Iceland Seafood International

2023 Annual Report

ISI ICELAND SEAFOOD

Iceland Seafood International

2023 Annual Report

Húsavík Harbour

Year in Review

ISI ICELAND SEAFOOD

Key Numbers

€430 m
Annual revenues

28.5%
Equity ratio at year-end

37
Countries where we source

45
Countries where we trade

10
Businesses

6
Value-added factories

780+
Employees

5000+
Customers

78.000 MT
Of products sold 2023

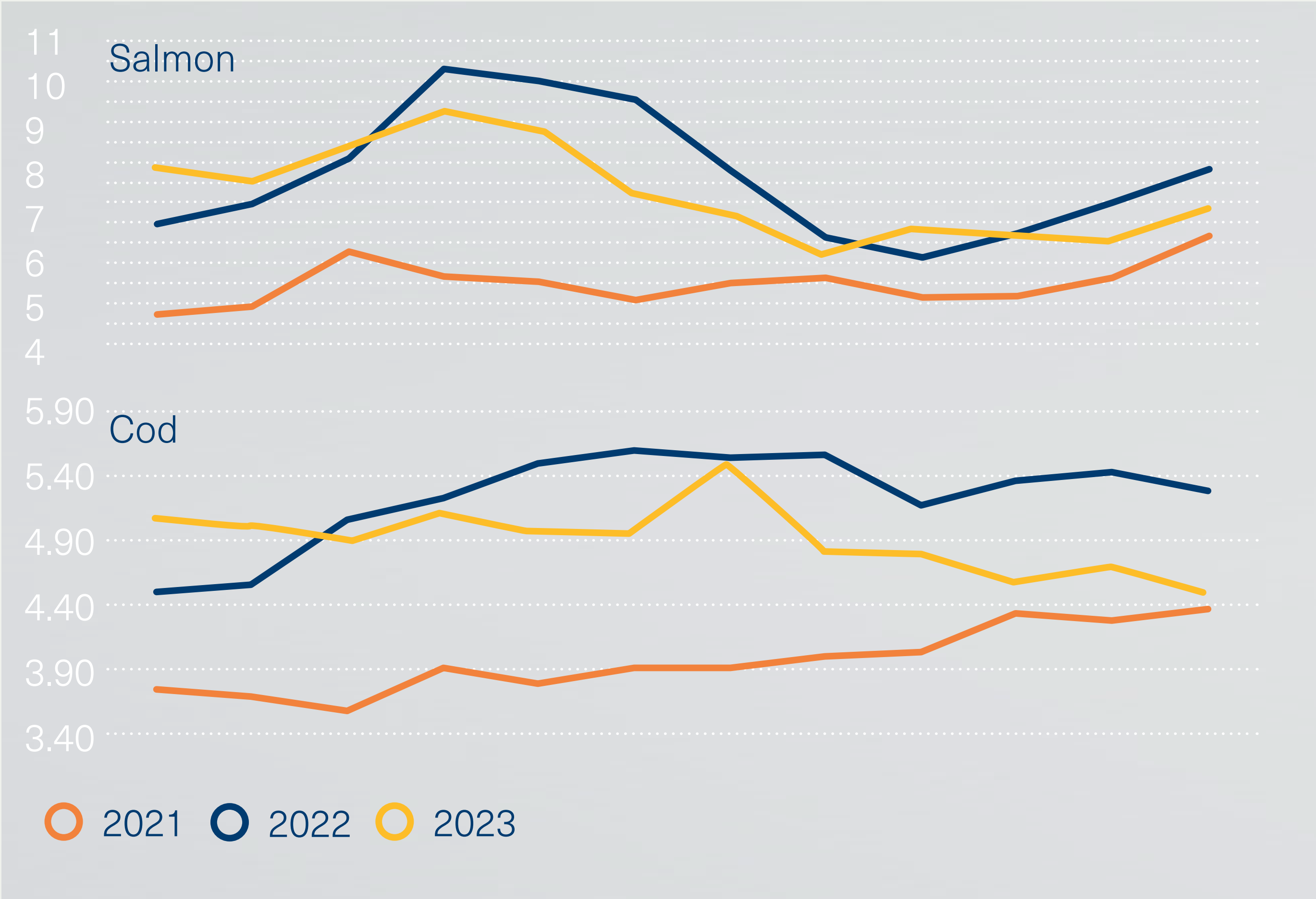
1.0+ m
Meals sold every day

712m MWh
produced of our own electricity

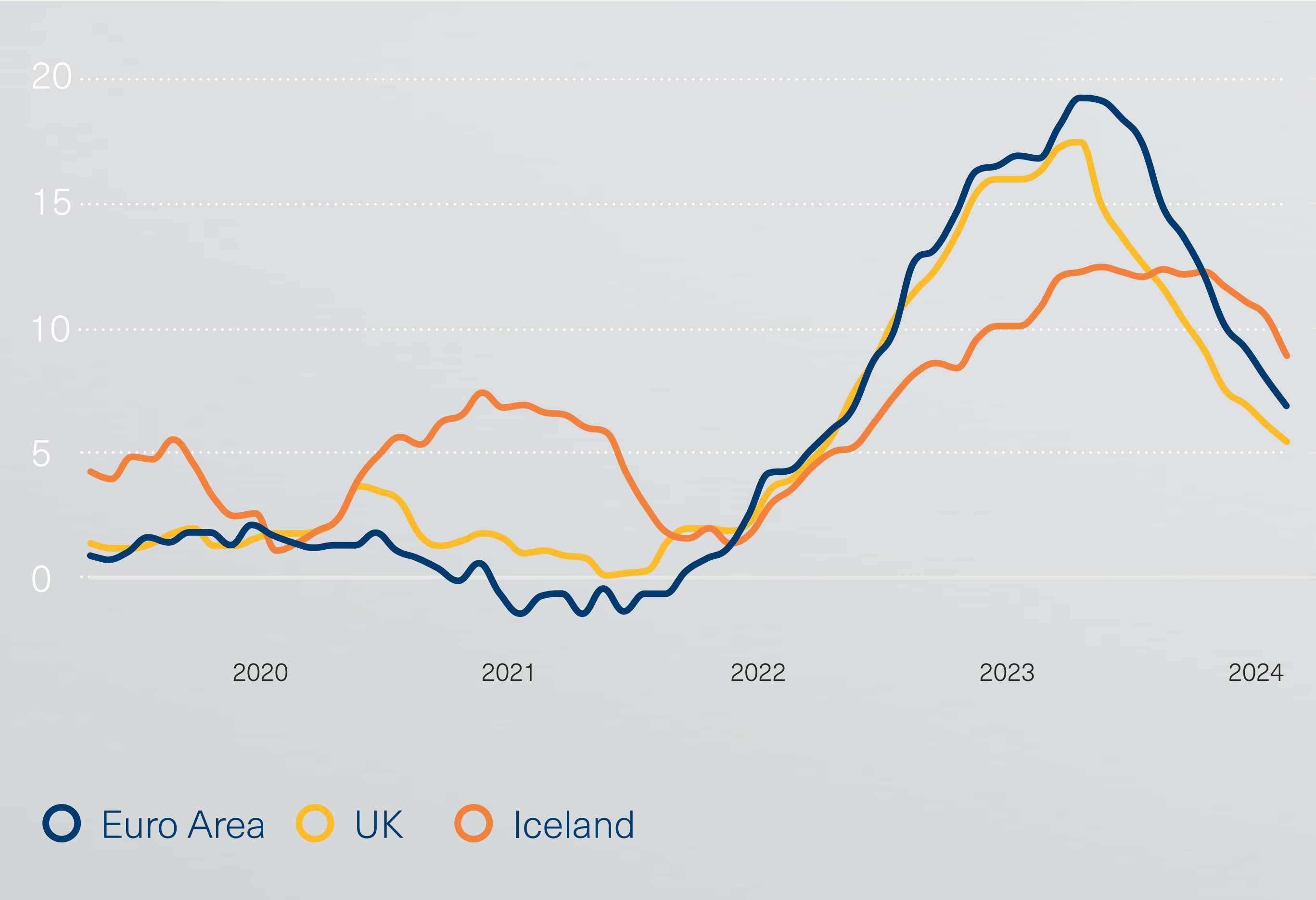
63%
Renewable sources of energy

Significant factors impacting the market in 2023

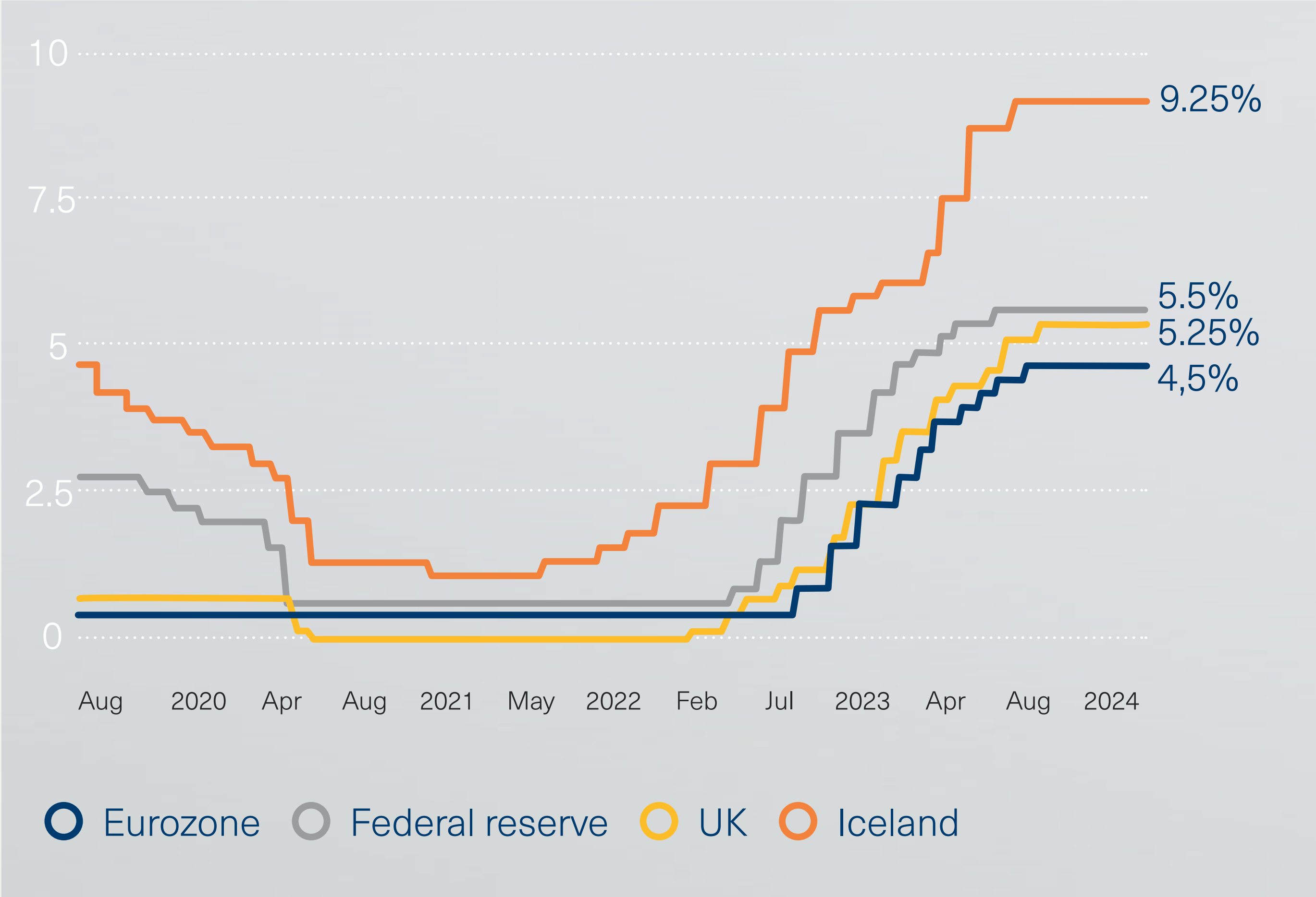
COD AND SALMON PRICES



FOOD INFLATION



RISING INTEREST RATES 2023



BAN ON RUSSIAN SEAFOOD

Home » President Biden Expands U.S. Sanctions On Russia By Authorizing Additional Prohibitions On Imports Of Russian Seafood And Diamonds

President Biden Expands U.S. Sanctions on Russia by Authorizing Additional Prohibitions on Imports of Russian Seafood and Diamonds

Posted on January 2, 2024

POSTED IN OFAC, RUSSIA, UKRAINE

FEBRUARY 21, 2024

US extends deadline for Russia-origin seafood to enter country

Chris Chase published in Supply & Trade

Chairman's Address

Birna Einarsdóttir
Chairman of the Board

It was a great pleasure to join the Board of Directors of Iceland Seafood in October 2023 and to be entrusted with the chair during a period of change.

When I joined the Board, the sale of the UK operations, Iceland Seafood UK Ltd, had been completed. The UK business had proven to be a burden on the Group and had a negative impact on its results. Q3 and Q4 of 2023 were focused on completing this sale and tying up loose ends connected to it with a view to simplifying operations for the future. This helped ensure a positive end to the year despite a challenging market.

Pricing fluctuations and uncertainty in our key markets characterised 2023. Decreased purchasing power driven by inflation has negatively impacted demand, with consumers turning to less expensive proteins. In addition, the high salmon prices at the start of the year had a negative impact on the Irish and Spanish businesses.

The end of the year saw a marked improvement, which allowed us to look ahead with a degree of optimism.

Iceland Seafood had two successful rounds of share capital increases in the year. In May, a total of ISK 150m (nominal price) was raised, followed by a second round in December of ISK 200m (nominal price). These funds boosted the Group equity by EUR 13m with a resulting equity ratio of 28.5% at year-end. The losses incurred by the UK business drove the need for increased equity to strengthen the company's overall position.

During the year, extensive of strategic development work was done with the participation of many key employees. Now that the sale of the UK business is complete, this strategy work will continue, and we will introduce an updated strategy to stakeholders in Q2 2024. The strategy will focus on the strong position of Iceland Seafood in Spain and Ireland and aim to capitalise on the Group's force effort.

Sustainability was given a great deal of attention during the year. A code of ethics for suppliers was introduced and implemented, and work was undertaken to develop a double materiality assessment. For the first time, we have evaluated the effects of impact, risk and opportunity of the ESG factors and will seek to base improvements on the results over the coming months. The Group has been successful in increasing the use of renewable energy with a milestone reached in March 2023 when we started generating power using solar panels in Madrid and Barcelona.

"Iceland Seafood bases its operations on the expertise its employees provide in the seafood market. The Group is fortunate to have an excellent workforce with extensive market knowledge."

"The end of the year saw a marked improvement, which allowed us to look ahead with a degree of optimism."

A new CEO, Ægir Friðbertsson, was appointed on the 1st of November when Bjarni Ármannsson stepped down after leading the Group for five years. The Board thanks Bjarni and looks forward to working with Ægir to prepare for the future.

Iceland Seafood bases its operations on the expertise its employees provide in the seafood market. The Group is fortunate to have an excellent workforce with extensive market knowledge.

I want to thank the Board, directors and employees for their excellent efforts during a very busy 2023.

CEO's Statement

"Iceland Seafood is a strong company with a solid sourcing base, excellent production capabilities, a strong market position for seafood products in various markets, and highly skilled, knowledgeable, and experienced employees."

"I firmly believe that after the sale of ISUK, strong value-added companies in Spain and Ireland, along with our S&D division, will remain strong and profitable."

Ægir Páll Friðbertsson
CEO

I took over as the CEO of Iceland Seafood on the 27th of October 2023. I believe the company has great potential. It has built up a very strong position in its markets. It has a long and successful relationship with Iceland's fishing sector, a valuable base to build on and a highly experienced, knowledgeable, and hard-working team on board. These are all great ingredients to build upon for our steps into the future, but before jumping ahead, we must review the year behind us.

Last year was a challenging year for Iceland Seafood and its employees. A year characterised by large fluctuations in prices and uncertainty in markets.

High salmon prices affected our operations in Ireland and Madrid during the first months. Prices levelled off later in the year, resulting in a good Christmas sales for both companies.

On the other hand, the price of whitefish and shellfish decreased in the latter part of the year, which led to inventory write-offs and a lower margin on product sales.

Fish consumption has decreased in our key markets due to the economic situation, people's diminishing purchasing power, and changing consumer patterns.

High financial costs also characterised the year. Interest rates have been on an upward trend, and our results in the UK did make us more vulnerable regarding the cost of capital. Inflation is still going on, although levelling off somehow in Europe.

War has had, and is still having, a considerable impact on the global situation. We have been faced with ongoing war in Ukraine for the last two years, and now the war in Gaza.

The sale of 100% of ISUK's share capital was completed on September 27th. The total negative impact of the discontinued operation, including negative operational results until completion and impairment of assets, amounts to €18.8m. This activity has played the most significant role in the poor operating results of recent years, generating higher interest rates and a higher cost of capital for the company, not to mention the time spent by management on the issue.

I firmly believe that after the sale of ISUK, strong value-added companies in Spain and Ireland, along with our S&D division, will remain strong and profitable.

Total sales in 2023 were €429,9m, up 2% from 2022 in value and 78.056 MT in volume, up 7% from 2022.

The VA S-Europe division's sales of EUR 215.5 million were slightly down on the prior year's value and volume. Sales were good at the beginning and end of the year but slowed down considerably in Q2 and Q3.

2023 was a very good year for the S&D division, although sales and profitability came down from the record year of 2022. The demand for products from Iceland remains strong. Sales of pelagic products were especially good this year, 30% higher than in 2022.

The full-year sales of the VA-N division of €54.2m were 3% up on last year. Sales volume decreased by 11% from the prior year, offset by price inflation. Steep salmon price increases in the year's first half impacted full-year profitability. The normalised PBT of €2.0m was €2.1m up on last year.

Normalised profit before tax (PBT) of €0,7m, compared to €12,1m in 2022, excluding Iceland Seafood UK, is a result we cannot be satisfied with. On the other hand, the bottom line was a loss of €20.3m, compared to €10.2m loss in 2022, more or less all applicable to our operation in the UK, which is now behind us.

