



Iceland Seafood International hf.

Condensed Consolidated Interim Financial Statements

for the nine months ended 30 September 2022

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

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Company Information

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

Statement and Endorsement

by the Board of Directors and the CEO

Statement

It is the opinion of the Board of Directors and the CEO of Iceland Seafood International hf. (the Company), that these Condensed Consolidated Interim Financial Statements present the necessary information to evaluate the financial position of the Company at the end of September 2022 and the operating results and financial developments for the nine 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 Spain, Argentina, the United Kingdom, Ireland, 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 362.8 million were 14% above prior year. The sales growth is all price driven, sold volume reduced by 6% from same period last year. Normalised profit before tax in the period of EUR 0.5 million was EUR 7.6 million down on prior year. Significant and rapid price increases of various input factors impacted the results. Whitefish prices of all origins increased significantly and salmon prices reached a historically high level in May, where they had increased by approximately 90% from beginning of the year. The results in Ireland and of Ahumados Dominguez in Spain were especially affected by increased salmon prices in the period, which came 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 impacted the results.

With salmon prices stabilizing, the results of both Oceanpath in Ireland and Ahumados Dominguez were back at normal level in Q3. Sales and margin of cod products in Spain stayed strong in Q3 as well and performance of the S&D division was good. The outcome of the National Waters fishing season in Argentina, which lasts from end of June to end of August was worse than expected, total volume was down 43% on last year, impacted by bad weather and disruption in sourcing of raw material. As previously communicated, the operation of IS UK was still loss making in the quarter. Overall, the Group generated a normalised PBT of EUR 2.3 million in Q3 compared to EUR 3.4 million over the same period last year.

Statement and Endorsement

by the Board of Directors and the CEO

As communicated in an announcement at October 21st, headwinds have increased in start of Q4, which is a key trading period for Iceland Seafood. The recession in Europe is starting to have a negative impact on demand in key markets. The price of seafood has increased significantly, whilst at the same time consumer purchasing power is diminishing due to increased energy prices and overall high inflation. In the mid and long term, Iceland Seafood is well positioned with its production sites and capabilities, close to its customers and having close connections to resources.

As announced on November 17th the board of Iceland Seafood International has decided to exit the UK market from a value added perspective. Iceland Seafood UK invested in operating facilities in Grimsby and merged the operations of two UK subsidiaries on that manufacturing site in 2020. This was just before Covid-19 started and the renovation and installation was very much affected by Covid and related impacts and then later Brexit, along with difficulties in the overall operations. In relation to this decision, an impairment of goodwill of EUR 1.6 million and impairment of tax asset of EUR 1.1 million were included as significant items in the accounts. Although it has been concluded that the IS UK operation is not a strategic fit for Iceland Seafood anymore, the excellent facilities and strong management team in Grimsby can be a great addition to other companies in the sector. After significant items and income tax, the resultant net loss for the first nine months of EUR 5.0 million was EUR 10.6 million below same period in the previous year.

Total assets on 30 September 2022 of EUR 281.8 million were EUR 1.3 million higher than at the end of 2021. The increase in total assets was driven by higher inventories as a result of increased prices. Net debt at end of September of EUR 125.9 million was EUR 31.7 million higher than at year end 2021, reflecting the increase in inventories.

Equity amounted to EUR 87.3 million on 30 September 2022 or EUR 4.5 million lower than at the end of 2021. The equity ratio was 31.0% on 30 September 2022, compared to 32.7% at year end 2021.

Adjustments were made at end of September to the accounting of business combination in relation to the acquisition of Ahumados Dominguez. These adjustments are explained in detail in note 10 to the Interim Financial Statements.

The Company is listed on the NASDAQ Iceland main market (ticker: ICESEA). The closing price at the end of September 2022 was ISK 7.75 per share (2021 year end: ISK 14.80), giving the Company a market capitalization of EUR 149.4 million (2021: EUR 273.1 million), a 45% decrease from year end 2021.

