



Iceland Seafood International hf.

Condensed Consolidated Interim Financial Statements

for the three months ended 31 March 2023

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

Contents

	Page
Statement and Endorsement by the Board of Directors and the CEO	2-4
Condensed Consolidated Statement of Income	5
Condensed Consolidated Statement of Comprehensive Income	6
Condensed Consolidated Statement of Financial Position	7
Condensed Consolidated Statement of Changes in Equity	8
Condensed Consolidated Statement of Cash Flows	9
Notes to the Condensed Consolidated Interim Financial Statements	10-15

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 March 2023 and the operating results and financial developments for the three 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 neither audited nor reviewed by the group 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 period of EUR 123.1 million were 23% above prior year. The higher sales were mainly driven by strong sales of VA S-Europe division explained by both price and volume increase from same time last year. Sales of S&D division were also up 23% from Q1 2022, helped by strong capelin season in Iceland. The VA N-Europe division saw a reduction in volume from Q1 2022, but due to higher prices sales in Euro terms were slightly up.

Normalised PBT in the period of EUR 1.0 million was EUR 1.6 million down on prior year. Steep increase in salmon prices during the period impacted profitability of both VA N-Europe division and Ahumados Dominguez in Spain. Difficult market conditions for Argentinian shrimp also impact profitability of IS Iberica negatively in the period. Good performance of the S&D division continued in the period, where profitability was slightly up on Q1 2022.

The loss of Iceland Seafood UK, which is classified as an asset held for sale, of EUR 2.5 million was in line with expectations in the period. After taking these losses into account and an income tax of EUR 0.9 million, the resultant net loss for the period of EUR 2.2 million were EUR 1.5 million down on previous year.

Statement and Endorsement

by the Board of Directors and the CEO

Total assets on 31 March 2023 of EUR 305.3 million were EUR 15.0 million higher than at the end of 2022. The increase in total assets was driven by higher receivables as a result of increased sales. Net debt at end of March of EUR 106.0 million was EUR 12.4 million higher than at year end 2022, reflecting the increase in receivables.

Equity amounted to EUR 78.7 million on 31 March 2023 or EUR 2.7 million lower than at the end of 2022. The equity ratio was 25.8% on 31 March 2023, compared to 28.0% at year end 2022.

The Company is listed on the NASDAQ Iceland main market (ticker: ICESEA). The closing price at the end of March 2023 was ISK 6.30 per share (2022 year end: ISK 6.05), giving the Company a market capitalization of EUR 115.3 million (2022: EUR 108.8 million), a 6% increase from year end 2022.

Shareholders

The number of shareholders at the end of March 2023 were 874 (2022 year end: 840). The ten largest were (shares are in millions):

	31.3.2023		31.12.2022	
FISK Seafood ehf	306	11%	306	11%
Sjávarsýn ehf	294	11%	294	11%
Jakob Valgeir ehf	284	10%	284	10%
Nesfiskur ehf	277	10%	277	10%
Lífsværk lífeyrissjóður	162	6%	162	6%
Stapi lífeyrissjóður	159	6%	159	6%
Birta lífeyrissjóður	152	6%	150	6%
Frjálsi lífeyrissjóðurinn	131	5%	131	5%
Lífeyrissjóður starfsmanna ríkisins A-deild	122	4%	122	4%
Vátryggingafélag Íslands hf.	94	3%	94	3%
	<u>1.981</u>	<u>72%</u>	<u>1.979</u>	<u>72%</u>
Other shareholders (2023: 864 and 2022: 830)	733	28%	735	28%
	<u>2.714</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 31 March 2023 with their signatures.

