



Base Prospectus

31 May 2021

Iceland Seafood International hf.

ISK 3,000,000,000 Debt Issuance Programme

Under this ISK 3,000,000,000 Debt Issuance Programme (the **Programme**) Iceland Seafood International hf., reg. no. 611088-1329, Köllunarklettsvegur 2, 104 Reykjavík, Iceland (**Iceland Seafood** or the **Issuer**) may issue in a continuous and repeated manner commercial paper (the **Securities** or **Series of Securities**) denominated in any Specified Currency as described in this Base Prospectus (the **Base Prospectus**). The maximum aggregate nominal amount of all Securities from time to time outstanding under the Programme will not exceed ISK 3,000,000,000 (or its equivalence in other currencies), subject to increase as described herein.

Securities issued under the Programme will be issued in uncertificated and dematerialised book entry form issued electronically in a Central Securities Depository, Nasdaq CSD SE, útibú á Íslandi (the **Nasdaq CSD Iceland**), or any other as decided by the Issuer. An application will generally be submitted to Nasdaq Iceland hf. reg. no. 681298-2829, Laugavegur 182, 105 Reykjavík, Iceland (the **Nasdaq Iceland**) for Securities issued under the Programme to be admitted to trading on Nasdaq Iceland Main Market, the regulated market of the Nasdaq Iceland. References in this Base Prospectus to Securities being listed (and all related references) shall mean that such Securities have been admitted to trading on the regulated market of the Nasdaq Iceland, a regulated market for the purposes of Directive 2004/39/EC implemented in Iceland through the Act on Securities Transactions and Act on Stock Exchanges no. 110/2007. The Issuer may list the Securities on additional regulated markets. Additionally, the Issuer is permitted to issue Securities under the Programme which are not to be listed on a Regulated Market.

The Issuer will determine the terms of each series of Securities in accordance with the terms specified in the chapter *Terms and Conditions of the Securities*. The Issuer may decide that Securities may be issued in a form not contemplated by the terms described herein, in which event, a supplement to the Base Prospectus if appropriate, will be made available. The final terms of each tranche of Securities (the **Final Terms**) will then be specified in the relevant Final Terms document which will be sent to the Financial Supervisory Authority of the Central Bank of Iceland (the **FSA**) for review and subsequently published on the website of the FSA and the Issuer, www.icelandseafood.com. The Base Prospectus and applicable Final Terms will remain available for at least 10 years after their publication.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to a U.S. person.

Iceland Seafood International hf.

The date of this Base Prospectus is 31 May 2021.

This Base Prospectus has been prepared in accordance with the Prospectus Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the **Prospectus Regulation**) as implemented in Iceland by Act no. 14/2020, the Commission Delegated Regulation (EU) 2019/980 as implemented in Iceland and Act no. 108/2007 on Securities Transactions (the **Act on Securities Transactions**). This Base Prospectus has been approved by the FSA, as competent authority under Regulation (EU) 2017/1129. The FSA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Securities issued under this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Securities.

Following transposition of Directive 2014/65/EU on Markets in Financial Instruments (**MiFID II**) into Icelandic law, the Final Terms applicable to any Security may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities is appropriate. Any person subsequently offering, selling or recommending the Securities (a **Distributor**) should take into consideration the Issuer's target market assessment. However, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the Issuer's target market assessment) and adopting and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID II Product Governance rules under Commission Delegated Directive (EU) 2017/593 (the **MiFID II Product Governance Rules**), any dealer purchasing any Securities is a manufacturer in respect of such Securities, but otherwise neither the dealers nor any of their affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

Should certain Securities constitute ‘packaged retail investment products’ under Regulation (EU) 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products as amended (the **PRIIPs Regulation**) such Securities may not be offered, sold or otherwise made available to any retail investor in the EEA or the United Kingdom or in Iceland (following transposition of the PRIIPs Regulation), unless a key information document required under the PRIIPs Regulation has been prepared for the Security in question.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The Base Prospectus nor any advertisement or other offering material may not be distributed or published in any jurisdiction where such distribution would require any additional prospectus, registration or measures other than those required under Icelandic law and regulations, or otherwise conflict with regulations in such jurisdiction. Likewise, no Securities may be offered or sold, directly or indirectly in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Securities may come, must inform themselves about and observe any such restrictions on the distribution of this Base Prospectus and the offering and sale of Securities. The Issuer does not accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of the Securities is aware of such restrictions. In particular, this Base Prospectus may not be sent to any person in the United States, Australia, Canada, Japan, Hong Kong, South Africa, Singapore or any other jurisdiction in which it would not be permissible to deliver the Securities and the Securities may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into any of these countries (see chapter *Selling Restrictions*).

This Base Prospectus has been prepared to provide clear and thorough information on the Issuer. Investors are encouraged to acquaint themselves thoroughly with this Base Prospectus. They are advised to pay particular attention to the section entitled Risk Factors. This Base Prospectus should by no means be

viewed or construed as a promise by the Issuer or other parties of future success either in operations or return on investments. Investors are reminded that investing in securities entails risk, as the decision to invest is based on expectations and not promises. Investors must rely primarily on their own judgement regarding any decision to invest in the Issuer's Securities, bearing in mind, inter alia, the business environment in which it operates in, anticipated profits, external conditions and the risk inherent in the investment itself. Prospective investors are advised to contact experts, such as licensed financial institutions, to assist them in their assessment of the Securities as an investment option. Investors are advised to consider their legal status, including taxation issues that may concern the purchase or sale of the Securities and seek external and independent advice in that respect.

The information contained in this Base Prospectus is based on information currently available. The Issuer will, as deemed necessary, supplement this Base Prospectus with updated information pursuant to Article 23 of the Prospectus Regulation. Otherwise, neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Securities shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. Forward-looking statements made in this Base Prospectus involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by such forward looking statements.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Securities (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Securities, should purchase any Securities. Each investor contemplating purchasing any Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. Neither the Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Securities constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Securities.

No person is or has been authorised by the Issuer to give any information or to make any representation of information not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

The Securities are governed by Icelandic law and any disputes arising in relation to the Securities shall be settled exclusively by Icelandic courts in accordance with Icelandic law.

This Base Prospectus may only be used for the purposes for which it has been published

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PROGRAMME OVERVIEW

The following is a brief overview only and should be read in conjunction with the rest of this Base Prospectus, any supplements thereto, including any information incorporated by reference, and read together with the applicable Final Terms and, to the extent applicable, the Terms and Conditions of the Securities set out herein. This Overview constitutes a general description of the Programme for the purposes of Art. 25 (1) of Commission Delegated Regulation (EU) no. 219/980.

Issuer: Iceland Seafood International hf.

Legal Entity Identifier (LEI)

Risk Factors: There are certain factors that may affect the Issuer's ability to fulfil its obligations under Securities issued under the Programme, including the exposure of the Issuer to credit risk, market risk, operational risk and liquidity risk. In addition, there are certain factors which are material for the purpose of assessing the risks associated with Securities issued under the Programme such as the fact that the Securities may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Securities and certain market risks.

Dealer and Paying Agent Kvika banki hf., Katrínartún 2, 105 Reykjavík, Iceland (**Kvika**), or any other institution as set forth in the applicable Final Terms for each Tranche of Securities

Programme Size: ISK 3,000,000,000 or its equivalent in other currencies.

Form of Securities: Commercial Paper, issued in uncertificated and dematerialised book entry form issued electronically in a Central Securities Depository, Nasdaq CSD Iceland, or any other clearing system as may be specified in the relevant Final Terms.

Maturities: The Securities will have such maturities as decided by the Issuer, subject to Bills having a maximum final maturity of 13 months when issued.

Interest: The Securities will be issued on a discounted basis.

Redemption: Unless otherwise specified in the Final Terms, the Securities will be redeemed at par on the date specified in the relevant Final Terms.

Currencies: Subject to any applicable legal or regulatory restrictions including the rules on foreign exchange issued by the Central

Bank of Iceland, Securities may be issued in any currency decided by the Issuer

- Denomination:** The Securities will be issued in such denominations as decided by the Issuer and stated in the applicable Final Terms, save that the minimum denomination of each Security will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency
- Distribution:** Securities may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
- Status:** The Securities are unsecured and unsubordinated
- Listing:** The applicable Final Terms will state whether or not the relevant Securities are to be admitted to trading and, if so, on which stock exchanges and/or markets.
- Governing Law:** The Securities and any non-contractual obligations arising out of or in connection with them, will be governed by, and construed in accordance with, Icelandic law.
- Selling Restrictions:** There are restrictions on the offer, sale and transfer of the Securities. In particular, this Base Prospectus may not be sent to any person in the United States, Australia, Canada, Japan, Hong Kong, South Africa, Singapore or any other jurisdiction in which it would not be permissible to deliver the Securities and the Securities may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into any of these countries. Further, some restrictions may apply to the European Economic Area and the United Kingdom.

1 RISK FACTORS

Iceland Seafood, an Icelandic public limited liability company, is a worldwide sales, processing and marketing group for a variety of frozen, fresh, salted and dried seafood and seafood products. The following overview of risk factors is based on what the Issuer, at its own discretion, considers to be of importance in relation to its present and future operations. While the Issuer considers the following to be a fair, full and comprehensive disclosure of all relevant risk factors, this overview is not a substitute for the rest of the Base Prospectus and should not be perceived as such. A full and accurate assessment of the Issuer's operations may only be made on the basis of the entire Base Prospectus. Furthermore, the operations of the Issuer may be affected by risks that are either not known or have not materialised by the date of this Base Prospectus.

The Issuer has assessed the materiality of the risk factors based on the probability of their occurrence and the expected magnitude of their negative impact and has organised the following risk factors accordingly, beginning with those estimated to be most significant to the Issuer.

1.1 Issuer's Operational Risk

1.1.1 Reputational Risk

Reputational risk is the risk of financial loss attributable to a company's negative impression towards stakeholders, such as customers, shareholders, employees, investors and governments. Consequences of a negative impression can be lack of trustworthiness in the market, leading to a loss of customers and opportunities and, consequently, income.

The Issuer operates in a market where reputation of the healthiness of the product is of great importance. If suspicion arises that a given product or product group is unsafe for consumers, it can lead to significant public discussion and media coverage. An accident in the production of one specific product or at one specific facility, either at one of the Issuer's value added facilities or with a producer supplying the Issuer with raw materials, can have a wide-ranging effect and a meaningful contagion in other products or markets.

To ensure quality in its products the Issuer enforces various standards in its sourcing of raw materials, as further described in chapter *1.1.2 Raw material, Quota and Environmental Risk* and places emphasis on the chain of custody and traceability of their products. All of Iceland Seafood's production facilities have been certified and inspected as required by local authorities in addition to many holding additional certifications such as the UK's BRC Global Standard for food safety, which is an internationally recognized mark of food safety and quality achieved by undertaking a third-party audit against standard requirements by an accredited certification body.

The Issuer has a well-established image and positive reputation that has contributed to attracting new customers, as well as strengthening its business relations with core customers. If the Issuer's reputation suffered significant damage, there is a risk that a substantial number of customers will terminate their business relationship and other counterparties will be reluctant to engage in further transactions with the Issuer. This could negatively impact and limit the Issuer's potential of obtaining funding, creating new business relationships and maintaining existing ones. The Issuer places great emphasis on its relationships with customers and takes great care in

maintaining and strengthening them, making sure that customers know the Issuer and its operations, and are aware of the quality control maintained at all times.

1.1.2 Raw material, Quota and Environmental Risk

The primary raw material used by Iceland Seafood is seafood from Icelandic waters. The Icelandic government sets laws and regulations on utilisation of Icelandic Fish stocks, based on advice from the Icelandic Marine & Freshwater Research institute. The quota year in Iceland runs from 1 September to 31 August each year. For further information on the Icelandic quota system see <http://www.fiskistofa.is/english/fisheries-management>¹.

