sold. To minimize this, Ú.R. takes credit risk insurance to cover receivables for third-party customers or when not in place, to require pre-payments.

Liquidity risk

Historically, Ú.R. has controlled liquidity risk by maintaining access to appropriate loan facilities with its main lender. Cash flow is monitored on a daily basis, with set buffers for its operational needs. To diversify the concentration risk with its lender, Ú.R. has successfully issued promissory notes in 2020 and a listed bond in 2021.

Currency risk

Ú.R.'s reporting currency is the Euro. Its long-term debt is in Euros. Sales are in major currencies, including the Euro, the US dollar, Yen and the British Pound. Operational costs are split between employee costs in Icelandic krona and oil in US dollars. Its credit lines are in Euros. As a natural hedge to employee costs, the company has issued its bond and promissory notes in Icelandic krona.

Accidents and incidents

The fisheries sector is one of the highest risk-sectors. Fishing methods, vessels and equipment have improved dramatically over time. Ú.R. places high emphasis to ensure top health and safety of its employees, with special emphasis on the operations of its vessels and crew.

COVID-19

Since early 2020, COVID-19 is one of the highest risk factors for Ú.R., both for its personnel and its seafood sold around the world. Ú.R. has implemented strict operating procedures at all levels of the company with clear separation of teams and tasks, as well as top hygiene standards for disinfection to avoid any spread of COVID-19.

Insurance

Ú.R. has appropriate insurance policies in place, which provides insurance cover against products and property damage, certain delays, general liability and environment liability in accordance with normal practice within the industry.

Reputational risk

Ú.R. seeks to maintain solid relationships with its wide range of stakeholders, including but not limited to its employees, the unions, government and regulatory bodies, suppliers and customers, and the general public. Ú.R.'s approach is to operate within the spirit of the law, to provide top quality seafood and to be exemplary. Proactively managing reputational risk is at the core of its business ethos.

ÚTGERÐARFÉLAG
REYKJAVÍKUR HF.

BUSINESS
STRUCTURE





BUSINESS STRUCTURE

Ú.R.
Commercial fishing

Investments
Brim, APC, APP

ÚR Innovation

**Focus on access to quota in the North Atlantic
within key species**

**Investing in innovation of marine biotechnology to maximize
the usage and value of marine products**



Ú.R. COMMERCIAL FISHING

The Total Allowable Catch, TAC, is calculated and enforced in accordance with the Directorate of Fisheries guidelines which are supplemented with research from the Marine Research Institute of Iceland. This allows for carefully measured fish stocks that will reduce any possibility of overfishing.

In 2021, Ú.R. acquired capelin quota from Brim, which accounts for the increased book value of catch quota.

Book value of catch quotas (in EUR)	2021	2020
Book value at beginning of year	81.557.200	81.557.200
Increased value over the year	22.280.998	0
Book value at year-end	103.838.198	81.557.200



Guðmundur í Nesi RE-13



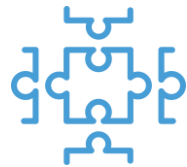
Sólborg

Ú.R. allocated catch quotas for fishing vessels for the fishing year 2020/2021 based on gutted fish:

	Catch share in % 2021/2022	TAC in tonnes	Uncaught catch limit for cod kg 31.12.2021	Uncaught catch limit for cod kg 31.12.2020
Cod	0,300%	526.336	279.726	485.934
Haddock	1,504%	443.835	414.619	
Saithe	4,118%	1.394.037	2.541.148	2.742.158
Redfish / golden redfish	11,697%	2.119.089	1.546.313	1.995.744
Deep sea redfish	18,311%	1.044.536	528.865	1.790.770
Ling	2,265%	33.280	5.474	701
Cusk	3,784%	14.331	2.760	2.376
Monkfish	0,090%	484	574	613
Greenland halibut	20,000%	5.369.206	5.211.551	6.605.944
Wolffish	1,842%	71.541	67.325	83.884
Spotted wolffish	3,853%	8.796	6.630	3.068
Blue ling	5,121%	6.611	6.630	1.825
Silver smelt	38,598%	946.079	1.011.340	1.218.767
Small redfish	30,837%	51.576	56.169	80.195
European plaice	3,482%	224.956	1	33.354
Lemon sole	3,777%	51.293	434	9.699
American plaice	0,525%	15	16	14
Witch flounder	0,176%	1.036	46	797
Common dab	0,119%	110	123	61
Deepwater shrimp	6,282%	268.998	309.348	399.601
Snæfellsness shrimp	6,282%		3.018	
Mackerel	3,387%		133.824	277.728
		12.576.144	12.125.933	15.733.233

