



Iceland Seafood International hf.

Condensed Consolidated Interim Financial Statements

for the three months ended 31 March 2022

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

Contents

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

Company Information

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

Statement and Endorsement

by the Board of Directors and the CEO

Statement

It is the opinion of the Board of Directors and the CEO of Iceland Seafood International hf. (the Company), that these Condensed Consolidated Interim Financial Statements present the necessary information to evaluate the financial position of the Company at the end of March 2022 and the operating results and financial developments for the three months then ended.

The Condensed Consolidated Interim Financial Statements are prepared in accordance with the International Accounting Standard IAS 34, *Interim Financial Reporting*, and should be read in conjunction with the Company's Financial Statements for the year ended 31 December 2021.

The Condensed Consolidated Interim Financial Statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understand the changes in the Company's financial position and performance from year end 2021.

The Condensed Consolidated Interim Financial Statements are neither audited nor reviewed by the Group auditors.

The Company

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

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

Operations for the period

Total sales in the period of EUR 115.9 million were 11% above prior year. Normalised PBT in the period was a breakeven result and was EUR 3.7 million down on prior year. Significant rapid price increases in all areas impacted the results, especially in the Value Added Northern Europe division. In that division the business is more reliant on sales to retail customers than to foodservice. It takes longer to pass on price increases to customers within the retail sector than to foodservice customers. The results in Ireland were especially affected by increased salmon prices in the period which comes on top of challenging sourcing of whitefish. In UK the business was still loss making in the period where price increases of all input factors significantly impacted the results. Challenges in the production operation in UK continued in the period, impacted by the Omicron Covid19 outbreak and disruptive supply chain. As a result the sales of Value Added Northern Europe division during the first 3 months of 2022 were 10% down on same period last year.

In the Value Added Southern Europe division, sales and profits of Iceland Seafood Iberica were good in the period, where the business is once again benefiting from its strong market position. Results of the Rawson Season in Argentina were not as good as expected. Lower fishing volumes and unstable labour environment in Argentina negatively impacted the results. Overall production volumes were 21% lower during Q1 2022 than same period last year. The divisional sales of EUR 54.1 million for the first 3 months of 2022 which was EUR 16.9 million up on 2021.

Results of the Sales and Distribution division were also good, benefiting from strong demand of all production categories out of Iceland. Sales of the Sales and Distribution division of EUR 40.4 million were EUR 1.0 million above prior year and Normalised PBT of EUR 0.9 million were EUR 0.3 million up on last year.

Statement and Endorsement

by the Board of Directors and the CEO

Iceland Seafood has increased prices to its customers to balance the input prices but the pace of price increases has been unprecedented. Clearly, price increases have started to influence demand of seafood products. However, there are signs which indicate that prices are leveling off in certain areas. With increased political risk and instability Iceland Seafood is well positioned with its production sites and capabilities close to its customers and close connection to resource.

After significant items and income tax the resultant net loss for the period of EUR 0.8 million was EUR 3.5 million below previous year.

Total assets on 31 March 2022 of EUR 294.2 million were EUR 14.8 million higher than at end of 2021. The increase in total assets was driven by higher inventories and trade receivables as a result of increased sales in the Value Added Southern Europe and the Sales and Distribution division. Net debt at end of March of EUR 102.9 million was EUR 8.7 million higher than at year end 2021, reflecting the increase in total assets.

Equity amounted to EUR 90.9 million on 31 March 2022 or EUR 0.8 million lower than at end of 2021. The equity ratio was 30.9% on 31 March 2022.

COVID 19 and political risks

Since the Covid19 outbreak in 2020, the Group has focused on improving its sales balance between retail and foodservice customers. As part of that strategy actions have been taken and investments been made during the last two years to increase the Group's retail presence in both N-Europe and S-Europe.

In addition to the negative impact on demand, the pandemic has indirectly caused interruptions to various supply chains. The increased political uncertainty has added further complexities and disruptions to supply chains. These challenges have both negatively impacted sales and increased costs. On the other hand, it is likely that production will move closer to home as local production in Europe will become more competitive.

