

ÚTGERÐARFÉLAG
REYKJAVÍKUR HF.

ANNUAL AND ESG REPORT 2023

Respectful knowledge of
the ocean's resources





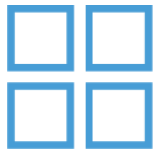
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ÚTGERÐARFÉLAG
REYKJAVÍKUR HF.

YEAR IN REVIEW
2023





2023 HIGHLIGHTS

Revenue

EUR 81,6 million

(vs EUR 94,7 million in 2022)

Profit after tax

EUR 16,6 million

(vs EUR 71,4 million in 2022)

Book value of TAC

EUR 79,4 million

(vs EUR 79,4 million in 2022)

Equity ratio

62.4%

(vs 64.3% in 2022)



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



Ú.R. ranked 6th place amongst “Iceland’s Strongest Companies in 2023” awarded by Creditinfo.



Ú.R. ranked 11th Icelandic companies awarded “Excellent in Iceland in 2023” by Viðskiptablaðið and Keldan.



Ú.R. has implemented and received Equal Pay Certification for 2023 - 2026



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



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





2023 HIGHLIGHTS

Main Group Activities

Ú.R. is primarily engaged in commercial fishing in the North Atlantic. The operations center on harvesting and export of key species including cod, haddock, redfish, and Greenland halibut, adhering steadfastly to sustainable practices. The cornerstone of the fishing fleet is the vessel Guðmunundur í Nesi RE-13, with a commitment to efficiency and quality.

Ú.R. also has strategic investments in Brim and the fisheries focused investment fund IS Haf fjárfestingar, as well as its subsidiaries, Sirion Seafood, Unbroken, Rafnar and Premium of Iceland.

Revenues and Profit

Revenues for Útgerðarfélag Reykjavíkur hf (Ú.R.) from sales of export products was EUR 81,6m (2022: EUR 94,7m). The company's decrease in revenue from the previous year was due to the difference between the Icelandic winter operations in 2023 and the summer operations in 2022 when the second trawler Sóborg had been sold.

Net profit was EUR 16,6m (2022: EUR 71,4m). The decrease was due to the reduction in the Icelandic winter fishing catches after the sale of Sólborg, the reduction in the allocation catch limit, the lower price of seafood and the decrease in allocated profit from Brim's shareholding in 2023.

Balance Sheet

Total assets at year-end 2023 were EUR 461m (2022: EUR479,8m) and the total liabilities were EUR 173,1 million (2022: EUR 171,4m). The Company's capital ratio continues to be strong at 62.4% compared to 64.3% at the end of 2022.

The major changes in the balance sheet were the EUR 35m dividend with cash payment of EUR 17,4m and the remaining with the Arctic Prime operations in Greenland (book value).

Cashflow

Cash operating activities amounted to negative EUR 11,4m in 2023 (2022: EUR 3,6m). Investment activities were positive in EUR 7,4m in 2023 (2022: EUR 14,2m). The change in investment activity is mainly due to the purchase of the 25% share purchase plus lending to Rafnar , whereas in 2022 Ú.R. had sold Sólborg RE-27.

Financing activities are negative in EUR 11m in 2023 (2022: EUR 29.4m), which is due in most part to the dividend to shareholders and the change in capital structure from the previous year.

Annual and ESG Report

Ú.R. is proud to issue its fourth Annual and Environment, Social and Governance Report, which is publicly available on www.urseafood.is.



CHAIRMAN'S STATEMENT

We are proud to be issuing our fourth Annual and ESG Report for 2023. Útgerðarfélag Reykjavíkur (Ú.R.) is one of the larger seafood groups in Iceland.

Our motto is “Respectful knowledge of the ocean’s resources”. Our values are transparency, trust, respect, common sense, long-term thinking, and proactive risk management.

External environment

Our focus remains on our long-term strategy, where we specialize in key species for both operational efficiency and to service the demand for these species in growing markets in Asia.

Ú.R.’s business revenues and gross margin in 2023 were EUR 81,6m and 3.8% versus EUR 94,7m and 11,2% in 2022, respectively. The underlying impact was lower quota and fishing over the winter months. For the investment in Brim hf., the company reported lower revenues and net profit in 2023, contributing to EUR 27,7m in allocated profit to Ú.R. in 2023 down from EUR 34,7m in 2022.

There were no significant Other income and capital gains versus the 2022 sale of the Sólborg RE-27 trawler to Brim hf.

Strategy

Ú.R.’s strategy is aligned to the long-term trend of increased international demand for seafood. This is done through a combination of our own operations, our subsidiaries and key investments in seafood related businesses and seafood innovation.

Our main business is commercial fishing, with our expertise and specialization in key species with our trawler, Guðmundur í Nesi RE-13.

We complement our commercial fishing activities with our subsidiaries Sirion Seafood, Rafnar, Premium of Iceland and Unbroken.

In 2023, ÍS HAF fjárfestingar (Íslandssjóðir hf (islandssjodir.is) was established, an ISK 10bn fund to specialize in fisheries and ocean-related activities, with Ú.R. as a core investor. Two investment were made in 2023: a 41% purchase of Kapp – specialized in refrigeration services in seafood and other sectors, and 53% in Thor Landeldi to develop a 20.000-ton land salmon farm in Þorlákshöfn.

Environmental, Social and Governance Pillars

Respect for and knowledge of the ecosystem, fishery resources and environment are at the core of Ú.R.’s operations to ensure sustainable utilization of the ocean’s resources.

Game changing impact in sustainability

The first two ESG reports were focused on reporting and understanding the different ESG aspects across our business, especially in CO2 emissions, sustainability of fishing stocks and transparency.

We continue focusing on investing in innovation that has game changing impact in the fisheries sector.

- Guðmundur í Nesi vessel has been adapted to use methanol as fuel once available in Iceland with potential CO₂ emission savings of 90%;
- Automation, recognition and documentation of species and size registrations with Maritech EyeTM;



CHAIRMAN’S STATEMENT

Environmental, Social and Governance Pillars (continued)

- Traceability from catch to transport with QR codes on all cartons for end consumers to see and a new project for DNA testing and barcoding of catches;
- Design and construction of an unmanned boat for echo sound measurements of fish stocks and stock sizes to better understand the fish stock population with Rafnar.

Outlook

We maintain a strong position in the markets we serve and access to the key distribution channels.

We continue to focus on sales of frozen products to Asia and to get closer to the end consumer, while ensuring health and safety throughout the business.

Thank you

On behalf of the Board of Directors, I would like to personally thank our employees for their dedication to the business and our customers. I also thank, on behalf of the Board of Directors, our current and new financial investors, as well as our many stakeholders for their support to Útgerðarfélag Reykjavíkur hf.

Magnús Helgi Árnason
Chairman



CEO'S STATEMENT

Through our operations and investments, our long-term strategy is to specialize in commercial fishing of key species for sales in growing markets and opportunities in innovation.

Financial performance

Revenues for the fiscal year totaled EUR 81,6m, reflecting a decrease from the previous year's EUR 94,7m. This variance can be attributed to operational differences between 2023 and 2022, notably the absence of summer operations from 2022 due to the sale of the Sólborg trawler. Despite this, our focus on key species and strategic markets remained unwavering.

Net profit for 2023 amounted to EUR 16,6m, marking a significant decline from EUR 71,4m in 2022. Several factors contributed to this decrease, including reduced Icelandic winter fishing catches, lower seafood prices, and a decline in profit from our investments, particularly Brim hf. Nonetheless, we remain resolute in our pursuit of sustainable profitability and long-term value creation.

As highlighted in the Chairman's statement, our core focus remains on strategic investments and commercial fishing operations. While challenges persisted, our commitment to operational efficiency and meeting market demand for key species, particularly in growing Asian markets, remained at the forefront of our endeavors.

Despite the headwinds faced in 2023, Ú.R. continues to maintain a strong balance sheet and a prudent approach to financial management. With cash reserves and a solid equity ratio, we remain well-positioned to navigate uncertainties and capitalize on opportunities in the years to come.

Seafood related investments

Since 2020, a strategic investment approach has been adopted by Ú.R. to target key seafood-related businesses and foster innovation within the industry. The initial investment venture was directed towards Zym Ice, renowned for its trademarked product, Unbroken. Unbroken stands out as an innovative nutritional supplement derived from salmon protein hydrolysate, favored by elite athletes worldwide. In 2023, a rebranding effort was undertaken to broaden

the product's appeal to encompass wellness and healthy aging segments, signaling a proactive response to evolving market trends.

Continuing this trajectory, ongoing investments have been channeled into Rafnar, with a substantial 25% stake acquired to facilitate their international expansion, particularly focusing on technological advancements. Additionally, Premium of Iceland emerges as a valuable asset complementing our core business activities, distinguished for its superior processing capabilities in salmon, cod, and saithe.