Reykjavík, 17 May 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

Condensed Consolidated Statement of Income

for the three months ended 31 March 2023

	Note	3M 2023			3M 2022		
		Normalised results	Significant items*	IFRS	Normalised results	Significant items*	IFRS
Gross profit							
Sales of seafood		123.115		123.115	99.916		99.916
Cost of sales		(105.723)		(105.723)	(83.588)		(83.588)
		17.392		17.392	16.328		16.328
Operating expenses							
Operating expenses	6	(14.525)	65	(14.460)	(12.306)	(51)	(12.357)
Depreciation and amortisation		(917)		(917)	(833)		(833)
Operating profit		1.950	65	2.015	3.189	(51)	3.138
Net finance costs		(1.058)		(1.058)	(437)		(437)
Net exchange rate difference		148		148	(197)		(197)
Profit before tax		1.040	65	1.105	2.555	(51)	2.504
Income tax expense	6	(839)	(13)	(852)	(727)	10	(717)
Profit from continuing operations		201	52	253	1.828	(41)	1.787
Discontinued operations, net of tax	10		(2.475)	(2.475)		(2.544)	(2.544)
Profit (loss) for the period		201	(2.423)	(2.222)	1.828	(2.585)	(757)
Attributable to							
Owners of the Company		365	(2.423)	(2.058)	1.901	(2.585)	(684)
Non-controlling interests		(164)		(164)	(73)		(73)
		201	(2.423)	(2.222)	1.828	(2.585)	(757)
Earnings per share							
7							
From continuing operations							
Basic (cents per thousand shares)		0,0074		0,0093	0,0673		0,0658
Diluted (cents per thousand shares)		0,0073		0,0092	0,0669		0,0654
From continuing and discontinued operations							
Basic (cents per thousand shares)		0,0074		(0,0819)	0,0673		(0,0279)
Diluted (cents per thousand shares)		0,0073		(0,0812)	0,0669		(0,0277)

* See note no 6 for information on significant items.

See note no 4 for results of Q1 2023.

The notes on pages 10 to 15 are an integral part of the Condensed Consolidated Interim Financial Statements

The Condensed Consolidated Interim Statement of Income have not been audited or reviewed by the Group's auditors.

Condensed Consolidated Statement of Comprehensive Income

for the three months ended 31 March 2023

	Note	3M 2023			3M 2022		
		Normalised results	Significant items*	IFRS	Normalised results	Significant items*	IFRS
Profit (loss) for the period		201	(2.423)	(2.222)	1.828	(2.585)	(757)
Items that may be reclassified subsequently to profit or loss							
Net fair value of cash flow hedges		(171)		(171)	120		120
Translation difference		(159)		(159)	98		98
Total comprehensive (loss) income		(129)	(2.423)	(2.552)	2.046	(2.585)	(539)
Attributable to							
Owners of the Company		35	(2.423)	(2.388)	2.119	(2.585)	(466)
Non-controlling interests		(164)		(164)	(73)		(73)
		(129)	(2.423)	(2.552)	2.046	(2.585)	(539)

* See note no 6 for information on significant items.

The notes on pages 10 to 15 are an integral part of the Condensed Consolidated Interim Financial Statements

The Condensed Consolidated Interim Statement of Comprehensive Income have not been audited or reviewed by the Group's auditors.

Condensed Consolidated Statement of Financial Position

at 31 March 2023

	Note	31.3.2023	31.12.2022	31.3.2022
Assets				
Non-current assets				
Property, plant and equipment		29.106	27.645	32.027
Leased assets		1.689	1.724	1.814
Intangible assets	8	56.609	56.665	62.507
Deferred tax assets		2.201	2.359	4.075
Other long term assets		64	65	108
Total non-current assets		89.669	88.458	100.531
Current assets				
Inventories		81.999	86.047	85.508
Trade and other receivables		79.615	62.535	72.295
Other assets		10.143	9.747	8.220
Cash and bank balances		8.855	11.072	27.646
		180.612	169.401	193.669
Assets classified as held for sale	10	34.985	32.487	
Total current assets		215.597	201.888	193.669
Total assets		305.266	290.346	294.200
Equity and liabilities				
Capital and reserves				
Issued capital and share premium		80.292	80.292	80.292
Translation reserve		(469)	(310)	(700)
Other reserves		86	257	641
Retained earnings		(2.980)	(838)	8.426
Equity attributable to owners of the Company		76.929	79.401	88.659
Non-controlling interests		1.804	1.968	2.196
Total equity		78.733	81.369	90.855
Non-current liabilities				
Borrowings	11	33.729	32.488	38.303
Lease liabilities		1.378	1.439	1.399
Retirement benefit and other obligations		1.356	1.211	1.574
Deferred tax liabilities		1.811	2.105	836
Total non-current liabilities		38.274	37.243	42.112
Current liabilities				
Borrowings	11	81.122	72.142	92.230
Lease liabilities		489	456	607
Trade and other payables		55.503	52.461	58.946
Other liabilities		9.578	10.318	9.450
		146.692	135.377	161.233
Liabilities associated with assets classified as held for sale ..	10	41.567	36.357	
Total current liabilities		188.259	171.734	161.233
Total liabilities		226.533	208.977	203.345
Total equity and liabilities		305.266	290.346	294.200

