



Iceland's World-Class Fishing Industry

September 2025



Iceland's economic history is interwoven with the fishing industry

Settlement

Access to the sea and the ability to fish played a major role in where the first settlers chose to establish their homes, and the earliest accounts of Norse fishing in Iceland come from the *Book of Settlements*.

Decked vessels

Marked the beginning of monetary trade in Iceland, leading to the emergence of new industries such as insurance. Foreign currency began flowing into the country instead of being held in Denmark.

World War II

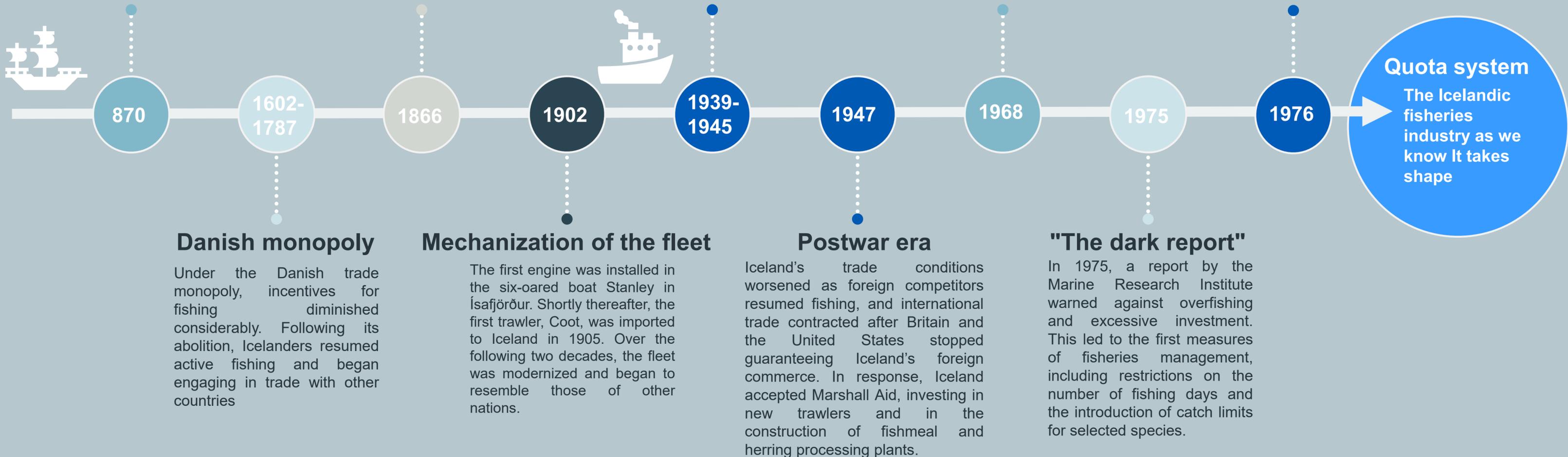
New markets emerged, including trade with Britain, and profits in the industry grew substantially. Investment in infrastructure increased, and the fishing fleet was modernized.

Herring collapse

The profitability of Icelandic fishing companies declined sharply, leading to a deep economic crisis in the aftermath.

The Cod Wars

In the aftermath of the 'Black Report,' the Third Cod War took place, through which Iceland successfully extended its exclusive fishing zone to 200 nautical miles.



Economic growth and the sea

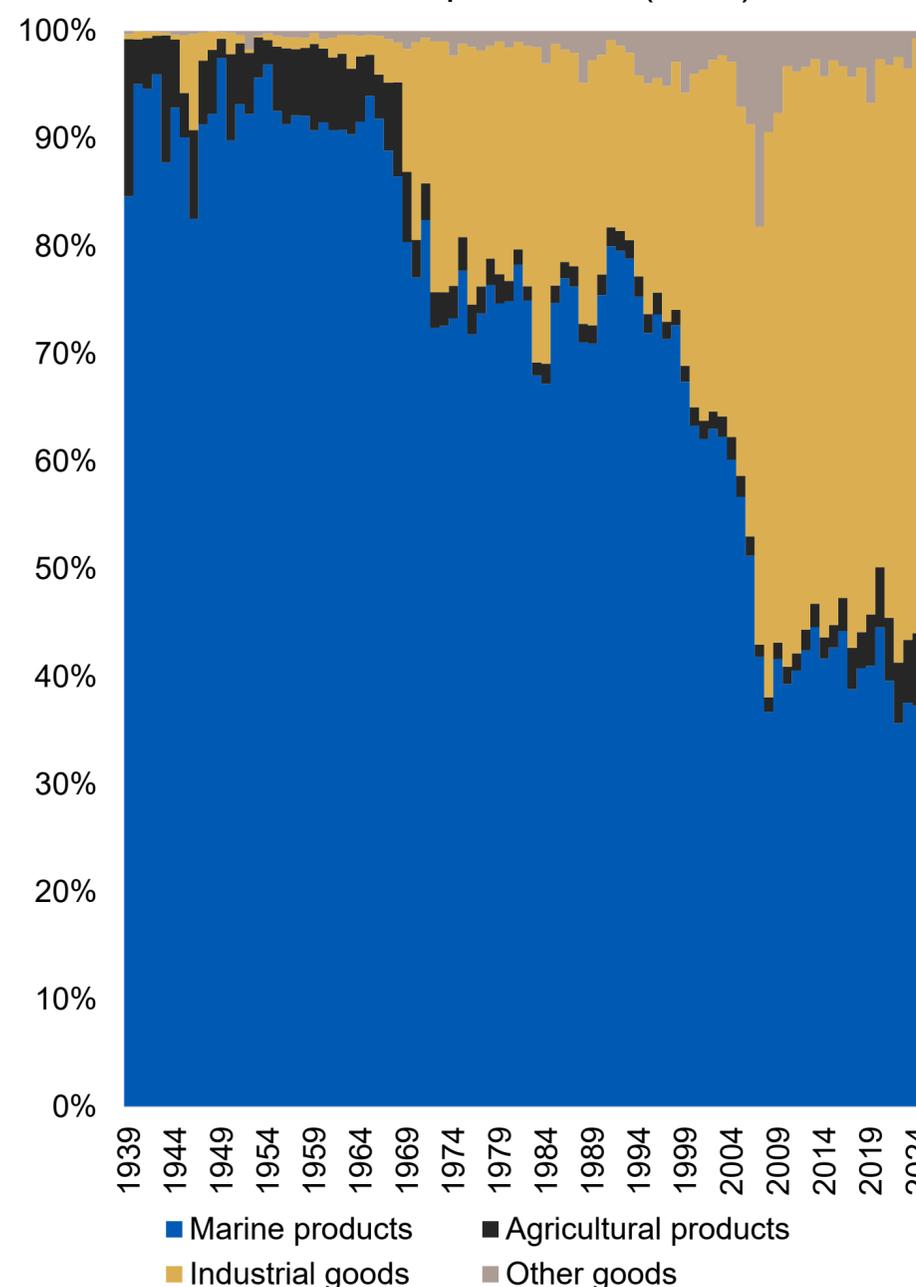
The Icelandic economy and its value creation have long been heavily dependent on foreign trade. In the early decades, Iceland's external trade was based primarily on the export of marine products, which accounted for over 90% of merchandise exports well into the 1960s. It is therefore natural that fluctuations in the export of marine products and in terms of trade explained the majority of Iceland's business cycle movements throughout the 20th century.

This link was likely reinforced by the frequent devaluations of the Icelandic króna, undertaken to improve the nation's deteriorating competitiveness and to respond to difficulties in export sectors—especially the fisheries.

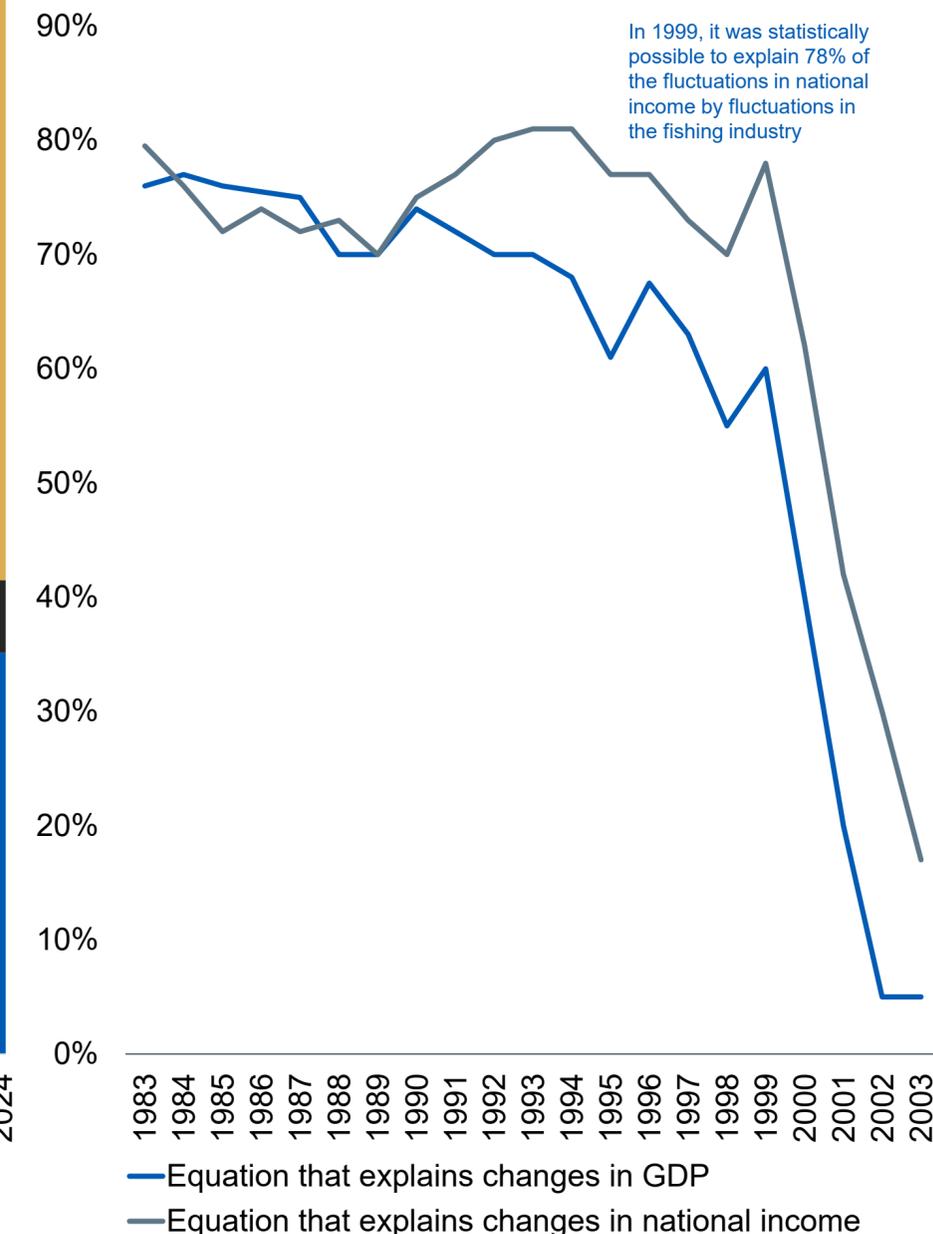
Although other industries have since emerged and strengthened the foundations of the national economy, fisheries remain vitally important. The sector is Iceland's second-largest export industry, employs around 4% of the labor force, and contributed 6.0% to GDP in 2024 (including aquaculture). It is therefore no exaggeration to say that the economic history of Iceland is deeply intertwined with the sea.

Relative distribution of goods exports

- based on export value (FOB)



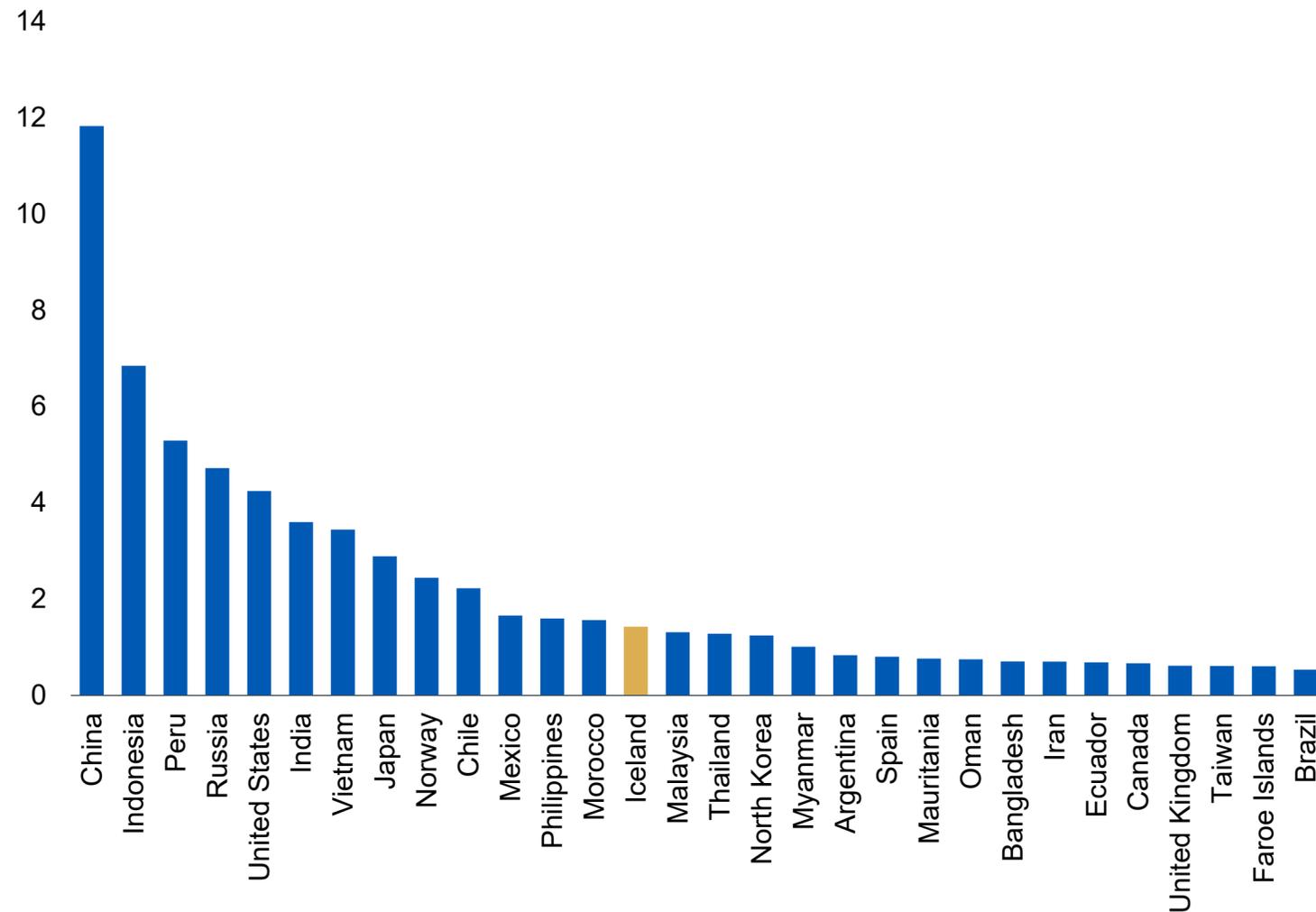
The explanatory power of changes in seafood exports and the fishing industry's terms of trade for economic growth



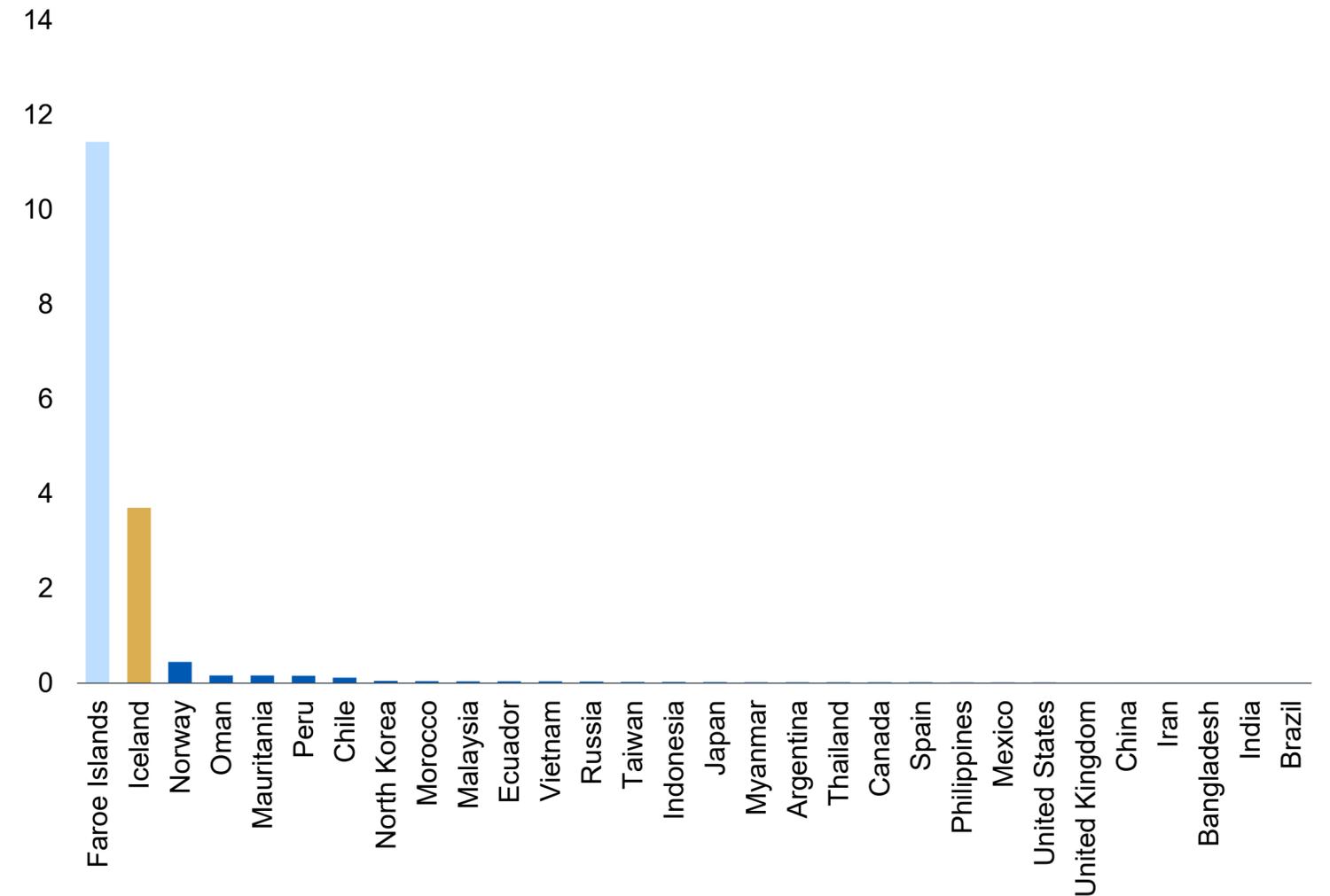
Iceland is a fishing nation

Iceland ranks among the world's largest fishing nations, with only 13 countries landing a greater catch. The catch per capita in Iceland is about seven times higher than in Norway.

Catch of the 30 most productive fishing nations 2022
- tons (millions)



Catch of the 30 most productive fishing nations
- tons per capita



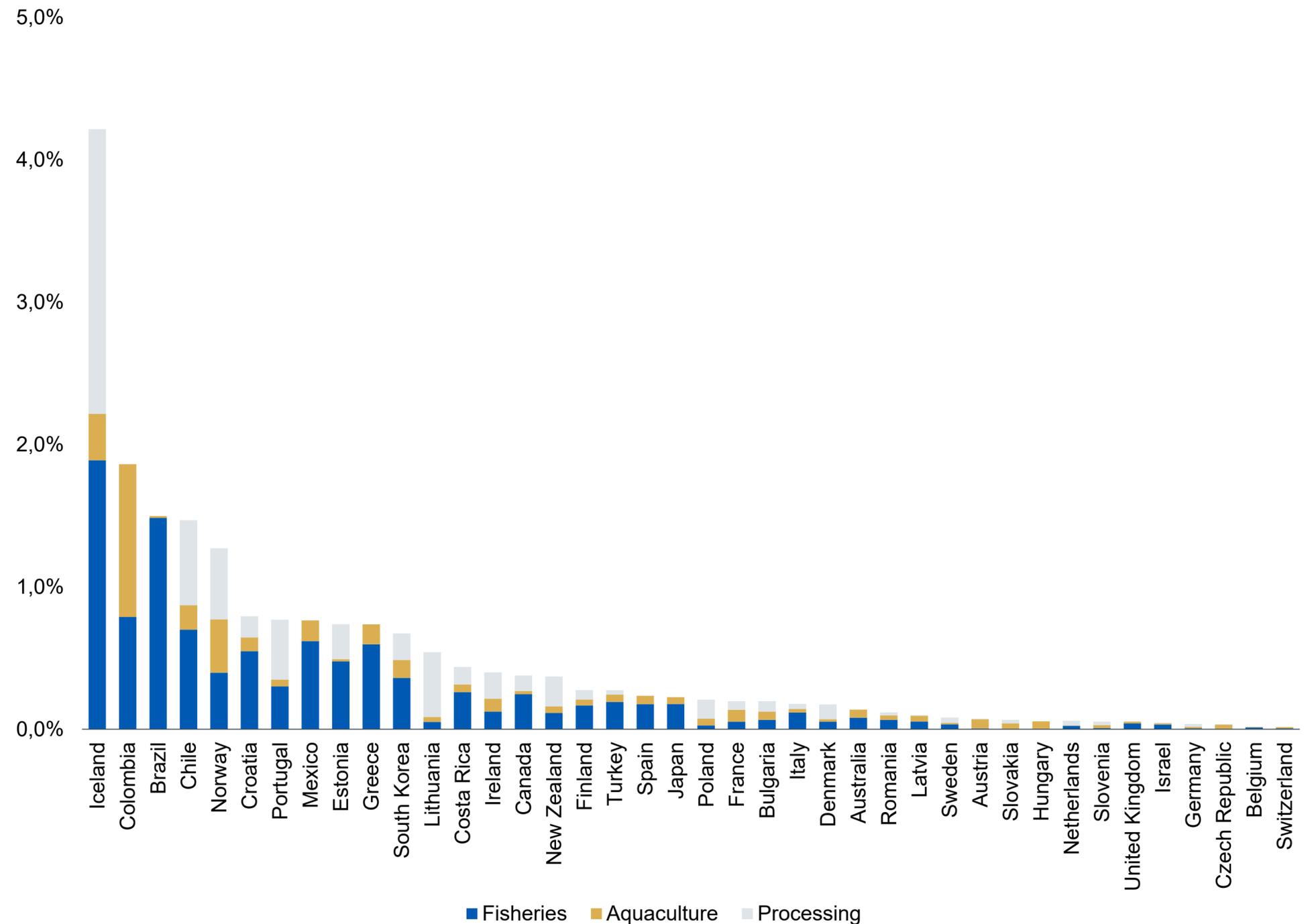
A large catch calls for many hands

Iceland's economy is small and relatively specialized, yet with a substantial catch — meaning that no other OECD country has such a high share of its labor force employed in the fisheries sector.

Around 4% of Iceland's workforce is employed in fishing, processing, and aquaculture. In addition, many people work in research and administration, including employees of the Marine and Freshwater Research Institute, the Directorate of Fisheries, the Food and Veterinary Authority, the Coast Guard, and the Ministry of Food, Agriculture and Fisheries.

Moreover, this does not include people who provide valuable services to the industry, where innovation has taken off in recent years.

Share of the labour force in fishing and aquaculture in the OECD



Sources: OECD, Statistics Iceland, Arion Research

*Here, data on processing-sector employment are sourced from **Statistics Iceland (the PAYE register)** and are therefore **not fully comparable** with the OECD data. The figures for **Hungary** are from **2015**.



Three pillars – one foundation

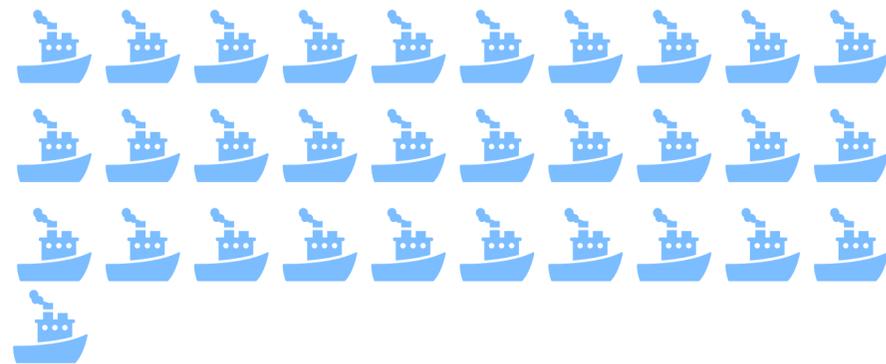
Fishing, processing and aquaculture



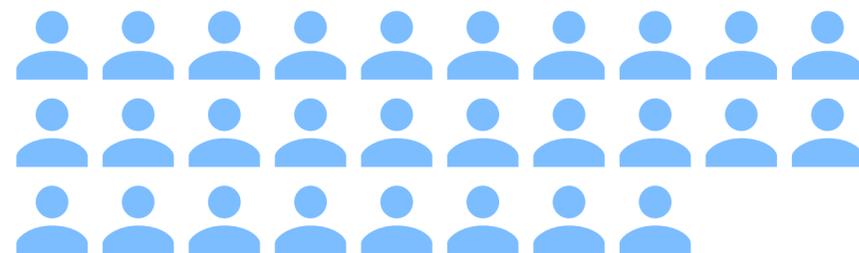
Three different but connected industries

Fisheries

3.1% of GDP

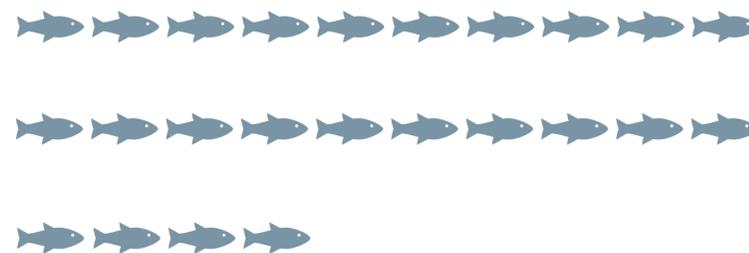


2,800 employees

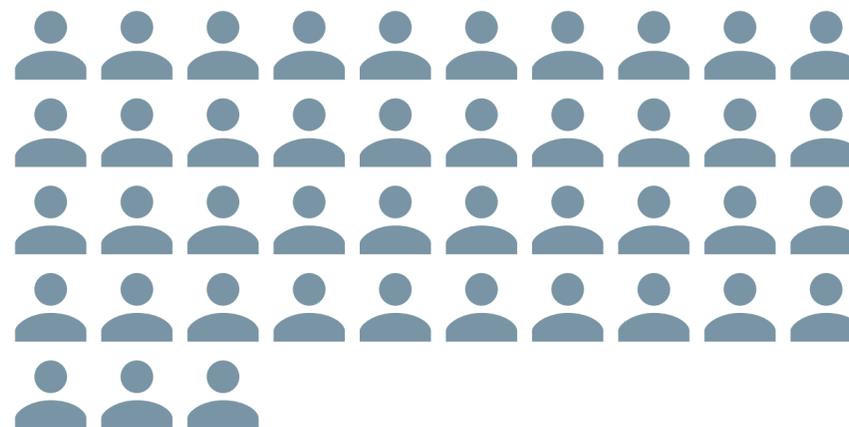


Processing

2.4% of GDP



4,300 employees



Aquaculture

0.5% of GDP



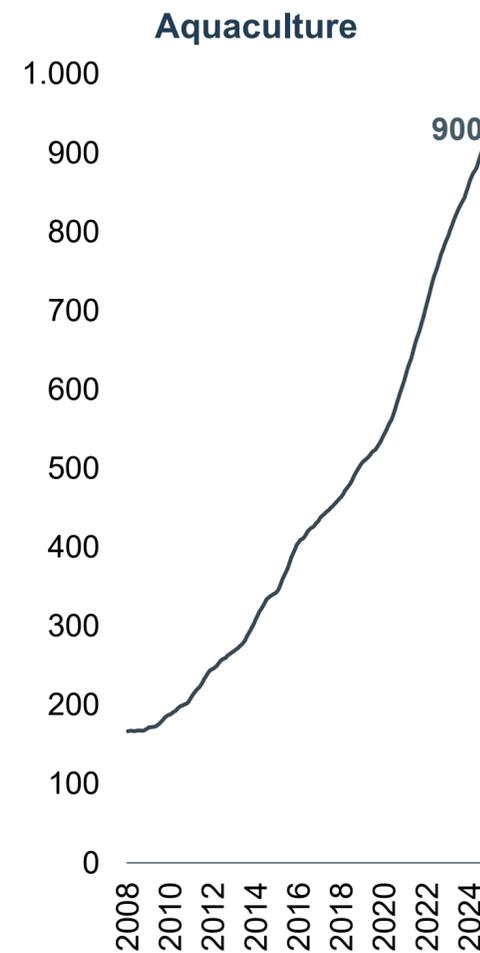
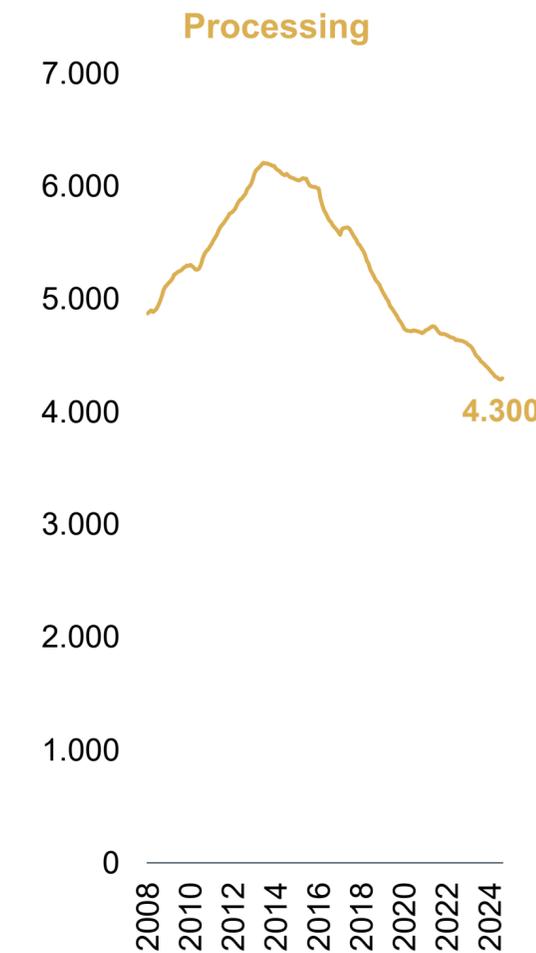
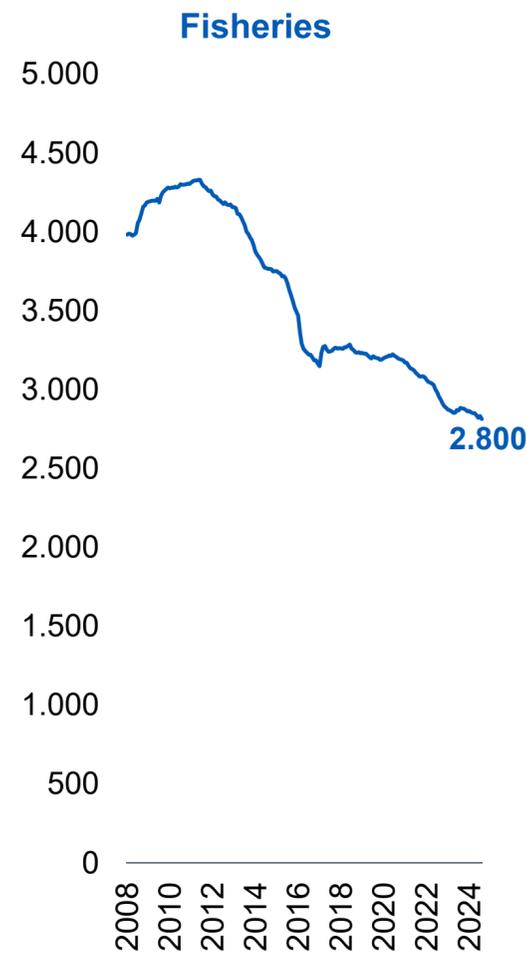
900 employees



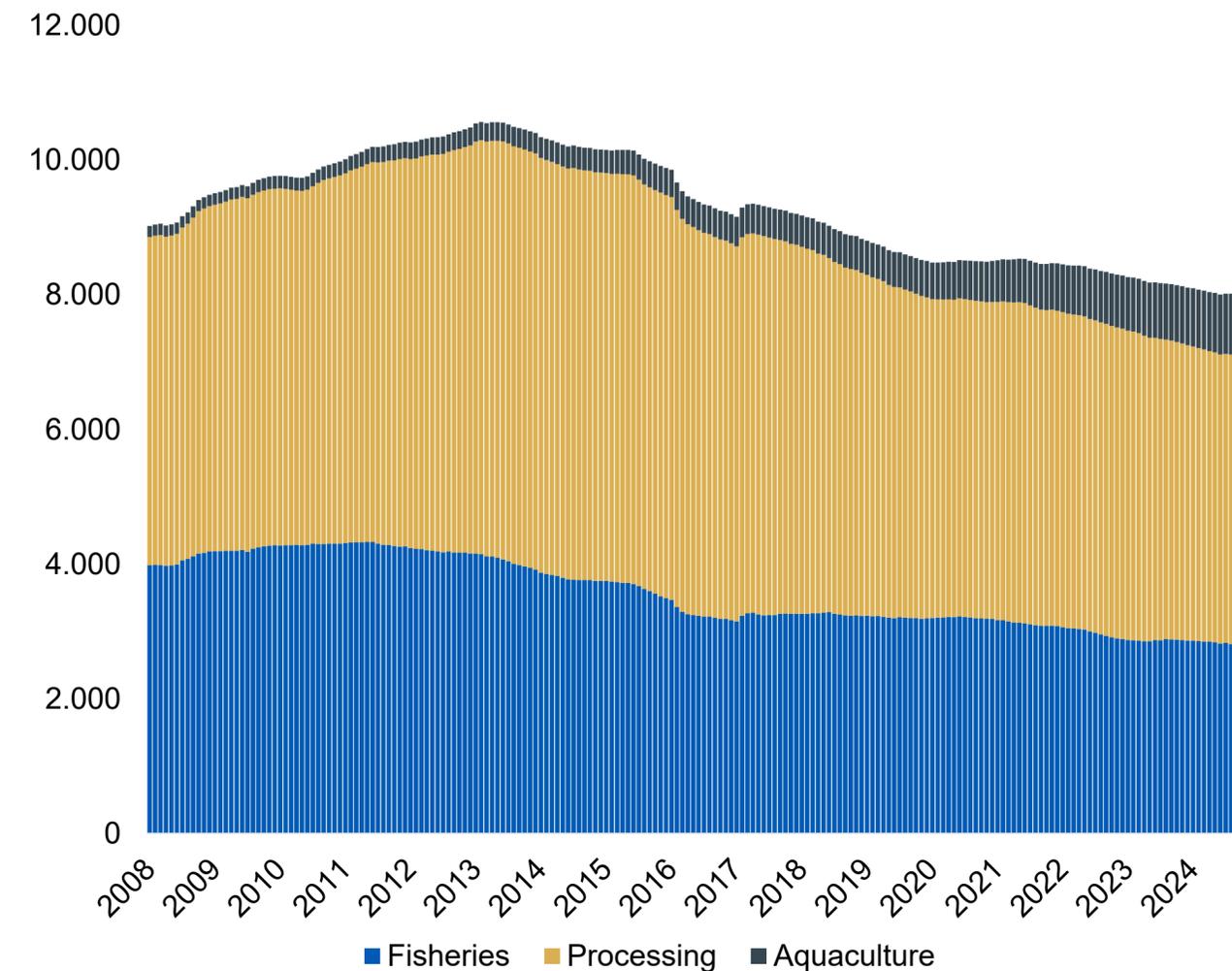
Three different but connected industries

Employment in fishing and processing has declined by around 15% since 2014, in line with increased efficiency, while employment in aquaculture has been rising rapidly. In total, approximately 8,000 people work across these three sectors.