Excitement surrounds the inaugural investments made by IS Haf fjárfestingar, notably in Kapp, specializing in seafood refrigeration services, and Thor Landeldi, slated to establish a significant 20,000-ton salmon farm. These strategic moves underscore Ú.R.'s commitment to fostering growth, innovation, and sustainability within the seafood industry, positioning the company as a dynamic player poised to capitalize on emerging opportunities in the global marketplace.



CEO'S STATEMENT

Sustainability

Our fourth Annual and ESG report for the 2023 results is now available on our website at <https://www.urseafood.is/investors/reports>. We remain committed to advancing our ESG pillars, building on the progress made since our inaugural report. Our aim is to drive transformative change in sustainability within the fisheries sector.

Reducing CO₂ emissions

The impact of deep-sea fishing on the environment cannot be overstated. While CO₂ emissions are relatively low on a per-kilo basis, oil consumption remains a concern. To address this, we are proud to have converted our Guðmundur í Nesi trawler to run on methanol by 2025, a pioneering initiative in Iceland. This conversion is projected to reduce CO₂ emissions by an impressive 90%. The next step needed is infrastructure investment in domestic methanol production.

Management of fish stocks and sustainability

Responsible management of fisheries stocks is paramount for the long-term sustainability of our business and the global fishing industry. To enhance our capabilities in this area, we are embarking on two

significant investments.

Firstly, we are pioneering the implementation of Maritech EyeTM aboard our trawlers, automating species recognition and documentation.

Secondly, in collaboration with Rafnar, we are designing an unmanned vessel for echo sound measurements of fish stocks. These investments will provide invaluable data for research and quota management.

Traceability

As highlighted by Planet Tracker, traceability has the potential to significantly enhance margins and sustainability in the seafood industry. To this end, we have implemented individual QR codes on each carton, offering comprehensive traceability from catch to transport.

Building on this foundation, our research project partly funded by Matvælasjóður focuses on DNA identification of catches, further enhancing traceability and consumer transparency.

Future opportunities

We are optimistic about the medium and long-term prospects for Ú.R. and our strategic investments. Our renowned sustainability framework in seafood positions us well to capitalize on growing market opportunities. There is immense potential for deeper engagement with end consumers in profitable markets.

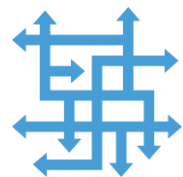
Our success, past and future, is indebted to the dedication of our employees and the support of our stakeholders. We express our heartfelt gratitude for their invaluable contributions.

Runólfur Viðar Guðmundsson
Chief Executive Officer

ÚTGERÐARFÉLAG
REYKJAVÍKUR HF.

THE
GROUP





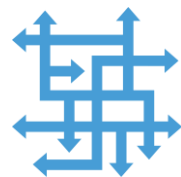
STRATEGY AND GLOBAL TRENDS

Ú.R. has built up a solid business with sustainable profitability in a core Icelandic sector: Seafood. The long-term outlook is for strong growth due to increased international demand for seafood.

Based on quota allocation and strategic investments in Brim and its subsidiaries, Ú.R. is one of the largest seafood groups in Iceland today.

The company continuously strives to meet the contemporary requirements for efficiency in operations, quality raw material and exemplary equipment for fishing crew. Additionally, sustainability and the quality of its employees are of prime importance to all its operations.





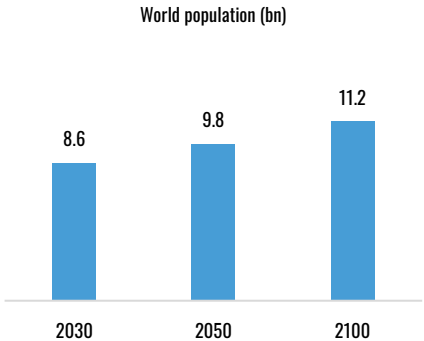
STRATEGY AND GLOBAL TRENDS

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

Growing global population

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

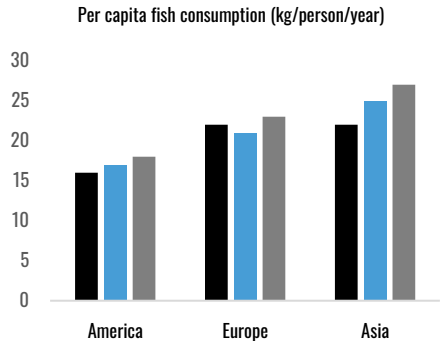
Source: UN



Increasing consumption of seafood

Overall per capita consumption is expected to increase in all continents except Africa and Oceania. The 3 main importers are the European Union, the United States and China.

Source: FAO Fish Outlook



Fish as a healthy choice for nutrition

Governments are encouraging people to eat more seafood as a part of a healthy diet, driven by the WHO. Consumers show an increased desire to eat fish, seen as in the research on 'Changes in Fish Consumption Desire and Its Factors from the UK and Singapore'.

Source: NIH – National Library of Medicine

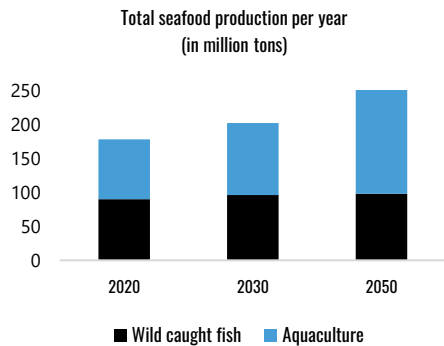
Changes in Fish Consumption Desire and Its Factors: A Comparison between the UK and Singapore

- Five times more respondents stated that their increased desire to eat fish increased vs 10 years earlier
- In the UK, the increase is associated with a younger age, due to food habits of young people with adoption of sushi
- Relativeness cheapness contributed to an increase
- Health consciousness was a factor in the UK, where eating fish is healthy and safe (vs meat is unsafe)
- A desire to consume fish is negatively associated with a concern about sustainability, especially in Singapore

Limited wild caught fish creates increased demand

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

Source: FAO





OPERATIONS

Ú.R. manages one of the most modern fishing fleets in Iceland and conservation of the environment has always been among the highest priorities because Iceland is a country that depends highly on natural resources and their sustainable management. The company is aware of the dangers that overfishing poses to the environment as well as the economy.

Ú.R. is thereby committed to the sustainable and responsible harvesting of Icelandic fisheries and seek to be in harmony with the environment. The company is a stakeholder in the ISF (Iceland Sustainable Fisheries) which is a signatory affiliate with the Marine Stewardship Council. The MSC is a voluntary certificate program that upholds the strictest international standards ensuring sustainable fish stocks, minimized environmental impact and effective management for fisheries around the world.

With dangers of climate change and consequences it can have on the ecosystem, being environmentally friendly is good for the climate and business. Ú.R. therefore seeks to minimize its CO₂ footprint to the fullest extent in the supply chain.



Guðmundur í Nesi RE-13

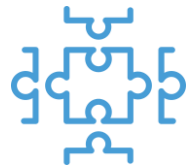


OPERATIONS

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

In 2023, Ú.R. solds its mackerel quota to Brim. Excluding the consolidated amount from the business acquisition of Premium of Iceland, the net Book value of catch quotas is unchanged from 2022, with a total of EUR 79,4m.

Ú.R. allocated catch quotas for fishing vessels for the fishing year 2023/2024 based on gutted fish:				
	Catch share in % 2023/2024	TAC in tonnes for cod kg	Uncaught catch limit for cod kg 31.12.2023	Uncaught catch limit for cod kg 31.12.2022
Cod	0,300%	499.646	269.411	34.314
Haddock	1,504%	831.599	681.806	115.626
Saithe	4,328%	1.533.105	1.318.646	1.415.451
Redfish / golden redfish	10,217%	2.152.164	1.407.665	456.194
Deep sea redfish	18,311%	0	9.171	719.475
Ling	2,265%	65.528	0	207
Cusk	3,784%	44.121	42.783	28.453
Monkfish	0,090%	209	220	334
Greenland halibut	20,000%	4.339.921	4.088.953	5.451.556
Wolffish	1,842%	60.285	50.766	75.111
Spotted wolffish	3,853%	6.229	4.496	4.748
Blue ling	5,121%	4.221	0	1.026
Silver smelt	27,178%	963.803	999.721	795.090
Small redfish	30,837%	48.188	48.296	36.035
European plaice	3,482%	232.803	159.342	2.589
Lemon sole	3,777%	36.432	27.610	3.403
American plaice	0,525%	0	0	3
Witch flounder	0,176%	1.288	0	23
Common dab	0,101%	120	0	0
Deepwater shrimp	6,282%	236.127	236.127	286.140
Snæfellsness shrimp	6,282%	0		
		11.055.789	9.345.113	9.425.778



INVESTMENT

BRIM

In May 2018, Ú.R. (previously known as Brim) had the unique opportunity for a takeover bid of HB Grandi, now known as Brim.

