



Introduction

Arnarlax ehf.
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Kopavogur, 18 March 2025

Attached is our summary of the societal impact of Arnarlax ehf. Group ("Arnarlax") for the year 2024. This summary outlines the key taxes and fees paid or collected by the Group in Iceland, as well as contributions to general employee pension funds, salaries, and payments made to domestic suppliers.

In addition, the summary includes other key information and indicators such as export values and community projects that contribute to value creation in Iceland. The societal impact data is derived from the company's tax returns and other information provided by Arnarlax to Deloitte.

While the summary presents a comprehensive overview of the group's societal contributions, it should be noted that it does not fully capture all of Arnarlax's value creation. Measuring the total contribution of a company to society is complex, and some secondary factors in its operations are difficult to quantify.

Deloitte reserves the right to amend any part of the summary based on further analysis or updated data. Please note that this summary is not a formal review or verification of Arnarlax's activities.

Best regards,
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Summary


- **Arnarlax's total societal impact for 2024 amounted to approx. ISK 11 billion.** Over the past 5 years, the company's total societal impact reached ISK 37 billion, with a significant portion benefiting local communities in Arnarlax's area of operation in the Westfjords and South Iceland.
- The company's societal impact in 2024 includes ISK 719 million in taxes and fees collected, ISK 2.062 million in taxes and fees paid, and ISK 8.164 million in value created for the community. **The societal impact was approximately ISK 70 million per full-time equivalent employees in 2024.**


About Arnarlax:


- **Arnarlax, founded in 2010 in Bíldudalur by Arnarfjörður, began operations with a focus on creating job opportunities, as Bíldudalur was defined as a fragile settlement.** The company's primary operations are based in the Westfjords, where its headquarters and all aquaculture is located along with a smolt farm and processing facilities. The company also operates three smolt farms in South Iceland and maintains an office in Reykjavík.
- **Over the past 16 years, Arnarlax has grown to become one of Iceland's largest aquaculture company.** The company has achieved various certifications, including being recognized as being the "Strongest in Iceland" by CreditInfo.
- **What started as an idea of locals and emigrants from Bíldudalur, Arnarlax now employs over 170 individuals, with most employees working in the Westfjords,** with approx. 83% of taxes and fees paid to municipalities in 2024 being received by municipalities in the Westfjords.

 **Revenue generation:** Arnarlax's export contribution amounted to 1.5% of Iceland's total exports of goods in 2024.

 **Icelandic revenues:** In the years 2020-2024, Arnarlax's value creation to the community amounted to approx. 33.6 billion ISK.

 **Icelandic production:** 158 full-time equivalent employees worked at Arnarlax in 2024, with 124 based in the Westfjords, 19 in the Southern Region and 15 in the Capital Area.

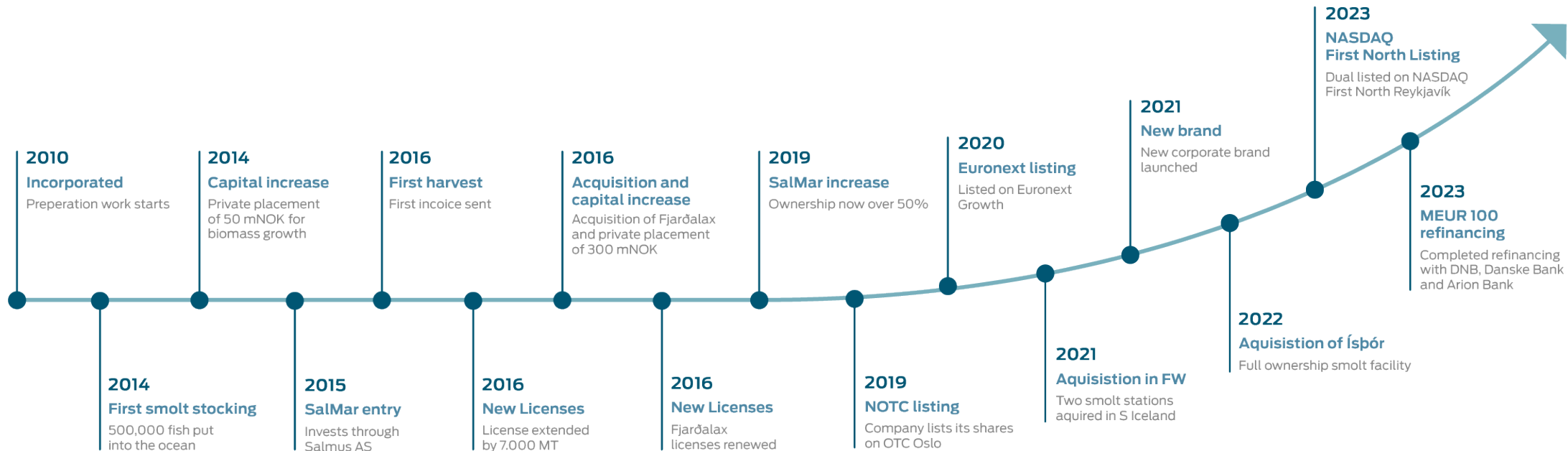
 **Tax impact per employee:** Was on average approx. ISK 10 million in the years 2020-2024 for full-time equivalent employees.