Higher debt levels and increased interest rates have significantly impacted finance costs, which are €3.4m higher for 2023 than the same period last year. Finance costs in Q4 were affected by a negative FX impact in Achernar of €1.6m due to the devaluation of ARS in December; total assets at year's end of €254.8m were €35.5m lower than at the year's beginning. The sale of ISUK is the main explanation for the decrease, but inventories also decreased by €9.0m, driven by price reductions.

We have had some major movements in our group of shareholders. On the 24th of September, Brim bought a 10.83% share in Iceland Seafood from Sjávarsýn, making them the second biggest shareholder in Iceland Seafood. Fishing companies in Iceland now hold approximately 43% of the total shares. We would like to see that number grow in the future.

This, without a doubt, will strengthen Iceland Seafood's base in Iceland, our core origin, and make the company far more competitive in major seafood markets.

We had changes in our board in October last year when Birna Einarsdóttir was chosen Chairman of the Board, substituting Liv Bergþórsdóttir and Guðmundur Kristjánsson, CEO of Brim, who came in as an Alternate Board Member, substituting Gunnlaugur Hreinsson of GPG.

We want to thank both Liv and Gunnlaugur for their time, efforts and contributions to Iceland Seafood and welcome Birna and Guðmundur on board.

Iceland Seafood is a strong company with a solid sourcing base, excellent production capabilities, a strong market position for seafood products in various markets, and highly skilled, knowledgeable, and experienced employees. With the sale of ISUK behind us, the focus in the short term will be to improve the operation of existing business units and the company's capital structure and review the company's strategy to prepare Iceland Seafood to meet its future challenges and opportunities, which I am convinced will benefit the company, owners, and employees.

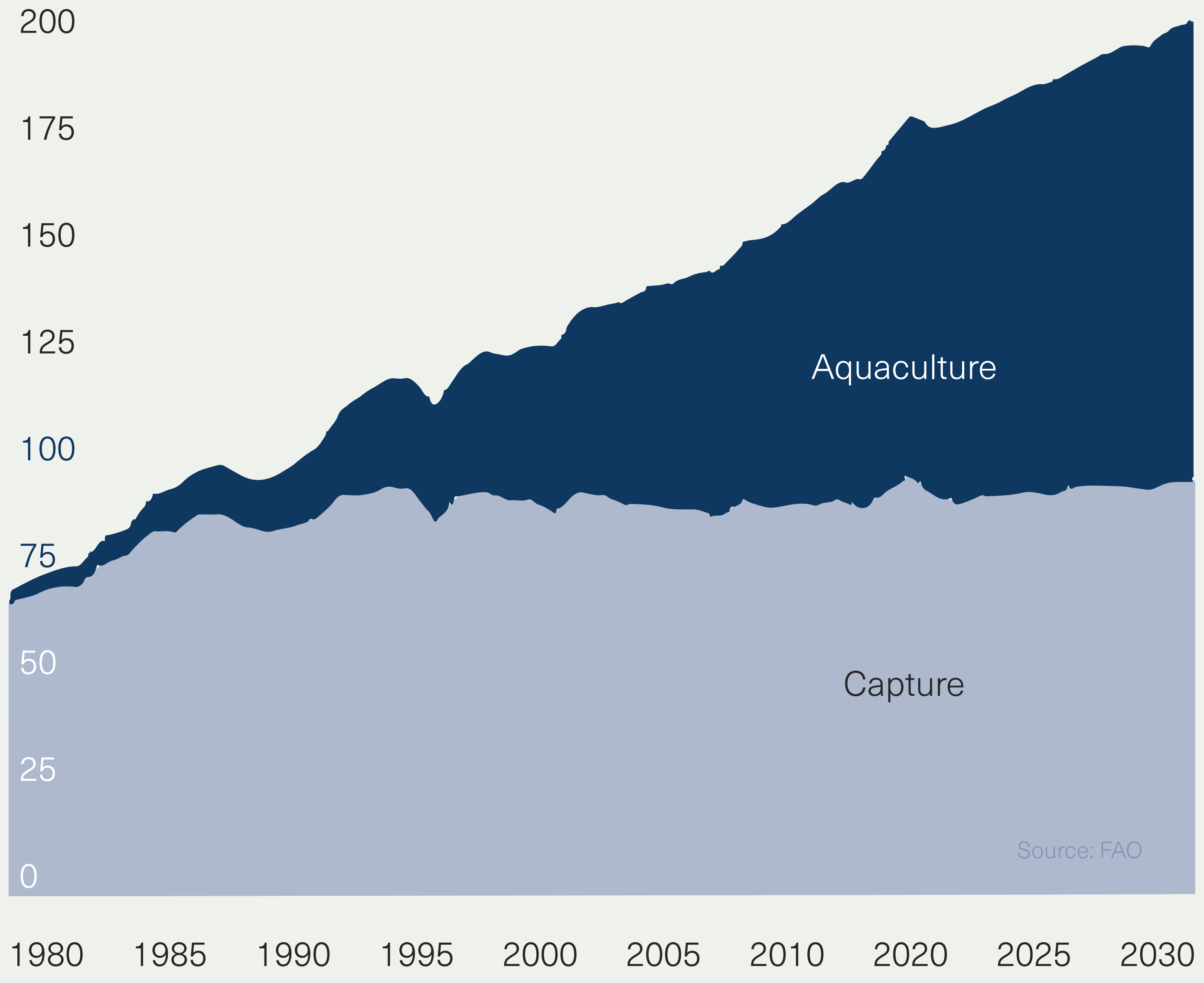
We are Iceland Seafood

- Global Trends
- Our Heritage
- Our Companies
- Operations
- Sourcing areas
- Main Markets
- Product Lines
- Our Brands
- Board of Directors
- Executive Management

Bolungarvik Harbour

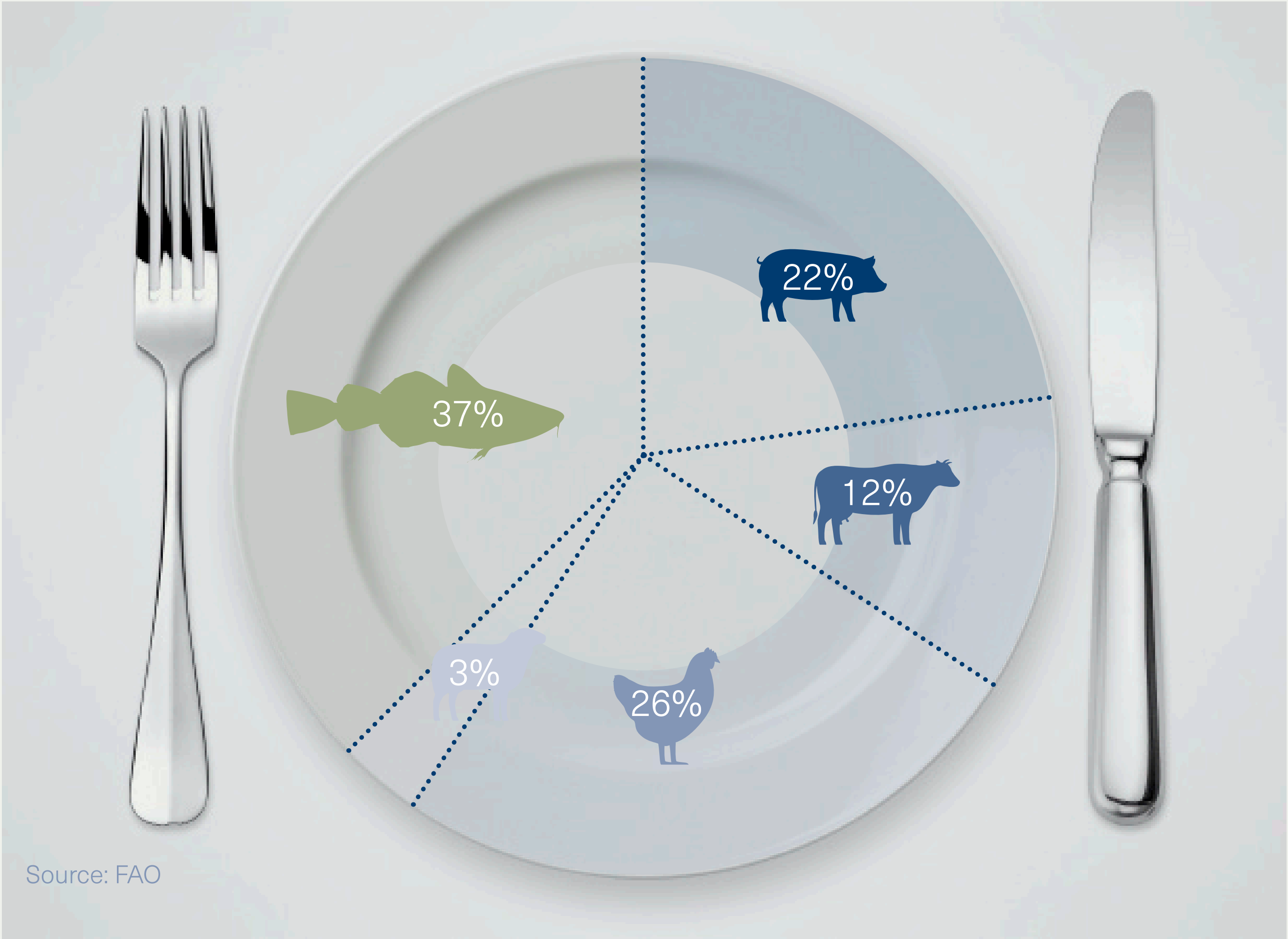
Global Trends

GLOBAL FISHERIES PRODUCTION
Share by Capture and Aquaculture (Millon MT)



Aquaculture production has now surpassed wild catch. It has absorbed the growth in global demand and will continue to play a critical role in protecting wild fish populations as demand for seafood continues to rise.

GLOBAL CONSUMPTION DIVIDED PER CAPITA
(2018) Seafood accounts for about 37% of global consumption per capita



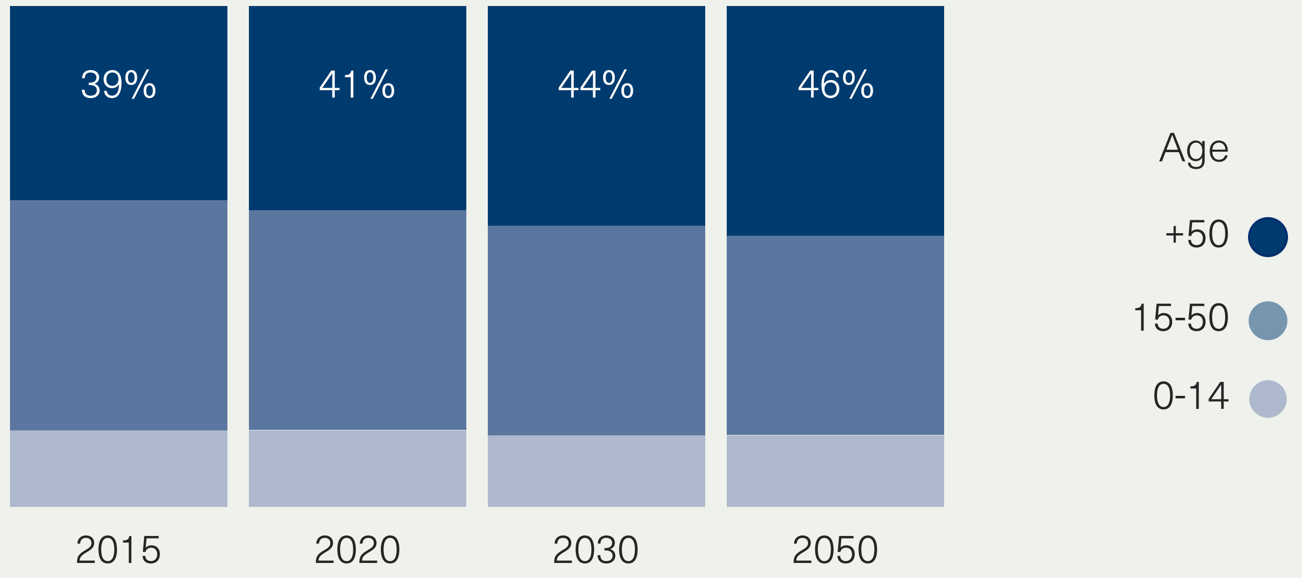
GLOBAL HUMAN CONSUMPTION
per capita (kg/yr). Seafood consumption is expected to continue to increase

Source: FAO

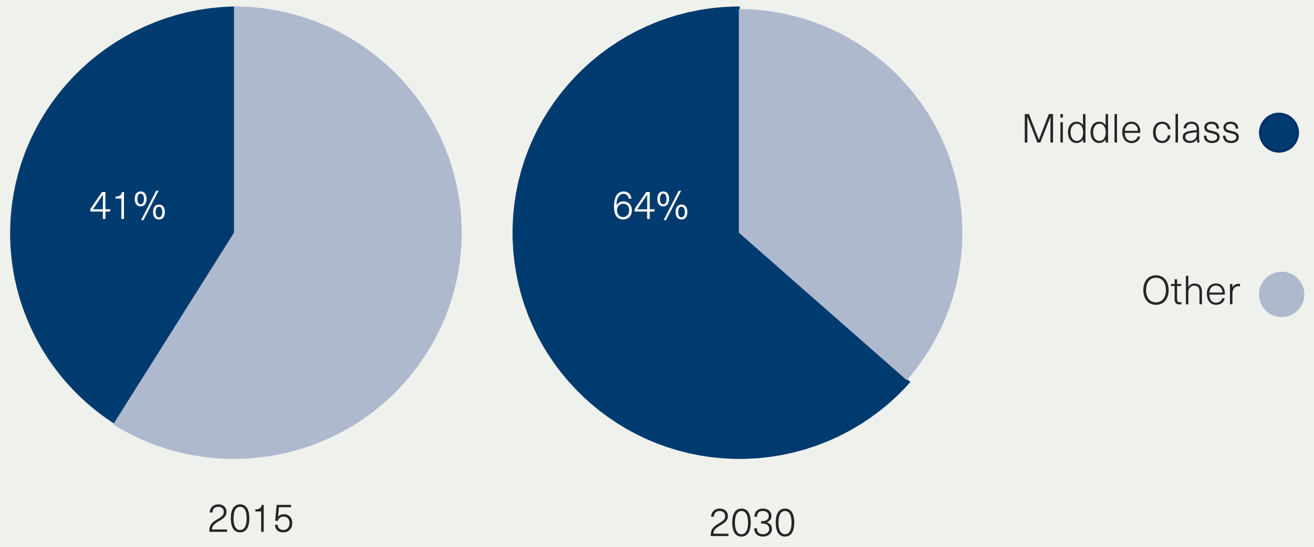
	2000	2014	2028 (e)
	16	19	22
	10	14	15
	11	13	11
	7	7	7
	1,5	1,5	1,5

Seafood leads the way in global human consumption per capita of animal protein with developing countries driving total consumption growth with a CAGR of 1.1% between 2018 and 2028 (developed 0.35%).

AGEING POPULATION
and a parallel increase in seafood consumption



A GROWING MIDDLE CLASS
expected to increase from 1/3 to 2/3 of the world's population by 2030



A growing majority of the population is ageing, middle class, focused on healthy eating and demanding innovation in preparation and tastes. → Increasing seafood consumption.

DRIVE TOWARDS HEALTHY LIVING, where governments are encouraging people to eat more seafood, consumers are becoming more selective in their food choices and millennials' lifestyles are healthier.

A HIGHER DEMAND FOR FOOD SOLUTIONS that are easy and quick to prepare, tasty and innovative, and right for the consumer, the environment and consumers' social standards.

Our heritage

Iceland Seafood International is proud of its strong heritage and history and continues to build on that foundation, to be a respected industry leader

1932
The Union of Icelandic Fish Producers (SÍF)
Founded in 1932 for export of salted fish products

1935
The Herring Board
Founded in 1935 for the export of salted herring from Iceland

1957
Samband of Iceland
establishes a seafood division for export of frozen seafood

1999
Armengol
Spanish company purchased in 1999

1999
Merger: SÍF and Iceland Seafood Plc.
Including the Herring Board, under the name SIF Plc.

2004
SÍF Plc founds Iceland Seafood International
in order to take over all export and sales of marine products
Tros

2008
The first company to export fresh fish from Iceland became a part of Iceland Seafood
IS Barraclough

2010
Acquired in 2010 and marks the beginning of value-added operations in the UK food service industry

2012
Havelok
Founded as a joint venture, today is a leading seafood supplier to UK foodservice.

2016
First North listing
Iceland Seafood listed on the First North Iceland market

2018
Oceanpath
Purchased in 2018, Oceanpath is the largest seafood provider in the Irish retail market

2018
Solo Seafood
Purchased in 2018, creating a strong integrated company in the Southern European market

2019
Main Market listing
Iceland Seafood International lists its shares on the Nasdaq Iceland Main Market

2020
Elba Seafood
Purchased in 2020, Elba is a great addition to well positioned S-European operation

2020
Iceland Seafood UK
Merger of Iceland Seafood's two UK-based companies, Havelok Ltd and Iceland Seafood Barraclough, in one

2020
Carr & Sons
Acquisition of Carr & Sons Seafood Ltd, an Irish seafood processing company specialising in high-quality smoked salmon production

2020
Ecomsa
Iceland Seafood completes the sale of the Malaga-based distribution company Ecomsa to Aquamar Gold SL

2021
Ahumados Domínguez
Iceland Seafood completes the acquisition of Ahumados Domínguez

2022
90th anniversary
Happy Birthday! Founded in 1932 Iceland Seafood celebrates its 90th anniversary this year

2023
Iceland Seafood UK
Sale of 100% of share capital of Iceland Seafood UK to Espersen A/S, a Danish value-added producer

Iceland Seafood Today

Our Companies

Our headquarters are in Iceland, and we operate 3 divisions with 10 businesses in Europe and South America

Our headquarters are in Iceland, and we operate three divisions with 10 businesses in Europe and South America. Our history and heritage date back to 1932 from three associations: the Union of Icelandic Fish Producers (SIF), founded in 1932, the Herring Board, founded in 1935, and the Seafood Division of Samband of Iceland, founded in 1957.

