



# **Iceland Seafood International hf.**

**Condensed Consolidated Interim Financial Statements**  
for the six months ended 30 June 2021

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

# Contents

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	Page
Statement and Endorsement by the Board of Directors and the CEO .....	2-4
Review Report on the Condensed Consolidated Interim Financial Statements .....	5
Condensed Consolidated Statement of Income .....	6
Condensed Consolidated Statement of Comprehensive Income .....	7
Condensed Consolidated Statement of Financial Position .....	8
Condensed Consolidated Statement of Changes in Equity .....	9
Condensed Consolidated Statement of Cash Flows .....	10
Notes to the Condensed Consolidated Interim Financial Statements .....	11-16

## 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	<a href="http://www.icelandseafood.com">www.icelandseafood.com</a>
Lawyers	Lex ehf. Borgartúni 26 105 Reykjavík Iceland <a href="http://www.lex.is">www.lex.is</a>
Auditors	Deloitte ehf. Smáratorg 3 201 Kópavogur Iceland <a href="http://www.deloitte.is">www.deloitte.is</a>
Reporting currency	Euro (EUR)

# Statement and Endorsement

by the Board of Directors and the CEO

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## Statement

It is the opinion of the Board of Directors and the CEO of Iceland Seafood International hf. (the Company), that these Condensed Consolidated Interim Financial Statements present the necessary information to evaluate the financial position of the Company at the end of June 2021 and the operating results and financial developments for the six months then ended.

The Condensed Consolidated Interim Financial Statements are prepared in accordance with the International Accounting Standard IAS 34, *Interim Financial Reporting*, and should be read in conjunction with the Company's Financial Statements for the year ended 31 December 2020.

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 2020.

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

## The Company

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

The Group operates across three divisions, Value Added Southern Europe, Value Added Northern Europe and Sales & Distribution Division 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.

## Operations for the period

Total sales in the period of EUR 208.3 million were 15% above prior year. In Value Added Southern Europe, sales in the first two months of the year were significantly impacted by Covid19 restrictions. Sales improved from March, following easing of restrictions and good demand. This resulted in divisional sales of EUR 77.8 million which was EUR 15.1 million up on 1H 2020. Sales of the S&D divisions were also impacted by lockdown restrictions in key markets in the start of the year, whilst sales picked up from March. At the same time sales of Value Added Northern Europe division were 17% up on prior year, driven by the addition of Carr&Sons Seafood Ltd. to the Group and new retail listings in UK.

Normalised PBT in the period of EUR 4.8 million was EUR 2.2 million up on prior year. Whilst the overall profitability was still impacted by the pandemic in the period, strong sales in key markets from March and good results from the Argentinian shrimp season helped the results. Ongoing challenges in transportation and logistics negatively impacted results, especially in UK. After significant items of EUR 0.2 million and income tax of EUR 1.1m the resultant net profit for the period of EUR 3.4 million was EUR 2.1 million above previous year.

Total assets as at 30 June 2021 of EUR 249.1 million were EUR 7.6 million higher than at end of 2020. The increase in total assets were driven by higher trade receivables, mainly related to Value Added Southern Europe division. Net debt at end of June of EUR 98.3 million was EUR 9.8 million higher than at year end 2020, reflecting the increase in total assets.

Equity amounted to EUR 78.9 million as at 30 June 2021 or EUR 3.6 million higher than at end of 2020. The equity ratio was 31.7% at 30 June 2021.

# Statement and Endorsement

by the Board of Directors and the CEO

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## COVID 19

The Covid19 pandemic and related restrictions have had a significant impact on operating results since March 2020. Sales in Southern Europe which are predominantly to the HORECA sector, were significantly impacted by lockdown restrictions in the beginning of 2021. Same applied to sales to the foodservice sector in other markets, whilst retail sales were strong during the period. With some easing of restrictions sales improved from March and onwards, especially in S-Europe. However changes in restrictions implemented and the underlying uncertainty is causing more fluctuation in sales than in a normal year.