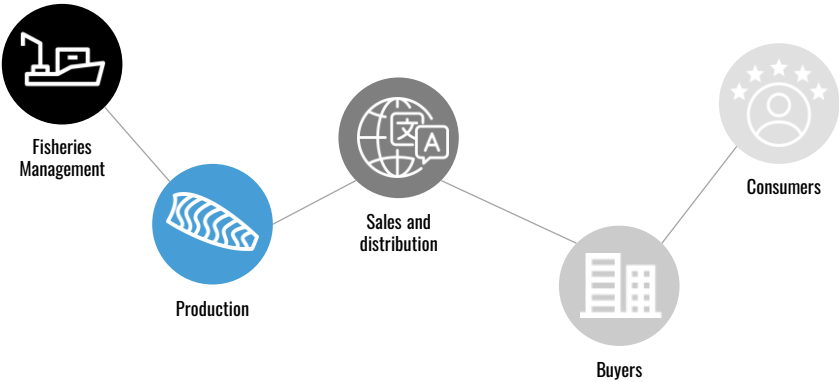
As at 31 December 2023, Ú.R. held 43,96% shares in EUR 309,3m. Brim 2023 allocated profit to Ú.R. totaled EUR 27,7m with a return on investment of 8.95%.

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

In Euros	2023	2022
Consolidated Brim earnings to Ú.R.	27.672.660	34.866.451
Book value of Brim shareholding as at year end 31 December	309.294.197	300.267.649
Return on total investment	8.95%	11.6%



Deeper Vertical Chain for North Atlantic Seafood



PREMIUM OF ICELAND

Ú.R. invested in Premium of Iceland in 2022 with a 75% shareholding to support the company with its increased international demand, working capital and capital expansion needs. The results are part of the consolidated accounts.

Premium of Iceland operates its own fish processing plant in Njarðvík, Iceland. They meticulously select only the highest quality fish from wild catch and sustainable farming, including Atlantic Salmon, Redfish, Cod and Saithe. Today, it is the largest salmon fish farming processing plant in Iceland for both salmon cuts and smoked salmon.

The company’s focus is on top quality and sustainability; thus, bringing in higher margins. The processing of the fish is by using impeccable craftsmanship of experienced people and they do not use any chemicals in the products. In addition, packaging is made of wood fiber, a sustainable source.



RAFARN MARITIME

Ú.R. invested in Rafnar Maritime in 2021 in the holding company of Rafnar ehf. And Rafnar IP to support the company in its international expansion and currently has a 25% shareholding.

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

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

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

– Andrew Johansson, Superyacht Magazine



UNBROKEN

In 2020, Ú.R. first invested in Zym Ice, specializing in the product of food supplements from salmon fish protein known as Unbroken, with a 20% stake. In early 2022, ownership increased to 40%. The investment strengthens Zym Ice's position and accelerates the development and distribution of the company's products on the international market.

Zym Ice is an Icelandic company that operates a factory in Norway, distribution in Iceland, the Unites States and Europe, and a partnership in the Middle East. A new partnership has been formed to enter the Japanese market.

Unbroken is a revolutionary nutritional supplement based on years of research and development. Consumers have purchased from 50 countries in Europe, North America and the Middle Easter. The main markets are in the sports, health and nutrition sectors. The specialty of the product is its 100% natural composition, which is made from salmon cuts. Its use greatly accelerates the absorption of nutrients in the muscles and strengthens the immune system. Unbroken is certified as a safe product (GRAS) by the US Food and Drug Administration (FDA) and all batches are tested and certified by Informed Sport® against WADA banned substances.

Unbroken now has three flavours: mango, lemon lime and orange. The Unbroken Amazon page was launched in 2023. The Japanese company was created in 2023, focussing on wholesale and direct online opportunities.



IS HAF FJÁRFESTINGAR

IS Sjávarútvegssjóður

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

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

In 2023, the IS Haf Fjárfestgíngar slhf fund was established. Two notable investments were initiated during the year.

Firstly, a 41% stake was acquired in Kapp, a company specializing in refrigeration services catering to the seafood industry and other sectors. This strategic move strengthens the presence in critical support services while enhancing capabilities in preserving and maintaining seafood quality.

Secondly, a 53% ownership stake was secured in Thor Landeldi, signaling commitment to the development of sustainable aquaculture. This investment aims to establish a 20.000-ton land salmon farm in Þorlákshöfn, contributing to the growth of domestic aquaculture production and bolstering position in the seafood market.



ÚTGERÐARFÉLAG
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FINANCIAL
PERFORMANCE
OVERVIEW

2023 Consolidated Financial Statements





INCOME STATEMENT

Amounts in EUR	2023	2022
Operating revenue	81.600.247	94.675.528
Cost of goods solds	78.531.023	(84.098.564)
Gross margin	3.069.224	10.576.964
Other income and capital gains	562.700	45.789.549
Other operating expenses	(4.169.050)	(3.706.547)
Operating profit	(637.126)	52.659.966
Impact of subsidiaries and affiliates	27.489.853	34.679.970
Net finance costs	(11.248.508)	(8.205.728)
	16.241.346	26.474.242
Profit before taxes	15.704.220	79.134.207
Income tax expense	928.570	(7.741.354)
Profit for the year	16.632.791	71.392.853

Business focus:

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

Financial highlights:

- Revenues from sales of export products was EUR 81,6m (2022: EUR 94,7m). The company’s decrease in revenue from the previous year was due to the difference between the Icelandic winter operations in 2023 and the summer operations in 2022 when the second trawler Sólborg had been sold.
- Financing costs increased from EUR 8.2m to EUR 11.3m in relation to increased outstanding debit and increased spreads from the inflation-linked bonds.
- Profit for the year was EUR 16,6m (2022: EUR 71,4m). This decrease was due the reduction in the Icelandic fishing catches, the reduction of the allocation catch limit, the lower price of seafood and the decrease in profit from Brim’s shareholding.



BALANCE SHEET: ASSETS

Amounts in EUR	31.12.2023	31.12.2022
Fixed assets		
Fishing rights	81.085.561	79.395.555
Property, plant and equipment	30.272.790	37.576.714
Holdings in subsidiaries and affiliates	317.850.751	303.392.952
Holdings in other companies	3.385.848	2.182.172
Related party receivables	0	11.156.540
	432.594.950	433.703.933
Current assets		
Inventories	10.568.560	9.603.043
Trade receivables	3.315.749	4.394.610
Related party receivables	360.159	2.736.333
Other short-term receivables	889.894	632.104
Cash	13.260.924	28.735.967
	28.395.285	46.102.057
Total assets	460.990.235	479.805.990

Business focus:

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

Financial highlights:

- Holdings in subsidiaries and affiliates mainly increased due to the higher book value of BRIM hf up EUR 9,3m to EUR 309,1m as at year-end 2023.
- Overall cash reduced with the repayment of long-term and short-term loans, as well as the dividend payment.



BALANCE SHEET: EQUITY AND LIABILITIES

Amounts in EUR	31.12.2023	31.12.2022
Equity		
Share capital	4.973.522	4.973.522
Share premium account	89.896.750	89.896.750
Statutory reserve fund	1.282.083	1.282.083
Fair value account	52.041	
Translation differences	(1.968.092)	1.116.029
Restricted capital account	73.743.020	67.442.810
Unallocated own shares	120.152.153	143.642.585
Equity belonging to the owners of the company	288.131.477	308.353.780
Minority shares in equity	(280.082)	0
Equity	287.851.395	308.353.780
Long-term liabilities and obligations		
Interest-bearing debt	96.667.197	87.866.553
Income tax liability	32.555.841	33.579.576
	129.223.038	121.446.129
Short-term liabilities		
Interest-bearing debt	38.763.698	37.153.152
Accounts payable and other current liabilities	5.048.544	2.996.735
Unpaid calculated taxes	95.165	373.392
Liabilities to related companies	8.394	9.482.802
	43.915.802	50.006.081
Total liabilities	173.138.840	171.452.210
Total equity and liabilities	460.990.235	479.805.990

Business focus:

- Maintain a strong equity ratio at over 50%. Focus is on reinvesting profits for business growth – both organic and for acquisition.
- A new dividend policy was approved in 2020 to pay 50% of net profit to shareholders, subject to meeting Ú.R.'s loan facilities conditions.
- All credit facilities are provided by Landsbankinn and denominated in Euros.
- In 2020, Ú.R. issued promissory notes in Icelandic krona and then a listed bond issue in 2021. The purpose is to diversify liquidity and currency risk..

Financial highlights:

- The Restricted Capital Account increased to EUR 73,7 m from EUR 67,4m relating to shares linked to Brim's profitability, where no dividends can be paid from this account.
- The equity ratio continues to be strong at 62.4%.
- The major change to the balance sheet was the EUR 35m dividend, paid in part with the Arctic Prime operations in Greenland (book value) and EUR17,6m in cash.