Number of employees
- 12-month moving average

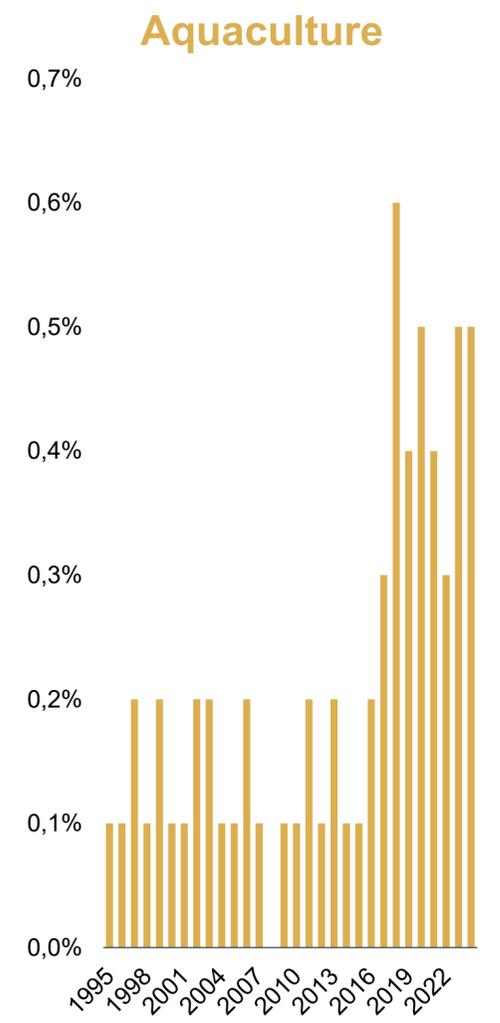
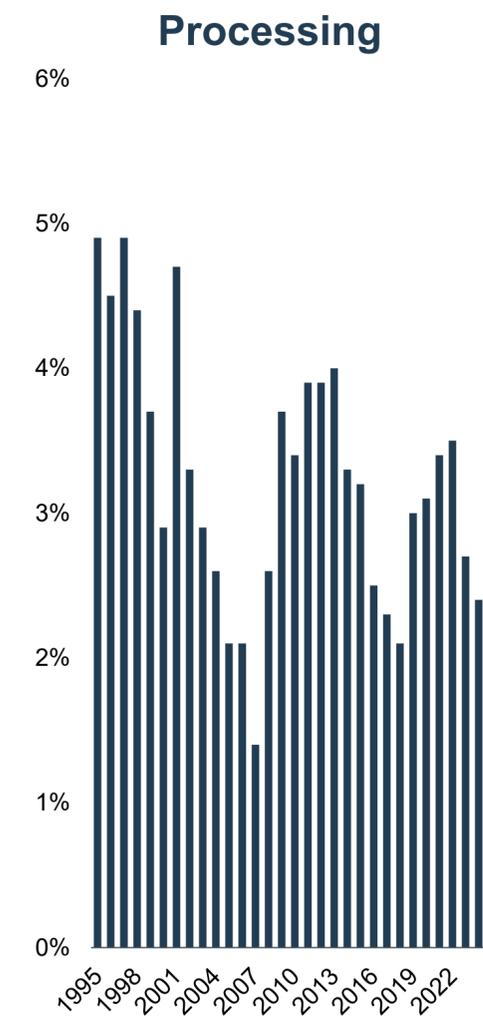
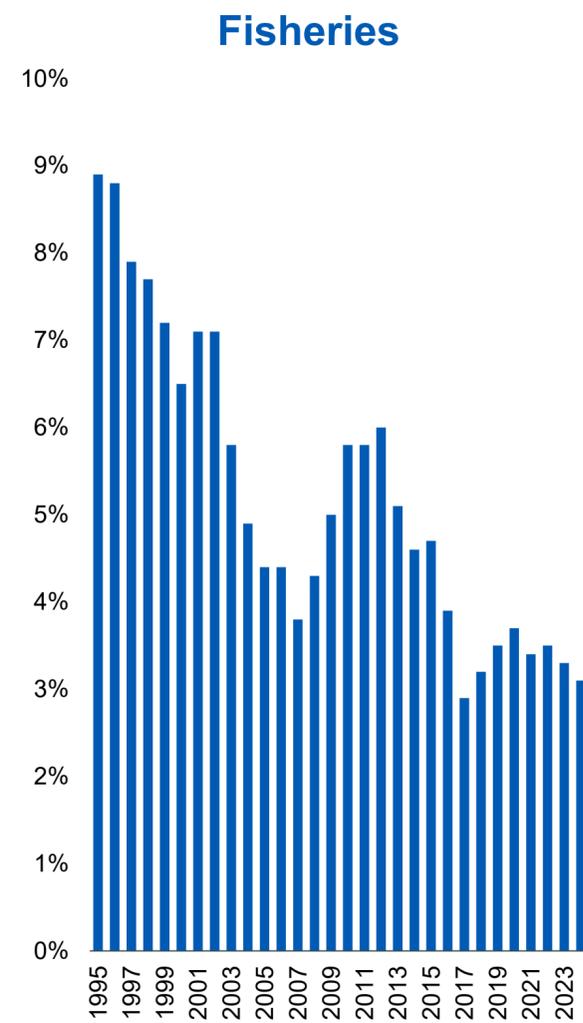
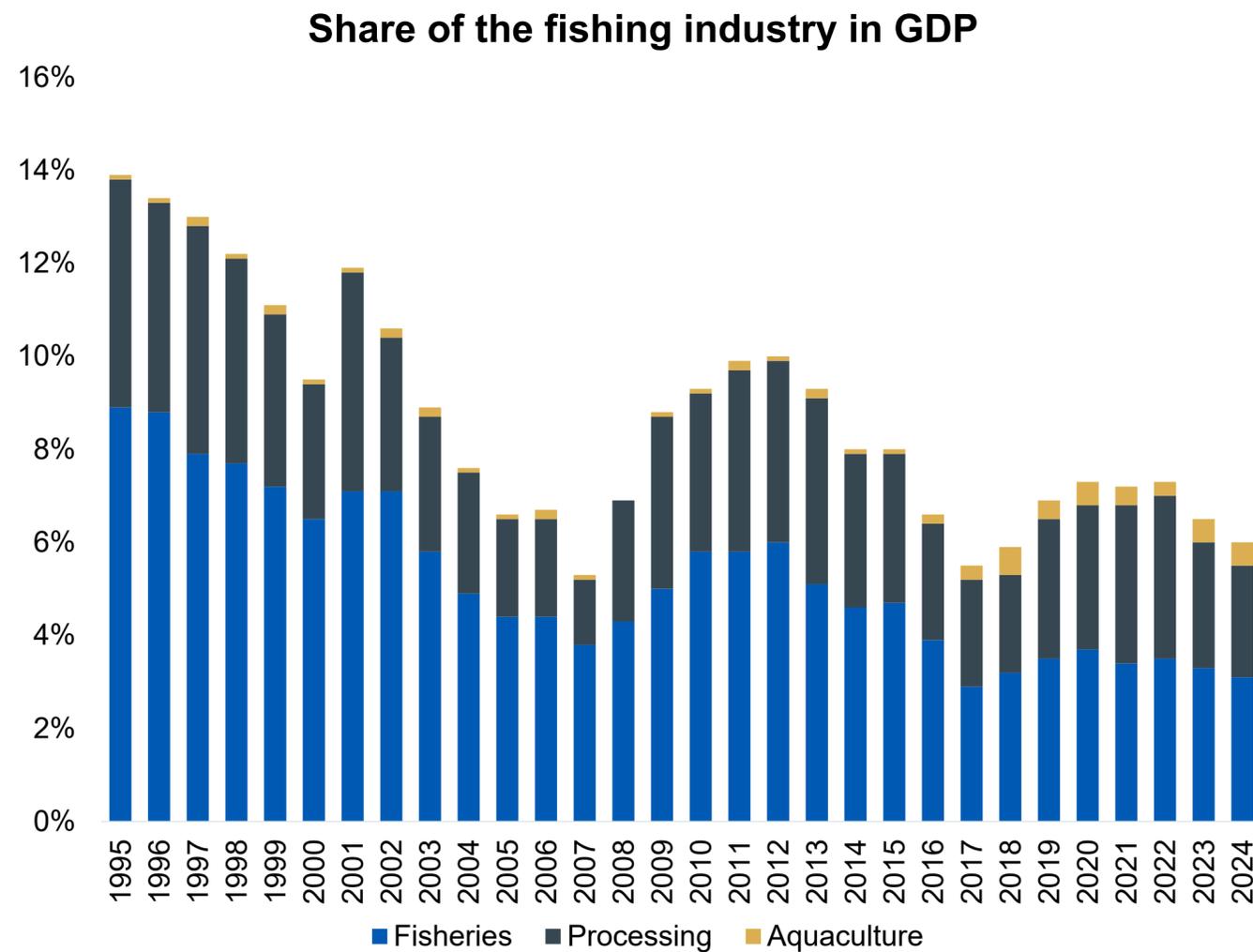


Number of employees
- 12-month moving average



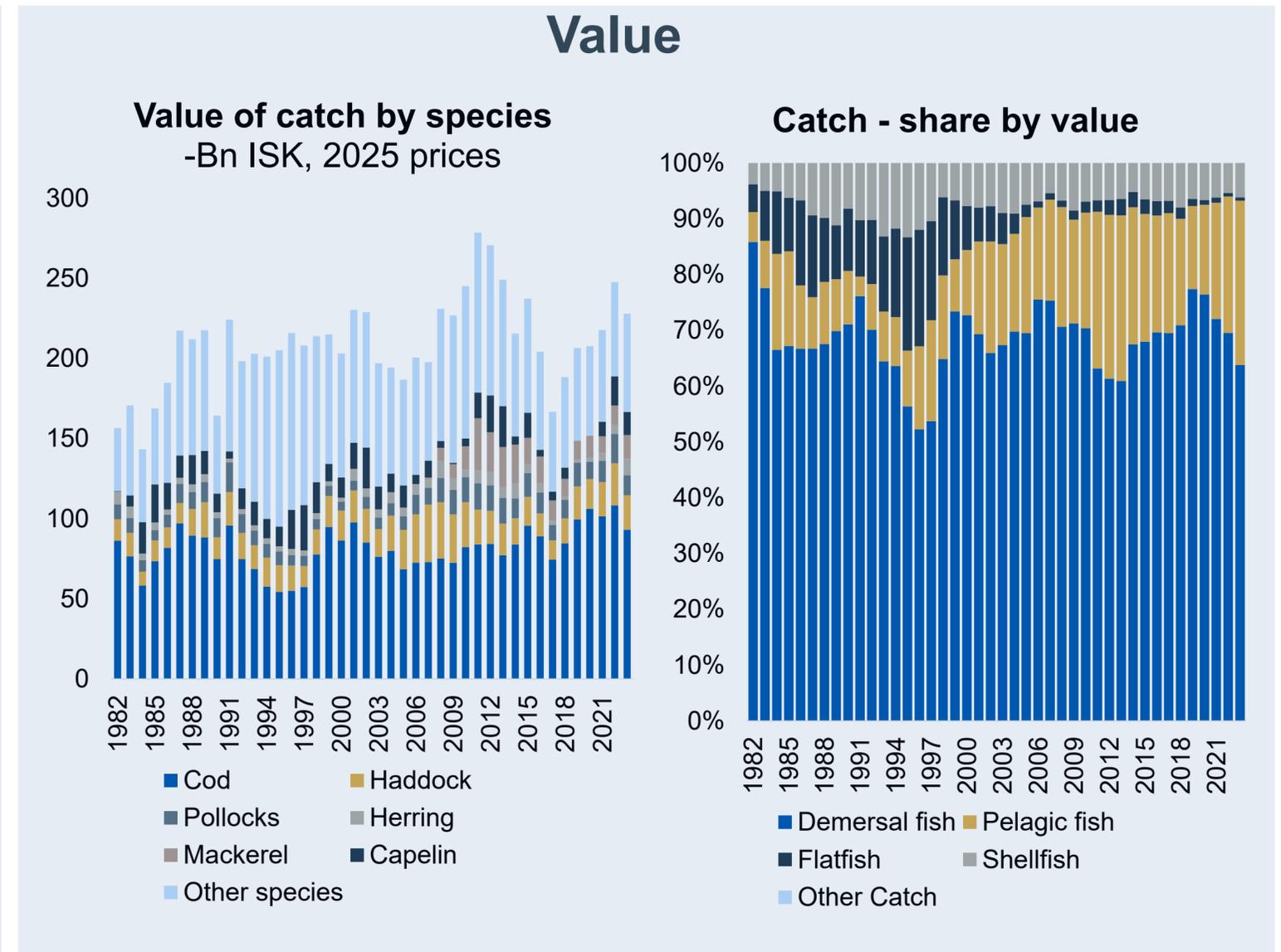
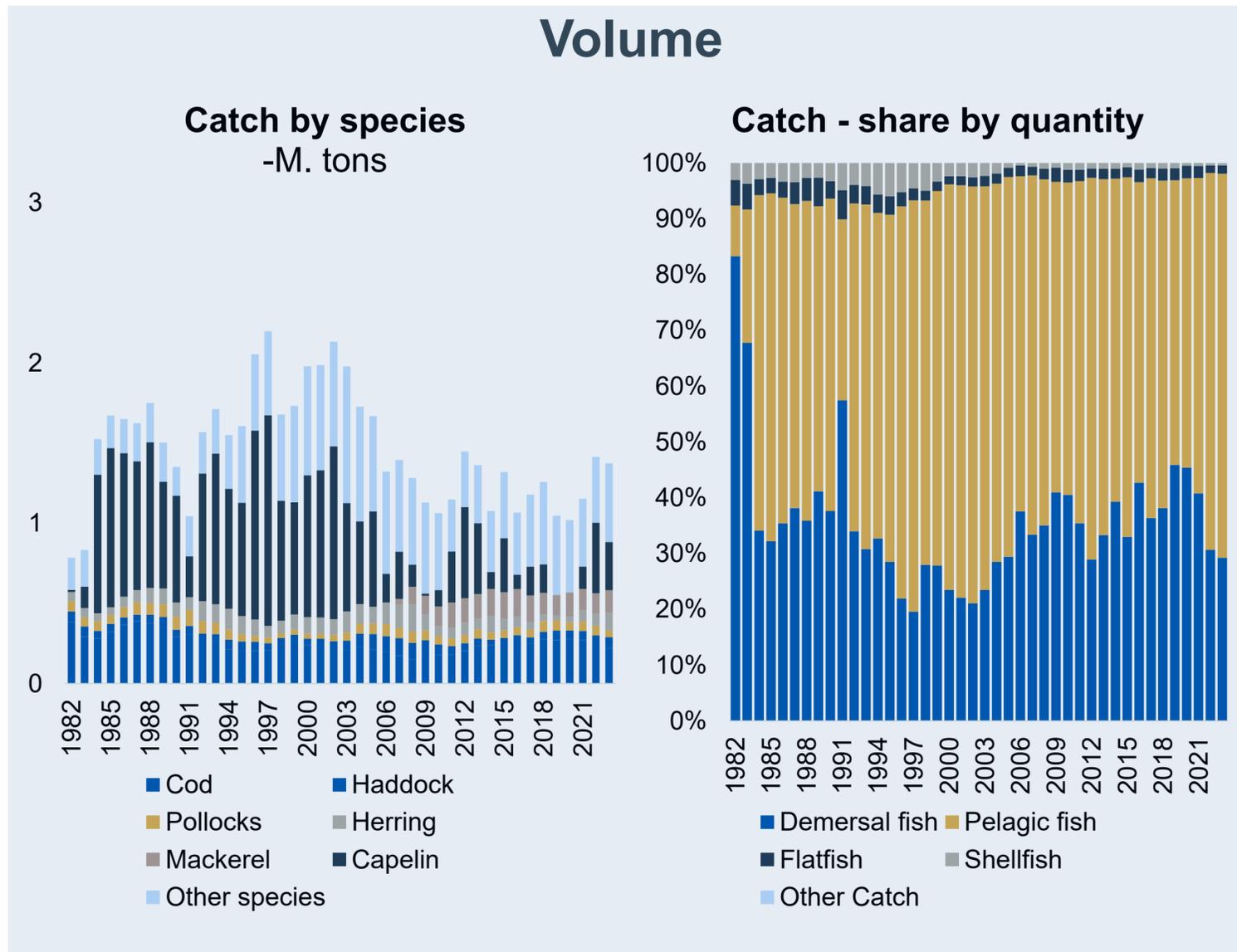
Direct contribution of fisheries: 6% of GDP

The share from fishing and processing has decreased as the Icelandic economy has expanded, new industries have emerged, and value creation has become more diversified.



Cod — by far the most important species

Demersal fish accounted for 37% of the total catch (by volume) in 2019–2023 — of which cod made up 21% — but 72% of the total catch value (with cod representing 26%). Pelagic species, on the other hand, made up 60% of the volume but only 21% of the value.



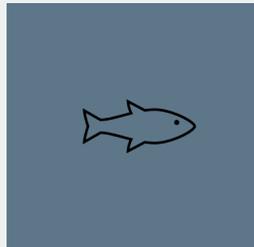
Into the modern era

The fisheries management system that laid the foundation for today



The Quota System – a world-class fisheries management framework

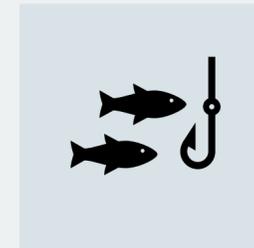
Icelandic fisheries are based on annual catch limits determined on a scientific basis, where permanent and transferable quota shares guarantee each participant a fixed proportion of the total allowable catch.



Aligns incentives with the size and health of fish stocks: Fishing rights become more valuable when sustainability and the long-term value of fish stocks are taken into account. In this way, the interests of fishing companies are linked to the future value of the stocks, reducing the risk of overfishing.



More stable landings create a stronger basis for fish processing: Market forces ensure that fishing takes place when fish quality is highest and prices are most favorable. As a result, fishing seasons tend to become longer and more evenly distributed throughout the year, supported by steadier supply and the processing sector's capacity. The quota system therefore also enhances efficiency within fish processing.



Prevents the race to fish: With permanent fishing quotas, vessels no longer need to compete to catch as much as possible, allowing greater flexibility for efficient operations. Ships, labor, fuel, and other production factors are utilized more effectively. This reduces incentives for overinvestment and makes fishing more environmentally sustainable.



Transferability encourages efficiency: This allows quota holders to maximize the value of their quotas. Participants who operate less efficiently can withdraw from the industry by selling or leasing their fishing rights. Economies of scale often lead to quota holdings becoming concentrated in fewer hands — a development that brings both advantages and disadvantages.



Not always smooth sailing

Although the quota system has delivered substantial benefits and improved the utilization of fish stocks, it has been highly controversial since its inception. Some stakeholders have been disadvantaged under the new system, and it remains a subject of considerable debate even 40 years later.

Initial allocation

Initially, fishing quotas were allocated free of charge, with each party's share based on historical catch records. The value of quotas has since increased significantly, and some who received quotas—or purchased them early on—have made substantial profits.

Distribution of the “resource rent”

The marine resource is considered a national asset, and its value has only grown since the quota system was introduced. However, opinions remain divided as to the extent to which the nation as a whole has benefited from the fisheries sector.

Consolidation

The development of a quota market has led to fishing rights and wealth becoming concentrated in fewer hands. In many cases, quotas have been sold from family-owned companies to larger operators. This has resulted in the loss of quotas from smaller communities, affecting their local economies.

New entrants

Higher quota prices increase barriers to entry, requiring newcomers to have greater access to capital and stronger financial backing.

Labor market effects

Fewer and larger companies can reduce the overall demand for labor and shift jobs between regions. People who once depended on fishing for their livelihood have had to seek work elsewhere. While quota owners receive payment for their fishing rights, employees and other stakeholders do not share in that compensation.

Discarding

The quota system—like all systems based on total catch limitations—can create incentives to discard smaller or lower-quality fish in order to catch more valuable species. Effective monitoring is essential to prevent discarding, though it can be difficult to enforce.

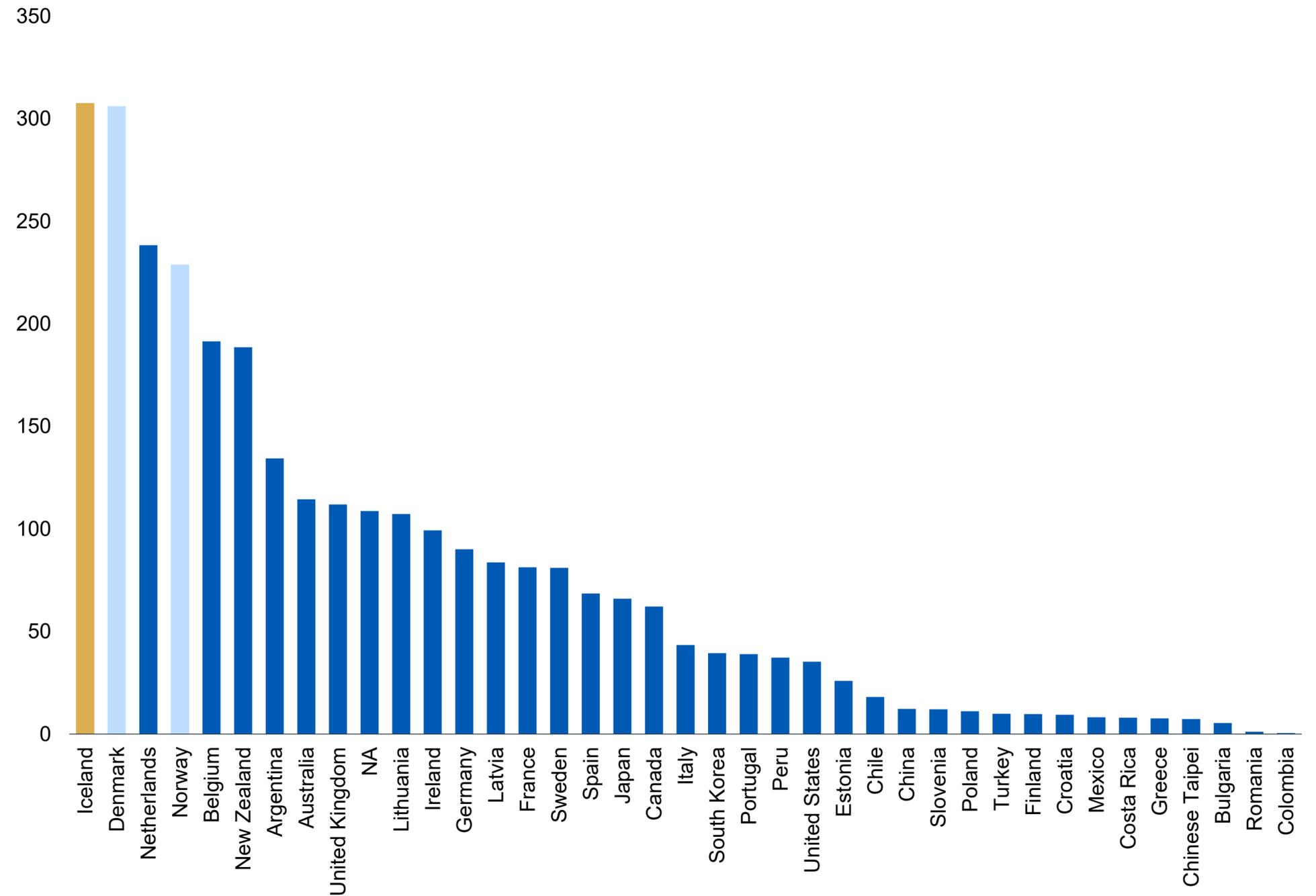


The success of the quota system

1) Highest catch per employee

The value of fish landed in Iceland amounts to over USD 300,000 per employee in fishing companies — more than one third higher than in Norway, a country we often compare ourselves to.

Catch per employee in fisheries in the OECD
- thousands USD



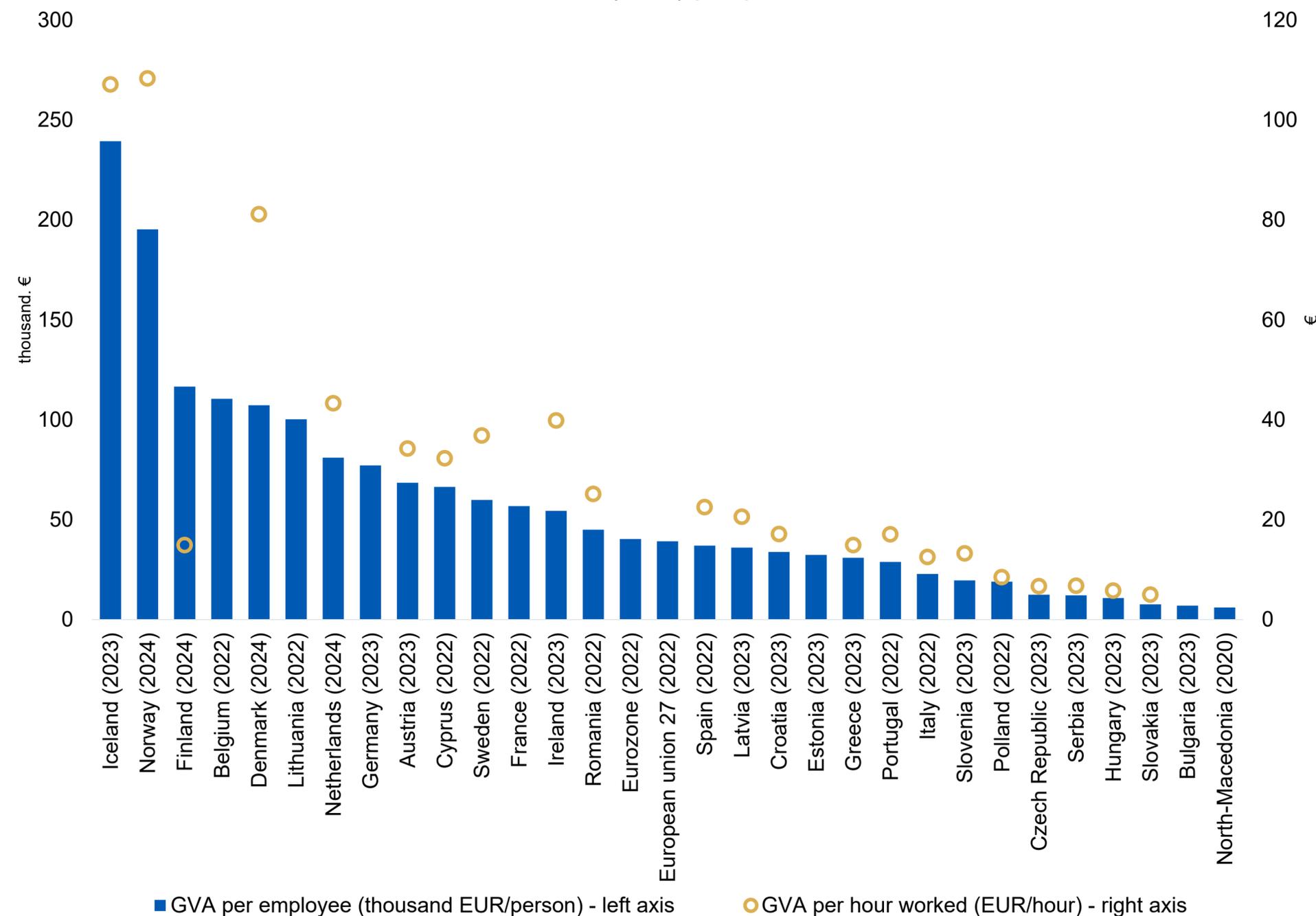
The success of the quota system

2) Unmatched productivity in the fisheries sector

Value added measures an industry's contribution to GDP. It is calculated as operating revenue minus the cost of inputs and therefore reflects the value created within companies in the given sector.

In Icelandic fisheries, the average value added amounts to around EUR 240,000 per employee — higher than in any other country. This high productivity does not result from overexploiting the resource; rather, catches are limited to maximize the long-term value of the fish stocks.

Productivity of the fishing industry in Europe*
- Gross Value Added (GVA) per person/hour worked



The success of the quota system

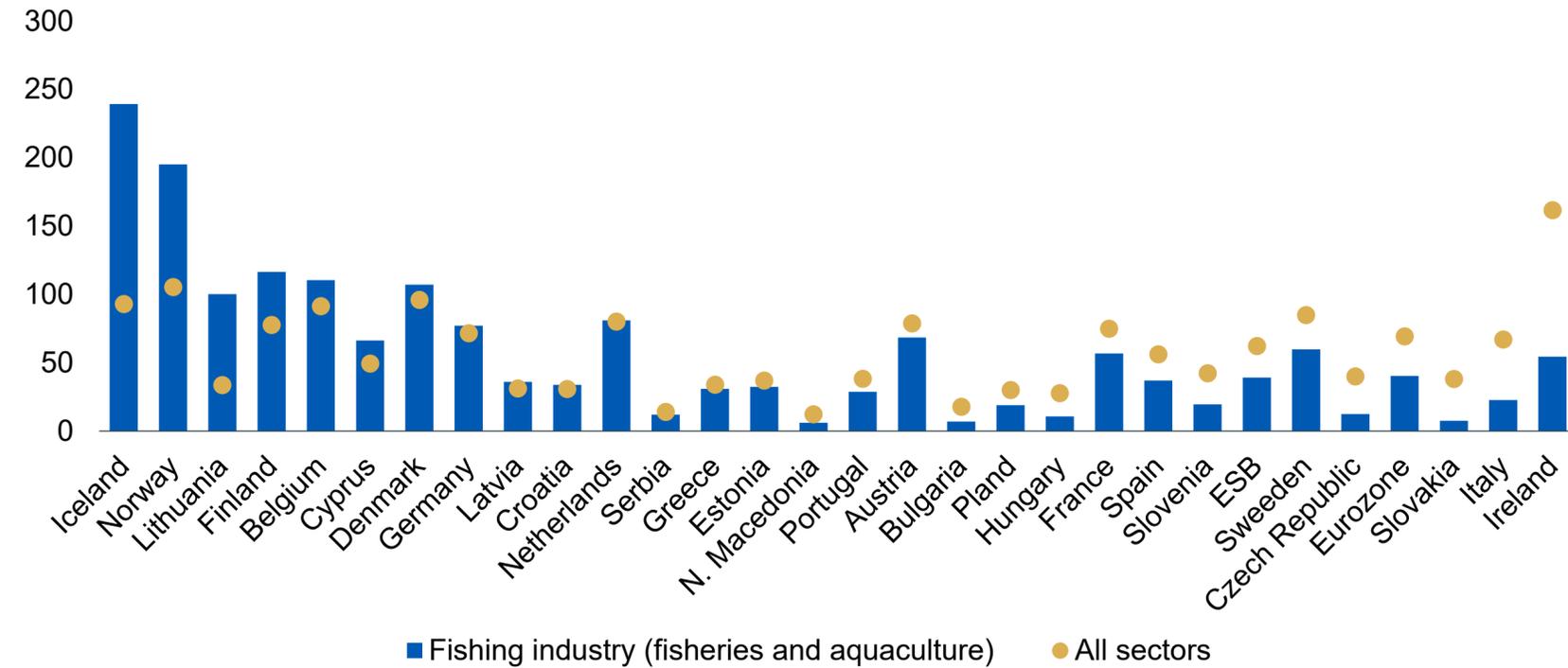
2) Unmatched productivity in the fisheries sector (cont.)

Iceland generally exhibits high productivity across all industries. Does that explain the fisheries sector's performance?

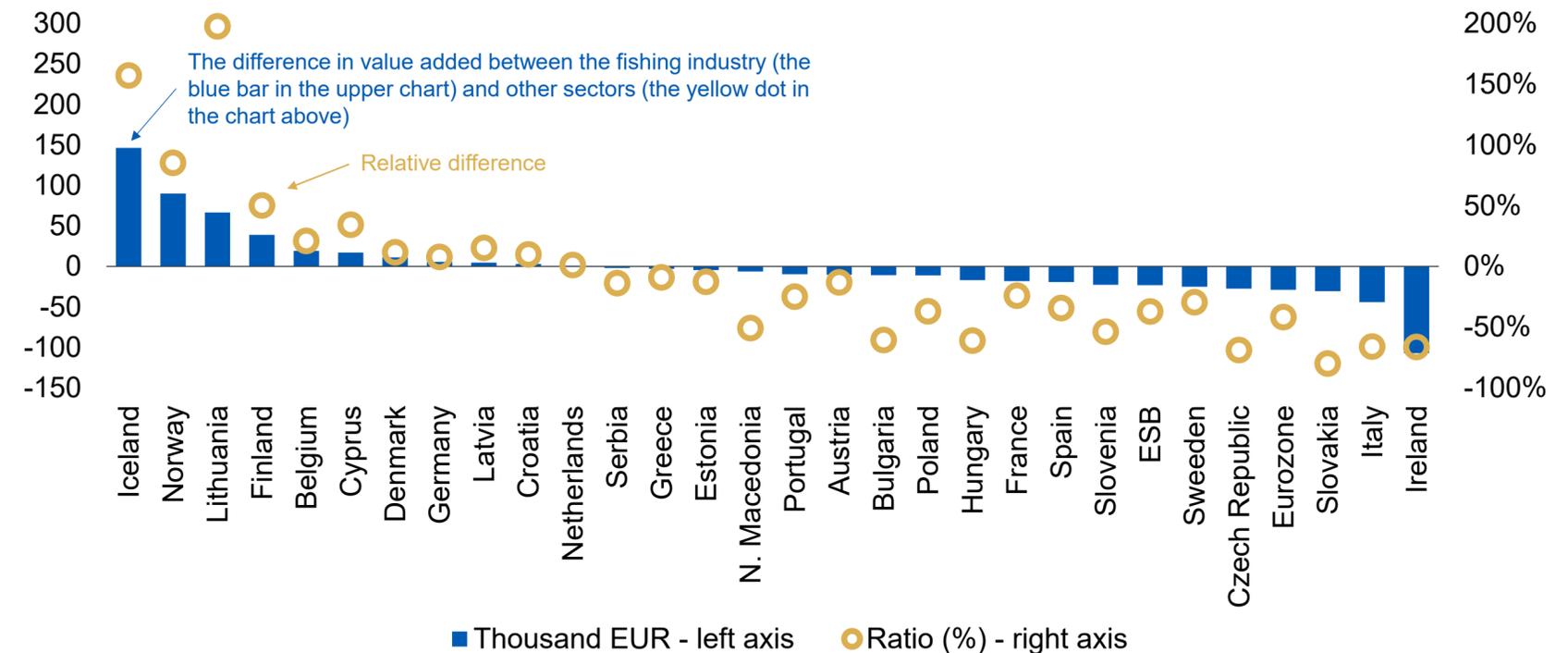
That does not appear to be the case. Productivity in fisheries is not only the highest in Iceland but also shows a greater gap relative to other sectors than is typical in most countries.

The high productivity in Icelandic fisheries therefore seems to be driven largely by factors other than the overall labor productivity of the Icelandic economy.

Value added per person in the fishing industry and other sectors*
- thousand EUR



Value added per person in the fishing industry compared to other sectors



Sources: Eurostat, Arion Research.

*Fishing and aquaculture. The reference year varies depending on data availability, but in all cases falls between 2022 and 2024, except for North Macedonia (2020). The year used is 2023 for Iceland and 2024 for Norway.



The success of the quota system

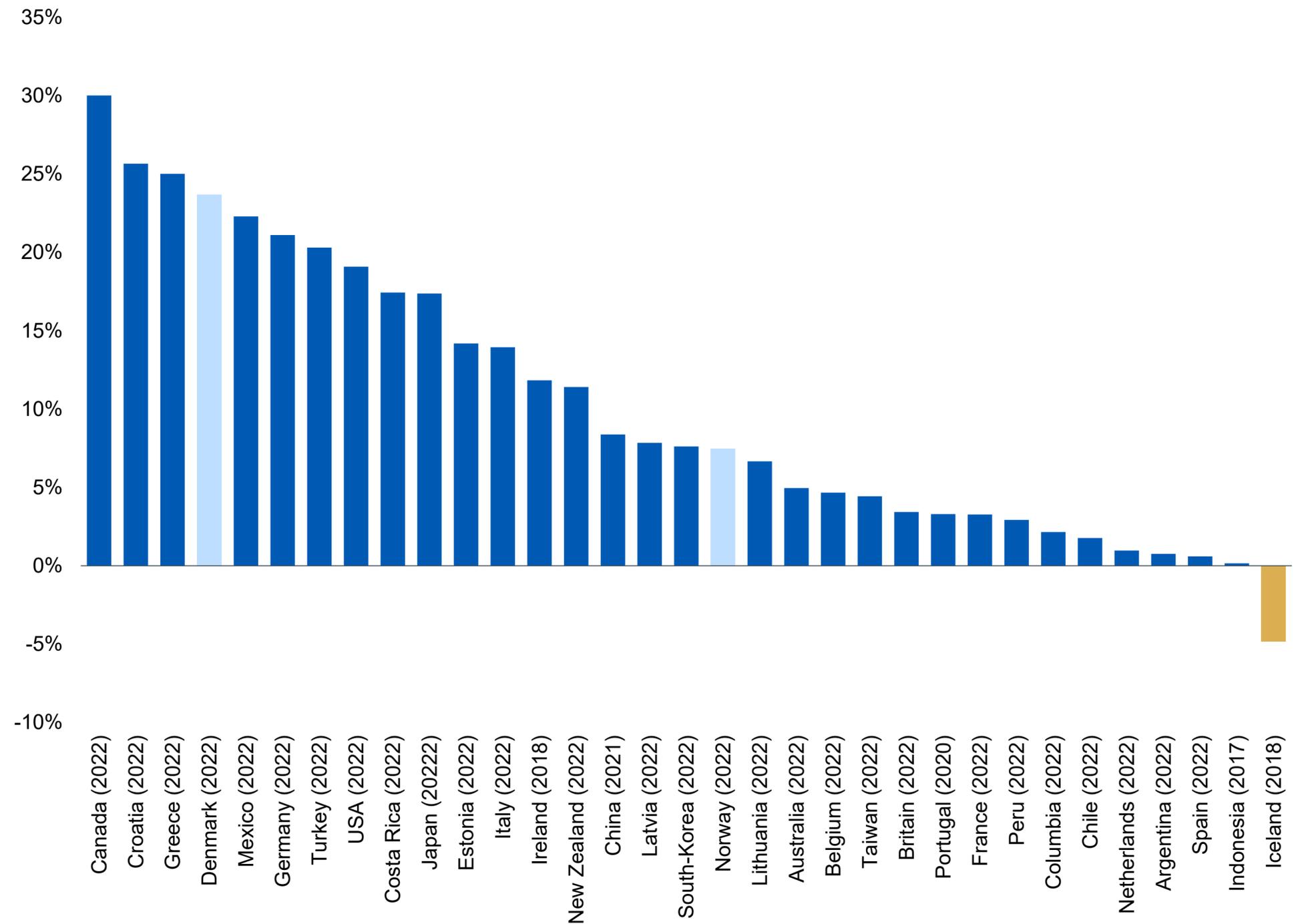
3) A globally competitive fisheries sector — despite subsidized competition

While most nations provide some form of support to their fisheries sector, the level of support in Iceland is *negative*. In other words, the fisheries industry here makes a net positive contribution to the national economy.

It should be noted that fisheries management systems differ between countries, and statistical comparisons of this kind are not necessarily perfectly comparable. The overall picture, however, is clear.

In the OECD's summary, support is categorized into direct payments, favorable loans, public financing, tax incentives, and unspecified support.

Net support in fisheries as a percentage of catch value



17 Sources: OECD, Arion Research.
*The chart is missing Poland (608%), Slovenia (313%), Bulgaria (124%), and Sweden (104%).

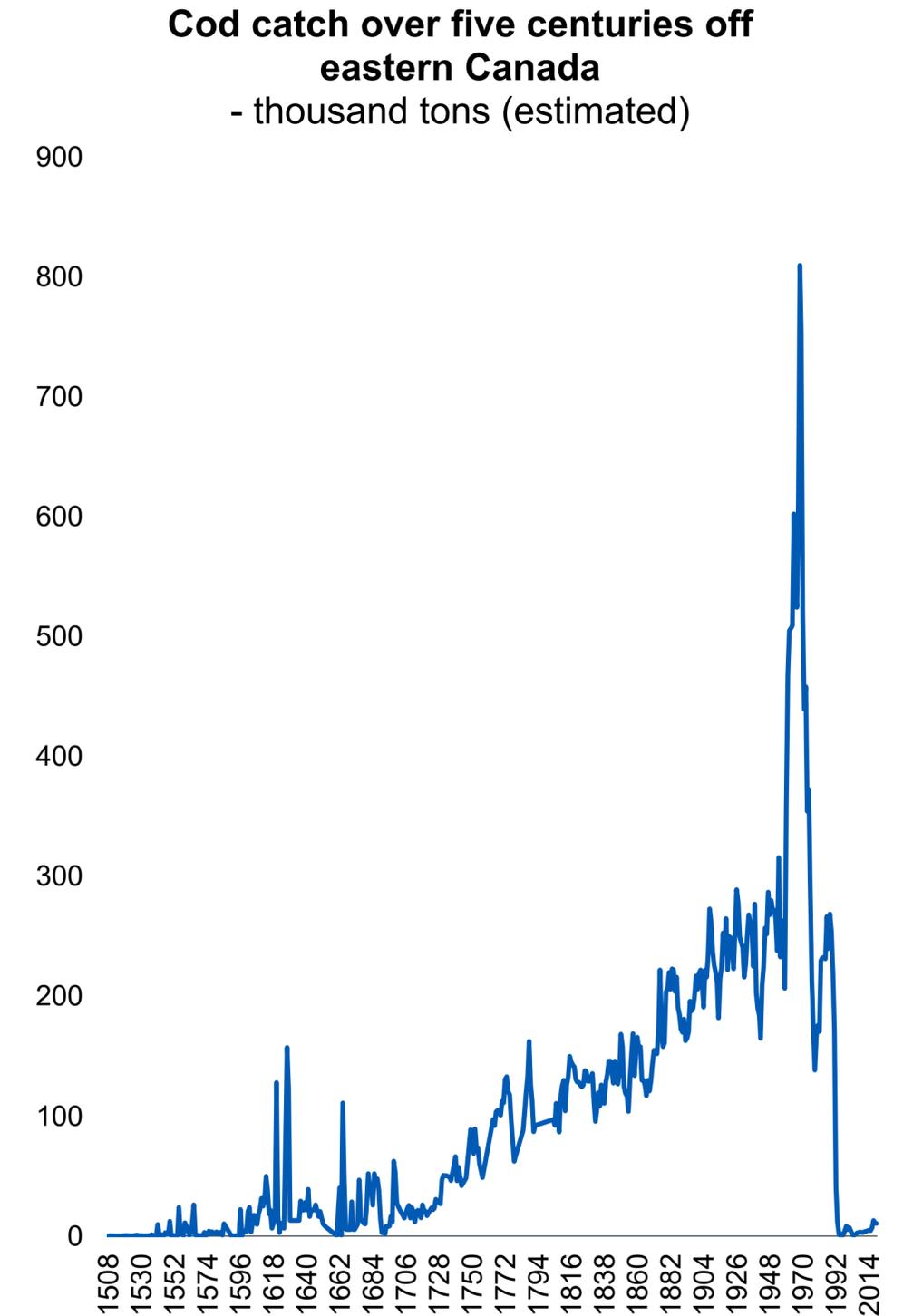
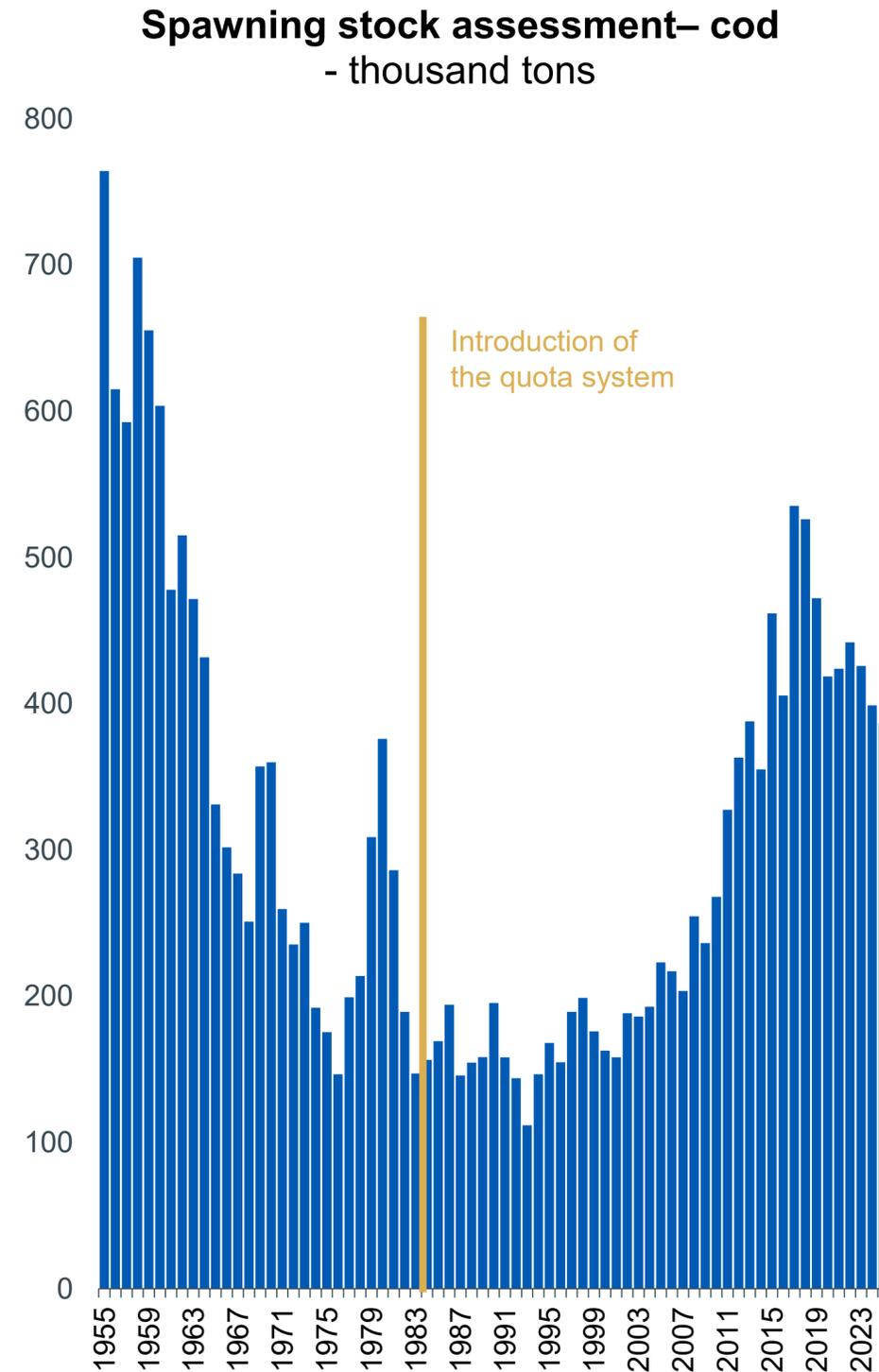


The success of the quota system

4) Has contributed to the stability of fish stocks

Unlike general global trends, the cod stock around Iceland and in the Northeast Atlantic has remained relatively stable, with its biomass index increasing since the introduction of the quota system — reflecting an emphasis on more sustainable fishing practices, even though total allowable catches have at times exceeded the recommendations of the Marine and Freshwater Research Institute.

