



Iceland Seafood International hf.

Condensed Consolidated Interim Financial Statements

for the six months ended 30 June 2023

Iceland Seafood International hf.
Köllunarklettsvegur 2
104 Reykjavík
Iceland
TIN 611088-1329

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Company Information

Name	Iceland Seafood International hf.
TIN	611088-1329
BOD	Liv Bergþórsdóttir, Chairman Bergþór Baldvinsson, Board Member Halldór Leifsson, Board Member Ingunn Agnes Kro, Board Member Jakob Valgeir Flosason, Board Member Gunnlaugur Karl Hreinsson, Alternate Board Member
CEO	Bjarni Ármannsson
Address	Köllunarklettsvegi 2 104 Reykjavík Iceland
Web	www.icelandseafood.com
Lawyers	Lex ehf. Borgartúni 26 105 Reykjavík Iceland www.lex.is
Auditors	Deloitte ehf. Smáratorgi 3 201 Kópavogur Iceland www.deloitte.is
Reporting currency	Euro (EUR)

Statement and Endorsement

by the Board of Directors and the CEO

Statement

It is the opinion of the Board of Directors and the CEO of Iceland Seafood International hf. (the Company), that these Condensed Consolidated Interim Financial Statements present the necessary information to evaluate the financial position of the Company at the end of June 2023 and the operating results and financial developments for the six months then ended.

The Condensed Consolidated Interim Financial Statements are prepared in accordance with the International Accounting Standard IAS 34, *Interim Financial Reporting*, and should be read in conjunction with the Company's Financial Statements for the year ended 31 December 2022.

The Condensed Consolidated Interim Financial Statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understand the changes in the Company's financial position and performance from year end 2022.

The Condensed Consolidated Interim Financial Statements are reviewed by the Company's auditors.

The Company

The Company is a holding company for a Group of subsidiaries that are leading suppliers of North Atlantic seafood, one of the largest exporters of seafood from Iceland and a key processor of high quality seafood in the Spanish, United Kingdom and Irish markets. The Group is headquartered in Iceland and has subsidiaries in Spain, Argentina, the United Kingdom, Ireland, Iceland, France and Germany. The operation in the United Kingdom is classified as asset held for sale.

The Group operates across three divisions, Value Added Southern Europe, Value Added Northern Europe and Sales and Distribution Division which has offices in Iceland, France and Germany. The Value Added Divisions have processing factories and coldstores in their respective regions with Southern Europe also having a satellite facility in Argentina.

Operations for the period

Total sales in the first half of the year of EUR 222.3 million were 7% above prior year. The higher sales were mainly driven by strong sales of VA S-Europe division, especially in the first quarter of the year, explained by both price and volume increase from same time last year. Sales of S&D division were also up 6% from 1H 2022, helped by strong capelin season in Iceland. The VA N-Europe division saw a reduction in volume from 1H 2022, but due to higher prices sales in Euro terms were slightly up.

Normalised loss before tax in the period of EUR 0.8 million was EUR 4.2 million down on prior year. The economic situation in key markets impacted the results in the period. High inflation and increased interest rates negatively affected consumers purchasing power and therefore demand in Q2. Steep increase in salmon prices during the first quarter impacted profitability of both VA N-Europe division and Ahumados Dominguez in Spain. Salmon prices remained high in Q2, but have come down rapidly in Q3. Difficult market conditions for Argentinian shrimp and other shellfish species also impacted margins and profitability of IS Iberica negatively in the period. Good performance of the S&D division continued in the first half of the year, where profitability was in line with same period last year. Finance costs have increased due to higher interest rates and loans compared to 1H 2022.

The loss of Iceland Seafood UK (IS UK), which is classified as an asset held for sale, was EUR 13.9 million in the period. At August 30th ISI announced an agreement with Espersen A/S on sale of all the share capital of IS UK. Asset valuation in the balance sheet of 30.6.2023 reflects certain elements of the agreement, as set out in note 10 to the accounts. The loss of discontinued operation includes impairment of fixed assets of EUR 8.3 million in total.