Shareholders

The number of shareholders at the end of September 2022 were 851 (2021 year end: 688). The ten largest were (shares are in ISK millions):

	30.9.2022		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%
Lífsværk lífeyrissjóður	161	6%	163	6%
Stapi lífeyrissjóður	159	6%	159	6%
Birta lífeyrissjóður	136	5%	103	4%
Frjálsi lífeyrissjóðurinn	131	5%	131	5%
Lífeyrissj.starfsm.rík. A-deild	122	4%	71	3%
Vátryggingafélag Íslands hf.	94	3%	82	3%
	<u>1.942</u>	<u>70%</u>	<u>1.833</u>	<u>68%</u>
Other shareholders (2022: 841 and 2021: 678)	772	30%	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.

Statement and Endorsement

by the Board of Directors and the CEO

Endorsement

The Board of Directors and the CEO of Iceland Seafood International hf. hereby confirm the Condensed Consolidated Interim Financial Statements of the Company for the nine months ended 30 September 2022 with their signatures.

Reykjavík, 17 November 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 nine months ended 30 September 2022

	Note	9M 2022			9M 2021		
		Normalised results	Significant items*	IFRS	Normalised results	Significant items*	IFRS
Gross profit							
Sales of seafood		362.848		362.848	319.579		319.579
Cost of sales		(312.142)		(312.142)	(272.887)		(272.887)
		50.706		50.706	46.692		46.692
Operating expenses							
Operating expenses	6	(43.782)	(265)	(44.047)	(34.336)	(489)	(34.825)
Depreciation and amortisation		(3.458)	(1.618)	(5.076)	(2.566)		(2.566)
Operating profit		3.466	(1.883)	1.583	9.790	(489)	9.301
Net finance costs		(2.450)		(2.450)	(2.048)		(2.048)
Net exchange rate difference		(496)		(496)	418		418
Profit (loss) before tax		520	(1.883)	(1.363)	8.160	(489)	7.671
Income tax expense	6	(2.559)	(1.091)	(3.650)	(2.211)	98	(2.113)
(Loss) profit for the period		(2.039)	(2.974)	(5.013)	5.949	(391)	5.558
Attributable to							
Owners of the Company		(1.814)	(2.974)	(4.788)	5.951	(391)	5.560
Non-controlling interests		(225)		(225)	(2)		(2)
		(2.039)	(2.974)	(5.013)	5.949	(391)	5.558
Earnings per share							
Basic (cents per thousand shares)	7	(0,0751)		(0,1847)	0,2224		0,2078
Diluted (cents per thousand shares)		(0,0746)		(0,1834)	0,2208		0,2063

* See note no 6 for information on significant items.

See note no 4 for results of Q3 2022.

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

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

Condensed Consolidated Statement of Comprehensive Income

for the nine months ended 30 September 2022

	Note	9M 2022			9M 2021		
		Normalised results	Significant items*	IFRS	Normalised results	Significant items*	IFRS
(Loss) profit for the period		(2.039)	(2.974)	(5.013)	5.949	(391)	5.558
Items that may be reclassified subsequently to profit or loss							
Net fair value of cash flow hedges		725		725	1.230		1.230
Translation difference		395		395	87		87
Total comprehensive (loss) income		(919)	(2.974)	(3.893)	7.266	(391)	6.875
Attributable to							
Owners of the Company		(694)	(2.974)	(3.668)	7.268	(391)	6.877
Non-controlling interests		(225)		(225)	(2)		(2)
		(919)	(2.974)	(3.893)	7.266	(391)	6.875

* See note no 6 for information on significant items.