Our strong roots in the Icelandic seafood sector form the basis of our expertise and long-lasting relationships built on trust and reliability. Today, Iceland Seafood is a respected industry-leading North Atlantic fish and seafood supplier and a leading service provider in our markets. We are one of the largest exporters of fish products from Iceland and an essential processor of high-quality seafood in the Spanish and Irish markets.

We serve all major seafood markets worldwide, where we have a depth of expertise and understanding to meet our customers' needs, combined with innovative, flexible solutions and strategic global distribution.

Sales & Distribution Division

ICELAND SEAFOOD ICELAND, located in Reykjavík, is one of the largest companies in seafood export from Iceland to all main markets worldwide. The company cooperates closely with Icelandic seafood producers and provides sourcing expertise, quality control and logistic solutions for other Iceland Seafood companies and their demanding customers worldwide. www.icelandseafood.is

ICELAND SEAFOOD GERMANY, located in Bremerhaven, supplies high-quality fresh seafood. Fresh fish is mainly flown in from Iceland for delicatessen stores, food service and retail. www.icelandseafood.de

ICELAND SEAFOOD FRANCE, based in Boulogne-sur-Mer, provides high-quality seafood from Iceland and various global sources. The company supplies fresh and frozen products to food service, retail and processors in France. www.icelandseafood.fr

Southern Europe Division

ICELAND SEAFOOD IBÉRICA is our Southern European stronghold serving our demanding markets in Spain, Italy, Portugal and Greece. The company has offices in Barcelona, Vigo, Bilbao and Italy. The company also runs Achernar, a factory in Argentina processing shrimp for all markets. The company offers a variety of frozen and salted products from all major fishing grounds in the world and runs factories in Barcelona and Argentina.
www.icelandseafood.es

AHUMADOS DOMÍNGUEZ is the latest incorporation into the Iceland Seafood family. The company is known for its production of premium-quality smoked salmon. It has a strong brand and consumer recognition in the Spanish retail market. It actively runs consumer campaigns and has direct consumer facing through its speciality stores. The Ahumados Domínguez brand is among Spanish retail's most dominant brands in the smoked salmon sector.
www.ahumadosDomínguez.es

Northern Europe Division

OCEANPATH LIMITED, our Irish seafood arm, consists of three companies with specialised factories: Oceanpath (Howth), specialising in supplying fresh fish to the retail sector in Ireland, Dunns of Dublin dating back to 1822, an iconic premium retail brand best known for its smoked seafood products, and Carr & Sons (Killala) producing delicious smoked salmon and a range of other premium quality seafood products. Oceanpath is the leading supplier to the retail sector in Ireland in fresh and smoked products. www.oceanpath.ie

Value-Added Operations

Presence through strategic alliances and cooperation

Strategic investor operations | **Iceland Seafood's operations** | **Customers**

Capture

Seven major fishing and processing companies are in the shareholder group, creating a vertically integrated supply chain to the end consumer

Primary Production

Iceland Seafood purchases primary processed products from its suppliers and shareholders

Sales & Distribution

Iceland Seafood's Sales and Distribution segment sells products to a variety of customers around the world

Production, Value-Added

Iceland Seafood's value-added segments create additional value by further processing primary processed products close to their customers to suit their needs

Retail, Food Service

The Iceland Seafood Value-Added Division sells its products to food service distributors (HORECA), industrial users and retailers

Presence through strategic alliances and cooperation

Strategic alliance's operations	Iceland Seafood's operations (Ahumados Domínguez & Oceanpath)			Customers

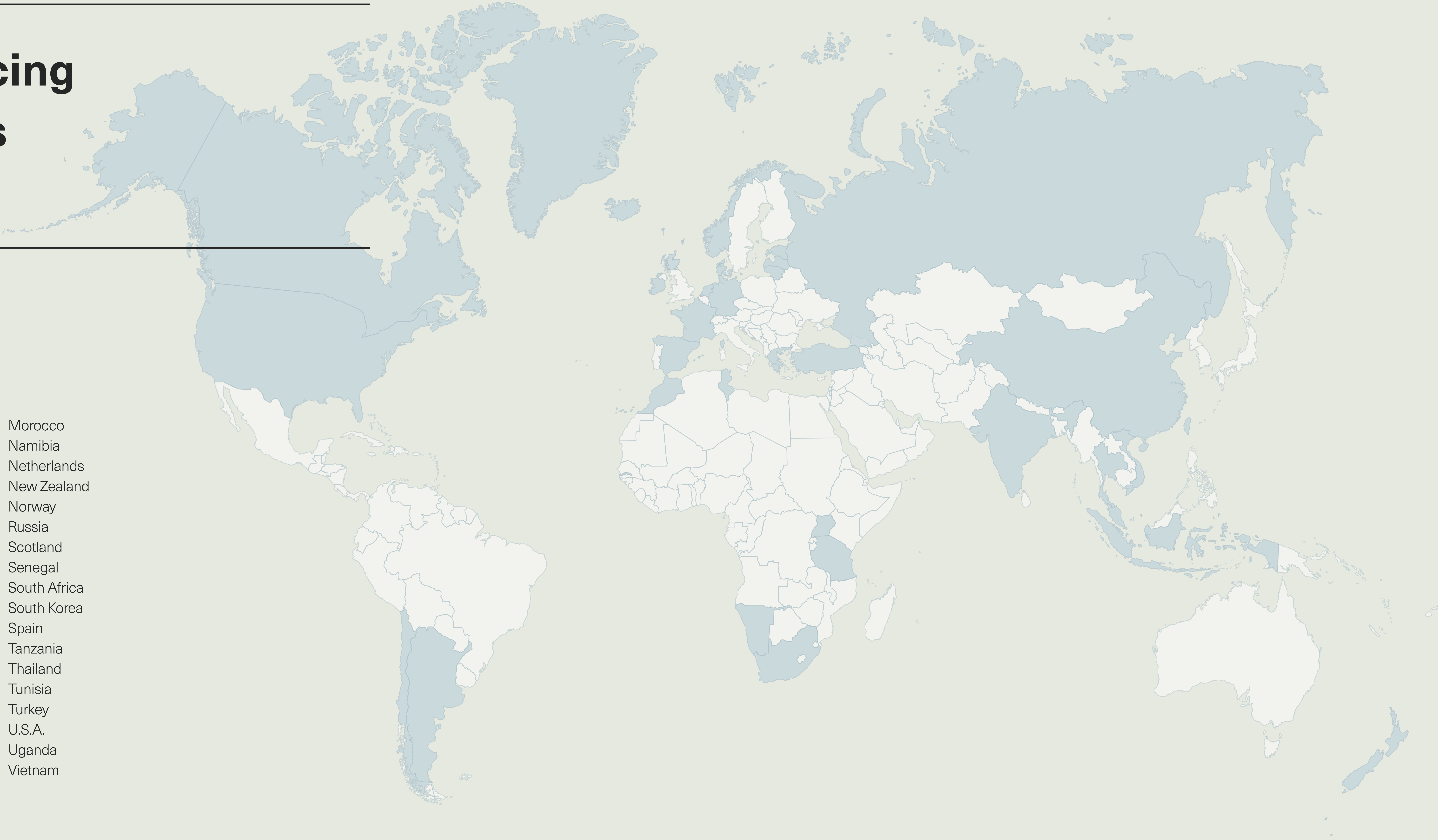
Farmed Fish	Primary Production	Sales and Marketing	Production, Value-Added	Retail, Food Service
Iceland Seafood companies purchase whole fresh salmon from the farmers	The ISI companies fillet and process the salmon according to customer needs	Products are mostly sold fresh to retail customers and for further processing of value-added products	The salmon is further processed. Smoked, marinated, flavoured, frozen or other, all according to customer needs	The value-added products are sold in retail stores, food service and own stores in the case of Ahumados Domínguez

Presence through strategic alliances and cooperation

Strategic alliance's operations	Iceland Seafood's operations (Achernar)			Customers

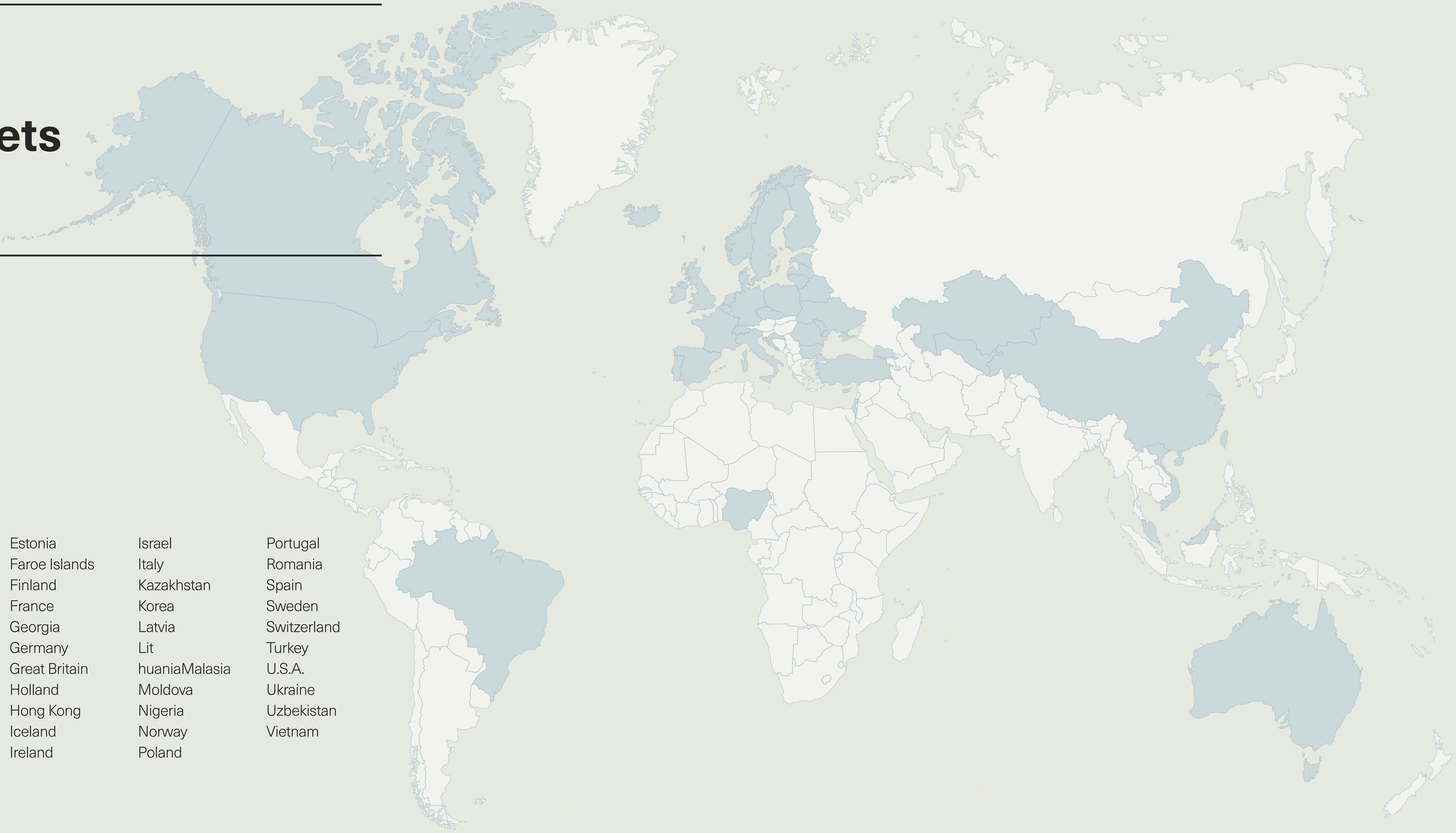
Capture	Primary Production	Sales and Marketing	Value-Added Production	Retail, Food Service
Achernar purchases fresh shrimp directly from the fishing ships/ boats at landing	The shrimp is processed and packed in our factory in Argentina under our Seastar Brand	Products are sold to customers worldwide and prepared for further processing of value-added products	The shrimp is further processed to make tail-on, peeled, and other value-added products	The products are mostly sold in food service (HORECA) and retail

Sourcing Areas



Argentina
Canada
Chile
China
Denmark
Ecuador
Estonia
Faroe Islands
France
Gambia
Germany
Greece
Guatemala
Iceland
India
Ireland
Latvia
Lithuiania
Morocco
Namibia
Netherlands
New Zealand
Norway
Russia
Scotland
Senegal
South Africa
South Korea
Spain
Tanzania
Thailand
Tunisia
Turkey
U.S.A.
Uganda
Vietnam

Main Markets



Australia
Belarus
Belgium
Brazil
Bulgaria
Canada
China
Croatia
Cyprus
Czech Republic
Denmark

Estonia
Faroe Islands
Finland
France
Georgia
Germany
Great Britain
Holland
Hong Kong
Iceland
Ireland

Israel
Italy
Kazakhstan
Korea
Latvia
Lit
huaniaMalasia
Moldova
Nigeria
Norway
Poland

Portugal
Romania
Spain
Sweden
Switzerland
Turkey
U.S.A.
Ukraine
Uzbekistan
Vietnam

Product Lines

Ready meals

Fresh products

Coated products

Shellfish

Smoked fish

Landfrozen

Light salted

Wet salted

Frozen at sea

Pelagic fish

Dried products

Cephalopods

Our Brands

Premium seafood products, sustainably sourced from Iceland's clean waters

Quality fresh & frozen seafood from Iceland

Selected quality seafood from selected origins

Renowned worldwide for its smoked salmon and other smoked products

The traditional taste of Ireland with the needs of the modern consumer

Over 100 years of excellence

The world's only flavoured salmon

Supplies fish to all major Irish retailers and food services, as well as international exports

Elba... design in cod. Quality frozen light-salted and salted Atlantic cod

Highly competitive seafood products

Spanish "tapas & pinchos" and Spanish cod-based ready meals

High quality wet-salted and light-salted frozen products from Iceland

Our stamp for single frozen cod from Iceland

Board of Directors

Birna Einarsdóttir
Chairman of the Board of Directors

FIRST ELECTED: November 2023

Birna has over 30 years experience in the banking sector, both in Íslandsbanki and in the Royal Bank of Scotland. Before her banking career she worked in marketing as the Marketing Director of the television station Stöð 2, among other roles.

Birna holds a degree in Business Administration, Cand.oecon from University of Iceland and MBA from University of Edinburgh.

Birna is also chairman of the board of Fólk Reykjavík.

Jakob Valgeir Flosason
Board member

FIRST ELECTED: February 2019

Jakob has an extensive knowledge of the Icelandic fishing industry from all perspectives, a knowledge that not many people possess. He has been involved in every aspect of the sector from early age, working in factories, on fishing boats and building up the family company to become one of the most technology advanced and leading company within the Icelandic fishing sector.

Jakob is currently a board member of Sigurbjörg ehf., HRock ehf., BB29 ehf., Klofningur ehf., Valgeir ehf., B1917 ehf., Sýr ehf., Itsorf ehf., Salting ehf., Breiðhella ehf., Karlsbali ehf., Gafl ehf., Hamarshöfði 4 ehf., B15 ehf., Fiskmarkaður Vestfjarða hf. and EA 30 ehf. in addition to his board membership with the Company.

Bergþór Baldvinsson
Board member

FIRST ELECTED: March 2020

Bergþór has been the CEO of Nesfiskur since 1979. Nesfiskur is a family-owned company that Bergþór and his parents stated in 1975. Working at Nesfiskur since a teenager, Bergþór has familiarized himself with every aspect o the industry. The small family company has grown constantly from the beginning, today Nesfiskur and its subsidiaries employ around 400 people.

Bergþór is a board member of FSM hf, Umbúðamiðlun hf, Nesfiskur ehf and companies within Nesfiskur Group

Ingunn Agnes Kro
Board member

FIRST ELECTED: February 2019 as an alternate Board member and as a Board member from March 2020

Ingunn is the former general manager of Jarðvarmi slhf. Previously Ingunn was a Director of Administration and Communication at Skeljungur hf., a company listed on Nasdaq Iceland, heading internal and external communication, incl. legal matters, marketing, public relations and human resources, and before that she was the company´s general counsel, compliance officer and secretary to the Board.

Ingunn is currently the chairman of RARIK ohf. (the state´s electricity grid company), a board member of Sjóvá Almennar tryggingar hf. (insurance company), Freyja slhf. (private equity fund) and the Wetlands fund (environmental NGO).

Halldór Leifsson
Board member

FIRST ELECTED: March 2020

Halldór is Marketing and Sales Director at Fisk Seafood ehf. He has worked in the seafood industry since 1990, in all the key segments including management of production, fleet, sales, office, finance and in the role of deputy MD and MD.

Halldor holds a degree in Fishery Technology from the Technical University of Iceland and has studied Business Management in the University of Reykjavík and business courses in University of Iceland.

Halldór is the main owner and board member of the company Haf-sjór slf.

Guðmundur Kristjánsson
Alternate Board member

FIRST ELECTED: October 2023

Guðmundur is a CEO of Brim hf, previously the CEO of Útgerðarfélagið Tjaldur ehf and Managing Director of Kristján Guðmundsson hf.

Guðmundur holds a degree in Business and marketing from the Salem State College in USA and a degree in Fishery Technology from the Technical University of Iceland.

Guðmundur is a board member of Brim hf. and related companies.

Executive Management

Ægir Páll Friðbertsson

CEO

Ægir Páll has over 30 years of management experience in the finance and seafood sectors as well as consulting for various companies.

- From 2018 until October 2023 Ægir Páll was the COO of Brim hf (previously HB Grandi).
- From 2015 until 2017 he was Managing Director of Brim hf , now known as Útgerðarfélag Reykjavíkur – ÚR.
- From 2010 until 2014 he was in consulting.
- From 2001 until 2009 he was Managing Director of Ísfélag hf.