CASHFLOW

Amounts in EUR	2023	2022
Operating activities		
Operation profit	(537.126)	52.659.966
Depreciation	2.203.618	2.855.259
Loss on disposal of property, plant and equipment	(221.849)	(44.664.002)
Working capital generated from operations	1.444.643	10.851.222
Inventories, decrease (increase)	(462.461)	(6.426.759)
Other operating assets, decrease, (increase)	1.549.298	(2.601.810)
Operating liabilities, (decrease)	(6.348.478)	8.791.193
Cash from operations without interest and taxes	(3.816.997)	10.613.846
Interest and dividends paid	1.067.396	338.967
Interest paid	(7.590.248)	(7.645.054)
Exchange rate difference, received (paid)	(682.743)	412.163
Income tax paid	(379.549)	(95.346)
Net cash generated by operating activities	(11.402.140)	3.624.577
Financing activities		
Sold (purchased) catch quotas		5.776.173
Sold (purchased) intangible assets	(1.394.254)	
Sold (purchased) fixed assets	(2.713.650)	(5.577.032)
Dividends from affiliates	16.097.881	13.104.028
Net cash flow from acquiring a subsidiary	(576.281)	7.056.525
Sold (acquired) holdings in associated companies	(2.925.649)	(2.516.500)
Sold (acquired) holdings in other companies	(1.381.948)	(517.692)
Decrease, (increase), in claims from related companies	329.616	(3.154.996)
	7.434.716	14.170.507

Amounts in EUR	2023	2022
Financing activities		
Dividends paid	(17.520.211)	(13.000.000)
New long-term liabilities	27.129.822	
Repayments of long-term debt	(26.051.711)	(8.786.082)
Change in promissory notes	4.881.680	(7.663.061)
Increase in short-term borrowing (bank)	57.618	
	(11.502.802)	(29.419.143)
(Decrease) increase in cash	(15.470.227)	(11.624.060)
Cash at the beginning of the year	28.735.967	40.532.003
Exchange rate translate effect on cash	(4.817)	(171.975)
Cash at the end of the year	13.260.924	28.735.967

Business focus:

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

Financial highlights:

- In 2022, Ú.R. paid down long-term and short-term debt totaling EUR 95,5m with the sale of Sólborg and reduction of cash.
- Dividends paid in cash totaled EUR 17,5m.
- Maximum dividends proposed total EUR 8,3m for payment in 2024 vs EUR 16,6m profit in 2023.

ÚTGERÐARFÉLAG
REYKJAVÍKUR HF.

INVESTORS





CORPORATE GOVERNANCE



Magnús Helgi Árnason
Chairman of the Board
since November 2019



Agnes Guðmundsóttir
Joined the Board
in April 2016



Rebekka Guðmundsóttir
Joined the Board
in April 2016



Guðmundur Jóhann Jónsson
Joined the Board in
March 2023



Runólfur Viðar Guðmundsson
Chief Executive Officer
since September 2018

Ú.R. is a limited liability company operating under Act No. 2/1995 respecting Public Limited Companies. Under its Articles of Association, the Company is governed by shareholders’ meetings, the Board of Directors and the Chief Executive Officer.

The Company’s Articles of Associations make up the framework for the Corporate Governance practices for Ú.R.. Reference is also made to the Icelandic Guidelines on Corporate Governance are published by the Iceland Chamber of Commerce, SA Business Iceland and Nasdaq Iceland.

Board of Directors

At the Annual General Meeting of the Company, three members are elected to the Board of Directors.

The Board of Directors holds the supreme authority between shareholders meetings and promotes the development and long-term performance of the Group and the supervision of its operations. Together with the CEO, they formulate the strategy, policies, and set goals and risk parameters for the organization.

The Board is responsible for the recruitment and dismissal of the CEO. The Rules of Procedure for the Board of Directors and are supplementary to the Articles of Association.

Chief Executive Officer

The CEO carries out the day-to-day operations of the Company and must, in this respect, follow the policies and instructions laid down by the Board and abide by laws and regulations. The CEO must at all times conduct his work with integrity and takes account of the Company’s interests.



CORPORATE GOVERNANCE – AUDIT COMMITTEE



Anna Geirfinnsdóttir
Chairman of the
Audit Committee,
Independent Party



Magnús Helgi Árnason
Member of the
Audit Committee



Rebekka Guðmundsóttir
Member of the
Audit Committee

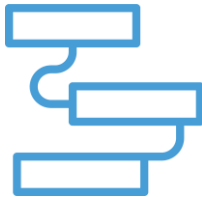
The Ú.R. Board has appointed one subcommittee, the Audit Committee chaired by Anna Geirfinnsdóttir.

The Audit Committee ensures financial statement quality and internal control effectiveness, overseeing external auditors' work and proposing their selection to maintain independence. Its key duties include monitoring financial statement integrity, reviewing internal controls and risk management, and managing the relationship with external auditors.

The Committee operates independently on behalf of the Board of Directors . Members must have relevant expertise, with at least one financial expert possessing accounting knowledge. They should be independent of the Group's auditor, with a majority independent of the Company's management.

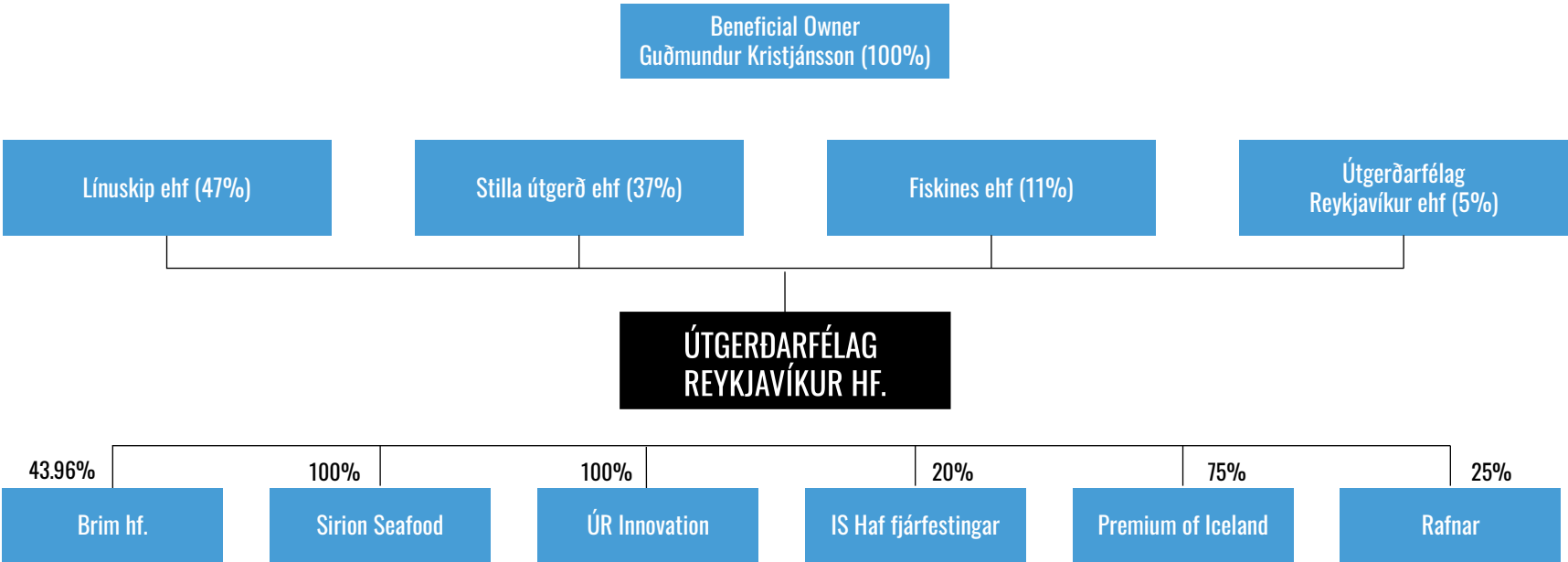
Meetings occur at least four times yearly, aligned with reporting and audit cycles. Only Committee members have attendance rights, though other stakeholders may be invited as appropriate,

including the CEO, the Compliance Officer and external auditors on a regular basis.



SHAREHOLDER INFORMATION

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



1. Shareholder information updated as of December 2023



RISK MANAGEMENT

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

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

Fishing rights

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

Credit risk

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

Liquidity risk

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

Currency risk

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

Accidents and incidents

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

COVID-19

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

Insurance

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

Reputational risk

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

ÚTGERÐARFÉLAG
REYKJAVÍKUR HF.

ENVIRONMENT,
SOCIAL AND
GOVERNANCE
REPORT





OUR AREAS OF FOCUS

Ú.R.'s motto is respectful knowledge of the ocean's resources. The vision is to honor the modern demand for profitable management. The company values of initiative, reliability and respect are reflected in Ú.R.'s responsible and sustainable utilization of the ocean's resources.