The notes on pages 10 to 15 are an integral part of the Condensed Consolidated Interim Financial Statements

The Condensed Consolidated Balance Sheet for the period ended 31 March 2023 have not been reviewed by the Group's auditors.

Condensed Consolidated Statement of Changes in Equity

for the three months ended 31 March 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	55.158	(798)	(47)	430	138	12.503	(3.082)	89.436	2.297	91.733
Profit (loss)							1.709	(2.393)	(684)	(73)	(757)
Net fair value gain on cash flow hedges				120					120		120
Translation of shares held in foreign currencies ..			98						98		98
Total comprehensive income			98	120			1.709	(2.393)	(466)	(73)	(539)
Other adjustments								(311)	(311)	(28)	(339)
Balances at 31 March 2022	25.134	55.158	(700)	73	430	138	14.212	(5.786)	88.659	2.196	90.855
Profit (loss)							7.938	(16.961)	(9.023)	(167)	(9.190)
Net fair value loss on cash flow hedges				(409)					(409)		(409)
Translation of shares held in foreign currencies ..			390						390		390
Total comprehensive income			390	(409)			7.938	(16.961)	(9.042)	(167)	(9.209)
Dividend declared from subsidiaries to parent							(5.000)	5.000			
Other adjustments						25		(241)	(216)	(61)	(277)
Balances at 31 December 2022	25.134	55.158	(310)	(336)	430	163	17.150	(17.988)	79.401	1.968	81.369
Profit (loss)							1.856	(3.914)	(2.058)	(164)	(2.222)
Net fair value gain on cash flow hedges				(171)					(171)		(171)
Translation of shares held in foreign currencies ..			(159)						(159)		(159)
Total comprehensive income			(159)	(171)			1.856	(3.914)	(2.388)	(164)	(2.552)
Other adjustments								(84)	(84)		(84)
Balances at 31 March 2023	25.134	55.158	(469)	(507)	430	163	19.006	(21.986)	76.929	1.804	78.733

The notes on pages 10 to 15 are an integral part of the Condensed Consolidated Interim Financial Statements

The Condensed Consolidated Statement of Changes in Equity for the period ended 31 March 2023 have not been audited or reviewed by the Group's auditors.

Condensed Consolidated Statement of Cash Flows

for the three months ended 31 March 2023

	Note	3M 2023	3M 2022
Operating activities			
Operating profit from continuing and discontinued operations		8	881
Depreciation and amortisation		1.259	1.065
(Gain) loss on disposal of non-current assets		(32)	4
Change in obligations and other calculated liabilities		(875)	(341)
Working capital generated from operations		360	1.609
Decrease (increase) in inventories		1.878	(8.197)
Increase in receivables and other assets		(17.602)	(7.238)
Increase in payables and other liabilities		8.433	7.604
Cash used in operations before interests and taxes		(6.931)	(6.222)
Interest received		222	25
Interest paid		(1.772)	(785)
Income taxes paid		(432)	(26)
Net cash used in operating activities		(8.913)	(7.008)
Investing activities			
Payments for property, plant and equipment		(2.755)	(1.347)
Payments for intangible assets		(68)	(28)
Proceeds from disposal of non-current assets		47	51
Net cash used in investing activities		(2.776)	(1.324)
Net cash before financing activities			
		(11.689)	(8.332)
Financing activities			
Net proceeds from revolving credit facilities		8.556	10.805
Proceeds from new long term borrowings		5.102	
Repayment of other borrowings		(4.785)	(2.485)
Net cash generated by financing activities		8.873	8.320
Net decrease in cash and bank balances		(2.816)	(12)
Cash and bank balances at the beginning of period		11.991	27.766
Effect of exchange rate changes on cash held in foreign currencies		444	(108)
Cash and bank balances at the end of period		9.619	27.646
Cash and bank balances at period end are as follows:			
Cash and bank balances from continuing operation		8.855	26.538
Cash and bank balances from discontinued operation		764	1.108
Cash and bank balances at the end of period		9.619	27.646