Ægir Páll holds an MSc in Finance from the University of Iceland, and Cand Oceon degree from the University of Iceland.

Ægir Páll has been a Board member of various of many Icelandic companies. Recently he was a Board member of Fisheries Iceland (SFS 2017-2023) and on the board of the Confederation of Icelandic Enterprise (SA 2019-2023).

Reynir Jónsson

CFO

Reynir Jónsson has been the Group's CFO since late 2013. Before joining the Group, he worked as a Director and Partner at Deloitte Financial advisory services for five years, where a large part of his projects was related to the seafood sector in Iceland. Prior to that, Reynir was the head of accounting at HB Grandi from 2003-2006.

Reynir holds an MSc degree in Finance and Strategic Management from Copenhagen Business School and a Cand. oceon Degree in accounting from the University of Iceland.

Reynir will leave his position at the end of March 2024, and will be replaced by Alda Björk Óskarsdóttir.

Financial Performance

Key Figures
Group Financials
Shareholder Information
Risk Management

Key Figures

Consolidated Income Statement

for the year ended 31 December 2023

	2023			2022		
	Normalised results	Significant items	IFRS	Normalised results	Significant items	IFRS
Sales of seafood	429.905		429.905	420.696		420.696
Gross margin	64.413		64.413	71.039		71.039
Distribution costs	(25.982)		(25.982)	(24.743)		(24.743)
Net margin	**38.431**		**38.431**	**46.296**		**46.296**
EBITDA	11.697	(435)	11.262	18.194	(78)	18.116
Profit (loss) before tax	**679**	**(729)**	**(50)**	**12.145**	**(78)**	**12.067**
Income tax	(1.616)	146	(1.470)	(4.069)	16	(4.053)
(Loss) profit from continuing operation	**(937)**	**(583)**	**(1.520)**	**8.076**	**(62)**	**8.014**
Discontinued operations net of tax		(18.823)	(18.823)		(18.241)	(18.241)
(Loss) profit for the year	**(937)**	**(19.406)**	**(20.343)**	**8.076**	**(18.303)**	**(10.227)**
(Loss) profit for the year attributable to:						
Owners of the Company	(807)	(19.406)	(20.213)	8.316	(18.303)	(9.987)
Non-controlling interest	(130)		(130)	(240)		(240)
(Loss) profit for the year	**(937)**	**(19.406)**	**(20.343)**	**8.076**	**(18.303)**	**(10.227)**

Consolidated Balance Sheet

for the year ended 31 December 2023

	31 December 2023	31 December 2022
Assets	**254.806**	**290.346**
Non-current assets	93.809	88.485
Current assets	160.997	201.888
Equity	**72.731**	**81.089**
Liabilities	**182.075**	**209.257**
Non-current liabilities	45.018	37.243
Current liabilities	137.057	172.014

Consolidated Cash Flow Statement

for the year ended 31 December 2023

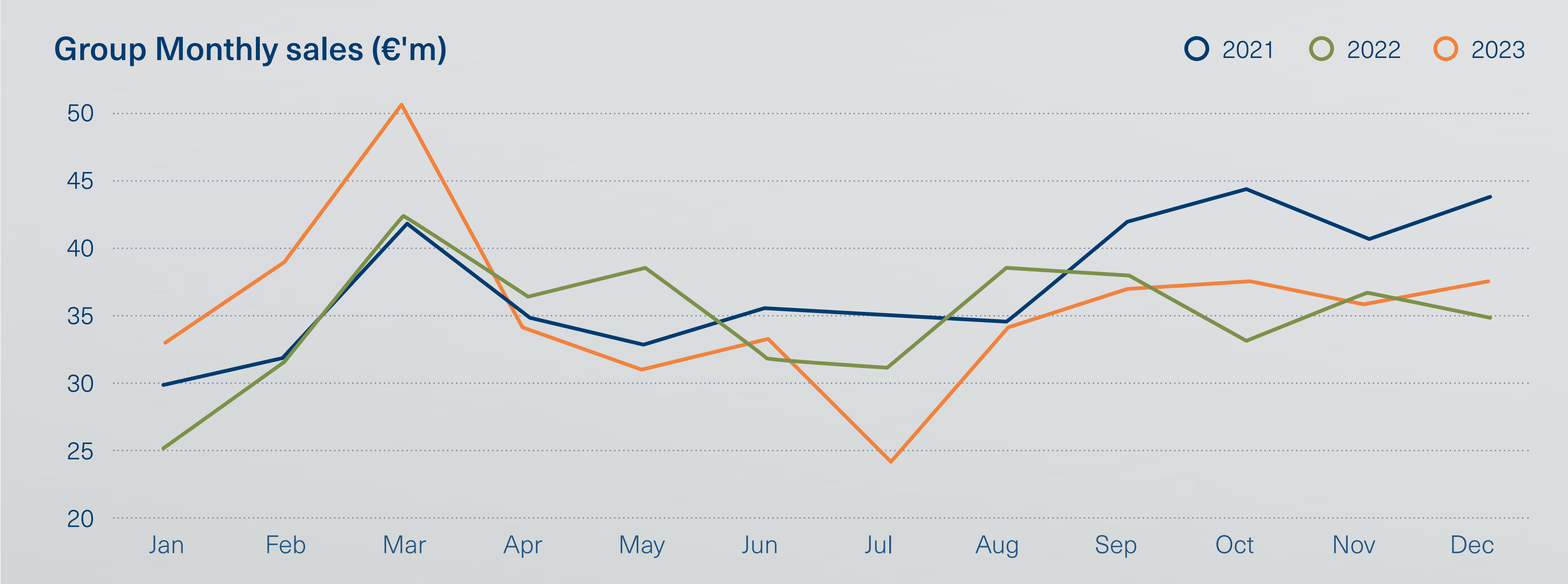
	2023	2022
Cash generated from (used in) operations before interest and taxes	19.781	(15.044)
Net cash generated by (used in) by operating activities	11.245	(21.829)
Net cash investing used in activities	(8.236)	(7.667)
Net cash generated by financing activities	3.477	14.330
Changes in cash and cash equivalents	**6.486**	**(15.166)**
Effects of exchange rate fluctuations on cash held	(1.953)	(609)
Cash and cash equivalents at year-end	**16.524**	**11.991**

Key Highlights

for the year ended 31 December 2023

Euro million	2023	2022
Sales	429.9	420.7
Normalised* PBT	0.7	12.1
Net loss	(20.3)	(10.2)
Net cash generated by (used in) operating activities	11.2	(21.8)
Total assets year-end	254.8	290.3
Equity ratio year-end	28.5%	28.0%

**Normalised PBT represents profit before tax allowing for significant items*



Group Financials

The ongoing geopolitical turmoil caused continuing challenges in the operational environment during the year. The difficult economic situation and diminishing consumer purchasing power negatively impacted demand and, therefore, the Group's results. Due to lower demand, inventory turnover decreased, leading to higher storage and finance costs.

Total sales from continuing operations in 2023 of EUR 429.9 million were 2% above the previous year. The year started strongly; sales in Q1 were 23% higher than for the same period in 2022. Demand slowed significantly down in Q2 and Q3 but improved again in Q4. Due to the lowering demand, prices of various seafood products decreased in the second half of the year, which led to lower margins, especially in the Value-Added Southern Europe division. Higher interest rates also negatively impacted finance costs in the year, affecting the Group's profitability.

The normalised PBT of the year of EUR 0.7 million was EUR 11.5 million down on the prior year. Steep salmon price increases at the beginning of the year had a negative impact on the profitability of the operations in Ireland and Ahumados Domínguez in Spain. The performance of the Value-Added S-Europe division was then severely impacted by lower demand and a reduction in sales prices, especially in Q2 and Q3. After considering loss from discontinued operations (Iceland Seafood UK) of EUR 18.8 million, other significant items of EUR 0.6 million and income tax of EUR 1.5 million, the resulting net loss for the period of EUR 20.3 million was EUR 10.1 million below the previous year.

The Consolidated Balance Sheet at year-end 2023 shows total assets of EUR 254.8 million, which was EUR 35.5 million lower than at the beginning. The sale of ISUK is the main explanation for the decrease, but inventories also decreased by €9.1m in the period.

The Group completed two share capital increases in the year, the first one in March, where EUR 150m in new shares were issued and the latter in December, with the issuance of EUR 200m in shares. The accumulated increase in equity related to these issuances was EUR 13.0m. The resultant equity position at year-end, including non-controlling interest, amounted to EUR 72.7m and the equity ratio was 28.5%. Full-time employees in continuing operation on average for the year were 747 2022: 702, with 786 at year-end 2022: 706.

VA S-Europe

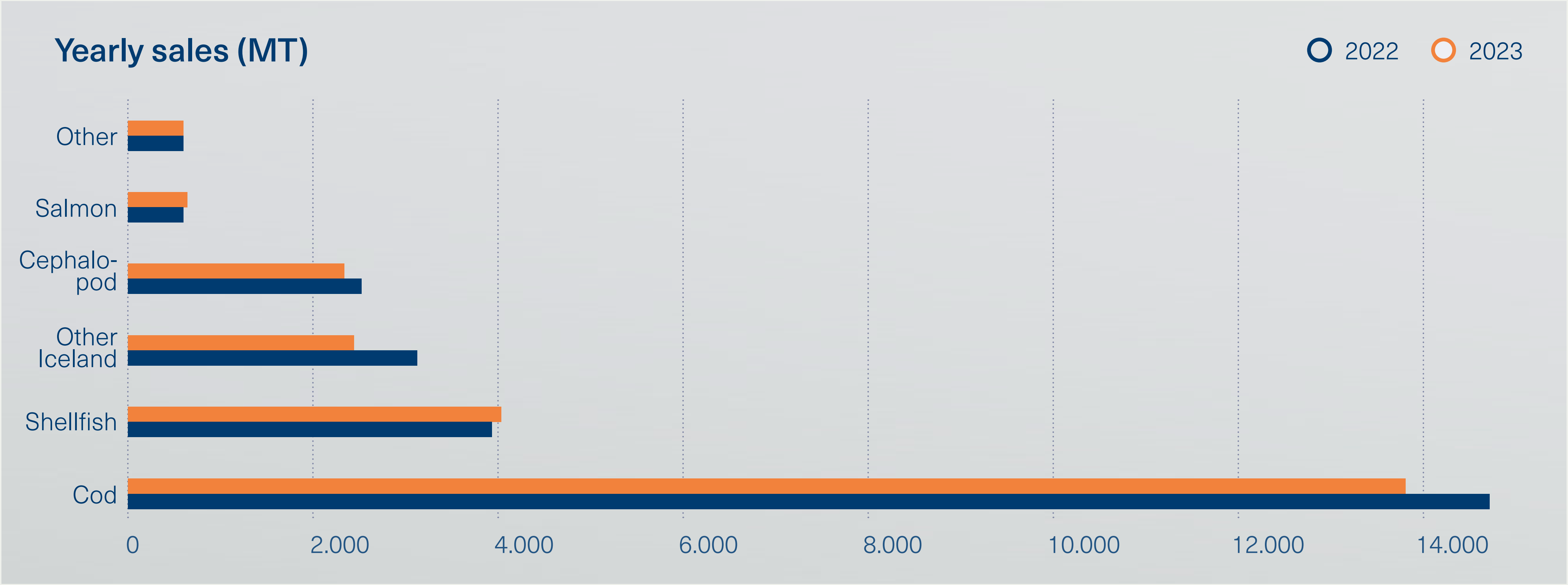
	2023	2022
Sales	215.5	216.5
Net margin	23.1	32.7
EBITDA	6.4	14.1
Normalised PBT*	0.7	10.8

**Normalised PBT represents profit before tax allowing for significant items*

Sales of the VA S-Europe division of EUR 215.5 million were slightly down on the prior year. As for the Group, demand at the beginning of the year was strong; sales in Q1 were 23% higher than in the same period in 2022. Sales slowed down significantly in Q2 and Q3, partly explained by exceptionally warm weather during the summer, but demand also dropped with high inflation and increased interest rates impacting consumers' purchasing power. The price of seafood decreased significantly in the second half of the year. This had a negative impact on margins and led to stock write-offs in some cases. Sales and profitability in Q4 improved from a low base in the previous two quarters.

Promotional activities during October and November positively impacted sales at IS Ibérica. Demand for smoked salmon at Ahumados Domínguez was high during Christmas, and Rawson season for Argentinean shrimp at Achernar started strongly in December.

Due to the negative impact of price decreases on margins and higher finance costs because of increased interest rates, the division's profitability decreased considerably from the prior year. Overall normalised profit before tax for the division of EUR 0.7 million was down EUR 10.1 million from the previous year.



VA N-Europe

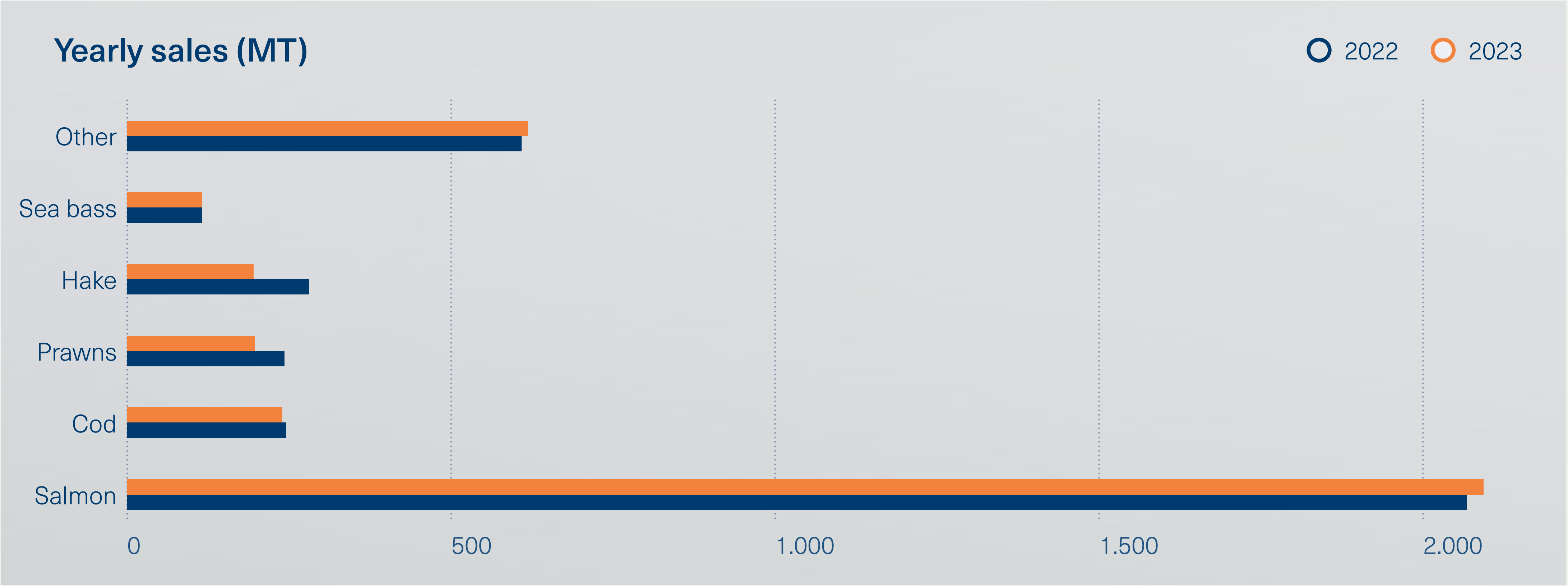
	2023	2022
Sales	54.2	52.5
Net margin	8.1	5.3
EBITDA	3.2	1.1
Normalised PBT*	2.0	(0.1)

**Normalised PBT represents profit before tax allowing for significant items*

With Iceland Seafood UK classified as an asset held for sale, the VA N-Europe division consists only of the operation of Oceanpath Group in Ireland.

Sales in Ireland of EUR 54.2 million were slightly up on the prior year. The sales increase was driven by price inflation, but sales volumes decreased by 11% from 2022. As in the previous year, steep price increases of salmon impacted margins at the beginning of the year. However, with salmon prices stabilising from mid-year, profitability was back at normal. Demand during Christmas was strong; sales in November and December were 3% up from the prior year.

Whitefish sourcing also improved in Q4 after difficulties during the summer. Catches of the local Irish fleet have reduced significantly post-Brexit, negatively affecting sourcing in general. The normalised PBT of EUR 2.0 million was EUR 2.1 million higher than in 2022.