Statement and Endorsement

by the Board of Directors and the CEO

Total assets on 30 June 2023 of EUR 272.6 million were EUR 17.7 million lower than at the end of 2022. Net debt at end of June of EUR 100.9 million was EUR 7.3 million higher than at year end 2022.

Equity amounted to EUR 71.5 million on 30 June 2023 or EUR 9.9 million lower than at the end of 2022. The equity ratio was 26.2% on 30 June 2023, compared to 28.0% at year end 2022. Share issuance was completed in May where 150 million new shares were issued. The issuance was at a price of ISK 6.00 or the amount of ISK 900 million (EUR 5.9 million).

The Company is listed on the NASDAQ Iceland main market (ticker: ICESEA). The closing price at the end of June 2023 was ISK 6.00 per share (2022 year end: ISK 6.05), giving the Company a market capitalization of EUR 116.0 million (2022: EUR 108.8 million), a 7% increase from year end 2022.

Divestment of Iceland Seafood UK Ltd

On August 30th ISI announced it had reached an agreement with Espersen A/S on sale of all the share capital of Iceland Seafood UK Ltd (IS UK). Espersen has finalised its due diligence process and the transaction documents are being completed. The assets and liabilities of IS UK have been classified as an asset held for sale since ISI announced its intention to exit the UK market from value-added perspective on November 17th 2022. In accordance with the agreement the property, equipment and machinery will be sold from IS UK to Iceland Seafood Barraclough (a 100% owned subsidiary of ISI) at completion and then leased back to IS UK/Espersen. In case of the property a leasing agreement has been agreed, where the lessee has a purchase option at end of the leasing period. In the case of equipment and machinery an equipment hire purchase agreement has been agreed, where the lessee will get ownership of the assets at the end of the leasing period. Asset valuation in the balance sheet at 30.6.2023 reflects the valuation of rental payments under these agreements. Total impairment of fixed assets amounting to EUR 8.3 million is included in the loss from discontinued operation in the period.

At completion, which will take place in September, ISI will convert intercompany loans to IS UK into equity. ISI will inject additional equity, to net out a negative equity balance and to cover the projected EBIT losses of IS UK for the period September - December 2023. After the equity injection, book value of equity at completion amounts to GBP 0.3 million. According to the agreement the sales price for the 100% share is GBP 1,000. The negative impact on ISI P&L and equity during 2023 until the sale completes is estimated EUR 16.3 million.

Shareholders

The number of shareholders at the end of June 2023 were 859 (2022 year end: 840). The ten largest were (shares are in millions):

	30.6.2023		31.12.2022	
FISK Seafood ehf	323	11%	306	11%
Sjávarsýn ehf	310	11%	294	11%
Jakob Valgeir ehf	300	10%	284	10%
Nesfiskur ehf	292	10%	277	10%
Lífsverk lífeyrissjóður	163	6%	162	6%
Stapi lífeyrissjóður	159	6%	159	6%
Birta lífeyrissjóður	155	5%	150	6%
Frjálsi lífeyrissjóðurinn	131	5%	131	5%
Lífeyrissjóður starfsmanna ríkisins A-deild	122	4%	122	4%
Vátryggingafélag Íslands hf.	99	3%	94	3%
	<u>2.054</u>	<u>71%</u>	<u>1.979</u>	<u>72%</u>
Other shareholders (2023: 849 and 2022: 830)	810	29%	735	28%
	<u>2.864</u>	<u>100%</u>	<u>2.714</u>	<u>100%</u>

For an overview of changes in equity, see the Condensed Consolidated Statement of Changes in Equity.

Statement and Endorsement

by the Board of Directors and the CEO

Endorsement

The Board of Directors and the CEO of Iceland Seafood International hf. hereby confirm the Condensed Consolidated Interim Financial Statements of the Company for the three months ended 30 June 2023 with their signatures.

Reykjavík, 30 August 2023.

