



Iceland Seafood International hf.

Condensed Consolidated Interim Financial Statements
for the six months ended 30 June 2018

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	2-3
Condensed Consolidated Statement of Income	4
Condensed Consolidated Statement of Comprehensive Income	5
Condensed Consolidated Statement of Financial Position	6
Condensed Consolidated Statement of Changes in Equity	7
Condensed Consolidated Statement of Cash Flows	8
Notes to the Condensed Consolidated Interim Financial Statements	9-14

Company Information

Name	Iceland Seafood International hf.
TIN	611088-1329
BOD	Benedikt Sveinsson, Chairman Ingi Jóhann Guðmundsson, Board Member Mark Holyoake, Board Member
CEO	Helgi Anton Eiríksson
Address	Köllunarklettsvegur 2 104 Reykjavík Iceland
Web	www.icelandseafood.com
Lawyers	Fjeldsted & Blöndal lögmannsstofa síf. Suðurlandsbraut 18 108 Reykjavík Iceland www.fjeldco.is
Auditors	Deloitte ehf. Smáratorg 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 June 2018 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 2017.

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 2017.

The Company

The Company is a holding company for a Group of subsidiaries in Europe and North America, 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, Iceland, France, Germany and the United States.

The Group operates in two segments. Value added, where the subsidiaries in the United Kingdom, Ireland and Spain have processing factories and cold stores. Sales and distribution, where the subsidiaries in Iceland, France, Germany and the United States sell and distribute seafood.

Operations for the period

The Board of Directors and CEO are very pleased to report a strong performance for the six-month period ending 30 June 2018. Total sales of EUR 150,0 million were 29% up on the prior year, benefiting from a EUR 10,5 million contribution from Oceanpath. Underlying, like for like sales growth of 20% was driven by new listings with new and existing customers and the continued supply of raw materials during the period compared with the strike effected prior year.

Normalised PBT of EUR 2,2 million is 71% ahead of the prior year (23% excluding Oceanpath) reflecting strong growth within the Value Added Division. Significant item costs of EUR 0,4 million largely reflect costs incurred in relation to the acquisition of Oceanpath. Normalised Profit for the period of EUR 1,8 million is up 80% on the prior year.

Total assets as at 30 June 2018 of EUR 110,6 million are EUR 31,3 million higher than the prior year, reflecting a combination of the assets and goodwill acquired in Oceanpath (EUR 21,3 million) and increased working capital due to higher activity levels. Resultant net debt of EUR 55,2 million is EUR 18,3 million higher than the prior year.

Acquisition of Oceanpath Ltd.

On 13 March 2018 the Company announced the acquisition of 67% of the share capital of Oceanpath Ltd., an Irish company and a leading fresh fish supplier to retailers in Ireland. The acquisition was completed on 14 March 2018 and Oceanpath has been included in the consolidated accounts from that time.

Statement and Endorsement

by the Board of Directors and the CEO

Intent to acquire Solo Seafood ehf.

On 30 April 2018 the Company announced that it had agreed on the Head of Terms to acquire Solo Seafood ehf., an Icelandic holding company which holds 100% of the share capital of Icelandic Ibérica S.A., a Spanish company and one of the leading seafood suppliers in South Europe. On 1 August 2018 the Company agreed final terms and signed the Sales and Purchase Agreement. The acquisition has not been completed and is subject to certain conditions, including shareholders approval, banking approvals as well as any competition authorities approval (if required).

Market capitalization

The Company is listed on the Nasdaq First North Iceland exchange (ticker: ICESEA). The closing price at the end of June 2018 was ISK 8,13 per share (2017 year end: 6,49), giving the Company a market capitalization of 85,5 million (2017: 68,1 million), a 26% increase for the six months ended 30 June 2018.