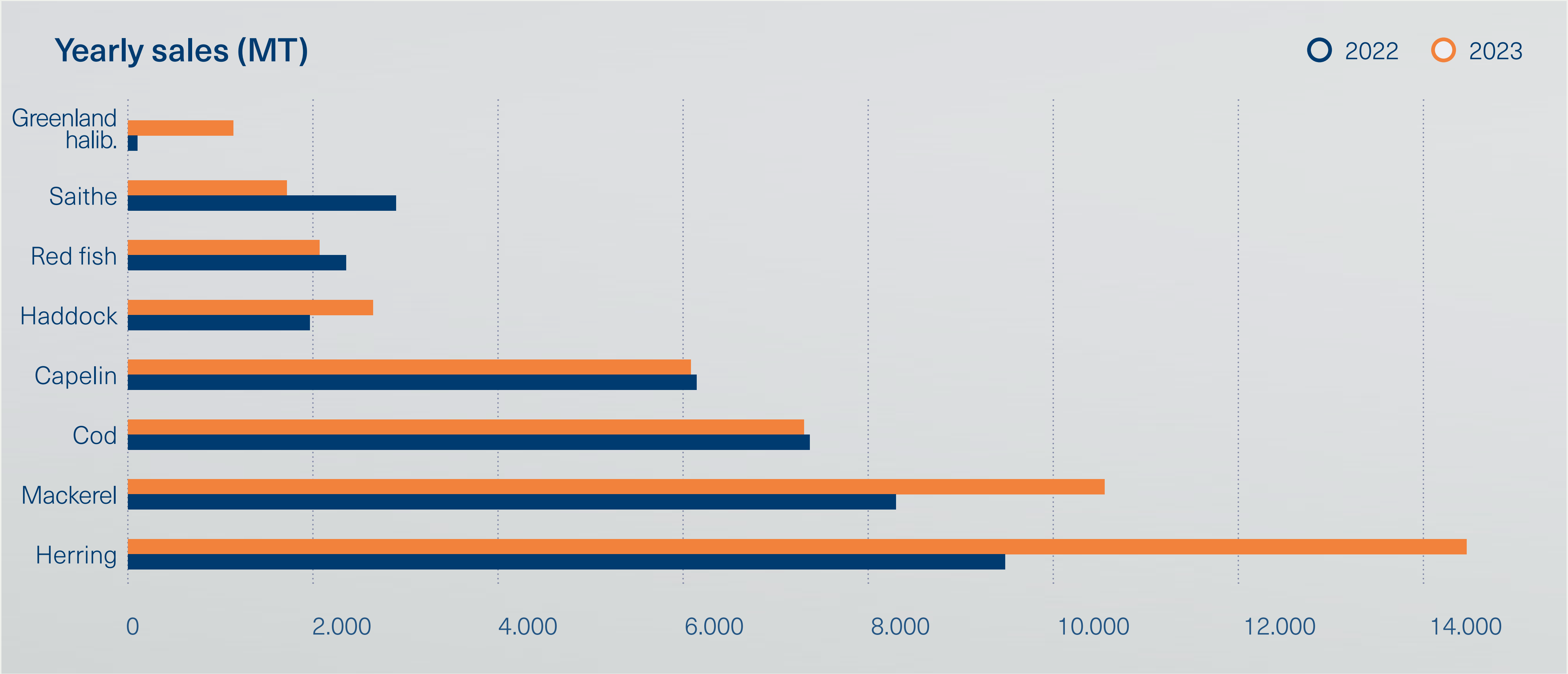
Sales & Distribution

	2023	2022
Sales	177.6	175.0
Net margin	7.4	8.2
EBITDA	2.8	3.4
Normalised PBT*	2.7	3.3

**Normalised PBT represents profit before tax allowing for significant items*

The Sales & Distribution division had a good year in 2023, driven by strong demand for products from Iceland. Total sales of EUR 177.6 million were 1.5% up on 2022. Sales of pelagic products were especially good during the year, 30% higher than in 2022, helped by the strong capelin season at the beginning of the year. Sales of sales offices in France and Germany were down on the prior year, as price increases and declining purchasing power negatively impacted demand in these regions. Price reductions in the latter part of the year, as well as higher logistic costs, had a negative impact on margins.

Normalised PBT in the year of EUR 2.7 million was EUR 0.6 million down on last year, but 2022 was a record year in profitability for the division.



Iceland Seafood UK

On September 27th, Iceland Seafood announced it had finalised an agreement with Espersen A/S on selling all the share capital of Iceland Seafood UK Ltd (IS UK). The assets and liabilities of IS UK had been classified as assets held for sale since the Company announced its intention to exit the UK market from the value-added perspective on November 17th, 2022. In accordance with the agreement, the property, equipment, and machinery were sold from IS UK to Iceland Seafood Barraclough (a 100% owned subsidiary of Iceland Seafood) upon completion and then leased back to IS UK/Espersen. In the case of the property, a leasing agreement was signed, where the lessee has a purchase option at the end of the leasing period. In the case of equipment and machinery, an equipment hire purchase agreement was agreed upon, and the lessee will assume ownership of the assets at the end of the leasing period. Asset valuation in the balance sheet on December 31st reflects the valuation of rental payments under these agreements. The negative impact of IS UK on the Group income statement and equity during 2023 was EUR 18.8 million, including transaction costs. This figure includes negative operational results until completion of the transaction of EUR 8.5 million, impairment of fixed assets of EUR 8.3 million, EUR 1.5 million of inventory write-offs, transaction costs of EUR 0.2 million and sales loss of share capital of EUR 0.3 million.

Before completion, Iceland Seafood converted intercompany loans to IS UK into equity. The Company injected additional equity to net out a negative equity balance and to cover IS UK's projected EBIT losses for September-December 2023. The sales price for the 100% share was GBP 1,000.

Shareholder Information

Iceland Seafood International shares are listed on the Nasdaq Main Market in Iceland under the symbol ICESEA, with the ISIN number IS0000026961.

The latest transaction in 2023 was at ISK 5.70 per share, giving the Company a market capitalisation of €116.8m, increasing by 7% from year-end 2022.

Executives and senior employees held options over 25.8 million shares of the Group at year-end 2023. The weighted average lifetime of outstanding options at year-end was 5.3 years; the exercise price is from ISK 5.4 to 10.23 per share. Options granted before 2020 will vest over four years from issuance, with the first 12/48 of the option vesting on the first anniversary of the grant date and the remaining 36/48 vesting monthly after that.

During 2023, 2.350 thousand share options were exercised at the exercise price of ISK 5.40 per share; no new share options were granted. At the end of the year, the Board had unused authorisation to issue new stock options under its stock option plan amounting to ISK 23.4m.

The total number of shareholders at year-end was 820, compared to 840 at the end of 2022. The ten largest shareholders held 73% of the total shares at year-end 2023:

	31/12/2023		31/12/2022	
FISK Seafood ehf	363	11%	306	11%
Brim hf	350	11%		
Jakob Valgeir ehf	340	11%	284	10%
Nesfiskur ehf	312	10%	277	10%
Birta lífeyrissjóður	170	6%	150	6%
Stapi lífeyrissjóður	170	6%	159	6%
Lífsverk lífeyrissjóður	164	5%	162	6%
Frjálsi lífeyrissjóðurinn	139	5%	131	5%
Lífeyrissj. Starfsm. ríkissins A-deild	122	4%	122	4%
Sjóvá Almennar Tryggingar hf	103	3%	82	3%
Top 10 total	**2.223**	**73%**	**1.673**	**61%**
Others (2023: 810 and 2022: 830)	831	27%	1.041	39%
Total issued shares	**3.064**	**100%**	**2.714**	**100%**

Risk Management

Iceland Seafood International's activities are exposed a variety of risk factors related to its operations and financials. Effective risk management is important to minimise the risk of material misstatements and for the business to perform. Detailed information on risk factors can be found in the Prospectus which was published in relation to the Nasdaq Main Market listing in October 2019 and is available on the Company's website.

The following description of risk factors is not complete and is not listed in any order of priority.

- **CURRENCY RISK:** The reporting currency of the Group is the Euro, therefore the Group has a currency risk related to the operation of subsidiaries in UK and Argentina, which operate and report in a different currency. Additionally, individual subsidiaries use forward contracts to mitigate currency risk, e.g. when buying raw material in a foreign currency to the local market. In certain markets, predominantly Iceland, purchases are made in the currency in which the goods are sold, providing a natural currency hedge.

- **SUPPLIER RISK:** The Group is exposed to risks regarding suppliers, in both the wild and farmed seafood sector, as it sources its products from specific origins and production methods. This potentially limits the number of suppliers the Group can purchase from in some instances, although the Group has a wide supply base. Currently, four large Icelandic seafood companies, which hold a considerable percentage of the national fishing quotas in Iceland, are significant strategic shareholders in Iceland Seafood which the Company believes mitigates the risk considerably.

  In Argentina, the Company is cooperating with raw material brokers and vessel owners that hold licences for fishing Argentinean shrimp. To secure the raw material needed for the production, agreements have been made whereby these counterparties are obliged to sell the raw material they catch to the Company's operation for a defined period of time. As consideration for this commitment, the Company provides pre-payment to the counterparties for the raw material.

- **CREDIT RISK:** The credit risk of the Group mainly relates to accounts receivables, i.e. that customers are not able to pay for goods that the Group has sold to them. The Group controls this risk carefully, with the vast majority of all receivables credit insured. The Group does not take uninsured positions against a customer without going through an appropriate risk assessment procedure.

- **LIQUIDITY RISK:** The Group manages liquidity risk by ensuring that sufficient liquidity is available from current bank facilities to meet foreseeable needs and to invest cash assets safely and profitably. 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-month bills listed on Nasdaq Iceland, credit facilities with a number of banks in Spain which finance the Southern Europe division and credit facilities with a foreign bank which finance the N-Europe division.

  At the end of 2023 the total funding headroom of the Group was EUR 51.1 million including cash.

- **INSURANCE RISK:** The Group has appropriate insurance policies in place, which provides insurance cover against product and property damage, certain delays, general liability and environmental liability in accordance with normal practice within the industry. Additionally, the Company maintains Directors and Officers insurance for its executive management.

- **POLITICAL RISK:** Political and economic instability in different markets could have a negative impact on the Group's operations. The current crisis in Ukraine and related economic impacts have significantly affected the seafood industry and therefore the Group's operations. The Group's diversification both in terms of markets and customer base helps when it comes to mitigating this risk.

- **INFORMATION SECURITY RISK:** The risk of failure when it comes to securing information systems and data is evident, which can cause operational disruptions and financial losses. The risk of cybercriminals breaking into our suppliers' systems, and directing payments from us to fake bank accounts is also evident. The Group has taken significant measures to protect its systems against cyber-attacks and ensuring appropriate security levels in relation to payment transfers. The Group has also implemented the appropriate processes and procedures to control this risk and ensure appropriate actions in terms of adverse events.

- **CLIMATE RISK:** Ocean acidification - The majority of the global carbon cycle is circulated through the ocean which absorbs the greater part of excess heat from GHG emissions causing acidification. The ocean is home to a vast variety of marine species and acidification disrupts the balance of life found in the ocean which can affect seafood supplies. Climate change increases the frequency of extreme weather events. This can affect the availability of seafood due to dangerous sea conditions as well as delaying transportation of seafood from producer to the end consumer.

ESG Performance

ISI ICELAND SEAFOOD

Introduction

This report is our sixth published Environmental, Social, and Corporate Governance (ESG) report, representing our continued efforts of a data collection process across the Group to report key sustainability metrics. The metrics are in accordance with the second version of voluntary non-financial guidelines for ESG issued by Nasdaq's Nordic and Baltic stock exchange. To complement the KPIs within the standard, we have also emphasised reporting on waste management to reflect the Group's operations. We report the values annually to the Nasdaq ESG Portal, and in return, we have received our 2023 Nasdaq ESG Transparency Badge.

The financial year 2023 marks the last year Iceland Seafood will report on its ESG aspects solely according to the Nasdaq ESG Reporting Guide as preparations to comply with the new EU Corporate Sustainability Reporting Directive (CSRD) have begun. One of the first steps to comply with the CSRD and other emerging sustainability regulations was taken when a new Sustainability Policy was implemented for the Group. The policy sets the tone for the structure of this report.

In preparation for complying with the European Sustainability Reporting Standard (ESRS) as defined in the CSRD, we have gone through a detailed Double Materiality Assessment to define the impacts, risks and opportunities within our operations. The process is detailed in this report.

The EU Taxonomy has been implemented, and this is the first year we report according to that regulation. We have evaluated our eligibility and alignment as defined in the regulation to assess to what degree our operation is sustainable according to the EU Taxonomy. The results are detailed in this report.

In 2023, we went through our first sustainability rating process and received a score based on our environmental, labour & human rights, ethics and sustainable procurement performance. Though the evaluation granted us the bronze medal from EcoVadis, we are eager to improve in these areas in the coming years.

The report reflects our current understanding of our overall sustainability responsibility. With this publication, we are not declaring a full understanding of our impact. Still, we will continue to take important steps towards improving our sustainability and identify both the opportunities and challenges we face towards increased sustainability.

Key Highlights

In retrospect, we've had a rather effective year regarding sustainability, and many important milestones have been reached.

We implemented a new sustainability policy that serves as the framework for our sustainability work and subsequent reporting going forward.

These milestones will be further detailed in the following sections.

-55%
reduction in Scope 2 emissions

82%
of waste reused or recycled

712 MWh
of our own electricity produced

Sustainability Policy
New Policy implemented

Sustainability
New website launched

63%
63% of electricity use from renewable sources

Supplier
Code of Conduct implemented

Equality
Board of directors

1st
rating on our sustainability work

Taxonomy

The Purpose of the EU Taxonomy regulation is to define which business activities are considered environmentally sustainable. For companies to be considered environmentally sustainable, they must meet the criteria for environmentally sustainable economic activity as defined in the Regulation, companies need to evaluate the activities in accordance with these steps:

- The economic activity must contribute significantly to one or more of the environmental goals:

    1. Climate mitigation.
    2. Climate adaptation.
    3. Sustainable use and protection of water and marine resources.
    4. Transition to a circular economy.
    5. Pollution prevention and control.
    6. Protection and restoration of biodiversity and ecosystems.

- At the same time, the economic activity must do no significant harm to other goals.

- Minimum safeguards must be carried out.

- The activity must comply with the technical screening criteria.

Evaluation of Eligibility

We began reviewing our operations in accordance with the technical screening criteria, where the activities were compared to the technical screening criteria of the environmental objectives. The core activity, sale of seafood, does not currently fall under the technical screening criteria. However, a decision was made to identify revenue, CapEx and OpEx for the following activities:

4.1 – "Construction or operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology".

7.2 – "Renovation of existing building".

7.6 – "Installation, maintenance and repair of renewable energy technologies".

7.7 – "Acquisition and ownership of buildings".

The aim of going through the eligibility assessment was to identify environmental sustainability within the operation and prepare for further reporting in coming years. Developments of the EU Taxonomy will be monitored to prepare for when additional activites will be subject to disclosure.

Evaluation of Alignment

For an activity to be considered aligned and thereby meet requirements of the EU Taxonomy of being environmentally sustainable, it needs to meet the requirements of substantial contribution to at least one environmental objective while doing no significant harm to any of the other objectives, in addition to complying with minimum safeguards.

Buildings

The renovation of an existing building owned by the subsidiary in Barcelona does not meet the requirement of 30% reduction in primary energy demand.

The Group owns various buildings in its locations, however none of them hold an energy efficiency certificate. We are therefore not able to demonstrate that these activities contributed to mitigating climate change and did not continue with the assessment.

Renewable Energy

We generate electricity using photovoltaic cells at our locations in Madrid and Barcelona (4.1/7.6). For the activity to be considered to contribute significantly to mitigating climate change, it is sufficient that electricity is produced using photovoltaic cell technology. To meet the requirement of not causing significant harm, we carried out a climate risk and vulnerability assessment of the specified activity. There are no other requirements for the activity, and the results are that this activity is considered environmentally sustainable and classified as Taxonomy-aligned.

Minimum Safeguards

The EU Taxonomy regulation describes Minimum Safeguards considering the guidelines of the Organisation for Economic Cooperation and Development (OECD), the guiding principles of the United Nations on business and human rights as well as eight fundamental conventions in the declaration of the International Labour Organization. Platform on Sustainable Finance has defined the core topics based on these requirements to be human rights, including labour rights, bribery, taxation, and fair competition.

We have implemented a Group Code of Conduct and a Supplier Code of Conduct. The Company also performs due diligence on its upstream value chain by mapping and scoring its suppliers and service providers sustainability aspects in cooperation with EcoVadis, a recognised assessment platform that rates business sustainability within environmental impact, labour, and human rights standards, ethics, and procurement practices. The conclusion of the minimum safegueards review was that we comply to these requirements.

The Group is aware that continuous improvements and reassurances are needed when it comes to minimum safeguards, such as a detailed due diligence on human rights according to the OECD definition, as well as upcoming requirements in European legislation regarding the provision of information in the field of human rights and will continue to emphasise this work in the coming months.

Key Performance Indicators

The proportion of turnover, CapEx and OpEx, is calculated in accordance with the EU Taxonomy regulation. Following are explanations of KPIs of identified eligible activities within the Company. For detailed accounting of KPIs please refer to our 2023 Annual Statements.

Turnover

Turnover as defined in the EU Taxonomy regulation is equal to the consolidated revenues as reported in the Company's financial statements for the year 2023, note 3. The portion of the revenue that is eligible or aligned with the EU Taxonomy is 0%.

CapEx

CapEx consist of the increase in tangible and intangible assets, before any depreciation, amortisation, revaluation, or write-offs, excluding fair value movements. CapEx in the financial year 2023 amounted to €6.8m as detailed in note 11 to the financial statement. Thereof, 35% are related to eligible activities and 6% related to aligned activities.

OpEx

The EU Taxonomy regulation defines OpEx differently from the OpEx of the financial statements. The EU Taxonomy excludes depreciation, amortisation, general and administrative expenses, and sales and marketing related expenses. Included are direct non-capitalised costs derived from the day-to-day servicing of assets, consisting of research and development, short-term leases, and maintenance and repairment and similar essential costs for maintaining efficient operation of the relevant assets. OpEx in the year 2023 was €1m and were related to maintenance material, cost of employee repairing a machine, cost of employee cleaning a factory and IT dedicated to maintenance. Thereof 62% are related to eligible activities, however 0% are aligned.