Liv Bergþórsdóttir
Chairman of the Board

Bergþór Baldvinsson
Board Member

Halldór Leifsson
Board Member

Ingunn Agnes Kro
Board Member

Jakob Valgeir Flosason
Board Member

Bjarni Ármannsson
Chief Executive Officer

Review Report

on the Condensed Consolidated Interim Financial Statements

To the Board of Directors and shareholders of Iceland Seafood International hf.

We have reviewed the accompanying Condensed Consolidated Interim Statement of Financial Position of Iceland Seafood International hf. as of 30 June 2023 and the related statements of Condensed Consolidated Interim Statement of Income, Condensed Consolidated Interim Statement of Comprehensive Income, Condensed Consolidated Interim Changes in Equity and Condensed Consolidated Interim Statement of Cash Flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

Management's and the Board of directors Responsibility for the Financial Statements

The Board of Directors and management are responsible for the preparation and fair presentation of this Interim Consolidated Financial Statements in accordance with International Financial Reporting Standards for Interim Financial Reporting, IAS 34, as adopted by the EU.

Auditor's Responsibility

Our responsibility is to express a conclusion on this Condensed Interim Consolidated Financial Statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements, ISRE 2410. A review of Interim Consolidated Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Financial Statements does not give a true and fair view of the financial position of the Group as at 30 June 2023, and of its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34 as adopted by the EU.

Kópavogur, 30 August 2023.

Ingvi Björn Bergmann
State Authorised Public Accountant

Deloitte ehf.
Smáratorg 3
201 Kópavogur
Iceland

Condensed Consolidated Statement of Income

for the six months ended 30 June 2023

	Note	1H 2023			1H 2022		
		Normalised results	Significant items*	IFRS	Normalised results	Significant items*	IFRS
Gross profit							
Sales of seafood		222.277		222.277	207.294		207.294
Cost of sales		(191.987)		(191.987)	(176.316)		(176.316)
		30.290		30.290	30.978		30.978
Operating expenses							
Operating expenses	6	(26.852)	(18)	(26.870)	(25.032)	(12)	(25.044)
Depreciation and amortisation		(1.778)		(1.778)	(1.626)		(1.626)
Operating profit		1.660	(18)	1.642	4.320	(12)	4.308
Net finance costs		(1.954)		(1.954)	(934)		(934)
Net exchange rate difference		(484)		(484)	16		16
(Loss) profit before tax		(778)	(18)	(796)	3.402	(12)	3.390
Income tax expense	6	(578)	4	(574)	(1.080)	2	(1.078)
(Loss) profit from continuing operations .		(1.356)	(14)	(1.370)	2.322	(10)	2.312
Discontinued operations, net of tax	10		(13.885)	(13.885)		(5.174)	(5.174)
(Loss) profit for the period		(1.356)	(13.899)	(15.255)	2.322	(5.184)	(2.862)
Attributable to							
Owners of the Company		(1.176)	(13.899)	(15.075)	2.523	(5.184)	(2.661)
Non-controlling interests		(180)		(180)	(201)		(201)
		(1.356)	(13.899)	(15.255)	2.322	(5.184)	(2.862)
Earnings per share							
7							
From continuing operations							
Basic (cents per thousand shares)		(0,0495)		(0,0500)	0,0855		0,0852
Diluted (cents per thousand shares)		(0,0495)		(0,0500)	0,0850		0,0846
From continuing and discontinued operations							
Basic (cents per thousand shares)		(0,0495)		(0,5569)	0,0855		(0,1054)
Diluted (cents per thousand shares)		(0,0495)		(0,5569)	0,0850		(0,1054)

* See note no 6 for information on significant items.

See note no 4 for results of Q2 2023.

The notes on pages 11 to 16 are an integral part of the Condensed Consolidated Interim Financial Statements

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2023

	Note	1H 2023			1H 2022		
		Normalised results	Significant items*	IFRS	Normalised results	Significant items*	IFRS
(Loss) profit for the period		(1.356)	(13.899)	(15.255)	2.322	(5.184)	(2.862)
Items that may be reclassified subsequently to profit or loss							
Net fair value of cash flow hedges		(299)		(299)	662		662
Translation difference		(386)		(386)	307		307
Total comprehensive (loss) income		(2.041)	(13.899)	(15.940)	3.291	(5.184)	(1.893)
Attributable to							
Owners of the Company		(1.861)	(13.899)	(15.760)	3.492	(5.184)	(1.692)
Non-controlling interests		(180)		(180)	(201)		(201)
		(2.041)	(13.899)	(15.940)	3.291	(5.184)	(1.893)

* See note no 6 for information on significant items.