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

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

Condensed Consolidated Statement of Financial Position

at 30 September 2022

	Note	30.9.2022	31.12.2021	30.9.2021
Assets				
Non-current assets				
Property, plant and equipment		38.737	36.677	35.839
Leased assets		1.648	1.922	2.090
Intangible assets	8	56.748	58.659	58.691
Investments in other companies	9	39	43	41
Deferred tax assets		3.067	4.842	3.282
Other long term assets		67	61	308
Total non-current assets		100.306	102.204	100.251
Current assets				
Inventories		93.545	77.311	73.231
Trade and other receivables		69.993	65.702	65.744
Other assets		11.101	7.579	7.063
Cash and bank balances		6.899	27.766	18.876
Total current assets		181.538	178.358	164.914
Total assets		281.844	280.562	265.165
Equity and liabilities				
Capital and reserves				
Issued capital and share premium		80.291	80.291	80.419
Translation reserve		(403)	(798)	(956)
Other reserves		1.260	521	785
Retained earnings		4.126	9.423	6.164
Equity attributable to owners of the Company		85.274	89.437	86.412
Non-controlling interests		1.980	2.297	2.298
Total equity		87.254	91.734	88.710
Non-current liabilities				
Borrowings	11	38.682	40.303	36.868
Lease liabilities		1.329	1.477	1.553
Retirement benefit and other obligations		2.053	1.470	1.404
Deferred tax liabilities		2.140	2.071	2.676
Total non-current liabilities		44.204	45.321	42.501
Current liabilities				
Borrowings	11	94.117	81.635	84.813
Lease liabilities		504	661	767
Trade and other payables		46.636	52.239	39.089
Other liabilities		9.129	8.972	9.285
Total current liabilities		150.386	143.507	133.954
Total liabilities		194.590	188.828	176.455
Total equity and liabilities		281.844	280.562	265.165

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

The Condensed Consolidated Balance Sheet for the period ended 30 September 2022 have not been reviewed by the Group's auditors.

Condensed Consolidated Statement of Changes in Equity

for the nine months ended 30 September 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 (loss)							7.742	(2.182)	5.560	(2)	5.558
Net fair value gain on cash flow hedges				1.230					1.230		1.230
Translation of shares held in foreign currencies ..			87						87		87
Total comprehensive income			87	1.230			7.742	(2.182)	6.877	(2)	6.875
Issue of share capital	266	4.266							4.532		4.532
Dividend declared from subsidiaries to parent							(1.200)	1.200			
Non-controlling interest arising from acquisition of a subsidiary										2.196	2.196
Other adjustments		(227)				20		(3)	(210)		(210)
Balances at 30 September 2021	25.134	55.285	(956)	233	430	122	16.122	(9.958)	86.412	2.298	88.710
Profit (loss)							6.681	(3.458)	3.223	(10)	3.213
Net fair value loss on cash flow hedges				(280)					(280)		(280)
Translation of shares held in foreign currencies ..			158						158		158
Total comprehensive income			158	(280)			6.681	(3.458)	3.101	(10)	3.091
Dividend declared from subsidiaries to parent							(10.300)	10.300			
Other adjustments		(128)				16		36	(76)	9	(67)
Balances at 31 December 2021	25.134	55.157	(798)	(47)	430	138	12.503	(3.080)	89.437	2.297	91.734
Profit (loss)							6.215	(11.003)	(4.788)	(225)	(5.013)
Net fair value gain on cash flow hedges				725					725		725
Translation of shares held in foreign currencies ..			395						395		395
Total comprehensive income			395	725			6.215	(11.003)	(3.668)	(225)	(3.893)
Other adjustments						14		(509)	(495)	(92)	(587)
Balances at 30 September 2022	25.134	55.157	(403)	678	430	152	18.718	(14.592)	85.274	1.980	87.254

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

The Condensed Consolidated Statement of Changes in Equity for the period ended 30 September 2022 have not been reviewed by the Group's auditors.