Iceland Seafood continues to manage the situation, among actions the Company has focused on during the pandemic are:

- 1) Implementing appropriate contingency plans within the Group businesses, focusing on health and safety of employees and to secure the continuity of operations.
- 2) Tightening risk management controls, with focus on key assets on the balance sheet, inventories and receivables. Around 79% of receivables on 31 March 2022 are credit insured.
- 3) Secure liquidity and ongoing funding of the operation through the capital market and banks in Iceland and Europe. As part of this, the Group did secure funding for 3-5 years in Spain during 2020, completed a private placement of EUR 23.1 million bond in 2021 and has continued to issue bills, currently amounting to EUR 21.2 million. Both the bond and the bills are listed on Nasdaq Iceland.
- 4) Utilise the Company's strong position to leverage opportunities that come up in the situation, both short term and longer term opportunities. The acquisitions of Carr&Sons in 2020 and Ahumados Dominguez in 2021 are examples of this.

Since 2020 some of the Group's foreign subsidiaries have received local government assistance due to Covid 19.

The level of uncertainty remains high, both in relation to Covid19 development and other key factors indirectly impacted by the pandemic. Disruptions on supply chains will continue to impact transportation and logistic costs.

Statement and Endorsement

by the Board of Directors and the CEO

Market capitalization

The Company is listed on the NASDAQ Iceland main market (ticker: ICESEA). The closing price at the end of March 2022 was ISK 13.50 per share (2021 year end: ISK 14.80), giving the Company a market capitalization of EUR 259.8 million (2021: EUR 273.1 million), a 5% decrease from year end 2021.

Shareholders

The number of shareholders at the end of March 2022 were 749 (2021 year end: 688). The ten largest were (shares are in ISK millions):

| | 31.3.2022 | | 31.12.2021 | |
|--|--------------|-------------|--------------|-------------|
| Sjávarsýn ehf. | 294 | 11% | 294 | 11% |
| FISK Seafood ehf. | 284 | 10% | 279 | 10% |
| Jakob Valgeir ehf. | 284 | 10% | 274 | 10% |
| Nesfiskur ehf. | 277 | 10% | 277 | 10% |
| Lífsverk lífeyrissjóður | 159 | 6% | 163 | 6% |
| Stapi lífeyrissjóður | 159 | 6% | 159 | 6% |
| Frjálsi lífeyrissjóðurinn | 131 | 5% | 131 | 5% |
| Lífeyrissj.starfsm.rík. A-deild | 122 | 4% | 71 | 3% |
| Birta lífeyrissjóður | 107 | 4% | 103 | 4% |
| Vátryggingafélag Íslands hf. | 94 | 3% | 82 | 3% |
| | <u>1.911</u> | <u>69%</u> | <u>1.833</u> | <u>68%</u> |
| Other shareholders (2022: 739 and 2021: 678) | 803 | 31% | 881 | 32% |
| | <u>2.714</u> | <u>100%</u> | <u>2.714</u> | <u>100%</u> |

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

Endorsement

The Board of Directors and the CEO of Iceland Seafood International hf. hereby confirm the Condensed Consolidated Interim Financial Statements of the Company for the three months ended 31 March 2022 with their signatures.

Reykjavík, 17 May 2022.