Iceland Seafood EU Taxonomy reporting - 2023

Activities by sector		Revenue	CapEx	Share of OpEx
Energy	Aligned	0%	6%	0%
	Elegible but not aligned	0%	0%	0%
Construction & Real Estate	Aligned	0%	0%	0%
	Elegible but not aligned	0%	29%	62%

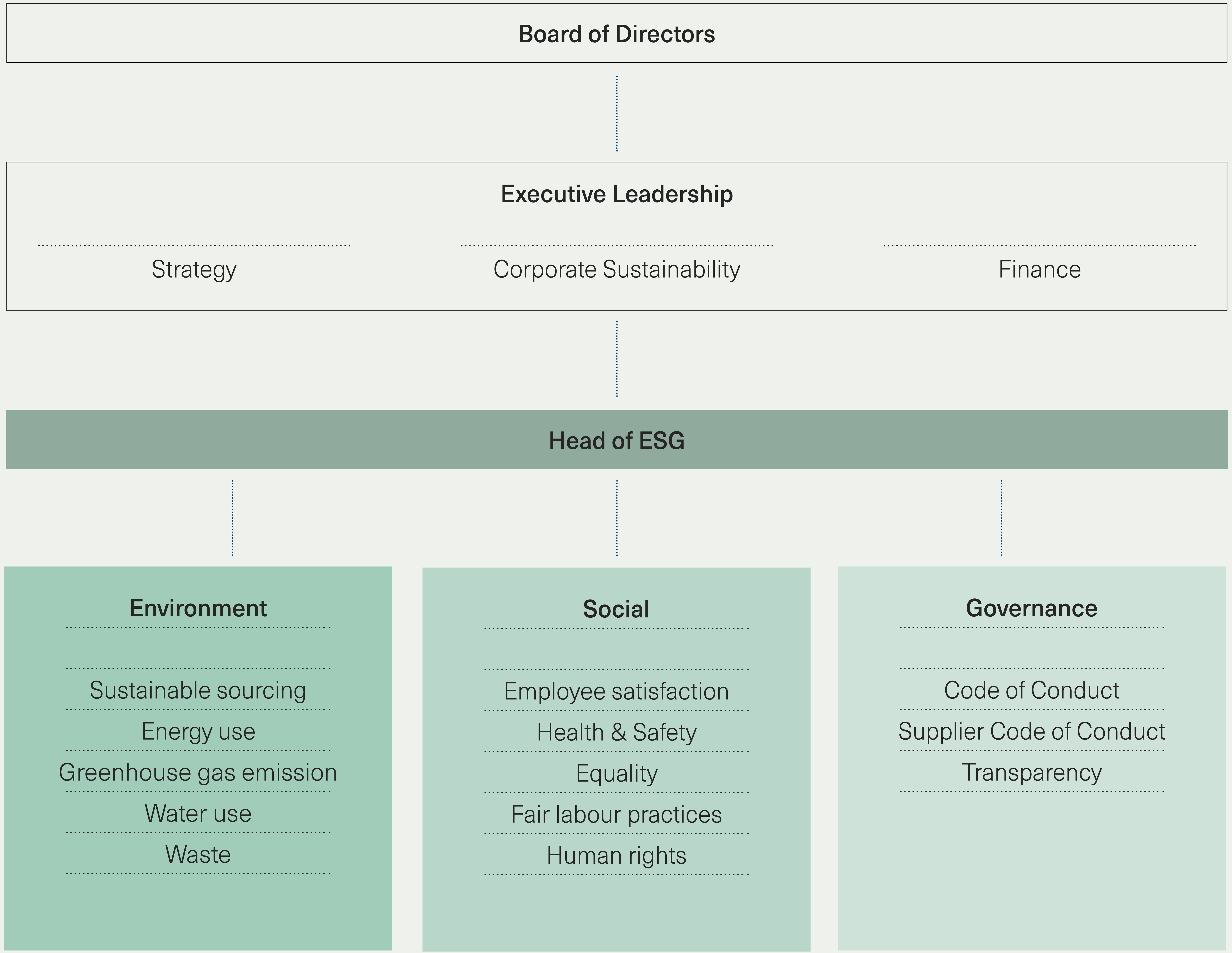
ESG Structure

Sustainability Policy

One of the first steps to comply with the CSRD and other emerging sustainability regulations was taken when a new Sustainability Policy was implemented. The Sustainability Policy is a guiding document for sustainability work, categorised into Environmental, Social and Governance (ESG) aspects, with defined objectives and subsequent impacts. The head of ESG ensures that the policy is presented and monitors its effectiveness. Quantitative values are reported per month by each subsidiary. Objectives and reported Key Performance Indicators (KPIs) will continuously evolve depending on our own initiatives, emerging legislations, and stakeholder interests.

Key Performance Indicators (KPI's)

To improve our impact, certain objectives were set out to be achieved. The impacts of those objectives were then further identified, and the KPIs were set. The following chapters will explain in more detail why the objectives were chosen, how we have progressed and how the KPIs will eventually be reached.



Environment

The value-added subsidiaries represent the great majority of Iceland Seafood's environmental footprint. For this report, the scope for the environmental metrics is the value-added divisions within the Group. For the 2026 targets, the baseline year is 2022.

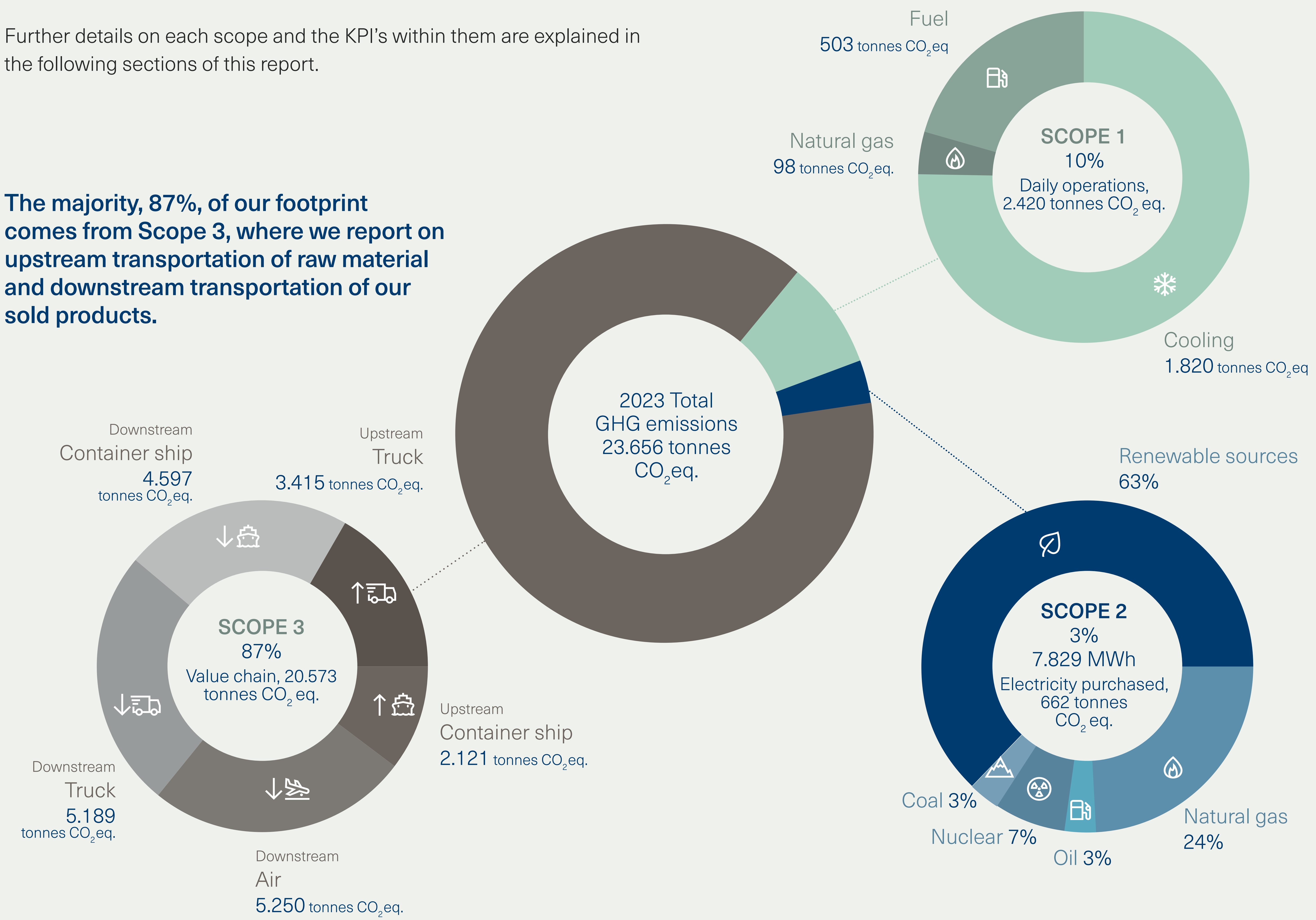
Objectives	Impacts	2026 Targets
Reduce GHG emissions	· Lower operational emissions in Scope 1&2 · Increased share of renewable energy in scope 2 · Reduced energy intensity	· Reduce scope 1 emissions to 2500t co2 eq. · Reduce scope 2 emissions to 500t co2 eq. · Increase share of renewables to 80%
Minimise water usage	· Reduce water usage · Increase share of reclaimed water	· 50% of water reclaimed
Minimise waste	· Reduce amount of waste generated · Increase recycling rate of waste	· Start calculating GHG emissions from waste and set quantitative reduction targets

Greenhouse Gas Emission Overview

This image is the result of continued efforts of our subsidiaries' ESG reporting. It gives a good overview of the emissions from different KPI's reported within each respective scope.

Further details on each scope and the KPI's within them are explained in the following sections of this report.

The majority, 87%, of our footprint comes from Scope 3, where we report on upstream transportation of raw material and downstream transportation of our sold products.



Sustainable Seafood

Maintaining healthy fish stocks and ensuring that information on fishing and the treatment of marine ecosystems is reliable, traceable, and transparent is of great economic and social importance to the Group. Proper and responsible treatment of natural resources is vital for ensuring that fish stocks continue to be sustainably harvested. As one of the largest exporters of seafood from Iceland we are a member of the association Fisheries Iceland (SFS). The association promotes a responsible fishing industry in harmony with the environment and society and has made a declaration for corporate social responsibility that many stakeholders in the fisheries sector in Iceland participated in developing and subsequently implemented, including Iceland Seafood.

We promote and practice responsible sourcing of seafood and monitor the level of MSC or ASC certified products within the value chain. All subsidiaries have a valid chain of custody certification towards the MSC standard, ensuring traceability of the products. Subsidiaries also have a certification towards ASC chain of custody where applicable.

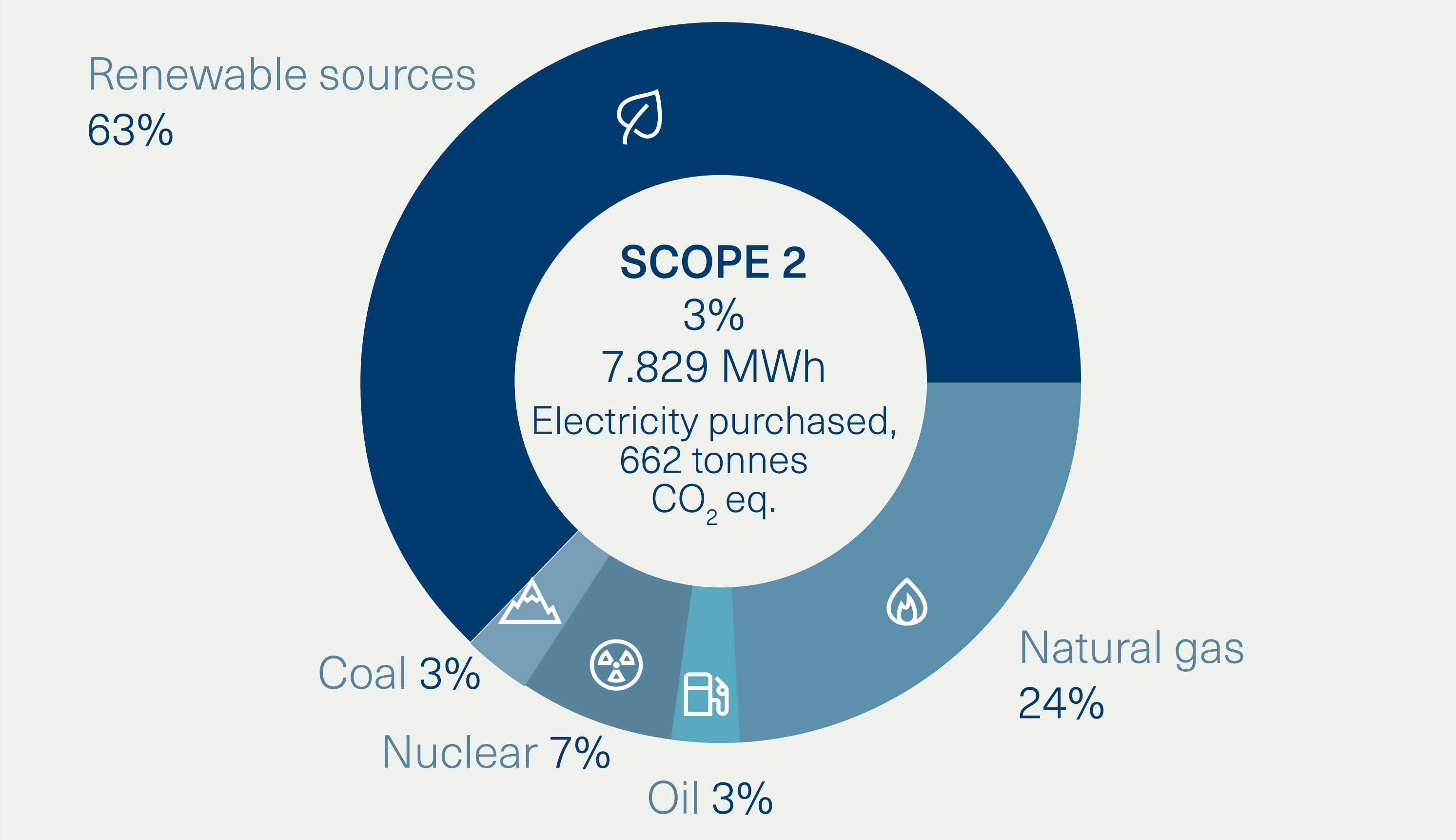
We are committed to work with the industry on fishery improvements and best practices. There is a deep understanding of the risks related to each type of supplier and market within the trading part of the Company. The risks are continuously assessed and monitored in the course of the relationships with suppliers. All production sites are also subject to inspections for compliance with applicable food laws, including traceability requirements, by local authorities.

Renewable Energy

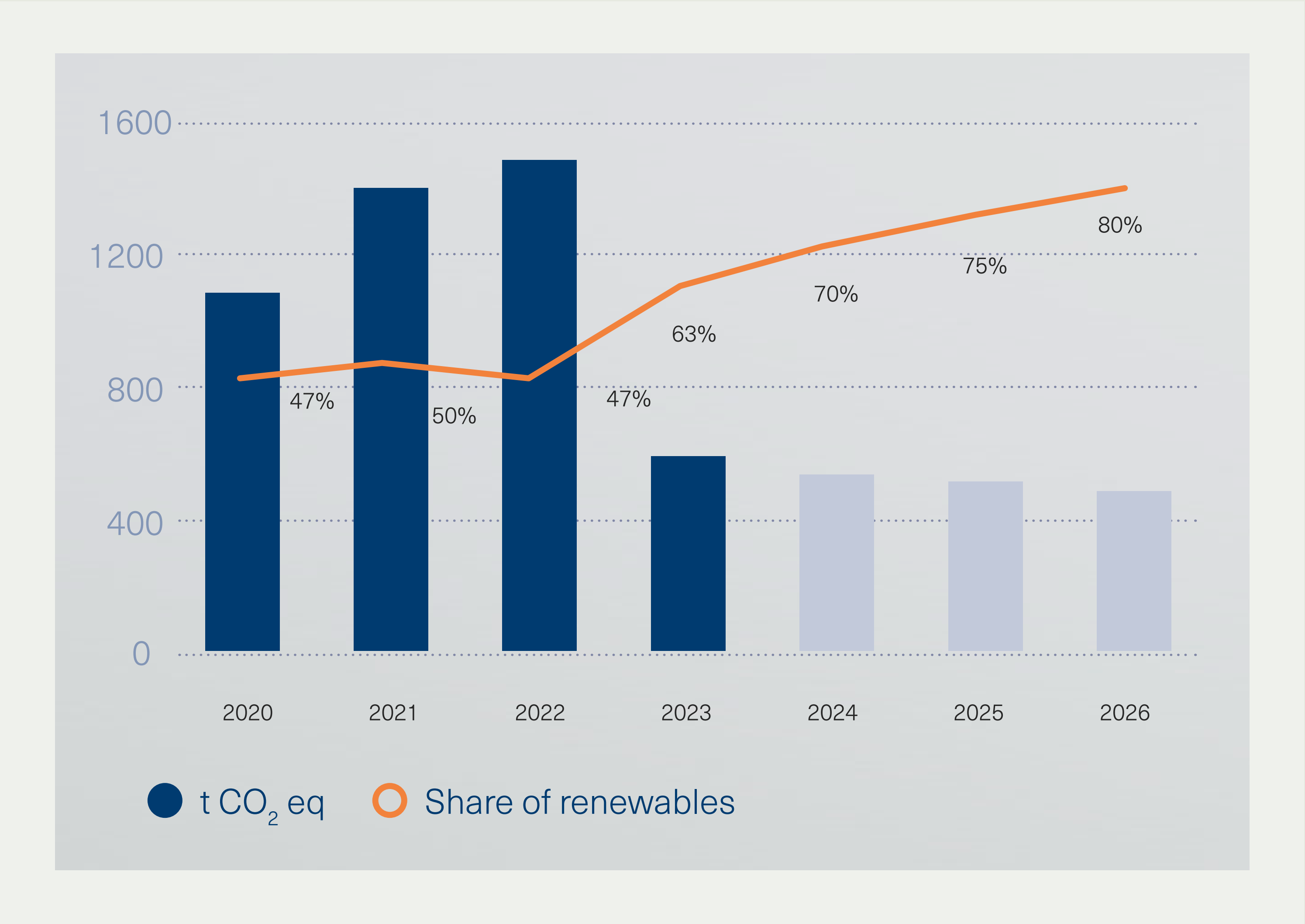
The transition to renewable energy is a key component towards decarbonisation since the energy sector accounts for around two-thirds of global emissions. Without the transition to renewable energy the world will struggle to keep the Paris Agreement target alive. Renewable energy is also an important part of improving social aspects. Improved air quality results in higher quality of life and cleaner cities. Renewable energy technologies are also creating more jobs on average than fossil fuel technologies, and the jobs they are creating are more often research and innovation related.

In 2022 our share of renewable energy sources within our electricity use was 47%. We set the ambitious goal to reach an 80% share of renewable energy sources by 2026.