The notes on pages 11 to 16 are an integral part of the Condensed Consolidated Interim Financial Statements

Condensed Consolidated Statement of Financial Position

at 30 June 2023

	Note	30.6.2023	31.12.2022	30.6.2022
Assets				
Non-current assets				
Property, plant and equipment		29.315	27.645	32.527
Leased assets		1.782	1.724	1.731
Intangible assets	8	56.547	56.665	62.373
Deferred tax assets		2.852	2.359	4.610
Other long term assets		69	65	106
Total non-current assets		90.565	88.458	101.347
Current assets				
Inventories		83.411	86.047	101.035
Trade and other receivables		56.196	62.535	67.279
Other assets		7.963	9.747	10.743
Cash and bank balances		9.277	11.072	4.020
		156.847	169.401	183.077
Assets classified as held for sale	10	25.210	32.487	
Total current assets		182.057	201.888	183.077
Total assets		272.622	290.346	284.424
Equity and liabilities				
Capital and reserves				
Issued capital and share premium		86.170	80.291	80.291
Translation reserve		(696)	(310)	(491)
Other reserves		(33)	257	1.197
Retained earnings		(15.718)	(837)	6.262
Equity attributable to owners of the Company		69.723	79.401	87.259
Non-controlling interests		1.788	1.968	2.006
Total equity		71.511	81.369	89.265
Non-current liabilities				
Borrowings	11	32.967	32.488	38.275
Lease liabilities		1.429	1.439	1.342
Retirement benefit and other obligations		1.330	1.211	1.589
Deferred tax liabilities		1.734	2.105	918
Total non-current liabilities		37.460	37.243	42.124
Current liabilities				
Borrowings	11	77.215	72.142	88.108
Lease liabilities		533	456	554
Trade and other payables		42.915	52.461	55.297
Other liabilities		6.400	10.318	9.076
		127.063	135.377	153.035
Liabilities assoc. with assets classified as held for sale	10	36.588	36.357	
Total current liabilities		163.651	171.734	153.035
Total liabilities		201.111	208.977	195.159
Total equity and liabilities		272.622	290.346	284.424

The notes on pages 11 to 16 are an integral part of the Condensed Consolidated Interim Financial Statements

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2023

	Restricted equity						Unrealised profit of subsidiaries	Retained Earnings	Attributable to owners of the Company	Non - controlling interests	Total equity
	Share capital	Share premium	Translation reserve	Hedging reserve	Statutory reserve	Equity reserve					
Balances at 1 January 2022	25.134	55.157	(798)	(47)	430	138	12.503	(3.080)	89.437	2.297	91.734
Profit (loss)							2.632	(5.293)	(2.661)	(201)	(2.862)
Net fair value gain on cash flow hedges				662					662		662
Translation of shares held in foreign currencies ..			307						307		307
Total comprehensive income			307	662			2.632	(5.293)	(1.692)	(201)	(1.893)
Other adjustments						14		(500)	(486)	(90)	(576)
Balances at 30 June 2022	25.134	55.157	(491)	615	430	152	15.135	(8.873)	87.259	2.006	89.265
Profit (loss)							7.015	(14.061)	(7.046)	(39)	(7.085)
Net fair value loss on cash flow hedges				(951)					(951)		(951)
Translation of shares held in foreign currencies ..			181						181		181
Total comprehensive income			181	(951)			7.015	(14.061)	(7.816)	(39)	(7.855)
Dividend declared from subsidiaries to parent							(5.000)	5.000			
Other adjustments						11		(53)	(42)	1	(41)
Balances at 31 December 2022	25.134	55.157	(310)	(336)	430	163	17.150	(17.987)	79.401	1.968	81.369
Profit (loss)							1.543	(16.618)	(15.075)	(180)	(15.255)
Net fair value loss on cash flow hedges				(299)					(299)		(299)
Translation of shares held in foreign currencies ..			(386)						(386)		(386)
Total comprehensive income			(386)	(299)			1.543	(16.618)	(15.760)	(180)	(15.940)
Issue of share capital	988	4.891							5.879		5.879
Other adjustments						9		194	203		203
Balances at 30 June 2023	26.122	60.048	(696)	(635)	430	172	18.693	(34.411)	69.723	1.788	71.511