Liv Bergþórsdóttir
Chairman of the Board

Bergþór Baldvinsson
Board Member

Halldór Leifsson
Board Member

Ingunn Agnes Kro
Board Member

Jakob Valgeir Flosason
Board Member

Bjarni Ármannsson
Chief Executive Officer

Condensed Consolidated Statement of Income

for the three months ended 31 March 2022

| | Note | 3M 2022 | | | 3M 2021 | | |
|---|------|--------------------|--------------------|--------------|--------------------|--------------------|--------------|
| | | Normalised results | Significant items* | IFRS | Normalised results | Significant items* | IFRS |
| Gross profit | | | | | | | |
| Sales of seafood | | 115.900 | | 115.900 | 104.352 | | 104.352 |
| Cost of sales | | (99.772) | | (99.772) | (87.720) | | (87.720) |
| | | 16.128 | | 16.128 | 16.632 | | 16.632 |
| Operating expenses | | | | | | | |
| Operating expenses | 6 | (14.126) | (56) | (14.182) | (11.526) | (183) | (11.709) |
| Depreciation and amortisation | | (1.065) | | (1.065) | (763) | | (763) |
| Operating profit | | 937 | (56) | 881 | 4.343 | (183) | 4.160 |
| Net finance costs | | (730) | | (730) | (634) | | (634) |
| Net exchange rate difference | | (191) | | (191) | 38 | | 38 |
| Profit (loss) before tax | | 16 | (56) | (40) | 3.747 | (183) | 3.564 |
| Income tax expense | | (728) | 11 | (717) | (880) | 37 | (843) |
| (Loss) profit for the period | | (712) | (45) | (757) | 2.867 | (146) | 2.721 |
| Attributable to | | | | | | | |
| Owners of the Company | | (639) | (45) | (684) | 2.867 | (146) | 2.721 |
| Non-controlling interests | | (73) | | (73) | | | |
| | | (712) | (45) | (757) | 2.867 | (146) | 2.721 |
| Earnings per share | | | | | | | |
| Basic (cents per thousand shares) | 7 | (0,0262) | | (0,0279) | 0,1072 | | 0,1017 |
| Diluted (cents per thousand shares) | | (0,0261) | | (0,0277) | 0,1064 | | 0,1010 |

* See note no 6 for information on significant items.

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

Condensed Consolidated Statement of Comprehensive Income

for the three months ended 31 March 2022

| | Note | 3M 2022 | | | 3M 2021 | | |
|--|------|--------------------|--------------------|--------------|--------------------|--------------------|--------------|
| | | Normalised results | Significant items* | IFRS | Normalised results | Significant items* | IFRS |
| (Loss) profit for the period | | (712) | (45) | (757) | 2.867 | (146) | 2.721 |
| Items that may be reclassified subsequently to profit or loss | | | | | | | |
| Net fair value of cash flow hedges | | 120 | | 120 | 15 | | 15 |
| Translation difference | | 98 | | 98 | 111 | | 111 |
| Total comprehensive income | | (494) | (45) | (539) | 2.993 | (146) | 2.847 |
| Attributable to | | | | | | | |
| Owners of the Company | | (421) | (45) | (466) | 2.993 | (146) | 2.847 |
| Non-controlling interests | | (73) | | (73) | | | |
| | | (494) | (45) | (539) | 2.993 | (146) | 2.847 |

* See note no 6 for information on significant items.