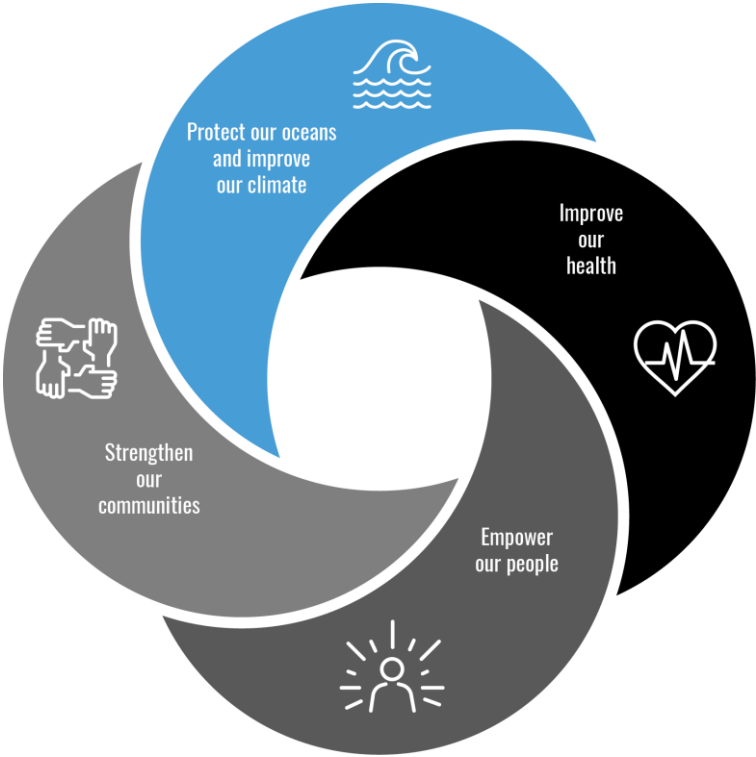
The dynamic team of highly competent staff drives the steady flow of progress and improvements. With the focus on dependability, Ú.R. takes care to adhere to its own high standards and does so by maintaining a close and strong relationship with customers and staff. Respect for and knowledge of the ecosystem, fishery resources and environment are at the core of all the company's operations.

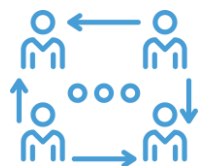
The company's wealth of knowledge and experience, strong management and talented staff in combination with fishing quotas and capital, ensure that Ú.R. is well-placed to achieve results and become one of the foremost companies in the Icelandic fishing industry.

As part of this, Ú.R. has four strategic focus areas relating to the ESG framework:

- Protect our oceans and improve our climate
- Improve our health
- Empower our people
- Strengthen our communities

Ú.R. is proud to issue its fourth ESG report, with focus on its approach and impact in these key areas.





STAKEHOLDER ENGAGEMENT

Ú.R. has a wide range of stakeholders, all of whom play a key part in its business with impact in the overall supply chain and society. Ú.R. values the leadership and actions by its stakeholders and take this into consideration in overall decision-making relating to strategy and execution.

Ú.R.'s objective is to ensure good and transparent communication with all stakeholders.

Materiality analysis

In the third ESG report, Ú.R. conducted a second study in early March 2023 to obtain feedback from stakeholders in relation to the materiality analysis seen on the following page.

This study was done by an online survey sent to its stakeholder sent to 342 individuals from 96 stakeholders.

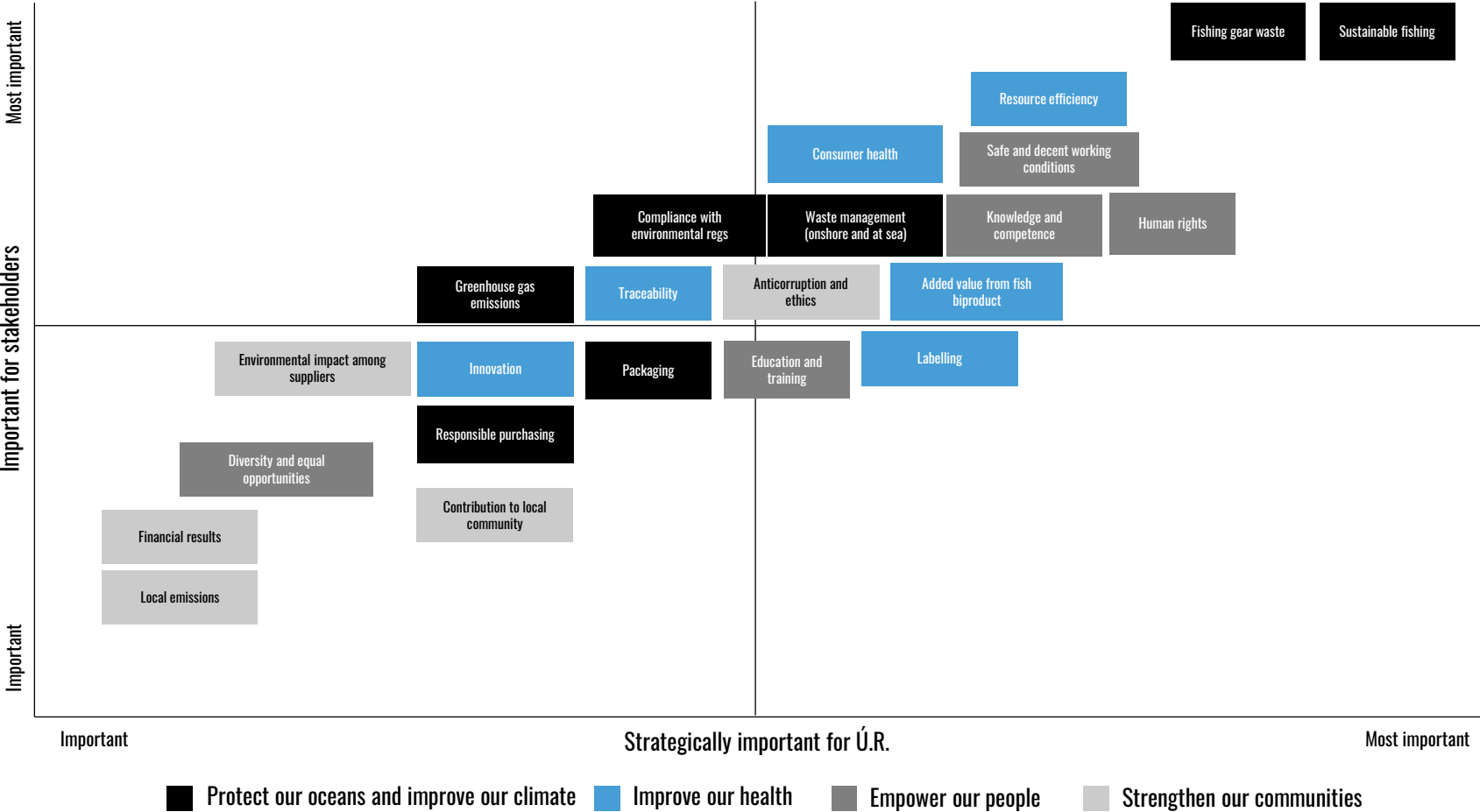
The importance attached to each item is an average taken of all responses received. The rating scale was 1 to 5, with 1 being not important at all to 5 being very important.

The conclusion shown in the chart on the following page shows that all factors are significant to the stakeholders and Ú.R. The average for each point answered had a ranking between 4 and 5.

Business Partners Suppliers Contractors Service providers Financial institutions	Internal Influences Board of Directors Management Shareholders Employees
Customer Groups International clients Domestic clients	External Influences Trade unions Government & regulatory agencies Industry associations Advocacy groups Research organizations



MATERIALITY ANALYSIS (2023 SURVEY RESULTS)



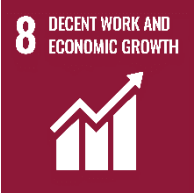


WORKING TOWARDS UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Developments Goals (SDGs) were launched in 2015 to achieve a better and more sustainable future for all. All 193 UN nations have participated in compiling 17 specific goals. They address the global challenges including poverty, inequality, climate change, environmental degradation, peace and justice¹.

There are eight SDGs which are directly linked to Ú.R.'s strategic focus areas for greatest impact to help contribute to the UN's SDGs. Ú.R. is committed to help reach these SDGs directly through its operations, investments and together with its stakeholders.

Information on how Ú.R. contributes to these eight SDGs is found on the following page.



1. United Nations Sustainable Development Program - sdgs.un.org



WORKING TOWARDS UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



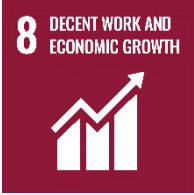
Ensuring the sustainability of fish stocks coupled with maximizing fish utilisation helps to contribute to reduce hunger. Ú.R. focuses on active participation in its own operations and together with its investments in Brim, its subsidiaries and UR Innovation.



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



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



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



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



The greatest environmental impact of Ú.R.’s operation is fuel use. The CO₂ emissions per kilo of caught seafood is 2,23, amongst the lowest for animal protein. However, Ú.R. continuously focuses on reducing its usage with improvements in operational effectiveness. Post all fishing tours, the recycled oil is also sold as factory fuel.