This year we are happy to report that we are well on our way to reaching this goal, having a renewable energy share of 63% in 2023.



Criteria	Target 2026	UN SDGs
Renewable energy	80% of electricity used will be from renewable sources	7 AFFORDABLE AND CLEAN ENERGY



Emissions from purchased electricity is 662 t CO_2 eq. and the target is to get this down to 500 t CO_2 eq.

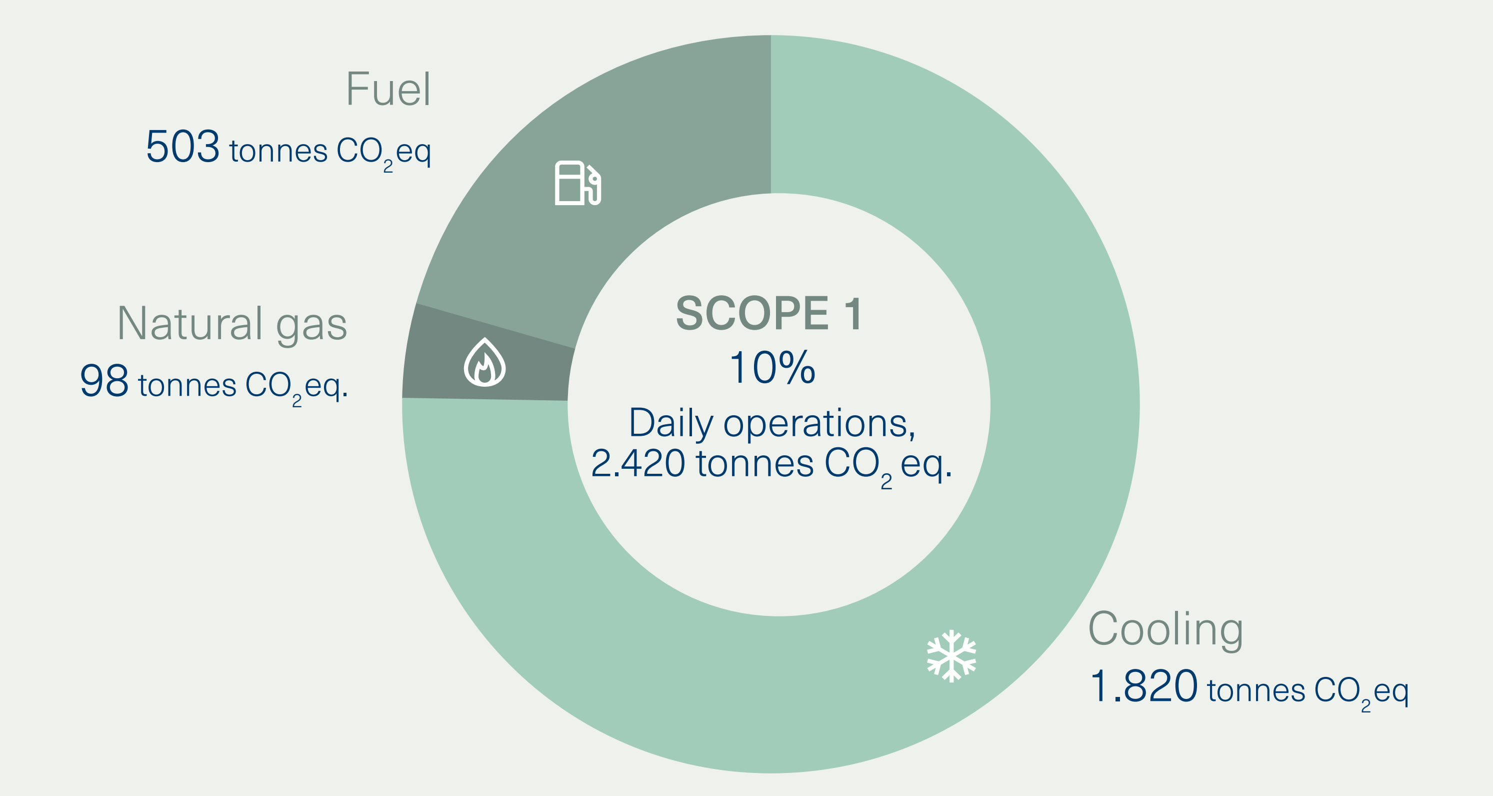
Important milestones towards reaching this target were achieved this year. The investments in solar cell technologies on the roofs of our subsidiaries in Madrid and Barcelona were turned on in March and produced 712 MWh of electricity this year. Our Irish subsidiary, Oceanpath Group, made the important decision mid-year to switch completely to renewable energy sources from their electricity provider. These subsidiaries represent 85% of the Group's electricity consumption.

The increased share of renewables in our electricity mix has drastically reduced our Scope 2 greenhouse gas emissions. In 2022 we emitted 1483 t CO_2 eq but in 2023 that number went down to 662 t CO_2 eq. Reducing our emissions by 55%.

We expect to reach our target in the coming years when our Irish subsidiary will have a full year of renewable energy and our solar cells will operate for the entire year for the first time.

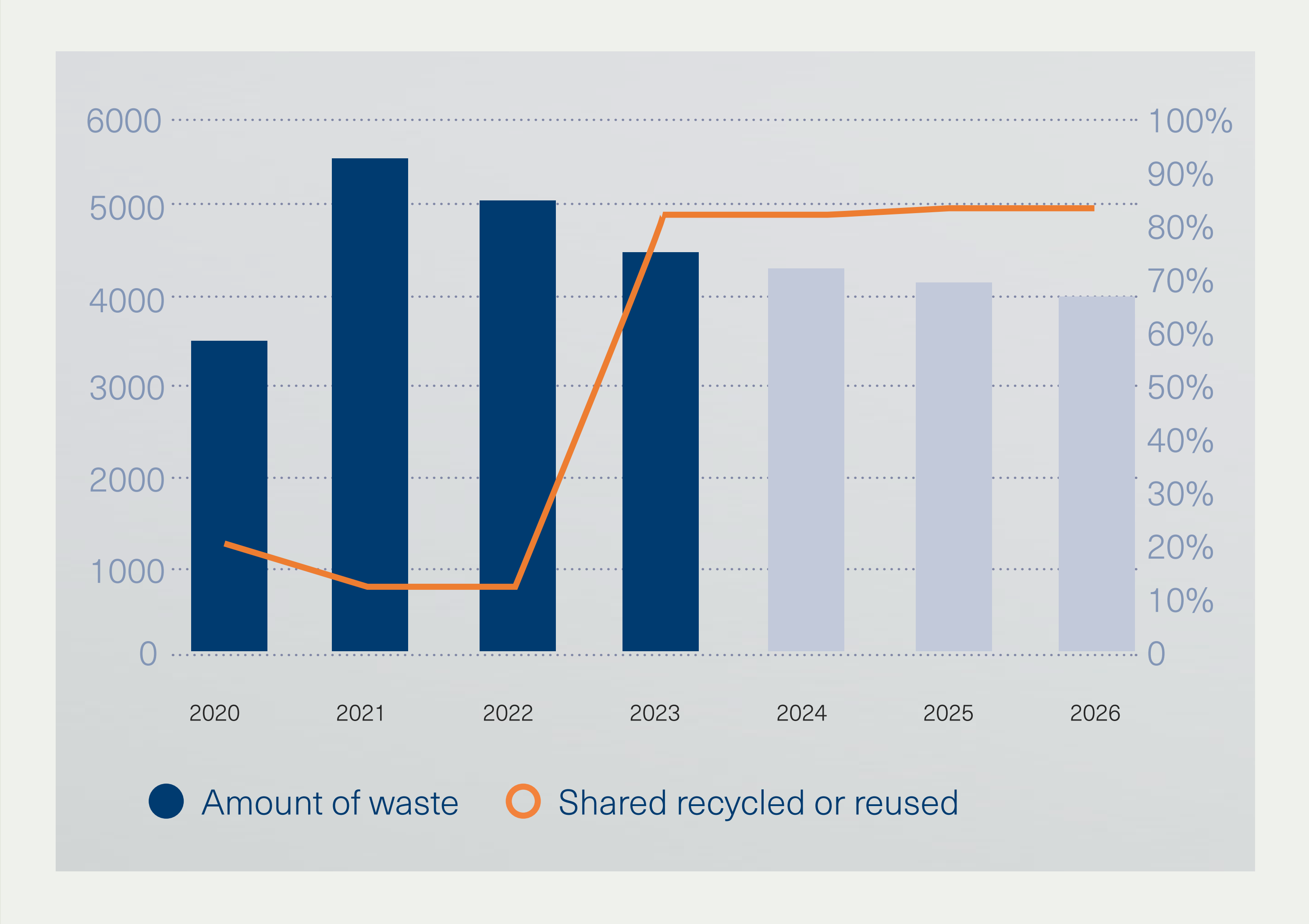
Our Own Emissions

In 2023 we set the target to lower our Scope 1 & 2 emissions from 3855 t CO_2 in 2022 to 3000 t CO_2 by 2026, where Scope 1 accounted for 2.500 t CO_2 eq. Today we have achieved this goal but will continue to monitor progress and identify new reduction targets. Refills on cooling systems vary between years, and this year we saw an increase in emissions for this category by 900 tonnes. We see an increase in fuel emissions from 430 to 500 tonnes. The reason for the increase in emissions from those activities is in part the result of an increased quality and detail of the overall reporting. What enables us to see reduction in this target is the success of increasing the share of renewables within electricity usage. Innovation and investment are the driving factors enabling the completion in reaching this goal. In the coming years reduction in emissions can be achieved by switching to electric cars and machines at our sites. We can also switch to more environmentally friendly cooling agents in our cooling systems and increase their efficiency.



Criteria	Target 2026	UN SDGs
Carbon emissions	Total emission from Scope 1 and Scope 2 reduced down to 3.000 t CO_2 eq.	7, 9, 13, 14

Waste



The circular economy aims to minimise waste and promote sustainable use of natural resources. In a circular economy, products are either recycled, remanufactured, or re-used after they have served their initial purpose. As Iceland Seafood has prioritised strategies on how to reduce the amount of waste generated, the circular economy has been kept in mind.

In 2023 the Group generated just over 5.168 tonnes of waste, whereof the organic waste from Achernar, our Argentinian division, was 3170 tonnes. In Argentina, the Patagonian Environmental Centre for Fisheries Research and Development (CAPIDP) was established, in cooperation with other businesses in the area, to achieve an efficient and sustainable treatment of the large volumes of waste generated by fishing activities around the city of Puerto Madryn. Throughout 2023, Achernar was able to send all the organic waste from its shrimp processing to CAPIDP for composting. This investment has truly benefitted the Group's waste treatment activities, visible in our environmental accounting as the organic waste from Achernar accounts for roughly 60% of all waste generated by the Group. In 2023 we were able to drastically increase the amount of waste recycled or reused from 14% to 82%.

Criteria	Target 2026	UN SDGs
Waste recycling	90% of Group waste recycled or reused	12, 13

Water

Seafood processing is a water-intense activity and in 2023 Iceland Seafood used roughly 126.000 m^3 of water and reclaimed over 42.000 m^3 or 33% of the overall usage.

The Intergovernmental Panel on Climate Change (IPCC) states that in Southern Europe, where two thirds of the Group's water consumption takes place, water scarcity will be high even though all our collective efforts to limit global warming to 1.5°C are successful. The IPCC has also stated that water efficiency improvements and water reuse are key solutions to mitigate and adapt to water scarcity.

The Group's ambition is to reduce overall water usage and make sure that 50% of the water used will be reclaimed.

An investment in a wastewater treatment plant has been made in Puerto Madryn, Argentina, supporting the target of reclaiming 50% of the water used. Reclaimed wastewater, treated at this wastewater treatment facility, can be reused in applications such as irrigation, industrial processes and to water gravel roads. In 2023, around 70% of water used by Achernar was sent to the waste water treatment plant.

When upgrading equipment, water efficiency is an important selection criterion. Possible water savings are currently under evaluation in our Spanish subsidiaries.

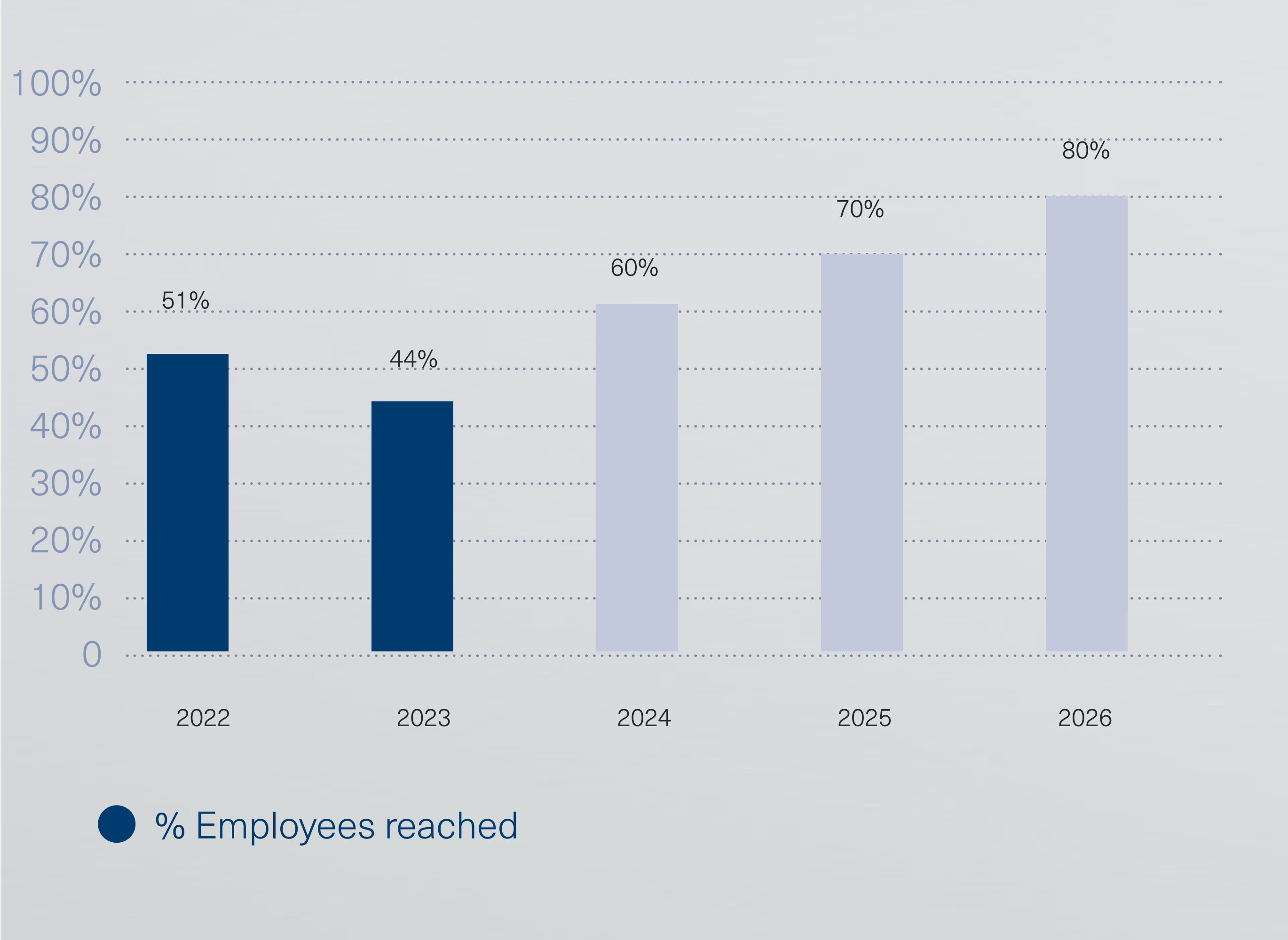
Criteria	Target 2026	UN SDGs
Water usage	50% of water used will be reclaimed	 

Social - Own Workforce

Human resources are the heart of the operation. We are convinced that good management, transparency in communication, safe work conditions, health of employees and appropriate training increases job satisfaction and employee engagement, as well as increasing employees' overall health and well-being.

Objectives	Impacts	2026 Targets
Health and Safety at work	· Increased awareness and knowledge · Reduce number of incidents	· Establish Group policies and targets
Engaging and healthy work environment	· Reach more employees through internal employee satisfaction surveys · Increased employee satisfaction · Increased equality	· Reach 80% of employees through satisfaction survey · Steadily increase score in satisfaction survey

Employee Satisfaction



Our operations are made up of a highly experienced group of employees, from various countries, backgrounds, and cultures. Our focus is set on the importance of attracting employees with the right skills and ambition to provide high quality service, exceed customer demands and achieve financial and strategic goals. The objective is to ensure that the employees feel empowered to deliver to the highest standards by being connected to producers and customers.

A robust system of regularly scheduled measurements to monitor employee engagement has been implemented. The system is intended to reduce employee turnover, boost employee engagement, improve managerial skills, increase workforce visibility and human resource metrics, and provide up to date human resource information. All subsidiaries have access to this platform where questions regarding various aspects of the work and workplace can be answered anonymously by all employees, regardless of their status within the company. This gives employees the opportunity to speak up and contribute to the workplace and their work environment. This also gives managers instant feedback and in return they can improve on their management approach and provide resources to improve the work environment..

To be assured that we are reaching a cross-section of our employees we have set the goal to annually reach 80% of them through anonymous employee satisfaction surveys. We have not reached this goal and this year we reached 44% of our employees, compared to 51% in 2022 . It's clear that we will need to increase participation in the surveys and encourage all subsidiaries to continue to promote the surveys and the importance of receiving feedback from employees.

Health and Safety

The health and safety of staff is of the utmost importance for the Group. Management in each subsidiary oversees compliance with all local laws and regulations. Production sites have in place appropriate occupational health and safety (OHS) and emergency preparedness and response management systems. Employee safety is ensured with training on tasks and appropriate personal protective equipment (PPE).

All value-added locations track and report near-injuries and injuries. Injuries are categorised into minor or major injuries. The rate for minor injuries was 0,075 and the rate for major injuries is 0,052. The total rate of injuries in 2023 was 1,13.