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

Condensed Consolidated Statement of Financial Position

at 31 March 2022

| | Note | 31.3.2022 | 31.12.2021 | 31.3.2021 |
|--|------|----------------|----------------|----------------|
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | | 32.027 | 31.558 | 25.695 |
| Leased assets | | 1.814 | 1.922 | 1.508 |
| Intangible assets | 8 | 62.507 | 62.569 | 52.644 |
| Investments in other companies | 9 | 42 | 43 | 41 |
| Deferred tax assets | | 4.075 | 4.842 | 2.879 |
| Other long term assets | | 66 | 61 | 267 |
| Total non-current assets | | 100.531 | 100.995 | 83.034 |
| Current assets | | | | |
| Inventories | | 85.508 | 77.311 | 91.067 |
| Trade and other receivables | | 72.295 | 65.702 | 59.507 |
| Other assets | | 8.220 | 7.579 | 6.468 |
| Cash and bank balances | | 27.646 | 27.766 | 21.389 |
| Total current assets | | 193.669 | 178.358 | 178.431 |
| Total assets | | 294.200 | 279.353 | 261.465 |
| Equity and liabilities | | | | |
| Capital and reserves | | | | |
| Issued capital and share premium | | 80.292 | 80.292 | 76.107 |
| Translation reserve | | (700) | (798) | (932) |
| Other reserves | | 641 | 521 | (450) |
| Retained earnings | | 8.427 | 9.422 | 3.328 |
| Equity attributable to owners of the Company | | 88.660 | 89.437 | 78.053 |
| Non-controlling interests | | 2.196 | 2.297 | 104 |
| Total equity | | 90.856 | 91.734 | 78.157 |
| Non-current liabilities | | | | |
| Borrowings | 11 | 38.303 | 40.303 | 20.558 |
| Lease liabilities | | 1.399 | 1.477 | 1.232 |
| Retirement benefit and other obligations | | 1.574 | 1.470 | 1.412 |
| Deferred tax liabilities | | 836 | 862 | 1.334 |
| Total non-current liabilities | | 42.112 | 44.112 | 24.536 |
| Current liabilities | | | | |
| Borrowings | 11 | 92.230 | 81.635 | 94.322 |
| Lease liabilities | | 607 | 661 | 505 |
| Trade and other payables | | 58.946 | 52.239 | 52.646 |
| Other liabilities | | 9.449 | 8.972 | 11.299 |
| Total current liabilities | | 161.232 | 143.507 | 158.772 |
| Total liabilities | | 203.344 | 187.619 | 183.308 |
| Total equity and liabilities | | 294.200 | 279.353 | 261.465 |

* The Condensed Consolidated Balance Sheet for the period ended 31 March 2022 have not been reviewed by the Group's auditors.

Condensed Consolidated Statement of Changes in Equity

for the three months ended 31 March 2022

| | Restricted equity | | | | | | Unrealised profit of subsidiaries | Retained Earnings | Attributable to owners of the Company | Non - controlling interests | Total equity |
|--|-------------------|------------------|------------------------|--------------------|----------------------|-------------------|--------------------------------------|----------------------|---|-----------------------------------|-----------------|
| | Share capital | Share premium | Translation reserve | Hedging reserve | Statutory reserve | Equity reserve | | | | | |
| Balances at 1 January 2021 | 24.868 | 51.246 | (1.043) | (997) | 430 | 102 | 9.580 | (8.973) | 75.213 | 104 | 75.317 |
| Profit | | | | | | | 2.703 | 18 | 2.721 | | 2.721 |
| Net fair value gain on cash flow hedges | | | | 15 | | | | | 15 | | 15 |
| Translation of shares held in foreign currencies .. | | | 111 | | | | | | 111 | | 111 |
| Total comprehensive income | | | 111 | 15 | | | 2.703 | 18 | 2.847 | | 2.847 |
| Other adjustments | | (7) | | | | | | | (7) | | (7) |
| Balances at 31 March 2021 | 24.868 | 51.239 | (932) | (982) | 430 | 102 | 12.283 | (8.955) | 78.053 | 104 | 78.157 |
| Profit (loss) | | | | | | | 11.720 | (5.658) | 6.062 | (10) | 6.052 |
| Net fair value gain on cash flow hedges | | | | 935 | | | | | 935 | | 935 |
| Translation of shares held in foreign currencies .. | | | 134 | | | | | | 134 | | 134 |
| Total comprehensive income | | | 134 | 935 | | | 11.720 | (5.658) | 7.131 | (10) | 7.121 |
| Issue of share capital | 266 | 4.266 | | | | | | | 4.532 | | 4.532 |
| Dividend declared from subsidiaries to parent | | | | | | | (11.500) | 11.500 | | | |
| Non-controlling interest arising from acquisition of a subsidiary | | | | | | | | | | 2.196 | 2.196 |
| Other adjustments | | (347) | | | | 36 | | 32 | (279) | 7 | (272) |
| Balances at 31 December 2021 | 25.134 | 55.158 | (798) | (47) | 430 | 138 | 12.503 | (3.081) | 89.437 | 2.297 | 91.734 |
| Profit (loss) | | | | | | | 1.709 | (2.393) | (684) | (73) | (757) |
| Net fair value gain on cash flow hedges | | | | 120 | | | | | 120 | | 120 |
| Translation of shares held in foreign currencies .. | | | 98 | | | | | | 98 | | 98 |
| Total comprehensive income | | | 98 | 120 | | | 1.709 | (2.393) | (466) | (73) | (539) |
| Other adjustments | | | | | | | | (311) | (311) | (28) | (339) |
| Balances at 31 March 2022 | 25.134 | 55.158 | (700) | 73 | 430 | 138 | 14.212 | (5.785) | 88.660 | 2.196 | 90.856 |