By contrast, the cod stock in the Northwest Atlantic collapsed in 1992 due to overfishing and has yet to recover. The developments leading up to the introduction of Iceland's quota system had raised widespread concern that a similar collapse could occur in Icelandic waters.



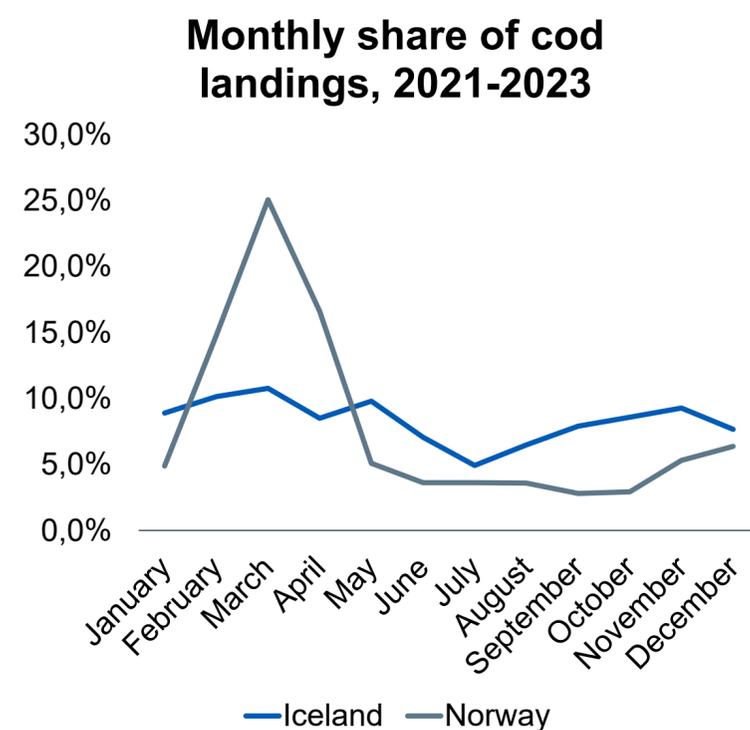
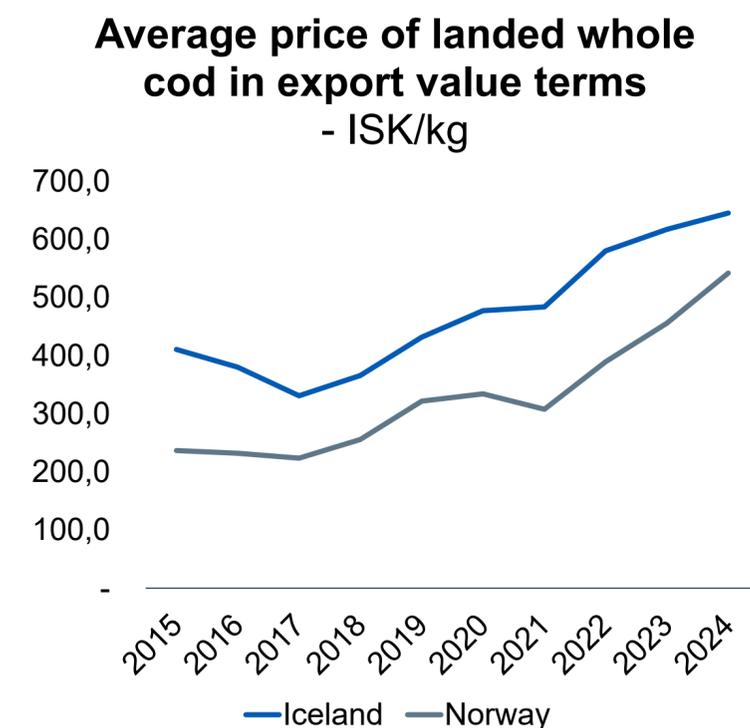
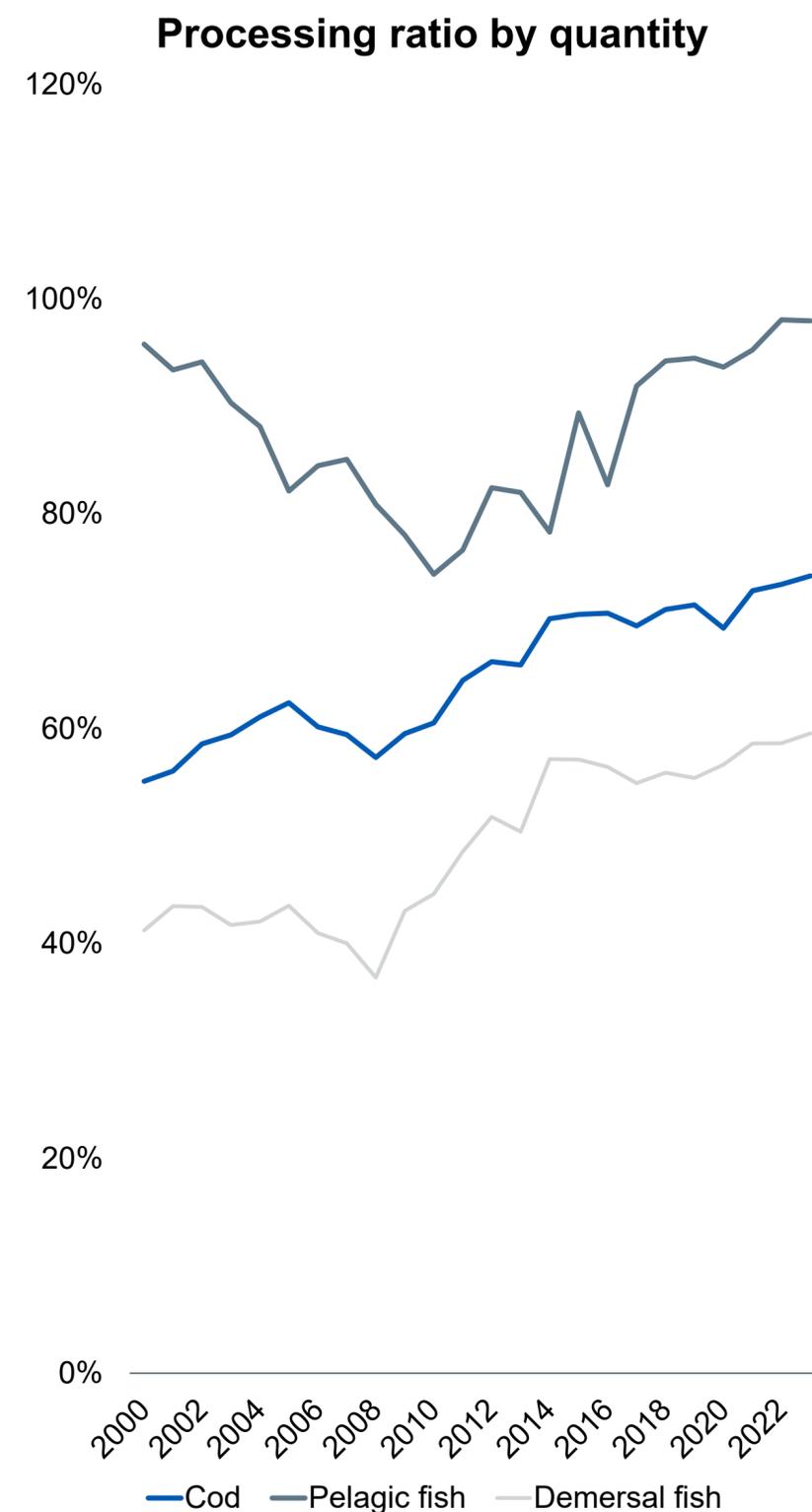
The success of the quota system

5) Integration of fishing and processing

The integration of fishing and processing is a defining feature of the Icelandic fisheries sector. The quota system has led to Iceland processing about 86% of all fish landed. Fishing activity is also more evenly distributed throughout the year than in many other countries, which helps maximize product quality and value — both a cause and a result of the high share of domestic processing.

This stands in contrast to many other nations. In Norway, where the composition of fish stocks is similar, most of the catch is exported unprocessed at a fixed minimum price. Norwegian fishers therefore tend to fish when conditions are most convenient rather than when the value is highest — 61% of cod in Norway is landed between January and April.

As a result, employment in Norwegian cod processing tends to be more seasonal, whereas in Iceland processing takes place year-round. Value creation is therefore higher in Iceland. However, this also entails greater costs. The fact that most of the catch is processed domestically suggests that the efficiency of Icelandic operations is high enough to remain competitive with foreign processors, despite higher labor costs.



The success of the quota system

6) A nation of innovation

The quota system has stimulated innovation by encouraging the maximization of resource utilization, product quality, and value creation from marine products. By-products once considered of little worth have now become valuable commodities.

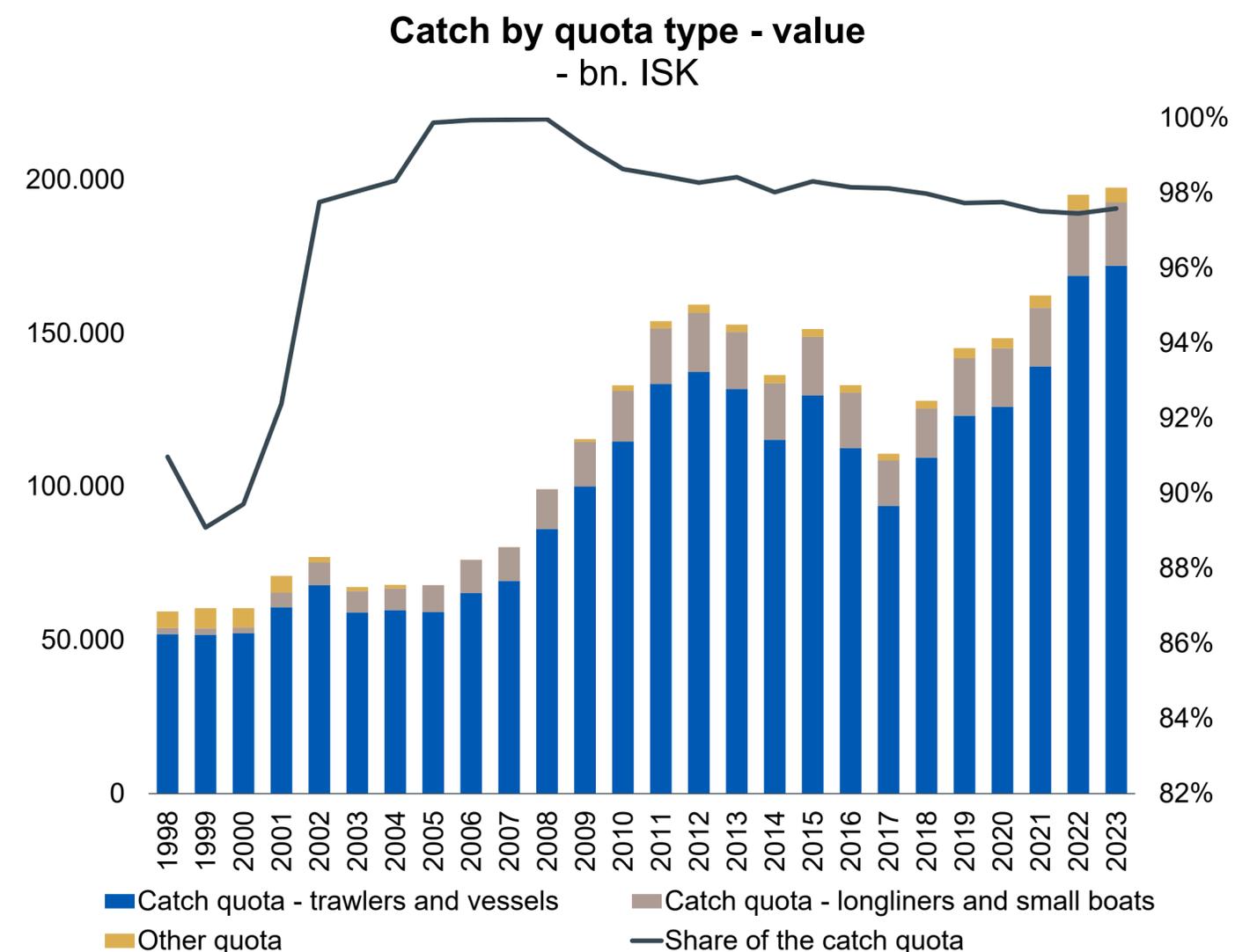
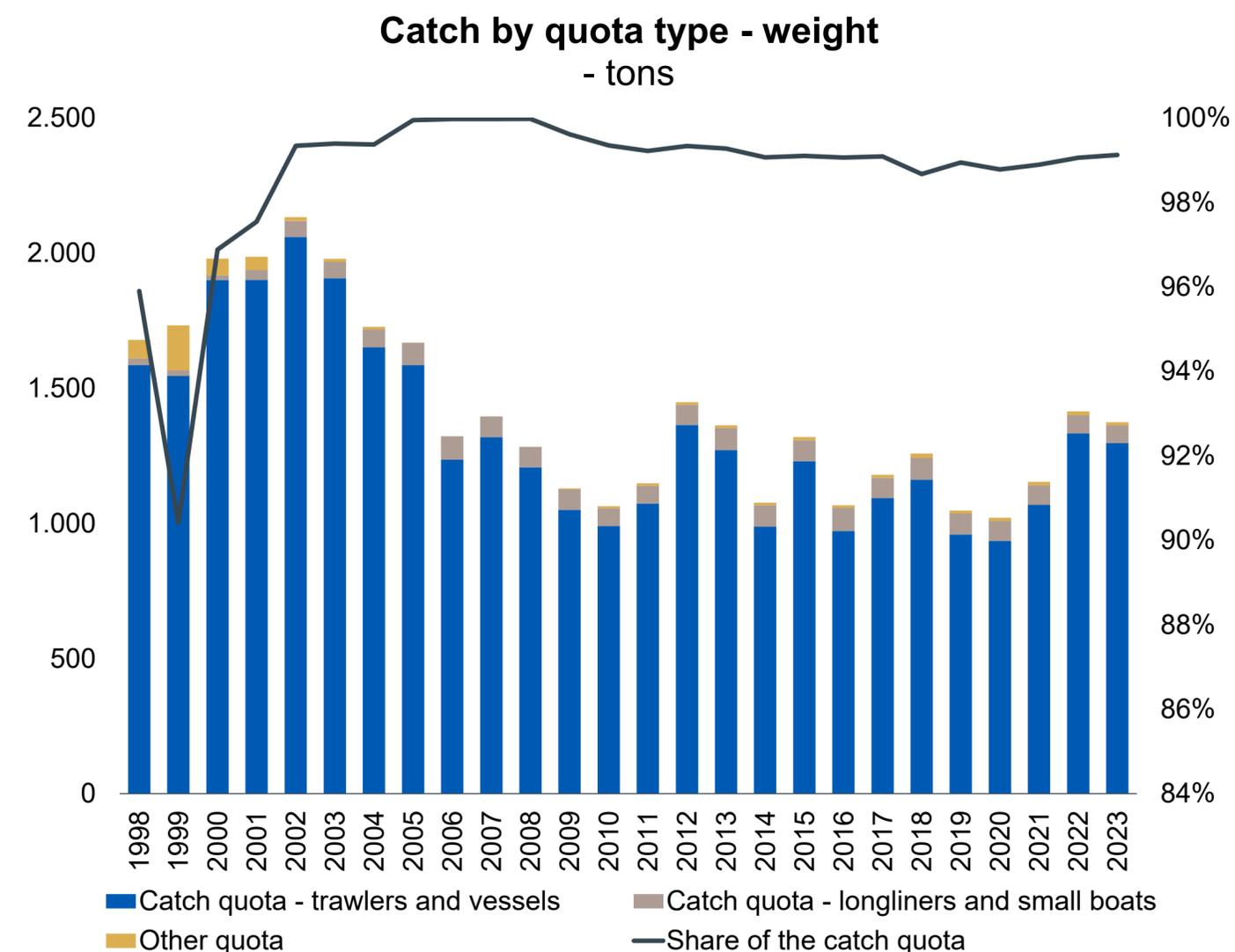
Icelandic companies in fisheries-related industries operate across diverse fields — including the development of biochemicals, medical products, packaging, and technological solutions for the seafood sector.

With increased innovation, traditional fishing jobs have declined, while employment for highly educated professionals — particularly in supporting and related industries — has expanded.

The logo for Kerecis, featuring the word "Kerecis" in a bold, blue, sans-serif font. The letter "c" is stylized with a yellow-to-orange gradient.The logo for Genis, consisting of the word "GENIS" in white, uppercase, sans-serif letters inside a dark blue oval.The logo for Marel, featuring a red swoosh above the word "marel" in a bold, blue, italicized, sans-serif font.The logo for Kapp ehf, with "KAPP" in large, bold, black letters and "ehf" in smaller letters to the right. Below it, the tagline "THE OPTIMICE COMPANY" is written in a smaller, blue, sans-serif font.The logo for Hampiðjan, featuring the word "HAMPIÐJAN" in a bold, blue, sans-serif font.The logo for GreenFish, featuring a stylized black fish icon above the word "GreenFish" in a bold, black, sans-serif font.

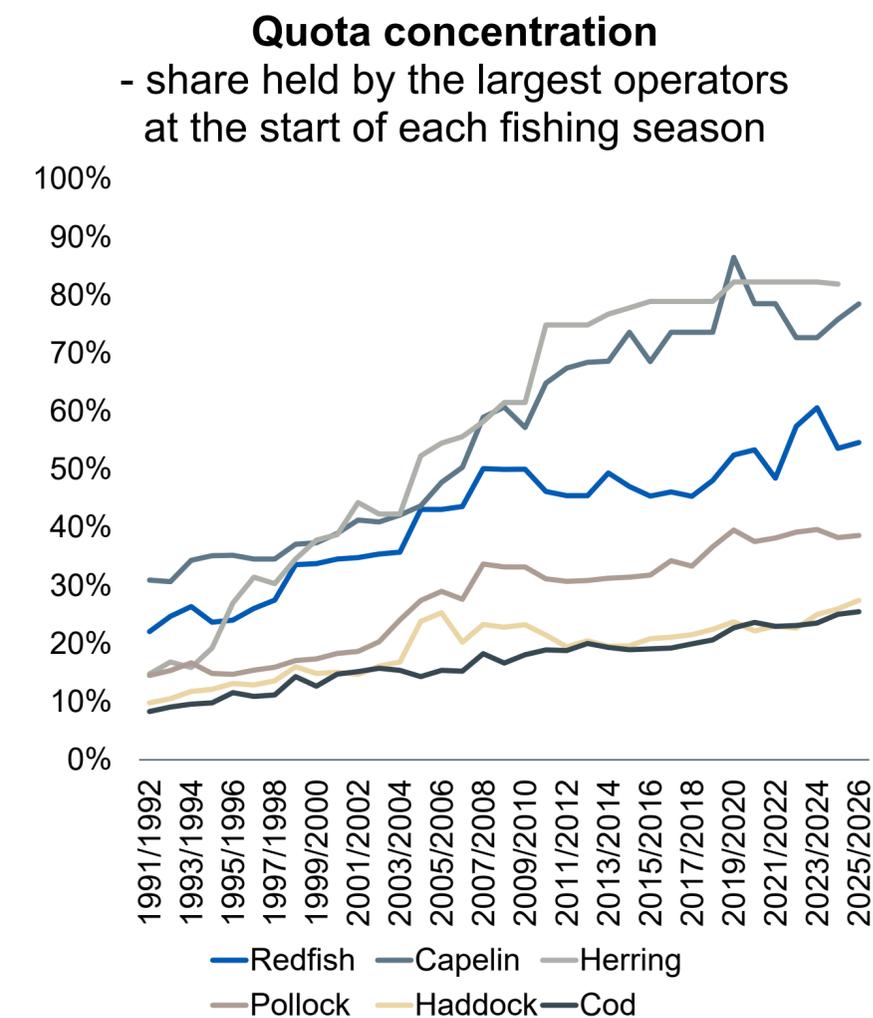
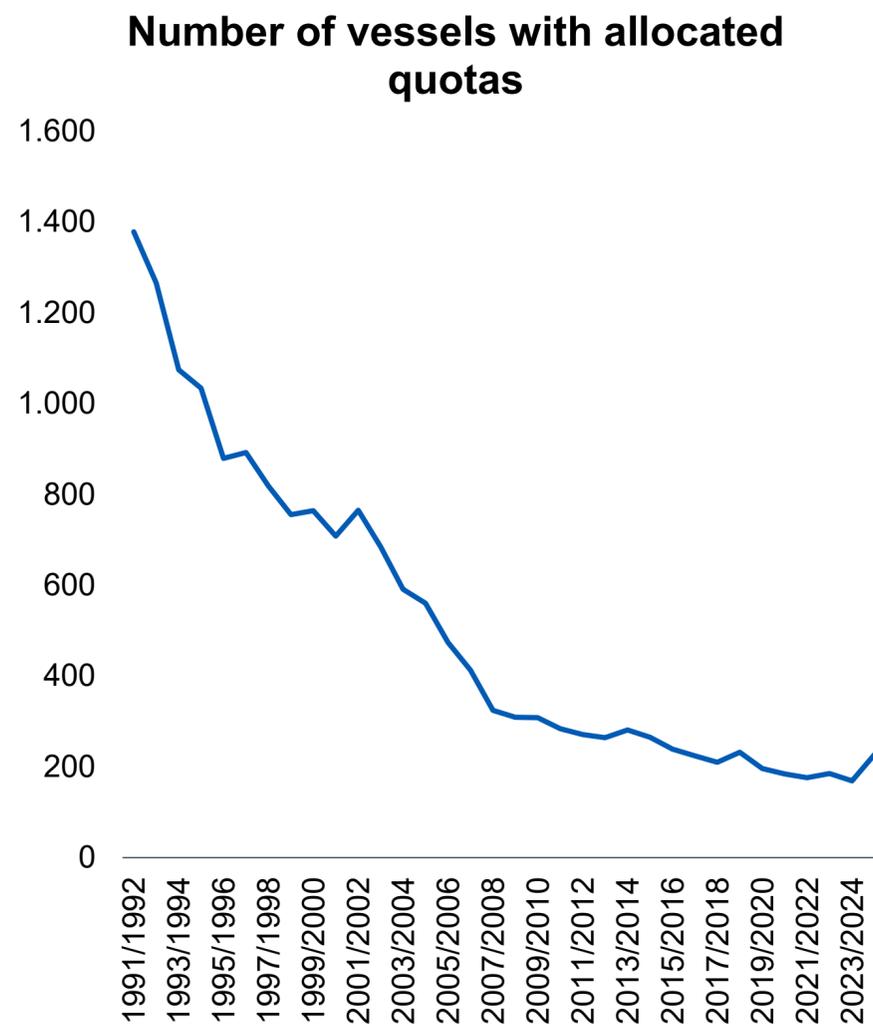
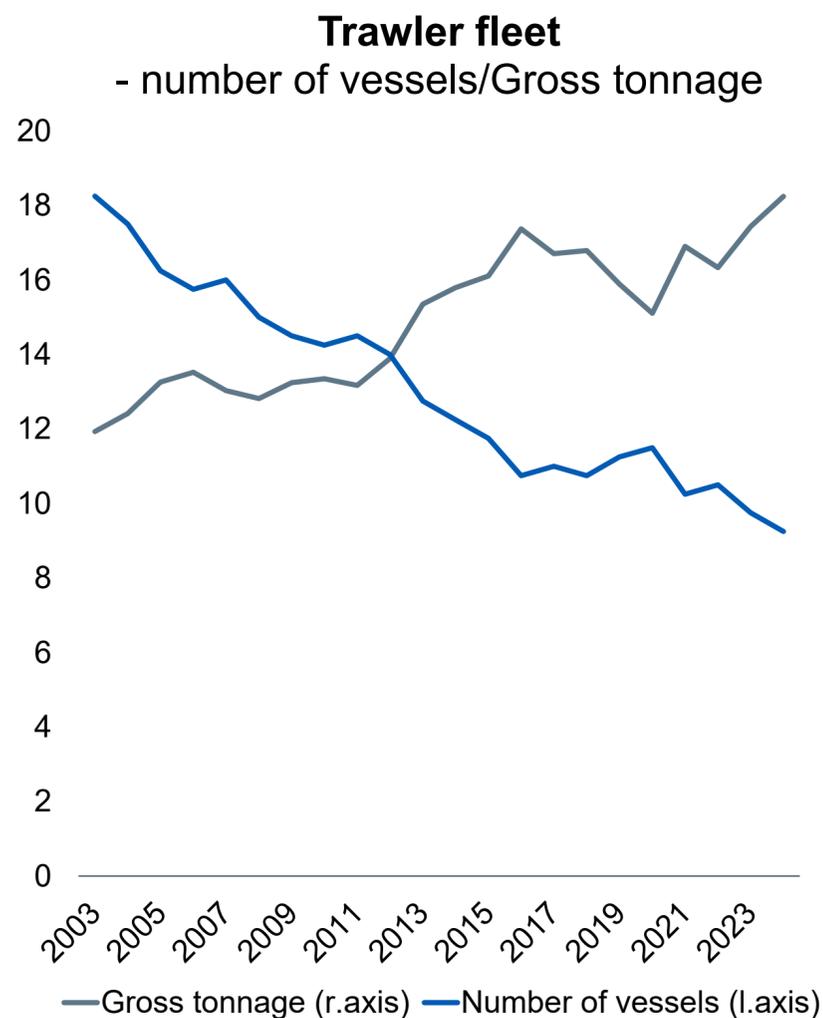
Not all — but almost all catch falls under the quota system

The vast majority of the catch is landed within the quota management system — 99% by volume and 97.5% by value in 2023. Of this, 89% (by value) was caught by stern trawlers and larger vessels. Only 2.3% of the total value came from coastal (small-boat) quota fishing, and just 0.1% from other quota categories.



Consolidation in Iceland's fisheries sector

One of the main criticisms of the quota system is that it has led to the concentration of wealth in the hands of a few. Fishing rights have increasingly accumulated among the largest fishing companies. Even today, the quota system remains a highly debated topic, with strong opinions on both sides. Nevertheless, the consolidation of quotas has also contributed to greater economies of scale and more efficient use of capital.

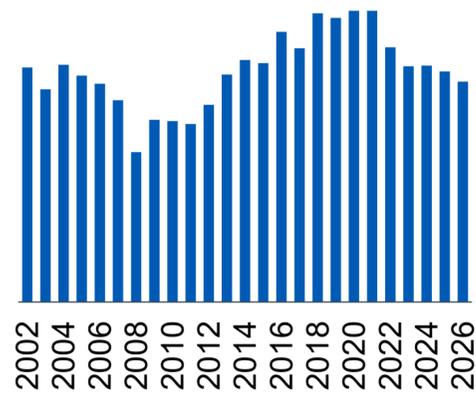


Operations and Operating Environment



Trends in key species

Advised quota
- tonn



Demersal fish

Cod

The reference stock declined in measurements between years, and the Marine and Freshwater Research Institute has recommended that the total allowable catch be reduced by 4%. The stock is expected to continue decreasing over the next two to three years.

The cod stock has been in decline, primarily due to rising sea temperatures around Iceland. Recruitment has weakened compared to previous years, resulting in a smaller spawning stock. In addition, food availability has diminished, as cod increasingly seek out cold-water species for feeding.

Haddock

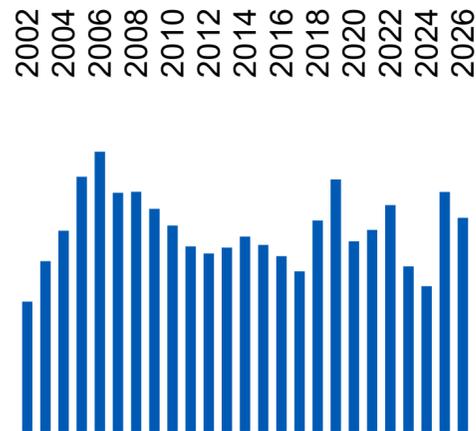
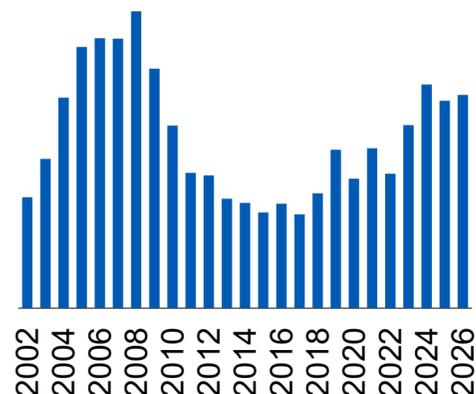
The catch advice increased by 3% year-on-year — modest compared to the 23% rise between 2022 and 2023.

The stock is considered strong, thanks to good recruitment from the 2019–2021-year classes. However, the subsequent cohorts are estimated to be small, making it likely that the total allowable catch for this species will be reduced in the coming years.

Saithe

The catch advice decreased by 11% from last year.

The Marine and Freshwater Research Institute believes that the stock may have been overestimated when comparing recent stock assessments. Fishing companies have also found it increasingly difficult to locate saithe during fishing operations.

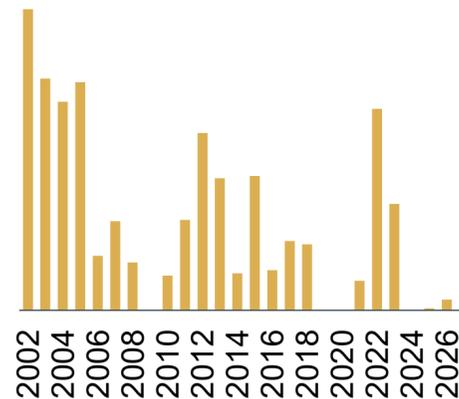


Pelagic fish

Capelin

Recruitment has been weak in recent years, and the initial catch quota for next year is set at 46,000 tonnes.

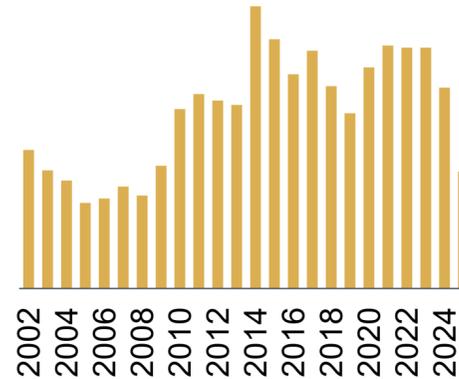
Capelin have been difficult to locate in recent years. Rising sea temperatures have affected the species' recruitment and altered its spawning grounds. The catch advice will be updated before the fishing season begins, following the autumn survey.



Mackerel

Significant overfishing has occurred in recent years due to disputes over shared fish stocks, leaving the stock weakened. Mackerel thrive in warmer waters and have therefore shifted further north in line with rising sea temperatures. Organized mackerel fishing in Iceland began in 2007, whereas previously the species was mainly caught as by catch.

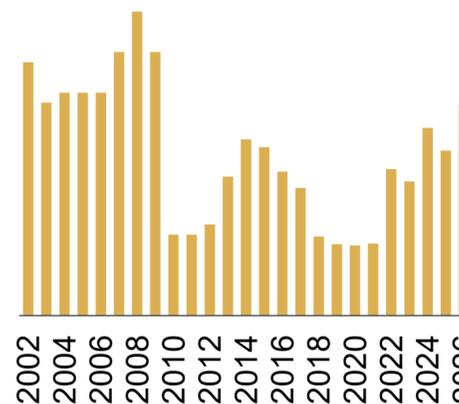
The International Council for the Exploration of the Sea (ICES) recently issued new advice for next year, recommending a reduction in the total catch of around 70% compared to the previous year.



Herring

The Norwegian–Icelandic herring stock has been overfished in recent years for the same reasons as the mackerel stock.

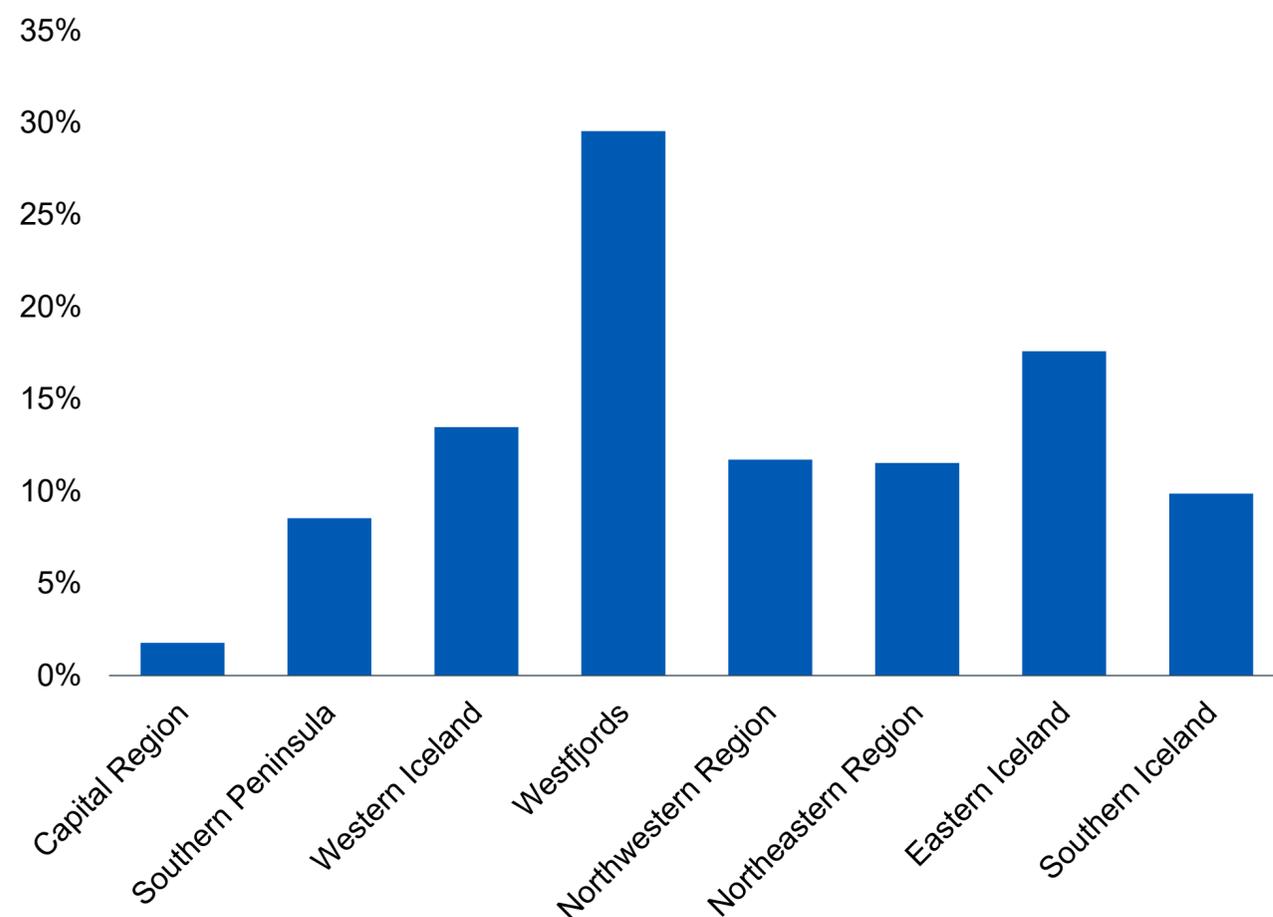
For next year, the total allowable catch (TAC) for Icelandic summer-spawning herring has been increased by 27%, and for Norwegian spring-spawning herring by 33%. Strong year classes from 2017–2019 are dominant in the stock. However, the advice is expected to decrease significantly in the coming years as younger, considerably smaller year classes enter the fishable stock.



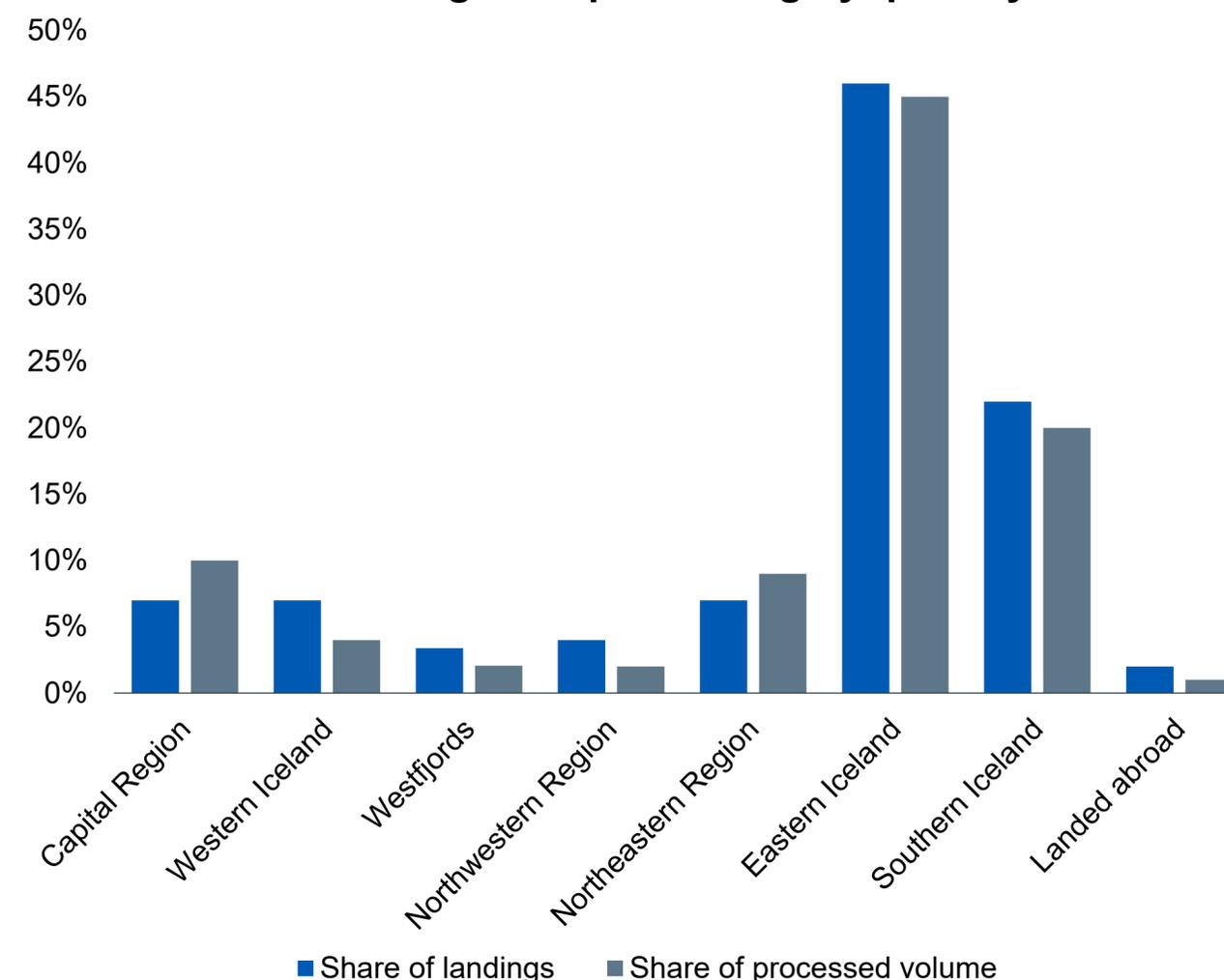
Fisheries — a rural industry

The fisheries sector extends all around the country. In relative terms, fishing and processing activities are most significant in eastern and southern Iceland, whether measured by landings or processing share. In terms of wage payments, the relative scale of activity is greatest in the Westfjords, where the growth of aquaculture plays a major role.