 **Community projects:** Arnarlax awarded grants totaling around ISK 30 million to various causes in 2024.



Timeline

- From the beginning, the shareholders of Arnarlax have shown great confidence in the company. The development of aquaculture is a time-consuming process, **with the first harvest occurring approximately six years after the company was founded.**
- Arnarlax has undergone a **significant development**, as the company has invested in three smolt farms in the Southern Region in the past years.
- The company has placed a strong emphasis on **sustainable aquaculture production**, and in 2023, it completed a refinancing with funding focused on sustainability.



Arnarlax's Tax Impact 2024

- Arnarlax's tax impact is divided into direct and collected taxes, which **amounted to approx. ISK 2.8 bn. In 2024 or approx. ISK 18m per full-time equivalent employee.**
- One of the largest factor of Arnarlax's tax impact are **resource fees, which amounted to approx. 21% of taxes paid in 2024.**
- Furthermore, **catch dues and fees to the environmental fund collectively amounted to approx. 10% of taxes paid in 2024.**

Arnarlax's Tax Impact 2024 (million ISK)

Direct taxes and fees

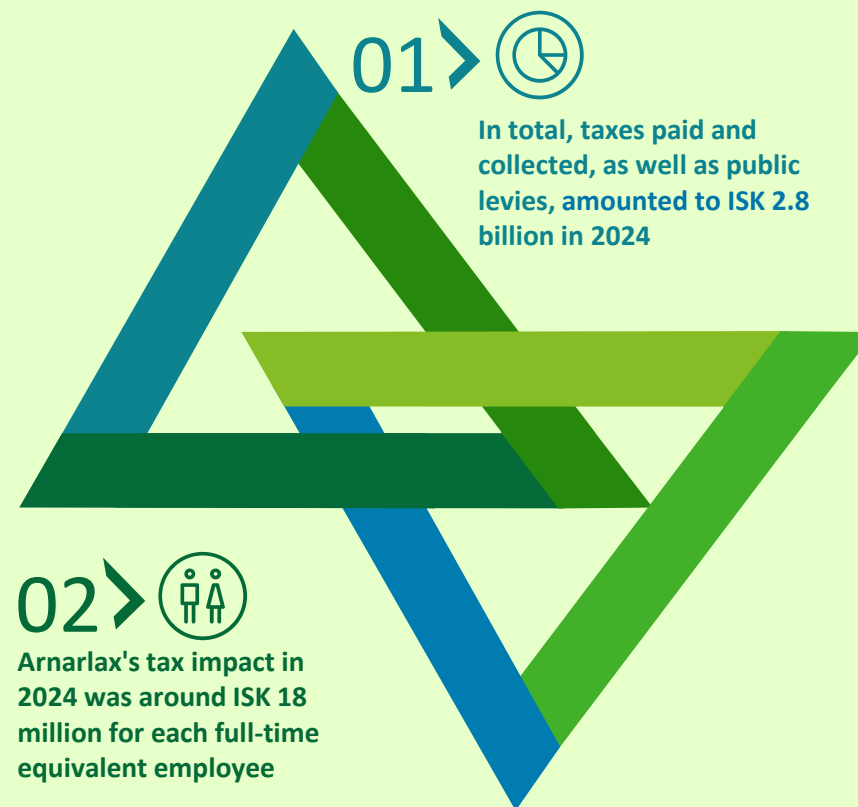
Income tax	366
Resource fee	442
Matching contribution to pension funds	269
Social security contributions	153
Catch dues	110
Fees to the environmental fund	88
Other taxes and fees	
Carbon fee	522
Property tax	43
Direct excise duties and tariffs	26
Fees to port funds	14
Oil fee	3
Other	26

Total taxes and fees 2.062

Collected taxes and fees

Withholding tax of employees	593
Employee pension fund contributions	126
Total collected taxes	719