The main risk factor for Iceland Seafood on fish stocks are significant changes in utilisation and therefore availability, which can affect raw material prices and e.g. cause Iceland Seafood's raw material costs to increase in the case of decreased availability. Iceland Seafood is not directly invested in the Icelandic quota system, as it does not conduct its own fishing, and therefore risks are limited to availability and price fluctuations and effects of having to seek alternative sources of raw materials.

Additionally, although a large part of seafood for Iceland Seafood comes from Icelandic waters, some comes from elsewhere e.g. in the Atlantic Ocean, from waters belonging to Norway, Russia and others, where similar fishery management methods and/or principals as in Iceland are used, i.e. recommendation from scientists based on scientific research. The quota year in Norway and Russia runs from 1 January to 31 December each year.

In the operation of subsidiary Achernar S.A.A (**Achernar**) in Argentina, Iceland Seafood is dependent on supply of Argentinian shrimp. The fishery management system in Argentina is different from the previously described quota system as used in Iceland, as the government issues licences to vessel owners for catching without a quota system in place. The availability and price fluctuations of Argentinian shrimp can have a negative impact on Iceland Seafood's operation in Argentina.

Iceland Seafood bases its global sourcing policy on sourcing only from fisheries that are administrated in conformance with the Food and Agriculture Organization of the United Nations' (FAO) Code of Conduct for responsible fisheries and have proper fishery management systems. For further information on the FAO Code of Conduct see <http://www.fao.org/fishery/code/en>². Iceland Seafood also supports independent and credible standards that are set to audit and approve fisheries that are well managed and will wherever possible promote these fisheries to its customers as well as committing to supply sustainable seafood to its customers. Initiatives that Iceland Seafood supports and enforces include Iceland Responsible Fisheries (and the Marine Stewardship Council's MSC standard. However, the Issuer can not guarantee that any products sold by Iceland Seafood might not conform to the standards set and committed to by the Issuer despite all best efforts.

¹ Information on the website does not form part of the Base Prospectus unless that information is incorporated by reference into the document.

² Information on the website does not form part of the Base Prospectus unless that information is incorporated by reference into the document.

Fisheries, in Iceland and elsewhere, can be seasonal and affected by weather conditions. This can lead to fluctuations in price and supply throughout the year. Major changes in sea temperature and other natural influences can also affect fisheries, stock conditions and ultimately quota allocations.

Additionally, The Issuer uses farmed species in some of its subsidiaries, including but not limited to Atlantic Salmon and Asian shrimp. Farmed species carry similar price fluctuation risks as wild fish and in addition are affected by feed costs, weather, sea temperatures as well as biological and disease risks that may affect supply and pricing.

1.1.3 Economic and global development risk

Economic developments associated with the Covid19 world pandemic have marked the Issuer's operations as the pandemic and associated restrictions have caused a temporary shift in seafood consumption from the foodservice and hotel, restaurant and catering (**HORECA**) sector to retail. However, while a vast majority of the Issuer's sales in S-Europe are to the HORECA sector, which was significantly impacted by restrictions implemented due to Covid19, a majority of sales in N-Europe are to the retail sector which has seen growth during the pandemic.. However, Iceland Seafood's strong position has enabled the company to manage the situation effectively from the beginning of the pandemic. Among actions the Issuer has focused on are implementing and following appropriate contingency plans with a focus on the health and safety of employees and to secure continuity of operations, tightening risk management controls, with focus on key assets on the balance sheet, inventories and receivables and securing liquidity and ongoing funding of the operation with banks in Iceland and Spain.

The situation remains unstable as the rate of Covid19 cases in various regions is still high. The impact of the pandemic on the Issuer's sales and profitability for the coming months is uncertain, and will depend on development of the pandemic and speed of vaccination in key markets. The Issuer has reacted to the situation by securing contracts which provide significant sales growth into the retail sector, which will improve the balance between retail and foodservice sales going forward. Further, Iceland Seafood has extensive operations in the UK and Ireland. In 2016 voters in the United Kingdom voted to exit the European Union and on 31 December 2020 the UK completed its transition period and left the European Union. On 24 December 2020 the UK and the European Union agreed on a trade deal ensuring, among other, that companies can continue to buy and sell goods across EU borders without paying taxes. However, while the UK and EU have agreed to some identical rules now, they don't have to be identical in the future, and if one side takes exception to the changes, they can trigger a dispute, which could ultimately lead to tariffs (charges on imports) being imposed on some goods in the future.

There is no precedent for a process such as this and the implications are still somewhat unclear as the UK begins its journey outside the EU. Although the UK is an important market for the Issuer, the largest part of the Issuer's supply in the UK is coming from areas outside the European Union. The Issuer's main current risk due to Brexit is therefore that new procedures and paperwork at the UK borders, as well as complications due to Covid19, continue to cause delays and complications in logistics, resulting e.g. in higher transportation costs.

Further, should other European Union countries follow the UK's example and leave the EU the strength of the European single market could be compromised. The single market refers to

the EU as one territory without any internal borders or other regulatory obstacles to the free movement of goods and services. A functioning single market stimulates competition and trade, improves efficiency, raises quality, and helps cut prices. Should the single market be compromised, Iceland Seafood's operations as a seller and exporter of goods between EU countries such as Spain and Italy would be affected.

Additionally, the Issuer has an operation in Argentina which has a history of political and economic instability and is considered a hyperinflation economy. This instability could have a negative impact on the Issuer's operation in the country, although the fact that all products produced by the Argentinean operation are exported to Europe and Asia mitigates this risk. In the beginning of September 2019, Argentina's Central Bank announced new temporary restrictions on foreign currency transactions. Under these restrictions, companies in Argentina must obtain prior approval from the Central Bank to access the foreign exchange market to purchase foreign currency and to transfer funds abroad for the payment of dividends and profits, services and imports in excess of USD 2 million per month, and for certain other transactions. The Issuer is not directly affected by the restrictions as the operation in Argentina mainly exports product to the Issuer's other Value Added subsidiaries, however, management remains vigilant about further developments in Argentina.

1.1.4 Transportation Risk

The Issuer relies on various transportation methods and transportation companies, on land, sea and in the air, to move its products from sellers to buyers. The Issuer cannot guarantee that adequate transportation services will always be available. Additionally, transportation can significantly affect the freshness, safety and quality of the Issuer's products, which are highly sensitive to temperatures, delays, harsh treatment (damaging of packaging/product) etc. The Issuer takes every care possible to ensure that all products are transported in an applicable manner and has relevant insurance in place to mitigate this risk.

1.1.5 Currency Risk

The reporting currency of the Issuer is EUR, therefore the Issuer has a currency risk related to the operation of subsidiaries in the UK, Argentina, Iceland and USA, which operate and report in a different currency. Both purchases and sales within the Argentinean operation are based in USD, which mitigates the Issuer's exposure to the local currency. The UK entity generally represents over 10% of the Issuer's operating divisions profits, whilst the Argentinean operation, Iceland and USA were immaterial.

Additionally, individual subsidiaries use forward contracts to mitigate currency risk, e.g. when buying raw material in a foreign currency to the local market. In certain markets, predominantly Iceland, purchases are made in the currency that the goods are sold, providing a natural currency hedge.

1.1.6 Supplier Risk

The Issuer is exposed to risks regarding suppliers, both in the wild and farmed seafood sectors, as the Issuer has sourced its products from specific origins and production methods. This potentially limits the number of suppliers the Issuer can purchase from in some instances, although the Issuer has a wide supply base. Currently four large Icelandic seafood companies,

which hold a considerable percentage of the national fishing quotas in Iceland, are significant strategic shareholders in Iceland Seafood which the Issuers believes mitigates the risk considerably.

In Argentina, the issuer is cooperating with a raw material broker and vessel owners that hold licences for fishing Argentinian shrimp. To secure the raw material needed for the Issuer's production, agreements have been made where these counterparties are obliged to sell the raw material they catch to the Issuers operation for a defined period of time. As a consideration for this commitment, the Issuer provides pre-payment to the counterparties for the raw material.

1.1.7 Quality Risk

The Issuer sells high quality Seafood. It is imperative that the quality of the Issuer's products is of a sufficiently high standard. Should that standard drop, the financial performance of the Issuer may suffer. Further information on the Issuer's measures to ensure quality can be found in chapters *1.1.1 Reputational Risk*, *1.1.2 Raw material, Quota and Environmental Risk* and *1.1.6 Supplier Risk*.

1.1.8 Competition Risk

The Issuer's operating divisions and subsidiaries operate in markets with a variety of competitors. In most of Iceland Seafood's international subsidiaries these competitors would range from large branded entities to smaller family owned businesses. In the Icelandic Sales and Distribution subsidiary competition would range from seafood exporters of various sizes to seafood producers managing some or all of their own sales. As such the Issuer's subsidiaries constantly need to ensure their proposition, service and product offering meets the demands of the local market.

1.1.9 Customer Risk

The Issuer has a highly diversified customer base, with over 3,000 customers across 45 countries. In certain markets the Issuer operates with key customers, the loss of which may impact the profitability of the Issuer.

The Issuer sells products to several retailers in the UK and Spain. These products are generally sold under the own label of the retailer. In the case of retailers' own labels, it may potentially be easier for a retail chain to change suppliers than if Iceland Seafood was the sole supplier of a recognised brand.

The Issuer and its subsidiaries take great care in maintaining and growing their relationships with customers, many of which are built upon years of mutual trust and respect, and aim to make long-term contracts whenever possible.

1.1.10 Risk relating to Essential Employees

The Issuer's operations are based on the knowledge, experience and the future vision of key employees. There is no guarantee that these individuals will continue to work for the Issuer. The loss of service of any such employee could have a detrimental effect on the Issuer.

The Issuer operates appropriate remuneration policies, including option programmes and bonus schemes, where relevant, to minimize the risk of key employees terminating their employment.

1.1.11 Legal Risk

Iceland Seafood has operations in eight countries in the production, marketing and sale of seafood products to more than 45 countries worldwide. Consequently, the Issuer is subject to various legislation, government and municipal regulations and standards in these countries, exposing Iceland Seafood's operations to various regulatory and legal risks, including litigation and liability risk.

The Issuer is subject to, amongst other legislation, health, pollution and environmental legislation, government and municipal regulations and standards. The Issuer must meet requirements based on these legislations, regulations and standards to obtain necessary licenses and certificates in respective countries, e.g. processing licenses and health certificates. These licenses and certificates may be valid as long as Iceland Seafood meets the legal requirements. They may also be valid for a specific period and therefore have to be renewed regularly.

Existing legislation, government and municipal regulations and standards could be amended, the manner in which legislation and standards are enforced or interpreted could change and new legislation, regulations and standards could be adopted, which could adversely affect the Issuer's operations in the respective countries. Violations of legislation, regulations and standards, whether intentional or unintentional, may lead to the revocation of some of the licenses or certificates in the respective countries and /or affect the reputation of Iceland Seafood.

Additionally, it is possible that the legislation in these countries regarding e.g. taxation, customs and permits will be amended, potentially with a retrospective effect, in such a way that could have a negative impact on the Issuer's operations, profits and financial position.

Iceland Seafood is potentially exposed to claims from dissatisfied customers and consumers of the Issuer's products. Iceland Seafood may be subject to claims arising from violations of health, pollution and environmental legislation, government and municipal regulations and standards. Iceland Seafood may also be subject to claims arising from disputes with employees for, among other things, alleged illegal dismissal, discrimination or harassment. These risks may often be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods. Liability resulting from any of the foregoing or other claims could have a material adverse effect on the reputation and results of the Issuer's operations.