Shareholders

The number of shareholders at the end of June 2018 was 153 (2017 year end: 161). The ten largest are (shares are in ISK millions):

	30.6.2018		31.12.2017	
International Seafood Holdings S.a.r.l.	551	42%	657	51%
Kvika banki hf.	106	8%	128	10%
Akta sjóðir	72	6%	54	4%
Frjálsi lífeyrissjóðurinn	50	4%	49	4%
Sjóvá-Almennar tryggingar hf.	49	4%	47	4%
Vátryggingafélag Íslands hf.	44	3%	8	1%
Festa lífeyrissjóður	41	3%	27	2%
Arion banki hf.	39	3%	25	2%
Íshóll ehf.	32	2%	32	2%
HEF kapital ehf.	32	2%	32	2%
	<u>1.016</u>	<u>77%</u>	<u>1.059</u>	<u>82%</u>
Other	<u>284</u>	<u>23%</u>	<u>241</u>	<u>18%</u>
	<u>1.300</u>	<u>100%</u>	<u>1.300</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 2018 with their signatures.

Reykjavík, 29 August 2018.

Benedikt Sveinsson
Chairman of the Board

Ingvi Jóhann Guðmundsson
Board Member

Mark Holyoake
Board Member

Helgi Anton Eiríksson
Chief Executive Officer

Condensed Consolidated Statement of Income

for the six months ended 30 June 2018

	Note	1H 2018			1H 2017		
		Normalised results	Significant items*	IFRS	Normalised results	Significant items*	IFRS
Gross profit							
Sales of seafood		149.990		149.990	116.215		116.215
Cost of sales		(130.151)		(130.151)	(100.137)		(100.137)
		19.839		19.839	16.078		16.078
Operating expenses							
Operating expenses		(16.274)	(516)	(16.790)	(13.813)	(132)	(13.945)
Depreciation and amortisation		(521)		(521)	(440)		(440)
Operating profit (loss)		3.044	(516)	2.528	1.824	(132)	1.692
Net finance costs		(900)		(900)	(620)		(620)
Net exchange rate difference		27		27	68		68
Normalised profit (loss) before tax		2.171	(516)	1.655	1.271	(132)	1.140
Income tax		(409)	103	(306)	(282)	26	(256)
Normalised profit (loss)		1.762	(413)	1.349	989	(105)	884
Discontinued operations	6		(5)	(5)		(5)	(5)
Profit (loss)		1.762	(418)	1.344	989	(111)	879
Attributable to							
Owners of the Company		1.549	(416)	1.133	989	(109)	880
Non-controlling interests		213	(2)	211		(2)	(2)
		1.762	(418)	1.344	989	(111)	879
Earnings per share							
Basic (cents per thousand shares)		0,1356		0,1034	0,0761		0,0676
Diluted (cents per thousand shares)		0,1339		0,1022	0,0761		0,0676

* See note no 6 for information on significant items.

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2018

	Note	1H 2018			1H 2017		
		Normalised results	Significant items*	IFRS	Normalised results	Significant items*	IFRS
Profit (loss)		1.762	(418)	1.344	989	(111)	879
Items that may be reclassified subsequently to profit or loss							
Net fair value of cash flow hedges		(363)		(363)	(455)		(455)
Translation of shares		(44)		(44)	67		67
Total comprehensive income		1.355	(418)	937	601	(111)	490
Attributable to							
Owners of the Company		1.142	(416)	726	601	(109)	492
Non-controlling interests		213	(2)	211		(2)	(2)
		1.355	(418)	937	601	(111)	490

* See note no 6 for information on significant items.