Ú.R. allocated catch quotas for fishing vessels outside Icelandic territorial waters during the fishing year 2021/2022

Cod in Norwegian jurisdiction	16,864%	871.327	871.327	546.779
Cod in Russian jurisdiction	16,864%			683.473
		871.327	871.327	1.230.252
Total authorizations		13.447.471	12.997.260	16.963.485



INVESTMENTS

BRIM

In May 2018, Ú.R. (previously known as Brim) had the unique opportunity for a takeover bid of HB Grandi, now known as Brim. Since then, two key asset sales were made to Brim: Ögurvík and Icelandic Asia.

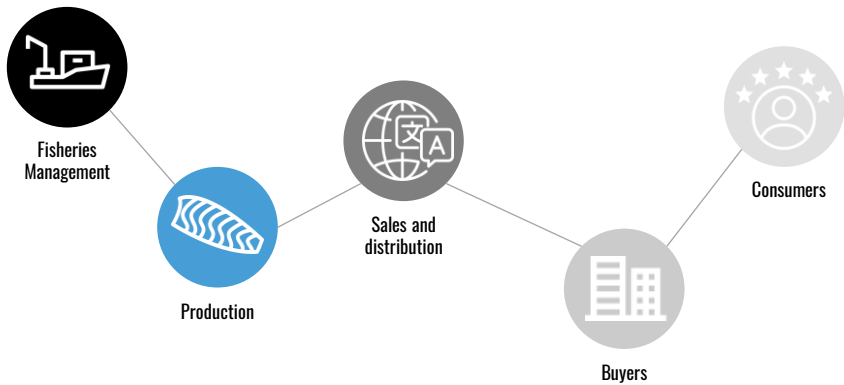
As at 31 December 2021, Ú.R. held 33.92% shares in Brim through direct ownership and 10.05% through RE-13 with a total book value of EUR 277.85m. Brim 2021 allocated profit to Ú.R. totaled EUR 25.3m, up by 96.4% from 2020 with a return on investment of 9.1%.

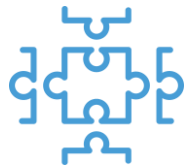
For more information, go to www.brim.is/brim/english/brim/investor-relations/

In Euros	2021	2020
Consolidated Brim earnings to Ú.R.	25.233.943	12.911.790
Book value of Brim shareholding as at year end 31 December	277.853.809	259.554.006
Return on total investment	9.1%	4.97%



Deeper Vertical Chain for North Atlantic Seafood





INVESTMENTS

ARCTIC PRIME COASTAL (APC)

In October 2013, Ú.R. became an investor in Arctic Prime Fisheries (APF), a fisheries company in Greenland. APF has one vessel after having sold the other to Ú.R. in 2021 and operates the three Arctic Prime Production (APP) processing plants owned by Ú.R, which service over 150 local fishing boats.

Since then, Ú.R. actively supports APF with training programs and exchanges for the employees, which has helped to raise overall knowledge.

In 2021, Ú.R. bought 33% shares in APC as part of a restructuring of the AP Group, where APC owns 100% of APF.

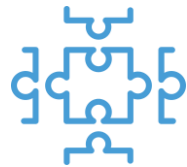
Ú.R. has related party claims to the AP Group (APC, APF and APP) for a total of EUR 7m as at 31 December 2021, a reduction from EUR 27m from 2020 with the purchase of the fishing vessel.