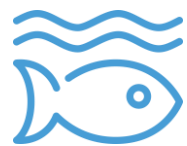


Respectful knowledge of the ocean’s resources is Ú.R.’s motto. Ú.R. actively engages on sustainability of North Atlantic seafood as a member of Responsible Fisheries Iceland and being an original signatory to its sustainability policy, government cooperation and continued innovation.



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

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



ESG PROJECTS

Investing in innovation for game changing impact in sustainability in the fisheries sector

Rapid DNA testing
for traceability

Fleet renewal
with methanol

Traceability from
catch to transport

Fish identification with
Maritech Eye™



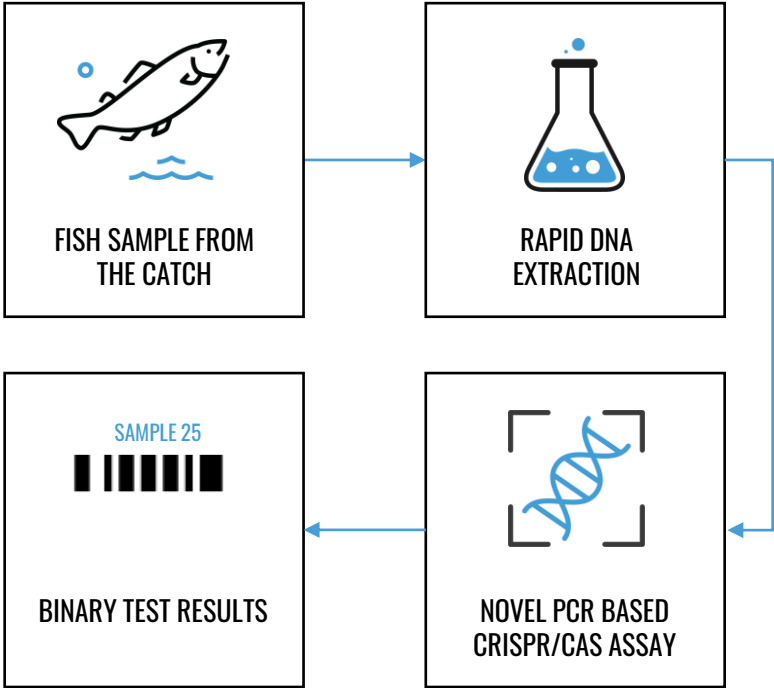
ADVANCEMENTS IN DNA TRACEABILITY

Grant received from Matvælasjóður to build on successful pilot for rapid DNA testing for cod

In the field of DNA work, Ú.R. has achieved significant progress, particularly in fisheries. Utilizing cutting-edge technology, U.R.'s method enhances seafood traceability efficiently, akin to a Covid test, analyzing fish samples within 30 minutes. Notably, Ú.R. has successfully received a grant to further this work.

This advancement addresses concerns of seafood mislabeling, providing rapid testing for stakeholders across the supply chain. With Ú.R.'s solution, customs authorities, stores, and restaurants can ensure authenticity, distinguishing between Icelandic and Norwegian cod. Partnerships with organizations like Hafro and Fiskistofa extend authentication to Greenland halibut, combating illegal fishing practices.

Rooted in a Nobel Prize-winning discovery, Ú.R.'s DNA testing method marks a novel application in traceability. By harnessing DNA, Ú.R. propels the fisheries industry towards enhanced accountability, integrity, and sustainability. As the company continues its efforts, Ú.R. remains committed to refining capabilities for confident seafood consumption.





FLEET RENEWAL WITH METHANOL

Estimated annual CO₂ emissions savings of 92%

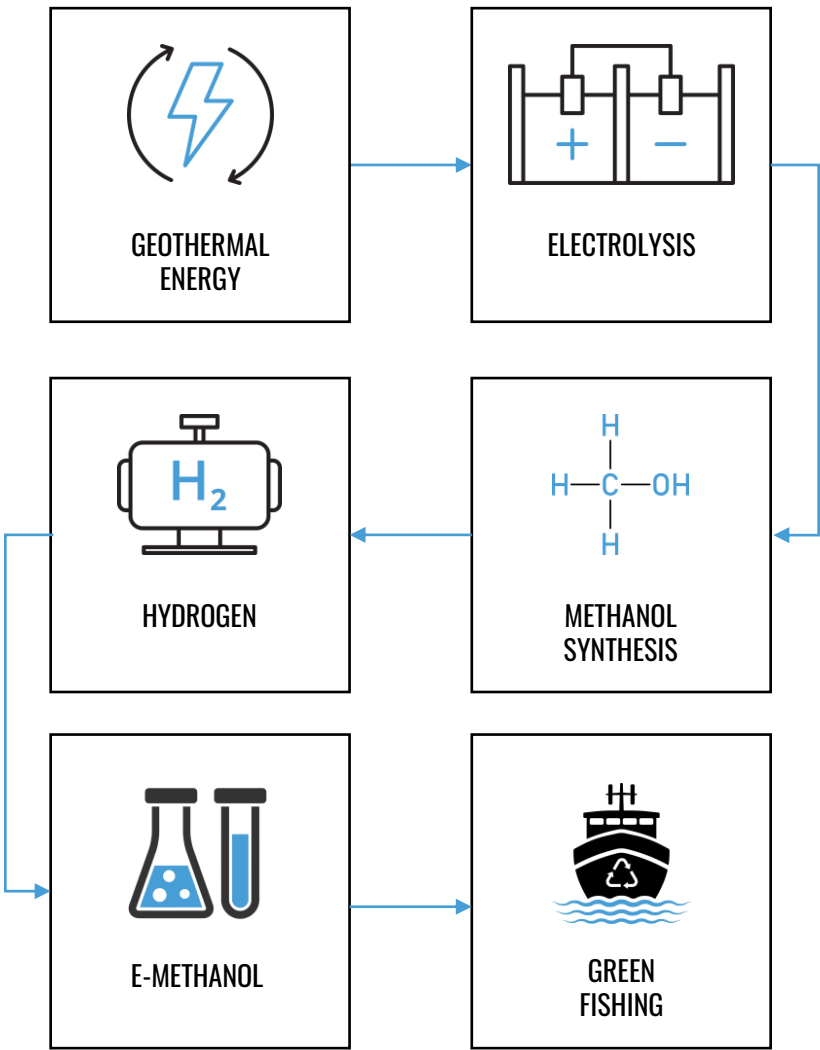
A major environmental impact in the seafood industry is oil consumption and CO₂ emissions. Then the question is, what can be done, is there perhaps no general energy transition ahead in the fishing industry? This can be done with methanol.

Methanol is a safe, cost-effective, globally available marine fuel. With the growing demand for cleaner marine fuel, methanol is an alternative fuel for ships that helps the shipping industry meet increasingly strict emissions regulations. Source: Methanex.com

In early September 2022, together with Orkusjóður funding, Ú.R. has started its first step towards 97% methanol usage by 2024. In September, Ú.R. implemented a new energy management system as a first step and will put in place carbon-neutral methanol tanks in 2024 to replace its oil tanks on Guðmundur í Nesi RE-13. Once deployed, it is estimated to generate annual CO₂ emissions savings of 92%.

Ú.R. is the first fisheries company to embark on this journey towards methanol.

There is continued work to produce methanol in Iceland, which will require infrastructure investment to produce the quantities needed for the trawler.





MARITECH EYE™

The first on-vessel project for species and size registrations

Ú.R. will be the first company to start using Maritech Eye™ onboard fishing vessels.

The hyperspectral camera solution Maritech Eye™ was installed on Guðmundur í Nesi in January 2023 and to be shortly be placed onboard Illileq. The purpose is to automate the recognition and documentation of species in combination with size and other parameters related to various characteristics of whitefish catch.

The information will also be sent from Guðmundur í Nesi to the fisheries authorities in Iceland, who will use the data for research and estimation of stock size to optimize Icelandic quotas. Fiskistofa, The Icelandic Directorate of Fisheries, and Hafrannsóknarstofnun Íslands, the Icelandic Marine and Freshwater Research Institute, express that this project is very exciting to follow up on and that they will collaborate closely with Ú.R.

Ú.R. sees the possibility to solve the task of registering all its catch and believe it will greatly help optimizing our operations and give important research data to fishing authorities.





TRACEABILITY FROM CATCH TO TRANSPORT

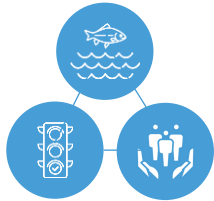
The story of your seafood in seconds

Each carton has an individual QR code connecting the product’s data from catch to transport.

Each QR fingerprint contains:

- Catch area
- Vessel name
- Time of catch
- Time of freezing
- Day of landing
- Landing site
- Transport route
- Carbon footprint



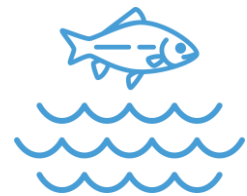


ESG REPORTING

Ú.R. has based its ESG Reporting on the global environmental, social and governance (ESG) reporting guide by Nasdaq.

Ú.R. is committed to operating a sustainable business and to be transparent to its stakeholders within the Nasdaq framework. As a private company, this is a voluntary initiative.