Due to the nature of the Issuer's operations there may always be some open disputes towards customers, suppliers or other counterparties. However, upon the publication of this Base Prospectus, Iceland Seafood is neither involved in any litigation that may have a material negative effect on the Issuer's operations or financial status nor is the Issuer aware of any such pending litigation or any interference that has or can have a considerable negative effect on the financial position of Iceland Seafood.

1.1.12 Contract Risk

The Issuer has assessed the risks of current and imminent disputes due to contracts which the Issuer is a party to. Furthermore, the possibility of disputes rising in the future due to these contracts has been assessed. To the Issuers knowledge no dispute of a significance that would give rise to a special capital allocation exists.

The Issuer's brands 'Icelandic' and 'Icelandic Seafood' are leased from Icelandic Trademark Holding, a holding company owned by the Icelandic Government with the specific purpose of owning and managing the brands and leasing to producers of various Icelandic products. The brands have a long history of over 75 years in the seafood sector and are known throughout the international markets for superior premium quality. In beginning of 2021 Iceland Seafood signed a long-term agreement which secured the right to use the ICELANDIC SEAFOOD brand in Europe. Should the Issuer's lease not be renewed, a competitor could market its products under the brand in direct competition with the Issuer. The Issuer is party to lease agreements for its production facilities and land some of which include provisions stating that the asset should be returned in the condition in which it was received. Due to the nature of the Issuer's operations, such provisions might require a one-off cost due to repairs or maintenance to fulfil the contracts.

Further, the Issuer is party to a contract with its employees, through its stock option plan, which could be classified as unrelated to regular day-to-day operations. The purpose of the Options is to enable Iceland Seafood to attract and retain employees through an attractive wage system. Employees are provided with an opportunity to acquire a stake in the Issuer in order to increase their incentive to promote future growth and increased prosperity of the Issuer and to reward such promotion. The Option pool represents less than 2.5% of the total registered share capital of the Issuer.

1.1.13 Risk relating to Accounting Principles

The Consolidated Financial Statements of the Issuer have been prepared in accordance with International Financial Reporting Standards (**IFRS**), as adopted by the European Union and additional requirements in the Icelandic Financial Statement Act, whilst financial statements of individual subsidiaries are either prepared in accordance with local accounting principles or IFRS. Any changes to any of these accounting principles could affect the reported financial results of the Issuer.

1.2 Issuer's Financial Risks

The Issuer controls its financing in a way that secures the daily operation of all subsidiaries. Iceland Seafood's operations are exposed to various financial risks factors including, but not limited to financing, interest, credit, liquidity and currency risks. The Issuer operates appropriate controls to manage these risk factors both within individual subsidiaries and at the parent company level. The Issuer does not take positions in any financial instruments, although it uses forward contracts for hedging currency exposures where appropriate.

1.2.1 Financing Risk

The majority of the Issuer's interest bearing loans relate to the financing of working capital. These loans are short-term revolving facilities, based upon longer-term agreements secured by pledges over inventories, receivables, bank accounts, intellectual property rights and certain properties held by the Issuer's companies. The parent company, Iceland Seafood International hf's, shares in its subsidiaries are also pledged as security for the Issuer's short term and long term loans, except from shares in Iceland Seafood Iberica in Spain which are not pledged. Issuer's revolving facility agreement with an Icelandic finance institution is the main source of funding for the Issuer's companies with the exemption of subsidiaries in Spain. The available drawdown at any given time depends on the balance of Issuer's receivables and inventories with

the exception of subsidiary Iceland Seafood Iberica in Spain. The line is drawn by the parent company which then funds the subsidiaries via intercompany loan agreements. Subsidiaries in Spain are solely funded by short term and long term loans with number of local banks in Spain. The Issuer's main revolver loan incorporates two key financial covenants, one covenant that tests equity ratio at end of each quarter and another one which compares on a quarterly basis the Issuer's Cash Flow Available For Debt Servicing to the Issuer's interest and lease payment obligations over a twelve month trailing period.

1.2.2 Interest Rate Risk

Changes in interest rates can affect the Issuer in both a positive or negative way. The majority of all interest-bearing loans have variable interest rates with a defined margin on the base rate in each currency. The Issuer's funding is mainly in EUR, GBP and USD, but none in ISK. Management does not expect the base interest rates in these currencies (EURIBOR and LIBOR rates) to increase significantly in the coming years.

However, the Issuer is aware of the risk of future discontinuance of benchmark rates such as EURIBOR and LIBOR that may adversely affect the interest rates of the Issuer. The Financial Conduct Authority has indicated through a series of announcements that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards, or whether LIBOR will be administered and compiled in the same manner as present. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

1.2.3 Credit Risk

Credit risk is the risk of default on debt that may arise from a borrower failing to make required payments. The credit risk of the Issuer mainly relates to accounts receivables, i.e. that customers are not able to pay for goods that the Issuer has sold to them.

The Issuer controls this risk carefully, with the vast majority of all receivables being credit insured. The Issuer does not take uninsured positions against a customer without going through an appropriate risk assessment procedure.

In countries where credit insurance cannot be obtained, the Issuer generally applies other methods such as letters of credit, cash against documents and shares risk with suppliers to control its credit exposure.

1.2.4 Liquidity Risk

Liquidity risk is the risk of the Issuer not being able to meet financial obligations when they are due. The Issuer manages liquidity risk by ensuring sufficient liquidity from current bank facilities to meet foreseeable needs and to invest cash assets safely and profitably. This policy has remained unchanged from previous periods.

The Issuer's main source of financing is a multi currency revolving credit facility with an Icelandic financial institution and credit facilities with number of banks in Spain which finance

the S-Europe division.. Headroom is in the opinion of the Board sufficient to cover fluctuations, both with regards to total facility amount and underlying assets (inventory and receivables).

1.2.5 Insurance Risk

The Issuer has appropriate insurance policies in place, which provides insurance cover against product and property damage, certain delays, general liability and environmental liability in accordance with normal practice within the industry. Additionally, the Issuer maintains Directors and Officers insurance for its executive management. Despite these insurance policies, which the Issuer has in place, there is no guarantee that all claims that might be lodged against the Issuer at any time would be covered by such policies.

1.2.6 Risk relating to impairment of Goodwill

Iceland Seafood has recognised a significant amount of goodwill due to acquisitions in recent years. Impairment losses are recognised in profit or loss and an impairment loss in respect of goodwill is not reversed. Therefore, the risk relating to goodwill is that the Issuer will realise impairment losses due to goodwill, affecting the financial results of Iceland Seafood.

The last goodwill impairment test was performed at the end of 2020. Its results showed that the recoverable value exceeds the carrying value of goodwill. In addition to the base case testing, additional scenarios were tested where some key inputs had been stressed. In all scenarios tested, the results show that there is sufficient headroom and that there are no triggers indicating that impairment is necessary.

1.3 Risks related to Securities issued under the Programme

1.3.1 Market rate risk

Securities which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates. The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

1.3.2 Unsecured asset risk

The Securities will be unsecured and do not have the benefit of a negative pledge provision. If the Issuer defaults on the Securities, or in the event of a bankruptcy, liquidation, reorganisation or winding-up, then, to the extent that the Issuer has granted security over its assets, the assets that secure those obligations will be used to satisfy the obligations thereunder before the Issuer could sell or otherwise dispose of those assets in order to make payment on the Securities. As a result of the granting of such security, there may only be limited assets available to make payments on the Securities in the event of an acceleration of the Securities. In addition, there is no restriction on the issue by the Issuer of other similar securities that do have the benefit of security, which may impact on the market price of its securities, such as the Securities, that are unsecured.

1.4 General risk of securities

Investment in securities involves risk. The value of the Securities may decrease as well as increase. Investors can lose the value of all or part of their investment in the Securities. Various issues can cause changes in the value of securities, e.g. general economic conditions, interest rate decisions by the Central Bank, changes in legislation and regulations and other events.

1.4.1 Market Risk

The value of securities may change due to market conditions. Thus, the value of the Securities may decrease if the general market yield rises and the value may rise if the yield decreases. The Issuer's principal interest payments on the Securities are paid in Icelandic Krona, therefore exchange rate risk may be embedded in the Securities.

1.4.2 Liquidity Risk

The Securities have not previously been admitted to trading on a regulated market. Although the Securities will be admitted to trading on the Regulated Market of Nasdaq Iceland, the Issuer cannot guarantee that the Securities will be actively traded. No obligation rests on the Issuer to maintain an active market with the Securities and no market making with them has been envisaged. Therefore, liquidity risk may arise, i.e. the risk of not being able to sell the Securities at will. The risk is expressed in such a way that the market cannot accept the quantity that is to be sold or the price formation is such that there is a significant difference between the buying and selling price of the Securities. Further, the Issuer may be in a position of not having sufficient liquidity to meet obligations on the Securities when they fall due. However, the Issuer carefully manages its liquidity risk to ensure that, among other things, it always has sufficient liquidity to meet its obligations.

1.4.3 Changes in Legislation

The admission to trading of the Issuer's Securities on the Regulated Market of Nasdaq Iceland is subject to Icelandic laws in force on the date of the Prospectus. No assurance can be given as to the impacts of any amendments to Icelandic law, court decisions, and/or administrative practice after the date of the Prospectus.

Additionally, it should be borne in mind that changes to EU legislation in this area may affect the Issuer and the Securities due to Iceland's membership of the EEA agreement.

2 IMPORTANT INFORMATION

2.1 Authorisation and size

The Securities are issued on the basis of an approval of the Issuer's board of directors dated 31 August 2020.

The maximum aggregate nominal amount of all Securities from time to time outstanding under the Programme will not exceed ISK 3,000,000,000, or its equivalence in other currencies, subject to increase. An increase in the size of the Programme is subject to an authorisation of the Issuer's Board of Directors.

For the purpose of calculating the ISK equivalent of the aggregate nominal amount of Securities denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the Securities) the ISK equivalent Securities shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Securities or on the preceding day on which commercial banks and foreign exchange markets are open for general business in Iceland, in each case on the basis of the spot rate for the sale of the ISK against purchase of such Specified Currency in the foreign exchange market quoted by any bank selected by the Issuer on the relevant day of calculation.

2.2 Company Statement

Iceland Seafood and the Board of Directors hereby declare, on behalf of the Issuer, that, having taken all reasonable care to ensure that such is the case, the information in this Registration Document is, to the best of Iceland Seafood's and the Board of Directors' knowledge, in accordance with the facts and contains no omission likely to affect its import.

Reykjavík, 31 May 2021

For and on behalf of Iceland Seafood

For and on behalf of Iceland Seafood

Bjarni Ármannsson,
CEO of Iceland Seafood

Liv Bergþórsdóttir
Chairman of the Board of Directors

2.3 Statutory Auditor

The Issuer's audit firm is Deloitte ehf., registration number 521098-2449, Smáratorg 3, 201 Kópavogur, Iceland (hereafter “Deloitte”). The Issuer's auditor is Ingvi Björn Bergmann State Authorised Public Accountant and member of the Institute of State Authorised Public Accountants in Iceland. Deloitte have been the Issuer's auditors for over fifteen years.

Deloitte has audited the consolidated financial statements of the Issuer for the years ended 31 December 2020 and 2019 and reviewed the interim financial statements for the six months ended 30 June 2020 and 2019. The auditor's report in the Consolidated Financial Statements of the Issuer for 2020 and 2019 and the review reports for the periods ended 30 June 2020 and 2019 were signed with an unmodified opinion.

2.4 Advisors

Kvika is Iceland Seafood's advisor in relation to the preparation of this Base Prospectus. Kvika has prepared the Prospectus in close co-operation with the Issuer's management, based on information provided by the Issuer. Kvika has not independently verified the information contained in the Prospectus. Additionally, Kvika is Iceland Seafood's advisor in regard to arranging the sale of Bills issued under the Programme to investors and the completion of all applicable documentation.