Iceland Seafood's 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 90% of receivables at 30 June 2021 are credit insured.
- 3) Secure liquidity and ongoing funding of the operation through the capital market and banks in Iceland and Spain. As part of this, the Group did secure funding for 3-5 years in Spain during 2020, completed a private placement of EUR 23.1m bond in Q2 2021 and has continued to issue bills, currently amounting to EUR 19.3m. 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 proposed acquisition of Ahumados Dominguez is an example of this.

During 2020 and 2021 some of the Group foreign subsidiaries have received local government assistance due to Covid 19.

Situation remains uncertain. Vaccination is progressing especially in Europe and N-America with positive impact on outlook for the second half of the year.

## Acquisition of Ahumados Dominguez

On the 17 May 2021 the Company signed a Letter of Intent (LOI) to acquire 80% of the share capital of Ahumados Dominguez, a retail-oriented company with a strong brand and consumer recognition in the smoked salmon sector in Spain. The Ahumados Dominguez brand is known for its premium quality. The acquisition will strengthen Iceland Seafoods position in the Spanish retail market, as well as creating opportunities to utilize the platform Ahumados Domingues has for selling high quality cod products from Iceland. According to the LOI, Iceland Seafood will acquire 80% stake in Ahumados Dominguez for €12.0m on a debt and cash free bases. The LOI is a legally non-binding document and will serve as a basis for discussion of key terms for the potential transaction. Parties aim to complete the transaction before end of September 2021.

## Market capitalization

The Company is listed on the NASDAQ Iceland main market (ticker: ICESEA). The closing price at the end of June 2021 as ISK 17.60 per share (2020 year end: ISK 12.60), giving the Company a market capitalization of EUR 322.4 million (2020: EUR 216.6 million), a 49% increase from year end 2020.

# Statement and Endorsement

by the Board of Directors and the CEO

## Shareholders

The number of shareholders at the end of June 2021 were 717 (2020 year end: 595). The ten largest were (shares are in ISK millions):

	30.6.2021		31.12.2020	
Sjávarsýn ehf. ....	290	11%	290	11%
Nesfiskur ehf. ....	274	10%	274	10%
FISK Seafood ehf. ....	274	10%	274	10%
Jakob Valgeir ehf. ....	269	10%	269	10%
Arion Banki hf. ....	164	6%	179	7%
Lífsverk lífeyrissjóður ....	159	6%	128	5%
Stapi lífeyrissjóður ....	134	5%	99	4%
Frjálsi lífeyrissjóðurinn ....	130	5%	121	5%
Birta lífeyrissjóður ....	101	4%	108	4%
Vátryggingafélag Íslands hf. ....	82	3%	82	3%
	<u>1.877</u>	<u>70%</u>	<u>1.824</u>	<u>69%</u>
Other shareholders (2021: 707 and 2020: 585) .....	798	30%	851	31%
	<u>2.675</u>	<u>100%</u>	<u>2.675</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 six months ended 30 June 2021 with their signatures.

Reykjavík, 26 August 2021.

Liv Bergþórsdóttir  
Chairman of the Board

Bergþór Baldvinsson  
Board Member

Halldór Leifsson  
Board Member

Ingunn Agnes Kro  
Board Member

Jakob Valgeir Flosason  
Board Member

Bjarni Ármannsson  
Chief Executive Officer

# Review Report

on the Condensed Consolidated Interim Financial Statements

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

We have reviewed the accompanying Condensed Consolidated Interim Statement of Financial Position of Iceland Seafood International hf. as of 30 June 2021 and the related statements of Condensed Consolidated Interim Statement of Income, Condensed Consolidated Interim Statement of Comprehensive Income, Condensed Consolidated Interim Changes in Equity and Condensed Consolidated Interim Statement of Cash Flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

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

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

## **Auditor's Responsibility**

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

## **Scope of Review**

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

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Financial Statements does not give a true and fair view of the financial position of the Group as at 30 June 2021, and of its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34 as adopted by the EU.

Kópavogur, 26 August 2021.