ENVIRONMENT

Sustainable fisheries

Fisheries and fish processing are still one of the main pillars of export activities in Iceland. The Icelandic Fisheries Management Act (No. 116/2006) is based on the United Nations Convention on the Law of the Sea. It is designed with sustainability of fish stocks in mind.

Each year, the total allowable catch (TAC) is set by the Ministry of Fisheries, after the Ministry has received advice from the Marine Research Institute based on a biological assessment of the stocks and forecasts for their development in the near future. The quota shares that determine each year's quotas must be registered to a fishing vessel. A vessel's annual quota for a species is equal to its quota share for that species multiplied by the TAC, after adjusting for special allocations; e.g. for regional support and coastal fisheries of small vessels. Quota shares and annual quotas are transferable and can be traded on the quota market, subject to certain restrictions. The law prescribes maximum holdings of quotas, or 12% of total quotas, by individual fishing companies, both for individual species and in the aggregate.

Ú.R. is one of the largest holders TAC quotas in Iceland. Conservation of the environment has

always been among its highest priorities because Iceland is a country that depends highly on natural resources and their sustainable management. Ú.R. is aware of the dangers that overfishing poses to the environment as well as the economy. Ú.R. is thereby committed to the sustainable and responsible harvesting of Icelandic fisheries and seek to be in harmony with the environment.

Ú.R. is a stakeholder in the ISF (Iceland Sustainable Fisheries) which is a signatory affiliate with the Marine Stewardship Council. The MSC is a voluntary certificate program that upholds the strictest international standards ensuring sustainable fish stocks, minimized environmental impact and effective management for fisheries around the world. Ú.R. holds certification from both ISF and MSC. The total percentage of quota held with MSC certification is 98.7%.

In October 2020, the company members of Responsible Fisheries (Samtök fyrirtækja í sjárvarútvegi or SFS) agreed on a social responsibility policy that is based on the UN Sustainable Development Goals. Ú.R. is proud to be one of the original signatories and is committed to shoulder its responsibility and promote transparency.

Traceability and quality

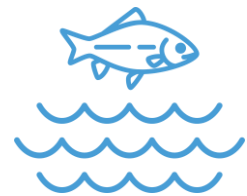
The Directorate of Fisheries of Iceland (Fiskistofa), on behalf of the Ministry of Fisheries, distributes the quotas and oversees the daily operation of the individually transferable quota system. The Directorate collects data on landed catch from ports of landing in real time as well as information on processing and exports of fish products done through electronic surveillance¹.

Greenhouse gas emissions

Ú.R.'s business is purely on seafood catch. Processing and distribution are outsourced. The greatest environmental impact of Ú.R.'s operation is the fuel use, which represents 98.7% of its energy mix. All electricity purchased is renewable energy. With the improvement of trawler technology, focus on key seafood species, and operational effectiveness of the operations, fuel usage has reduced dramatically in Iceland and also at Ú.R. For this report, direct emissions are reported.

All waste oil is sent for recycling to Hreinsitækni according to an agreement with the Recycling Fund. The recycled oil is then sold as factory fuel.

1. fiskistofa.is



ENVIRONMENT

The CO₂ emissions per kilogram of caught seafood at Ú.R. is 2.23, an increase from 2.0. Overall emissions continue to be world-class versus most animal-based production.

Waste management

Ú.R.'s overall objective is to minimize and sort waste throughout its operations, 94% of which was recycled in 2023. Through outsourcing, there are sorting stations for recyclable materials and general waste. Information is recorded electronically using smart scales and smart containers.

Ú.R. sells all of its catch as 100% (excluding guts) whole to processors and distributors, therefore the fish utilization is 100%.

Iceland leads globally in fish utilization, where for example there is 89% utilization of cod while the average in the North Atlantic is closer to 45%. By increasing the amount of each fish used, it becomes possible to create more value from fewer resources.¹ As a member of Fisheries Iceland and being a signatory to its social responsibility policy,

Ú.R. is committed to innovation.

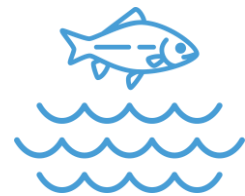
Fishing Gear Waste

In March 2021 Iceland became a member of the Global Ghost Gear Initiative (GGGI) – the world's largest cross-sectoral alliance committed to driving solutions to the problem of lost, abandoned and discarded fishing gear worldwide². All fishing gear in Iceland must have integrated AIS tracker technology recorded in real time and is assigned to each vessel. Since 2005, all fishing gear lost at sea is to be collected by either the assigned vessel or whichever vessel is in its nearby vicinity.

In 2021, Ú.R. started tracking net weight return of fishing nets after each trip. The net weight return for the year was 100%. There were no mishaps during the year where fishing gear was lost at sea.

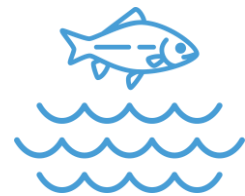
Ú.R. proactively manages the disposal of fishing gear waste. All unusable fishing nets are sent for recycling in Denmark.

1. sjavarklassin.is 2. ghostgear.org



ENVIRONMENT

Nasdaq	Description	Unit	2023	2022	2021	2020
E.1	Direct and Indirect GHG Emissions					
E.1.1	GHG Emissions	mCO2e	17,814	25,587	15,242	15,821
E.1.2	Carbon offsets	mCO2e				
E.1.3	Net operational carbon emissions	mCO2e	17,814	25,587	15,242	15,821
E.2	Emissions Intensity Scope 1, 2 13)					
E.2.2	Emission intensity per revenues	mCO2e/EURm	680	447	414	527
E.2.3	Emission intensity per quota	mCO2e/ton	2.23	2.0	1.1	1
E.2.4	Emission intensity per total assets	mCO2e/EURm	224	322	32	37
E.2.5	Emission intensity per employee	tCO2e/E	293	59	171	264
E.3	Direct & Indirect Energy Consumption (E3 UNGC-P7 GRI: 302-1 SDG 12)					
E.3.1	Total energy consumption	kWh	50,663,467	74,583,939	58,961,285	46,342,906
E.3.1.1	Of which energy from fossil fuel	-	49,984,306	74,104,524	58,119,489	45,706,226
E.3.1.2	Of which energy from electricity	-	108,383	96,117	78,722	95,360
E.3.1.3	Of which energy from hot water	-	570,778	383,298	763,074	541,320
E.4	Energy Intensity (E4 UNGC-P7, P8 GRI: 302-3 SDG 12)					
E.4.1	Energy intensity per revenues	kWh/EUR	1,933,720	1,303,915	1,602,209	1,544,764
E.4.2	Energy intensity per total assets	kWh/EUR	6,253	5,756	121,411	106,294
E.4.3	Emission intensity per quota	tCO2e/ton	1,365	1,211	6	7
E.4.4	Energy intensity per employee	kWh/E	1,248	882	8,574	9,022
E.5	Energy Mix (E5 UNGC-P7 GRI: 302-1 SDG 7)					
E.5.1	Oil	%	98.7%	99.4%	98.6%	98.6%
E.5.2	Electricity	%				
E.5.3	Natural Gas	%				
E.5.4	Renewable resources (hydro, geothermal, solar, wind)	%	1.3%	0.6%	1.4%	1.4%
E.5.5	Other	%				



ENVIRONMENT

Nasdaq1	Description	Unit	2023	2022	2021	2020
E.6	Water Management (E6 UNGC-P7 GRI: 303-5 SDG 6)					
E.6.1	Total water consumption	m3	162	173	195	127
E.6.2	Total amount of water reclaimed	m3	0	0	0	0
E.6.a	Waste Management					
E.6.a.1	Total Waste	MT	152,312	129,534	161,487	204,115
E.6.a.1.1	Of which waste recycled	-	143,137	116,716	152,312	171,635
E.6.a.1.2	Of which waste not recycled		8,031	9,175	9,175	32,480
E.6.a.2	Total waste generated per employee	MT/E	2,503	2,124	1,814	3,402
E.6.a.3	Total waste generated per revenue	MT/EURm	5,813	2,265	4,388	6,804
E.6.b	Fisheries specific KPI					
E.6.b.1	Total amount of fish utilization	%	100%	100%	100%	100%
E.6.b.2	Total fishing gear recycled and reused	%	94.4%	100%	98%	100%
E.6.b.4	Net weight return % of fishing nets	%	100%	100%	72%*	n/a
E.7	Environmental Operations					
E.7.1	Environmental Policy approved by the Board	yes/no	no	no	no	no
E.7.2.	Company follows specific waster, energy, and/or recycling policies	-	no	no	no	no
E.7.2.	Company uses a recognized energy management system	-	no	no	no	no
E.8	Climate Oversight / Board					
E.8.1	Board oversees and/or manages climate related risks	yes/no	yes	yes	yes	yes
E.9	Climate Oversight / Management (E9)					
E.9.1	Does your Senior Management Team oversee and/or management climate related risks?	yes/no	yes	yes	yes	yes
E.10	Climate Oversight / Management					
E.10.1	Total amount invested, annually, in climate-related infrastructure, resilience and product development	EUR	0	1,260,451	0	0
	Certified Sustainable Seafood					
	Quota held with MSC certification	%	98.7%	82%	89%	75%

* No fishing gear was lost at sea. First year of calculation.