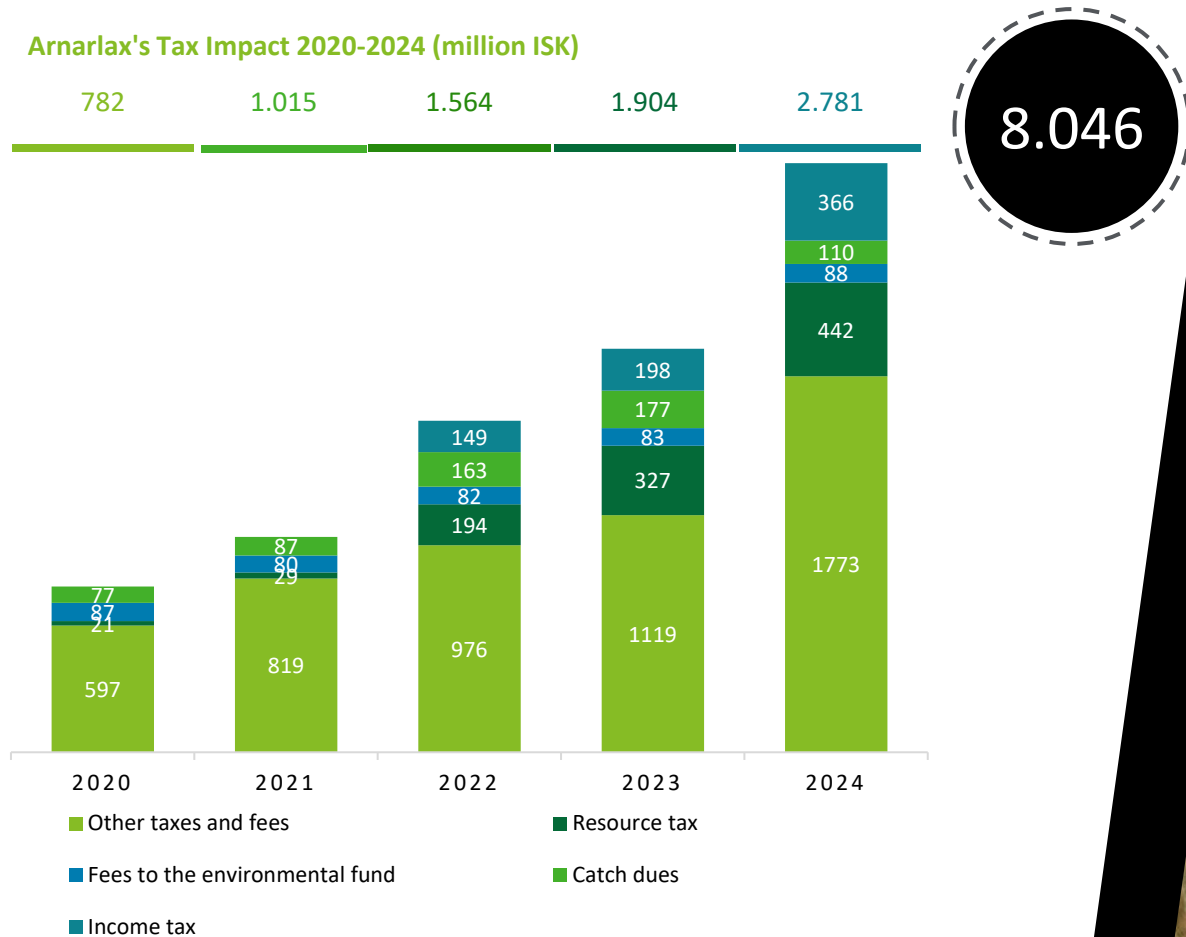
Total tax impact 2.781



Arnarlax's Tax Impact 2020-2024

- Over the past 5 years, **Arnarlax's total tax impact (taxes paid and withheld) amounted to approximately ISK 8 billion**, with nearly a third of it directed to municipalities.
- Arnarlax's tax impact has gradually increased over the years and is **nearly four times higher in 2024** than it was in 2020.
- To provide context for the tax impact, **Vesturbyggd's and Talknafjordur's total revenues in 2023* amounted to approx. ISK 2,4 billion.***

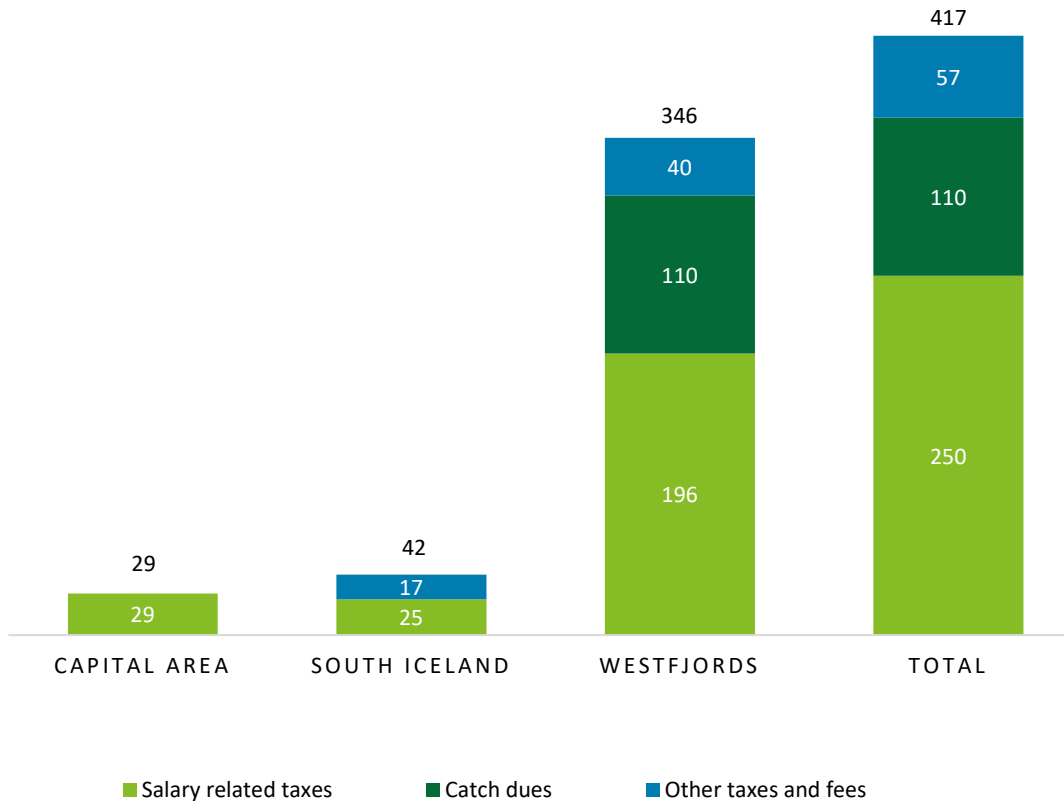
Arnarlax's Tax Impact 2020-2024 (million ISK)