The quota system in Greenland is based on a grandfather rights system (hefðarréttur). This is the quota allocated to APF:

- Cod: 10.500 tons
- Mackerel: 10.000 tons
- Halibut: 780 tons
- Redfish: 560 tons
- Herring: 5.000 tons



Ilivileq - GR-2-201 (2020)



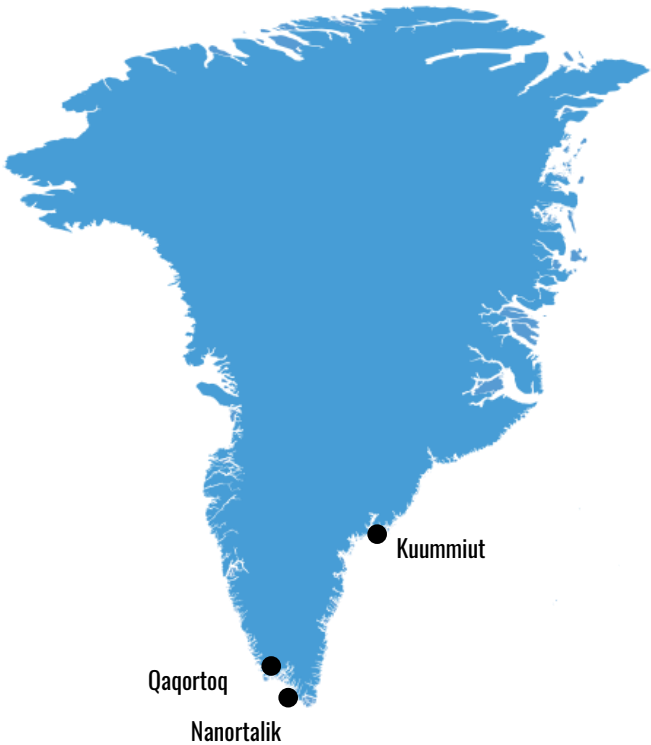
INVESTMENTS

ARCTIC PRIME PRODUCTION (APP)

Ú.R. has 100% ownership in APP with three fish processing plants in Greenland since 2013.

This is a real estate investment and Arctic Prime Fisheries operates the processing plants.

As at 31 December 2021, nominal value was DKK 34.5m and book value was EUR 0. Net Income totaled EUR 63.8k for 2021.



ÚR INNOVATION

In 2020, Ú.R. established the subsidiary ÚR Innovation hf. The purpose of the company is for making investments in innovation and product development, with a focus on sustainability.

Unbroken® RTR

The first investment made in 2020 was a 25% share in the associated company Zym Ice, specializing in the product of food supplements from salmon fish protein known as Unbroken® Real Time Recovery. Zym Ice is an Icelandic company that operates a factory in Norway, two sales offices in the Unites States and Europe, and a partnership in the Middle East. The investment strengthens Zym Ice's position and accelerates the development and distribution of the company's products on the international market.

Unbroken® RTR is a revolutionary nutritional supplement based on years of research and development. Consumers have purchased from 25 countries in Europe and North America. The main markets are in the field of sports, health and nutrition. The specialty of the product is its 100% natural composition, which is made from salmon cuts. Its use greatly accelerates the absorption of nutrients in the muscles and strengthens the immune system. Unbroken® RTR is certified as a safe product (GRAS) by the US Food and Drug Administration (FDA) and the rules of the International Anti-Doping Agency (WADA) are followed in its production.

Post the 2021 results, ÚR Innovation provided a further capital injection to support its marketing and production activities, bringing its ownership up to 40%.

UNBROKEN®
Real time recovery



ÚR INNOVATION

Rafnar Maritime

Ú.R. invested in Rafnar Maritime in 2021 in the holding company of Rafnar ehf. And Rafnar IP to support the company in its international expansion.

Rafnar Maritime is an Icelandic company originally founded in 2005 by Össur Kristinsson and his family, who previously launched Össur, the world’s leading prosthetics company and Hafmynd, autonomous underwater vehicles.