Condensed Consolidated Statement of Financial Position

at 30 June 2018

	Note	30.6.2018	31.12.2017	30.6.2017
Assets				
Non-current assets				
Property, plant and equipment		10.519	8.462	8.543
Intangible assets	11	19.066	8.900	8.910
Investments in associates	8	41	42	43
Deferred tax assets		1.811	1.532	1.564
Total non-current assets		31.437	18.937	19.060
Current assets				
Inventories		31.147	30.618	23.753
Trade and other receivables		42.486	35.095	32.441
Other assets		1.718	1.208	1.060
Cash and bank balances		3.776	2.223	2.856
		79.127	69.144	60.110
Assets classified as held for sale	6	81	81	80
Total current assets		79.208	69.225	60.190
Total assets		110.645	88.162	79.251
Equity and liabilities				
Capital and reserves				
Issued capital and share premium		18.356	18.356	18.356
Translation reserve		(803)	(759)	(800)
Other reserves		(5)	350	223
Retained earnings		777	(356)	(1.997)
Equity attributable to owners of the Company		18.325	17.591	15.782
Non-controlling interests		2.435	129	71
Total equity		20.760	17.720	15.853
Non-current liabilities				
Borrowings		7.568	877	1.219
Retirement benefit obligation		147	148	150
Other obligations		92		
Deferred tax liabilities		603	483	488
Total non-current liabilities		8.410	1.508	1.857
Current liabilities				
Borrowings		51.413	40.194	38.523
Trade and other payables		24.916	25.608	19.598
Other liabilities		5.144	3.130	3.418
		81.473	68.932	61.538
Liabilities associated with assets classified as held for sale	6	2	2	3
Total current liabilities		81.475	68.934	61.541
Total liabilities		89.885	70.442	63.398
Total equity and liabilities		110.645	88.162	79.251

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2018

	Restricted equity						Accumu- lated deficit	Attributable to owners of the Company	Non - controlling interests	Total equity	
	Share capital	Share premium	Translation reserve	Hedging reserve	Statutory reserve	Equity reserve					Unrealised profit of subsidiaries
Balances at 1 January 2017	14.369	3.987	(867)	235	430	13	953	(3.830)	15.290	73	15.363
Profit (loss)							1.712	(831)	880	(2)	879
Net fair value (loss) on cash flow hedges				(455)					(455)		(455)
Translation of shares held in foreign currencies ..			67						67		67
Total comprehensive income			67	(455)			1.712	(831)	492	(2)	490
Balances at 30 June 2017	14.369	3.987	(800)	(220)	430	13	2.665	(4.662)	15.782	71	15.853
Profit (loss)							2.343	(655)	1.688	12	1.700
Dividend declared from subsidiaries to parent							(2.700)	2.700			
Net fair value gain on cash flow hedges				127					127		127
Translation of shares held in foreign currencies ..			42						42	(1)	41
Other adjustments								(48)	(48)	48	
Total comprehensive income			42	127			(357)	1.998	1.809	58	1.867
Balances at 31 December 2017	14.369	3.987	(759)	(93)	430	13	2.308	(2.664)	17.591	129	17.720
Profit (loss)							2.616	(1.483)	1.133	211	1.344
Net fair value (loss) on cash flow hedges				(363)					(363)		(363)
Translation of shares held in foreign currencies ..			(44)						(44)		(44)
Total comprehensive income			(44)	(363)			2.616	(1.483)	726	211	937
Acquisition of Oceanpath Seafoods Ltd										2.095	2.095
Recognition of share-based payments						8			8		8
Balances at 30 June 2018	14.369	3.987	(803)	(456)	430	21	4.924	(4.147)	18.325	2.435	20.760

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2018

	Note	1H 2018	1H 2017
Operating activities			
Operating profit		2.528	1.692
Depreciation and amortisation		521	440
Loss on disposal of property, plant and equipment		2	
Change in obligations and other calculated liabilities		(477)	(3)
Working capital generated from operations		2.574	2.130
(Increase)/decrease in inventories		664	(3.715)
(Increase)/decrease in receivables and other assets		(3.254)	563
Increase/(decrease) in payables and other liabilities		(4.260)	53
Cash used in operations before interests and taxes		(4.276)	(969)
Interest received		66	39
Interest paid		(966)	(659)
Income taxes paid		(280)	(250)
Net cash to continuing operations		(5.456)	(1.839)
Net cash (to)/from discontinued operations		(5)	(28)
Net cash used in operating activities		(5.461)	(1.868)
Investing activities			
Payments for property, plant and equipment		(204)	(358)
Proceeds from disposal of property, plant and equipment		77	16
Net cash outflow on acquisition of subsidiary	11	(4.832)	
Net cash used in investing activities		(4.959)	(342)
Net cash before financing activities		(10.420)	(2.210)
Financing activities			
Net proceeds from revolving credit facility		7.364	3.636
Net proceeds from borrowings on new term loan	10	5.000	
Net proceeds from/(repayment of) other borrowings		(418)	(383)
Net cash generated by financing activities		11.946	3.253
Net increase in cash and bank balances		1.526	1.043
Cash and bank balances at the beginning of period		2.223	1.797
Effect of exchange rate changes on cash held in foreign currencies		27	16
Cash and bank balances at the end of period		3.776	2.856