The notes on pages 11 to 16 are an integral part of the Condensed Consolidated Interim Financial Statements

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2023

	Note	1H 2023	1H 2022
Operating activities			
Operating loss from continuing and discontinued operations		(11.389)	(265)
Depreciation and amortisation		10.578	2.181
(Gain) loss on disposal of non-current assets		(24)	36
Change in obligations and other calculated liabilities		(2.334)	(1.044)
Working capital (used in) generated from operations		(3.169)	908
Decrease (increase) in inventories		2.195	(23.724)
Decrease (increase) in receivables and other assets		1.691	(4.743)
(Decrease) increase in payables and other liabilities		(2.813)	4.370
Cash used in operations before interests and taxes		(2.096)	(23.189)
Interest received		947	147
Interest paid		(3.929)	(1.738)
Income taxes paid		(916)	(676)
Net cash used in operating activities		(5.994)	(25.456)
Investing activities			
Payments for property, plant and equipment		(3.697)	(2.963)
Payments for intangible assets		(142)	(28)
Proceeds from disposal of non-current assets		65	320
Net cash used in investing activities		(3.774)	(2.671)
Net cash before financing activities			
		(9.768)	(28.127)
Financing activities			
Net proceeds from revolving credit facilities		918	13.332
Net proceeds (payments) from bills		4.284	(6.647)
Proceeds from new long term borrowings		5.583	3.390
Repayment of other borrowings		(8.804)	(5.920)
Proceeds from issue of share capital, net of issue costs		5.879	
Net cash generated by financing activities		7.860	4.155
Net decrease in cash and bank balances		(1.908)	(23.972)
Cash and bank balances at the beginning of period		11.991	27.766
Effect of exchange rate changes on cash held in foreign currencies		(189)	226
Cash and bank balances at the end of period		9.894	4.020
Cash and bank balances at period end are as follows:			
Cash and bank balances from continuing operation		9.277	3.867
Cash and bank balances from discontinued operation		617	153
Cash and bank balances at the end of period		9.894	4.020

The notes on pages 11 to 16 are an integral part of the Condensed Consolidated Interim Financial Statements

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2023

1. General information

Iceland Seafood International hf. (the Company) is a limited liability company incorporated and domiciled in Iceland. The address of its registered office is Köllunarklettsvegur 2, 104 Reykjavík.

The Condensed Consolidated Interim Financial Statements of the Company as at and for the six months ended 30 June 2023, comprise the Company and its subsidiaries (together referred to as "the Group").

The Company is a holding company for a Group of subsidiaries that are leading suppliers of North Atlantic seafood and one of the largest exporters of seafood from Iceland. The Group is headquartered in Iceland and has subsidiaries in the Spain, Argentina, United Kingdom, Ireland, Iceland, France and Germany. The operation in the United Kingdom is classified as asset held for sale.

The Company's shares are listed on NASDAQ main market in Iceland (ticker: ICESEA).

2. Statement of compliance

The Condensed Consolidated Interim Financial Statements are prepared in accordance with the International Accounting Standard on Interim Financial Reporting, IAS 34, as adopted by the European Union.

The Condensed Consolidated Interim Financial Statements do not include all of the information required for a complete set of consolidated annual financial statements and should be read in conjunction with the Consolidated Financial Statements of the Company for the year ended 31 December 2022, which is available on the Company's website, www.icelandseafood.com/investors.

The same accounting policies, presentation and methods of computation (except mentioned here above) are followed in these Condensed Consolidated Interim Financial Statements as were applied in the latest Financial Statements for the year ended 31 December 2022.