Innovations set Rafnar Maritime apart with its boats design for the world’s harshest conditions yet perfect for all conditions. The team has developed and designed the ÖK Hull, a unique hull-and-keel design capable of significantly reducing wave slamming and providing better seakeeping performance. Development of the ÖK Hull took 10 years and involved extensive cooperation with the Icelandic Coast Guard and Icelandic Search and Rescue Association.

“The ÖK Hull provides remarkable seakeeping and comfort compared with conventional boats, while at the same time breaking the attainable speed of a traditional displacement vessel.”

– Andrew Johansson, Superyacht Magazine



ÚR INNOVATION

IS Sjávarútvegssjóður

In June of 2021, Íslandssjóður (Iceland Funds) and ÚR Innovation signed a memorandum of understanding for the establishment of an ISK 10 billion fund that will specialize in fisheries and ocean-related activities.

Emphasis is to be placed on start-up opportunities mixed with mature investments, as well as looking at the “Blue Economy” on sustainable development in the fisheries sector, such as improved utilization of energy and raw materials.

The establishment of the fund should be established by Q3 2022.



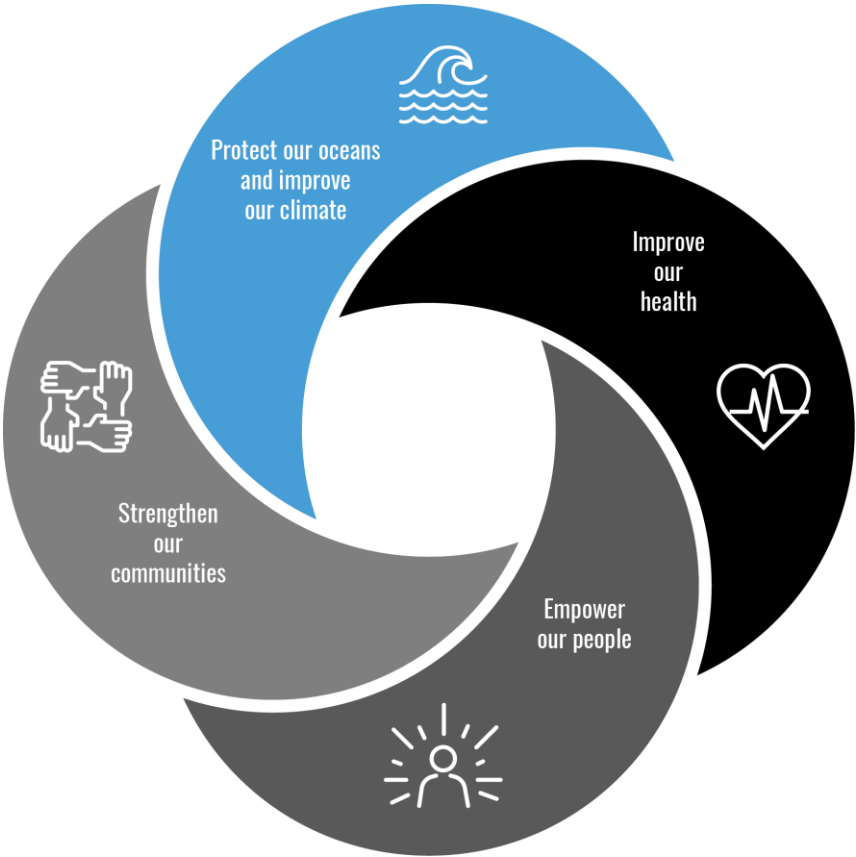
ÚTGERÐARFÉLAG
REYKJAVÍKUR HF.