Taxes and fees to municipalities 2024

- Taxes and fee paid to municipalities in 2024, **totaled ISK 417 million**, of which ISK 250 million were due to municipal taxes and 110 million ISK due to catch fees.
- Arnarlax places emphasis on keeping the its operations for the most part in the Westfjords, with **around 83% of taxes and fees to municipalities going to the Westfjords, or 346 million ISK.**
- All taxes paid to municipalities in the capital region were municipal taxes, where Arnarlax maintains an office. **Only 7% of the municipal tax paid was due to employees in the capital region.**
- An emphasis is placed on Arnarlax’s directors being domiciled in the Westfjords and **in 2024 6 of 8 directors were domiciled in the Westfjords.**

Taxes and fees to municipalities 2024 (million ISK)



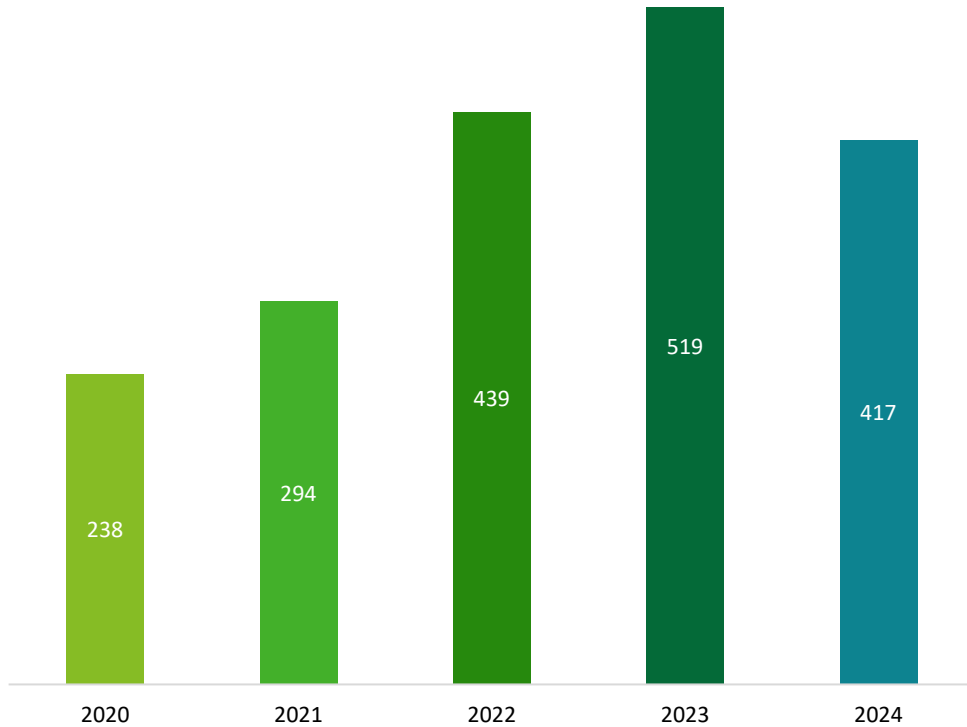
Taxes and fees to municipalities 2024



Taxes and fees to municipalities 2020-2024

- Taxes and fees paid to municipalities cover a variety of contributions, including **catch fees, property taxes, and municipal taxes**. These taxes are aligned with where the company's operations take place, where its employees are domiciled, and where its real estate is located.
- Arnarlax's **area of operation is in the Westfjords and the South Region** and payments to municipalities are therefore mostly made to the ones in those areas.
- Total taxes and fees to municipalities **amounted to ISK 1.9 billion between 2020 and 2024**, with a decrease between 2023-2024 due to a lower harvesting volume in 2024.