Share of the fishing industry (including aquaculture) in total wage payments by region, 2025



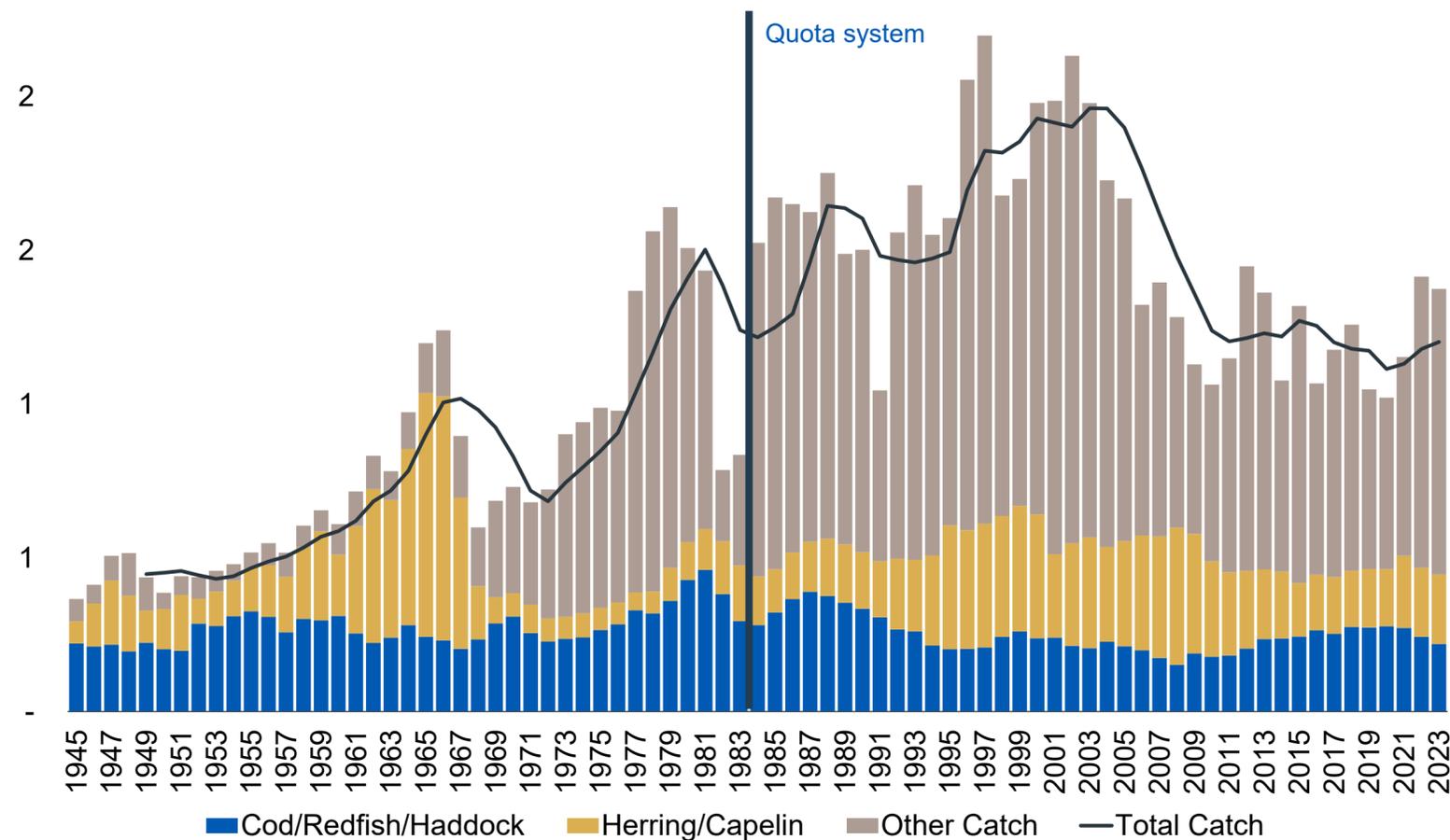
Share of landings and processing by quantity 2023



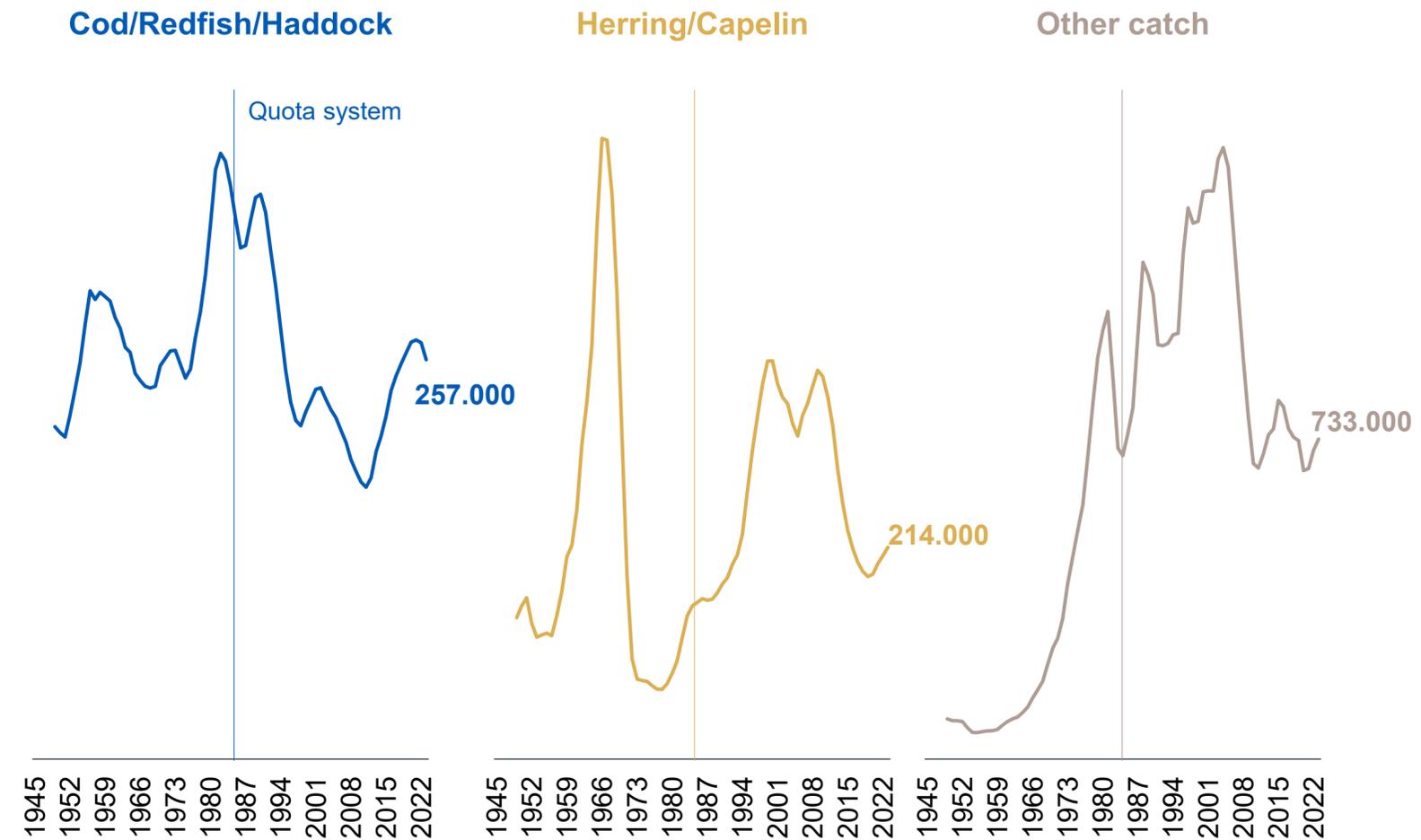
Total catch in the fisheries sector has declined somewhat

Fish stock sizes change slowly and catch quotas are based on scientific advice. The fisheries sector therefore has limited control over the total allowable catch.

Total catch of Icelandic ships 1945-2023
- million tonnes

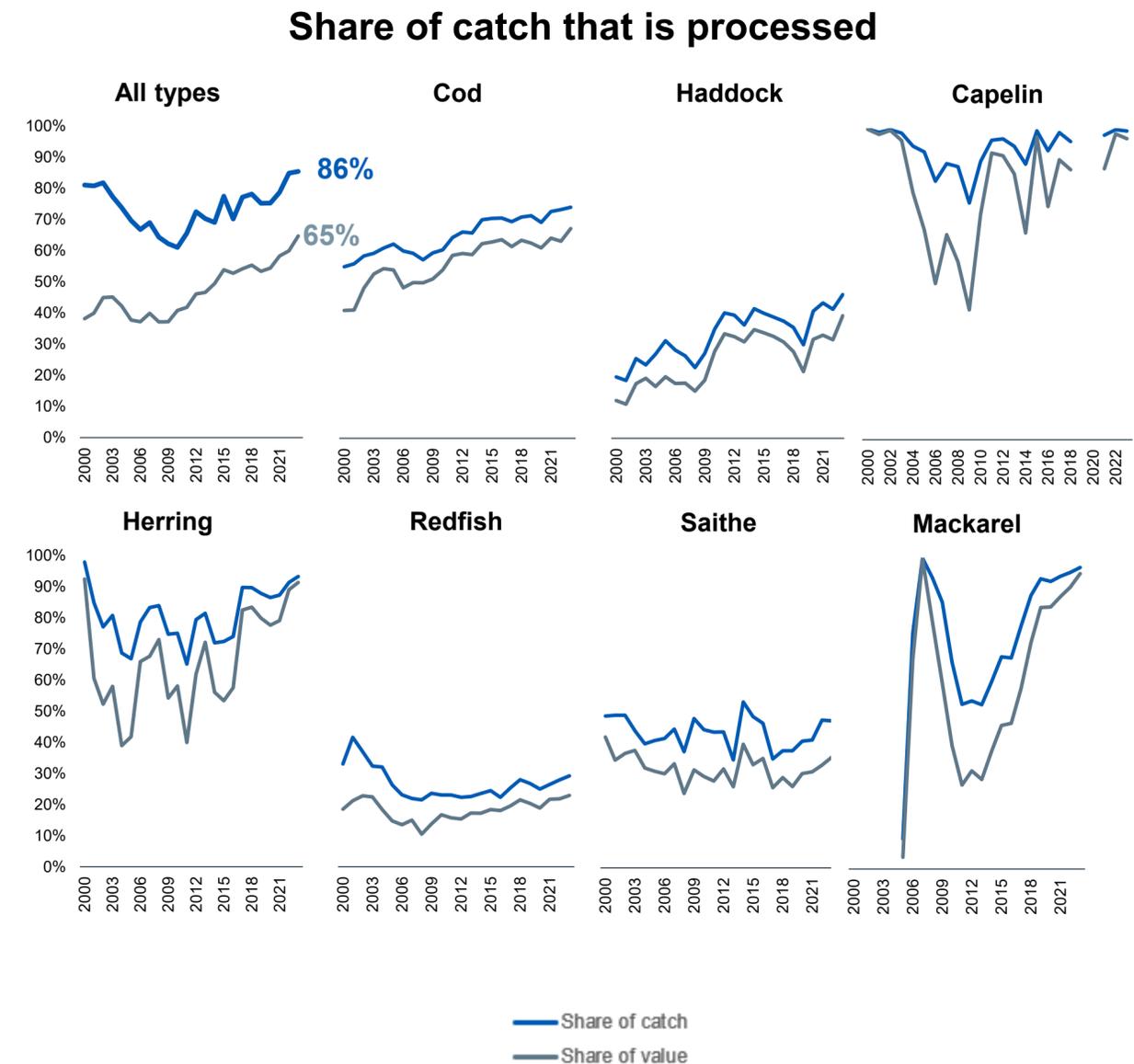
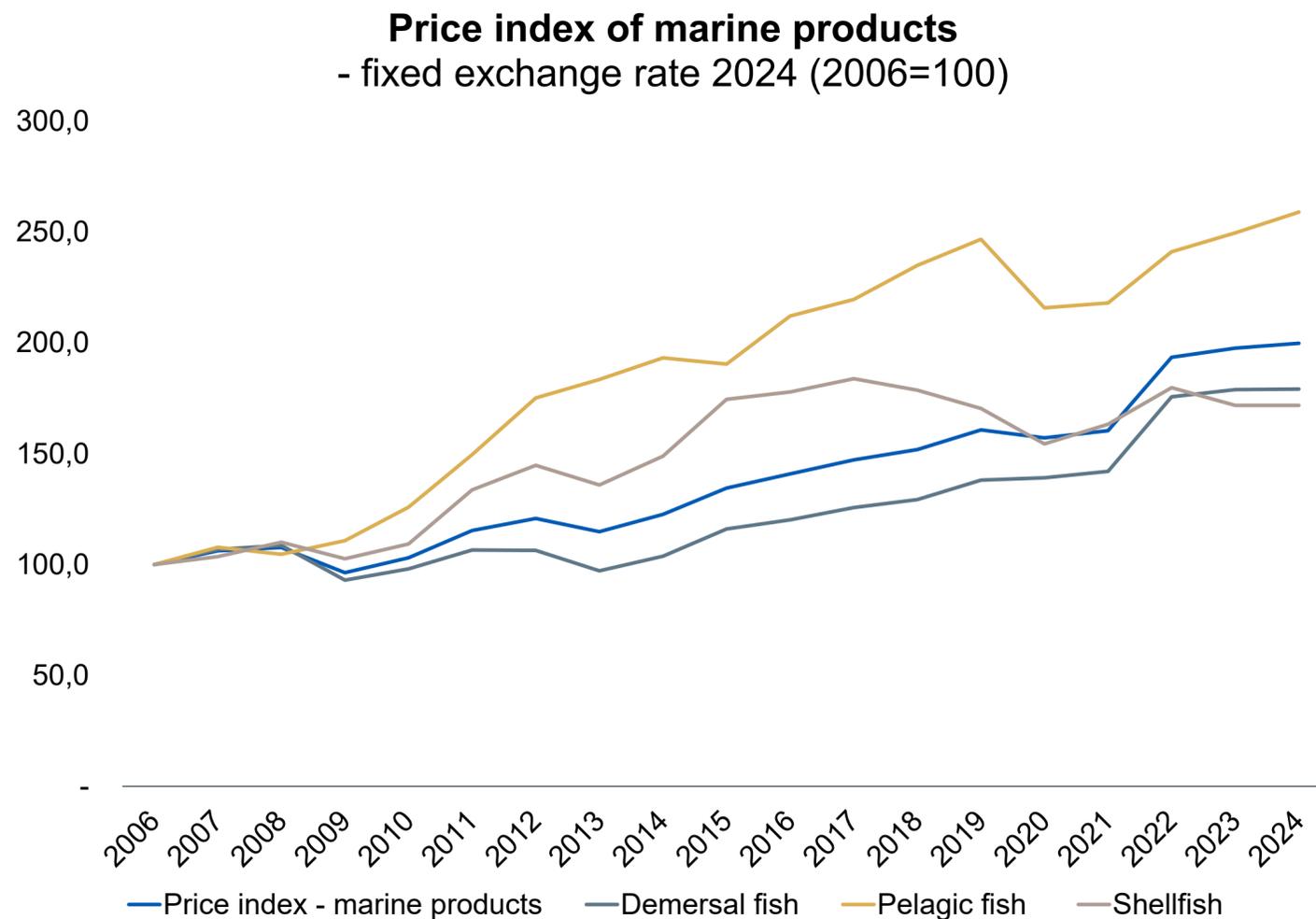


Catch by species
- tonnes, 5 year rolling averages



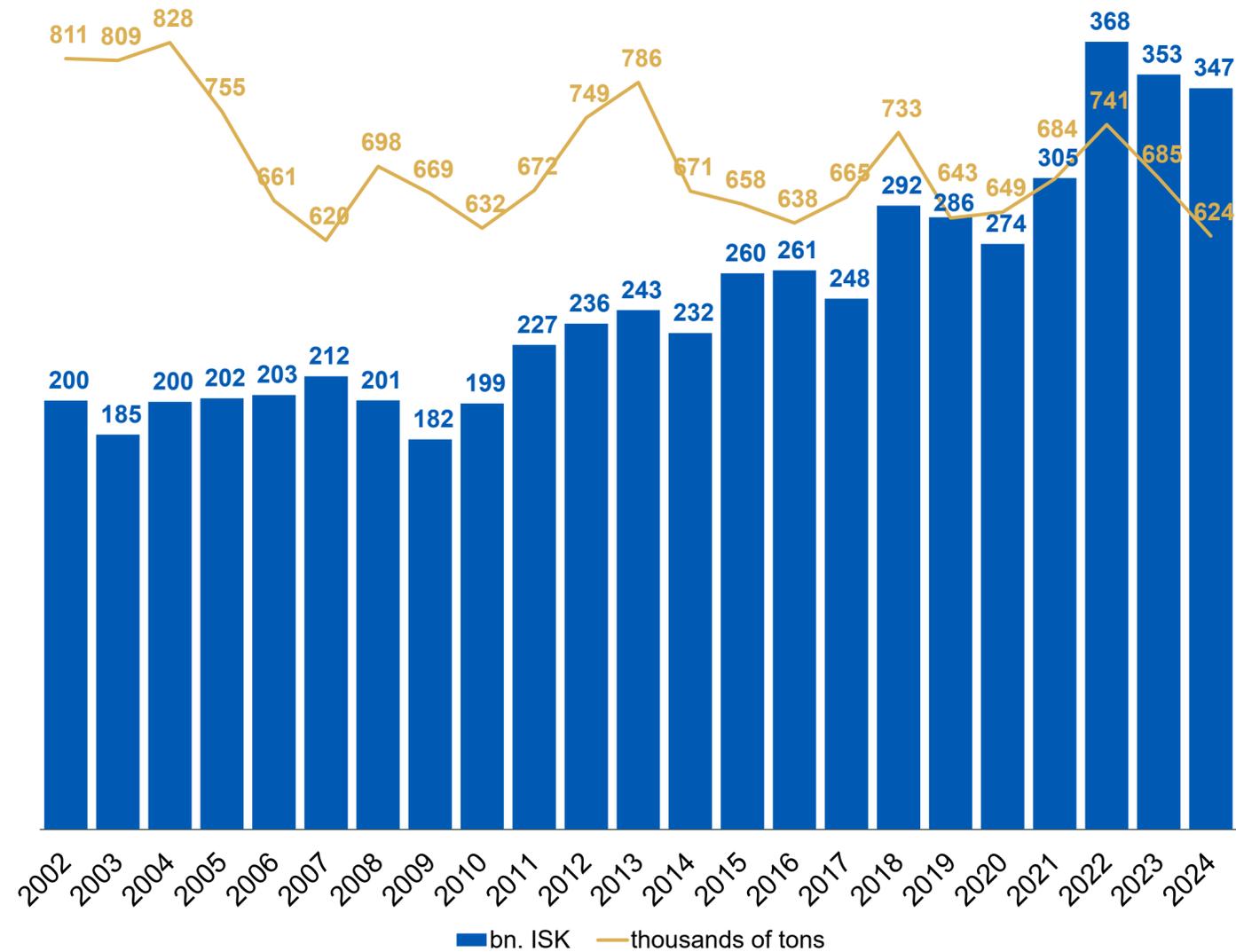
Offset by higher prices and increased processing

The price of marine products has risen by 24% over the past five years, based on a fixed exchange rate. By increasing the share of the catch that is processed in Iceland, even greater value creation has been achieved.

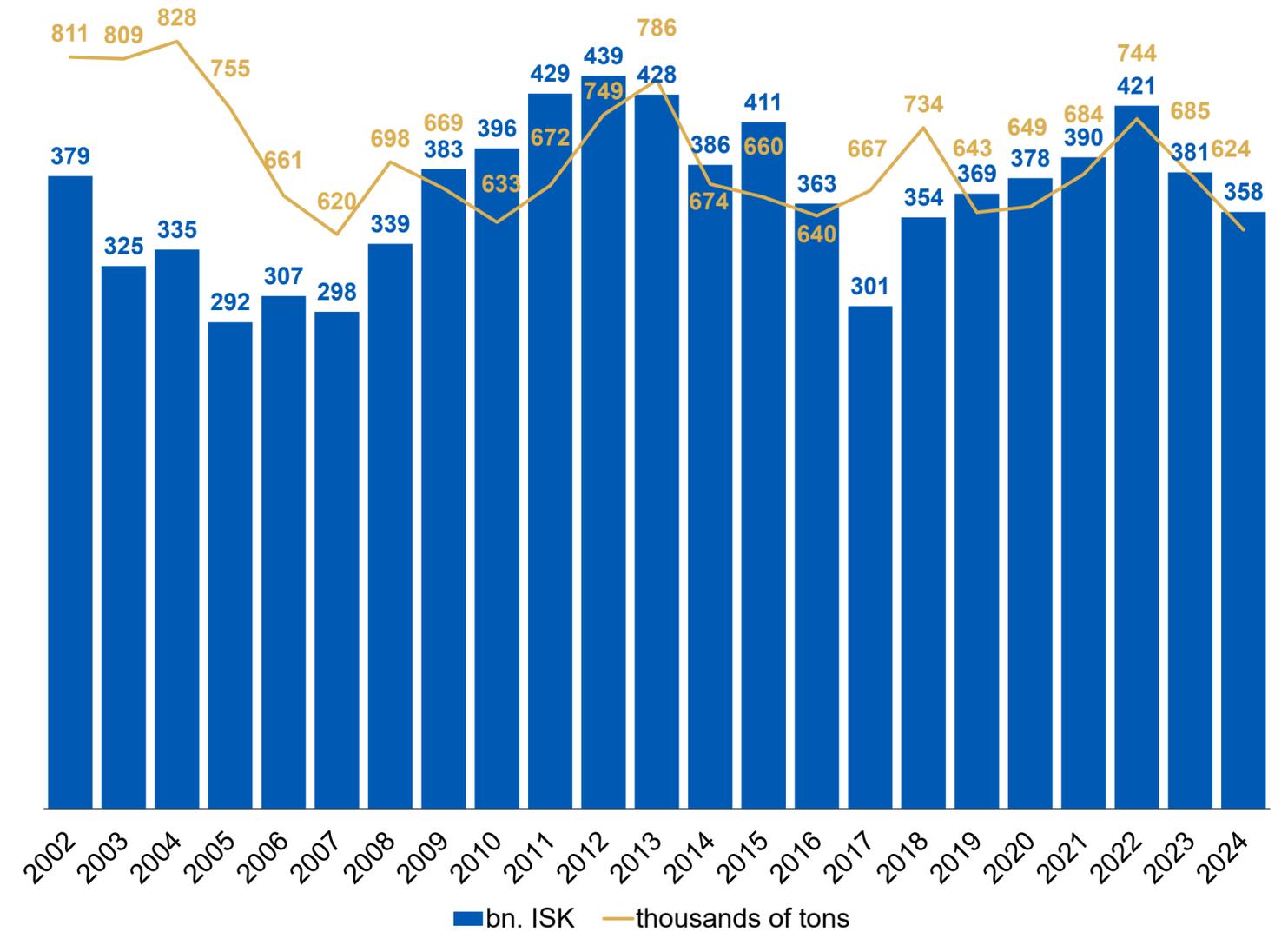


Which has resulted in higher export revenues

Marine product exports
- fixed exchange rate 2024



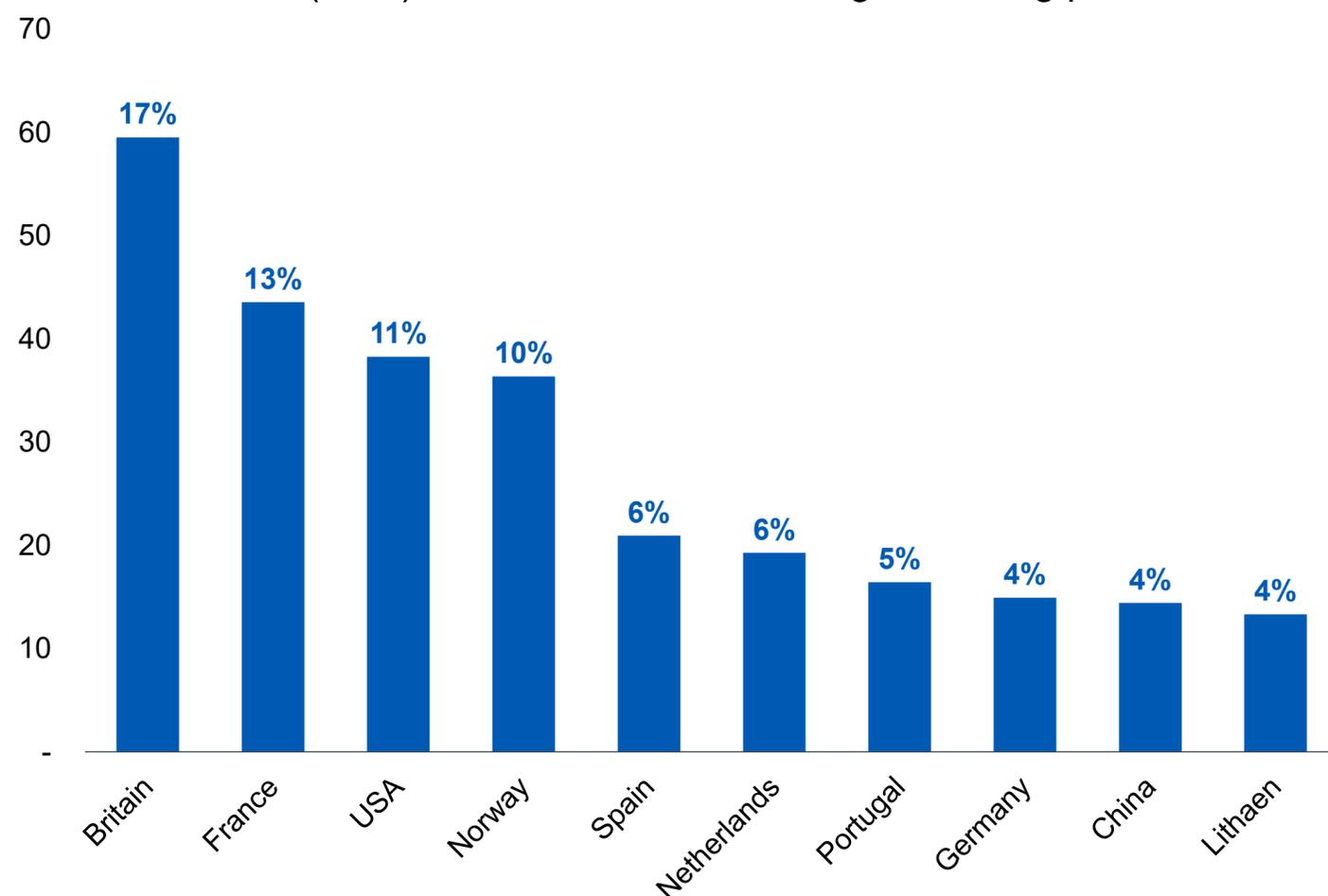
Marine product exports
- fixed prices 2024



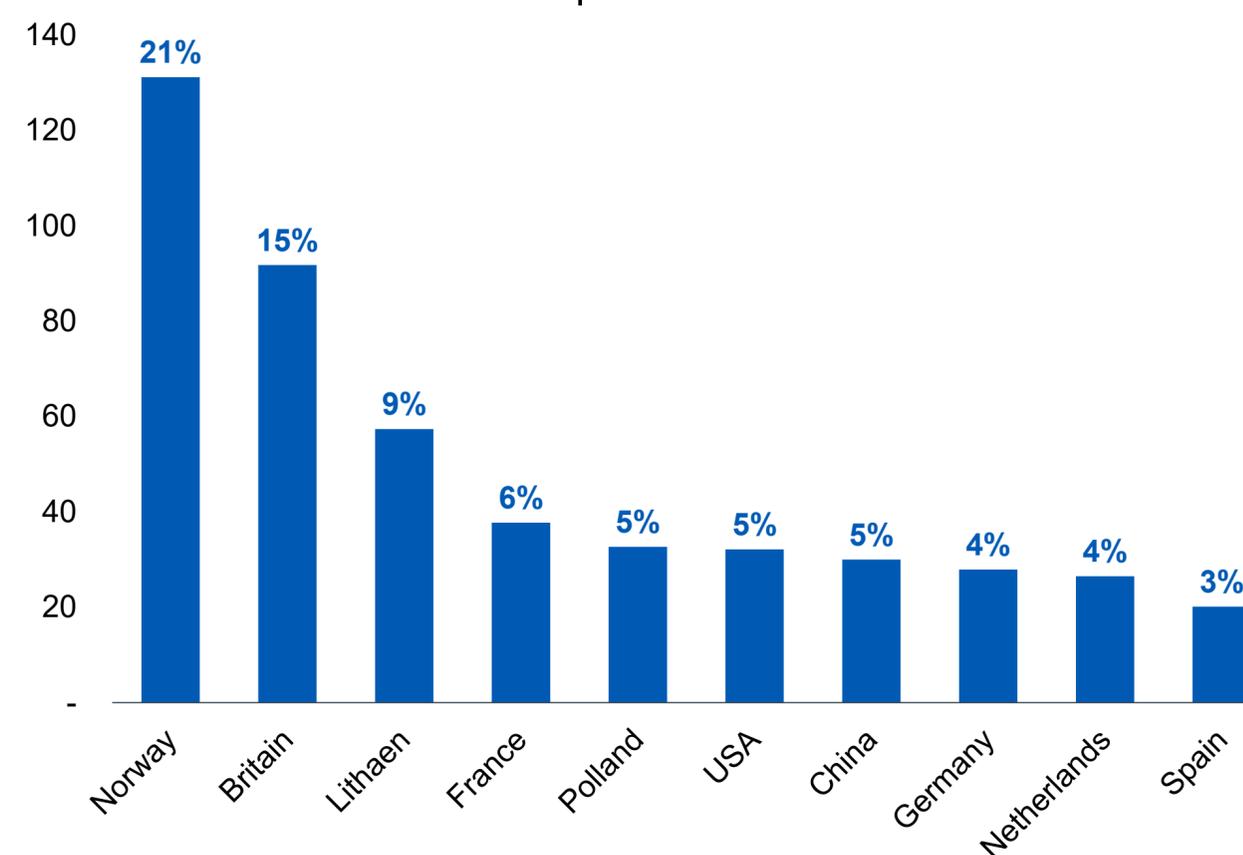
Key trading partners: four countries receive half of the catch

Around 98% of Icelandic marine products are exported and sold on the international market. More than half of these exports — measured by value — go to four countries: the United Kingdom, France, the United States, and Norway. However, it is worth noting that the countries to which Iceland exports are not necessarily the same as those where the seafood is ultimately consumed.

Export value of marine products by trading partner, 2024
– ISK bn (FOB) and share of total, 10 largest trading partners



Export volume of marine products by trading partner, 2024
– thousand tonnes and share of total, 10 largest trading partners

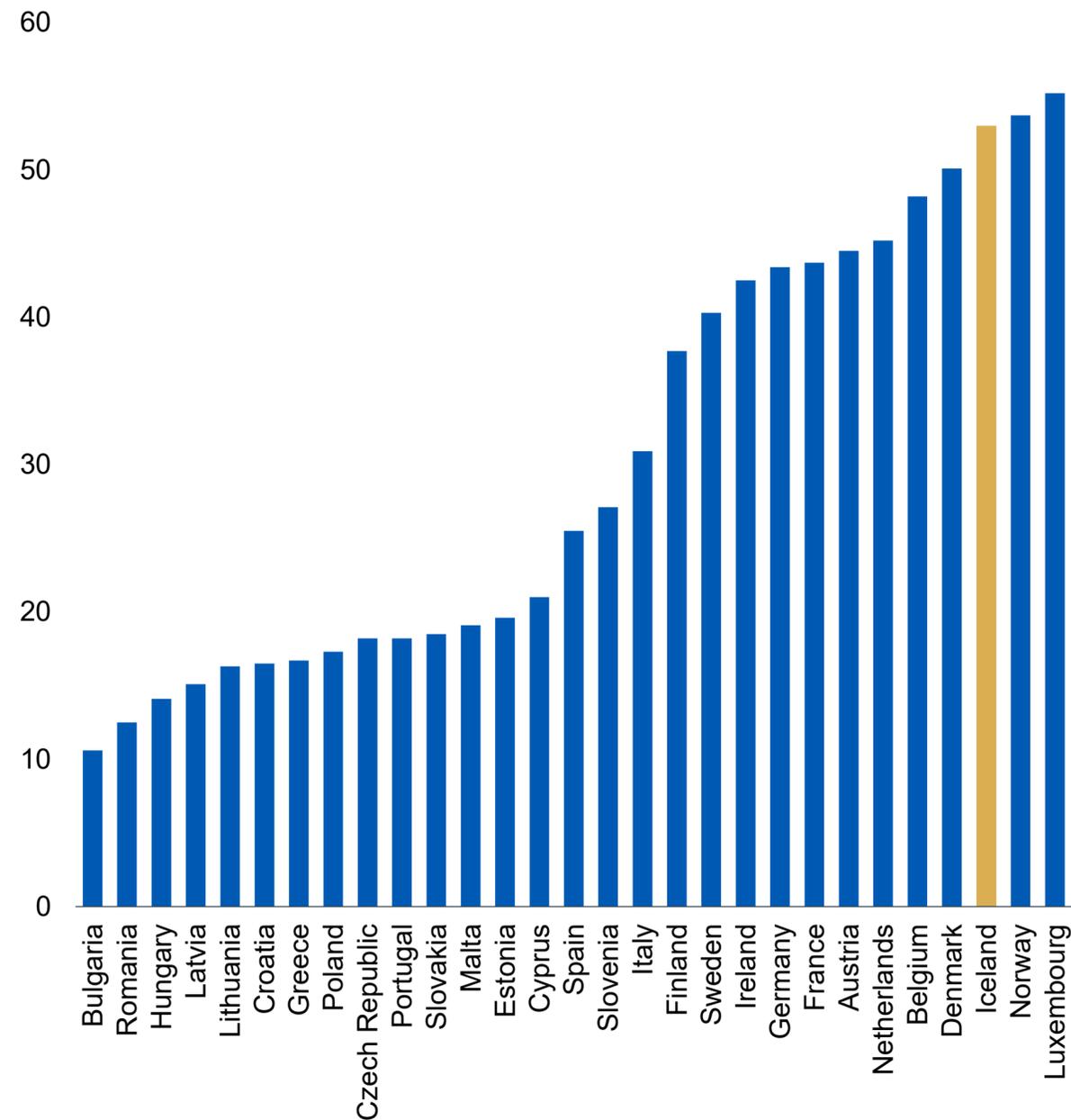


Wages and competitiveness

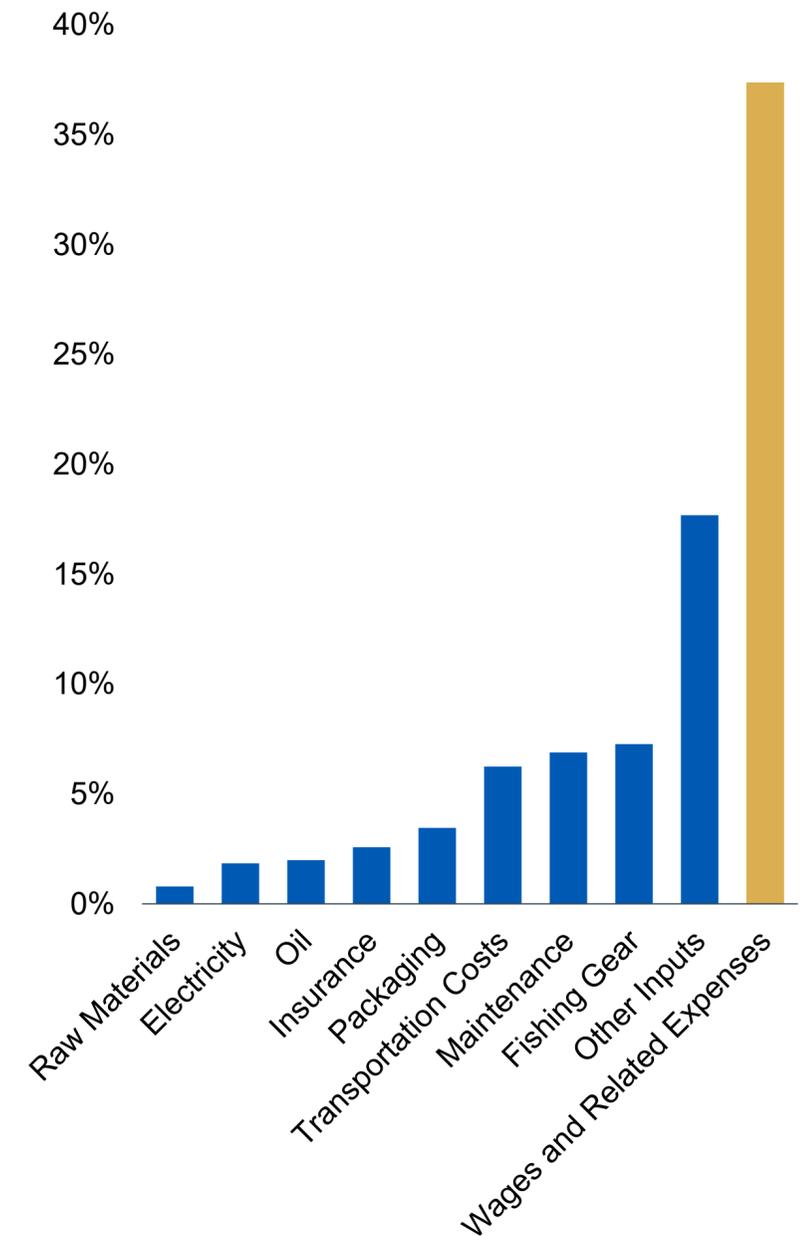
Labor costs are a crucial factor, accounting for about 37% of total operating expenses in the fisheries sector (fishing and processing) in 2023. Wages play an especially important role in export industries that compete internationally against countries with very different labor cost structures.

It therefore reflects the strength of Icelandic fishing companies that they are able to sustain such labor costs, despite having limited ability to pass cost increases on to market prices.