SOCIAL

Human resources

The core asset to Ú.R.'s business is its people and ultimately to their families.

Ú.R.'s objective is to provide excellent working conditions, whether at sea, on land or at the office, in order to attract top talent in the seafood sector.

All employees are union members. Ú.R. ensures its fulfilment of all statutory rights of employees, equality in the workplace and honoring the collective wage agreements.

In 2023, the average headcount was 102, up from 61 in 2022. The increase is due to the consolidated accounts from Premium of Iceland.

Equal opportunities

The seafood industry is heavily dominated by men. This is reflected in Ú.R.'s operation, where the percentage of women increased to 8.2% in 2023 versus 4.4% in 2022.

Ú.R.'s pay structure is at the top end of the market to attract top talent. In 2023, Ú.R. employees ranked 7th highest average salaries compared to all Icelandic companies as per Frjáls Verslun 500 Stærsta.

The average monthly salaries cost per employee are high at EUR 18k since seamen receive pay in accordance with

a share allotment system on the fishing catch. This is also reflected in the gender pay ratio of 0.46, since all women employed hold office positions.

It is Ú.R.'s priority to support women at all levels. At present, two of four Board Members are women and the Chairman of the Audit Committee is a woman. Ú.R. implemented Equal Pay Certification for 2023 to 2026.

Two of the Board Members, Agnes Guðmundsdóttir and Rebekka Guðmundsdóttir, are active in promoting women in the Icelandic seafood industry, where they are involved in Women in the Marine Industry (Konur í sjávarútvegi).

Overall, there is a flat pay structure within Ú.R. where the CEO pay ratio is 2.39 times the average company salary.

Health and safety

The fisheries sector is one of the highest risk-sectors. Ú.R. places strong emphasis to ensure top health and safety of its employees, especially with the operations of its vessels and crew.

Ú.R. has implemented the following policies in relation to health and safety:

- Health policy: to promote that employees are protected against health hazards and health damage at work

- Occupational health and safety policy: protection plan and risk assessment of the trawler(s) and its crew, including safety representatives

All injuries and incidents are immediately recorded with a full review conducted to identify the cause and prevention going forward. For the employee, Ú.R. has a company doctor on call for accidents and rehabilitation program. In 2023, there were 0.02 incidents per employee.

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

Learning and development

Ú.R. is committed to developing the skills and knowledge of its employees. There is a wide range of skills required at various levels.

Training is both general and industry related, such as HACCP and total quality management.



SOCIAL

Policies

In addition to the Health and Safety policies mentioned, these are the policies that are in place at Ú.R.:

- Gender and equality action plan
- Personnel policy and action plan
- Crisis policy and action plan
- Privacy policy in line with GDPR
- Whistleblower policy
- Non-discrimination policy
- Anti-corruption policy
- Equality and diversity policy

An overview of the company policies can be found at www.urseafood.is/investors/governance/

The Social Responsibility Policy by Fisheries Iceland, signed by Ú.R., contains the requirement to adhere to all laws relating to Human Rights, Child and Forced Labor

Employee celebrations

Employee celebrations are an excellent way to bring together everyone at Ú.R. and also their families. Many activities are organized over the course of the year, with the major ones being international trip organized every two years, Seaman’s Day event with families, Christmas gathers, yoga, dart competitions, bowling, golf, etc.

Community contributions

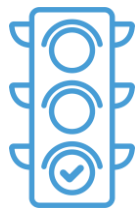
Ú.R. actively sponsors many competitions, sports organizations, and charities as part of its community contributions.



SOCIAL

Nasdaq	Description	Unit	2023	2022	2021	2020
S.1	CEO pay ratio	Multiple	2.39	2.45	2.02	1.7
S.2	Gender pay ratio	Multiple	0.46	0.53	0.56	0.44
S.3	Employee turnover					
S.3.1	Full time employees	%	12%	2%	2%	2%
S.3.2	Part time employees	%	0	0	0	0
S.3.3	Contractors	%	0	0	0	0
S.4	Gender diversity					
S.4.1	Total women	%	8.2%	4.4%	6.7%	9.1%
S.4.2	Total men	%	91.8%	95.6%	93.3%	90.9%
S.5	Temporary Worker Ratio					
S.5.1	Total headcount held by part-time employees	%	0	0	--	--
S.5.2	Total headcount held by contractors / consultants	%	0	0	--	--
S.6.	Non-discrimination policy	yes/no	yes	yes	yes	no
S.7	Injury rate					
S.7.1	Injury rate	#accidents/E	0.02	0.04	0.1	0.1
S.7.2	Training for employees	hours	300	368	320	2,121
S.7.2	Training hours per employee	hours/E	4.9	6.0	3.6	35.4
S.8	Global health and safety policy	yes/no	yes	yes	yes	yes
S.9	Child & forced labor policy *	yes/no	no	no	no	no
S.10	Human rights policy *	yes/no	no	no	no	no

* Covered in Social Responsibility Policy signed with SFS



GOVERNANCE

Ú.R. is a limited liability company operating under Act No. 2/1995 respecting Public Limited Companies. Under its Articles of Association, the Company is governed by shareholders’ meetings, the Board of Directors and the Chief Executive Officer.

Ú.R. not only follows good governance within its own operations, but also takes an active position across its investments.

Board diversity

In Iceland, where companies have more than 50 employees, there must be at least 40% of both genders represented on their Boards.

At Ú.R., there is a total of four Board Members, of which two are occupied by women.

Audit Committee

Ú.R. put in place an Audit Committee in 2021, which is chaired by Anna Geirfinnsdóttir.

Collective wage agreements

All of of Ú.R. employees are unionized. Ú.R. focuses on maintain good relationships with the various

unions. In addition, Ú.R. ensures its fulfilment of all statutory rights of employees, equality in the workplace and honoring the collective wage agreements.

Ethics and anti corruption

Ú.R. has zero tolerance towards corruption and holds itself and its invested companies to the highest ethical standards. Should any issues be identified, these are immediately addressed by the Board of Directors.

At Ú.R., all catch is fully transparent through the recording done by the Directory of Fisheries. However, with both investments in Brim and APF, the overall operations are more international in nature. Ethics are of highest priority to ensure top reputation across all stakeholders.

ESG reporting

Ú.R. is proud to issue this fourth ESG report. This report has been prepared internally without external validation.

Ú.R. Values

Transparency

Trust

Respect

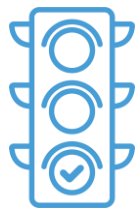
Common sense

Long-term thinking

Risk management

Stakeholder relations

Impact on society



GOVERNANCE

Nasdaq	Description	Unit	2023	2022	2021	2020
G.1	Board diversity					
G.1.1	Total Board seats occupied by women	%	50%	67%	67%	67%
G.1.2	Committee chairs occupied by women	%	100%	100%	100%	N/A
G.2	Board independence					
G.2.1	Does company prohibit CEO from serving as Board Chair	yes/no	yes	yes	yes	yes
G.2.2	Total Board seats occupied by independents	%	50%	33%	33%	33%
G.3	Incentivized pay	yes/no	no	no	no	no
G.4	Collective bargaining	%	100%*	86%	78%	73%
G.5	Supplier code of conduct	yes/no	no	no	no	no
G.5.1	Are vendors/suppliers required to follow a code of conduct?	yes/no	no	no	no	no
G.5.2	If yes, what percentage of suppliers have formally certified their compliance with the code		0	0	0	0
G.6	Ethics and anti-corruption					
G.6.1	Does your company follow an ethics and/or anti-corruption policy?	yes/no	yes	yes	yes	no
G.6.2	If yes, what percentage of your workforce has formally certified its compliance with the policy	%		0	0	0
G.7	Data privacy					
G.7.1	Does your company follow a data privacy policy?	yes/no	yes	yes	yes	yes
G.7.2	Has your company taken steps to comply with GDPR rules?	yes/no	yes	yes	yes	yes
G.8	ESG Reporting	yes/no	yes	yes	yes	yes
G.9	Disclosure practices	yes/no	yes	yes	yes	yes
G.9.1	Sustainability data to sustainability reporting frameworks	yes/no	yes	yes	yes	yes
G.9.2	Focus on specific UN Sustainable Development Goals	yes/no	yes	yes	yes	yes
G.10	External validation and assurance	yes/no	no	no	no	no

* All employees are members of unions with collective agreements

DISCLAIMER

This document has been prepared by the management team of Útgerðarfélag Reykjavíkur hf (“the Company”). This document includes business and operating data, assumptions and performance expectations of the Company’s management team based on currently available information.

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

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

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REYKJAVÍKUR HF.