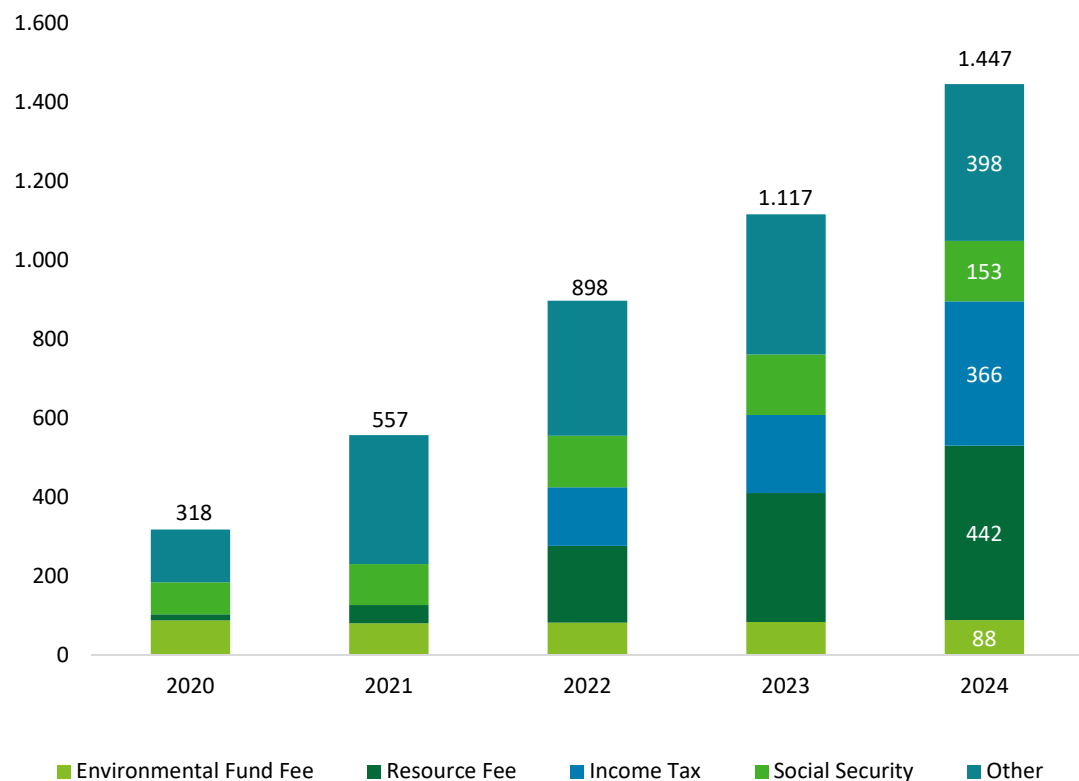
Taxes and fees to municipalities 2020-2024 (million ISK)



Taxes and fees to the state 2020-2024

- The resource fee has **increased by twenty-fold in just 5 years**, as in 2020 it amounted to ISK 1.87 per kg. but amounted to ISK 37.80 per kg. in 2024 for slaughtered salmon.
- Fees to the **Aquaculture Environmental Fund amounted to ISK 88 million in 2024** and have remained fairly stable during the period, or between 80 – 88 million ISK.
- Other fees to the state are, for example, **fees to the Icelandic Food and Veterinary Authority, which amounted to about 15 million ISK** in 2024.

Taxes and fees to the state 2020-2024 (million ISK)