Condensed Consolidated Statement of Cash Flows

for the three months ended 31 March 2022

| | Note | 3M 2022 | 3M 2021 |
|--|------|----------------------|----------------------|
| Operating activities | | | |
| Operating profit | | 881 | 4.160 |
| Depreciation and amortisation | | 1.065 | 763 |
| Loss (gain) on disposal of non-current assets | | 4 | (16) |
| Change in obligations and other calculated liabilities | | (341) | (632) |
| | | <u>1.609</u> | <u>4.275</u> |
| Working capital generated from operations | | | |
| Increase in inventories | | (8.197) | (10.181) |
| Increase in receivables and other assets | | (7.238) | (10.810) |
| Increase in payables and other liabilities | | 7.604 | 13.741 |
| | | <u>(6.222)</u> | <u>(2.975)</u> |
| Cash used in operations before interests and taxes | | | |
| Interest received | | 25 | 27 |
| Interest paid | | (785) | (660) |
| Income taxes paid | | (26) | (17) |
| | | <u>(7.008)</u> | <u>(3.625)</u> |
| Investing activities | | | |
| Payments for property, plant and equipment | | (1.347) | (972) |
| Payments for intangible assets | | (28) | (2) |
| Proceeds from disposal of non-current assets | | 51 | 19 |
| | | <u>(1.324)</u> | <u>(955)</u> |
| Net cash used in investing activities | | | |
| Net cash before financing activities | | | |
| | | <u>(8.332)</u> | <u>(4.580)</u> |
| Financing activities | | | |
| Net proceeds from revolving credit facility | | 10.805 | 4.582 |
| Proceeds from new long term borrowings | | | 129 |
| Repayment of other borrowings | | (2.485) | (2.049) |
| | | <u>8.320</u> | <u>2.662</u> |
| Net cash generated by financing activities | | | |
| Net decrease in cash and bank balances | | (12) | (1.918) |
| Cash and bank balances at the beginning of period | | 27.766 | 23.269 |
| Effect of exchange rate changes on cash held in foreign currencies | | (108) | 38 |
| Cash and bank balances at the end of period | | <u>27.646</u> | <u>21.389</u> |

Notes to the Condensed Consolidated Financial Statements

for the three months ended 31 March 2022

1. General information

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

The Condensed Consolidated Interim Financial Statements of the Company as at and for the three months ended 31 March 2022, comprise the Company and its subsidiaries (together referred to as "the Group").

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

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

2. Statement of compliance

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

The Condensed Consolidated Interim Financial Statements do not include all of the information required for a complete set of consolidated annual financial statements and should be read in conjunction with the Consolidated Financial Statements of the Company for the year ended 31 December 2021, which is available on the Company's website, www.icelandseafood.com/investors.

The same accounting policies, presentation and methods of computation (except mentioned here above) are followed in these Condensed Consolidated Interim Financial Statements as were applied in the latest Financial Statements for the year ended 31 December 2021.

3. Use of estimates and judgements

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

In preparing these Condensed Consolidated Interim Financial Statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Consolidated Financial Statements for the year ended 31 December 2021.