Ingvi Björn Bergmann  
State Authorised Public Accountant

**Deloitte ehf.**  
Smáratorg 3  
201 Kópavogur  
Iceland

# Condensed Consolidated Statement of Income

for the six months ended 30 June 2021

	Note	1H 2021			1H 2020		
		Normalised results	Significant items*	IFRS	Normalised results	Significant items*	IFRS
<b>Gross profit</b>							
Sales of seafood .....		208.276		208.276	180.539		180.539
Cost of sales .....		(178.274)		(178.274)	(154.899)		(154.899)
		30.002		30.002	25.640		25.640
<b>Operating expenses</b>							
Operating expenses .....	6	(22.661)	(272)	(22.933)	(19.787)	(375)	(20.162)
Depreciation and amortisation .....		(1.708)		(1.708)	(1.629)		(1.629)
		5.633	(272)	5.361	4.224	(375)	3.849
<b>Operating profit .....</b>							
Net finance costs .....		(1.422)		(1.422)	(1.271)		(1.271)
Net exchange rate difference .....		554		554	(350)		(350)
		<b>4.765</b>	<b>(272)</b>	<b>4.493</b>	<b>2.603</b>	<b>(375)</b>	<b>2.228</b>
<b>Profit before tax .....</b>							
Income tax expense .....		(1.106)	54	(1.052)	(614)	75	(539)
		<b>3.659</b>	<b>(218)</b>	<b>3.441</b>	<b>1.989</b>	<b>(300)</b>	<b>1.689</b>
<b>Profit from continuing operations .....</b>							
Discontinued operations, net of tax .....	6					(378)	(378)
		<b>3.659</b>	<b>(218)</b>	<b>3.441</b>	<b>1.989</b>	<b>(678)</b>	<b>1.311</b>
<b>Profit for the period .....</b>							
<b>Attributable to</b>							
Owners of the Company .....		3.660	(218)	3.442	1.516	(678)	838
Non-controlling interests .....		(1)		(1)	473		473
		<b>3.659</b>	<b>(218)</b>	<b>3.441</b>	<b>1.989</b>	<b>(678)</b>	<b>1.311</b>
<b>Earnings per share</b>							
Basic (cents per thousand shares) .....	7	0,1368		0,1287	0,0773		0,0509
Diluted (cents per thousand shares) .....		0,1359		0,1278	0,0768		0,0506

\* See note no 6 for information on significant items.

\*\* See note no 4 for results of Q2 2021.

# Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2021

	Note	1H 2021			1H 2020		
		Normalised results	Significant items*	IFRS	Normalised results	Significant items*	IFRS
<b>Profit for the period</b> .....		<b>3.659</b>	<b>(218)</b>	<b>3.441</b>	<b>1.989</b>	<b>(678)</b>	<b>1.311</b>
<b>Items that may be reclassified subsequently to profit or loss</b>							
Net fair value of cash flow hedges .....		330		330	1.104		1.104
Translation difference .....		(7)		(7)	(295)		(295)
<b>Total comprehensive income</b> .....		<b>3.982</b>	<b>(218)</b>	<b>3.764</b>	<b>2.798</b>	<b>(678)</b>	<b>2.120</b>
<b>Attributable to</b>							
Owners of the Company .....		3.983	(218)	3.765	2.325	(678)	1.647
Non-controlling interests .....		(1)		(1)	473		473
		<b>3.982</b>	<b>(218)</b>	<b>3.764</b>	<b>2.798</b>	<b>(678)</b>	<b>2.120</b>

\* See note no 6 for information on significant items.