Condensed Consolidated Statement of Cash Flows

for the nine months ended 30 September 2022

	Note	9M 2022	9M 2021
Operating activities			
Operating profit		1.583	9.301
Depreciation and amortisation		3.458	2.566
Goodwill impairment	8	1.618	
Gain on disposal of non-current assets		(78)	(22)
Change in obligations and other calculated liabilities		(365)	(1.105)
Working capital generated from operations		<u>6.216</u>	<u>10.740</u>
(Increase) decrease in inventories		(16.234)	9.207
Increase in receivables and other assets		(7.815)	(14.774)
Decrease in payables and other liabilities		(5.399)	(5.211)
Cash used in operations before interests and taxes		<u>(23.232)</u>	<u>(38)</u>
Interest received		247	105
Interest paid		(2.765)	(2.153)
Income taxes paid		(799)	(702)
Net cash used in operating activities		<u>(26.549)</u>	<u>(2.788)</u>
Investing activities			
Payments for property, plant and equipment		(4.999)	(3.916)
Payments for intangible assets		(66)	(19)
Proceeds from disposal of non-current assets		516	171
Net cash outflow on acquisition of subsidiary			(11.831)
Net cash used in investing activities		<u>(4.549)</u>	<u>(15.595)</u>
Net cash before financing activities			
		<u>(31.098)</u>	<u>(18.383)</u>
Financing activities			
Net proceeds (payments) from revolving credit facilities		20.777	(3.202)
Net (payments) proceeds from bills		(6.647)	792
Proceeds from new long term borrowings		4.655	23.358
Repayment of other borrowings		(8.218)	(11.908)
Proceeds from issue of share capital, net of issue costs			4.532
Net cash generated by financing activities		<u>10.567</u>	<u>13.572</u>
Net decrease in cash and bank balances		(20.531)	(4.811)
Cash and bank balances at the beginning of period		27.766	23.269
Effect of exchange rate changes on cash held in foreign currencies		(336)	418
Cash and bank balances at the end of period		<u>6.899</u>	<u>18.876</u>

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

* The Condensed Consolidated Statement of Cash Flows for the period ended 30 September 2022 have not been reviewed by the Group's auditors.

Notes to the Condensed Consolidated Financial Statements

for the nine months ended 30 September 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 nine months ended 30 September 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 Spain, Argentina, United Kingdom, Ireland, 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 nine months ended 30 September 2022

4. Quarterly statements

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Revenue:					
Sales of seafood	139.740	135.827	134.077	147.468	128.149
Intercompany	(15.278)	(13.341)	(18.177)	(17.998)	(16.846)
	<u>124.462</u>	<u>122.486</u>	<u>115.900</u>	<u>129.470</u>	<u>111.303</u>
Operating results:					
Operating profit (loss)	3.714	(1.185)	937	4.955	4.157
Net finance costs	(1.427)	(598)	(921)	(579)	(762)
Normalised PBT	2.287	(1.783)	16	4.376	3.395
Income tax	(1.478)	(353)	(728)	(1.022)	(1.105)
Normalised profit (loss)	809	(2.136)	(712)	3.354	2.290
Significant items	(2.960)	31	(45)	(139)	(173)
(Loss) profit	<u>(2.151)</u>	<u>(2.105)</u>	<u>(757)</u>	<u>3.215</u>	<u>2.117</u>
Assets	<u>281.844</u>	<u>284.424</u>	<u>294.200</u>	<u>279.353</u>	<u>263.956</u>
Liabilities	<u>194.590</u>	<u>195.159</u>	<u>203.344</u>	<u>187.619</u>	<u>175.246</u>

5. Segment reporting

For 9M 2022	Value added S-Europe	Value added N-Europe	Sales and distribution	Other and Eliminations	Consolidated
Revenue:					
Sales of seafood	184.425	87.752	137.467		409.644
Intercompany	(21.333)	(2.676)	(5.366)	(17.421)	(46.796)
	<u>163.092</u>	<u>85.076</u>	<u>132.101</u>	<u>(17.421)</u>	<u>362.848</u>
Operating results:					
Operating profit (loss)	9.565	(8.010)	2.549	(638)	3.466
Net finance costs	(849)	(1.161)	(33)	(903)	(2.946)
Normalised PBT	8.716	(9.171)	2.516	(1.541)	520
Income tax	(2.443)	77	(531)	338	(2.559)
Normalised profit (loss)	6.273	(9.094)	1.985	(1.203)	(2.039)
Significant items	(18)	(2.911)	(41)	(4)	(2.974)
Profit (loss)	<u>6.255</u>	<u>(12.005)</u>	<u>1.944</u>	<u>(1.207)</u>	<u>(5.013)</u>
Assets	<u>133.328</u>	<u>66.066</u>	<u>31.156</u>	<u>51.294</u>	<u>281.844</u>
Liabilities	<u>87.910</u>	<u>59.876</u>	<u>24.744</u>	<u>22.060</u>	<u>194.590</u>