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT





ESG REPORT



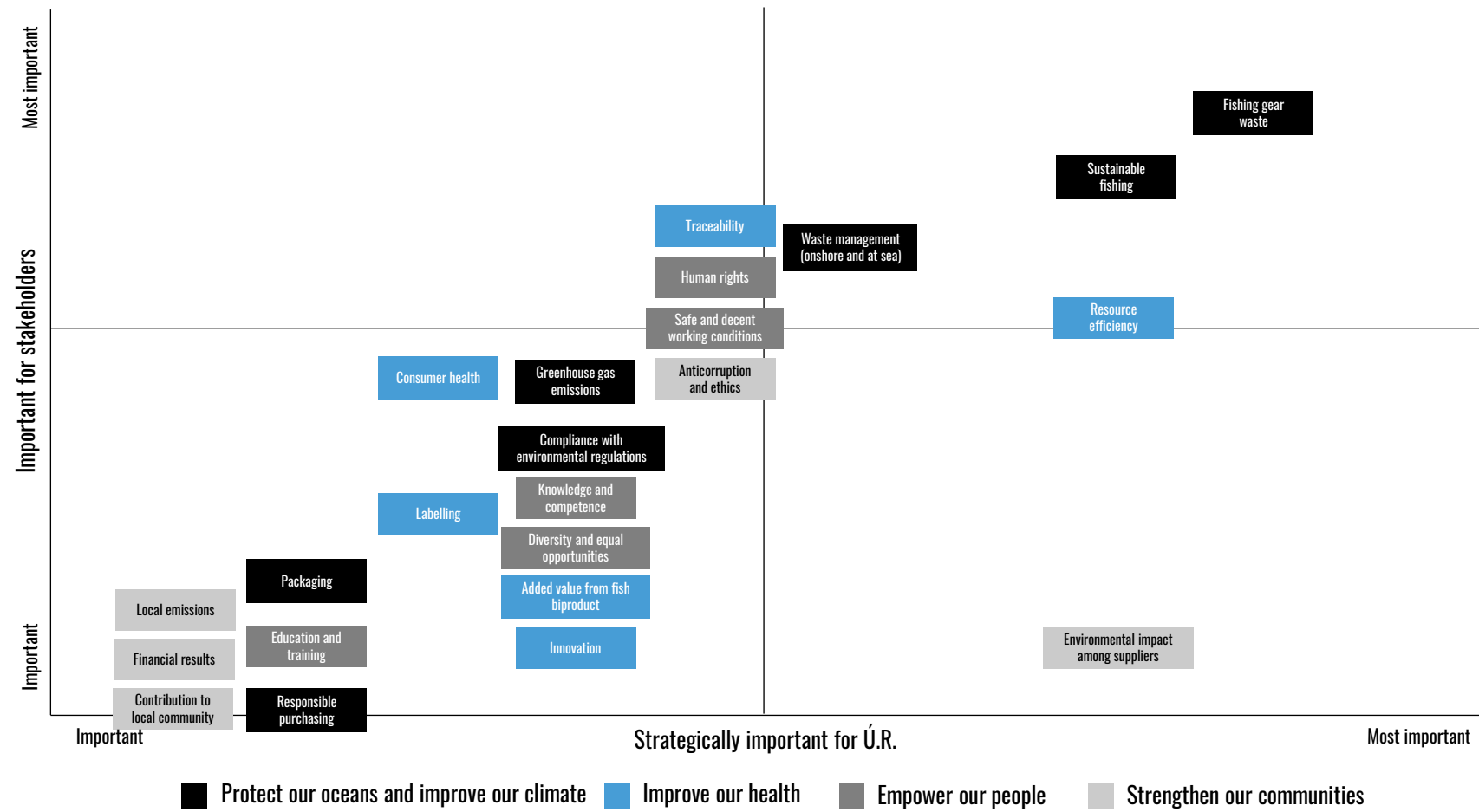
Second ESG report issued by Ú.R.

In 2021, a survey on materiality aspects sent to 200 people from 88 identified stakeholder groups

Total CO₂ emissions per kilo of caught seafood is 1.9, up from 1.63 in 2020, amongst the lowest for animal protein and fish wild catch



MATERIALITY ANALYSIS





WORKING TOWARDS UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



Ensuring the sustainability of fish stocks coupled with maximizing fish utilisation helps to contribute to reduce hunger. Ú.R. focuses on active participation in its own operations and together with its investments in Brim, APF and UR Innovation.



North Atlantic fish are a lean, healthy source of protein and contribute to healthy lives through mental and physical development. Ocean perch (rockfish) and flatfish (sole and flounder), core species fished by Ú.R., are ranked in the top 10 most nutritious foods¹. Ensuring sustainability and maximizing fish utilization helps contribute to good health.