The notes on pages 10 to 15 are an integral part of the Condensed Consolidated Interim Financial Statements

* The Condensed Consolidated Statement of Cash Flows for the period ended 31 March 2023 have not been audited or reviewed by the Group's auditors.

Notes to the Condensed Consolidated Financial Statements

for the three months ended 31 March 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 three months ended 31 March 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 three months ended 31 March 2023

4. Quarterly statements

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Revenue:					
Sales of seafood	145.144	122.072	123.555	120.719	118.093
Intercompany	(22.029)	(16.886)	(15.278)	(13.341)	(18.177)
	<u>123.115</u>	<u>105.186</u>	<u>108.277</u>	<u>107.378</u>	<u>99.916</u>
Operating results:					
Operating profit	1.950	4.481	6.246	1.131	3.189
Net finance costs	(910)	(741)	(964)	(283)	(634)
Normalised PBT	1.040	3.740	5.282	848	2.555
Income tax	(839)	(1.547)	(1.442)	(353)	(727)
Normalised profit	201	2.193	3.840	495	1.828
Significant items and discontinued operations	(2.423)	(7.115)	(6.005)	(2.598)	(2.585)
Loss for the period	(2.222)	(4.922)	(2.165)	(2.103)	(757)
Assets	<u>305.266</u>	<u>290.346</u>	<u>281.844</u>	<u>284.424</u>	<u>294.200</u>
Liabilities	<u>226.533</u>	<u>208.977</u>	<u>194.590</u>	<u>195.159</u>	<u>203.345</u>

5. Segment reporting

For 3M 2023	Value added S-Europe	Value added N-Europe	Sales and distribution	Other and Eliminations	Consolidated
Revenue:					
Sales of seafood	80.636	14.437	50.071		145.144
Intercompany	(14.595)	(1.375)	(1.229)	(4.830)	(22.029)
	<u>66.041</u>	<u>13.062</u>	<u>48.842</u>	<u>(4.830)</u>	<u>123.115</u>
Operating results:					
Operating profit (loss)	1.288	(135)	1.012	(215)	1.950
Net finance costs	(253)	(73)	(5)	(579)	(910)
Normalised PBT	1.035	(208)	1.007	(794)	1.040
Income tax	(799)	(1)	(200)	161	(839)
Normalised profit (loss)	236	(209)	807	(633)	201
Significant items and discontinued operations	52	(2.475)			(2.423)
Profit (loss)	288	(2.684)	807	(633)	(2.222)
Assets	<u>156.235</u>	<u>61.240</u>	<u>33.881</u>	<u>53.910</u>	<u>305.266</u>
Liabilities	<u>110.058</u>	<u>54.020</u>	<u>25.664</u>	<u>36.791</u>	<u>226.533</u>

Notes to the Condensed Consolidated Financial Statements

for the three months ended 31 March 2023

For 3M 2022	Value added S-Europe	Value added N-Europe	Sales and distribution	Other and Eliminations	Consolidated
Revenue:					
Sales of seafood	62.658	12.825	42.610		118.093
Intercompany	(8.512)	(179)	(2.226)	(7.260)	(18.177)
	<u>54.146</u>	<u>12.646</u>	<u>40.384</u>	<u>(7.260)</u>	<u>99.916</u>
Operating results:					
Operating profit (loss)	2.847	(327)	921	(252)	3.189
Net finance costs	(252)	(25)	(4)	(353)	(634)
Normalised PBT	2.595	(352)	917	(605)	2.555
Income tax	(660)	6	(180)	107	(727)
Normalised profit (loss)	1.935	(346)	737	(498)	1.828
Significant items and discontinued operations		(2.544)	(41)		(2.585)
Profit (loss)	1.935	(2.890)	696	(498)	(757)
Assets	131.190	68.529	30.695	63.786	294.200
Liabilities	94.625	50.617	25.182	32.921	203.345

6. Significant items

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

- Net exceptional income in the period of EUR 52 thousand.