Notes to the Condensed Consolidated Financial Statements

for the three months ended 31 March 2022

4. Quarterly statements

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Revenue: | | | | | |
| Sales of seafood | 134.077 | 147.468 | 128.149 | 116.792 | 119.299 |
| Intercompany | (18.177) | (17.998) | (16.846) | (12.868) | (14.947) |
| | <u>115.900</u> | <u>129.470</u> | <u>111.303</u> | <u>103.924</u> | <u>104.352</u> |
| Operating results: | | | | | |
| Operating profit | 937 | 4.955 | 4.157 | 1.290 | 4.343 |
| Net finance costs | (921) | (579) | (762) | (272) | (596) |
| Normalised PBT | 16 | 4.376 | 3.395 | 1.018 | 3.747 |
| Income tax | (728) | (1.022) | (1.105) | (226) | (880) |
| Normalised profit (loss) | (712) | 3.354 | 2.290 | 792 | 2.867 |
| Significant items | (45) | (139) | (173) | (72) | (146) |
| Profit (loss) | <u>(757)</u> | <u>3.215</u> | <u>2.117</u> | <u>720</u> | <u>2.721</u> |
| Assets | <u>294.200</u> | <u>279.353</u> | <u>263.956</u> | <u>249.148</u> | <u>261.465</u> |
| Liabilities | <u>203.344</u> | <u>187.619</u> | <u>175.246</u> | <u>170.274</u> | <u>183.308</u> |

5. Segment reporting

| For 3M 2022 | Value added S-Europe | Value added N-Europe | Sales and distribution | Other and Eliminations | Consolidated |
|---------------------------------------|-------------------------|-------------------------|---------------------------|---------------------------|----------------|
| Revenue: | | | | | |
| Sales of seafood | 62.658 | 28.809 | 42.610 | | 134.077 |
| Intercompany | (8.512) | (179) | (2.226) | (7.260) | (18.177) |
| | <u>54.146</u> | <u>28.630</u> | <u>40.384</u> | <u>(7.260)</u> | <u>115.900</u> |
| Operating results: | | | | | |
| Operating profit (loss) | 2.847 | (2.579) | 921 | (252) | 937 |
| Net finance costs | (252) | (312) | (4) | (353) | (921) |
| Normalised PBT | 2.595 | (2.891) | 917 | (605) | 16 |
| Income tax | (660) | 5 | (180) | 107 | (728) |
| Normalised profit (loss) | 1.935 | (2.886) | 737 | (498) | (712) |
| Significant items | | (4) | (41) | | (45) |
| Profit (loss) | <u>1.935</u> | <u>(2.890)</u> | <u>696</u> | <u>(498)</u> | <u>(757)</u> |
| Assets | <u>131.190</u> | <u>68.529</u> | <u>30.695</u> | <u>63.786</u> | <u>294.200</u> |
| Liabilities | <u>94.625</u> | <u>50.617</u> | <u>25.182</u> | <u>32.920</u> | <u>203.344</u> |

Notes to the Condensed Consolidated Financial Statements

for the three months ended 31 March 2022

| For 3M 2021 | Value added S-Europe | Value added N-Europe | Sales and distribution | Other and Eliminations | Consolidated |
|---------------------------------------|-------------------------|-------------------------|---------------------------|---------------------------|-----------------------|
| Revenue: | | | | | |
| Sales of seafood | 45.054 | 31.856 | 42.389 | | 119.299 |
| Intercompany | (7.901) | (19) | (2.990) | (4.037) | (14.947) |
| | <u>37.153</u> | <u>31.837</u> | <u>39.399</u> | <u>(4.037)</u> | <u>104.352</u> |
| Operating results: | | | | | |
| Operating profit (loss) | 3.139 | 780 | 610 | (186) | 4.343 |
| Net finance costs | (15) | (500) | 10 | (91) | (596) |
| Normalised PBT | <u>3.124</u> | <u>280</u> | <u>620</u> | <u>(277)</u> | <u>3.747</u> |
| Income tax | (950) | 176 | (125) | 19 | (880) |
| Normalised profit (loss) | <u>2.174</u> | <u>456</u> | <u>495</u> | <u>(258)</u> | <u>2.867</u> |
| Significant items | (42) | (96) | (45) | 37 | (146) |
| Profit (loss) | <u>2.132</u> | <u>360</u> | <u>450</u> | <u>(221)</u> | <u>2.721</u> |
| | | | | | |
| Assets | <u>113.954</u> | <u>73.249</u> | <u>27.830</u> | <u>46.432</u> | <u>261.465</u> |
| Liabilities | <u>85.294</u> | <u>57.844</u> | <u>22.648</u> | <u>17.522</u> | <u>183.308</u> |