Labour cost per hour worked in industry and related sectors*
- €/hour. 2024



Cost component shares in export value
– fishing and processing (2023)



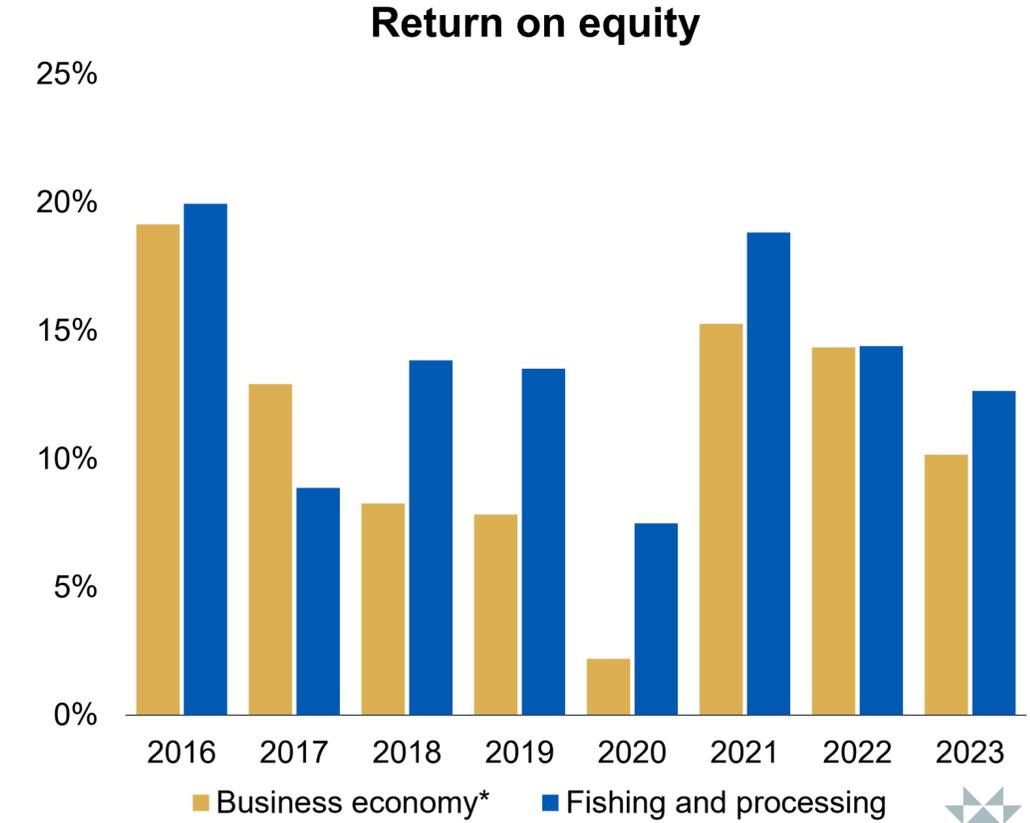
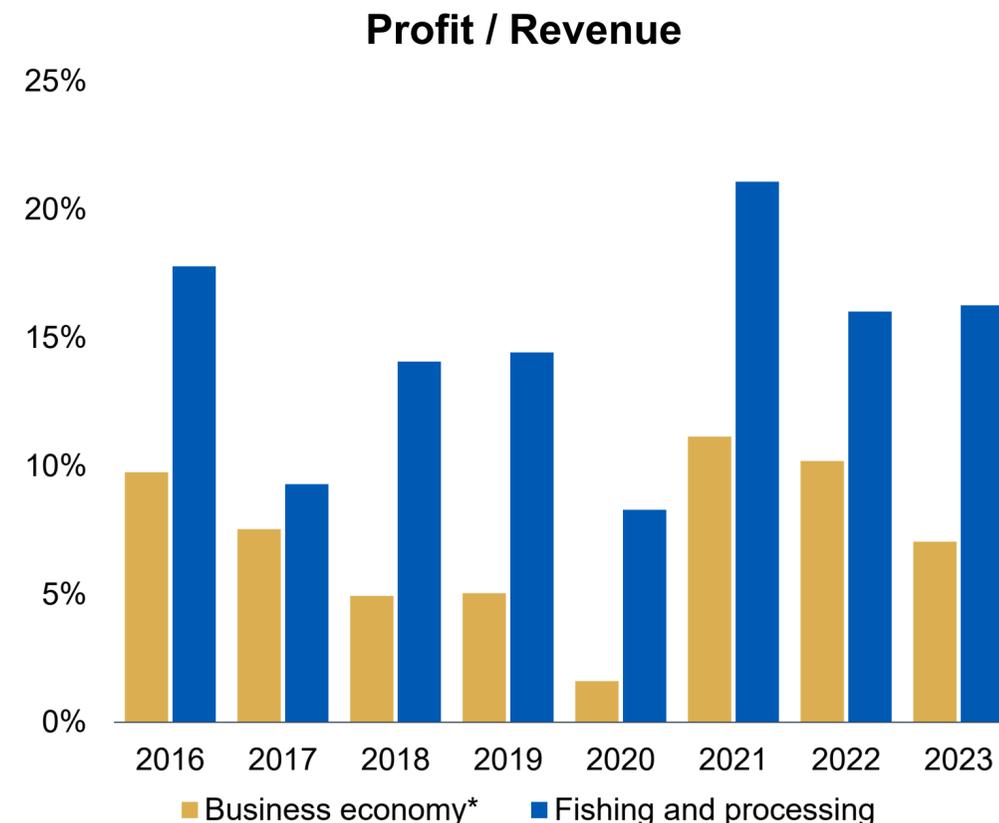
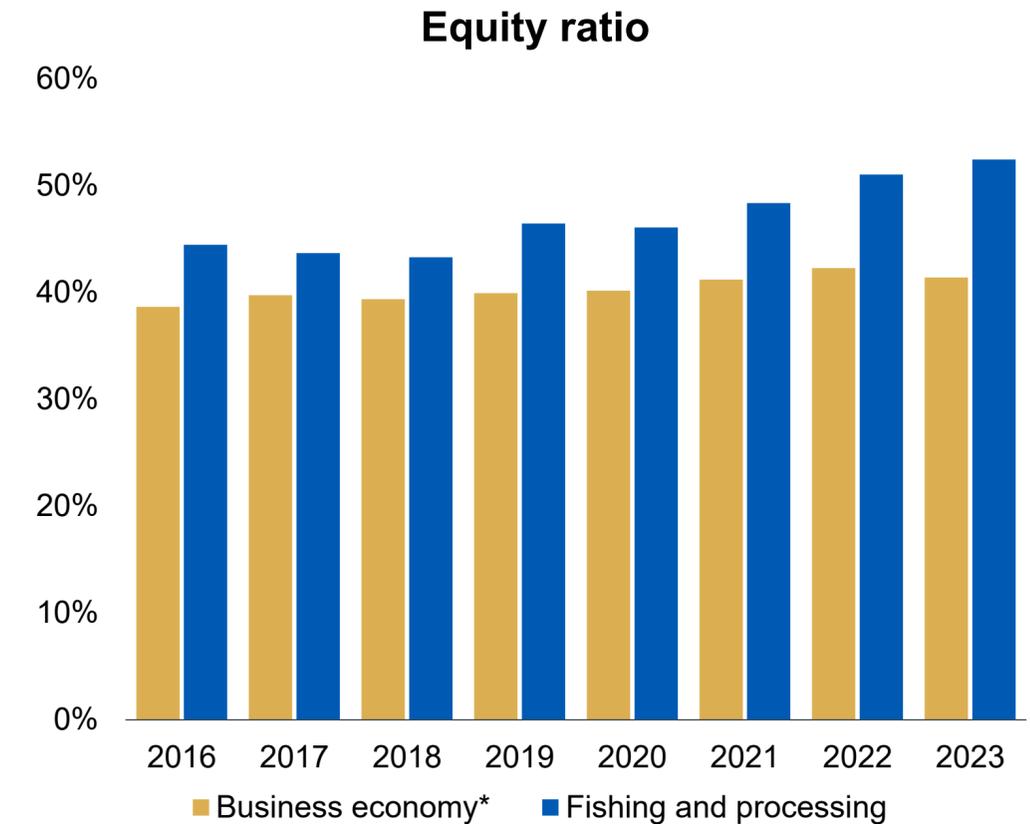
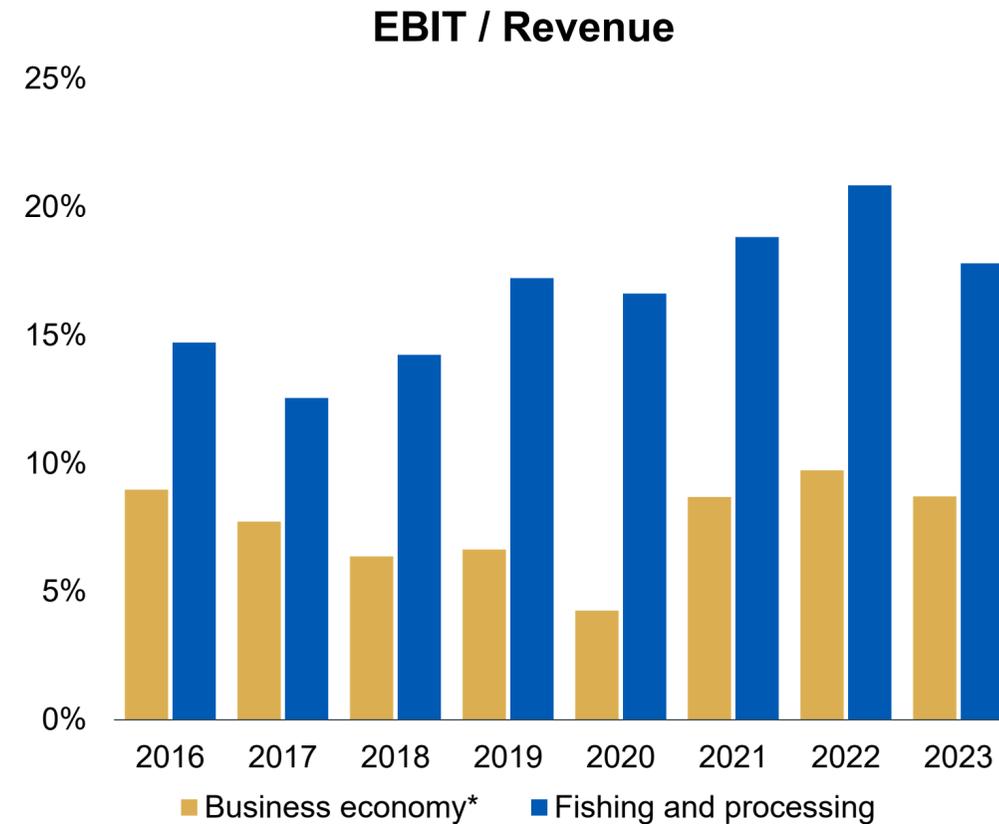
The fisheries sector stands on solid ground

The performance of Iceland's fisheries sector has been strong in recent years, by virtually any measure.

Profit margins in the industry are above the economy-wide average, and the sector is generally less leveraged than the business sector as a whole. The high return on equity therefore reflects robust underlying profitability rather than heavy indebtedness.

But how has that profit been distributed?

31 Sources: Statistics Iceland, Arion Research.
* The business sector here excludes financial services, utilities, aluminium production, and fisheries.



Where does the profit go?

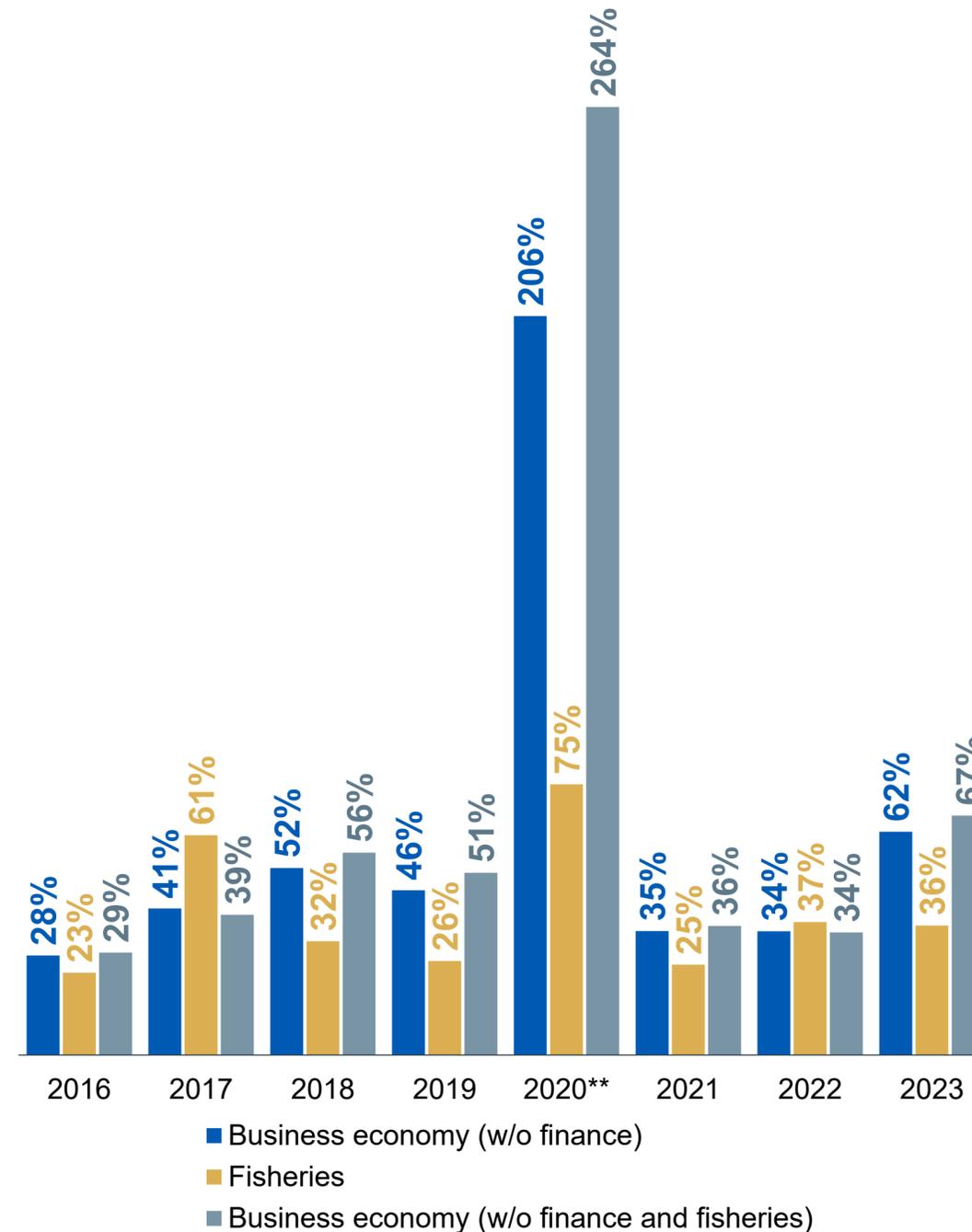
Dividends

Although profitability in the fisheries sector exceeds that of the wider economy, dividend payments as a share of profits have generally been lower — or roughly on par with — the economy as a whole.

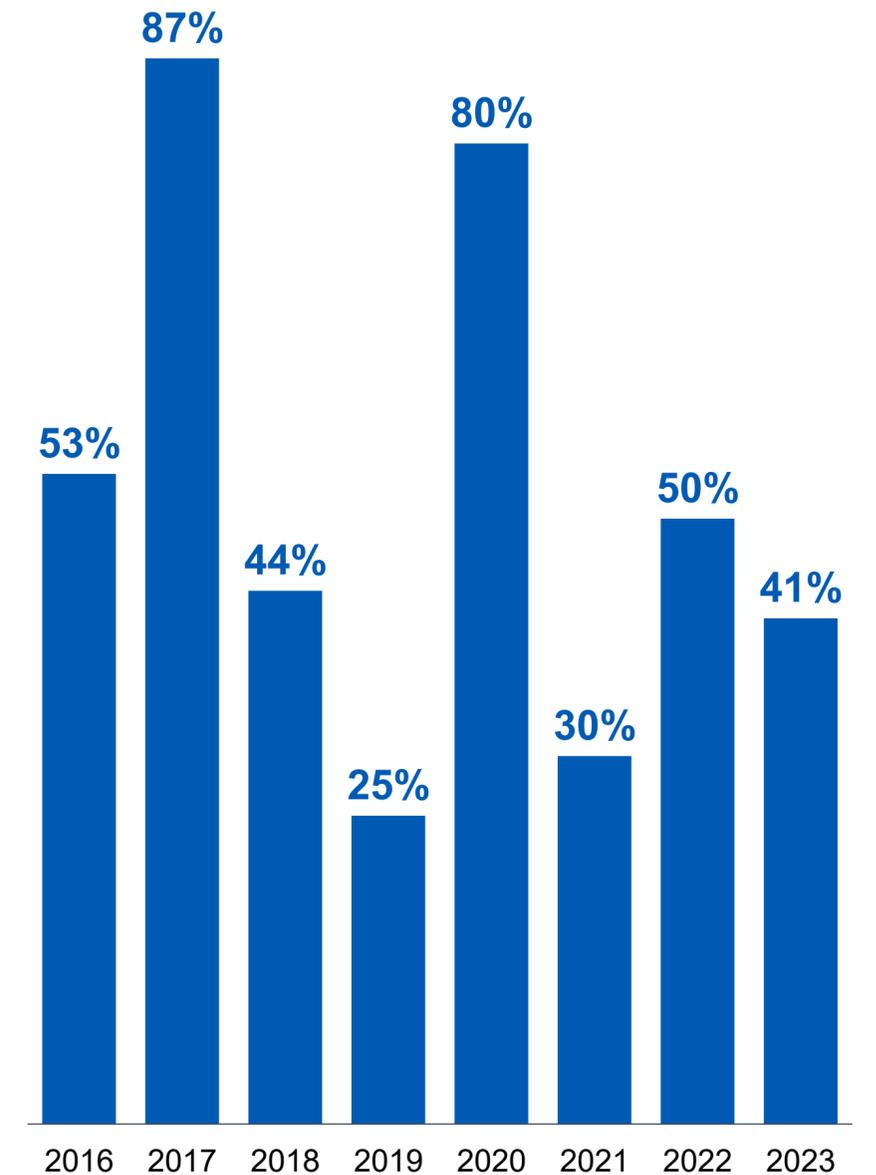
Investment

Historically, a large share of profits has been directed toward investment. The fisheries industry is highly capital-intensive, and owners have largely chosen to reinvest earnings into their companies rather than distribute them as dividends.

Dividend ratio



Net investment in fisheries (fishing and processing) as a share of profit



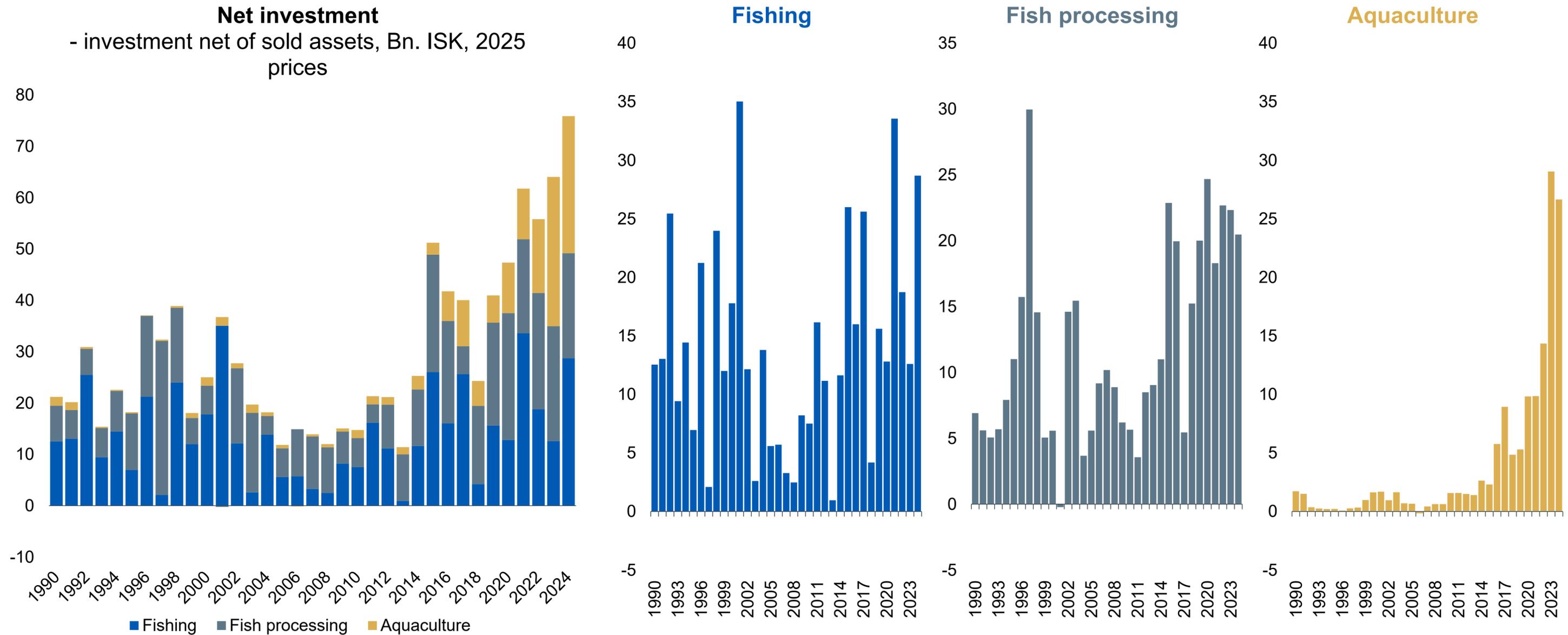
Sources: Statistics Iceland, Arion Research.

**2020 marked the onset of COVID-19, which significantly distorted the dividend payout ratio. Net investment refers to gross capital formation — i.e., investment in fixed assets minus assets sold during the year.



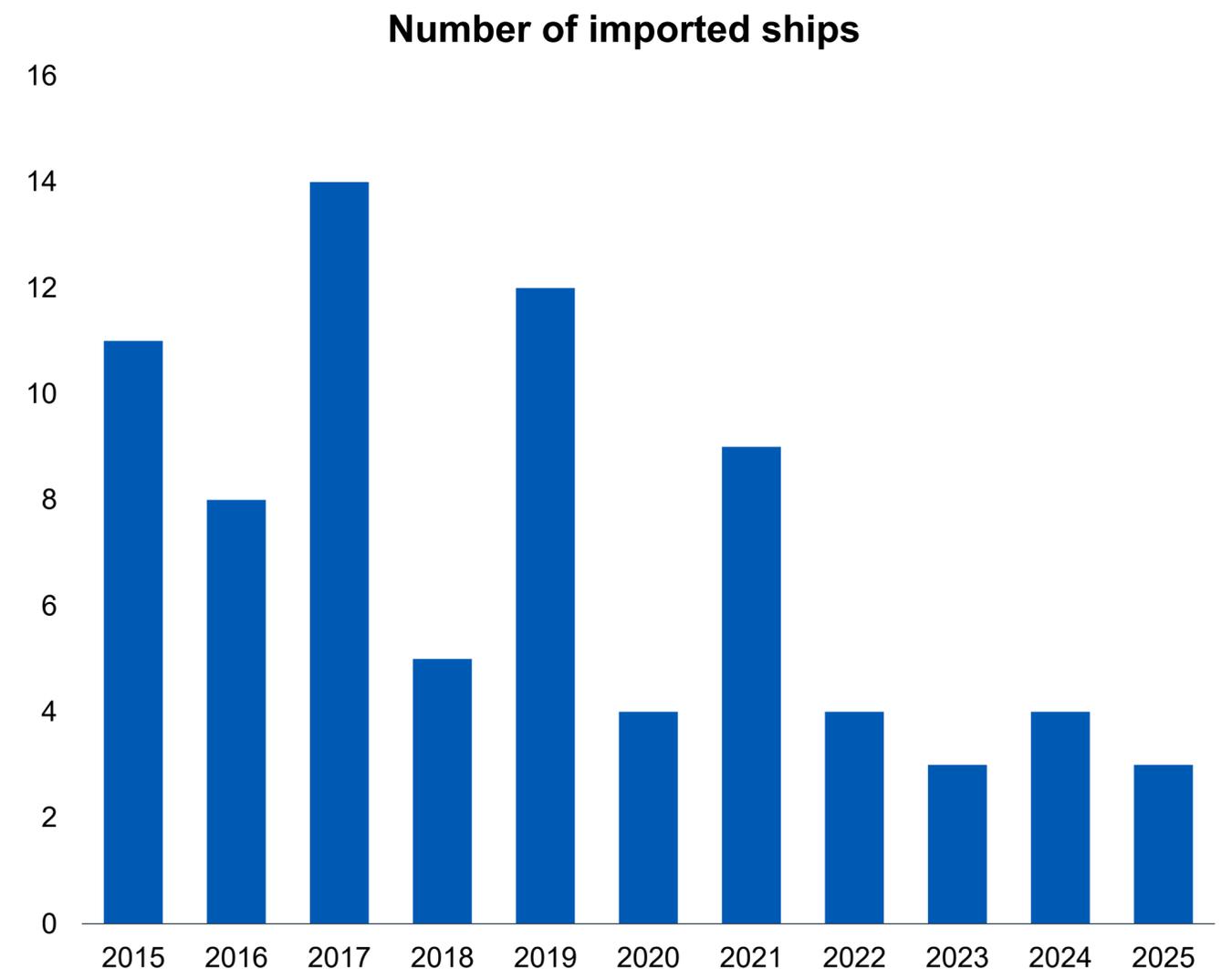
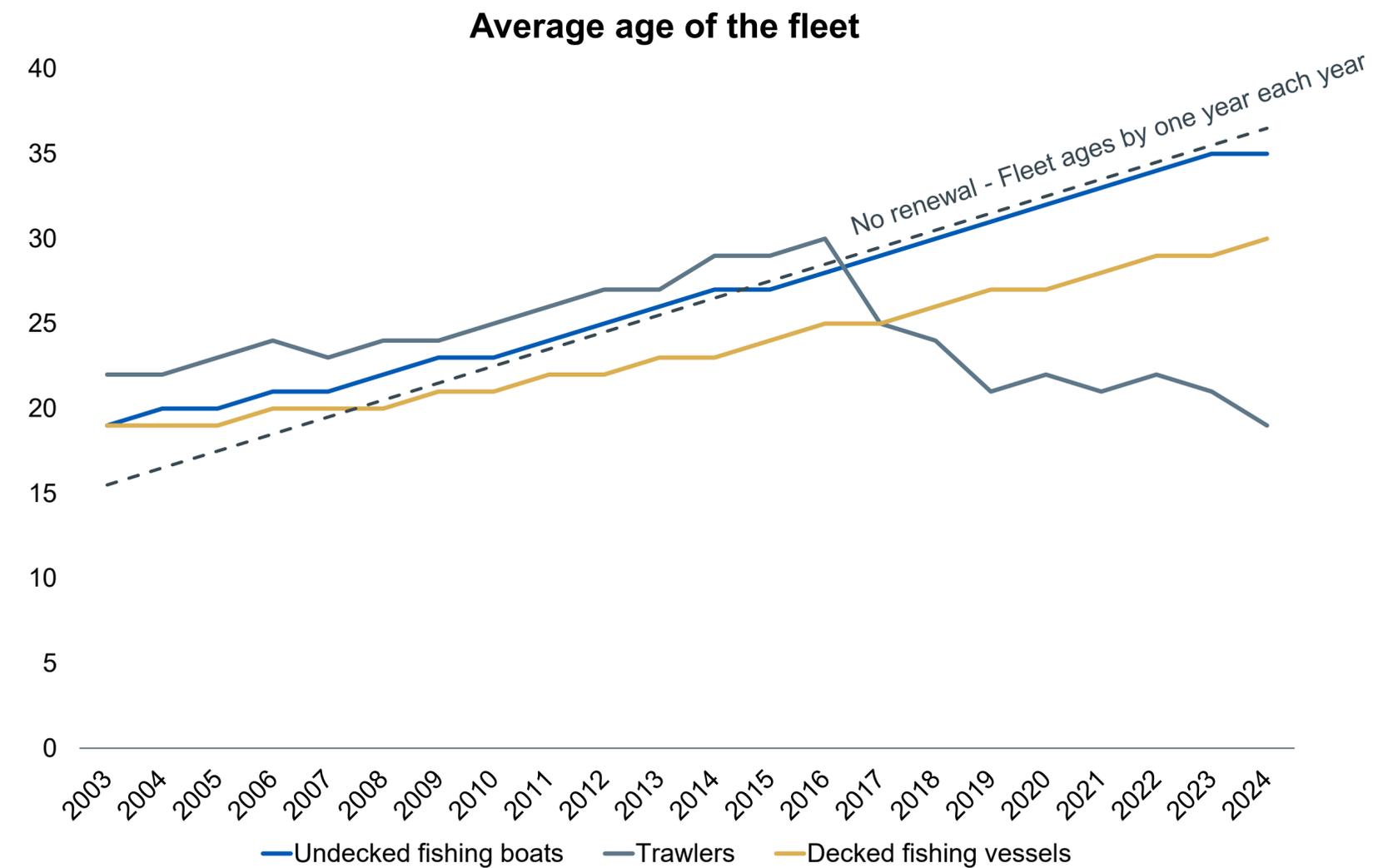
Investment in the fisheries sector by sub-industry

Historically, investment has been concentrated in fishing and processing. In recent years, however, investment in aquaculture has multiplied — and indications point to further growth in the near future.



Significant renewal of the trawler fleet

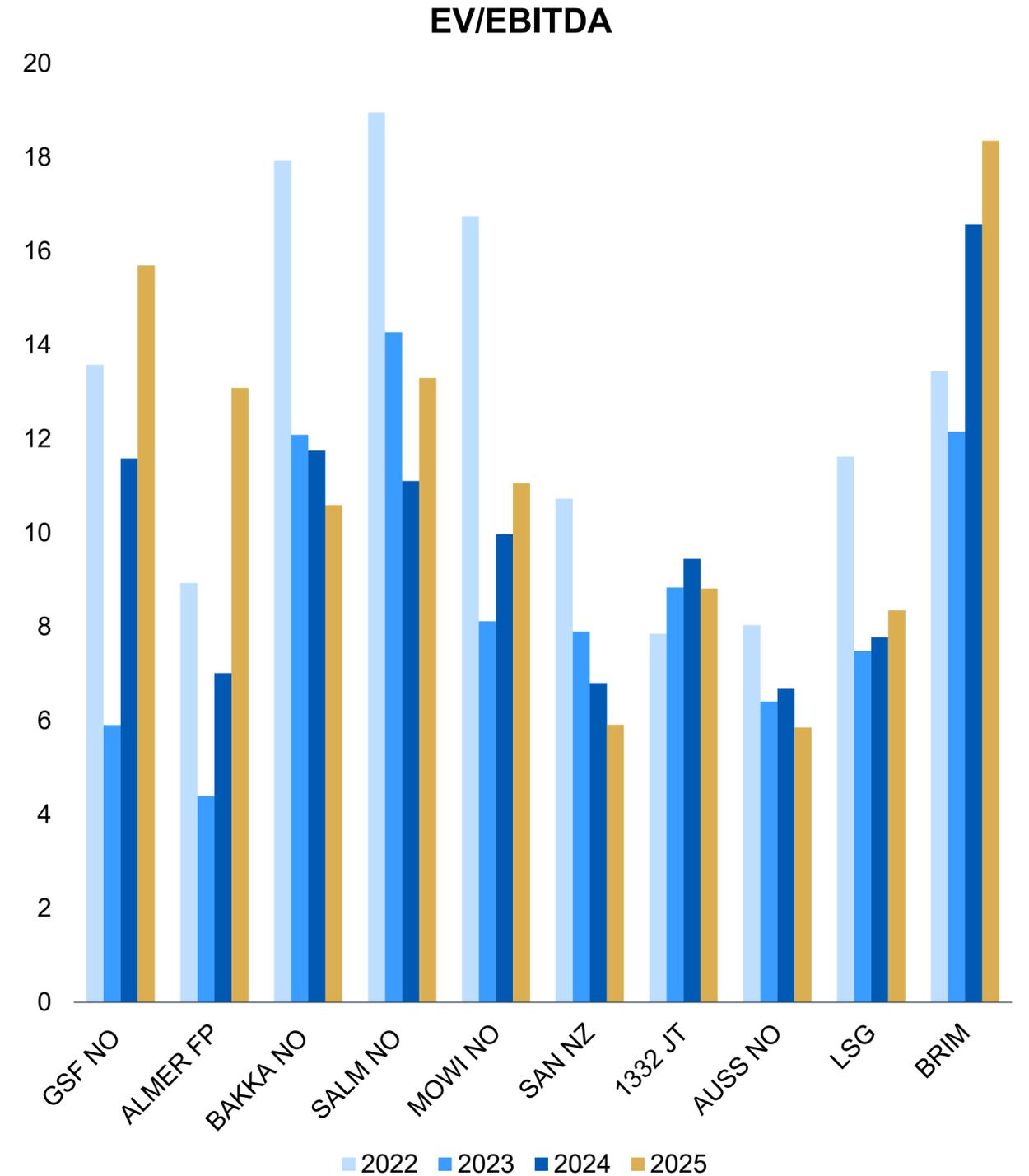
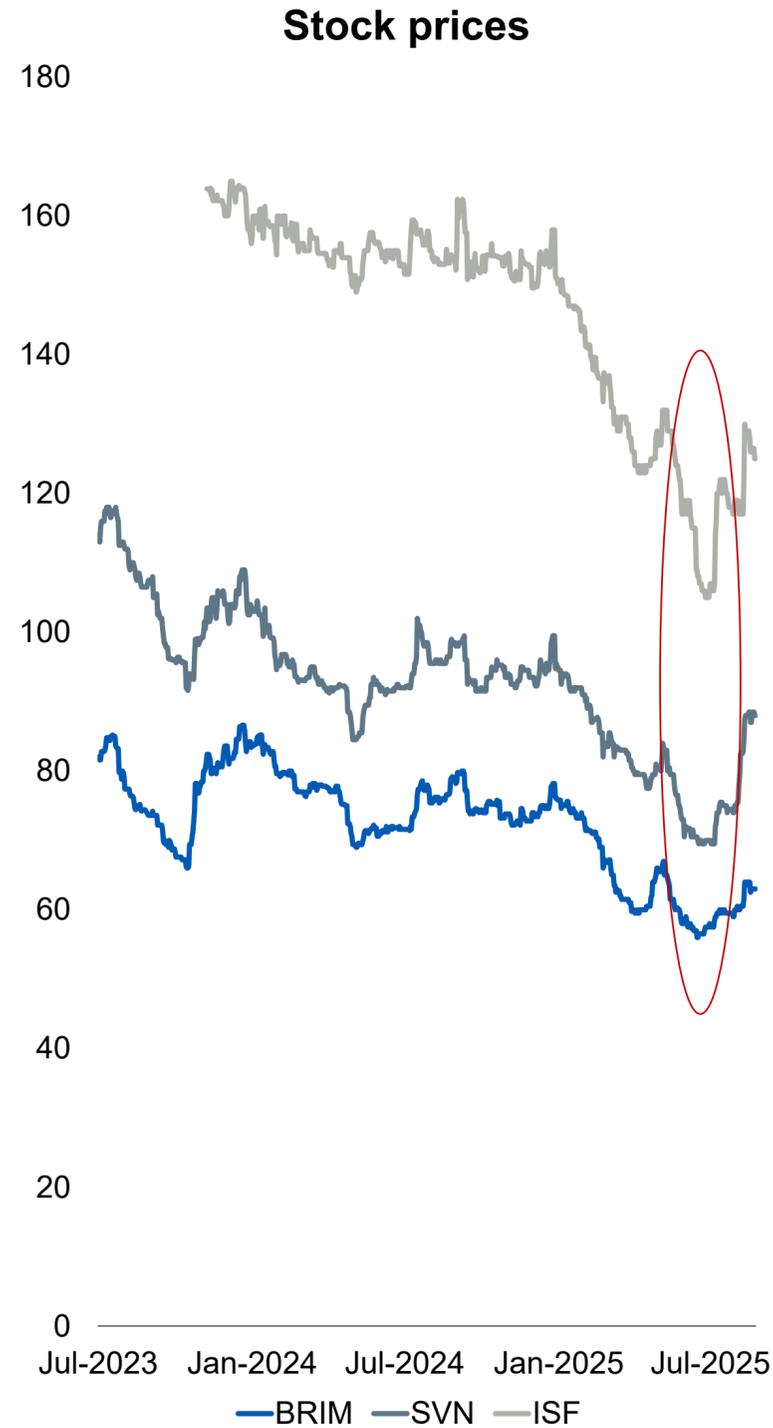
Since 2015, companies have been decommissioning older trawlers and investing in newer and larger vessels with greater capacity, resulting in a noticeably younger fleet. However, renewal has been much more limited among open boats, where the average age of the fleet has been increasing almost continuously.



Share prices of listed fisheries companies

Following discussions about raising the fishing fee, the share prices of the listed fisheries companies declined. Various factors may have contributed, but it is likely that the debate had a noticeable impact. Prices have partly recovered since the downturn, yet it is clear that political uncertainty can have a significant effect on company valuations.

Even so, Icelandic fisheries companies remain highly valued compared to similar firms abroad when measured against operating earnings. This may reflect investors' belief in stronger long-term growth prospects — or greater stability — in Iceland than among comparable companies elsewhere.



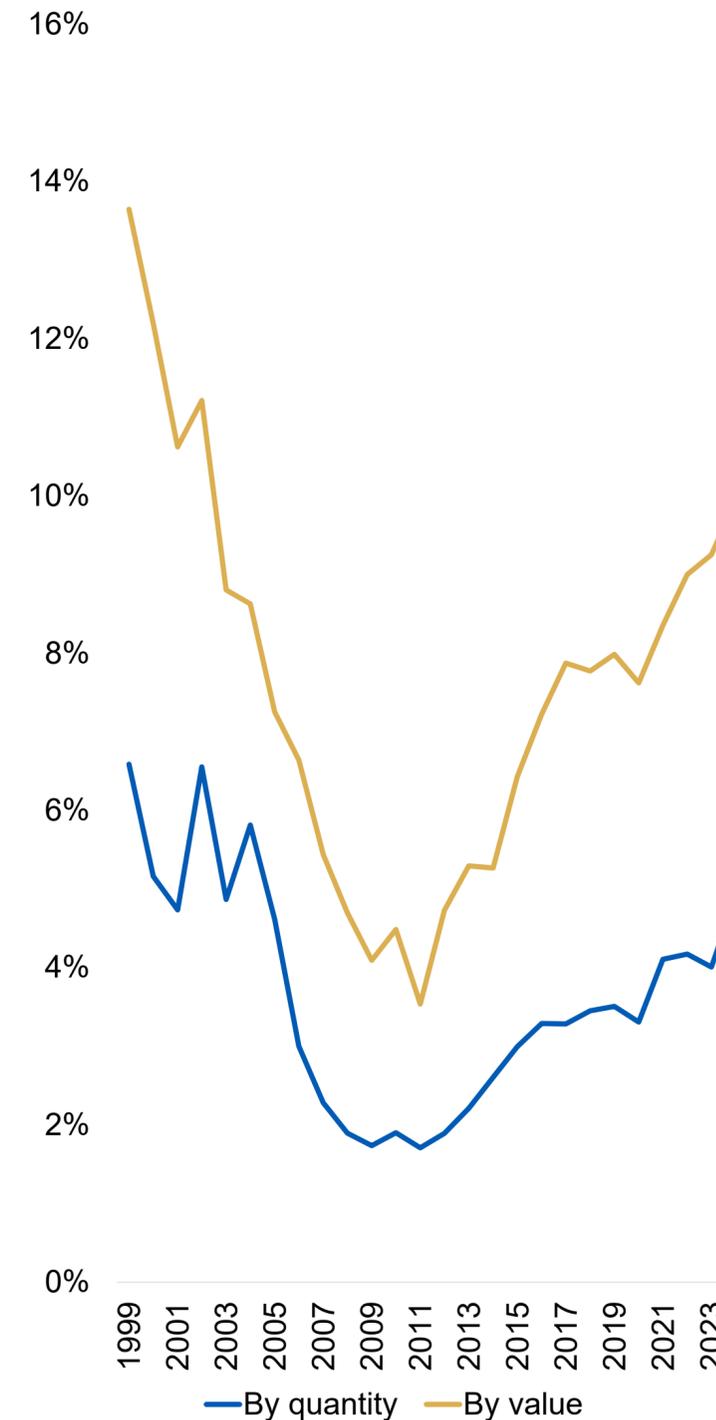
A new global landscape in trade and tariffs

Tariffs and the weakening of the U.S. dollar have reduced demand for Icelandic seafood. While this may certainly affect Icelandic fisheries companies, it does not appear to pose a major threat to the industry as a whole.

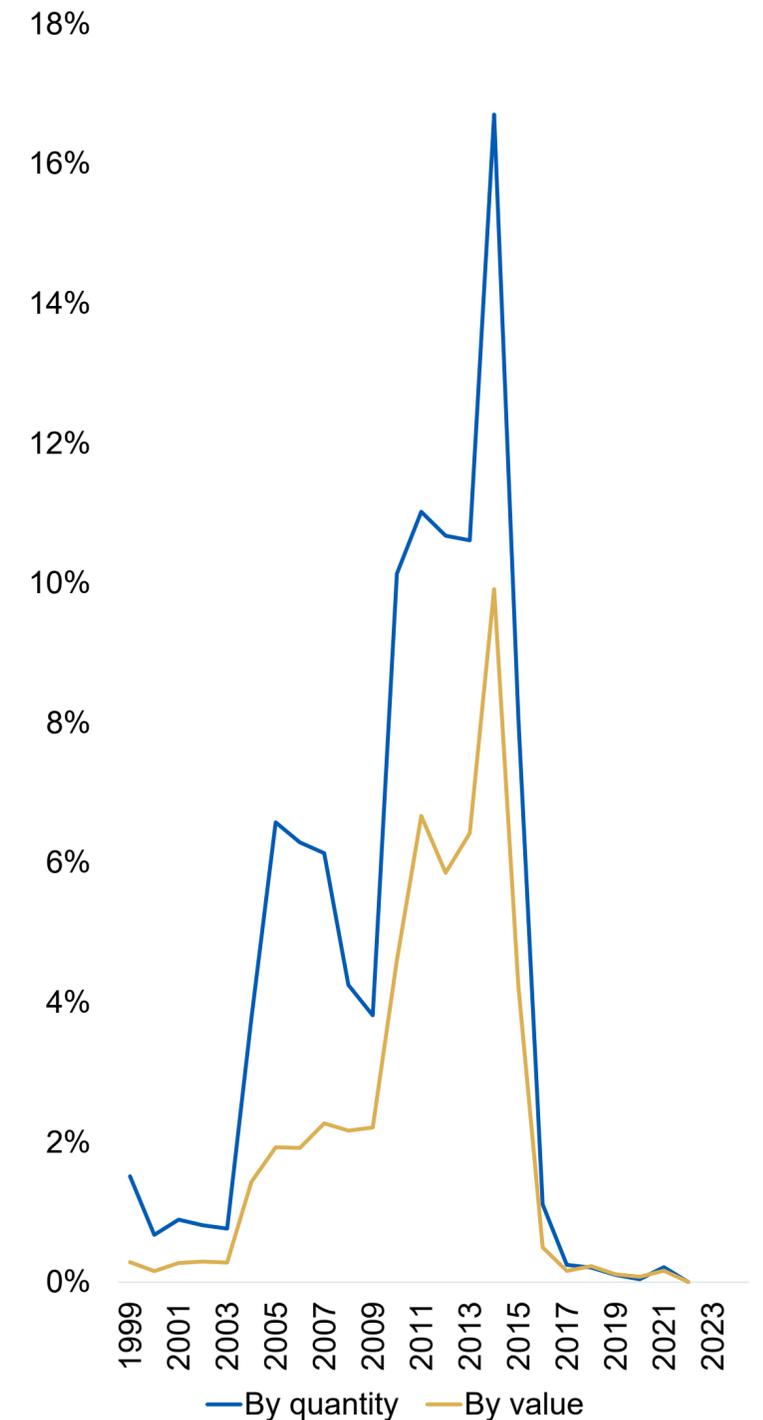
Icelandic fish currently faces a 15% tariff — comparable to or even lower than that faced by many of our competitors. Official U.S. import figures often overstate the volume of fish imported, as they frequently include American fish that is exported for processing and then re-imported. Nevertheless, a large share of the seafood consumed in the United States is caught elsewhere.

Historically, the Icelandic fisheries sector has demonstrated remarkable adaptability and resilience in the face of challenges. For example, the Russian market — which in some ways was even more important than the U.S. market today — effectively closed to Icelandic exports about a decade ago.

Share of fisheries export going to **USA**



Share of fisheries export going to **Russia**



Changes to the fishing fee

-is the fisheries sector at risk?



What Is the fishing fee?

The fishing fee is a 33% tax on the calculated base (estimated profit from fishing).



➤ **Variable and fixed costs are allocated to species in proportion to their catch value** in order to determine the calculated base for each species.

➤ **The fishing fee for the following year is then set as ISK per kilogram** for the different species.