2.5 Information incorporated by reference

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference. This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of the Base Prospectus. The following information shall be incorporated by reference in, and form a part of this Base Prospectus and will remain available for at least 10 years after the publication of the Base Prospectus:

Iceland Seafood's unaudited consolidated financial statements for the three months ended 31.3.2021:

<https://attachment.news.eu.nasdaq.com/a33c2c23f7fc40aab2a34aff0f46aa793>

Iceland Seafood's audited consolidated financial statements for the year ended 31.12.2020, together with the audit report thereon:

<https://newsclient.omxgroup.com/cds/DisclosureAttachmentServlet?showInline=true&messageAttachmentId=842426>

Iceland Seafood's reviewed condensed consolidated interim financial statements for the six months ended 30.6.2020, together with the review report thereon:

<https://newsclient.omxgroup.com/cds/DisclosureAttachmentServlet?showInline=true&messageAttachmentId=789607>

Iceland Seafood's audited consolidated financial statements for the year ended 31.12.2019, together with the audit report thereon:

<https://newsclient.omxgroup.com/cds/DisclosureAttachmentServlet?showInline=true&messageAttachmentId=758683>

Iceland Seafood's reviewed condensed consolidated interim financial statements for the six months ended 30.6.2019, together with the review report thereon:

<https://newsclient.omxgroup.com/cds/DisclosureAttachmentServlet?showInline=true&messageAttachmentId=736495>

2.6 Documents on display

For 12 months from the date of the publication of the Base Prospectus, the following documents are available for viewing at the registered office of the Issuer, and/or electronically on the Issuer's website, www.icelandseafood.com/Investors/Governance and www.icelandseafood.com/Investors/Financial :

- The Base Prospectus, dated 31 May 2021, and any supplements thereto as applicable
- The Issuer's Articles of Association
- The Issuer's reviewed consolidated interim financial statements for the six months ended 30 June 2020 and 2019
- The Issuer's audited consolidated financial statements for the years ended 31 December 2020 and 2019

2.7 Third Party Information

Where third party information has been used in the Prospectus, the information has been accurately reproduced and the source of such information has been identified. As far as the Issuer is aware and able to ascertain from information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. When third party information has been used in the Prospectus, it has been on the basis of publicly available information which is cited in footnotes where applicable.

2.8 Listing, Validity and Access to Information

The Base Prospectus is dated 31 May 2021 and is valid for 12 months from the date of the publication.

Series of Securities issued under the Programme have been admitted to trading on the Regulated Market of the Nasdaq Iceland. Generally, an application will be submitted to Nasdaq Iceland for Securities issued under the Programme to be admitted to trading on the aforementioned market and references in this Base Prospectus to Securities being listed (and all related references) shall mean that such Securities have been admitted to trading on the regulated market of the Nasdaq Iceland unless otherwise specified. The Issuer may list the Securities on additional regulated markets, further, the Issuer may choose to forego listing. A statement on whether an application has been made to have the Securities listed on a regulated market will be included in the applicable Final Terms. The Securities will be delisted after their Maturity Date, unless otherwise notified by the Issuer.

This Base Prospectus and copies of Final Terms relating to the Securities which are admitted to trading on a regulated market will be available on the website of the Issuer,

www.icelandseafood.com. Investors can request printed copies of the Base Prospectus, free of charge, at the Issuer's registered office at Köllunarklettsvegur 2, 104 Reykjavík, Iceland.

Supplements to the Base Prospectus

Following the publication of this Base Prospectus one or more supplements may be prepared by the Issuer and approved by the FSA in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplements (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

In the event of any significant factor arising or any material mistake or accuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of any Securities or any change in the condition of the Issuer which is material in the context of the Programme or the issue of Securities, the Issuer will prepare and publish a supplement to this Base Prospectus or publish a new prospectus for use in connection with any subsequent issue of Securities.

Definitions

Iceland Seafood or the Issuer	Iceland Seafood International hf., reg. no. 611088-1329, Köllunarklettsvegur 2, 104 Reykjavík, Iceland
The Securities and the Series of Securities	The series of Iceland Seafood's securities which the Issuer has requested to be admitted to trading on the Regulated Market of Nasdaq Iceland.
Deloitte	Deloitte ehf., registration number 521098-2449, Smáratorg 3, 201 Kópavogur, Iceland
IFRS	International Financial Reporting Standards
The FSA	the Financial Supervisory Authority of the Central Bank of Iceland
Act on Prospectuses	Act no.14/2020 on Prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market
Act on Public Companies	Act No. 2/1995 on Public Limited Companies
Act on Securities Transactions	Act on Securities Transactions, no. 108/2007
Nasdaq CSD Iceland	Nasdaq CSD SE, útibú á Íslandi, reg. no. 5101190370, Laugavegi 182, 105 Reykjavík
Nasdaq Iceland or the Exchange	NASDAQ Iceland hf., Laugavegi 182, 105, Iceland
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC

Regulated Market of Nasdaq Iceland	The regulated market of Nasdaq Iceland hf.
VA S-Europe	The Issuer's Value Added S-Europe division
VA N-Europe	The Issuer's Value Added N-Europe division
ISK	Icelandic Króna
Distributor	Any person subsequently offering, selling or recommending the Securities
MiFID II Product Governance Rules	the MiFID II Product Governance rules under Commission Delegated Directive (EU) 2017/593
MiFID II	Directive 2014/65/EU on Markets in Financial Instruments
Base Prospectus	This Base Prospectus dated 31 May 2021
The Programme	The Issuer's ISK 3,000,000,000 Debt Issuance Programme
Final Terms	The Final Terms which will be completed for each Tranche of Securities issued under the Programme.
The PRIIPs Regulation	Regulation (EU) 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products as amended
EEA	The European Economic Area
The FSMA	The Financial Services and Markets Act 2000
Achernar	Subsidiary Achernar S.A.A
Icelandic Iberica	Icelandic Freezing Plants Iberica SAU
Ecomsa	Elaboración de Congelados Málaga S.A
FAO	The Food and Agriculture Organization of the United Nations
HORECA	Hotel, restaurant and catering
Kvika	Kvika banki hf., reg. no. 540502-2930, Katrínartúni 2, 105 Reykjavík, Iceland. LEI: 254900WR3I1Z9NPC7D84

3 APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Bonds issued under the Programme.

[Date]

[PROHIBITION OF SALES TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA AND THE UNITED KINGDOM –

The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”) or in the United Kingdom. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) (the “PRIIPs Regulation”) for offering or selling the Securities or otherwise making them available to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRIIPs Regulation. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended) (“MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.]

[MiFID II Product Governance / Eligible Counterparties and Professional Clients Only Target Market

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “MiFID II”); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. [specify further target market criteria] [specify negative target market, if applicable.] Any person subsequently offering, selling or recommending the Securities (a “Distributor”) should take into consideration the manufacturer's target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.]

[MiFID II Product Governance / Eligible Counterparties, Professional Clients and Retail Clients Target Market

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that (i) the target market for the Securities is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, “MiFID II”), and [(ii) all channels for distribution of the [Securities] are appropriate[, including investment advice, portfolio management, non-advised

services and execution-only]] [(ii) the following channels for distribution of the Securities are appropriate: investment advice [,] [and] portfolio management [,] [and] [non-advised services] [and execution-only]] [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Securities to retail clients are appropriate: investment advice [,] [and] portfolio management [,] [and] [nonadvised services] [and execution-only] [, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]. [specify further target market criteria] [specify negative target market, if applicable]] Any person subsequently offering, selling or recommending the Securities (a “Distributor”) should take into consideration the manufacturer's target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.]

[Date]

Iceland Seafood International hf.

Issue of [Aggregate nominal amount of tranche] [Title of Securities]

under the ISK 3,000,000,000 Debt Issuance Programme

PART A: CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Securities set forth in the Base Prospectus dated 31 May 2021 and any supplements if applicable. This document constitutes the Final Terms of the Securities described herein for the purposes of Article 8 (2) of the Prospectus Regulation, as amended (which includes the amendments made by Regulation 2017/1129/EU) and must be read in conjunction with the Base Prospectus and any supplements, if applicable, which constitute a base prospectus for the purposes of the Prospectus Regulation. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms, the Base Prospectus and any supplements, if applicable. The Base Prospectus, any supplements and the Final Terms are available for viewing at the Issuer's website, www.icelandseafood.com and at the office of the Issuer at Köllunarklettsvegur 2, 104 Reykjavík, Iceland.

- | | |
|-------------------------------------|---|
| 1. Issuer | Iceland Seafood International hf. |
| 2. | |
| a) Series Number: | [] |
| b) Tranche Number: | [] |
| c) Ticker: | [] |
| 3. Specified Currency | [] |
| 4. Aggregate Nominal Amount: | |
| a) Tranche: | [] |
| b) Series: | [] |
| 5. Issue Price: | []% of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] |
| 6. Specified Denominations: | [] |

7. **Issue Date** []
8. **Maturity Date:** []
9. **Interest Basis:** [Discount yield/*specify other*]
10. **Redemption/Payment basis:** [Subject to any purchase or cancellation or early redemption, the Securities will be redeemed on the Maturity Date at [] per cent. of their nominal amount/*Specify other*]
11. **Approval for the Issuance of the Securities:** [The Securities are issued on the basis of an approval of the Issuer's board of directors dated 31 August 2020/*Specify other*]
12. **Clearing System** The Securities are electronically registered with the [Nasdaq CSD Iceland/*specify other*]
13. **Calculation Agent:** [Kvika banki hf., Katrínartúni 2, 105 Reykjavík, Iceland. LEI: 254900WR311Z9NPC7D84/(*specify other*)]
14. **CSD Agent** [Kvika banki hf., Katrínartúni 2, 105 Reykjavík, Iceland. LEI: 254900WR311Z9NPC7D84/(*specify other*)]
15. **Bill Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- a) Discount Yield: []% per annum equivalent to []% simple interest
- b) Reference Price: [Issue Price/*specify other*]
- c) Any other formula/basis of determining amount payable: [Not Applicable/*specify other*]

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

16. **Additional Financial Centre(s) or other special provisions relating to Payment Days:** [Not Applicable/give details]
- (Note that this item relates to the place of payment and not Interest Period end dates)*
17. **Other Final Terms:** [Not Applicable/ *Specify other*]

(When adding any other final terms consideration should be given as to whether such terms constitute significant new factors and consequently trigger the need for supplements to the Base Prospectus under Article 23 of the Prospectus Regulation)

- 18. Representation of Security Holders** [Not Applicable/give details, including the website where the public may have free access to the contracts relating to the representation.]

DISTRIBUTION

- 19. Method of Distribution:** [Syndicated/Non-syndicated]
- a) If syndicated, names of Managers: [Not Applicable/give names]
- b) Stabilizing Manager (if any): [Not Applicable/give names]
- 20.** If non-syndicated, name of relevant Dealer: [Kvika banki hf., Katrínartúni 2, 105 Reykjavík, Iceland. LEI: 254900WR3I1Z9NPC7D84/Specify other]
- 21.** Additional selling restrictions:

PART B: OTHER INFORMATION

1. Listing and admission to trading

- a) Admission to trading [Application has been made for the Securities to be admitted to trading on [Nasdaq Iceland/*specify other*] with effect from []/ [Not Applicable]]
- b) Nominal value of Securities to be admitted to trading: []
- c) Estimate of total expenses related to admission to trading []
- d) Markets where securities of the same class are already admitted to trading [Nasdaq Iceland/*specify other*/None]
- e) Listing Agent [Kvika banki hf., Katrínartúni 2, 105 Reykjavík, Iceland. LEI: 254900WR3I1Z9NPC7D84/(*specify other*)]

2. Interests of natural and legal persons involved with the Issue

[Save for any fees payable to the [Managers/Dealer/Advisor], so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the issue./*Specify Other*]

(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)

3. Use of Proceeds, Estimated net proceeds and total expenses

- Use of proceeds: [For general funding purposes of the Issuer]
[*Specify other*]
- Estimated net proceeds: []
- Estimated total expenses: []

4. Operational Information

- a) ISIN Code []
 - b) Common Code []
 - c) CFI []
 - d) FISN []
 - e) Delivery Delivery [against/free of] payment
 - f) Names and addresses of additional Paying Agent(s) (if any): [Applicable/Not Applicable/give details]
 - g) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes/No]
- [Note that the designation “yes” simply means that the Securities are intended upon issue to be deposited with one of the international CSD’s as common safekeeper and does not necessarily mean that the Securities will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]*
- [include this text if “yes” selected in which case the Bonds must be issued in NGN form.]