Notes to the Condensed Consolidated Financial Statements

for the nine months ended 30 September 2022

For 9M 2021	Value added S-Europe	Value added N-Europe	Sales and distribution	Other and Eliminations	Consolidated
Revenue:					
Sales of seafood	147.731	93.107	123.402		364.240
Intercompany	(23.619)	(60)	(7.423)	(13.559)	(44.661)
	<u>124.112</u>	<u>93.047</u>	<u>115.979</u>	<u>(13.559)</u>	<u>319.579</u>
Operating results:					
Operating profit (loss)	8.276	205	1.776	(467)	9.790
Net finance costs	264	(1.463)	(72)	(359)	(1.630)
Normalised PBT	8.540	(1.258)	1.704	(826)	8.160
Income tax	(2.386)	274	(355)	256	(2.211)
Normalised profit (loss)	6.154	(984)	1.349	(570)	5.949
Significant items	(32)	(231)	(45)	(83)	(391)
Profit (loss)	6.122	(1.215)	1.304	(653)	5.558
Assets	111.566	69.165	26.681	57.753	265.165
Liabilities	74.287	54.138	20.673	27.357	176.455

6. Significant items

In 2022 the Group incurred costs associated with the following:

- Impairment of Goodwill of Iceland Seafood UK of EUR 1.6 million.
- Reduction of Deferred tax assets of Iceland Seafood UK of EUR 1.1 million.
- Net restructuring cost in the period of EUR 0.3 million.

In 2021 the Group incurred costs associated with the following:

- Oceanpath Ltd. sold its 50% share in its joint venture Credible Properties Ltd. The company book value was zero and the sales gain is EUR 0.1 million.
- Net restructuring costs in the period of EUR 0.5 million.

Exceptional income and costs, net of income tax:

	9M 2022	9M 2021
Exceptional income	121	110
Exceptional costs	(2.004)	(599)
Income tax	(1.091)	98
Significant items, net of income tax	<u>(2.974)</u>	<u>(391)</u>

Notes to the Condensed Consolidated Financial Statements

for the nine months ended 30 September 2022

7. Earnings per share

	9M 2022	9M 2021
(Loss) profit for the period	(5.013)	5.558
Weighted average number of ordinary shares (ISK '000) for basic EPS	2.714.480	2.674.628
Shares to be issued in respect of employee options	19.505	19.375
Weighted average number of ordinary shares (ISK '000) for diluted EPS	2.733.985	2.694.003
<i>Basic earnings per share (EUR cents per thousand shares):</i>		
Basic earnings per share	(0,1847)	0,2078
<i>Diluted earnings per share (EUR cents per thousand shares):</i>		
Diluted earnings per share	(0,1834)	0,2063

8. Intangible assets

The Group tested at the end of 2021 whether goodwill had suffered any impairment. At that time the recoverable amount of cash generating units to which goodwill is allocated, exceeded their book value. At 30 September 2022, there were in the opinion of management indicators of impairment at Iceland Seafood UK. The business of Iceland Seafood UK has been loss making for a period of time and the board has decided to exit the value added operation in UK. Therefore it has been decided to impair its goodwill in full or EUR 1.6 million.

	30.9.2022	31.12.2021	30.9.2021
Goodwill at beginning of period	57.910	51.690	51.690
Acquired on acquisition of subsidiary		10.044	10.044
Fair value of identifiable net assets, note 10		(3.910)	(3.910)
Goodwill impairment	(1.618)		
Exchange rate differences	(76)	86	46
Goodwill at end of period	56.216	57.910	57.870
Other intangible assets at end of period	532	749	821
Intangible assets at end of period	<u>56.748</u>	<u>58.659</u>	<u>58.691</u>

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for the nine months ended 30 September 2022

9. Subsidiaries and other investments

At 30 September 2022, the Company directly owned ten subsidiaries that are all included in the consolidation. The direct subsidiaries in addition owned a further seven subsidiaries. The Company holds the majority of voting power in all of its subsidiaries.