➤ **A 40% discount applies to the first ISK 8.84 million** in 2025, with a **maximum discount of about ISK 3.5 million per company.**

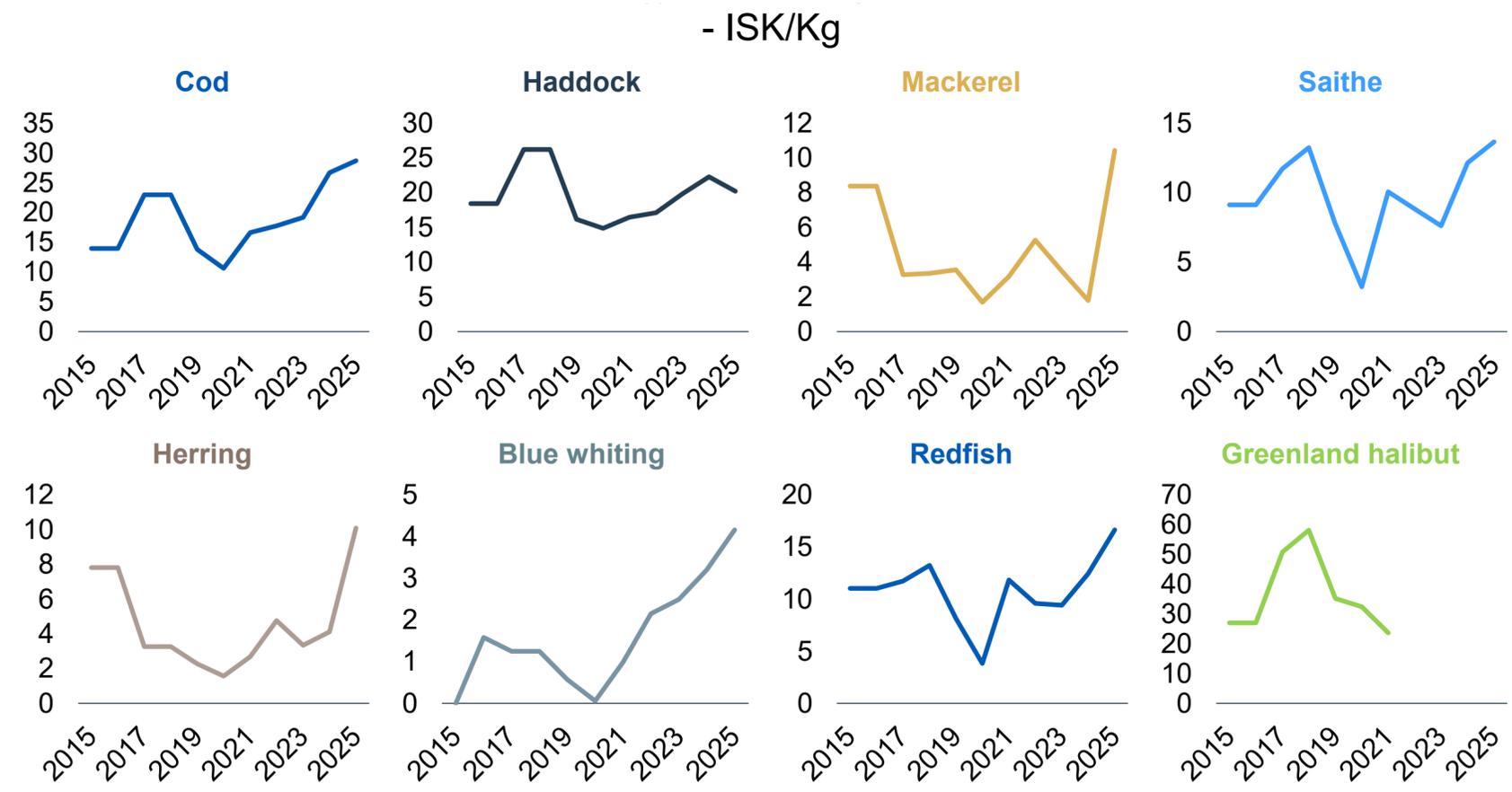
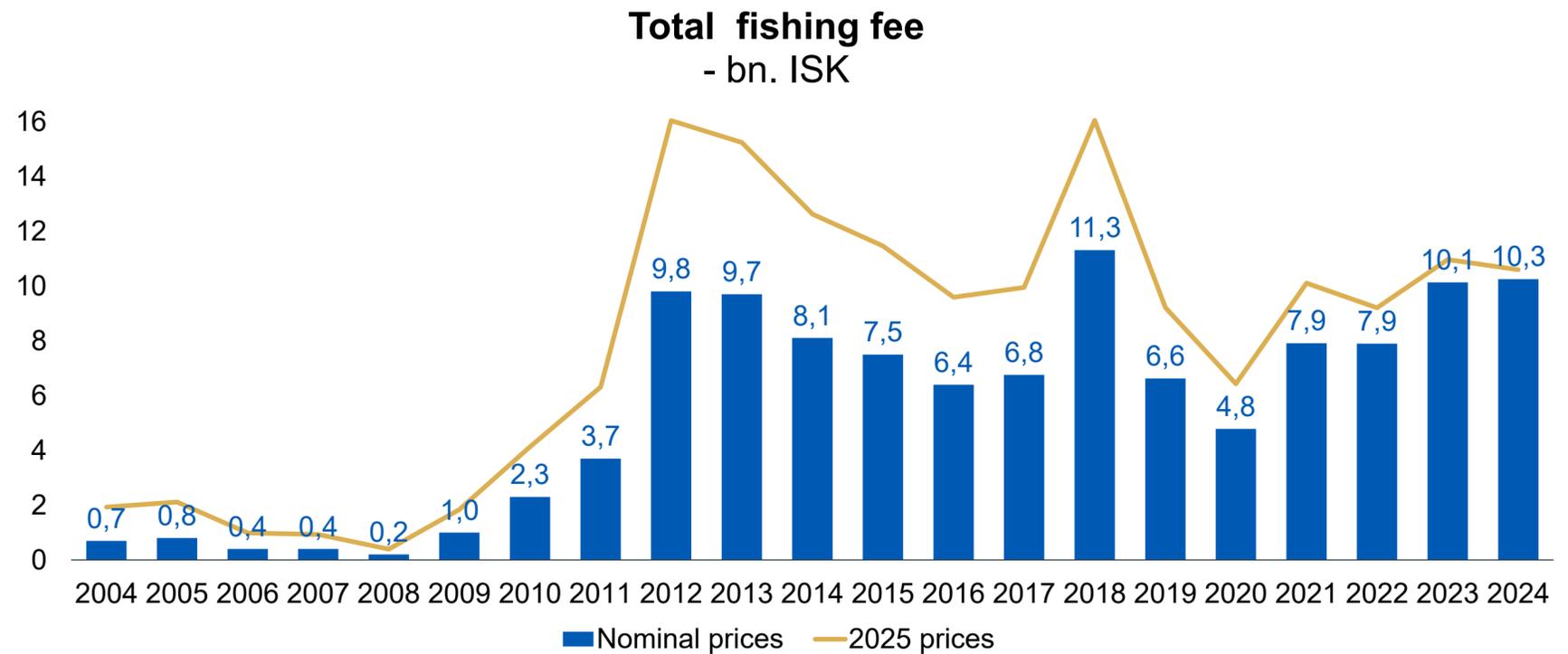


Significant fluctuations in the fishing fee

The amount of the fishing fee can vary considerably from year to year, even when the calculation rules remain unchanged — largely due to fluctuations in catch volumes and prices.

Investments can also have a major impact, as they are depreciated over five years under tax depreciation rules, which substantially reduces the estimated profit for certain species.

For example, the fishing fee on mackerel was unusually low over the past three years due to vessel investments, before rising again this year.



The “adjustment” of the fishing fee

Under the new legislation, the fishing fee remains 33% of “profit,” but it is now based on *calculated profit* determined using *revised reference prices* for catch.

The law — commonly referred to as the “*adjustment of the fishing fee*” — reflects the government’s view that transfer pricing between related companies has been below normal market value. This allows part of the profitability to be shifted to fish processing companies with strong ownership ties, thereby reducing the fishing fee burden.

Since 2009, following the increase in the fishing fee, a greater share of operating profits (EBITDA) in the fisheries sector has been reported in processing companies rather than in fishing operations.

However, this underpricing is fully compliant with existing rules, as collective agreements explicitly state that prices in such transactions must be at least 80% of market value. It has also been noted that this rule was already in effect when the 33% fishing fee rate on profits was established.

There is, moreover, ongoing debate about whether the new reference prices truly reflect actual market values.

$$\text{Base (Profit)} = \text{Catch Value (Price x volume)} - \text{Variable costs} - \text{Fixed costs}$$

(Profit) ~~(Price x volume)~~ New method

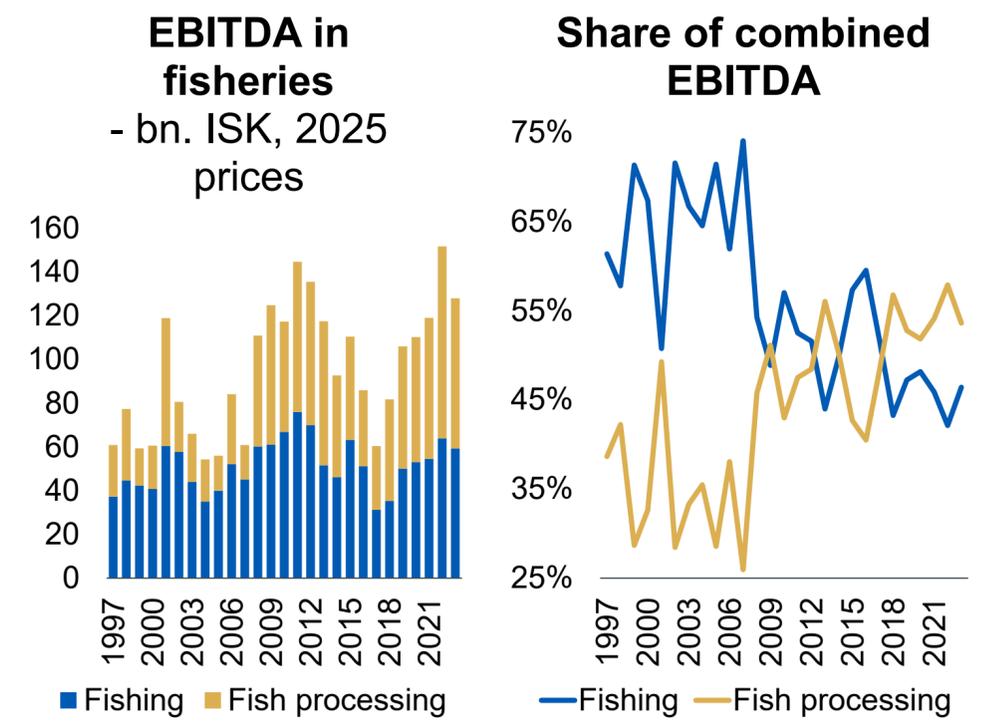
(“corrected price” x volume)

Variable and fixed costs are allocated to species in proportion to their **catch value** in order to determine the calculated base for each species. Based on actual prices (the old prices)

The fishing fee for the following year is then set as ISK per kilogram for the different species.

The discount is tiered and catch based – including the maximum cap
~~A 40% discount applies to the first ISK 8.84 million in 2025, with a maximum total discount of about ISK 8.5 million per company.~~
38 m.kr.

40 Sources: Statistics Iceland, Arion Research.



Key changes

- Catch value in the calculation base adjusted to new reference prices:**
 - Cod and Haddock:** Catch value based on market prices according to measurements by the Directorate of Fisheries (Fiskistofa).
 - Herring, blue whiting and mackerel:** Catch value based on official price data from the Norwegian Directorate of Fisheries.
 - Mackerel:** Catch value set at **80%** of the official Norwegian price data.
- Tax-free threshold (discount) increased and tiered:** Maximum deduction raised from ISK 3.5 million to ISK 38 million.
- Temporary reduction clause:** The fishing fee for **herring, blue whiting, mackerel, and cod** will be set at **85% of the calculated fee in 2026** and **95% in 2027**.

See other legislative changes here (Icelandic): <https://www.althingi.is/altxt/156/s/0870.html>



Resource rent – the government’s justification for the fishing fee

Resource rent refers to the **excess profit** that arises from restricted access to natural resources (or other production factors).

The purpose of the fishing fee is to ensure that the public receives a share of this rent — the value inherent in the sea, considered the collective property of the Icelandic nation — which is generated through an efficient fisheries management system.

The profitability of fisheries companies can, in theory, be divided into two components: “**normal profit**”, which would arise under ordinary competitive conditions, and “**resource rent**”, which represents the additional return derived from exclusive access to the resource.

The concept of rent is straightforward in theory, but in practice it can be very challenging to distinguish resource rent from other sources of profit.

Simple to define, difficult to measure

Excess profit ≠ resource rent

Excess profit may arise temporarily within certain industries due to external factors, independent of resource rent — even though market forces tend to balance such effects over time. In fisheries, for instance, profitability can fluctuate significantly due to changes in catch quotas and exchange rate movements. “Normal” profitability can also vary greatly between industries or time periods, depending on factors such as capital requirements and risk.

Accounting does not show everything

Company financial statements do not always reflect true profitability. The treatment of investments and depreciation, for example, can have a major impact on measured earnings. Likewise, accounting figures may not fully capture actual costs or real prices.

Separation of fishing and processing is not always clear

Some processing takes place on trawlers, meaning the distinction between fishing and processing is not always clear-cut. Part of the profit margin may therefore be shifted to processing operations or other related companies.

The rent is not necessarily evenly distributed

The fisheries sector consists of many different companies that vary in size, structure, fishing methods, and gear types. The level of resource rent can therefore differ between companies.



What is the rent — and where is it?

Many attempts have been made to estimate resource rent in various ways, but these studies produce differing results (see appendix for details) and each comes with certain limitations.

Is the rent captured in the quota?

It also remains unclear where the rent actually resides. When excess profits arise in industries with low barriers to entry, they typically attract new competitors, and increased competition then eliminates the excess profit.

If, however, excess profits exist within the fisheries sector, this should be reflected in the market price of fishing quotas — otherwise, new entrants would have an incentive to buy quotas and enter the market. In other words, the price of quotas should be high enough to eliminate excess profitability within the industry.

As stated in a report prepared for the Ministry of Food, Agriculture and Fisheries in 2023³

“[...] a considerable portion, if not all, of the resource rent in Icelandic fisheries is already reflected in the price of fishing quotas.”

Why does it matter?

The vast majority of quotas have been purchased, meaning that companies have already paid for the portion of the resource rent embedded in the quota price. It is not precisely known what share of the original quotas has changed ownership. According to an older survey by the Federation of Icelandic Fishing Vessel Owners (LÍÚ), the figure may have been around 85% in 2008, though the complexity of some transactions makes this difficult to verify. More recent studies also indicate that the share is high⁴. In addition, shares in companies that own quotas have been bought and sold, meaning that shareholders have indirectly paid for the quota through the acquisition of those companies.

However, it is not certain that no rent remains as profit within the companies. According to a 2020² study, the distribution of resource rent has roughly been as follows: about **20% captured by the state** through fishing fees, **40% by those who sold their quotas**, and **40% by those still operating in the fisheries sector**.²

The appendix discusses different methods for assessing rent, along with the Arion Research's new evaluation of rent in seafood companies listed on the market

1 Gunnlaugsson & Agnarsson (2019): <https://doi.org/10.1016/j.fishres.2019.02.007>

2 Gunnlaugsson et.al. (2020): <https://www.journals.uchicago.edu/doi/10.1086/708507>

3 Auðlindin okkar – Sjálfbær sjávarútvegur: <https://www.stjornarradid.is/audlindin-okkar/>

4 STAÐA OG HORFUR Í ÍSLENSKUM SJÁVARÚTVEGI OG FISKELDI

Sources: Statistics Iceland, Arion Research.



Is the fishing fee a neutral tax?

It is a well-established conclusion in economics that a tax on resource rent constitutes a *neutral form of taxation*. This means it does not alter decisions regarding production, investment, employment, or pricing (at the margin) — unlike most other forms of taxation. Therefore, it should not reduce production or resource utilization — but only if certain key assumptions hold.

From the explanatory notes to the bill:

“The proposed changes do not entail any impact on the operational structure of fisheries companies, nor will they affect individual operating units within the industry, whether in fishing or processing. It must therefore be concluded that, if passed into law, the bill will have negligible effects on the competitiveness and investment capacity of fisheries companies.”

Key conditions for the neutrality of a resource rent tax (e.g. the fishing fee)

Accurately measured rent

Symmetrical taxation of profit and loss

- Negative profitability should result in a negative tax liability.

Credible and stable framework

There must be no uncertainty regarding future changes in taxation.

Undiminished investment capacity

- Taxation should not impair collateral value or cash flow to the point where marginal investments become unviable. In reality, however, taxation can affect investment capacity — for instance, through the devaluation of fishing quotas used as collateral.

Ability of firms to bear the new taxation

- If fixed costs represent a higher proportion of total costs for smaller companies, the fishing fee could threaten their operational viability.

Capitalization effects

- Taxation is reflected in asset prices, meaning that increased taxation is not neutral with respect to asset valuation. Likewise, reduced cash flow can affect firms' ability to service financing costs on past investments.

Accurate transfer pricing

- If companies shift profits between entities, a resource rent tax can distort decision-making. In the case of the revised fishing fee, it may also be that the previous system created such distortions — but not the new one — meaning that the new law could still lead to behavioral changes.



Effect of the new fishing fee

1) Increase in the fishing fee

The new legislation may affect different species to varying degrees from year to year, depending on how much reference prices differ from actual market prices, the composition of catches in the preceding year, and several other factors.

In 2024, the fishing fee on cod was **ISK 26.7 per kilogram**, but under the new law it would have been **ISK 56.67 per kilogram**. For haddock, the fee would have risen from **ISK 22.28 to ISK 37.09 per kilogram**. Among pelagic species, the largest relative increase is for mackerel, where the fee rises from **ISK 1.79 to ISK 20.81 per kilogram**.

The exact fee levels for next year have not yet been determined, and the impact of the new legislation could be either greater or smaller.

The changes do not only affect the five species originally targeted for higher fees (top row of the chart to the right), although that was the initial intention. Other design changes in the new law also influence additional species.

Factory trawlers were removed from the calculation base, and the previous rule allowing a 10% reduction for frozen products processed at sea was abolished — resulting in higher fishing fees for nearly all demersal species.

Furthermore, investments in new freezer trawlers are no longer included in the tax base, meaning that a fishing fee is now levied on **Greenland halibut**, which was exempt in 2024 and 2025.

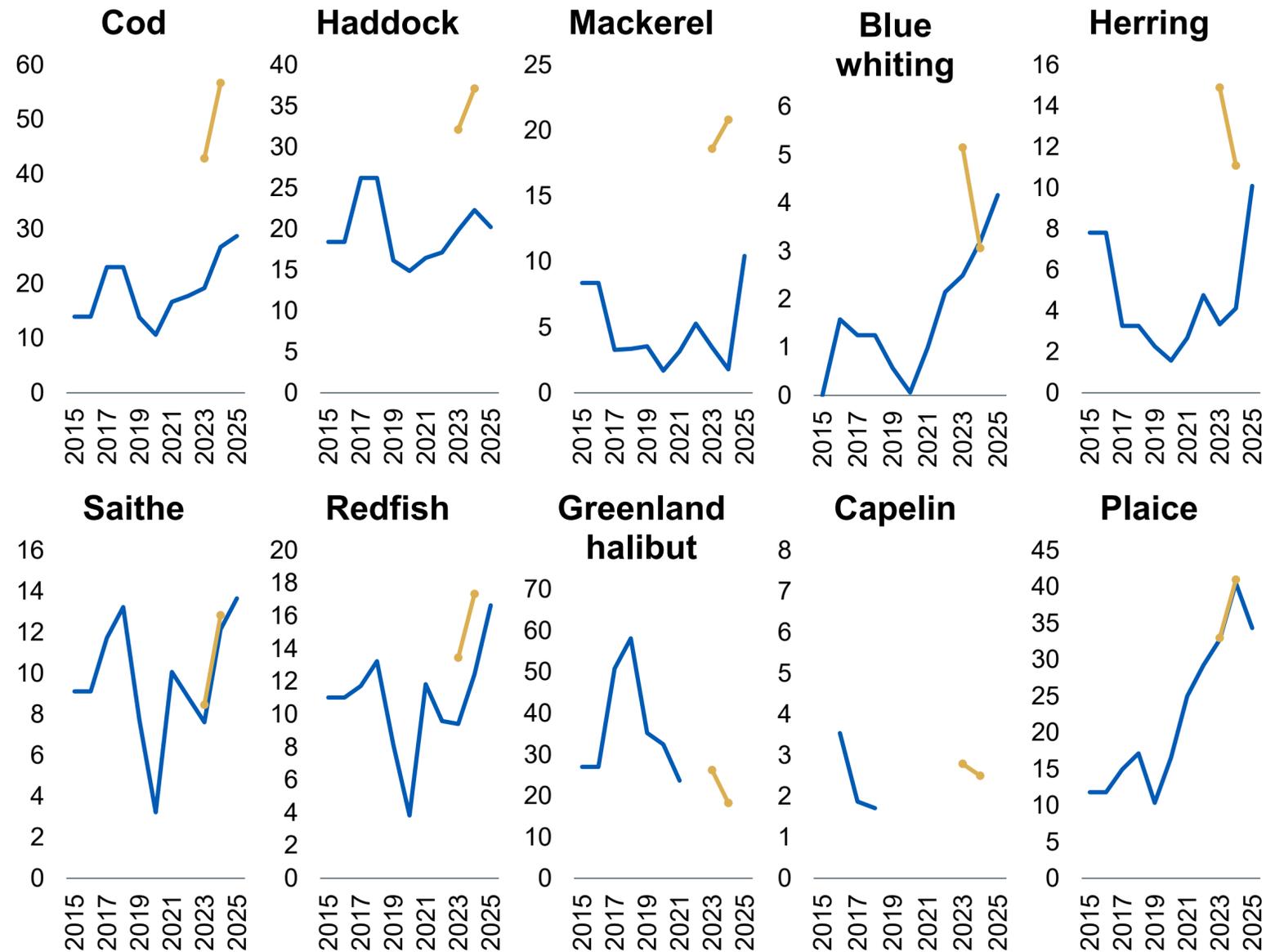
About the Data:

All calculations are based on the fishing fee estimates prepared by the Directorate of Internal Revenue for the Parliamentary Committee on Industry, with the exception of mackerel, which has been adjusted to **80% of the Directorate's estimate**, as the final legislation specifies that reference prices should be set at **80% of Norwegian market prices**.

The resulting figures therefore reflect lower fees than those published in the original explanatory memorandum to the bill.

The Ministry of Food, Agriculture and Fisheries was not reached for comment during the preparation of this report.

Fishing fee by species - ISK/Kg



Effect of the new fishing fee

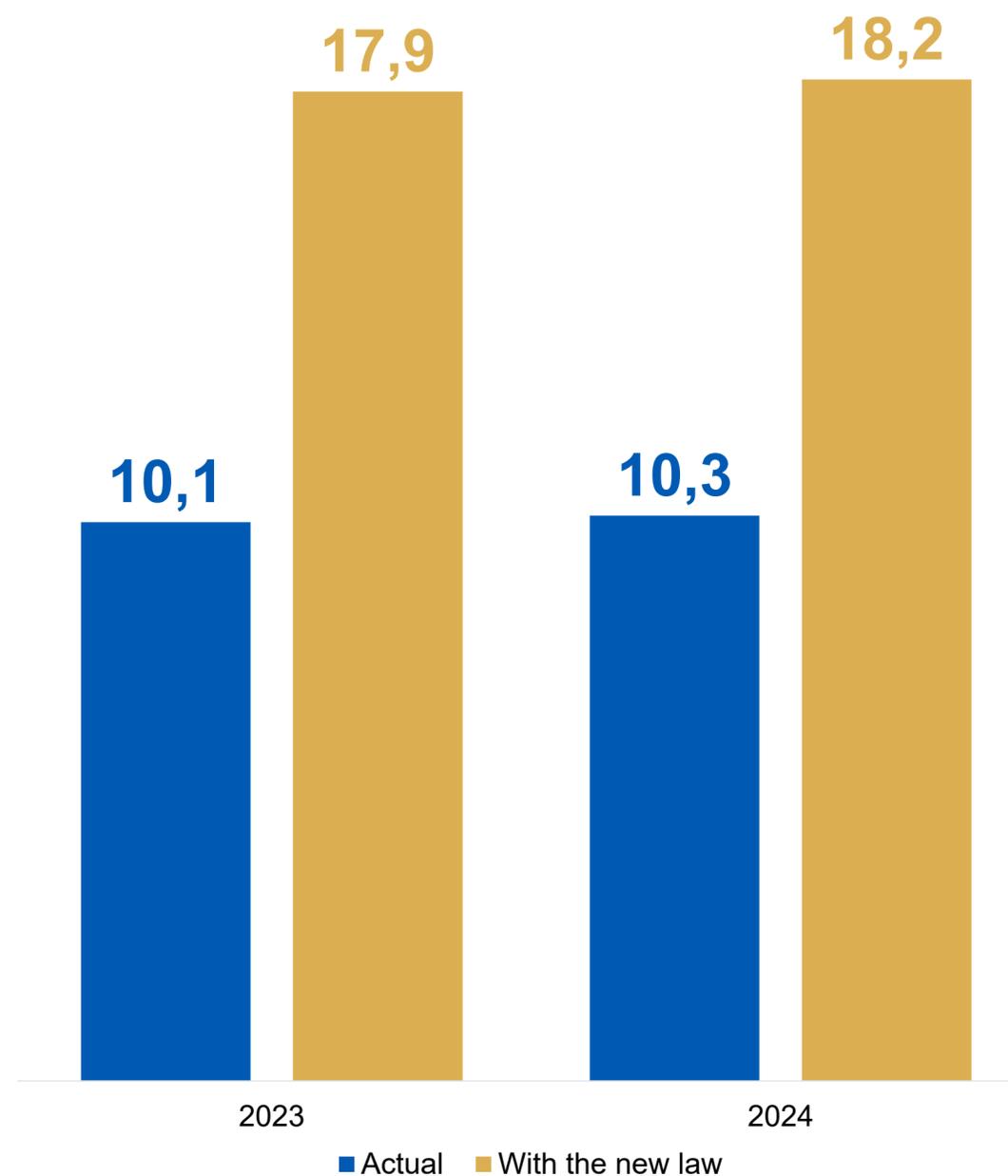
1) Increase in the fishing fee (cont.)

Just as the impact of the new law on the fishing fee per kilogram can vary significantly from year to year, its effect on the **total amount collected** can also fluctuate. On average, the fishing fee would have been **77% higher** in both 2023 and 2024 if the new legislation had already been in force. The overall impact in the coming years could, however, be greater or smaller.

Since the fishing fee is deductible from taxable income, a fishing fee of **ISK 10 billion** yields **ISK 8 billion** in additional government revenue, while a fee of **ISK 18 billion** yields **ISK 14.4 billion** for the Treasury.

When the fishing fee is calculated for the first time under the new law — for **2026** — it will be set **15% lower** than the computed amount for cod, and **5% lower** for 2027. This means that if the computed fishing fee were 77% higher under the new legislation, the **actual charged fee** would be **50% higher in 2026** and **68% higher in 2027**.

Total fishing fee 2023-2024 - actual vs. the new law
- bn. ISK



Effect of the new fishing fee

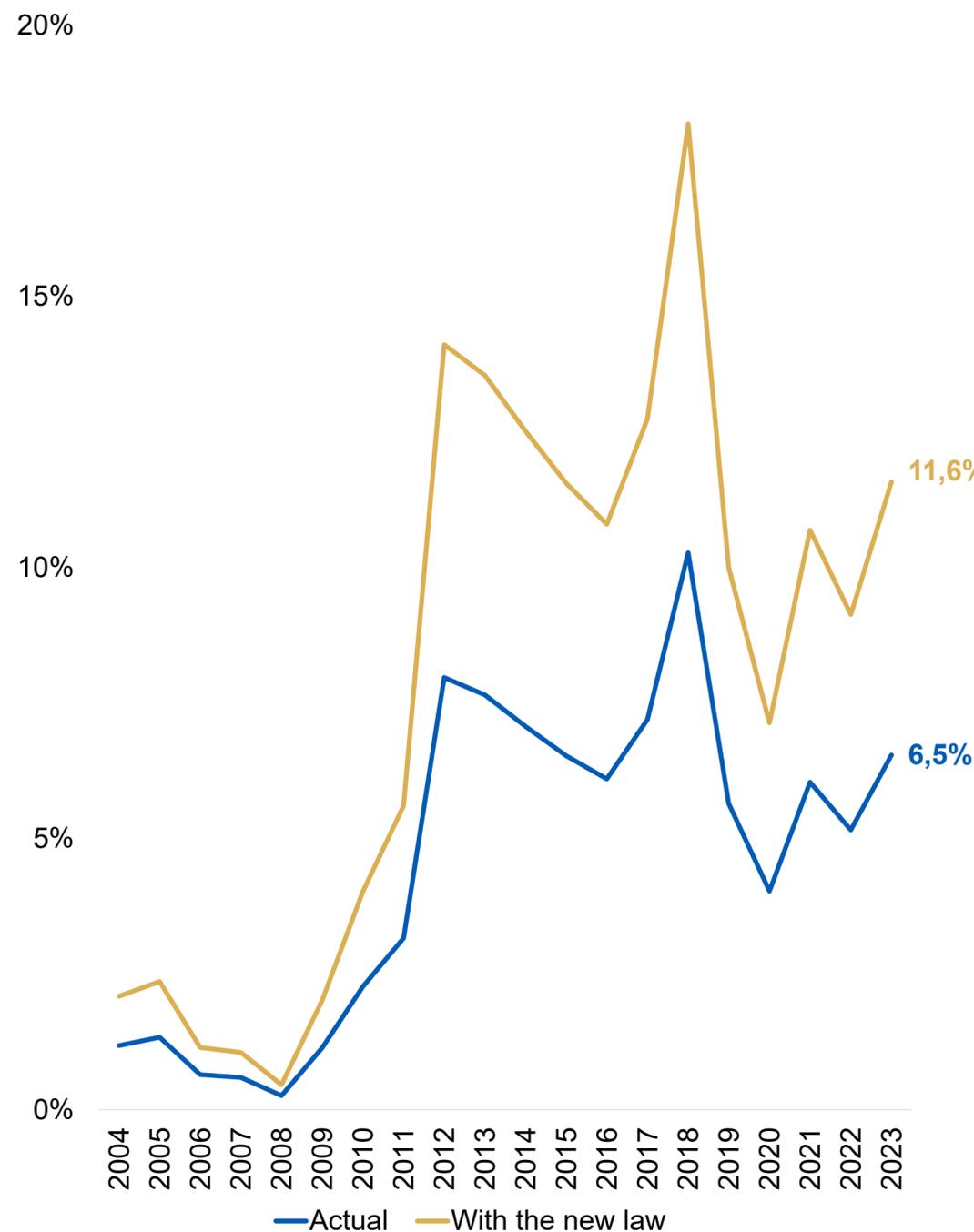
2) Costs increase

Over the past five years, the fishing fee has averaged **ISK 9.5 billion per year** at current prices. For comparison, the **operating expenses** of fishing companies (excluding depreciation) averaged around **ISK 170 billion** between 2019 and 2023 in real terms.

The fishing fee has therefore averaged about **5.5% of operating expenses** but is likely to rise to **around 10%** in the coming years under the new system.*

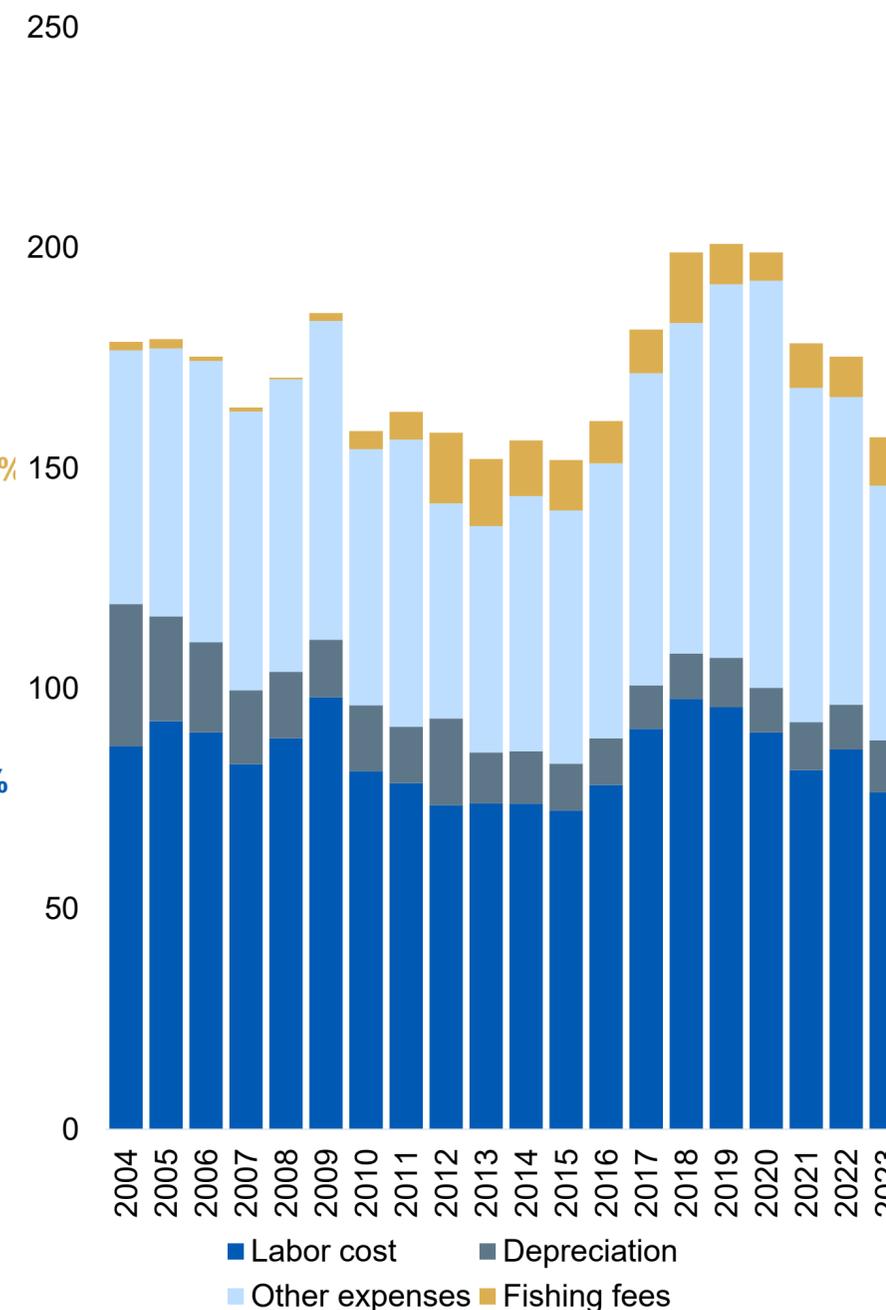
However, other operating costs can fluctuate significantly — and so can the relative share of the fishing fee.

Fishing fee as a share of operational cost



Fishing fee and other operational costs

- bn. ISK, 2025 prices



Sources: Icelandic Fish Directory, Parliament, Iceland Revenue and Customs, Arion Research, Statistics Iceland

*This assumes that the relative impact of the new legislation would have been the same historically as in 2024 and should therefore be regarded only as an approximate estimate.



Effect of the new fishing fee

3) Profit decreases

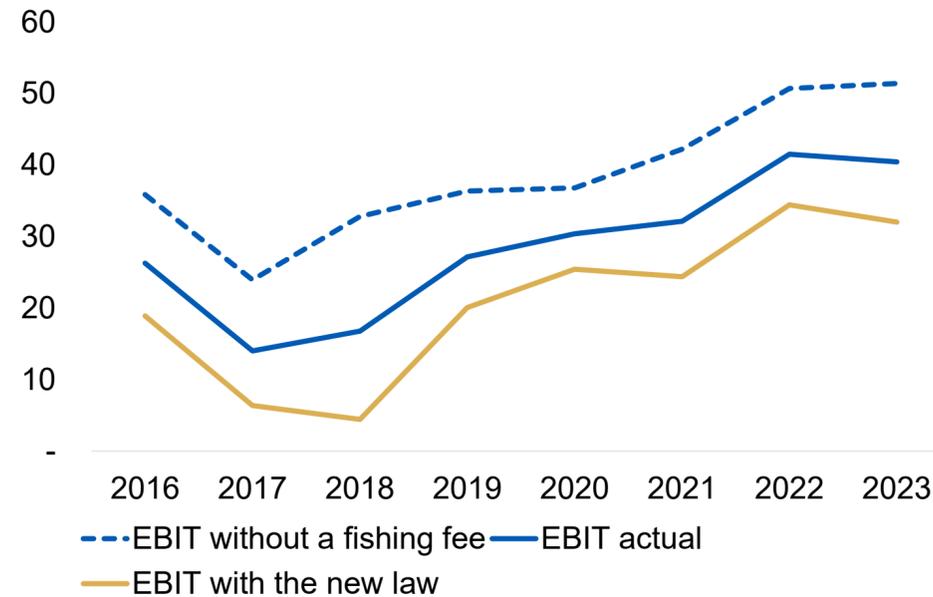
On average since 2016, the fishing fee has amounted to about **28% of the operating profit** of fishing companies, and **14.5% of the operating profit** of the overall fisheries sector when processing is included. The fee is levied only on fishing activities, but if the government is correct that part of the profit is realized through processing companies, then their profitability is also relevant.

If the fishing fee were to increase by **77%**, in line with the estimated impact of the new legislation on the 2024 fishing fee, it would correspond to roughly **50% of the operating profit** of fishing companies and about **25% of total operating profit** in the fisheries sector when processing is included.**

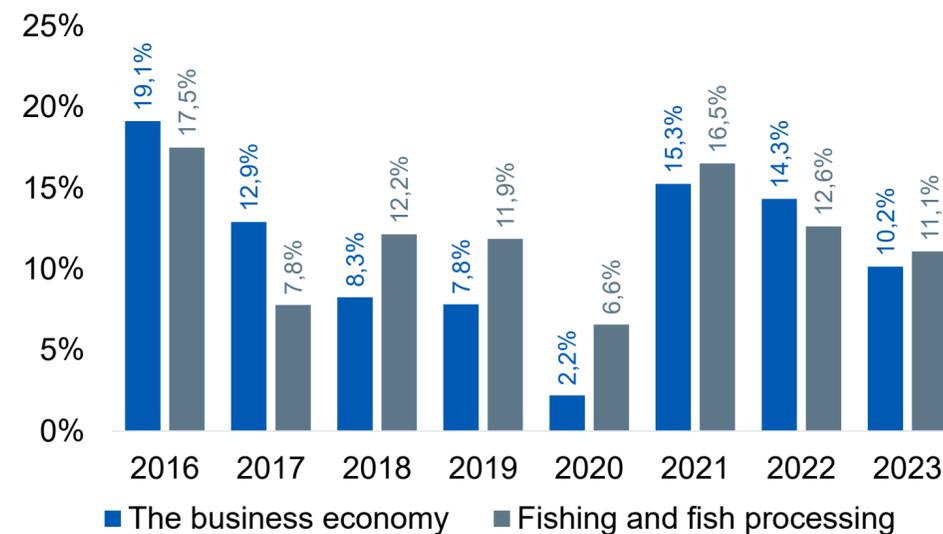
As noted earlier, these figures are approximations, and the ratio of the fishing fee to operating profit will likely continue to vary considerably from year to year. It should also be kept in mind that **corporate income tax decreases correspondingly**, offsetting part of the effect.

