



# **Iceland Seafood International hf.**

## **Condensed Consolidated Interim Financial Statements**

for the three months ended 31 March 2021

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	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

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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 March 2021 and the operating results and financial developments for the three months then ended.

The Condensed Consolidated Interim Financial Statements are prepared in accordance with the International Accounting Standard IAS 34, *Interim Financial Reporting*, and should be read in conjunction with the Company's Financial Statements for the year ended 31 December 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 neither audited nor reviewed by the group auditors.

## The Company

The Company is a holding company for a Group of subsidiaries that are leading suppliers of North Atlantic seafood, one of the largest exporters of seafood from Iceland and a key processor of high quality seafood in the Spanish, United Kingdom and Irish markets. The Group is headquartered in Iceland and has subsidiaries in the United Kingdom, Ireland, Spain, Argentina, Iceland, France, 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 104.4 million were 1% down on the prior year. In Value Added Southern Europe, sales in the first two months of the year were significantly impacted by Covid19 restrictions. Sales improved in March, following easing of restrictions and good demand before Easters. This resulted in divisional sales of EUR 37.2 million which was EUR 4.0 million down on Q1 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 before Easters. At the same time sales of Value Added Northern Europe division were 15% up on prior year, driven by the addition of Carr&Sons to the Group and new retail listings in UK.

Normalised PBT in the period of EUR 3.7 million was EUR 0.8 million up on prior year. Whilst the overall profitability was still impacted by the pandemic in the quarter, strong sales in key markets in the weeks before Easters and good results from the Argentinian shrimp season helped the results. After significant items of EUR 0.1 million and income tax of EUR 0.8m the resultant Net profit for the period of EUR 2.7 million was EUR 0.8 million above previous year.

Total assets as at 31 March 2021 of EUR 261.5 million were EUR 20.0 million higher than at end of 2020. The increase in total assets were driven by higher stock level and trade receivables, mainly related to Value Added Southern Europe division. Net debt at end of March of EUR 93.5 million was EUR 5.0 million higher than at year end 2020, reflecting the increase in total assets.

Equity amounted to EUR 78.2 million as at 31 March 2021 or EUR 2.9 million higher than at end of 2020. The equity ratio was 29.9% at 31 March 2021.

# Statement and Endorsement

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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 the year. Same applied to sales to the foodservice sector in other markets, whilst retail sales were strong during the period. With some easing of restrictions, especially in Spain, sales in March improved, although overall Group sales were lower 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 80% of receivables at 31 March 2021 are credit insured.
- 3) Secure liquidity and ongoing funding of the operation with banks in Iceland and Spain. As part of this, the Group did secure funding for 3-5 years in Spain during 2020 and issued bills of EUR 19.5m which 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.

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

Situation remains unstable in various regions, which will impact results in Q2, but with vaccination progressing in Europe the outlook for the second half of the year is positive.

## Market capitalization

The Company is listed on the NASDAQ Iceland main market (ticker: ICESEA). The closing price at the end of March 2021 as ISK 15.10 per share (2020 year end: ISK 12.60), giving the Company a market capitalization of EUR 272.5 million (2020: EUR 216.6 million), a 26% increase from year end 2020.

# Statement and Endorsement

## Shareholders

The number of shareholders at the end of March 2021 were 659 (2020 year end: 595). The ten largest were (shares are in ISK millions):

	31.3.2021		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. ....	180	7%	179	7%
Lífsværk lífeyrissjóður ....	156	6%	128	5%
Frjálsi lífeyrissjóðurinn ....	130	5%	121	5%
Stapi lífeyrissjóður ....	117	4%	99	4%
Birta lífeyrissjóður ....	102	4%	108	4%
Vátryggingafélag Íslands hf. ....	82	3%	82	3%
	<u>1.874</u>	<u>70%</u>	<u>1.824</u>	<u>69%</u>
Other shareholders (2021: 649 and 2020: 585) .....	801	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 three months ended 31 March 2021 with their signatures.