RESPONSIBILITY The Issuer accepts responsibility for the information contained in these Final Terms. *[[Relevant third party information]* has been extracted from *[specify source]*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by *[specify source]*, no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By:

Duly authorized

4 TERMS AND CONDITIONS OF THE SECURITIES

The Securities are commercial paper (also referred to as **bills**) issued by Iceland Seafood, issued in compliance with applicable Icelandic laws and regulations. The following are the Terms and Conditions of the Securities which will be incorporated by reference into any Securities issued under the Programme (the **Terms and Conditions** or **Condition(s)**). The applicable Final Terms in relation to any tranche of Securities specify which Terms and Conditions apply in each case, as different Terms and Conditions may apply for different Securities issued under the Programme.

Relevant Final Terms included in the Base Prospectus include options, as well as brackets, which are to include information that is not known at the time of publication of the Base Prospectus. Under the applicable Final Terms for each tranche of Securities issued under the Programme the Terms and Conditions have been finalized and will be thus published on the Issuer's website www.icelandseafood.com. In the applicable Final Terms of Securities issued under the Programme, any reference to Terms and Conditions is a reference to the Terms and Conditions set out in this chapter *Terms and Conditions of the Securities* included in this Base Prospectus.

References herein to **Securities, Commercial Paper or Bills** shall be references to all such Securities of a particular Series (as defined below) unless context indicates otherwise and shall mean the units of the lowest denomination specified in the relevant Final Terms in the currency specified in the relevant Final Terms.

References herein to **Security Holder(s)** or to **Investor(s)** shall mean the registered owners the Securities issued under the Programme, in accordance with Act no. 7/2020 on Central Securities Depositories, Settlement and Electronic Registration of Financial Instruments., unless context indicates otherwise.

As used herein, **Tranche**, means Securities which are identical in all respects (including as to listing and admission to trading on a Regulated Market) save for the issue dates, issue amount and date of the first payment of interest thereon and the date from which interest starts to accrue. A **Series** or **Series of Securities** means a Tranche of Securities together with any further Tranche or Tranches of Securities which are expressed to be consolidated and form a single series.

Copies of the applicable Final Terms are available for viewing on the Issuer's website, www.icelandseafood.com. Further, copies of the applicable Final Terms can be obtained at the registered offices of the Issuer.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Terms and Conditions (including the preceding paragraphs) shall bear the meanings given to them in the applicable Final Terms.

4.1 Definitions

In these Terms and Conditions:

- any reference to principal shall be deemed to include any premiums which are payable with respect to Securities and any amount which is inherently principal;
- if an expression, explanation, definition or statement is provided in the Terms and Conditions to have a specific meaning in the Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the relevant Securities;
- where the word “including” appears in these Terms and Conditions the words “without limitation” shall be deemed to be inserted immediately afterwards;
- Any use of terminology or other words, in the singular or plural shall be deemed to be interchangeable unless the context otherwise requires;
- any reference to timing in the Terms and Conditions shall be taken to mean Icelandic local time, unless otherwise stated; and
- when reference is made to laws and regulations it shall be construed as a reference to Icelandic law and regulations, as amended, unless otherwise stated.

Applicable Final Terms	The form of Final Terms (Part A of the Final Terms or the relevant provisions thereof) which will be completed for each Tranche of Securities issued under the Programme.
Calculation Agent	Kvika banki hf., or any other institution appointed as such as set out in the applicable Final Terms.
Commercial Paper or Bills	Securities that are offered and sold at a discount to their nominal amount and will not bear interest. Bills will have a maximum final maturity of 13 months when issued.
Dealer	Kvika banki hf., or any other institution appointed as such as set out in the applicable Final Terms.
Discount Yield	In relation to Bills, the meaning given in the applicable Final Terms.
Investor or Security Holder	The registered owners of the Securities issued under the Programme.
Issue Price	The price, generally expressed as a percentage of the nominal amount of the Securities, at which a Tranche of Securities will be issued.
Maturity Date	As specified in the applicable Final Terms.
CSD Agent or CSD System Account Operator	Kvika banki hf., or any other institution appointed as such as set out in the applicable Final Terms, in its capacity as a Nasdaq

	CSD Iceland system account operator or an account operator with any other clearing system as applicable.
Paying Agent	The Issuer, Kvikabanki hf. or any other institution appointed as such as set out in the applicable Final Terms
Listing Agent	The Issuer, Kvikabanki hf. or any other institution appointed as such as set out in the applicable Final Terms who manages and submits the application for admittance to trading of the Securities
Regulated Market	Means a medium for the exchange of goods or services over which a government body exerts a level of control.
Specified Denomination	In respect of a Series of Securities, the denomination or denominations of such Securities as specified in the applicable Final Terms.
Terms and Conditions or Conditions	The terms and conditions of the Securities.
Act on Bills	Act no. 93/1993 on Bills
Act on Central Securities Depositories, Settlement and Electronic Registration of Financial Instruments	Act no. 7/2020 on Central Securities Depositories, Settlement and Electronic Registration of Financial Instruments.
Interest Period	The period from the Issue Date to the Maturity Date of each applicable Tranche of Securities.

4.2 Form, Denomination and Title

The Securities issued under the Programme are in registered form issued electronically in a Central Securities Depository, Nasdaq CSD Iceland, or any other CSD as decided by the Issuer and set out in the applicable Final Terms. There are no restrictions on the transfer of Securities issued under the Programme. However, the Securities can only be transferred to named parties, and only account operators, as they are defined in Act no. 7/2020 on Central Securities Depositories, Settlement and Electronic Registration of Financial Instruments., are permitted to act as intermediaries in the transfer of their ownership. The registration of electronic security certificates in a CSD system grants their owners legal authority to the rights for which they are registered.

The Securities are in the form of Bills (also referred to as **Commercial Paper**), issued in the currency specified in the applicable Final Terms. Subject to any applicable legal or regulatory restrictions including the rules on foreign exchange issued by the Central Bank of Iceland, Securities may be issued in any currency decided by the Issuer

Securities may be issued in whichever denominations decided by the Issuer and stated in the applicable Final Terms, save that the minimum denomination of each Security will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Further, the Securities will have such maturities as decided by the Issuer and set out in the applicable Final Terms, with a maximum final maturity of 13 months from the Issuer Date. The Securities are sold at a discount to their nominal amount and will not bear interest.

4.3 Prioritisation

The Securities are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and with all other obligations of the Issuer that have been provided the same priority (save for certain obligations required to be preferred by law, if any) from time to time outstanding and will rank *pari passu* with the claims of all other unsubordinated creditors of the Issuer (other than those preferred by law) in all other respects. The costs of bankruptcy administration will rank ahead of claims for payments of the Securities.

4.4 Interest

4.4.1 *General provisions applicable to payments*

The Securities are sold at a Discount Yield, as set out in the applicable Final Terms for each tranche of Securities, in the form of a discount to their nominal amount and will not bear interest.

The formula for calculating the Discount Yield is as follows:

$$[(FV - RP)/FV]*[\text{Number of days in Interest Period}]$$

Where:

FV is the face value of the Securities at maturity, the Aggregate Nominal Amount as set out in the applicable Final Terms;

RP is the Reference Price of the Securities as set out in the applicable Final Terms;

and

Number of days in Interest Period is calculated using the **Day Count Convention** as set out in the applicable Final Terms.

4.4.2 *Day Count Conventions*

In this section, **Interest Period** means the period from the Issue Date to the Maturity Date of each applicable Tranche of Securities.

To calculate the Number of days in the Interest Period:

if Actual/365 (also Act/365) is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap

year divided by 366, and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

if Actual/365 (Fixed) is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

if Actual/365 (Sterling) is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

if Actual/360 is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

if 30/360, 360/360 or Bond Basis is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months).

4.5 Payments

The Calculation Agent, as specified in the applicable Final Terms, will carry out all calculation of payments in relation to the Securities. On each applicable Maturity Date payments of principal and any applicable additional payments as defined in the Final Terms will be made by the Paying Agent to the account operator where the registered owners of the Securities have an electronic securities account (an electronic securities account is understood as an account in the sense of Act no. 7/2020 on Central Securities Depositories, Settlement and Electronic Registration of Financial Instruments. (the **Act on Central Securities Depositories, Settlement and Electronic Registration of Financial Instruments.**) or to the Security Holders themselves as shown in the relevant records of the Nasdaq CSD Iceland or any other CSD as decided by the Issuer and specified in the applicable Final Terms. If a payment becomes due on a weekend/holiday or any other day where payment systems are closed in Iceland, interest will not be added for the number of days the payment is delayed by.

The Issuer will act as Paying Agent unless otherwise specified in the applicable Final Terms with payments generally processed through Nasdaq CSD Iceland's system unless otherwise decided and disclosed in the relevant Final Terms.

4.6 Redemption and Purchase

Unless previously redeemed or purchased and cancelled, each Security will be redeemed by the Issuer at the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

4.7 Limitation Periods

The limitation period for claims pursuant to the Securities is ten years from the due date, in accordance with Paragraph 1, Article 5 of Act no. 150/2007 on the limitation periods for claims. The limitation period for claims of interests and price level adjustments is four years from the due date in accordance with Article 3 of the same act.

4.8 Default and amendment of terms

Defaults shall be subject to Act no. 93/1993 on Bills (the **Act on Bills**). If there is a default on the payment of the Securities on their maturity date and they are not paid within three days, the holder shall be authorised to declare the debt due in a written notification to the Issuer. When the Issuer has received the notice of acceleration, the Securities shall be considered to be due and payable and the Issuer obliged to pay up in accordance with their terms.

The Issuer must notify Nasdaq CSD Iceland of any changes that may be made to the terms of the Series of Securities.

4.9 Taxation

The issuance is electronically registered with Nasdaq CSD Iceland. The custodian of the relevant Securities must calculate and withhold withholding tax on capital gains.

Prospective investors should note that the tax legislation of the investor's Member State and of the Issuer's country of incorporation may have an impact on the income received from the Securities

4.10 Notices

All notices regarding the Securities will be valid if published in a manner which complies with the rules and regulations of the relevant act which apply to publicly listed securities and/or any stock exchange and/or any other relevant authority on which the Securities are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication. The Issuer can additionally at its own discretion obtain information from the Nasdaq CSD Iceland or any other clearing system as decided by the Issuer, on the Security Holders in order to send notices to each Security Holder directly.

Notices given by Security Holders shall be in writing and given by lodging the same, together with the relevant Security or Securities.

4.11 Laws governing the issuance of the Securities

The Securities are issued in accordance with the Act on Bills, the Act on Central Securities Depositories, Settlement and Electronic Registration of Financial Instruments, the Act on Prospectuses and the Prospectus Regulation. The Act on Securities Transactions apply to transactions with the Securities, including rules on market abuse. Further, Act no.150/2007 on the limitation periods for claims may be applicable on a case by case basis. The Bonds are otherwise subject to Icelandic laws.