Sources: Icelandic Fish Directory, Parliament, Iceland Revenue and Customs, Arion Research, Statistics Iceland
 *Excluding financial services, utilities, aluminum production and fisheries
 ** Assuming same relative increase as 2024

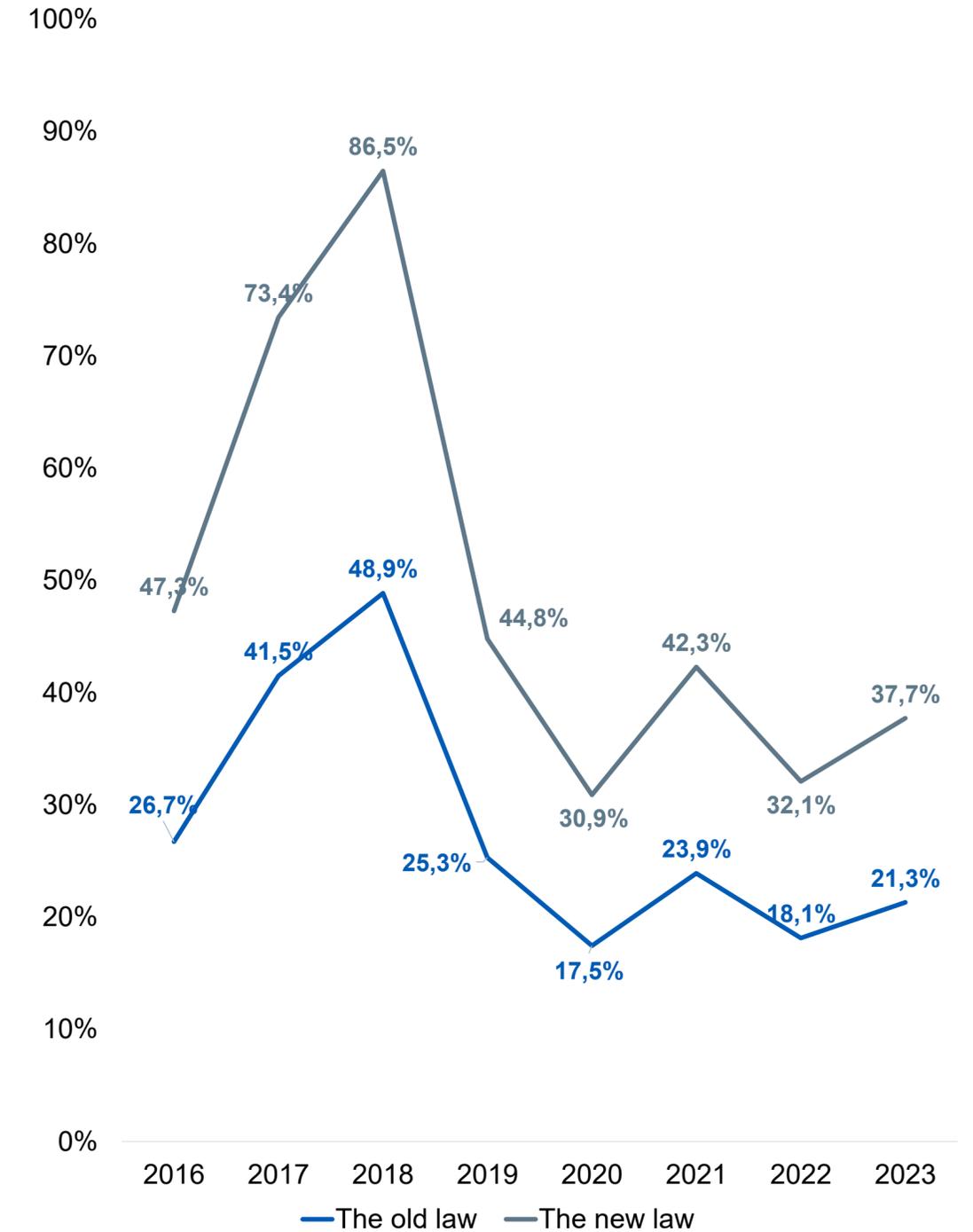
EBIT in fishing
- bn. ISK



Return on equity after the new fishing fees



Fishing fee as a share of EBIT



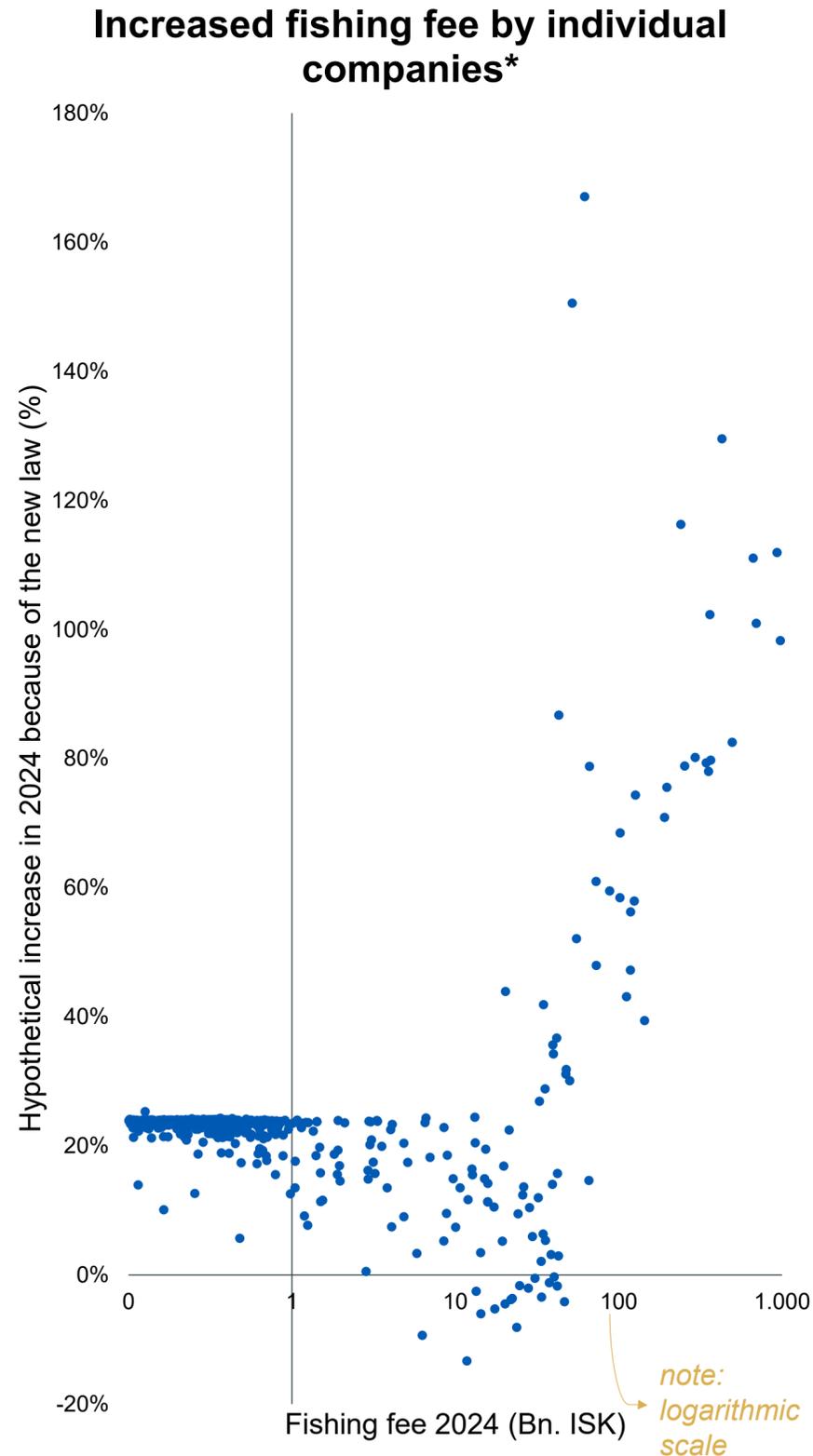
Effect of the new fishing fee

4) The relative effects are the highest on the largest corporations

The fisheries sector is far from uniform, as it consists of many companies of varying sizes and structures — firms operating different types of vessels, using diverse fishing gear, and organized in different ways. Most importantly in this context, they differ in their **catch composition**, meaning the fishing fee can have **very different impacts across companies**.

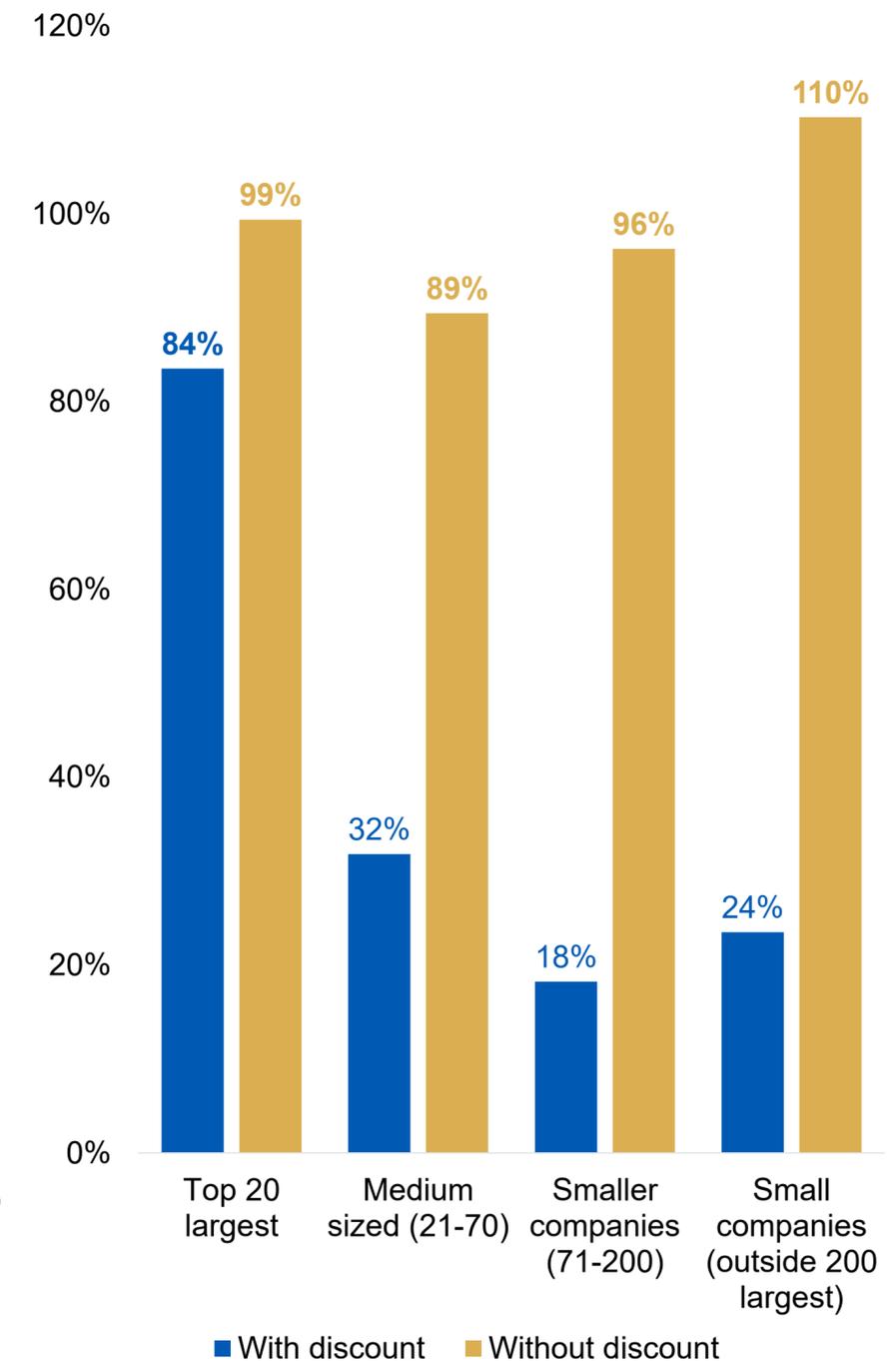
Overall, fisheries companies would have paid **77% more in fishing fees in 2024** had the increase already taken effect. While the **calculated fishing fee nearly doubles**, the **maximum discount per company** has also been raised, which means that the relative increase is **significantly larger for the bigger companies**.

Based on this increase, the **operating profit (EBIT)** of the listed fisheries companies would have been, on average, **around 15% lower** in 2024 than it actually was.



Effects of the new law by company size

- average increase with and without discount



Sources: Icelandic Fish Directory, Parliament, Icelandic Revenue and customs, Arion Research.

*The graph is missing one company which sees a 244% increase.



Effect of the new fishing fee

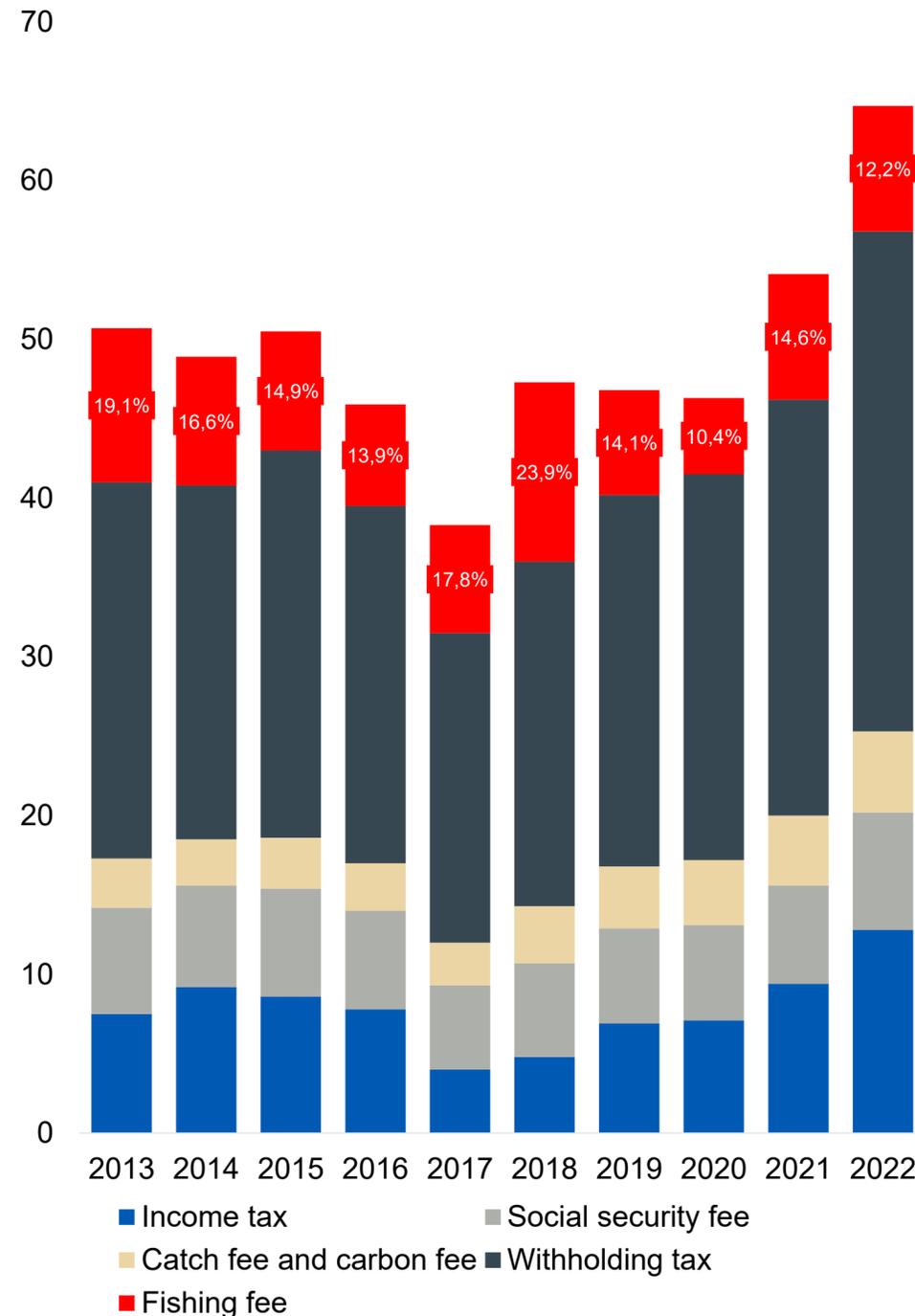
5) Increases revenue for the government

Government revenue from the fishing fee amounted to **about 12.2% of total corporate tax payments** from the fisheries sector and **0.6% of total government revenue** in 2024.

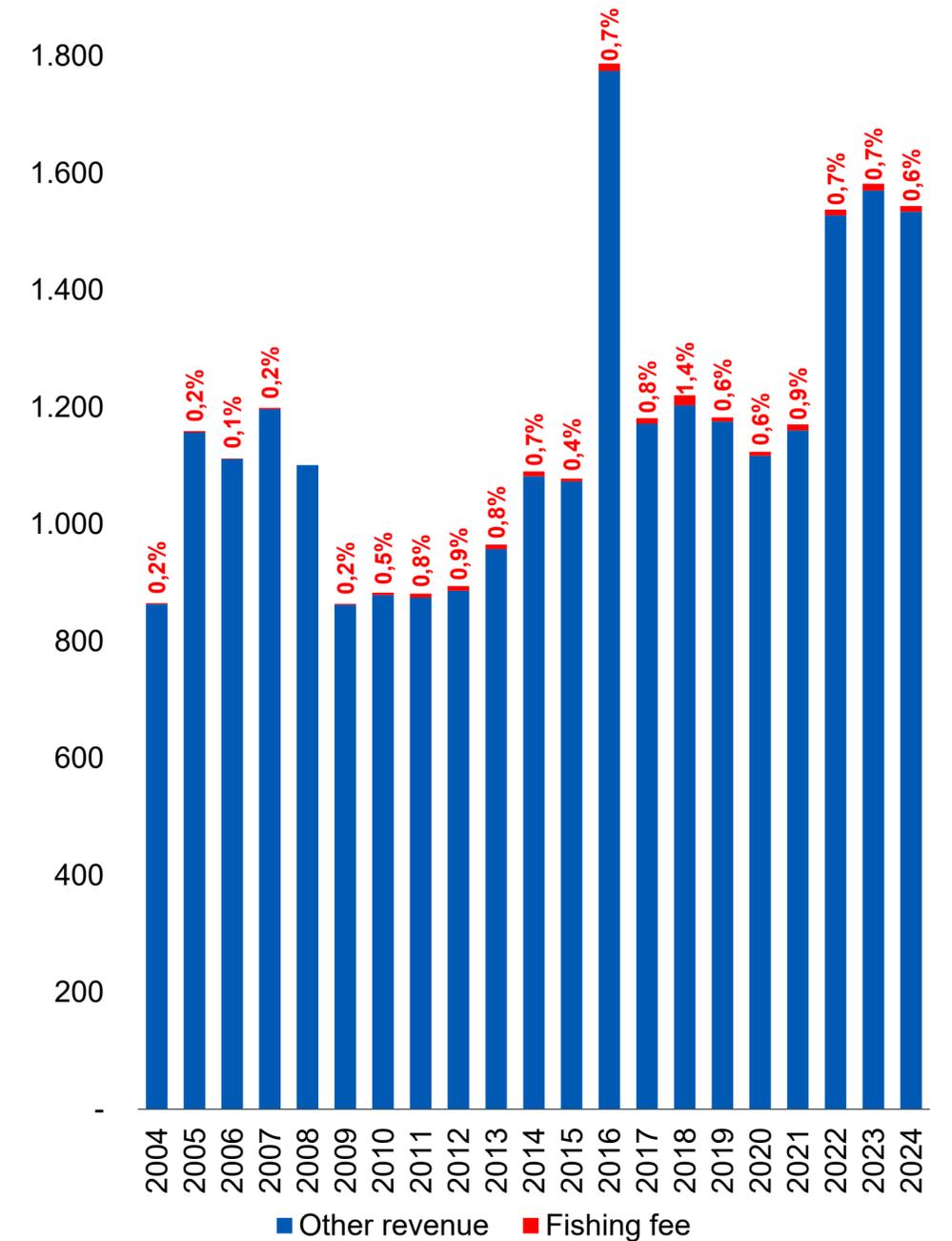
Had the new legislation been in effect, the share of the fishing fee would have been **just over 1% of total government revenue** in 2024.

As previously noted, the fishing fee **reduces the corporate income tax base** by an amount equal to **20% of the fee** (as long as the tax base remains positive), meaning that the **net fiscal gain for the Treasury is smaller**.

Tax footprint of Icelandic fisheries
- bn. ISK



Fishing fee and government revenue
- bn. ISK 2025 prices / share of total revenue



Effect of the new fishing fee

6) Reduced competitiveness of processing companies

Why would a higher fishing fee imposed on fishing companies affect the processing sector? Because it removes an *indirect form of support*.

If fishing companies seek to maximize profit — as most companies do — they will sell to domestic processors only if, and when, it is more profitable to do so. A higher cost of fishing should not, in itself, affect where it is most advantageous to sell the catch.

However, under the previous legislation, there was an *indirect subsidy* for fish processors, as fishing companies with affiliated ownership structures could transfer part of their profit to related processing entities, thereby lowering their fishing fee burden. Part of the processors' benefit — and thus their owners' return — came from this reduction in fishing fees.

By making the fishing fee independent of the transfer price of the catch, this indirect support is effectively being removed — regardless of whether the new reference prices are closer to true market value or not. In this sense, the “adjustment” of the fishing fee could reduce the competitiveness of Icelandic processing companies.

There is, however, no indication in the bill's explanatory notes that the government was aware of this implicit support mechanism for processors, or that the reform would eliminate it.

There are mainly two other possible reasons why processing companies might close following the new law:

- They may have been operated primarily for **social or regional reasons** rather than for profit.
- **Closures may already have been planned**, and the new fishing fee simply provides a convenient justification to proceed without political backlash.

The closure of processing plants, therefore, is **not necessarily evidence** that the revised fishing fee is to blame.



Aquaculture



Betting on aquaculture

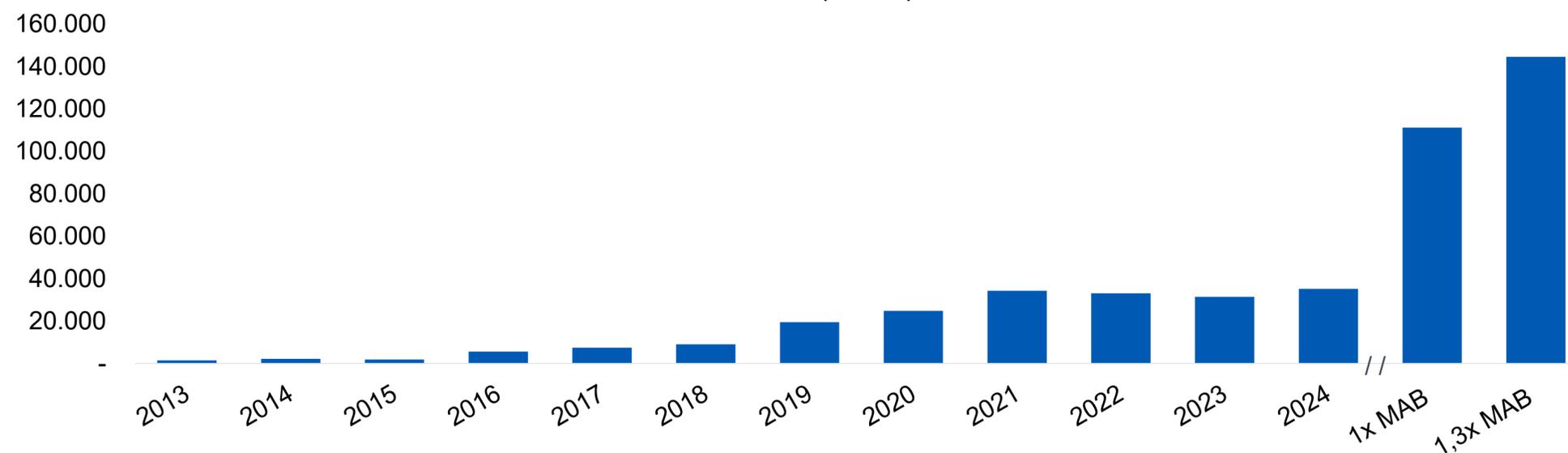
Aquaculture has grown tremendously in recent years, and future ambitions are highly ambitious.

Since 2013, the production of farmed Atlantic salmon in sea pens has increased by an average of **33% per year**, while growth in land-based aquaculture has been more moderate at around **11%**, as most investment so far has focused on **sea-based farming**.

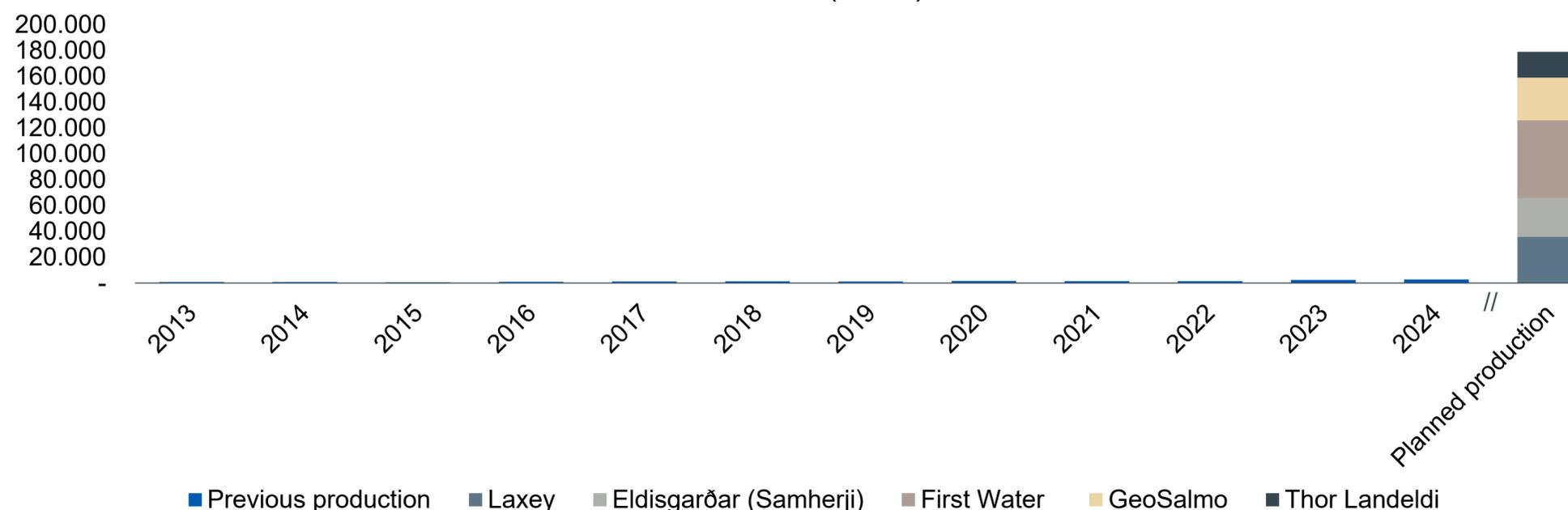
The focus, however, is increasingly shifting toward **land-based farming**, and if all current plans materialize — and the carrying capacity of Iceland’s fjords is fully utilized for sea-based operations — total production in Iceland could reach **up to 323,000 tonnes of farmed salmon**, equivalent to about **13% of global Atlantic salmon production in 2024**.

In our economic forecast, we estimate **ISK 266 billion** in investments during **2026–2028** at today’s prices, though under the most optimistic scenario this could reach **as much as ISK 330 billion** over the period.

Production amount in sea based aquaculture
- tonnes (HOG)



Production amount in land based aquaculture
- tonnes (HOG)



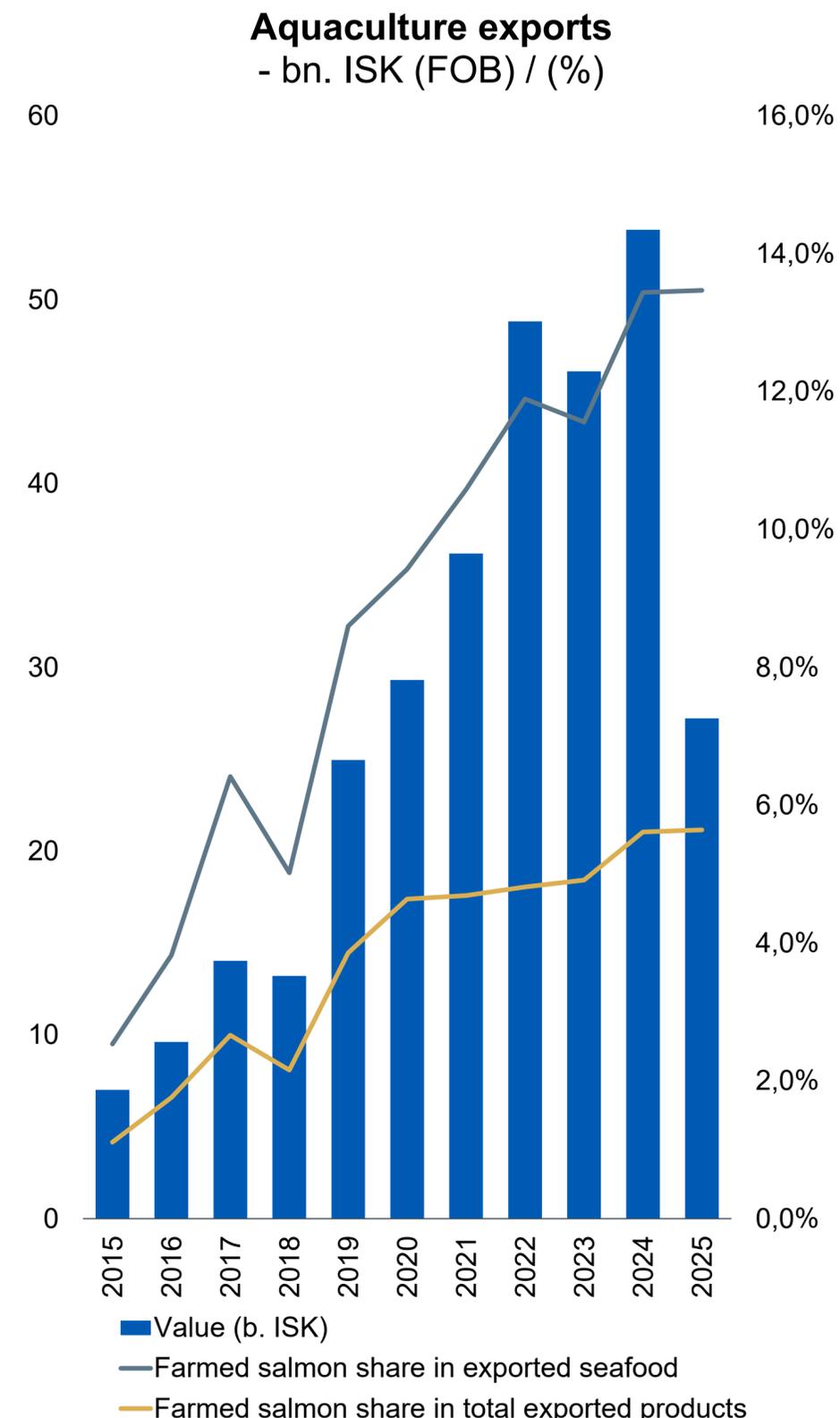
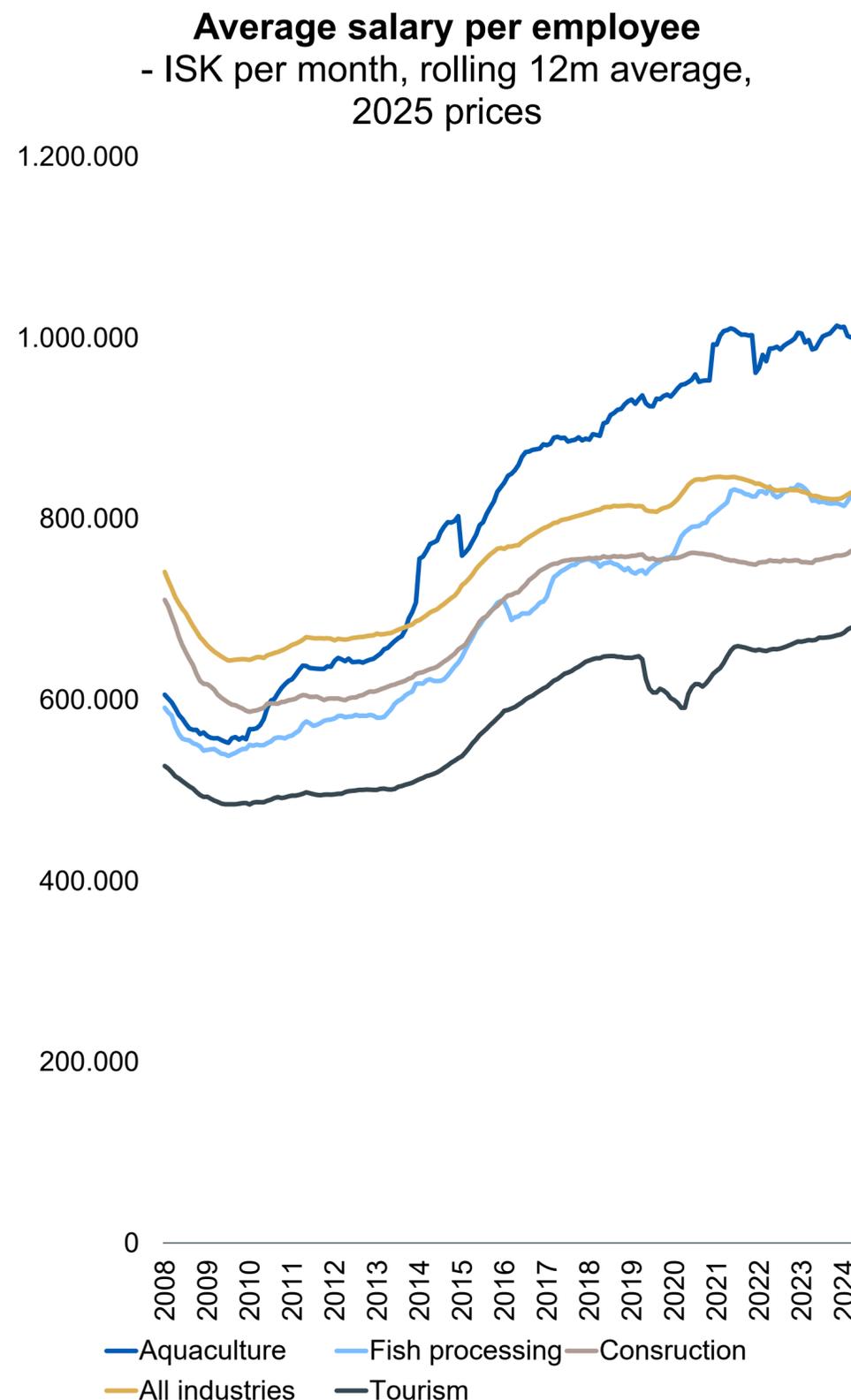
52 The figures for **whole fish equivalent (WFE)** have been converted to **head-on gutted (HOG)** using a **gutting factor of 0.77**, based on data from the **Icelandic Food and Veterinary Authority (MAST)**.
According to **MOWI**, global production of Atlantic salmon in 2024 was just over **2.5 million tonnes** (including both farmed and wild catch).



Growing importance in the economy

The economic significance of aquaculture is increasing rapidly. So far this year, aquaculture products have accounted for **around 13.5% of total seafood exports** and **about 5.6% of total merchandise exports in 2025**, similar to the share in 2024.

Aquaculture has also created well-paid jobs — particularly in East and West Fjords of Iceland — where wages in the sector are generally higher than in the business economy overall. Currently, about **900 people** are employed in aquaculture, and the sector's contribution to **GDP was roughly 0.5% in 2024**.

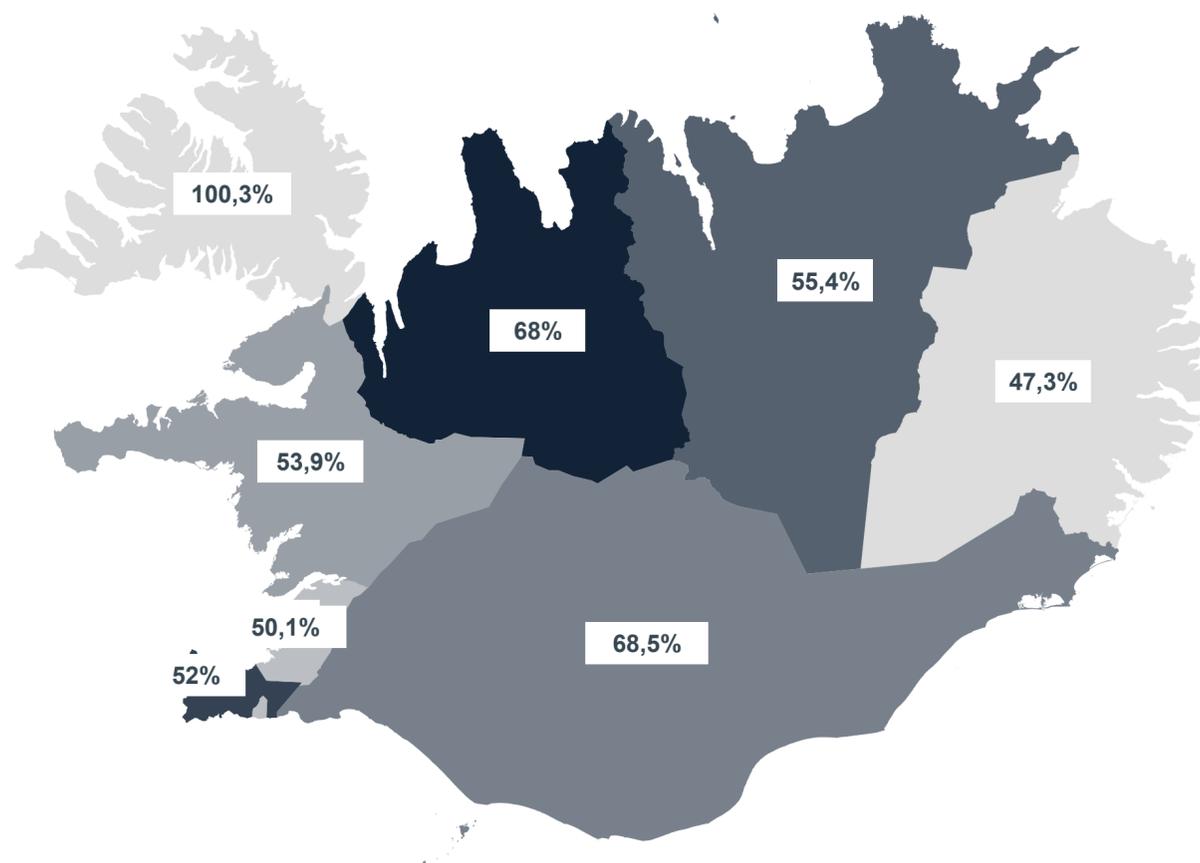


Even greater regional importance

As it stands today, salmon farming in Iceland is conducted almost entirely in open sea pens and is concentrated in just two regions — the **West Fjords** and **East Fjords**. The rapid expansion of aquaculture in recent years has had a profound impact on the economic development of these areas.

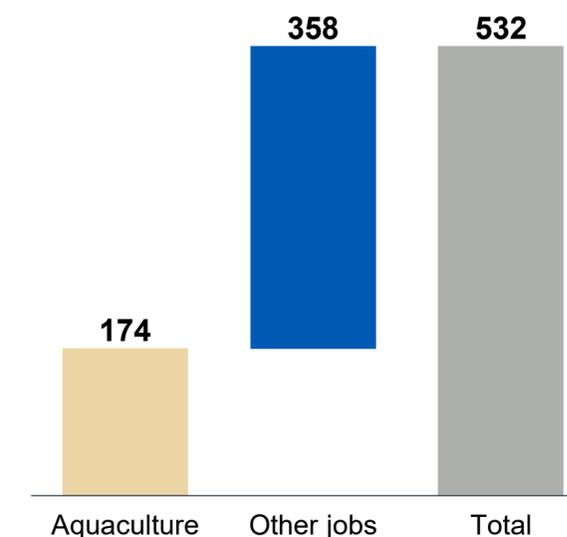
For example, **property values in the West Fjords have increased twice as fast as in the capital region** during the period 2019–2024. This reflects the surge in activity, business investment, and job creation — much of which can be directly attributed to the growth of aquaculture.

Home value development 2019-2024

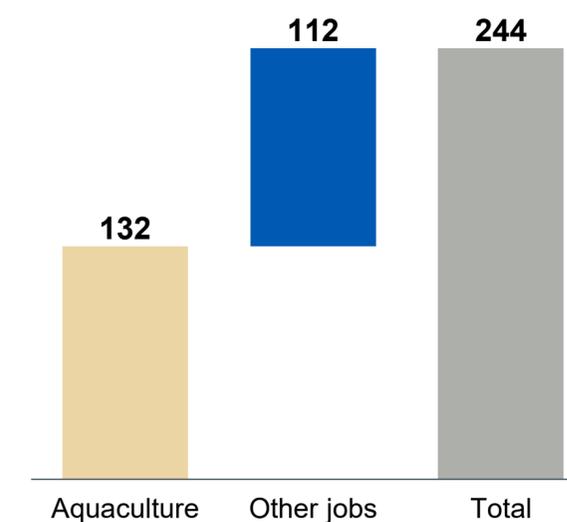


New jobs 2019-2024

East Iceland



Westfjords



Farmed salmon on par with the capelin season

Traditional fisheries and salmon farming

Both sea-based and land-based salmon farming offer significant synergies for traditional fishing companies, many of which have already made substantial investments in aquaculture.

One of the largest operating expenses in aquaculture companies is **working capital — particularly feed**, which is costly and primarily produced from **fishmeal and fish oil**. As a result, feed prices can fluctuate considerably with global commodity markets, especially when fish catches decline.

Shared efficiencies

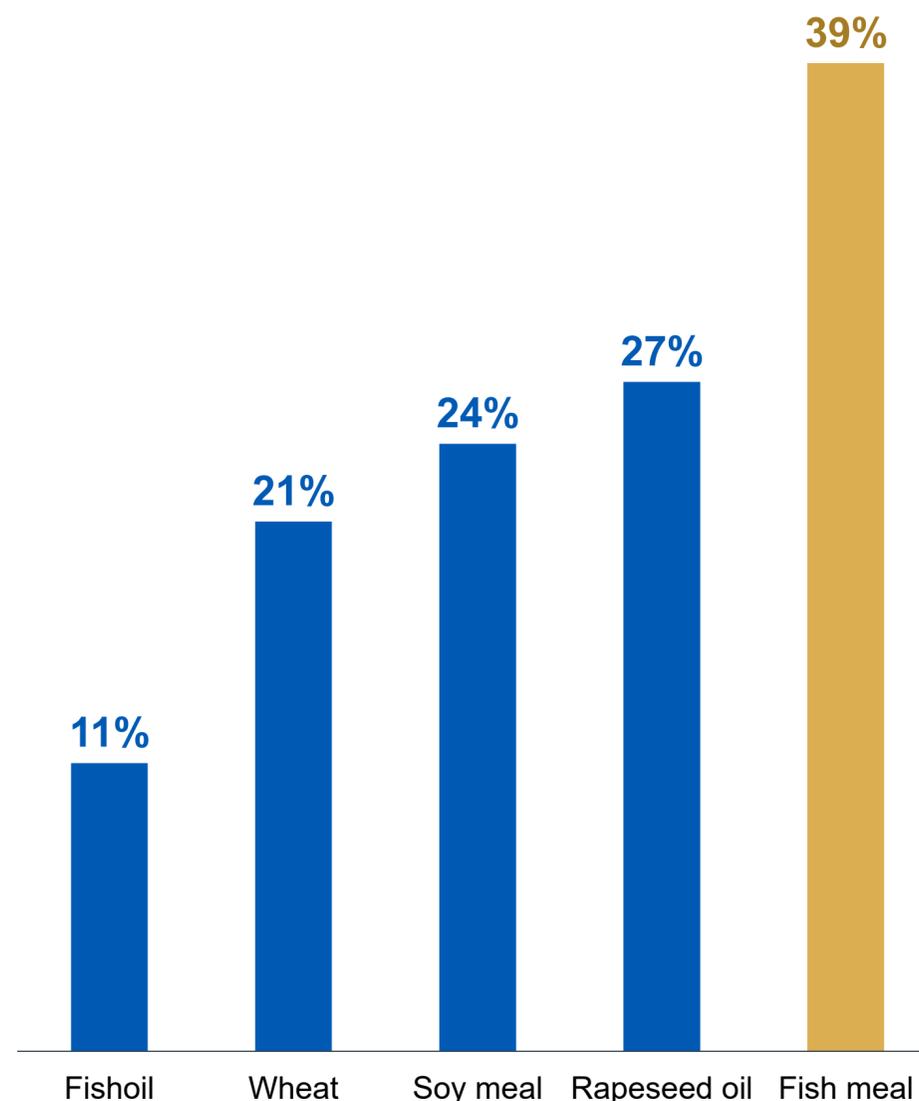
Icelandic fisheries companies see an opportunity to **bring feed production home**, leveraging existing infrastructure for fishmeal and fish oil production and thereby integrating the salmon-farming value chain with traditional fishing. This could largely **mitigate exposure to global price volatility** and create a **more stable operating environment** for aquaculture companies — while also securing a **competitive advantage globally**.