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2018

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 2018, comprise the Company and its subsidiaries (together referred to as "the Group").

The Company is a holding company for a Group of subsidiaries in Europe and North America, 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 Company is listed on the Nasdaq First North Iceland exchange (ticker: ICESEA).

The Condensed Consolidated Interim Financial Statements of the Company as at and for the six months ended 30 June 2018, have not been audited nor reviewed by the Company's external auditors.

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 2017.

3. Significant accounting policies

3.1 Adoption of new IFRS's

The Group has initially adopted IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* from 1 January 2018.

IFRS 15 *Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much and when revenue is recognised. IFRS 15 replaces the guidance in IAS 18, IAS 11 and related interpretations. The former practices for recognizing revenue have shown to comply in all material respects with the concepts and principles of IFRS 15. Accordingly the information presented for 2017 has not been restated and there is no impact of transition to IFRS 15 on retained earnings at 1 January 2018.

IFRS 9 sets out requirements for recognition and measurement, impairment, derecognition and general hedge accounting. This standard replaces IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. IFRS 9 also replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model applies to financial assets measured at amortised cost, but not to investments in equity instruments. Under IFRS 9, credit losses will be recognised earlier than under IAS 39. The information presented for 2017 has not been restated and there is no impact of transition to IFRS 9 on retained earnings at 1 January 2018.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2018

3.2 General

Except as described above, the accounting policies applied in these Condensed Consolidated Interim Financial Statements are the same as those applied in the Company's Consolidated Financial Statements for the year ended 31 December 2017.

The changes in accounting policies are also expected to be reflected in the Group's Consolidated Financial Statements for the year ending 31 December 2018.

These Condensed Consolidated Interim Financial Statements are presented in Euro (EUR), which is the Company's functional currency. All financial information presented in EUR has been rounded to the nearest thousand.

4. 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 2017.

5. Segment reporting

For 1H 2018

	Value added	Sales and distribution	Other	Eliminations	Consolidated
Revenue:					
Sales of seafood	78.278	99.870			178.148
Intercompany	(253)	(7.846)		(20.059)	(28.158)
	<u>78.025</u>	<u>92.024</u>		<u>(20.059)</u>	<u>149.990</u>
Operating results:					
Operating profit (loss)	3.201	628	(785)		3.044
Net finance costs	(497)	(111)	(265)		(873)
Normalised PBT	2.704	517	(1.050)		2.171
Income tax	(487)	(125)	203		(409)
Normalised profit (loss)	2.217	392	(847)		1.762
Significant items	4		(417)		(413)
Discontinued operations			(5)		(5)
Profit (loss)	2.221	392	(1.269)		1.344
Assets	<u>68.905</u>	<u>31.088</u>	<u>72.860</u>	<u>(62.208)</u>	<u>110.645</u>
Liabilities	<u>48.709</u>	<u>22.128</u>	<u>54.197</u>	<u>(35.149)</u>	<u>89.885</u>

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2018

For 1H 2017	Value added	Sales and distribution	Other	Eliminations	Consolidated
Revenue:					
Sales of seafood	57.448	84.189			141.638
Intercompany	(37)	(7.230)		(18.156)	(25.423)
	<u>57.412</u>	<u>76.959</u>		<u>(18.156)</u>	<u>116.215</u>
Operating results:					
Operating profit (loss)	1.915	552	(643)		1.824
Net finance costs	(337)	(25)	(191)		(553)
Normalised PBT	1.579	527	(834)		1.271
Income tax	(375)	(119)	212		(282)
Normalised profit (loss)	1.204	408	(622)		989
Significant items			(105)		(105)
Discontinued operations			(5)		(5)
Profit (loss)	1.204	408	(733)		879
Assets	<u>51.989</u>	<u>28.698</u>	<u>52.021</u>	<u>(53.458)</u>	<u>79.251</u>
Liabilities	<u>38.965</u>	<u>20.909</u>	<u>35.807</u>	<u>(32.283)</u>	<u>63.398</u>