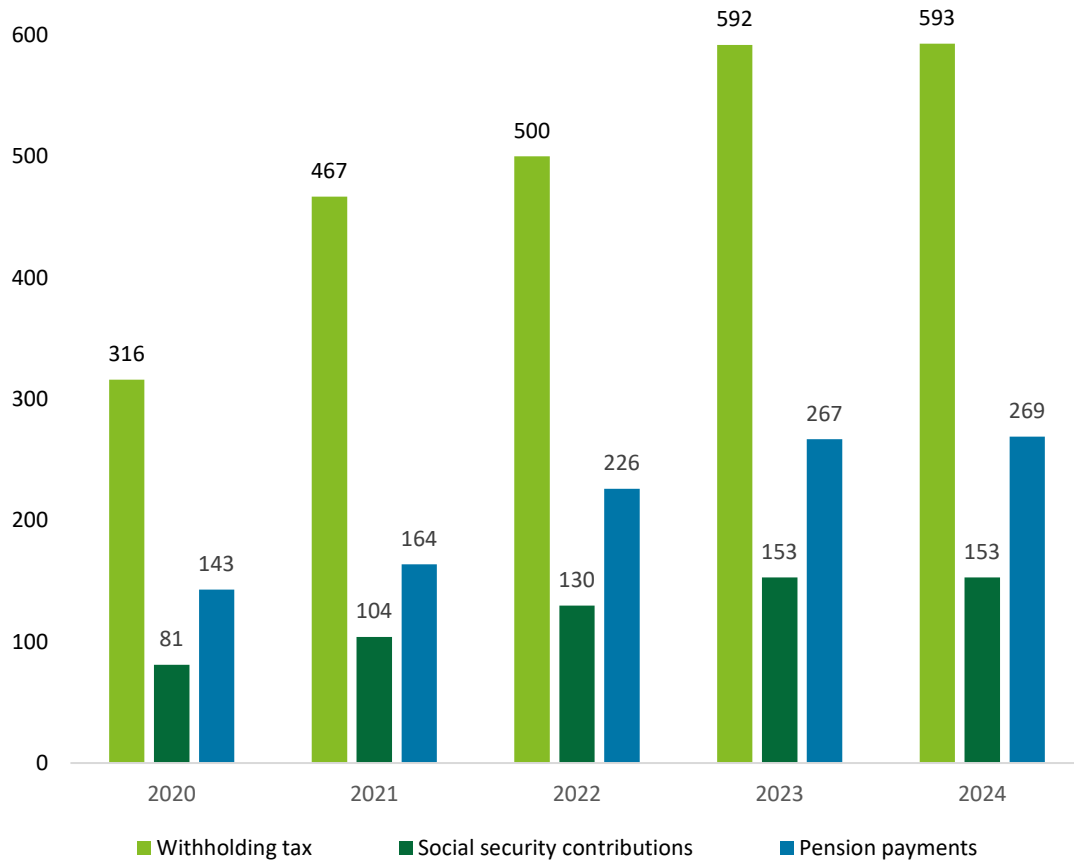
Taxes and fees to the state 2020-2024

- Arnarlax pays various taxes and fees to the state, which amounted to a total of ISK 4.3 billion in 2020-2024.
- Fees are paid to the Aquaculture Environmental Fund, which aims to minimize the environmental impact of aquaculture. They are in accordance with produced quantity.
- **The resource fee** is levied on harvested farmed fish and paid to the Aquaculture Fund. **The Aquaculture Fund provides municipalities where aquaculture is located with grants to develop infrastructure.** In 2024 ISK 437 million was allocated to 16 projects, of which ISK 246 million went to projects in the Westfjords. An example is a grant for the renovations of the school grounds of Patreksskóli in Vesturbyggð
- Corporate income tax is calculated on the profit for the year. The company has put a lot of effort into development as aquaculture operations requires large investments in the beginning and during the development period.
- Social security contributions are paid to the state and form the basis of the social security system. The contributions are divided into employment insurance contributions, contributions to the Wage Guarantee Fund and market fees.
- In addition to the aforementioned taxes and fees, Arnarlax pays various others such as import duties, oil and carbon taxes, in addition to which the state receives a portion of the withheld personal income tax. The carbon taxes are not included for 2024 as the information is not available for previous years.

Salary-related taxes and fees

- The largest part of salary-related taxes and fees is the collected withholding tax, of which a part is received by the state and part by the **municipalities**.
- In 2020-2024, **withholding tax collected amounted to ISK 2.5 billion**. That is an increase of 87% between 2020 and 2024.
- The number of employees at Arnarlax has increased steadily over the past 5 years and the company had **158 full-time equivalent employees in 2024 compared to 132 in 2020**, for comparison the population of Vesturbyggd and Talknafjordur was 1.356 of which 970 were of working age in 2024.

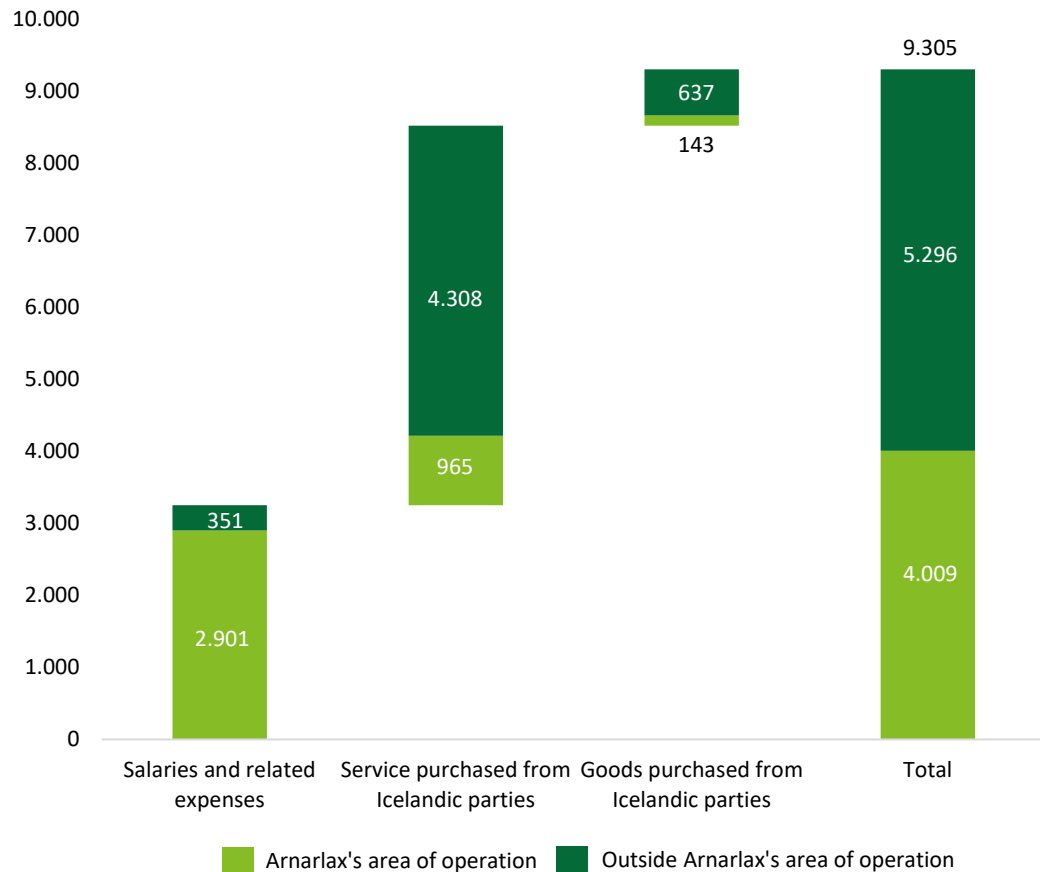
Salary-related taxes and fees 2020-2024 (million ISK)