In addition, rules no. 1050/2012 of the Financial Supervisory Authority, on the Treatment of Insider Information and Insider Transactions, as well as regulation no. 630/2005 on Insider Information and Market Abuse, regulation no. 707/2008 on the provision of information and notification requirements in accordance with Act no. 108/2007 on Securities Transactions and the Nasdaq Iceland Issuer Rules, apply to the Securities and the Issuer from the time when the Issuer has applied for admission of the Securities to trading on the Regulated Market of Nasdaq Iceland. Changes to the legislation related to the issuance may affect the value of the Securities.

The Issuer must comply with the abovementioned laws and regulations, which, among other things, include disclosure requirements. The Securities are otherwise subject to Icelandic laws.

4.12 Rights attached to the Securities

No rights are attached to the Securities

5 SELLING RESTRICTIONS

Should certain Securities constitute ‘packaged retail investment products’ under the PRIIPs Regulation such Securities may not be offered, sold or otherwise made available to any retail investor in the EEA or the United Kingdom or in Iceland (following transposition of the PRIIPs Regulation), unless a key information document required under the PRIIPs Regulation has been prepared for the Security in question.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The Base Prospectus nor any advertisement or other offering material may not be distributed or published in any jurisdiction where such distribution would require any additional prospectus, registration or measures other than those required under Icelandic law and regulations, or otherwise conflict with regulations in such jurisdiction. Likewise, no Securities may be offered or sold, directly or indirectly in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Securities may come must inform themselves about and observe any such restrictions on the distribution of this Base Prospectus and the offering and sale of Securities. The Issuer does not accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of the Securities is aware of such restrictions. In particular, this Base Prospectus may not be sent to any person in the United States, Australia, Canada, Japan, Hong Kong, South Africa, Singapore or any other jurisdiction in which it would not be permissible to deliver the Securities and the Securities may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into any of these countries

United States

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to a U.S. person.

The Issuer and any applicable Dealers reserve the right to reject any offer to purchase the Securities, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

EEA and United Kingdom

Prohibition of Sales to EEA and United Kingdom Retail Investors

The Issuer and any Dealers appointed under the Programme will be required to represent and agree, that they have not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

- a. the expression **retail investor** means a person who is one (or more) of the following:
 - i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
 - ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - iii) not a qualified investor as defined in the Prospectus Regulation; and
- b. the expression **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

Further, in relation to the United Kingdom, the Issuer and any Dealers appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Securities which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom

General

These selling restrictions may be modified by the agreement of the Issuer and any Dealers appointed under the Programme following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Securities to which it relates or in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of Securities, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

The Issuer and any Dealers appointed under the Programme have and will agree that they shall, to the best of their knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which they purchase, offer, sell or deliver Securities or have in their possession or distribute the Base Prospectus, any other offering material or any Final Terms therefore in all cases at their own expense.

6 THE ISSUER

According to Article 3 of the Issuer's Articles of Association dated 18 March 2021, the objective of the Issuer is to be a holding company for shares in other companies, and to export seafood and seafood products, real estate management, and other similar operations.

6.1 About the Issuer

Legal name:	Iceland Seafood International hf.
Commercial name:	Iceland Seafood International
Address:	Köllunarklettsvegur 2, 104 Reykjavík
Reg. No.:	611088-1329
Legal form:	A public limited company established under the Act on Public Limited Companies
Domicile:	Iceland
Date of incorporation:	19 October 1988
Ticker symbol with Nasdaq Iceland:	ICESEA
ISIN-number:	IS0000026961
LEI:	254900CJS0OI5B8GO668
Website:	www.icelandseafood.com ³
E-mail:	info@icelandseafood.is
Phone number:	+ 354 550 8000

6.2 History and Development

Iceland Seafood is a worldwide sales, production and marketing group for a variety of frozen, fresh, salted, dried, smoked and value-added seafood. The Issuer's headquarters are in Iceland with three operating divisions incorporating twelve subsidiaries in Northern and Southern Europe and North and South America. The Issuer is the descendant of three Icelandic associations, The Union of Icelandic Fish Producers (SIF), founded in 1932, the Herring Board, founded in 1935, and the Seafood Division of Samband of Iceland, founded in 1957.

Iceland Seafood is a respected industry leading supplier of North Atlantic fish and seafood and a leading service provider in its markets. Iceland Seafood is one of the largest exporters of fish products from Iceland and a key processor of high-quality seafood in the Spanish, Irish and UK markets.

In 2017 the Issuer reached an agreement with the founders and owners of Oceanpath Ltd, the leading fresh fish supplier to retailers in the Republic of Ireland, to purchase a 67% share in

³ Information on the website does not form part of the Base Prospectus unless that information is incorporated by reference into the document.

Oceanpath with local management retaining the remaining 33%. The acquisition was finalised in March 2018.

In September 2018 Iceland Seafood completed the acquisition of Solo Seafood ehf, the holding company for Icelandic Freezing Plants Iberica SAU (**Icelandic Iberica**) in Spain. Icelandic Iberica consists of the parent company Icelandic Iberica and subsidiaries Elaboración de Congelados Málaga S.A (**Ecomsa**) in Spain and Achernar in Argentina. The previous owners of Solo Seafood are industry specialists and producers who all received shares in Iceland Seafood in return for their shares in Solo Seafood. The acquisition was a significant strategic step for the Issuer, in which major seafood players joined Iceland Seafood's shareholding group, creating an integrated supply chain through to the end customer. Icelandic Iberica has since been merged with Iceland Seafood's other operations in Spain, creating a strong integrated company in the Southern European market.

In October 2019 Iceland Seafood was listed on the Nasdaq Iceland main market, having previously been listed on the Nasdaq Iceland First North.

In 2020 Iceland Seafood completed the purchase of Elba seafood ehf., a great addition to well positioned Southern European operation and announced the sale of its Málaga based subsidiary Ecomsa. In the same year, the Issuer acquired the remaining minority stakes in subsidiaries Havelok and Oceanpath, a 33% share in each respectively, and announced the merger of its two subsidiaries in the UK, Iceland Seafood Barraclough and Havelok under the name Iceland Seafood UK as well as a significant investment in processing and coldstore capacity to support the merged entity's operations.

Further, in November 2020 the Issuer's subsidiary Oceanpath completed the acquisition of Carr & Sons Seafood Ltd, a significant seafood player in Ireland focused on the production of high quality smoked salmon products for Irish retail, and sister company Mondi Properties Ltd, which owns the production facilities. Iceland Seafood sees the acquisition of Carr & Sons as a great fit to the Issuer's strategy to focus on growing value added activities in markets where the company has a strong platform and market position.

6.3 Subsidiaries and other investments

The Issuer consists of Iceland Seafood, which is the parent company of the group, and its subsidiaries. At 31 December 2020 Iceland Seafood held shares in the following subsidiaries:

Name of company	Place of incorporation	Ownership 31.12.2020	Principal activity
Subsidiaries			
Iceland Seafood ehf.	Iceland	100%	Sale of seafood
Solo Export ehf.	Iceland	100%	Not active
Iceland Seafood Iberica S.A.U	Spain	100%	Sale of seafood
-Achernar S.A.	Argentina	100%	Sale of seafood
Elba Seafood ehf.	Iceland	100%	Holding
-ELBA S.L.	Spain	100%	Sale of seafood
Iceland Seafood Barraclough Ltd.	UK	100%	Sale of seafood
-F.Barraclough Ltd.	UK	100%	Not active

-Iceland Seafood UK Ltd. ⁴	UK	100%	Sale of seafood
Oceanpath Limited	Ireland	100%	Sale of seafood
-Dunns (Fish&Poultry) Ltd.	Ireland	100%	Holding
-Dunns Seafare Ltd.	Ireland	100%	Sale of seafood
-Mondi Properties Ireland Ltd.	Ireland	100%	Real Estate
-Carr & Sons Seafood Ltd.	Ireland	100%	Sale of seafood
-H J Nolan Ltd.	Ireland	100%	Sale of seafood
Iceland Seafood France S.A.S.	France	100%	Sale of seafood
ISG Iceland Seafood GmbH	Germany	100%	Sale of seafood
ISI Seafood Inc.	USA	100%	Sale of seafood
Iceland Seafood Hellas S.A.	Greece	66%	Liquidation

Investment in joint ventures

Credible Properties Ltd.	Ireland	50%	Properties
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Investments in other companies

Febin Marine Foods Private Ltd.	India	5%	Seafood supply
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7 BUSINESS OVERVIEW

Iceland Seafood 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 Issuer is headquartered in Iceland and has subsidiaries in the United Kingdom, Ireland, Spain, Argentina, Iceland, France, Germany and the United States.

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

7.1 Strategy

Iceland Seafood is deeply rooted in the Icelandic fisheries industry as the descendant of historical Icelandic seafood companies. The Issuer's strategy is focused on delivering high margin growth and earnings over time and the Issuer has developed a long-term business strategy that reflects its purpose and enables the company to capture the value of its international network and in-depth knowledge of its markets.

The Issuer believes that the origin of the seafood products that the Issuer sells in its markets is important and works in a close partnership mainly with Icelandic producers as well as producers from other important origins. Fishing is a large industry in Iceland which generates significant

⁴ The Issuer is in the process of legally merging its UK entities, Iceland Seafood Barraclough Ltd. and Iceland Seafood UK (previously Havelok Ltd.) under the name Iceland Seafood UK, which will be completed by the end of 2020

profit for Icelandic society. However, in international markets, the Issuer and Icelandic producers are in competition with larger companies and serve global customers who make ever-increasing demands. It is therefore important for Iceland Seafood and Icelandic producers to join forces to ensure the highest prices are paid for the roughly 1.5 million tonnes that come out of the Icelandic ocean every year. Even though this is a significant volume for the Icelandic economy, it is less than 2% of the fish caught in the world.

Iceland Seafood's strong international presence ensures Icelandic producers' access to a large market that is the backbone of Iceland Seafood operations, with over 3000 active business to business customers in 45 countries. It is vital for producers of seafood products to have stable access to key markets and to be deep in the market, close to the distribution channels and the final consumer. Iceland Seafood has for many decades been a key player in export of Icelandic seafood products. The Issuer has, as a longterm project, built up strong brands and a quality reputation which Iceland Seafood believes to afford them a strong competitive advantage in the export and sales market.

7.2 Organisational structure and principal activities

Iceland Seafood and its forerunners have been an integral part of the seafood industry in Iceland for decades as a leading exporter, producer and marketer of Icelandic seafood products globally. Iceland Seafood is comprised of three operating divisions, which incorporate the Issuer's subsidiaries. At 31 December 2020 the Issuer had over 670 employees.

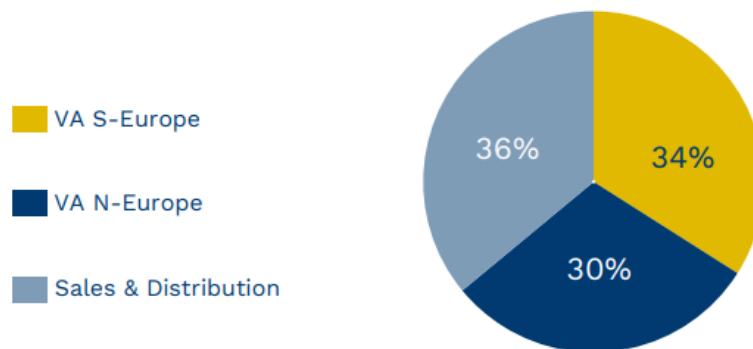
Iceland Seafood International hf., is the parent company which employs the Issuer's CEO and CFO who serve as the Issuer's executive management. Each subsidiary is separately managed by its own local managing director and executive management as required. The following table shows the organisational structure of Iceland Seafood as at 31 December 2020:

Iceland Seafood International Executive management		
Sales & Distribution	Value Added N-Europe	Value Added S-Europe
IS Iceland 	IS UK 	IS Ibérica 
IS France 	Oceanpath 	Elba 
IS Germany 	Dunn's of Dublin 	Achernar 
IS USA 	Carr & Sons 	

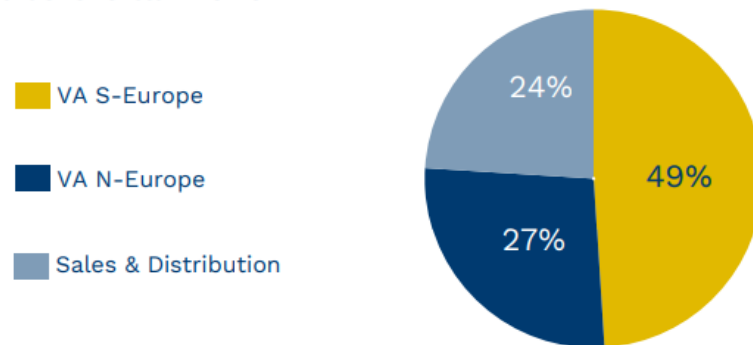
The group structure of three efficient operating divisions provides a balanced base from which to drive further profit growth. Each operating division benefiting from a mixture of growth opportunities including the growing seafood sector globally, local organic growth drivers along with focused investments to support growth, whilst the fragmented seafood industry presents the Issuer with potential consolidation opportunities.