Furthermore, salmon is among the **most valuable fish species**, and its growth can provide a more stable earnings base for fishing companies themselves. For instance, **the export value of farmed salmon has in recent years been comparable to that of capelin**.

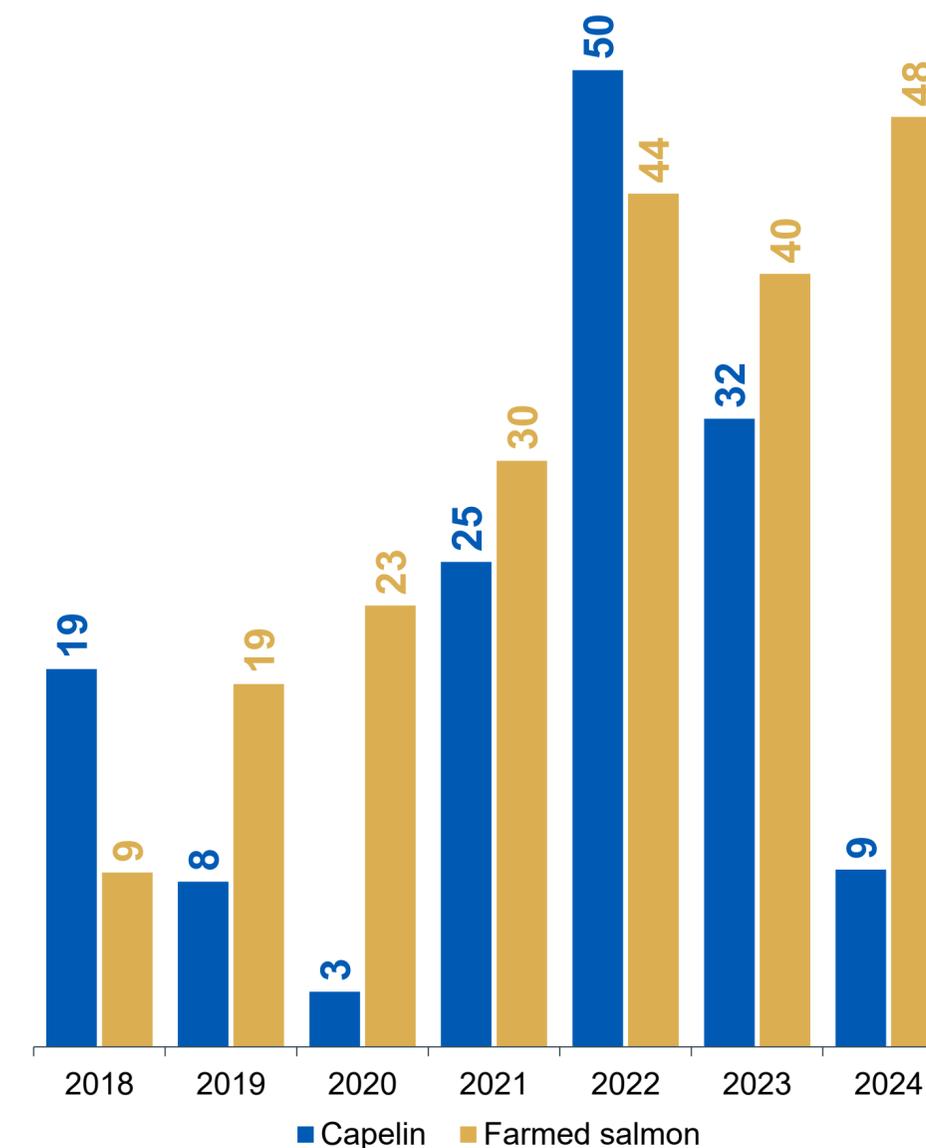
With aquaculture now added to the mix, it provides an **additional pillar for the fisheries sector**, helping to **stabilize export revenues** despite fluctuations in fishing quotas — such as those caused by **capelin stock failures**.

Price volatility in raw material prices for feed

– standard deviation of annual changes in the price index over a 10-year period



Export value - bn. ISK



Investments in land-based salmon farming

Although salmon farming in Iceland currently takes place mostly in open sea pens, the country is now facing a period of **major investment and development in land-based aquaculture**. At present, there are **five projects** either already under construction or in the final stages of securing financing for the first phase of development.

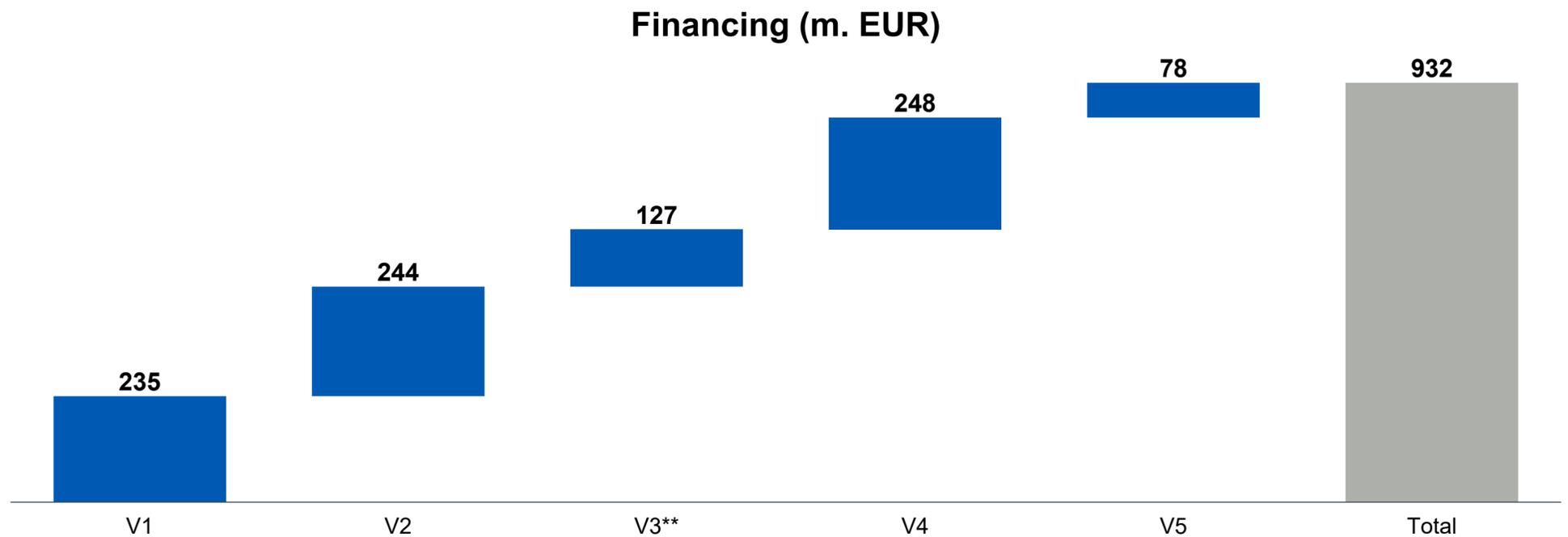
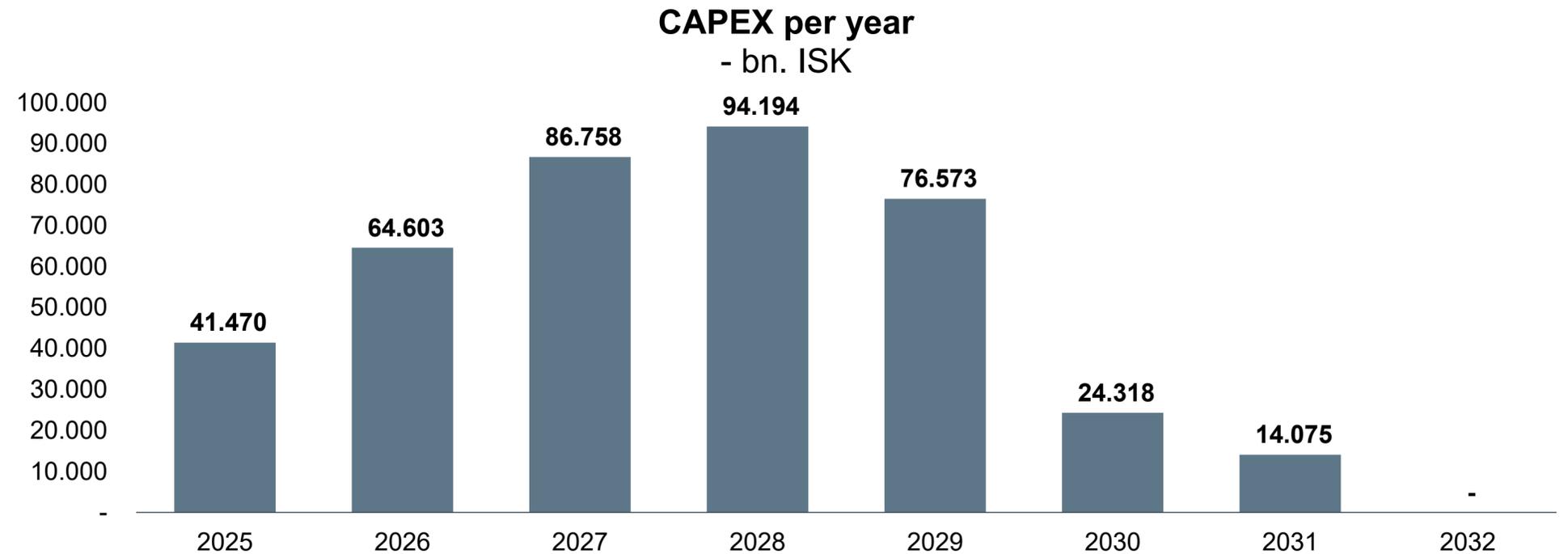
Land-based salmon farming requires extensive infrastructure, and the **capital requirements** of these projects are substantial. Significant domestic investment can therefore be expected in the coming years if company plans proceed as intended.

According to our forecast, total investment in land-based salmon farming will amount to approximately **ISK 401 billion**. So far, around **EUR 930 million** (roughly **ISK 135 billion**) has already been secured through equity raises and loa.

To put this in perspective: at today's prices, **ISK 400 billion** would be enough to build **nearly fifteen Harpa Concert Halls**.

The size of the credit facility for **Project 5** is not known but is estimated at around **EUR 50 million**.

57 ****The V3 syndicated loan has not been fully secured** and will depend on the outcome of the ongoing **equity issuance**.



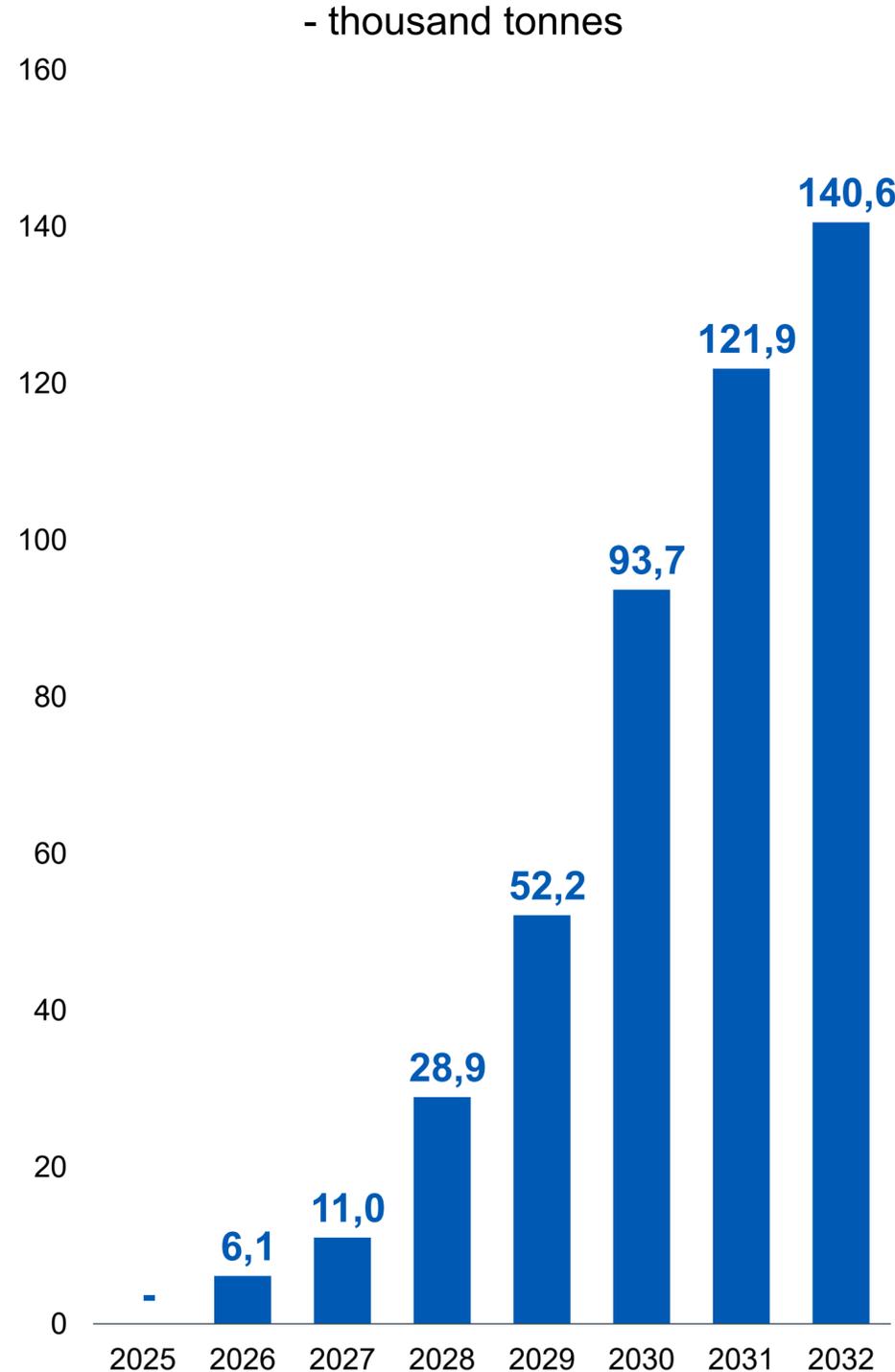
Value creation in land-based aquaculture

The growth ambitions of Iceland's land-based salmon farming companies are substantial. According to the latest plans, total projected capacity amounts to **179,000 tonnes of annual production** after 2030. However, the sector faces several challenges, including **high construction costs** and **difficulties in securing financing**.

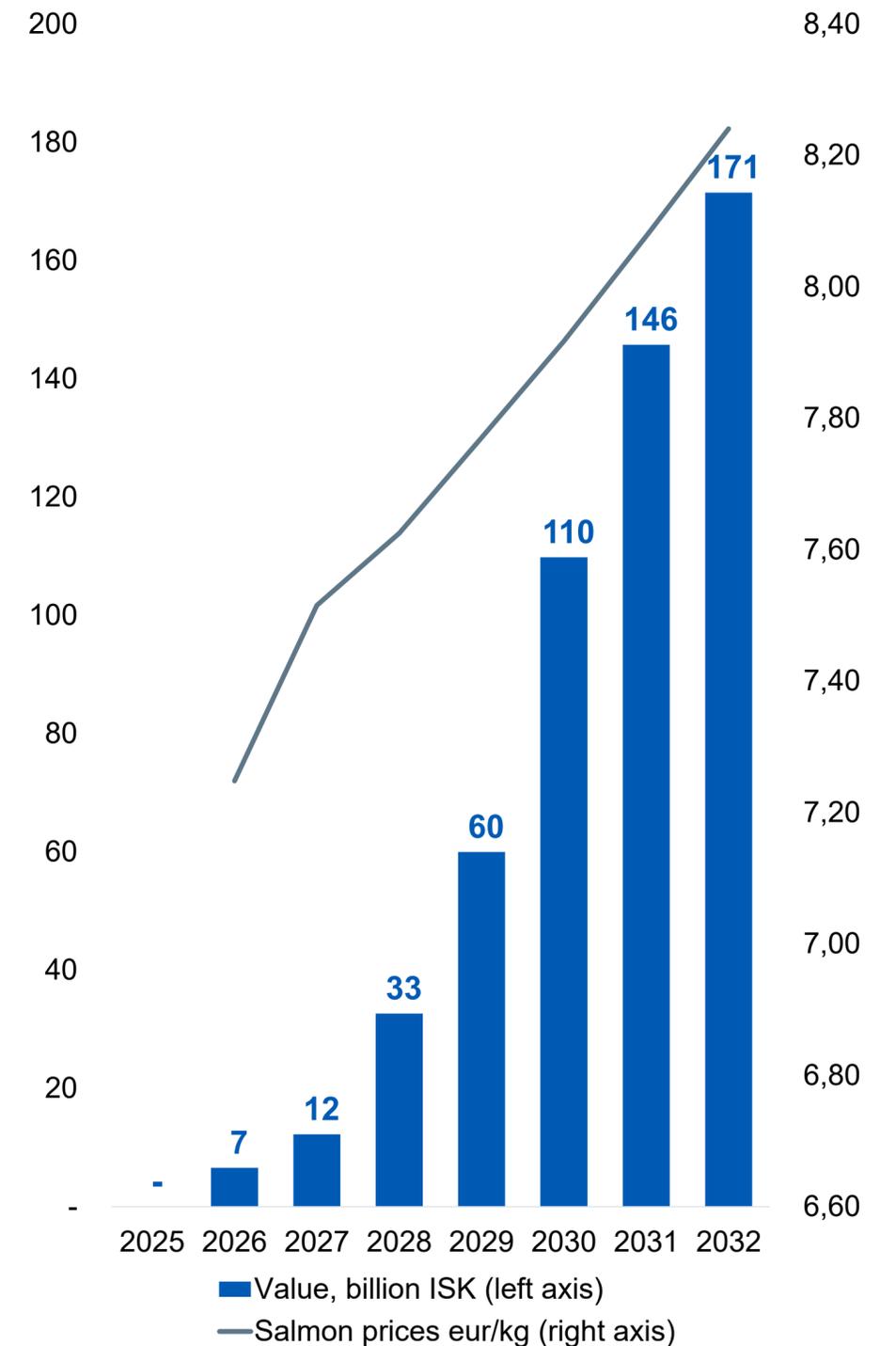
In our forecast, we estimate **production of around 140,600 tonnes by 2032**, corresponding to approximately **ISK 171 billion in expected export revenues**. This is a somewhat more conservative estimate than those of the companies themselves; if their projections are realized, **annual export value could reach ISK 250 billion by 2032**, with **total investment nearing ISK 500 billion**.

To put this into context, **total seafood exports in 2024 amounted to about ISK 400 billion** — meaning that, if these plans materialize, **a new pillar of Icelandic exports** will have emerged.

Production plans of land based aquaculture companies
- thousand tonnes



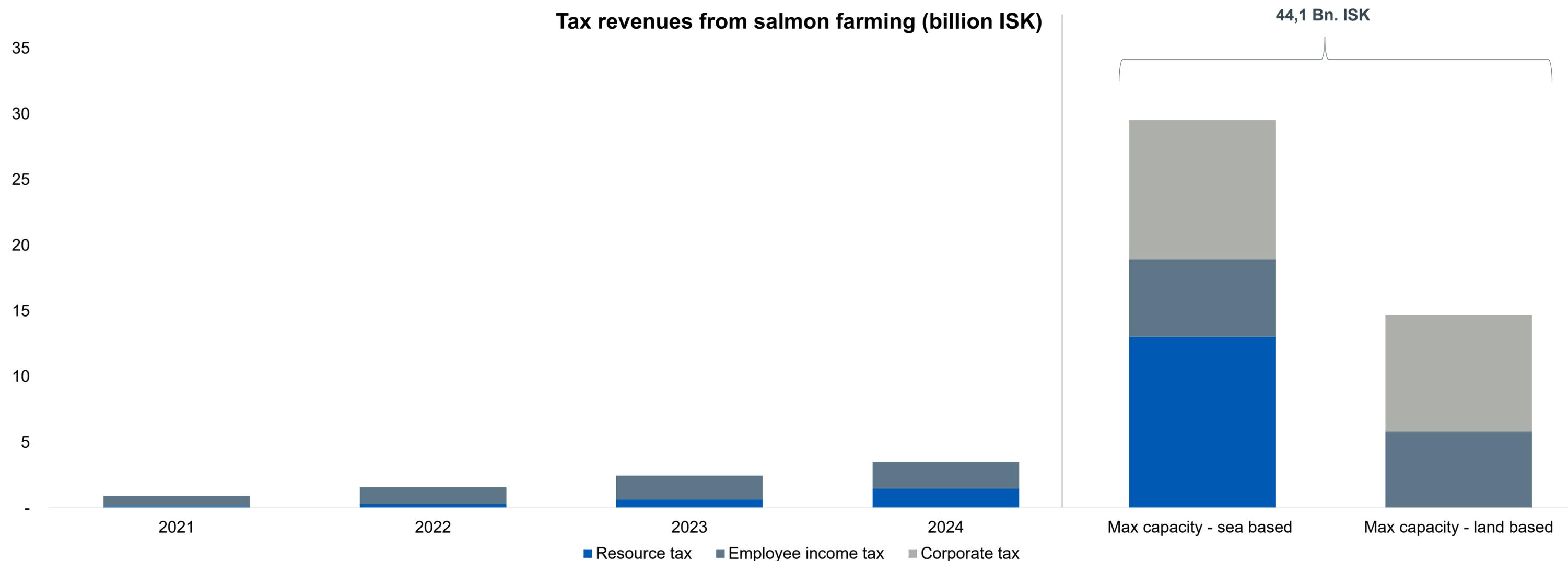
Estimated export revenues
– bn. ISK



Increased government revenue

Salmon farming companies paid approximately **ISK 3.5 billion in taxes last year**, but if current plans materialize, their **annual tax contribution** could rise to **ISK 44 billion** in the coming years — **excluding value-added tax (VAT)**. This would correspond to about **3.9% of total government tax revenue in 2024**. Corporate income tax alone could reach nearly **ISK 20 billion per year**, though during the current **development phase**, when companies generally generate limited profits, income tax payments remain modest (see appendix for underlying assumptions).

Tax revenues from salmon farming (billion ISK)



Closing remarks

The fisheries sector has been intertwined with Iceland's economic history since settlement, enduring major shocks, adapting to changing circumstances, and remaining competitive despite fluctuating conditions.

The Icelandic fisheries sector is **among the strongest in the world — by virtually any measure**.

The quota system has created incentives for greater efficiency and innovation, which Icelandic companies have fully embraced — positioning themselves **at the global forefront of the industry**.

As always, the fisheries sector faces a number of challenges. A **small capelin quota** and a **declining cod quota** are expected in the coming years. A **strong króna, U.S. import tariffs, and rising labor costs** all demand that the industry continue to improve efficiency if it is to remain competitive against **foreign, state-subsidized rivals**.

Moreover, a **higher fishing fee** is set to make a significant dent in the profitability of fishing companies and could **threaten the competitiveness of processing plants** located across the country.

On the other hand, there are also **exciting opportunities — both at sea and on land**. Planned investments in aquaculture, particularly **land-based farming**, amount to **hundreds of billions of ISK** over the coming years and could establish **a new pillar of Icelandic exports**, with strong synergies with traditional fishing and processing.

If the future mirrors the past, there is every reason to believe that Icelandic fisheries will once again **rise to new challenges, adapt to changing conditions, and find ways to keep Iceland's fisheries sector at the forefront of global excellence**.

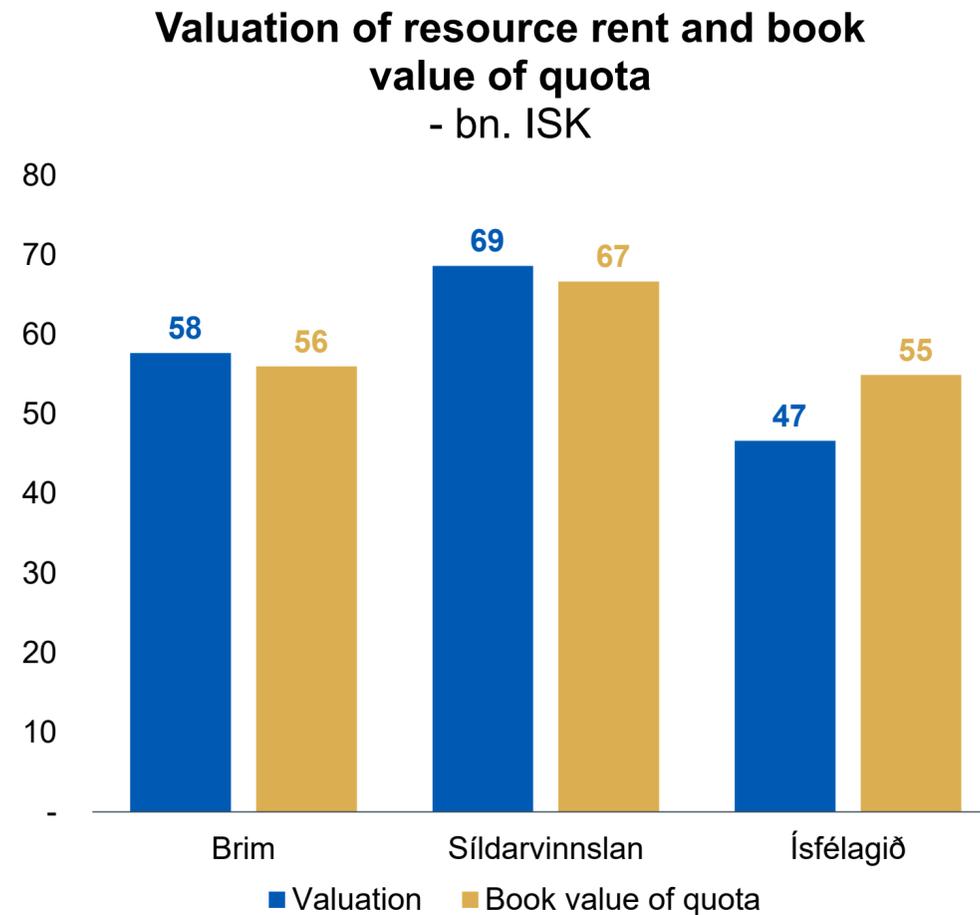
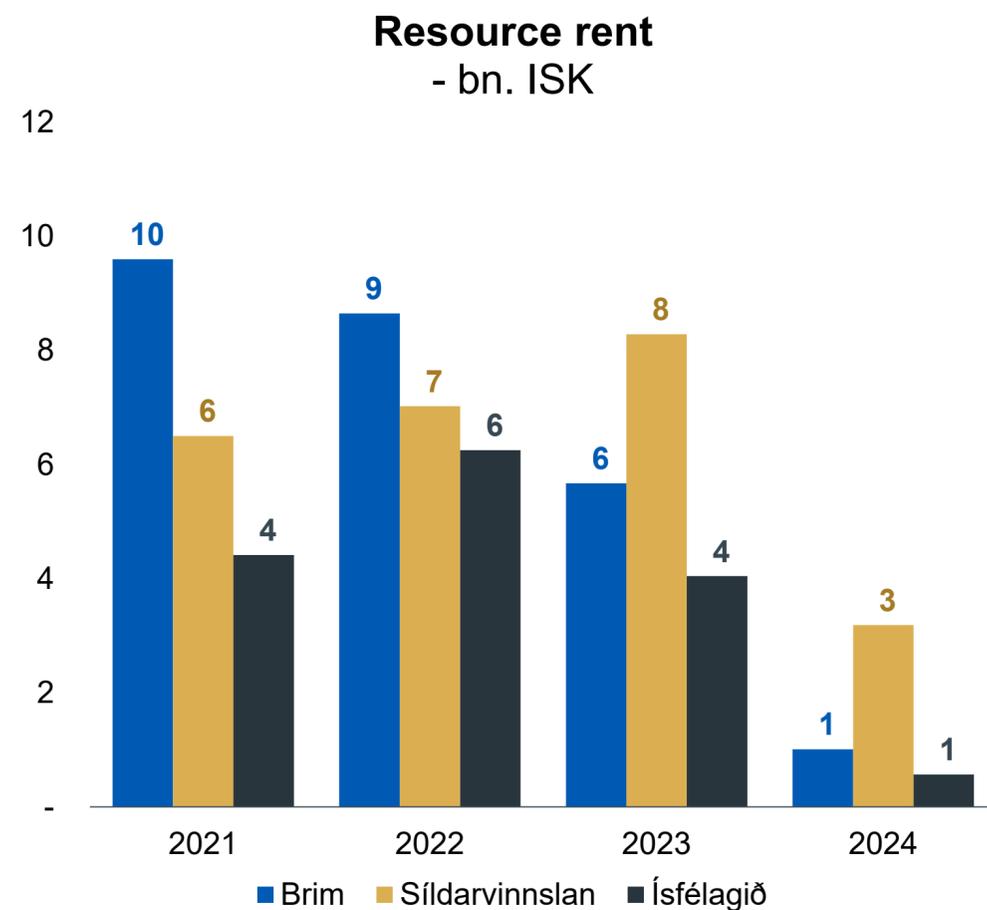


Appendix – remarks regarding resource rent and fishing fees



The resource rent of listed companies

According to our own analysis, the **resource rent** of the three fisheries companies listed on the stock exchange has averaged **ISK 16.3 billion per year** over the past four years. Using the **WACC method** (S. Gunnlaugsson and S. Agnarsson, 2019), we find that the **book value of fishing quotas** is approximately equal to the **present value of all future rents**. In other words, the fisheries companies appear to have **already paid for this excess profitability — the resource rent — through quota transactions**, except for the portion that has accrued to the state via the fishing fee.



Methodology:

The method consists of calculating the **weighted average cost of capital (WACC)** for each company, estimating the **required rate of return on all assets excluding fishing quotas**, and thereby determining the “normal” level of profit. The **resource rent** can then be estimated as **operating profit plus fishing fees**, minus this normal profit.

Using this approach, it is possible both to estimate the **resource rent of listed fisheries companies** in recent years and to **value their fishing quotas** based on that rent — thereby assessing whether, and to what extent, the rent is already reflected in the current book value of the quotas (after accounting for previous fishing fees).

As with all methods, this approach relies on a number of **assumptions**, and the previously mentioned **measurement challenges** associated with estimating rent also apply here.

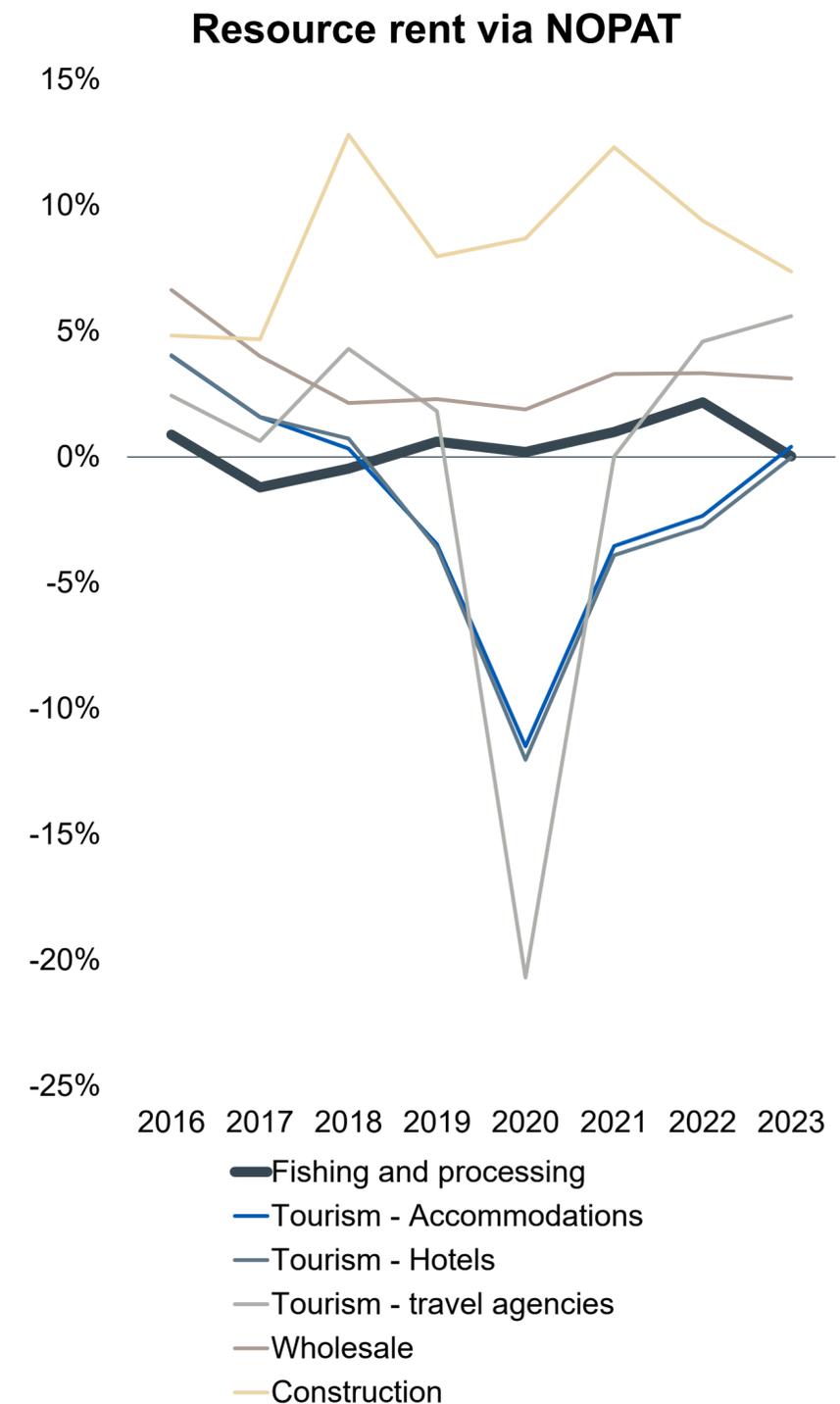
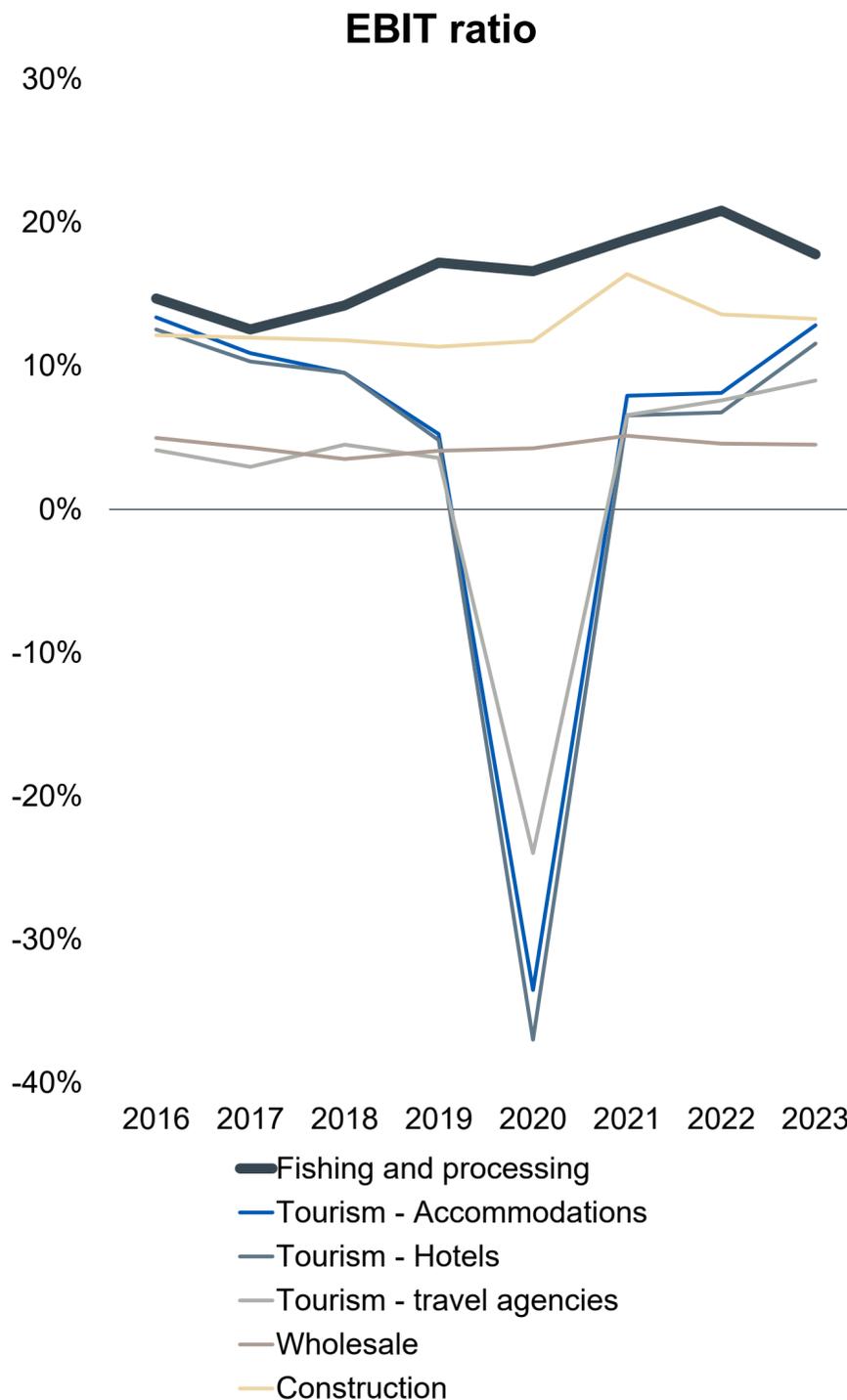


An alternative approach to the rent

In this approach, the **total interest-bearing capital** — that is, interest-bearing debt and equity — is used as the **capital base**. We use **NOPAT** (Net Operating Profit After Tax), representing operating profit after income tax available to both debt and equity holders, to calculate the **real return on total interest-bearing capital**.

Assuming that a **6% real return on capital** represents a “normal” level of profitability and that any return above this threshold constitutes **resource rent**, the results show that the fisheries sector has, on average, generated a **0.4% excess return** above the 6% benchmark, after accounting for both fishing fees and the market value of quotas.

On this measure, the **fishing fees and quota valuations** appear to have largely offset the rent — yielding a conclusion similar to that of the previous analysis.



Various assumptions and methods

Future tax footprint of salmon farming

- In sea-pen aquaculture, three types of taxes can be directly attributed to production:
 - **Employee income tax**
 - **Special production tax**, levied per kilogram based on the prevailing market price of salmon
 - **Corporate income tax**
- The following assumptions are applied for **sea-pen farming**:
 - Companies utilize **1.3x of maximum allowed biomass**, similar to efficiency levels in Norway, achieved through optimization of smolt size in each pen and the transfer of biomass between fjords by weight (as proposed in the previous aquaculture legislation).
 - **EBIT margin**: 1.9–2 EUR/kg, with a **long-term salmon price of 7.7 EUR/kg**.
 - **Interest expense**: estimated at 0.1 EUR/kg.
 - **Wages**: assumed to represent **7.5–9% of revenue** — larger companies achieve greater economies of scale.
 - **Special production tax**: **≈ 5% of NASDAQ price**, plus **harbor fees ≈ 0.7%**, and other regulatory fees to the **UST**, for a total of roughly **6% of revenue**.
- For **land-based aquaculture**, only two types of taxes are considered:
 - **Corporate income tax**
 - **Employee income tax**
- The following assumptions are used to estimate the **future tax footprint**:
 - Land-based farming is expected to command a **10% price premium** over market prices in the long term due to more stable supply.
 - **EBIT margin**: 1.85 EUR/kg, reflecting higher depreciation; **interest expense**: 0.20 EUR/kg due to ongoing capital investment.
 - **Wages**: approximately **5% of revenue**, reflecting lower labor intensity compared to sea-pen farming.
 - In both cases, the **long-term EUR/ISK exchange rate** is assumed at **150**.

Share of companies in the new fishing fee

- The calculations are based on the official tax authority's estimated fishing fee per kilogram for each species. Each company's fee was derived and scaled according to its catch composition under the revised fee structure. The total amount was then reconciled with aggregate fishing fees by species and apportioned to individual companies based on landed catch volumes.
- Discounts were applied according to the new exemption thresholds:
 - **65% discount** on the first ISK **15 million** of paid fishing fees on cod and haddock, and **45%** on the next ISK **55 million**, with a **maximum total discount of ISK 34.53 million** for demersal species.
 - For pelagic species, the **maximum discount was 40% on the first ISK 9 million**, or a total of **ISK 3.6 million**.

Investments in land-based aquaculture

- The investment forecast for land-based aquaculture is a composite of three weighted scenarios: an optimistic case, a base case, and a pessimistic case.
 - The **optimistic scenario** carries a 10% weight and assumes that all companies' investment and production plans are realized as scheduled. The **base scenario**, weighted at 60%, assumes greater challenges, higher investment costs, delays, and financing difficulties. The **pessimistic scenario**, with a 30% weight, assumes significant setbacks, cost overruns, delays, and that one company fails to raise the necessary funds to begin construction.
- **CAPEX per kilogram** varies by development phase and project scale, ranging roughly from **€18/kg to €28/kg**, depending on the phase and size of each project.



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