Reykjavík, 17 May 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

# Condensed Consolidated Statement of Income

	Note	3M 2021			3M 2020		
		Normalised results	Significant items*	IFRS	Normalised results	Significant items*	IFRS
<b>Gross profit</b>							
Sales of seafood .....		104.352		104.352	105.507		105.507
Cost of sales .....		(87.720)		(87.720)	(90.657)		(90.657)
		16.632		16.632	14.850		14.850
<b>Operating expenses</b>							
Operating expenses .....	6	(11.526)	(183)	(11.709)	(10.582)	(231)	(10.813)
Depreciation and amortisation .....		(763)		(763)	(754)		(754)
<b>Operating profit .....</b>		<b>4.343</b>	<b>(183)</b>	<b>4.160</b>	<b>3.514</b>	<b>(231)</b>	<b>3.283</b>
Net finance costs .....		(634)		(634)	(386)		(386)
Net exchange rate difference .....		38		38	(223)		(223)
<b>Profit before tax .....</b>		<b>3.747</b>	<b>(183)</b>	<b>3.564</b>	<b>2.905</b>	<b>(231)</b>	<b>2.674</b>
Income tax expense .....		(880)	37	(843)	(631)	46	(585)
<b>Profit from continuing operations .....</b>		<b>2.867</b>	<b>(146)</b>	<b>2.721</b>	<b>2.274</b>	<b>(185)</b>	<b>2.089</b>
Discontinued operations, net of tax .....	6					(239)	(239)
<b>Profit for the period .....</b>		<b>2.867</b>	<b>(146)</b>	<b>2.721</b>	<b>2.274</b>	<b>(424)</b>	<b>1.850</b>
<b>Attributable to</b>							
Owners of the Company .....		2.867	(146)	2.721	2.157	(424)	1.733
Non-controlling interests .....					117		117
		<b>2.867</b>	<b>(146)</b>	<b>2.721</b>	<b>2.274</b>	<b>(424)</b>	<b>1.850</b>
<b>Earnings per share</b>							
Basic (cents per thousand shares) .....	7	0,1072		0,1017	0,0888		0,0722
Diluted (cents per thousand shares) .....		0,1064		0,1010	0,0882		0,0718

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

# Condensed Consolidated Statement of Comprehensive Income

	Note	3M 2021			3M 2020		
		Normalised results	Significant items*	IFRS	Normalised results	Significant items*	IFRS
<b>Profit for the period</b> .....		<b>2.867</b>	<b>(146)</b>	<b>2.721</b>	<b>2.274</b>	<b>(424)</b>	<b>1.850</b>
<b>Items that may be reclassified subsequently to profit or loss</b>							
Net fair value of cash flow hedges .....		15		15	29		29
Translation difference .....		111		111	(233)		(233)
<b>Total comprehensive income</b> .....		<b>2.993</b>	<b>(146)</b>	<b>2.847</b>	<b>2.070</b>	<b>(424)</b>	<b>1.646</b>
<b>Attributable to</b>							
Owners of the Company .....		2.993	(146)	2.847	1.953	(424)	1.529
Non-controlling interests .....					117		117
		<b>2.993</b>	<b>(146)</b>	<b>2.847</b>	<b>2.070</b>	<b>(424)</b>	<b>1.646</b>