# Condensed Consolidated Statement of Financial Position

at 30 June 2021

	Note	30.6.2021	31.12.2020	30.6.2020
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment .....		26.610	24.624	22.542
Leased assets .....		1.696	1.726	2.293
Intangible assets .....	8	52.559	52.654	48.588
Investments in other companies .....	9	41	39	69
Deferred tax assets .....		2.975	2.835	2.568
Other long term assets .....		267	263	69
<b>Total non-current assets</b>		<b>84.148</b>	<b>82.141</b>	<b>76.129</b>
<b>Current assets</b>				
Inventories .....		83.146	80.886	89.639
Trade and other receivables .....		60.574	48.789	48.328
Other assets .....		7.976	6.382	7.500
Cash and bank balances .....		13.304	23.269	16.133
<b>Total current assets</b>		<b>165.000</b>	<b>159.326</b>	<b>161.600</b>
<b>Total assets</b>		<b>249.148</b>	<b>241.467</b>	<b>237.729</b>
<b>Equity and liabilities</b>				
<b>Capital and reserves</b>				
Issued capital and share premium .....		75.887	76.114	72.619
Translation reserve .....		(1.050)	(1.043)	(960)
Other reserves .....		(115)	(465)	1.142
Retained earnings .....		4.049	607	5.961
Equity attributable to owners of the Company		78.771	75.213	78.762
Non-controlling interests .....		103	104	4.010
<b>Total equity</b>		<b>78.874</b>	<b>75.317</b>	<b>82.772</b>
<b>Non-current liabilities</b>				
Borrowings .....	11	38.169	22.811	24.578
Lease liabilities .....		1.333	1.371	1.743
Retirement benefit and other obligations .....		1.320	1.685	1.026
Deferred tax liabilities .....		1.329	795	901
<b>Total non-current liabilities</b>		<b>42.151</b>	<b>26.662</b>	<b>28.248</b>
<b>Current liabilities</b>				
Borrowings .....	11	73.484	88.964	77.219
Lease liabilities .....		613	588	824
Trade and other payables .....		46.519	39.333	44.000
Other liabilities .....		7.507	10.603	4.636
<b>Total current liabilities</b>		<b>128.123</b>	<b>139.488</b>	<b>126.679</b>
<b>Total liabilities</b>		<b>170.274</b>	<b>166.150</b>	<b>154.927</b>
<b>Total equity and liabilities</b>		<b>249.148</b>	<b>241.467</b>	<b>237.699</b>

## Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2021

	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					
<b>Balances at 1 January 2020</b>	<b>24.094</b>	<b>44.666</b>	<b>(665)</b>	<b>(441)</b>	<b>430</b>	<b>49</b>	<b>7.429</b>	<b>874</b>	<b>76.436</b>	<b>3.805</b>	<b>80.241</b>
Profit (loss) .....							2.547	(1.709)	838	473	1.311
Net fair value gain on cash flow hedges .....				1.104					1.104		1.104
Translation of shares held in foreign currencies ..			(295)						(295)		(295)
Total comprehensive income .....			(295)	1.104			2.547	(1.709)	1.647	473	2.120
Issue of share capital .....	391	3.468							3.859		3.859
Acquisition of non controlling interests .....								(3.180)	(3.180)	(268)	(3.448)
Other adjustments .....						30					
<b>Balances at 30 June 2020</b>	<b>24.485</b>	<b>48.134</b>	<b>(960)</b>	<b>663</b>	<b>430</b>	<b>49</b>	<b>9.976</b>	<b>(4.015)</b>	<b>78.762</b>	<b>4.010</b>	<b>82.772</b>
Loss .....							(396)	(479)	(875)	360	(515)
Net loss on cash flow hedges .....				(1.660)					(1.660)		(1.660)
Translation of shares held in foreign currencies ..			(83)						(83)		(83)
Total comprehensive income .....			(83)	(1.660)			(396)	(479)	(2.618)	360	(2.258)
Issue of share capital .....	383	3.112							3.495		3.495
Acquisition of non controlling interests .....								(4.658)	(4.658)	(4.266)	(8.924)
Other adjustments .....						53		179	232		232
<b>Balances at 31 December 2020</b>	<b>24.868</b>	<b>51.246</b>	<b>(1.043)</b>	<b>(997)</b>	<b>430</b>	<b>102</b>	<b>9.580</b>	<b>(8.973)</b>	<b>75.213</b>	<b>104</b>	<b>75.317</b>
Profit (loss) .....							3.538	(96)	3.442	(1)	3.441
Net fair value gain on cash flow hedges .....				330					330		330
Translation of shares held in foreign currencies ..			(7)						(7)		(7)
Total comprehensive income .....			(7)	330			3.538	(96)	3.765	(1)	3.764
Other adjustments .....		(227)				20			(207)		(207)
<b>Balances at 30 June 2021</b>	<b>24.868</b>	<b>51.019</b>	<b>(1.050)</b>	<b>(667)</b>	<b>430</b>	<b>122</b>	<b>13.118</b>	<b>(9.069)</b>	<b>78.771</b>	<b>103</b>	<b>78.874</b>

# Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2021

	Note	1H 2021	1H 2020
<b>Operating activities</b>			
Operating profit .....		5.361	3.363
Depreciation and amortisation .....		1.708	1.661
(Gain) loss on disposal of non-current assets .....		(131)	104
Change in obligations and other calculated liabilities .....		(205)	254
		<u>6.733</u>	<u>5.382</u>
<b>Working capital generated from operations</b>			
Increase in inventories .....		(2.260)	(22.124)
(Increase) decrease in receivables and other assets .....		(13.385)	13.633
Increase (decrease) in payables and other liabilities .....		4.397	(1.895)
		<u>(4.515)</u>	<u>(5.004)</u>
<b>Cash used in operations before interests and taxes</b>			
Interest received .....		66	68
Interest paid .....		(1.488)	(1.418)
Income taxes paid .....		(507)	(423)
		<u>(6.444)</u>	<u>(6.777)</u>
<b>Net cash used in operating activities</b>			
<b>Investing activities</b>			
Payments for property, plant and equipment .....		(2.876)	(6.302)
Payments for intangible assets .....		(10)	(142)
Proceeds from disposal of non-current assets .....		147	267
Net cash outflow on acquisition of subsidiary .....			(1.850)
		<u>(2.739)</u>	<u>(8.027)</u>
<b>Net cash used in investing activities</b>			
<b>Net cash before financing activities</b>			
		<u>(9.183)</u>	<u>(14.804)</u>
<b>Financing activities</b>			
Net (repayment) proceeds from revolving credit facility .....		(15.690)	6.552
Net proceeds from bills .....		902	
Proceeds from new long term borrowings .....		23.357	19.662
Repayment of other borrowings .....		(9.905)	(2.819)
Net cash outflow on acquisition of subsidiary's non-controlling interests .....			(1.724)
		<u>(1.336)</u>	<u>21.671</u>
<b>Net cash (used in) generated by financing activities</b>			
Net (decrease) increase in cash and bank balances .....		(10.519)	6.867
Cash and bank balances at the beginning of period .....		23.269	9.610
Effect of exchange rate changes on cash held in foreign currencies .....		554	(344)
		<u>13.304</u>	<u>16.133</u>
<b>Non-cash investing and financing activities</b>			
Acquisition of subsidiaries .....			(3.868)
Proceeds from issue of share capital .....			3.868

# Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2021

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## 1. General information

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

The Condensed Consolidated Interim Financial Statements of the Company as at and for the six months ended 30 June 2021, 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, Germany and the United States.

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 2020, which is available on the Company's website, [www.icelandseafood.com](http://www.icelandseafood.com).

Comparative figures in the Condensed Consolidated Interim Financial Statements have been restated. Ecomsa S.A. in Spain, loss from operation for the first six months of 2020, amounting to EUR 378 thousand has been restated to Discontinued operation (see note 6).

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 2020.

## 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 2020.

# Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2021

## 4. Quarterly statements

	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
<b>Revenue:</b>					
Sales of seafood .....	116.792	119.299	101.797	105.989	82.320
Intercompany .....	(12.868)	(14.947)	(8.175)	(10.310)	(7.288)
	<u>103.924</u>	<u>104.352</u>	<u>93.622</u>	<u>95.679</u>	<u>75.032</u>
<b>Operating results:</b>					
Operating profit .....	1.290	4.343	1.348	1.396	710
Net finance costs .....	(272)	(596)	713	(990)	(1.012)
<b>Normalised PBT .....</b>	<b>1.018</b>	<b>3.747</b>	<b>2.061</b>	<b>406</b>	<b>(302)</b>
Income tax .....	(226)	(880)	(438)	(256)	(28)
<b>Normalised profit (loss) .....</b>	<b>792</b>	<b>2.867</b>	<b>1.623</b>	<b>150</b>	<b>(330)</b>
Significant items and discontinued operations .....	(72)	(146)	(1.788)	(500)	(209)
<b>Profit (loss) .....</b>	<b>720</b>	<b>2.721</b>	<b>(165)</b>	<b>(350)</b>	<b>(539)</b>
Assets .....	<u>249.148</u>	<u>261.465</u>	<u>241.467</u>	<u>229.598</u>	<u>237.729</u>
Liabilities .....	<u>170.274</u>	<u>183.308</u>	<u>166.150</u>	<u>147.162</u>	<u>154.927</u>