In 2022 the Group incurred costs associated with the following:

- Restructuring costs in the period of EUR 41 thousand.

Exceptional income and costs, net of income tax:	3M 2023	3M 2022
Exceptional income	72	
Exceptional costs	(7)	(51)
Income tax	(13)	10
Significant items, net of income tax	<u>52</u>	<u>(41)</u>

Notes to the Condensed Consolidated Financial Statements

for the three months ended 31 March 2023

7. Earnings per share

	3M 2023	3M 2022
Loss for the period	(2.222)	(757)
Weighted average number of ordinary shares (ISK '000) for basic EPS	2.714.480	2.714.480
Shares to be issued in respect of employee options	21.108	18.098
Weighted average number of ordinary shares (ISK '000) for diluted EPS	2.735.588	2.732.578
<i>From continued operations (EUR cents per thousand shares)</i>		
Basic earnings per share	0,0093	0,0658
Diluted earnings per share	0,0092	0,0654
<i>From continued and discontinued operations (EUR cents per thousand shares)</i>		
Diluted earnings per share	(0,0819)	(0,0279)
Diluted earnings per share	(0,0812)	(0,0277)

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 31 March 2023, there is no reason to deviate from the conclusions taken at year end.

	31.3.2023	31.12.2022	31.3.2022
Goodwill at beginning of period	56.216	61.820	61.820
Discontinued operation		(1.694)	
Retrospective adjustment		(3.910)	
Exchange rate differences			(9)
Goodwill at end of period	56.216	56.216	61.811
Other intangible assets at end of period	393	449	696
Intangible assets at end of period	56.609	56.665	62.507

Notes to the Condensed Consolidated Financial Statements

for the three months ended 31 March 2023

9. Subsidiaries and other investments

At 31 March 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	31.3.2023	31.12.2022	31.3.2022	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	UK	100%	100%	100%	Holding
- F. Barraclough Ltd.	UK	100%	100%	100%	Not active
- Iceland Seafood UK Ltd.	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
Iceland Seafood Hellas A.A.E. ^{A)}	Greece			66%	Liquidation
<i>Investments in other companies:</i>					
Febin Marine Foods Private Ltd	India	5%	5%	5%	Seafood supply

^{A)} Iceland Seafood Hellas A.E.E. was liquidated in 2022.

Notes to the Condensed Consolidated Financial Statements

for the three months ended 31 March 2023

10. Discontinued operations

On November 17th 2022, ISI announced its intention to exit the UK market from a value-added perspective. During December 2022, two LOI's were signed with prospective buyers to sell the business, but neither negotiation turned out to be successful. The board of Iceland Seafood remains interested to support further consolidation of the UK business at the right terms. The Company subsidiary Iceland Seafood UK was classified as held for sale in accordance with IFRS 5 non-current assets and disposal groups held for sales. Total loss from the Iceland Seafood UK operation in Q1 2023 was EUR 2.5 million.

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 six 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 March 2023 the total headroom of the Group was EUR 26.3 million including cash.

The facility with the institution in Iceland has a cap of EUR 20 million with EUR 11.4 million draw down at end of March 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 66.2 million at end of March 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 March 2023 the total loan amount was GBP 26.0 million with GBP 21.6 million of that being a revolving borrowing base facility against inventories and receivables in UK and Ireland and GBP 4.4 million three year term loan against pledge in the Group's production facilities in UK and Ireland. Borrowing in UK are classified as 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 6 months bills for total ISK 2.120 million, in the second half of 2022. In both cases hedging was put in place to fix the liability in EUR. The total fixed amount at end of March 2023 amounts to EUR 14.3 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 17 May 2023.