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

# Condensed Consolidated Statement of Financial Position

	Note	31.3.2021	31.12.2020	31.3.2020
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment .....		25.695	24.624	22.494
Leased assets .....		1.508	1.726	2.567
Intangible assets .....	8	52.644	52.654	51.775
Investments in other companies .....	9	41	39	70
Deferred tax assets .....		2.879	2.835	2.792
Other long term assets .....		267	263	68
<b>Total non-current assets</b>		<b>83.034</b>	<b>82.141</b>	<b>79.766</b>
<b>Current assets</b>				
Inventories .....		91.067	80.886	85.207
Trade and other receivables .....		59.507	48.789	62.875
Other assets .....		6.468	6.382	6.325
Cash and bank balances .....		21.389	23.269	4.380
<b>Total current assets</b>		<b>178.431</b>	<b>159.326</b>	<b>158.787</b>
<b>Total assets</b>		<b>261.465</b>	<b>241.467</b>	<b>238.553</b>
<b>Equity and liabilities</b>				
<b>Capital and reserves</b>				
Issued capital and share premium .....		76.107	76.114	68.760
Translation reserve .....		(932)	(1.043)	(898)
Other reserves .....		(450)	(465)	81
Retained earnings .....		3.328	607	10.036
Equity attributable to owners of the Company		78.053	75.213	77.979
Non-controlling interests .....		104	104	3.654
<b>Total equity</b>		<b>78.157</b>	<b>75.317</b>	<b>81.633</b>
<b>Non-current liabilities</b>				
Borrowings .....	11	20.558	22.811	7.762
Lease liabilities .....		1.232	1.371	1.897
Retirement benefit and other obligations .....		1.412	1.685	1.079
Deferred tax liabilities .....		1.334	795	942
<b>Total non-current liabilities</b>		<b>24.536</b>	<b>26.662</b>	<b>11.680</b>
<b>Current liabilities</b>				
Borrowings .....	11	94.322	88.964	74.474
Lease liabilities .....		505	588	897
Trade and other payables .....		52.646	39.333	59.852
Other liabilities .....		11.299	10.603	10.017
<b>Total current liabilities</b>		<b>158.772</b>	<b>139.488</b>	<b>145.240</b>
<b>Total liabilities</b>		<b>183.308</b>	<b>166.150</b>	<b>156.920</b>
<b>Total equity and liabilities</b>		<b>261.465</b>	<b>241.467</b>	<b>238.553</b>



## Condensed Consolidated Statement of Changes in Equity

	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) .....							2.180	(447)	1.733	117	1.850
Net fair value gain on cash flow hedges .....				29					29		29
Translation of shares held in foreign currencies ..			(233)						(233)		(233)
Total comprehensive income .....			(233)	29			2.180	(447)	1.529	117	1.646
Acquisition of non controlling interests .....										(268)	(268)
Other adjustments .....						14			14		14
<b>Balances at 31 March 2020</b>	<b>24.094</b>	<b>44.666</b>	<b>(898)</b>	<b>(412)</b>	<b>430</b>	<b>63</b>	<b>9.609</b>	<b>427</b>	<b>77.979</b>	<b>3.654</b>	<b>81.633</b>
Profit (loss) .....							(29)	(1.741)	(1.770)	716	(1.054)
Net loss on cash flow hedges .....				(585)					(585)		(585)
Translation of shares held in foreign currencies ..			(145)						(145)		(145)
Total comprehensive income .....			(145)	(585)			(29)	(1.741)	(2.500)	716	(1.784)
Issue of share capital .....	774	6.580							7.354		7.354
Acquisition of non controlling interests .....								(7.838)	(7.838)	(4.266)	(12.104)
Other adjustments .....						39		179	218		218
<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 .....							2.703	18	2.721		2.721
Net fair value gain on cash flow hedges .....				15					15		15
Translation of shares held in foreign currencies ..			111						111		111
Total comprehensive income .....			111	15			2.703	18	2.847		2.847
Other adjustments .....		(7)							(7)		(7)
<b>Balances at 31 March 2021</b>	<b>24.868</b>	<b>51.239</b>	<b>(932)</b>	<b>(982)</b>	<b>430</b>	<b>102</b>	<b>12.283</b>	<b>(8.955)</b>	<b>78.053</b>	<b>104</b>	<b>78.157</b>