6. Significant items

During the six months ended 30 June 2018 the Group incurred costs associated with acquisitions and restructuring costs within some of the subsidiaries.

During the six months ended 30 June 2017 the Group incurred various expenses related to exploring an acquisition opportunity in S-Europe. In the end, the Board of Directors made a decision to step away from the process.

Discontinued operations relates to the subsidiary in Greece, Iceland Seafood Hellas S.A. The trading assets of the business were sold in 2014, the company is currently in a liquidation process.

Assets held for sale relate to the subsidiary in Greece, Iceland Seafood Hellas S.A.

7. Earnings per share

	1H 2018	1H 2017
Profit from continuing operations	1.349	884
Profit including discontinued operations	1.344	879
Weighted average number of ordinary shares (ISK '000) for basic EPS	1.299.588	1.299.588
Shares to be issued for no consideration in respect of employee options	16.042	
Weighted average number of ordinary shares (ISK '000) for diluted EPS	<u>1.315.630</u>	<u>1.299.588</u>
Basic earnings per share (EUR cents per thousand shares):		
From continuing operations	0,1038	0,0680
Including discontinued operations	0,1034	0,0676
Diluted earnings per share (EUR cents per thousand shares):		
From continuing operations	0,1038	0,0680
Including discontinued operations	0,1022	0,0676

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2018

8. Subsidiaries and other investments

At period-end, 30 June 2018, the Company directly owned eight subsidiaries that are all included in the consolidation. The direct subsidiaries in addition owned a further five subsidiaries. The Company holds the majority of voting power in all of its subsidiaries.

Name of company	Country of incorporation	Ownership 30.6.2018	Ownership 31.12.2017	Principal activity
<i>Subsidiaries:</i>				
Iceland Seafood Barraclough Ltd.	UK	90%	90%	Sale of seafood
- F. Barraclough Ltd.	UK	100%	100%	Not active
- Havelok Ltd.	UK	67%	67%	Sale of seafood
Oceanpath Limited	Ireland	67%		Sale of seafood
- Dunns (Fish & Poultry) Ltd.	Ireland	100%		Holding
- Dunns Seafare Ltd.	Ireland	100%		Sale of seafood
Iceland Seafood S.L.	Spain	100%	100%	Sale of seafood
- Union Islandia Pleamar S.L.	Spain	55%	55%	Not active
Iceland Seafood ehf.	Iceland	100%	100%	Sale of seafood
Iceland Seafood France S.A.S.	France	100%	100%	Sale of seafood
ISG Iceland Seafood GmbH	Germany	100%	100%	Sale of seafood
ISI Seafood Inc.	USA	100%	100%	Sale of seafood
<i>Discontinued operations:</i>				
Iceland Seafood Hellas A.E.E.	Greece	66%	66%	Liquidation
<i>Other investments:</i>				
Credible Properties Ltd.	Ireland	50%		Properties
Febin Marine Foods Private Ltd.	India	5%	5%	Seafood supply

9. Share capital

	Issued shares (ISK '000)	Outstanding shares (ISK '000)	Book value (EUR '000)
Ordinary shares	1.299.588	1.299.588	14.369

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.

10. Financing

The Company's main source of financing is a multi currency revolving credit facility with an Icelandic bank, with a cap of EUR 65 million. The facility was renewed in December 2017 and extended to May 2022. The Company also has an EUR 5 million term loan with an Icelandic bank. The loan was taken in 2018, is for nine years or to March 2027 and has equal monthly instalments.

The Group also has short term unsecured credit lines with five banks in Spain, with a cap of EUR 7 million.