3. Use of estimates and judgements

The preparation of the Condensed Consolidated Interim Financial Statements in line with IAS 34, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these Condensed Consolidated Interim Financial Statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Consolidated Financial Statements for the year ended 31 December 2022.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2023

4. Quarterly statements

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Revenue:					
Sales of seafood	112.443	146.044	122.072	123.555	120.719
Intercompany	(13.281)	(22.929)	(16.886)	(15.278)	(13.341)
	<u>99.162</u>	<u>123.115</u>	<u>105.186</u>	<u>108.277</u>	<u>107.378</u>
Operating results:					
Operating (loss) profit	(290)	1.950	4.481	6.246	1.131
Net finance costs	(1.528)	(910)	(741)	(964)	(283)
Normalised PBT	(1.818)	1.040	3.740	5.282	848
Income tax	261	(839)	(1.547)	(1.442)	(353)
Normalised (loss) profit	(1.557)	201	2.193	3.840	495
Significant items and discontinued operations	(11.476)	(2.423)	(7.115)	(6.005)	(2.598)
Loss for the period	(13.033)	(2.222)	(4.922)	(2.165)	(2.103)
Assets	<u>272.622</u>	<u>305.266</u>	<u>290.346</u>	<u>281.844</u>	<u>284.424</u>
Liabilities	<u>201.111</u>	<u>226.533</u>	<u>208.977</u>	<u>194.590</u>	<u>195.159</u>

Quarterly statements have not been reviewed by the Group's auditors.

5. Segment reporting

For 6M 2023	Value added S-Europe	Value added N-Europe	Sales and distribution	Other and Eliminations	Consolidated
Revenue:					
Sales of seafood	133.567	29.380	95.540		258.487
Intercompany	(20.112)	(2.992)	(3.505)	(9.601)	(36.210)
	<u>113.455</u>	<u>26.388</u>	<u>92.035</u>	<u>(9.601)</u>	<u>222.277</u>
Operating results:					
Operating profit (loss)	744	121	1.487	(692)	1.660
Net finance costs	(888)	(142)	(70)	(1.338)	(2.438)
Normalised PBT	(144)	(21)	1.417	(2.030)	(778)
Income tax	(604)	(50)	(289)	365	(578)
Normalised (loss) profit	(748)	(71)	1.128	(1.665)	(1.356)
Significant items and discontinued operations	56	(13.885)	(70)		(13.899)
(Loss) profit	(692)	(13.956)	1.058	(1.665)	(15.255)
Assets	<u>145.223</u>	<u>50.591</u>	<u>24.986</u>	<u>51.822</u>	<u>272.622</u>
Liabilities	<u>99.734</u>	<u>55.428</u>	<u>18.507</u>	<u>27.442</u>	<u>201.111</u>

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2023

For 6M 2022	Value added S-Europe	Value added N-Europe	Sales and distribution	Other and Eliminations	Consolidated
Revenue:					
Sales of seafood	121.495	26.504	90.813		238.812
Intercompany	(12.725)	(772)	(3.857)	(14.164)	(31.518)
	<u>108.770</u>	<u>25.732</u>	<u>86.956</u>	<u>(14.164)</u>	<u>207.294</u>
Operating results:					
Operating profit (loss)	4.447	(1.450)	1.675	(352)	4.320
Net finance costs	(225)	(53)	(10)	(630)	(918)
Normalised PBT	4.222	(1.503)	1.665	(982)	3.402
Income tax	(1.106)	99	(352)	279	(1.080)
Normalised profit (loss)	3.116	(1.404)	1.313	(703)	2.322
Significant items and discontinued operations	35	(5.174)	(41)	(4)	(5.184)
Profit (loss)	3.151	(6.578)	1.272	(707)	(2.862)
Assets	<u>137.439</u>	<u>63.542</u>	<u>27.923</u>	<u>55.520</u>	<u>284.424</u>
Liabilities	<u>99.505</u>	<u>51.741</u>	<u>21.988</u>	<u>21.925</u>	<u>195.159</u>

6. Significant items

In 2023 the Group incurred exceptional income or costs associated with the following:

- Net restructuring costs in the period of EUR 14 thousand.