Name of company	incorporation	30.9.2022	31.12.2021	30.9.2021	activity
<i>Subsidiaries:</i>					
Iceland Seafood ehf.	Iceland	100%	100%	100%	Sale of seafood
Solo Export ehf.	Iceland	100%	100%	100%	Not active
Iceland Seafood Ibérica S.A.U.	Spain	100%	100%	100%	Sale of seafood
- Achernar S.A.	Argentina	100%	100%	100%	Sale of seafood
ELBA S.L.	Spain	100%	100%	100%	Sale of seafood
Ahumados Domínguez S.A.	Spain	85%	85%	85%	Sale of seafood
Iceland Seafood Barraclough	UK	100%	100%	100%	Holding
- F. Barraclough Ltd.	UK	100%	100%	100%	Not active
- Iceland Seafood UK Ltd.	UK	100%	100%	100%	Sale of seafood
Oceanpath Ltd.	Ireland	100%	100%	100%	Sale of seafood
- Dunns Seafare Ltd.	Ireland	100%	100%	100%	Sale of seafood
- Mondi Properties Ireland Ltd	Ireland	100%	100%	100%	Real estate
- Carr & Sons Seafood Ltd.	Ireland	100%	100%	100%	Sale of seafood
- H J Nolan Ltd.	Ireland	100%	100%	100%	Sale of seafood
Iceland Seafood France S.A.S.	France	100%	100%	100%	Sale of seafood
ISG Iceland Seafood GmbH	Germany	100%	100%	100%	Sale of seafood
ISI Seafood Inc.	USA	100%	100%	100%	Not active
Iceland Seafood Hellas S.A. ^{A)}	Greece		66%	66%	Liquidation
<i>Investments in other companies:</i>					
Febin Marine Foods Private Ltd	India	5%	5%	5%	Seafood supply
<i>Former subsidiaries:</i>					
Dunns (Fish & Poultry) Ltd.	Ireland			100%	Holding

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

Notes to the Condensed Consolidated Financial Statements

for the nine months ended 30 September 2022

10. Ahumados Dominquez

On the 27 September 2021, the Company acquired 85% of the share capital of Ahumados Dominquez. Under IFRS 3, up to one year from the acquisition date, the initial accounting for business combinations needs to be adjusted to reflect new information that is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. A retrospective adjustment has been made to the book value of Ahumados Dominquez building and land. Comparative amounts in 2021 have been revised. Book value of building has been increased by EUR 2.8 million and the book value of land increased by EUR 2.3 million. Further more deferred income tax liability has been increased by EUR 1.2 million. On the contrary the provisional goodwill of Ahumados Dominquez has been decreased by EUR 3.9 million.

11. Financing

The Group's main sources of financing are a multi currency revolving credit facility with an Icelandic financial institution, a four year unsecured bond listed on Nasdaq Iceland, two six months bills listed on Nasdaq Iceland, credit facilities with number of banks in Spain which finance the Southern Europe division and credit facilities with an European bank which finance the Northern Europe division. At end of September 2022 the total headroom of the Group was EUR 27.6 million plus cash position of EUR 6.9 million.

The facility with the institution in Iceland has a cap of EUR 20 million with EUR 3.5 million draw down at end of September 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 60.7 million at end of September 2022 (2021 year end: EUR 45.6 million).

The Group's subsidiaries in UK and Ireland (Northern Europe division) entered into a loan agreement with an European bank in December 2021. At end of September 2022, the total loan amount was GBP 27.1 million (2021 year end: GBP 27.5 million) with GBP 22.5 million of that being a drawdown on revolving borrowing base facility and GBP 4.6 million three year term loan against pledge in the production facility in UK.

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

The parent company had two offerings outstanding of 6 months bills for ISK 2.000 million in total, at end of September 2022. In both cases hedging was put in place to fix the liability in EUR. The total fixed amount at end of September amounts to EUR 13.7 million. The bills are listed on Nasdaq Iceland.

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

12. Approval of financial statements

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