# Condensed Consolidated Statement of Cash Flows

	Note	3M 2021	3M 2020
<b>Operating activities</b>			
Operating profit .....		4.160	2.973
Depreciation and amortisation .....		763	771
(Gain) loss on disposal of property, plant and equipment .....		(16)	30
Change in obligations and other calculated liabilities .....		(632)	227
		<u>4.275</u>	<u>4.001</u>
<b>Working capital generated from operations</b>			
Increase in inventories .....		(10.181)	(17.692)
(Increase) decrease in receivables and other assets .....		(10.810)	372
Increase in payables and other liabilities .....		<u>13.741</u>	<u>13.808</u>
		<u>(2.975)</u>	<u>489</u>
<b>Cash (used in) / generated from operations before interests and taxes</b>			
Interest received .....		27	37
Interest paid .....		(660)	(461)
Income taxes paid .....		(17)	(76)
		<u>(3.625)</u>	<u>(11)</u>
<b>Net cash used in operating activities</b>			
<b>Investing activities</b>			
Payments for property, plant and equipment .....		(972)	(5.285)
Payments for intangible assets .....		(2)	(28)
Proceeds from disposal of property, plant and equipment .....		19	75
Net cash outflow on acquisition of subsidiary .....			(3.378)
		<u>(955)</u>	<u>(8.616)</u>
<b>Net cash used in investing activities</b>			
<b>Net cash before financing activities</b>			
		<u>(4.580)</u>	<u>(8.627)</u>
<b>Financing activities</b>			
Net proceeds from revolving credit facility .....		3.591	4.106
Net proceeds from bills .....		991	
Proceeds from borrowings on new term loan .....		129	
Repayment of other borrowings .....		(2.049)	(486)
		<u>2.662</u>	<u>3.620</u>
<b>Net cash generated by financing activities</b>			
Net decrease in cash and bank balances .....		(1.918)	(5.007)
Cash and bank balances at the beginning of period .....		23.269	9.610
Effect of exchange rate changes on cash held in foreign currencies .....		38	(223)
		<u>21.389</u>	<u>4.380</u>
		<u>21.389</u>	<u>4.380</u>

# Notes to the Condensed Consolidated Financial Statements

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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 three months ended 31 March 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 three months of 2020, amounting to EUR 239 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

## 4. Quarterly statements

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
<b>Revenue:</b>					
Sales of seafood .....	119.299	101.797	105.989	82.320	121.581
Intercompany .....	(14.947)	(8.175)	(10.310)	(7.288)	(16.074)
	<u>104.352</u>	<u>93.622</u>	<u>95.679</u>	<u>75.032</u>	<u>105.507</u>
<b>Operating results:</b>					
Operating profit .....	4.343	1.348	1.396	710	3.514
Net finance costs .....	(596)	713	(990)	(1.012)	(609)
<b>Normalised PBT .....</b>	<b>3.747</b>	<b>2.061</b>	<b>406</b>	<b>(302)</b>	<b>2.905</b>
Income tax .....	(880)	(438)	(256)	(28)	(631)
<b>Normalised profit (loss) .....</b>	<b>2.867</b>	<b>1.623</b>	<b>150</b>	<b>(330)</b>	<b>2.274</b>
Significant items and discontinued operations .....	(146)	(1.788)	(500)	(209)	(424)
<b>Profit (loss) .....</b>	<b>2.721</b>	<b>(165)</b>	<b>(350)</b>	<b>(539)</b>	<b>1.850</b>
Assets .....	<u>261.465</u>	<u>241.467</u>	<u>229.598</u>	<u>237.729</u>	<u>238.553</u>
Liabilities .....	<u>183.308</u>	<u>166.150</u>	<u>147.162</u>	<u>154.927</u>	<u>156.920</u>