Borrowings are secured with most of the Group's assets. Revolving credit facilities are secured with inventories, receivables, intellectual property rights and shares in subsidiaries. Other bank loans are secured with inventories, receivables and PP&E. Finance leases are secured with the assets leased.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2018

11. Business combinations

11.1 Oceanpath Ltd.

On 13 March 2018 the Company announced the acquisition of 67% of the share capital of Oceanpath Ltd., an Irish company and the leading fresh fish supplier to retailers in Ireland. The acquisition was completed on 14 March 2018 and Oceanpath has been included in the consolidated accounts from that time.

Oceanpath is a leading fresh fish supplier to retailers in Ireland. The company operates two factories in Dublin. Oceanpath which sources, processes and sells fresh and frozen seafood and Dunn's of Dublin established in 1822, an iconic premium retail brand best known for its smoked salmon products.

In accordance with IFRS 3 *Business Combinations* the purchase price of Oceanpath was allocated to identifiable assets and liabilities acquired. Provisional goodwill amounted to 9,9 million.

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. As a result of such adjustments the values of assets and liabilities recognized may change in the one-year period from the acquisition date.

The Purchase Price Allocation of Oceanpath has not yet been finalized as the process to finalize the valuation of assets and liabilities is ongoing. Expectation is that the Purchase Price Allocation will be finalized in the second half of 2018.

The following table summarizes the consideration paid for Oceanpath and the recognized provisional amounts of assets acquired and liabilities assumed at the acquisition date being 14 March 2018.

	<u>14.3.2018</u>
Property, plant and equipment	2.453
Intangible assets	256
Inventories	1.194
Trade and other receivables	4.647
Cash and bank balances	<u>3.369</u>
Assets acquired	<u>11.919</u>
Trade and other payables	2.712
Other liabilities	<u>2.859</u>
Liabilities assumed	<u>5.571</u>
Total net identified assets	6.348
Non-controlling interest's proportionate share of the total net identified assets	<u>(2.095)</u>
Attributable to the Company	4.253
Consideration paid in cash	<u>14.163</u>
Provisional goodwill on acquisition	<u>9.910</u>

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2018

Net cash outflow on acquisition of Oceanpath:

	<u>1H 2018</u>
Consideration paid in cash	14.163
Less: deferred / earn out payments	(5.962)
Less: cash and cash equivalent balances acquired	<u>(3.369)</u>
	<u><u>4.832</u></u>

11.2 Solo Seafood ehf.

On 30 April 2018 the Company agreed on the Head of Terms to acquire 100% of the share capital of Solo Seafood ehf., an Icelandic holding company which holds 100% of the share capital of Icelandic Ibérica S.A. in Spain. The share Purchase Agreement ("SPA") related to the transaction was signed on 1 August 2018. The sellers are Sjárvarsýn ehf., an Icelandic holding company, three Icelandic seafood companies, FISK Seafood ehf., Jakob Valgeir ehf. and Nesfiskur ehf. and the Managing Director of Icelandic Ibérica S.A.

Icelandic Ibérica S.A. is one of the leading seafood suppliers in Southern Europe, with annual sales of 120 million and profit before tax (PBT) of 4 million. The projected PBT for 2018 is 4,5-5,0 million. The company has seen strong growth in sales and profit in the last few years, with its extensive product range, including cod (bacalao), Argentinian shrimp, cuttlefish and hake, and its processing capacity in Spain and Argentina.

According to the Share Purchase Agreement, the purchase price will be paid with 1.025 million new shares in the Company.

The acquisition has not been completed and is subject to certain conditions, including shareholders approval, banking approvals as well as any competition authorities approval (if required).

12. Subsequent events

On 1 August 2018 the Company agreed final terms and signed the Sales and Purchase Agreement to acquire 100% of the share capital of Solo Seafood ehf. Note 11.2 includes further information on the proposed acquisition.

13. Approval of financial statements

The Condensed Consolidated Interim Financial Statements have been approved for issue by the Board of Directors and the CEO on 29 August 2018.