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

## 5. Segment reporting

For 1H 2021	Value added S-Europe	Value added N-Europe	Sales and distribution	Other and Eliminations	Consolidated
<b>Revenue:</b>					
Sales of seafood .....	90.575	63.458	82.058		236.091
Intercompany .....	(12.760)	(36)	(5.251)	(9.768)	(27.815)
	<u>77.815</u>	<u>63.422</u>	<u>76.807</u>	<u>(9.768)</u>	<u>208.276</u>
<b>Operating results:</b>					
Operating profit (loss) .....	4.190	624	1.155	(336)	5.633
Net finance costs .....	352	(985)	(38)	(197)	(868)
<b>Normalised PBT .....</b>	<b>4.542</b>	<b>(361)</b>	<b>1.117</b>	<b>(533)</b>	<b>4.765</b>
Income tax .....	(1.316)	245	(236)	201	(1.106)
<b>Normalised profit (loss) .....</b>	<b>3.226</b>	<b>(116)</b>	<b>881</b>	<b>(332)</b>	<b>3.659</b>
Significant items and discontinued operations .....	(32)	(195)	(45)	54	(218)
<b>Profit (loss) .....</b>	<b>3.194</b>	<b>(311)</b>	<b>836</b>	<b>(278)</b>	<b>3.441</b>
Assets .....	<u>110.413</u>	<u>68.432</u>	<u>24.262</u>	<u>46.041</u>	<u>249.148</u>
Liabilities .....	<u>80.805</u>	<u>53.411</u>	<u>18.674</u>	<u>17.384</u>	<u>170.274</u>

# Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2021

<b>For 1H 2020</b>	Value added S-Europe	Value added N-Europe	Sales and distribution	Other and Eliminations	Consolidated
<b>Revenue:</b>					
Sales of seafood .....	72.318	54.407	74.481		201.206
Intercompany .....	(9.655)	(13)	(5.520)	(5.479)	(20.667)
	<u>62.663</u>	<u>54.394</u>	<u>68.961</u>	<u>(5.479)</u>	<u>180.539</u>
<b>Operating results:</b>					
Operating profit (loss) .....	1.577	2.415	555	(323)	4.224
Net finance costs .....	(692)	(513)	(71)	(345)	(1.621)
<b>Normalised PBT .....</b>	<b>885</b>	<b>1.902</b>	<b>484</b>	<b>(668)</b>	<b>2.603</b>
Income tax .....	(111)	(257)	(82)	(164)	(614)
<b>Normalised profit (loss) .....</b>	<b>774</b>	<b>1.645</b>	<b>402</b>	<b>(832)</b>	<b>1.989</b>
Significant items and discontinued operations .....	(411)	(160)	(45)	(62)	(678)
<b>Profit (loss) .....</b>	<b>363</b>	<b>1.485</b>	<b>357</b>	<b>(894)</b>	<b>1.311</b>
Assets .....	<u>112.789</u>	<u>54.410</u>	<u>25.738</u>	<u>44.792</u>	<u>237.729</u>
Liabilities .....	<u>87.969</u>	<u>36.096</u>	<u>20.653</u>	<u>10.209</u>	<u>154.927</u>

## 6. Significant items

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.
- Restructuring costs in the period of EUR 0.4 million.

In 2020 the Group incurred costs associated with the following:

- Costs related to acquisitions and restructuring costs in the period of EUR 0.4 million.