## 5. Segment reporting

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

# Notes to the Condensed Consolidated Financial Statements

<b>For 3M 2020</b>	Value added S-Europe	Value added N-Europe	Sales and distribution	Other and Eliminations	Consolidated
<b>Revenue:</b>					
Sales of seafood .....	50.428	27.723	43.430		121.581
Intercompany .....	(9.219)	(10)	(3.482)	(3.363)	(16.074)
	<u>41.209</u>	<u>27.713</u>	<u>39.948</u>	<u>(3.363)</u>	<u>105.507</u>
<b>Operating results:</b>					
Operating profit (loss) .....	2.233	1.128	314	(161)	3.514
Net finance costs .....	(254)	(211)	23	(167)	(609)
<b>Normalised PBT .....</b>	<b>1.979</b>	<b>917</b>	<b>337</b>	<b>(328)</b>	<b>2.905</b>
Income tax .....	(472)	(145)	(56)	42	(631)
<b>Normalised profit (loss) .....</b>	<b>1.507</b>	<b>772</b>	<b>281</b>	<b>(286)</b>	<b>2.274</b>
Significant items and discontinued operations .....	(240)	(84)	(45)	(55)	(424)
<b>Profit (loss) .....</b>	<b>1.267</b>	<b>688</b>	<b>236</b>	<b>(341)</b>	<b>1.850</b>
Assets .....	<b>110.247</b>	<b>52.437</b>	<b>27.946</b>	<b>47.923</b>	<b>238.553</b>
Liabilities .....	<b>85.513</b>	<b>35.882</b>	<b>23.024</b>	<b>12.501</b>	<b>156.920</b>

## 6. Significant items

In 2021 the Group incurred costs associated with the following:

- Restructuring costs in the period of EUR 0.1 million.

In 2020 the Group incurred costs associated with the following:

- Costs related to acquisitions in the period of EUR 0.2 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>	3M 2021	3M 2020
Exceptional costs .....	(183)	(231)
Income tax .....	37	46
Exceptional costs, net of income tax .....	<u>(146)</u>	<u>(185)</u>
<b>Discontinued operations, net of income tax:</b>		
Net loss from discontinued operations .....		(319)
Income tax .....		80
Ecomsa S.A. discontinued operations, net of income tax .....		<u>(239)</u>
<b>Significant items, net of income tax .....</b>	<b><u>(146)</u></b>	<b><u>(424)</u></b>

# Notes to the Condensed Consolidated Financial Statements

## 7. Earnings per share

	3M 2021	3M 2020
Profit for the period .....	2.721	1.850
Weighted average number of ordinary shares (ISK '000) for basic EPS .....	2.674.480	2.561.345
Shares to be issued in respect of employee options .....	20.044	16.549
Weighted average number of ordinary shares (ISK '000) for diluted EPS .....	2.694.524	2.577.894
<i>Basic earnings per share (EUR cents per thousand shares):</i>		
Basic earnings per share .....	0,1017	0,0722
<i>Diluted earnings per share (EUR cents per thousand shares):</i>		
Diluted earnings per share .....	0,1010	0,0718

## 8. Intangible assets

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

	31.3.2021	31.12.2020	31.3.2020
Goodwill at beginning of period .....	51.690	43.526	43.526
Acquired on acquisition of subsidiaries .....		8.255	7.221
Exchange rate differences .....	63	(91)	(69)
Goodwill at end of period .....	51.753	51.690	50.678
Other intangible assets at end of period .....	891	964	1.097
Intangible assets at end of period .....	52.644	52.654	51.775

# Notes to the Condensed Consolidated Financial Statements

## 9. Subsidiaries and other investments

At period-end, 31 March 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 31.3.2021	Ownership 31.12.2020	Ownership 31.3.2020	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
- IPDLM	Spain			100%	Not active
- 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.	Ireland	50%	50%	50%	Properties
<i>Investments in other companies</i>					
Febin Marine Foods Private Ltd	India	5%	5%	5%	Seafood supply

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

## 10. Share capital

	Issued shares (ISK '000)	Outstanding shares (ISK '000)	Book value (EUR '000)
Ordinary shares .....	2.674.479	2.674.479	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

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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 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 36.4 million draw down at end of March 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 51.9 million at end of March 2021 (end of year 2020: EUR 49.1 million). Most of these loan agreements are short term facilities with 6-12 months duration.

The parent company concluded in March 2021 an offering of 6 month bills for ISK 1.500 million and at the same time fixed the amount in EUR 9.9 million. Total amount of 6 month bills at end of March amounted to ISK 3.000 million and total fixed amount was EUR 19.5 million. The bills are listed on Nasdaq Iceland.

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

## 12. Approval of financial statements

The Condensed Consolidated Interim Financial Statements have been approved for issue by the Board of Directors and the CEO on 17 May 2021.