Iceland leads the way to women's equality in the workplace, which has a positive impact on improving gender equality around the world. Whilst the seafood industry is heavily dominated by men, it is Ú.R.'s priority to support women at all levels. Two of three board members are women. In 2022, Ú.R. will implement Equal Pay Certification.



The core asset to Ú.R.'s business is its people. Health and safe working conditions are the top priority, whether at sea, on land or at the office. A large portion of the employees are union members. Ú.R. ensures its fulfilment of all statutory rights of employees, equality in the workplace and honoring the collective wage agreements.



To support responsible consumption and production, Ú.R. focuses on resource efficiency by limiting unwanted by-catch, maximizing fish utilization, recyclable materials purchased and energy efficiency on sea and at shore. Recycling of fishing gear & packaging, as well as oil usage & recycling, have the biggest direct impacts from Ú.R. in the supply chain.



The greatest environmental impact of Ú.R.'s operation is fuel use. The CO₂ emissions per kilo of caught seafood is 1.2, amongst the lowest for animal protein. However, Ú.R. continuously focuses on reducing its usage with improvements in operational effectiveness. Post all fishing tours, the recycled oil is also sold as factory fuel.

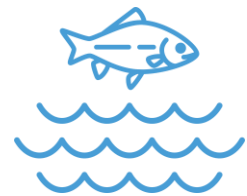


Respectful knowledge of the ocean's resources is Ú.R.'s motto. Ú.R. actively engages on sustainability of North Atlantic seafood as a member of Responsible Fisheries Iceland and being an original signatory to its sustainability policy, government cooperation and continued innovation.



Ú.R. has a wide range of stakeholders, with whom it collaborates for shared knowledge and cooperation. These stakeholders include suppliers, buyers, authorities, associations, unions, research organisations, the Ú.R. Board of Directors and its employees. This in turn strengthens the means for implementation of sustainable development.

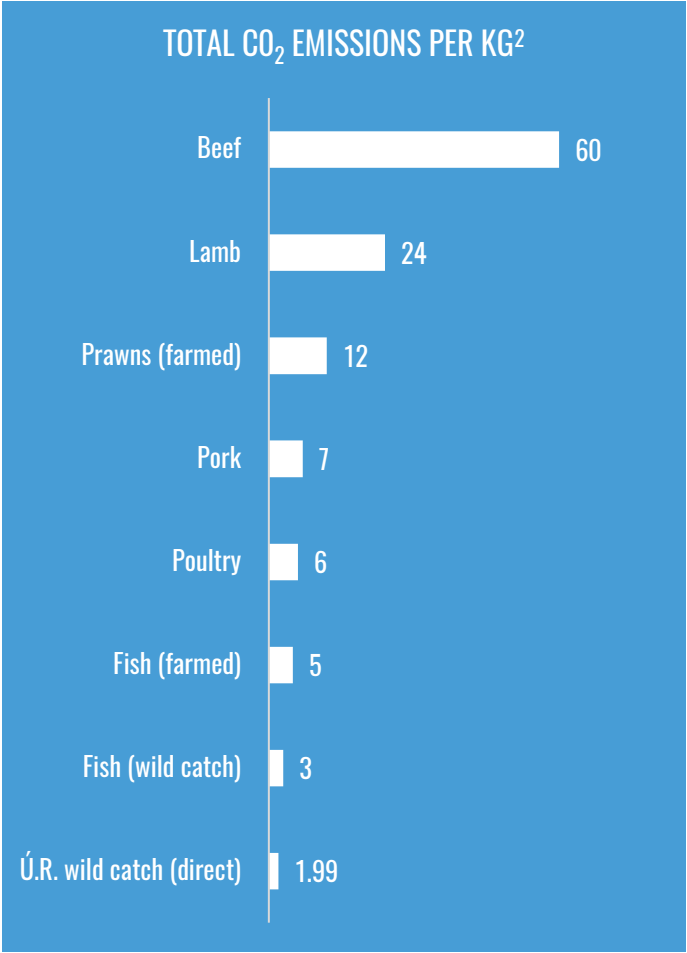
1. BBC: The world's most nutritious foods.