In 2022 the Group incurred costs associated with the following:

- Net restructuring costs in the period of EUR 10 thousand.

Exceptional income and costs, net of income tax:	1H 2023	1H 2022
Exceptional income	72	46
Exceptional costs	(90)	(59)
Income tax	4	3
Significant items, net of income tax	<u>(14)</u>	<u>(10)</u>

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for the six months ended 30 June 2023

7. Earnings per share

	1H 2023	1H 2022
Loss for the period	(15.255)	(2.862)
Weighted average number of ordinary shares (ISK '000) for basic EPS	2.739.480	2.714.480
Shares to be issued in respect of employee options	19.681	18.098
Weighted average number of ordinary shares (ISK '000) for diluted EPS	2.759.161	2.732.578
<i>From continued operations (EUR cents per thousand shares)</i>		
Basic earnings per share	(0,0500)	0,0852
Diluted earnings per share	(0,0500)	0,0846
<i>From continued and discontinued operations (EUR cents per thousand shares)</i>		
Diluted earnings per share	(0,5569)	(0,1054)
Diluted earnings per share	(0,5569)	(0,1054)

8. Intangible assets

The Group tested at the end of 2022 whether goodwill had suffered any impairment. At that time the recoverable amount of cash generating units to which goodwill is allocated, exceeded their book value. There were in the opinion of management indicators of impairment at Iceland Seafood UK. The business of Iceland Seafood UK has been loss making for a period of time and the board decided to exit the value added operation in UK. Therefore it was decided to impair its goodwill in full or EUR 1.7 million. At 30 June 2023, there were in the opinion of management no indicators to deviate from the conclusions taken at year end 2022.

	30.6.2023	31.12.2022	30.6.2022
Goodwill at beginning of period	56.216	61.820	61.820
Discontinued operation		(1.694)	
Retrospective adjustment		(3.910)	
Exchange rate differences			(42)
Goodwill at end of period	56.216	56.216	61.778
Other intangible assets at end of period	331	449	595
Intangible assets at end of period	56.547	56.665	62.373

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for the six months ended 30 June 2023

9. Subsidiaries and other investments

At 30 June 2023, the Company directly owned ten subsidiaries that are all included in the consolidation. The direct subsidiaries in addition owned a further seven subsidiaries. The Company holds the majority of voting power in all of its subsidiaries.

Name of company	incorporation	30.6.2023	31.12.2022	30.6.2022	activity
<i>Subsidiaries:</i>					
Iceland Seafood ehf.	Iceland	100%	100%	100%	Sale of seafood
Solo Export ehf.	Iceland	100%	100%	100%	Not active
Iceland Seafood Ibérica S.A.U.	Spain	100%	100%	100%	Sale of seafood
- Achernar S.A.	Argentina	100%	100%	100%	Sale of seafood
ELBA S.L.	Spain	100%	100%	100%	Sale of seafood
Ahumados Domínguez S.A.	Spain	85%	85%	85%	Sale of seafood
Iceland Seafood Barraclough ^{A)}	UK	100%	100%	100%	Holding
- F. Barraclough Ltd. ^{A)}	UK	100%	100%	100%	Not active
- Iceland Seafood UK Ltd. ^{A)}	UK	100%	100%	100%	Sale of seafood
Oceanpath Ltd.	Ireland	100%	100%	100%	Sale of seafood
- Dunns Seafare Ltd.	Ireland	100%	100%	100%	Sale of seafood
- Mondi Properties Ireland Ltd	Ireland	100%	100%	100%	Real estate
- Carr & Sons Seafood Ltd.	Ireland	100%	100%	100%	Sale of seafood
- H J Nolan Ltd.	Ireland	100%	100%	100%	Sale of seafood
Iceland Seafood France S.A.S.	France	100%	100%	100%	Sale of seafood
ISG Iceland Seafood GmbH	Germany	100%	100%	100%	Sale of seafood
ISI Seafood Inc.	USA	100%	100%	100%	Not active
<i>Investments in other companies:</i>					
Febin Marine Foods Private Ltd	India	5%	5%	5%	Seafood supply

^{A)} Discontinued operations (see note 10).