6. Significant items

In Q1 2022 the Group incurred costs associated with the following:

- Restructuring costs in the period of EUR 45 thousand.

In Q1 2021 the Group incurred costs associated with the following:

- Restructuring costs in the period of EUR 146 thousand.

| Exceptional costs, net of income tax: | 3M 2022 | 3M 2021 |
|--|-------------|--------------|
| Exceptional costs | (56) | (183) |
| Income tax | 11 | 37 |
| Significant items, net of income tax | <u>(45)</u> | <u>(146)</u> |

Notes to the Condensed Consolidated Financial Statements

for the three months ended 31 March 2022

7. Earnings per share

| | 3M 2022 | 3M 2021 |
|---|-----------|-----------|
| (Loss) profit for the period | (757) | 2.721 |
| Weighted average number of ordinary shares (ISK '000) for basic EPS | 2.714.480 | 2.674.480 |
| Shares to be issued in respect of employee options | 18.098 | 20.044 |
| Weighted average number of ordinary shares (ISK '000) for diluted EPS | 2.732.578 | 2.694.524 |
| <i>Basic earnings per share (EUR cents per thousand shares):</i> | | |
| Basic earnings per share | (0,0279) | 0,1017 |
| <i>Diluted earnings per share (EUR cents per thousand shares):</i> | | |
| Diluted earnings per share | (0,0277) | 0,1010 |

8. Intangible assets

The Group tested at the end of 2021 whether goodwill had suffered any impairment. The conclusion was there were no triggers indicating that impairment was necessary. At 31 March 2022, there is no reason to deviate from the conclusions taken at year end.

| | 31.3.2022 | 31.12.2021 | 31.3.2021 |
|--|---------------|---------------|---------------|
| Goodwill at beginning of period | 61.820 | 51.690 | 51.690 |
| Acquired on acquisition of subsidiary | | 10.044 | |
| Exchange rate differences | (9) | 86 | 63 |
| Goodwill at end of period | 61.811 | 61.820 | 51.753 |
| Other intangible assets at end of period | 696 | 749 | 891 |
| Intangible assets at end of period | <u>62.507</u> | <u>62.569</u> | <u>52.644</u> |

Notes to the Condensed Consolidated Financial Statements

for the three months ended 31 March 2022

9. Subsidiaries and other investments

At period-end, 31 March 2022, the Company directly owned eleven subsidiaries that are all included in the consolidation. The direct subsidiaries in addition owned a further seven subsidiaries. The Company holds the majority of voting power in all of its subsidiaries.