All abovementioned subsidiaries are significant to the Issuer’s operations. Though varying in their financial contribution to the Issuer, any reputational or other difficulties in their operations can also negatively affect the Issuer. The Issuer is therefore partially dependent on the successful operations of all of it’s subsidiaries. A divisional breakdown of turnover and profit before tax as at 31 December 2020 can be seen below:

Turnover 2020



Profit before tax 2020



7.2.1 Sales and Distribution

The Sales and Distribution division consist of a sales and marketing company in Iceland along with closely linked sister companies in France, Germany and USA, which focus their efforts on selling to their local markets.

Iceland Seafood Iceland is a leading company in exports of seafood from Iceland to all main markets around the world. The company operates in close co-operation with Icelandic fish producers. Iceland Seafood Iceland's main functions are fish sales, sourcing for the Issuer's subsidiaries and technical and quality services for producers and customers.

The Iceland division works with a broad range of producers in Iceland, from many of the largest quota owners to smaller independent operators focused on a single species or product. Most supply relationships are long-term multi-year relationships built on trust and transparency where a bridge has been built between a catcher and end customer.

The setup creates an opportunity for strong margins due to deep access to markets and the close working relationship with the seafood industry partners in Iceland. The most important markets for the Iceland division are France, UK, Spain, Italy, Germany, US and Belgium along with parts of Eastern Europe, which have historically been important pelagic markets.

Iceland Seafood France, based in Boulogne-Sur-Mer, provides high quality seafood from Iceland as well as from Canada, USA, South Africa, Namibia, New Zealand and Asia. The company supplies fresh and frozen products to foodservice, retail and processors in France.

Iceland Seafood Germany, located in Bremerhaven Germany, is a supplier of high-quality fresh seafood from Iceland. Fresh fish is mainly sourced from Iceland for the delicatessen, food service, catering and retail sectors in Germany.

Iceland Seafood USA, located in Branford, Connecticut, imports, maintains inventory and markets a full range of Cod, Haddock, and Pollock/Saithe products for the distributor, foodservice and restaurant industry in the USA. Products are imported directly from Iceland, Russia and China.

7.2.2 *Value Added Southern Europe*

The Issuer's Value-Added S-Europe division (**VA S-Europe**) consists of Iceland Seafood Iberica, Elba S.L. and Achnernar in Argentina.

Iceland Seafood Iberica is one of the main importers of Icelandic wet salted cod (Bacalao de Islandia) in Spain as well as the largest importer and seller of light salted cod in the Mediterranean market. In addition to seafood from Iceland the company manufactures, markets and sells various salted and frozen seafood products from other parts of the world, adapted for local tastes with a flexible distribution network of shops, supermarkets and the wide HORECA channel. Icelandic Ibérica is a benchmark of quality in the market thanks to an excellent team of professionals and the reliability, guaranteed by the strong brands. All of Iceland Seafood Iberica's production of light salted cod is in one location in Barcelona.

Achnernar is a supplier and processor mainly of argentinian red shrimp, located in Argentina. ***Elba S.L.*** is a strong seafood player in Spain, focusing on frozen light salted products. The company is based in Barcelona and operates a production facility with total sales volume of 2.200 metric tonnes per year. Products are sold under the Elba brand, which has a strong presence in the Spanish market and stands for quality seafood.

VA S-Europe has a strong focus on the hotel, restaurant and catering (**HORECA**) market in Southern Europe while also supporting its growing retail sales in Spain.

7.2.1 Value Added Northern Europe

Value-Added N-Europe (**VA N-Europe**) consists of Iceland Seafood UK and Oceanpath Limited in Ireland.

Iceland Seafood UK is the result of the Issuer's merger of its two UK subsidiaries Iceland Seafood Barraclough Ltd. and Havelok Ltd., which merged into one legal entity Iceland Seafood UK Ltd. at year end 2020, under one leadership team on a single manufacturing site. The merger has created a significant player, servicing UK retail, with strong buying, production and marketing power in addition to improved balance between retail and foodservice.

Iceland Seafood UK specializes in the supply of private label high quality seafood sourced from all over the world, selling frozen fish and shellfish to most of the large retailers in the UK as well as being one of the leading seafood suppliers to the UK foodservice sector.

Oceanpath and its subsidiaries are located in Dublin Ireland. Oceanpath is the main fresh fish supplier to the Irish retail industry and one of the largest seafood processors in Ireland supplying fish to all major Irish retailers and food service as well as exporting to USA and throughout Europe.

Oceanpath's subsidiary Dunns Seafare (Dunn's of Dublin), acquired in 2006, produces several varieties of both hot and cold smoked fish including Irish, organic, wild and farmed salmon. Dunn's of Dublin is Ireland's oldest fish company which was set up in 1822.

Oceanpath's 2020 acquired subsidiary Carr & Sons Seafood Ltd. is a significant seafood player in Ireland focused on production of high-quality salmon products for retail, both under retailer's private label and branded. A significant part of the sales are under the Nolan Quality Seafoods brand which is a leading brand for smoked salmon in Ireland.

VA N-Europe has a strong focus on the retail (fresh and frozen) and foodservice market in the UK and Ireland.

8 MANAGEMENT AND CORPORATE GOVERNANCE

8.1 Compliance with Corporate Governance

Iceland Seafood's corporate governance framework is defined by Act No. 2/1995 on Public Limited Companies (the **Act on Public Companies**) and the Nasdaq Iceland Rules and is set out in the Issuer's Articles of Association. Under its Articles of Association, the Issuer is governed by shareholders' meetings, the Issuer's Board of Directors and the Chief Executive Officer. In accordance with Article 70 (5) of the Act on Public Companies the Board of Directors has set itself formal Rules of Procedure which are supplementary to the Articles. According to the Rules the Board of Directors may elect committees that operate on behalf of the Board. All Board committees set themselves specific rules of procedure.

The Issuer adheres to the principles set forth in the Corporate Governance Guidelines, published by the Iceland Chamber of Commerce in co-operation with SA Business Iceland (The Confederation of Icelandic Enterprise) and Nasdaq Iceland. There is only one deviation from the aforementioned guidelines as Iceland Seafood has not appointed a nomination committee, as such a committee has not been considered needed.

A statement on the corporate governance practices of Iceland Seafood is reviewed and agreed upon annually by the board of directors and is accessible on the Issuer's website.

8.2 The Board of Directors

The Issuer's Board of Directors shall be composed of three to five members and up to one alternate member, elected at the Annual General Meeting for a term of one year. The Board currently consists of five main members and one alternate. The Board of Directors has supreme powers in all matters concerning the Issuer between shareholders' meetings and is obligated to appoint an audit committee and a remuneration committee.

The Board of Directors consists of the following members:

Liv Bergþórsdóttir, Chairman of the Board of Directors

Víkurhvarfi 7, 203 Kópavogi

Liv Bergþórsdóttir was appointed CEO of ORF Genetics in April 2020. She joined ORF Genetics after 20 years in the telecommunication industry. Liv led the launch of the telecommunications company Nova in 2006 and was the CEO of Nova until 2018. Prior to that, she was the CEO of the mobile phone company Sko and Director of Sales and Marketing at Og Vodafone and Tal.

In recent years Liv has also served on the boards of several companies, both in Iceland and abroad. Liv is a business graduate from the University of Iceland and has completed AMP studies at IESE Barcelona Business School.

Ingunn Agnes Kro, Board Member

Gvendargeisli 110, 113 Reykjavík

Ingunn is the manager of Jarðvarmi, holding company. Previously Ingunn was a Director of Administration and Communication at Skeljungur, a listed company, heading legal matters, marketing, public relations, and human resources, and before that Skeljungur's general council,

secretary to the Board of Directors and compliance officer. Ingunn is on the Board of HS Orka hf., a clean energy producer and provider, Sjóvá hf., insurance company, and Votlendissjóðurinn, a non-profit organization focused on reducing carbon emissions. Ingunn is currently seeking an MBA degree at the University of Iceland. Additionally, she has a B.A. and M.A. degree in law from the University of Iceland, diploma in Securities Brokerage and is a district court attorney.

Jakob Valgeir Flosason, Board Member

Grundarstíg 5, 415 Bolungarvík

Jakob Valgeir Flosason, is the CEO of Jakob Valgeir ehf. Jakob has an extensive knowledge of the Icelandic fishing industry from all perspectives. A knowledge that not many people possess. He has been involved in every aspect of the sector from early age working in factories, on fishing boats and building up the family company to become one of the most technology advanced and leading company within the Icelandic fishing sector.

Halldór Leifsson, Board Member

Háeyri 1, 550 Sauðárkróki

Halldór Leifsson is Marketing and Sales manager at Fisk Seafood ehf. He has worked in the seafood industry since 1990, in all key segments including, managing production, fleet, sales, office, finance, assistance MD and MD.

Halldór holds a degree in Fishery Technology from the Technical University of Iceland and has studied Business Management in the University of Reykjavík.

Bergþór Baldvinsson, Board Member

Gerðavegi 32, 250 Suðurnesjabæ

Bergþór has been the CEO of Nesfiskur since 1979. Nesfiskur is a family owned company that Bergþór and his parents started in 1975. Nesfiskur's main factory focuses on frozen light salted cod, and its subsidiaries focus on fresh fish, shrimp and dried fish products. Working at Nesfiskur since a teenager, Bergþór has familiarized himself with every aspect of the industry. The small family company has grown constantly from the beginning. Today, Nesfiskur and its subsidiaries employ around 400 people.

Bergþór has been a board member of various companies and pension funds for the past two decades.

Gunnlaugur Hreinsson, Alternate Board Member

Suðurgarður, 640 Húsavík

Gunnlaugur K Hreinsson is the owner of GPG Seafood and alternate companies. Gunnlaugur has decades of experience from the seafood sector.

GPG Seafood operates four longliners out and four processing plants in the north of Iceland. Gunnlaugur is also the largest shareholder of the company Þórsnes ehf, a seafood company located in Stykkisholmur.

8.2.1 Sub-Committees of the Board of Directors

Audit Committee

The Audit Committee ensures the quality of the financial statements and internal controls. It has oversight of the external auditors. It also presents proposals for the selection of external auditors and ensures their Corporate Governance & Social Responsibility independence. The Audit Committee's main responsibilities include monitoring the integrity of the financial statements of the Issuer, reviewing the effectiveness of the Issuer's internal controls and risk management systems and overseeing the selection, appointment and relationship with the Issuer's external auditor.