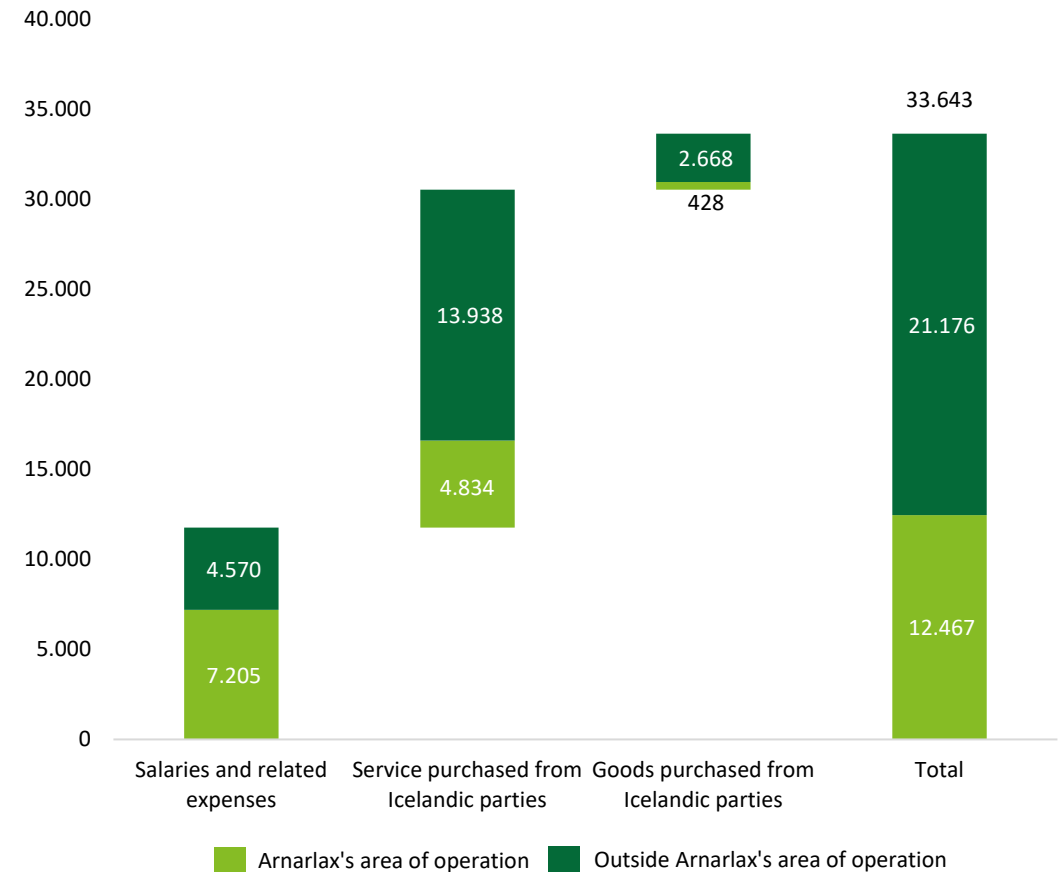
Community value creation – Domestic value creation

- Arnarlax creates value to the community in various ways, such as through salaries and related fees and payments for purchased services and goods from Icelandic parties that **are received by the community and individuals** in addition to taxes and fees paid.
- In 2020-2024, payments to Icelandic parties amounted to ISK 33.6 billion, of which **services purchased from Icelandic contractors accounted for ISK 18.8 billion**. In 2024, purchases of services amounted to ISK 5.3 billion, of which **ISK 1.1 billion was from contractors registered in Arnarlax's operating area in the Westfjords and the Southern Region**.

Value creation to the community 2024 (ISK million)



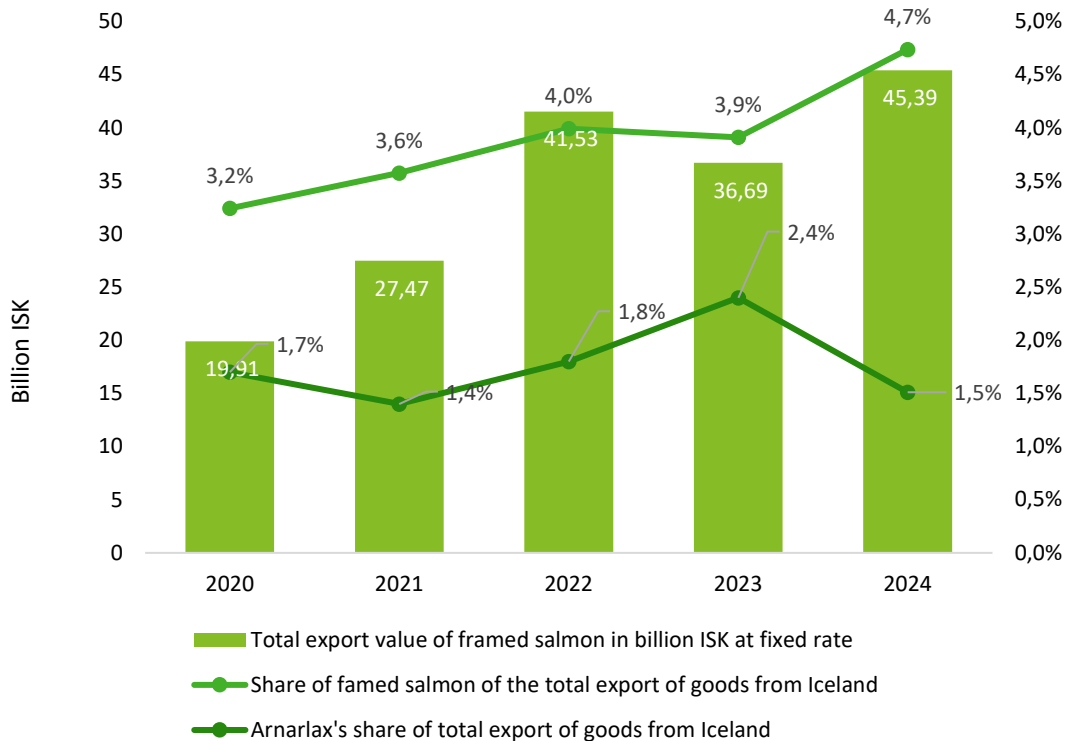
Value creation to the community 2020-2024 (ISK million)