| Name of company | Country of incorporation | Ownership 31.3.2022 | Ownership 31.12.2021 | Ownership 31.3.2021 | Principal activity |
|--|--------------------------|---------------------|----------------------|---------------------|--------------------|
| <i>Subsidiaries:</i> | | | | | |
| Iceland Seafood ehf. | Iceland | 100% | 100% | 100% | Sale of seafood |
| Solo Export ehf. | Iceland | 100% | 100% | 100% | Not active |
| Iceland Seafood Ibérica S.A.U. | Spain | 100% | 100% | 100% | Sale of seafood |
| - Achernar S.A. | Argentina | 100% | 100% | 100% | Sale of seafood |
| ELBA S.L. | Spain | 100% | 100% | 100% | Sale of seafood |
| Ahumados Dominquez | Spain | 85% | 85% | | Sale of seafood |
| Iceland Seafood Barraclough | UK | 100% | 100% | 100% | Holding |
| - F. Barraclough Ltd. | UK | 100% | 100% | 100% | Not active |
| - Iceland Seafood UK Ltd. | UK | 100% | 100% | 100% | Sale of seafood |
| Oceanpath Ltd. | Ireland | 100% | 100% | 67% | Sale of seafood |
| - Dunns Seafare Ltd. | Ireland | 100% | 100% | 100% | Sale of seafood |
| - Mondi Properties Ireland Ltd | Ireland | 100% | 100% | 100% | Real estate |
| - Carr & Sons Seafood Ltd. | Ireland | 100% | 100% | 100% | Sale of seafood |
| - H J Nolan Ltd. | Ireland | 100% | 100% | 100% | Sale of seafood |
| Iceland Seafood France S.A.S. | France | 100% | 100% | 100% | Sale of seafood |
| ISG Iceland Seafood GmbH | Germany | 100% | 100% | 100% | Sale of seafood |
| ISI Seafood Inc. | USA | 100% | 100% | 100% | Sale of seafood |
| Iceland Seafood Hellas S.A. | Greece | 66% | 66% | 66% | Liquidation |
| <i>Investments in other companies:</i> | | | | | |
| Febin Marine Foods Private Ltd | India | 5% | 5% | 5% | Seafood supply |
| <i>Former subsidiaries:</i> | | | | | |
| Elba Seafood ehf. | Iceland | | | 100% | Holding |
| Dunns (Fish & Poultry) Ltd. | Ireland | | | 100% | Holding |
| <i>Investments in joint ventures:</i> | | | | | |
| Credible Properties Ltd. | Ireland | | | 50% | Properties |

Notes to the Condensed Consolidated Financial Statements

for the three months ended 31 March 2022

10. Share capital

| | Issued shares (ISK '000) | Outstanding shares (ISK '000) | Book value (EUR '000) |
|-------------------------|-----------------------------|----------------------------------|--------------------------|
| At 1 January 2022 | 2.714.480 | 2.714.480 | 25.134 |
| At 31 March 2022 | <u>2.714.480</u> | <u>2.714.480</u> | <u>25.134</u> |

Fully paid ordinary shares, which have a par value of ISK 1 per share, carry one vote per share and carry a right to dividends.

11. Financing

The Group's main sources of financing are a multi currency revolving credit facility with an Icelandic financial institution, a 4 year unsecured bond listed on Nasdaq Iceland, two six months bills listed on Nasdaq Iceland, credit facilities with number of banks in Spain which finance the Southern Europe division and credit facilities with an European bank which finance the Northern Europe division. At end of March 2022 the total headroom of the Group was EUR 29.7 million plus cash position of EUR 27.6 million.

The facility with the institution in Iceland has a cap of EUR 20 million with zero draw down at end of March 2022 (2021 year end: zero). The facility was extended in April 2022 and will expire in April 2025.

The Group has credit facilities in place with number of banks in Spain. Total amount of these loans was EUR 54.7 million at end of March 2022 (2021 year end: EUR 45.6 million).

The parent company concluded a private placement of 4 years unsecured bond, in June 2021. The amount of the placement was ISK 3.400 million and was fixed at EUR 23.1 million. The bond has semiannually interest payments, balance will be paid with one installment in June 2025. The bond is listed on Nasdaq Iceland.

The parent company had two offerings outstanding of 6 months bills for ISK 3.000 million in total, at end of March 2022. In both cases hedging was put in place to fix the liability in EUR. The total fixed amount at end of March 2022 amounts to EUR 21.2 million. The bills are listed on Nasdaq Iceland.

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

12. Approval of financial statements

The Condensed Consolidated Interim Financial Statements have been approved for issue by the Board of Directors and the CEO on 17 May 2022.