ENVIRONMENT

Sustainability	<ul style="list-style-type: none">• ISF and MSC accreditation• Percentage of quota held with MSC certification is 89%• Original signatory of Sustainable Policy at SFS• Ú.R. was the first Icelandic company to be awarded Landsbankinn's sustainability label in its lending portfolio.
Traceability	<ul style="list-style-type: none">• Full transparency of Icelandic quota system• Opportunity for use in branding to drive higher margins
Greenhouse gas emissions	<ul style="list-style-type: none">• Direct CO₂ emissions per kilo is 1.49 up from 1.2 in 2020; total CO₂ emissions per kilo is 1.99 as compared to 1.63 in 2020• All waste oil is sent for recycling
Waste management	<ul style="list-style-type: none">• 100% of fish utilization (gutted)• 94% of all waste was recycled in 2021
Fishing gear waste	<ul style="list-style-type: none">• Iceland became a member of the Global Ghost Gear Initiative (GGGI) in 2021• No fishing gear lost at sea in 2021• Net weight return of fishing nets accumulated in 2021 was 72%

1. fiskistofa.is
2. visualcapitalist.com: The Carbon Footprint of the Food Supply Chain – includes direct and indirect CO₂ emissions





SOCIAL

Human resources	<ul style="list-style-type: none">• 89 FTEs, up from 68 in 2020 (with the purchase of Sólborg)
Equal opportunities	<ul style="list-style-type: none">• Ú.R. employees ranked 6th highest average salaries¹• EUR 14.6k average monthly salaries cost per FTE: seamen receive pay in accordance with a share allotment system on the fishing catch• 6.7% of employees are women, down from 9.1% in 2020 due to hiring of more fishermen, with gender pay ratio of 0.56: equal pay certification to be implemented by 2022• Overall flat pay structure where the CEO pay ratio is 2.02 times the average company salary
Health and safety	<ul style="list-style-type: none">• Implementation of Covid-19 processes at all levels• Injury rate low at 0.1 per employee in 2021
Learning	<ul style="list-style-type: none">• 3.6 training hours per employee, down from 35.4 hours in 2020 as downtime during Covid was used in learning• Training is both general and industry related, such as HACCP and total quality management
Policies	<ul style="list-style-type: none">• Key policies in place, now publicly available on www.urseafood.is/investors/governance/• New policies include Non-discrimination, Anti-corruption and Equality & diversity policies
Employee celebrations	<ul style="list-style-type: none">• Many activities are organized over the course of the year, with the major ones being international trip organized every two years, Seaman’s Day event with families, Christmas gathers, yoga, dart competitions, bowling, golf
Community	<ul style="list-style-type: none">• Ú.R. actively sponsors many competitions, sports organizations, and charities

1. Frjáls Verslun 300 Stærsta 2020



GOVERNANCE

Board diversity	<ul style="list-style-type: none">• The Chairman is independent, ie 33% independent board members• Two out of three of board members are women, 66%• The Audit Committee was established with Anna Geirfinnsdóttir as Chair• Agnes Guðmundsdóttir is Chair of the Association of Women in the Marine Industry (Konur í Sjávarútvegi)• The CEO does not have a seat on the board
Collective wages	<ul style="list-style-type: none">• 78% of employees are in collective wage agreements, up from 73% in 2020
Ethics, anti-corruption	<ul style="list-style-type: none">• Ú.R. has zero tolerance towards corruption and holds itself and its invested companies to the highest ethical standards• At Ú.R., all catch is fully transparent through the recording done by the Directory of Fisheries• With both investments in Brim and APF, the overall operations are more international in nature• Ethics are of highest priority at Ú.R. to ensure top reputation across all stakeholders• Ethics & Anti-Corruption and Whistleblowing policies implemented in 2021
ESG report	<ul style="list-style-type: none">• Second ESG report issued• Prepared internally, no external validation