Export value 2020-2024

- Farmed salmon's share of exports from Iceland has grown rapidly and amounted to about **4.7% of total exports of goods from Iceland in 2024.**
- The export value of farmed salmon has more than **doubled from 2020 to 2024.**
- Arnarlax's share of the export value of all products from Iceland was between **1.4% - 2.4% in 2020-2024** which originates in Bíldudalur which has a population of about 300.
- The share of farmed fish of the total export of fish products in Iceland **has been increasing from 10,4% in 2020 to 15,5% in 2024.**

Export value of farmed salmon 2020-2024



Arnarlax's Community Projects

- Arnarlax places **great emphasis on strengthening the local community** and has awarded various grants to support sports, youth, and cultural affairs over the years.
- In 2024, **approx. ISK 30 million were awarded in grants, which is a 33% increase** from 2023.
- Most of these grants were within Arnarlax's operating area. In addition to the grants, **Arnarlax is also a member of a collaborative public transport initiative between communities in the southern Westfjords.**

Arnarlax's main local community grants

- In 2024, Arnarlax signed a three-year sponsorship agreement with the Hrafna-Floki District Association.
- Arnarlax played a key role in establishing the Bildudalur E-Sports Club by purchasing computers and other equipment to support its foundation.
- Arnarlax donated new walkie-talkies to the fire department of the merged Vesturbyggd municipality.
- Arnarlax became a sponsor of the Icelandic national handball team following an agreement with the Handball Association in 2023.
- Arnarlax provides annual support to search and rescue teams within its operating area.
- Arnarlax has been a long-time supporter of the Vestri basketball department.
- Arnarlax has supported the Aegir football club in Thorlakshofn for many years.
- Arnarlax has been a sponsor of the men's championship team in Thor Thorlakshofn for many years.



Certifications

- In the past years, Arnarlax has achieved **various quality and sustainability certifications**.
- The company received **an AA+ rating from BRCGS in 2024 for food safety** as well as a sustainability certification from ASC. The company has also been equal pay certified since 2021.
- Arnarlax has also received various business related awards, as well as being recognized as **the Strongest in Iceland** in the group of outstanding companies by CreditInfo.

ASC Certification

All production within Arnarlax was ASC certified in 2024. This is an important step for Arnarlax and its sustainability profile. The ASC certification standard has been developed by, among others, the World Wildlife Fund (WWF), but in order to be certified, companies must, among other things, minimize their environmental impact and work in harmony with the community and the company's employees.

Companies that pass the ASC certification commit to minimizing the impact on the environment in a number of ways. Consideration must be given to wild salmon stocks, birds, marine mammals and other organisms that live in the vicinity of the farming areas, to name a few.



BRCGS AA+ Certification

Arnarlax is committed to food safety. Arnarlax's harvest plant is BRCGS certified, which ensures customers excellent salmon without worrying about food safety.

Arnarlax received the BRCGS certificate in 2021 and in 2024 the overall rating was AA+ after the first unannounced BRCGS audit. Companies that receive an unannounced BRCGS audit are facing a challenge at the highest level. An audit can be carried out at any time or after a certain date, so everyone must be prepared without notice.

Arnarlax's AA+ rating is a testament to the hard work and dedication of the employees, who strive to achieve outstanding results every single day.



Excellent in Iceland

In 2024, Arnarlax achieved a certificate as an "Excellent in Iceland" from Viðskiptablaðið and Keldur. The company first achieved this certification in 2023.

With this certification, Arnarlax places itself as role model company in Iceland. The exclusive list of role model companies is an acknowledgement of excellent business performance.

In 2024, only 2.9% of Icelandic companies were awarded the certification. To qualify, companies of various sizes, categorized as large, medium and small, must meet strong criteria related to profit, equity ratio, revenues and assets. To achieve the designation of "Excellent", the criteria must be met for the operational years 2021, 2022 and 2023.



Strongest in Iceland

In 2024, Arnarlax was recognized as being the "Strongest in Iceland" from CreditInfo, based on financial strength and stability.

In 2024, only 2% of Icelandic companies met the criteria for this certification. To qualify, businesses must meet strict criteria, including having CreditInfo's highest credit rating.

Also, annual financial statements must be submitted within the stipulated time frame and companies must meet minimum financial requirements, including a sound capital structure, healthy revenues and a positive annual result.



Equal Pay Certification

Arnarlax retained its equal pay certification in 2024, but the company originally received the certificate in 2021. The current certificate is valid until January 2028.

The main objective of obtaining equal pay certification is to address the gender pay gap and maintain gender equality within the workforce. By implementing the equal pay certification process, companies and organizations can establish a management system that ensures that procedures and decisions are based on objective considerations, without any gender-based discrimination. The equal pay standard ÍST 85:2012 is available from the Icelandic Standards Council and is used as a reference for companies seeking this certification.





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