10. Discontinued operations

On August 30th ISI announced it had reached an agreement with Espersen A/S on sale of all the share capital of Iceland Seafood UK Ltd (IS UK). Espersen has finalised its due diligence process and the transaction documents are being completed. The assets and liabilities of IS UK have been classified as an asset held for sale since ISI announced its intention to exit the UK market from value-added perspective on November 17th 2022. In accordance with the agreement the property, equipment and machinery will be sold from IS UK to Iceland Seafood Barraclough (a 100% owned subsidiary of ISI) at completion and then leased back to IS UK/Espersen. In case of the property a leasing agreement has been agreed, where the lessee has a purchase option at end of the leasing period. In the case of equipment and machinery an equipment hire purchase agreement has been agreed, where the lessee will get ownership of the assets at the end of the leasing period. Asset valuation in the balance sheet at 30.6.2023 reflects the valuation of rental payments under these agreements. Total impairment of fixed assets amounting to EUR 8.3 million is included in the loss from discontinued operation in the period.

At completion, which will take place in September, ISI will convert intercompany loans to IS UK into equity. ISI will inject additional equity, to net out a negative equity balance and to cover the projected EBIT losses of IS UK for the period September - December 2023. After the equity injection, book value of equity at completion amounts to GBP 0.3 million. According to the agreement the sales price for the 100% share is GBP 1,000. The negative impact on ISI P&L and equity during 2023 until the sale completes is estimated EUR 16.3 million.

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for the six months ended 30 June 2023

11. Financing

The Group's main sources of financing are a multi currency revolving credit facility with an Icelandic financial institution, a four year unsecured bond listed on Nasdaq Iceland, two three months bills listed on Nasdaq Iceland, credit facilities with number of banks in Spain which finance the Southern Europe division and credit facilities with an European bank which finance the Northern Europe division. At end of June 2023 the total headroom of the Group was EUR 32.6 million including cash.

The facility with the institution in Iceland has a cap of EUR 20 million with EUR 5.0 million draw down at end of June 2023 (2022 year end: EUR 9.9 million). The facility will expire in April 2025.

The Group has credit facilities in place with number of banks in Spain. Total amount of these loans was EUR 40.6 million at end of June 2023 (2022 year end: EUR 58.2 million).

The Group's subsidiaries in UK and Ireland (Northern Europe division) entered into a loan agreement with a foreign bank which was finalised in December 2021. At end of June 2023 the total loan amount was GBP 24.7 million (EUR 28.7 million) with GBP 20.4 million (EUR 23.8 million) of that being a revolving borrowing base facility against inventories and receivables in UK and Ireland and GBP 4.3 million (EUR 4.9 million) three year term loan against pledge in the Group's production facilities in UK and Ireland. Borrowing in UK are classified as liabilities associated with assets held for sale in the Balance Sheet.

The parent company concluded a private placement of four years unsecured bond, in June 2021. The amount of the placement was ISK 3.400 million and was fixed at EUR 23.1 million. The bond has semiannually interest payments, balance will be paid with one installment in June 2025. The bond is listed on Nasdaq Iceland.

The parent company concluded two offerings of 3 months bills for total ISK 2.800 million, in the first half of 2023. In both cases hedging was put in place to fix the liability in EUR. The total fixed amount at end of June 2023 amounts to EUR 18.7 million. The bills are listed on Nasdaq Iceland.

Borrowings are secured with most of the Group's assets, except from assets and equity of the Spanish subsidiaries. The revolving credits are secured with inventories, receivables, intellectual property rights and shares in subsidiaries. The other bank loans are secured with inventories, receivables and PP&E. The finance leases are secured with the assets leased.

12. Approval of financial statements

The Condensed Consolidated Interim Financial Statements have been approved for issue by the Board of Directors and the CEO on 30 August 2023.