In 2020 Ecomsa S.A., a Spanish subsidiary of Iceland Seafood Ibérica was sold and therefore restated as discontinued operations.

<b>Exceptional costs, net of income tax:</b>	1H 2021	1H 2020
Exceptional income .....	110	
Exceptional costs .....	(382)	(375)
Income tax .....	54	75
Exceptional costs, net of income tax .....	<u>(218)</u>	<u>(300)</u>
<b>Discontinued operations, net of income tax:</b>		
Net loss from discontinued operations .....		(458)
Income tax .....		80
Ecomsa S.A. discontinued operations, net of income tax .....		<u>(378)</u>
<b>Significant items, net of income tax .....</b>	<u>(218)</u>	<u>(678)</u>

# Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2021

## 7. Earnings per share

	1H 2021	1H 2020
Profit for the period .....	3.441	1.311
Weighted average number of ordinary shares (ISK '000) for basic EPS .....	2.674.480	2.574.565
Shares to be issued in respect of employee options .....	18.416	15.838
Weighted average number of ordinary shares (ISK '000) for diluted EPS .....	2.692.896	2.590.403
<i>Basic earnings per share (EUR cents per thousand shares):</i>		
Basic earnings per share .....	0,1287	0,0509
<i>Diluted earnings per share (EUR cents per thousand shares):</i>		
Diluted earnings per share .....	0,1278	0,0506

## 8. Intangible assets

The Group tested at the end of June whether goodwill had suffered any impairment. The conclusion was there were no triggers indicating that impairment was necessary.

	30.6.2021	31.12.2020	30.6.2020
Goodwill at beginning of period .....	51.690	43.526	43.526
Acquired on acquisition of subsidiaries .....		8.255	4.047
Exchange rate differences .....	49	(91)	(113)
Goodwill at end of period .....	51.739	51.690	47.460
Other intangible assets at end of period .....	820	964	1.128
Intangible assets at end of period .....	52.559	52.654	48.588

# Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2021

## 9. Subsidiaries and other investments

At period-end, 30 June 2021, the Company directly owned ten subsidiaries that are all included in the consolidation. The direct subsidiaries in addition owned a further nine subsidiaries. The Company holds the majority of voting power in all of its subsidiaries.

Name of company	Country of incorporation	Ownership 30.6.2021	Ownership 31.12.2020	Ownership 30.6.2020	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
- Ecomsa S.A.	Spain			100%	Sale of seafood
- Achernar S.A.	Argentina	100%	100%	100%	Sale of seafood
Elba Seafood ehf. <sup>A)</sup>	Iceland		100%	100%	Holding
- ELBA S.L.	Spain	100%	100%	100%	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 (Fish & Poultry) Ltd.	Ireland	100%	100%	100%	Holding
- 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 joint ventures:</i>					
Credible Properties Ltd. <sup>B)</sup>	Ireland		50%	50%	Properties
<i>Investments in other companies:</i>					
Febin Marine Foods Private Ltc	India	5%	5%	5%	Seafood supply

<sup>A)</sup> Elba Seafood ehf. and Iceland Seafood International hf. merged in February 2021.

<sup>B)</sup> Oceanpath Ltd. sold its 50% share in Credible Properties Ltd. in June 2021 (see note 6).

## 10. Share capital

	Issued shares (ISK '000)	Outstanding shares (ISK '000)	Book value (EUR '000)
Ordinary shares .....	2.674.480	2.674.480	24.868

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.



# Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2021

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## 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 and credit facilities with number of banks in Spain which finance the Southern Europe division.

The facility with the institution in Iceland has a cap of EUR 50.0 million with EUR 19.4 million draw down at end of June 2021 (end of year 2020: EUR 36.0 million). The facility expires in May 2022.

The Group has credit facilities in place with number of banks in Spain. Total amount of these loans was EUR 48.2 million at end of June 2021 (end of year 2020: EUR 49.1 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 concluded two offerings of 6 months bills for ISK 1.500 million each, in the first half of the year. In both cases hedging was put in place to fix the liability in EUR. The total fixed amount at end of June 2021 amounts to EUR 19.4 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 26 August 2021.