The committee shall operate independently on behalf of the Board of Directors who shall elect the members of the Audit Committee each year. The Audit Committee operates in accordance with rules of procedure approved by the Board of Directors and shall be made up of 2-3 members. Committee members shall possess knowledge and experience which is consistent with the work of the committee, at least one of the audit committee members shall be a financial expert who has accounting or related financial expertise. The members shall be independent of the auditor of the Issuer and the majority should be independent of the Issuer's management. Members of the Audit Committee are Ingunn Agnes Kro, Bergþór Baldvinsson and Ágúst Kristinsson.

Remuneration Committee

The Remuneration Committee is responsible for establishing a remuneration policy for the Issuer. The Remuneration Committee shall assist the Board in ensuring that compensation arrangements support the strategic aims of the Issuer and enable the recruitment, motivation and retention of senior executives while also complying with legal and regulatory requirements. The committee's main tasks include preparing and submitting annually a proposal to the Board of Directors for the Issuer's remuneration policy, annually reviewing the Issuer's compensation programs and monitoring that salary and any incentive schemes are in accordance with law and market practice.

The Board of Directors appoints the members of the committee and its chairman. Neither the Issuer's chief executive officer nor any of the Issuer's and its subsidiaries' top executives shall be appointed to the Remuneration Committee. The committee operates in accordance with rules of procedure approved by the Board of Directors and shall be made up of at least 2 members. It is preferable that the members of the committee have experience and knowledge on guidelines and common practise regarding decision on executives' terms of employment. If deemed necessary, the Remuneration Committee may seek the assistance of consultants, such consultants shall be independent of the Issuer, its executives and the Board of Directors who are not deemed to be independent. The committee is responsible for examining the consultant's experience. Members of the Remuneration Committee are Liv Bergþórsdóttir, Halldór Leifsson and Jakob Valgeir Flosason.

8.3 Executive Management

The Executive Management comprises the Issuer's CEO and CFO.

Bjarni Ármannsson, CEO

Köllunarklettsvegur 2, 104 Reykjavík

Bjarni Ármannsson is a private investor. He is currently the largest shareholder in Iceland Seafood International. Bjarni is a computer engineer from University of Iceland in 1990 and graduated as MBA from IMD in Switzerland in 1996. Bjarni spent a lion share of his career in the banking industry in Iceland, originally as a CEO for Kaupthing a investment and financial service company, later for the Icelandic Investment Bank and as a CEO of Islandsbanki – a leading seafood service provider out of Iceland. He exited the banking sector in spring of 2007. In 2008 he became an Operating Director for Paine and Partners a US based Private equity fund focusing on food and Agri business. Since 2013 Bjarni has been focusing on his investments and developing them as a long term active industrial owner.

Reynir Jónsson, CFO

Köllunarklettsvegur 2, 104 Reykjavík

Reynir Jónsson has been the Issuer's CFO since late 2013. Before joining the Issuer, he worked as a Director and Partner at Deloitte Financial advisory services for five years, where large parts of his projects were related to the seafood sector in Iceland. Prior to that, Reynir was the head of accounting at HB Grandi from 2003-2006. Reynir holds an MSc degree in Finance and Strategic Management from Copenhagen Business School and a Cand.ocean Degree in accounting from the University of Iceland.

8.4 Potential conflicts of interest

Members of the Issuer's Executive Management and members of the Board of Directors own shares in the Issuer. Furthermore, several employees and members of the Executive Management own shares and/or stock options issued by Iceland Seafood. Several of these individuals have contributed to the preparation of this Prospectus.

Further, Jakob Valgeir Flosason, a member of the Board of Directors of Iceland Seafood is CEO and a shareholder of fishery Jakob Valgeir ehf. which is a large supplier of seafood to the Issuer.

Bergþór Baldvinsson, a member of the Board of Directors of Iceland Seafood is CEO and shareholder of fishery Nesfiskur ehf, which is a large supplier of seafood to the Issuer.

Halldór Leifsson, a member of the Board of Directors of Iceland Seafood is Marketing and sales manager of Fisk Seafood ehf, which is a large supplier of seafood to the Issuer.

Finally, Gunnlaugur Hreinsson, an alternate member of the Board of Directors of Iceland Seafood is chairman of the board of GPG Seafood ehf., which is a large supplier of seafood to the Issuer.

Kvika banki hf. is Iceland Seafood's advisor in relation to the offering and listing of Iceland Seafood's bills through its Corporate Finance and Capital Markets departments who have contributed to the preparation of this Base Prospectus. Kvika will receive a fee for this work.

Additionally, Kvika's Proprietary Trading department acts as a market maker for the Issuer's shares and for that purpose holds an average of 3-4% of the Issuer's shares in its portfolio.

The Board of Directors is not aware of any other potential conflicts of interest between the duties of the members of the Board of Directors or members of the Executive Management to the Issuer and their private interests or other duties.

9 FINANCIAL INFORMATION

The consolidated financial statements of Iceland Seafood for the years 2020 and 2019 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and additional requirements in the Act on Annual Accounts. The consolidated financial statements comprise Iceland Seafood and its subsidiaries. The latest audited consolidated financial statements of Iceland Seafood were approved by the Issuer's board of directors on 24 February 2021 and cover the financial period of 1.1.2020-31.12.2020.

For a complete overview of the Issuer's financial position, it is recommended that investors review the complete consolidated financial statements of Iceland Seafood for the years 2020 and 2019, including all published interim financial statements, as well as all notes thereto. The statements include, among other information, a consolidated income statement, consolidated statement of financial position, consolidated statement of cash flows and auditor reports where applicable.

Consolidated financial statements for the last two financial years prior to the date of this Prospectus, as well as all published interim consolidated financial statements, have been incorporated in the Base Prospectus by reference and may be accessed on the Issuer's website, under the following link:

<https://www.icelandseafood.com/Investors/Financial>

Consolidated financial statements incorporated by reference are also available on Nasdaq Iceland's website, see chapter 2.5 *Information incorporated by reference*.

Deloitte has audited the Issuer's consolidated financial statements for the years ended 31.12.2020 and 2019 and reviewed the Issuer's condensed interim consolidated financial statements for the six months ended 30.6.2020 and 2019. No other information in this Prospectus has been audited.

The Issuer confirms that no significant change in the financial or trading position of the Issuer has occurred since the end of the last financial period nor has there been any material adverse change in the prospects of the Issuer since the date of its last published audited financial statements, but advises that the outlook remains uncertain due to the ongoing impact of Covid19. Further, except as disclosed in chapter 1.1.11 *Legal Risk* the Issuer's Board of Directors and Executive Management are not aware of any governmental, legal or arbitration proceedings, during the twelve months preceding the date of this Base Prospectus, which may have, or have had in the recent past, significant effects on the Issuer's and/or the Issuer's financial position or profitability.

9.1 Normalised results

It should be noted that in the Issuer's financial statements the Income Statement is reported on both an IFRS basis and a normalised basis, the latter being the Issuer's main focus. The normalised results reflect the IFRS results net of significant one-off items which the Issuer considers a better reflection of the underlying operations of the Issuer. Both results are audited/reviewed as applicable.

9.2 Latest financial statements

On 17 May 2021 the Issuer's Board of Directors approved Iceland Seafood's reviewed condensed consolidated interim financial statements for the period 1.1.2021 to 31.3.2021. The statements have been incorporated into the Base Prospectus by reference see chapter 2.5 *Information incorporated by reference*.

9.2.1 Events after the reporting period

On 17 May 2021 the Issuer signed a letter of intent with the shareholders of Ahumados Dominguez to acquire 80% of the share capital of the company. Ahumados Dominguez's sales in 2020 were €19.3m, EBITDA €1.7m and PBT of €1.2m. Ahumados Dominguez is a retail-oriented company with a strong brand and consumer recognition in the smoked salmon sector in Spain, known for its premium quality. The proposed acquisition will strengthen Iceland Seafood's proposition in the Spanish retail market, as well as creating opportunities to utilize the platform Ahumados Dominguez has for selling high quality cod products from Iceland.

According to the letter of intent, the purchase price for the 80% stake will be 8.8x EBITDA on a debt and cash free basis. Iceland Seafood's intention is to finance the acquisition with a combination of debt and equity, with the final financing structure still being worked on. The letter of intent is a legally non-binding document and will serve as a basis for discussion of key terms for the potential transaction.

9.3 Significant Developments in the Period

The acquisition of Elba seafood ehf. was completed on 21 February 2020. The acquisition price for 100% stake in Elba Seafood ehf. was EUR 4.4 million on a debt free, cash free basis, where 50% of the payment was settled with cash and the other 50% with new shares in Iceland Seafood International hf.

In the same year, the Issuer acquired the remaining minority stakes in subsidiaries Havelok and Oceanpath, a 33% share in each respectively, and completed the merger of its two subsidiaries in the UK, Iceland Seafood Barraclough and Havelok, under the name Iceland Seafood UK.

On 18 November 2020, Oceanpath, the Irish subsidiary of Iceland Seafood, completed the purchase of all the issued share capital of Carr & Sons Seafood Ltd, a significant seafood player in Ireland. The consideration for the share capital was EUR 6.5 million as communicated at signing of LOI on 28 August 2020. Iceland Seafood simultaneously exercised its option to acquire a 33% stake in Oceanpath. After the transaction, Oceanpath is 100% owned by Iceland Seafood. The consideration for the shares is EUR 9.0 million with 40% paid in shares and 60% in cash.

Also in 18 November 2020, Iceland Seafood announced that its Spanish subsidiary Iceland Seafood Iberica had signed an agreement to sell its Málaga based production and distribution company Ecomsa. The 100% equity stake in Ecomsa is sold for EUR 326k.

9.4 Funding

The Issuer's main sources of financing are a multi-currency revolving credit facility with an Icelandic financial institution and credit facilities with number of banks in Spain which finance the S-Europe division.

The facility with the institution in Iceland has a cap of EUR 50 million with EUR 36.0 million drawdown at year end 2020. The facility expires in May 2022. The Issuer has credit facilities in place with number of banks in Spain. Total amount of these loans was EUR 49.1 million at year end 2020. Most of these loan agreements are short term facilities with 6-12 months duration. In April 2020 the Issuer secured in excess of EUR 17 million new long term funding for the operation in Spain, with local Spanish banks. This will improve the overall funding headroom accordingly and at the same time increase the proportion of long term funding of the overall funding of the Issuer. Borrowings from financial institutions in Iceland are secured with most of the Issuer's assets, except from assets in Spain. Revolving credit facilities are secured with inventories, receivables, intellectual property rights and shares in subsidiaries. Other bank loans are secured with inventories, receivables, shares in subsidiaries and properties, plants and equipment. Finance leases are secured with the assets leased. Credit facilities in Spain are not secured with direct pledge, but most of these facilities are secured with a negative pledge.

The parent company concluded two offerings of 6 months bills in the second half of the year, ISK 1,460 million offering was completed in September and ISK 1,500 million offering in November. In both cases hedging was put in place to fix the liability in EUR. The amount in September was fixed at 8.9m and in November at 9.5m. The bills are listed on Nasdaq Iceland.

9.5 Share capital and shareholders

As of the date of this Base Prospectus, the nominal value of the share capital of Iceland Seafood is ISK 2,674,479,971 divided into an equal number of Shares with a nominal value of ISK one each. All of the Issuer's issued share capital is paid in full. The Issuer's share capital consists of one class of shares and each issued share carries equal rights. The ISIN number of the shares is IS0000026961 and their ticker symbol in the trading system of Nasdaq Iceland is ICESEA.

The Issuer had 702 shareholders at 25 May 2021. To the extent known to the Issuer, Iceland Seafood is not directly or indirectly owned or controlled by parties other than listed shareholders. Apart from issued stock options as described in the chapter *1.1.12 Contract Risk*, no arrangements are known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

Undirritunarsíða

Bjarni Ármannsson

Liv Bergþórsdóttir