Criteria	Target 2026	UN SDGs
Employee survey engagement	80% of employees reached through employee satisfaction surveys	3 GOOD HEALTH AND WELL-BEING; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Social - Value Chain

As a global value-added seafood producer and sales and marketing company with a vast global supply chain, we must source, produce, package, transport, and sell products sustainably and responsibly. The objective is to foster sustainable and responsible corporate behaviour within the supply chain, increase transparency and to know the collective impact of the entire supply chain.

This involves continued co-operation with suppliers and service providers. Iceland Seafood International and its subsidiaries have through the years donated resources and money to charitable organisations in their communities. The amounts and number of donations are evaluated and decided by each subsidiary. The focus has been on engaging children in various activities and donating to causes where most aid is needed.

Objectives	Impacts	2026 Targets
Engaging suppliers	· Increase share of suppliers assessed on their sustainability aspects	· 50% of largest supplier's sustainability aspects mapped
Supporting communities	· Continued support with local communities and communities within the supply chain	· Support local communities

Supply Chain Due Diligence

Emerging regulations on sustainability reporting and due diligence are shaping the overall business environment. The Corporate Sustainability Reporting Directive (CSRD) sets the framework for sustainability reporting, while the Corporate Sustainability Due Diligence Directive (CSDDD) aims to ensure responsible corporate conduct.

The purpose of the CSDDD is to further strengthen human rights and environmental protection in global supply chains. It will present and define due diligence obligations. To prepare for this new directive we have started to evaluate our supply chain, enabling us to identify possible risks factors, if any.

We have implemented a platform that enables continuous monitoring of supplier CSR management and progress while offering tools to drive improvement on the supplier side. Within this platform risks are identified in the supply chain, corporate adherence to recognised CSR criteria is validated and the scope of the assessment is adjusted to supplier company size, industry, and location.

Currently, 14 of our suppliers have been assessed and received their EcoVadis sustainability score. Those 14 suppliers are in 10 different countries. They provide us among other things with seafood, packaging materials, and freight transportation.

Their collective score is 59,3. We are delighted to see that our suppliers have a score of +13,2 than the benchmark average.

Human Rights

The Company recognises and supports international human right treaties. No human right violations have been reported in 2023.

Regarding the modern slavery dashboard our suppliers are managing their overview of child labour, forced labour and human trafficking very well and none of our suppliers are at a special risk for incidents occurring in that area. We have started to follow our supplier's maturity in diversity, equity, and inclusion. Here we can see that over half of our assessed suppliers are doing well in this category but there is clear room for improvement.

Majority of our assessed suppliers are affected by the German Supply Chain Due Diligence Act, and we can see that they are actively working towards improving their compliance with the Act.

2026 Target

The target is to map the sustainability aspects of 50% of our largest suppliers, based on spending. We will continue to request necessary information and documentation regarding our suppliers' and service providers' CSR work. Suppliers can, in co-operation with us, choose by which means they share this information, depending on their CSR maturity.

Criteria	Target 2026	UN SDGs
Sustainable procurement	50% of suppliers mapped	

Corporate Governance

Board of Directors

The Company's Board of Directors is composed of five members and one alternate member, elected at the Annual General Meeting for a term of one year. The Board of Directors holds the supreme authority between shareholders meetings and promotes the development and long-term performance of the Group and the supervision of its operations. Together with the executive leadership they formulate strategy, policies and set goals and risk parameters for the Group

Board of directors

♀ ♀ ♂ ♂ ♂

Chairman of the Board is female.
2 out of 5 members are female.

—

Board Subcommittees

The Board of Directors has appointed two subcommittees, an Audit Committee and a Remuneration Committee.

THE AUDIT COMMITTEE's main responsibilities include monitoring the integrity of the financial statements of the Group, reviewing the effectiveness of the Group's internal controls and risk management systems, and overseeing the selection, appointment, and relationship with the Group's external auditor.

Audit Committe

♀ ♂ ♂

Committee chair is female
1 of 3 members are female

—

THE REMUNERATION COMMITTEE is responsible for establishing a remuneration policy for the Company. The Remuneration Committee shall assist the Board in ensuring that compensation arrangements support the strategic aims of the Company and enable the recruitment, motivation and retention of senior executives while also complying with legal and regulatory requirements.

Remuneration Committee

♀ ♂ ♂

Committee chair is female
1 of 3 members are female

—

THE NOMINATION COMMITTEE The Company does not have a nomination committee, the reason being that due to the nature of the Company and close connection to the seafood sector, it is considered important to have representatives from key seafood suppliers of the Company on its Board.

THE EXECUTIVE LEADERSHIP is carried out by the CEO and the CFO. They manage the day-to-day operations of the Group and must, in this respect, follow the policies and instructions laid down by the Board and abide by laws and regulations. The CEO and CFO must conduct their work with integrity and in the best interest of the Group.

Further information on Iceland Seafood's Corporate Governance is available on the Company's website www.icelandseafood.com/investors

Governance

Continuous improvement regarding ESG aspects is high on the agenda. Integrating sustainability into the business culture and supply chain is a key factor in operating a successful and sustainable global business. In the last months we've been going through a detailed double materiality and impact-, risk- and opportunity assessment. Going forward, the results of this will strengthen our overall governance and enhance our knowledge on both our own operation as well as our supply chain operations.

Objectives	Impacts	2026 Targets
Integrating governance	· Increased employee training and knowledge on Group Code of Conduct · Increased rate of suppliers commited to Supplier Code of Conduct	· 100% of employee regularly trained in Group Code of Conduct · 100% of suppliers commited to Supplier Code of Conduct
Transparency	· Continous improvement of ESG reporting · CSRD requirements fullfilled · Increase reported Scope 3 KPI's	· Double Materiality Assessment · ESG report audited · Report GHG of waste and packaging

Group Code of Conduct

Our Group Code of Conduct applies to all companies of the Group and to all individuals who work for us, regardless of location. Our objective is that by 2026 our internal procedures will efficiently enable all our employees to receive regular training on how to work according to the Code.

Integrating ethics into the business and daily work is a key factor in operating a global, sustainable business. Our Group Code of Conduct was implemented in 2022 and sets the standard for how we engage with co-workers, suppliers, customers and other stakeholders. It applies to all employees, managers, and Board members and guides us towards conducting our business practices honestly, fairly, and legally. The Group has zero tolerance towards bribery and corruption and expects employees, suppliers, service partners, and other business partners to act with integrity and without acts of bribery and corruption.

Emerging regulations within the European Union put increased emphasis on due diligence for companies, both regarding their own human resources as well as workers within the value chain. This is emphasised in minimum safeguards as laid out in Article 18 of the EU Taxonomy regulation as well as within the scope of Corporate Sustainability Reporting Directive (CSRD) and the upcoming Corporate Sustainability Due Diligence Directive (CSDDD)

The Board of Directors review the implementation of the Code on a regular basis and assess any need for updates. The Group Code of Conduct is publicly available on our website.

Criteria	Target 2026	UN SDGs
Group Code of Conduct	100% of employees regularly trained in Group Code of Conduct	16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS

Supplier Code of Conduct

As a global value-added seafood producer and sales and marketing company with a vast global supply chain, we must source, produce, transport, and sell our range of products sustainably and responsibly.

Emerging regulations within the European Union put increased emphasis on due diligence for companies, both regarding their own human resources as well as workers within the value chain. This is emphasised in minimum safeguards as laid out in Article 18 of the EU Taxonomy regulation as well as within the scope of Corporate Sustainability Reporting Directive (CSRD) and the upcoming Corporate Sustainability Due Diligence Directive (CSDDD).

We have implemented a Supplier Code of Conduct to share our expectations with our suppliers and service partners, give guidance, and promote ethical behaviour by addressing human rights, fair labour practices, legal compliance, and environmental responsibility. This is our method of publicly communicating to our customers, consumers of our products, investors, and other stakeholders of the practices we expect our suppliers and service providers to follow.

We have developed a special feature on our website that enables us to efficiently monitor which suppliers and service partners have agreed to our code. Our new website will be launched in Q1 and with that this project will officially start.

Criteria	Target 2026	UN SDGs
Group Code of Conduct	100% of suppliers commited to Supplier Code of Conduct	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 17 PARTNERSHIPS FOR THE GOALS

Double Materiality

The key to driving a successful sustainability strategy is knowing which ESG aspects are more important than others to our operation. The Double Materiality Assessment is a tool to identify the truly important topics to focus on. When performing the assessment companies look at how their operations impact the environment, people and society and how the ESG aspects impact them financially.

A detailed Double Materiality Assessment has been conducted. We started interviewing both internal and external stakeholders to pinpoint the ESRS topics that were most likely to be material for Iceland Seafood and its subsidiaries. We went through an impact-, risk-, and opportunity assessment (IRO) where we evaluated our impact on the sub-themes listed and used the impact scale to determine to what degree we had an impact on the ESRS sub-themes. Then we evaluated how sustainability-related issues can pose a financial risk, for instance through increased costs, reputational damage or revenue loss. We evaluated the inherent risk for each sub-theme, then went through mitigating actions, evaluating the actual risk remaining after mitigating actions have been implemented. Finally, the likelihood of the risk being actualised was evaluated.

The work that has gone into the assessment has really broadened our overall understanding of the emerging regulations related to CSRD/ESRS, as well as Taxonomy and CSDDD. We have gained a holistic perspective, and engaged a multidisciplinary team, both internal and external, from all our subsidiaries, and increased integration between sustainability and business.

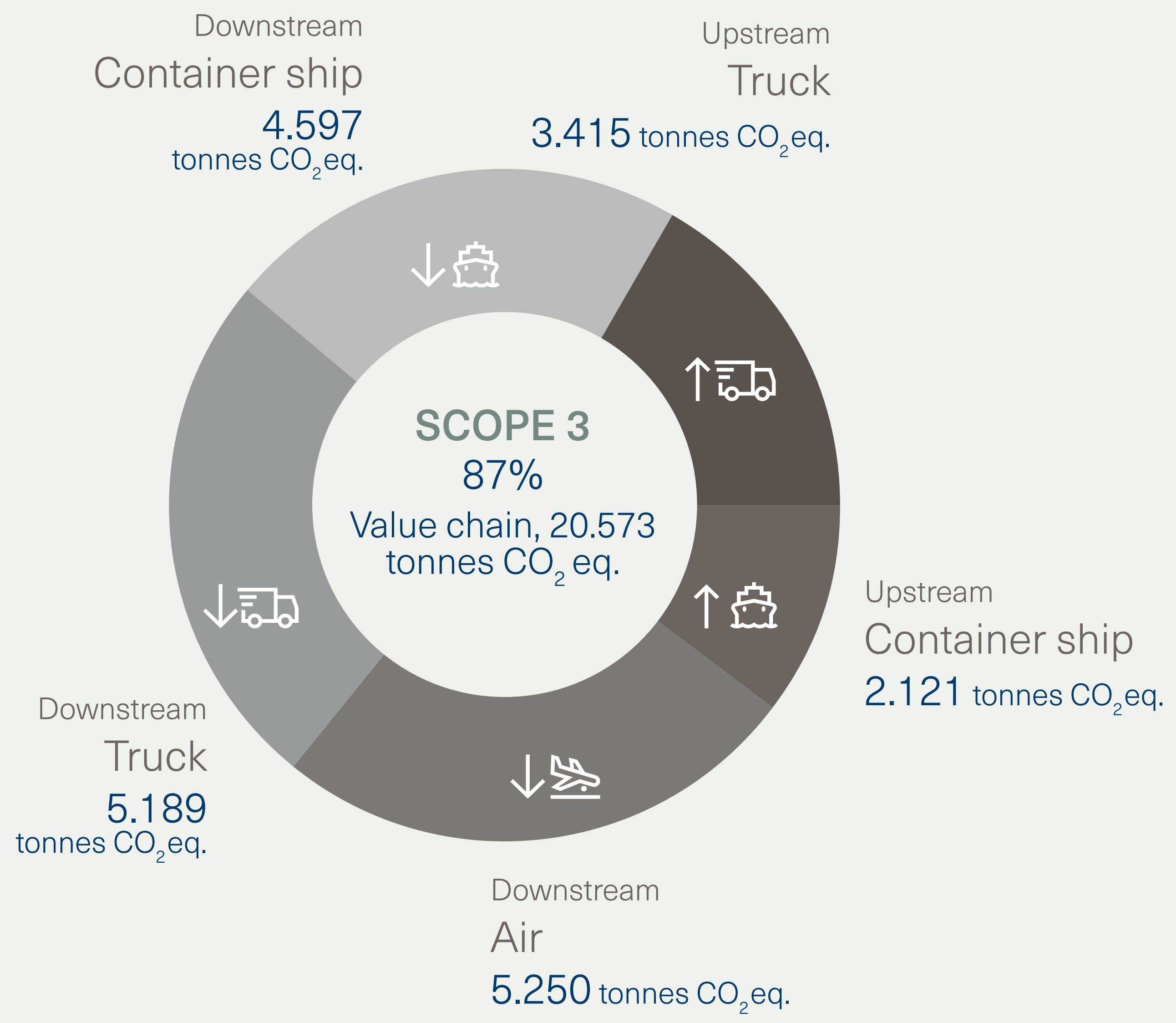
We have gained a perspective on the impacts, risks and opportunities within the different topics. All this leads to informed decisions on what sustainability topics truly are material to us that we will prioritise going forward.

Expanding Scope 3

We have been collecting data and calculating emissions on the seafood we have transported since 2020. Most of the identified GHG emissions come from upstream and downstream transportation. The calculation method is based on Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The Company puts effort into receiving calculated emission factors from its transportation service providers. When that is not available, the standard emission factors provided in the above mentioned GHG standard are used.

We plan to add more KPI's along with the implementation of the CSRD, where we are especially looking at beginning with packaging materials and cold stores.

Scope 3 GHG emission reporting is expected to extend further when results of the Double Materiality Assessment are ready.



Data Collection

ESG numbers are collected and reviewed respectively in each subsidiary before they are sent to the head of ESG, where results of the KPIs are combined for the final report, outcomes calculated, and impacts assessed. We are continuously improving internal documentation and processes and intend to get external verification along with CSRD implementation.

Key Targets

Targets 2026

Targets presented throughout the ESG report are summarised here. The arrows indicate if improvements have been made, if our results are declining, or if there's a status quo within each target over the financial year of 2023 compared to 2022. More detailed explanations are in their respective sections and on our website.

Scope 1 emissions

Today **2420 t CO_2 eq.**

2026 **2500 t CO_2 eq.**

Recycled waste

Today **82%**

2026 **90%**

Employees regulary trained in Group Code of Conduct

2026 **100%**

Scope 2 emissions

Today **662 t CO_2 eq.**

2026 **500 t CO_2 eq.**

Employee satisfaction survey

Today **44%**

2026 **80%**

Supplier committed to Suppliers Code of Conduct

2026 **100%**

Renewable energy

Today **63%**

2026 **80%**

Reclaimed water

Today **33%**

2026 **50%**

CSR mapping of suppliers

2026 **50%**

Key Performance Indicators

	Unit	2023	2022	2021	2020
Full time equivalents	FTE	780	766	771	591
Annual Revenue	EUR m	430	420	449	370
Environmental metrics					
E1 GHG Emissions					
E1.1 Scope 1	t CO2-eq	2420	2372	3727	1034
E1.2 Scope 2	t CO2-eq	662	1483	1409	1092
E1.2 Scope 3	t CO2-eq	20.573	24.598	27193	21517
E2 Carbon Intensity					
E2.1 a)	t CO2-eq/FTE	4	5	10,7	3,6
E2.1 b)	t CO2-eq/REV	7,2	9,2	19,5	5,7
E3 Energy Usage					
E3.1 Total amount of energy directly consumed	MWh	544	3351	5769	2451
E3.2 Total amount of energy indirectly consumed	MWh	8541	8626	11371	5568
Renewable energy consumption	MWh	5385	4086	5231	3790
Non-renewable energy consumption	MWh	3700	7891	11909	4229
E4 Energy Intensity					
Energy consumed/FTE	MWh/FTE	11,6	15,6	13,1	13,6
Energy consumed/Revenue	MWh/REV	21,1	28,5	22,5	21,7

Key Performance Indicators (II)

	Unit	2023		2022		2021		2020	
E5 Energy Mix									
Renewable sources	MWh	5385	63%	4086	47%	4689	50%	3790	47%
Natural gas	MWh	2016	24%	2377	28%	2922	31%	3053	38%
Oil	MWh	293	3%	616	7%	35	0%	1014	13%
Nuclear	MWh	578	7%	968	11%	493	5%	77	1%
Coal	MWh	253	3%	262	3%	752	8%	0	0%
Others	MWh	15	0%	316	4%	13	6%	52	1%
Renewable energy intensity									
Renewable energy/Non-renewable energy		1,7		0,9		1,1		0,9	
E6 Water usage									
E6.1 Total amount of water consumed	**m3**	**126.131**		**106.200**		**85865**		**67588**	
E6.2 Total amount of water reclaimed	**m3**	**42.203**		**39279**		**25616**		**0**	
Certified Sustainable Seafood									
Total products sold	t	83.531		77521		103113		77765	
Certified Sustainable Seafood	t	28885	35%	29770	38%	41535	40%	33043	42%
Waste Management									
Waste	t	5168		5069		5513		3502	
thereof recycled waste	t	4221		711		772		805	
Waste intensity									
Waste generated/FTE	t/FTE	7		7		7		6	
Waste generated/Revenue	t/REV	12		12		12		10	

Environmental Metrics

	2023	Comments
E7 Environmental operations		
E7.1) Does your company follow a formal Environmental Policy?	Yes	*Sustainability Policy*
E7.2) Does your company follow specific waste, water, energy, and/or recycling polices?	No	
E7.3) Does your company use a recognized energy management system?	No	
E8. Climate Oversight/Board		
Does your Board of Directors oversee and/or manage climate-related risks?	Yes	Double Materiality Assessment
E9. Climate Oversight/Management		
Does your Senior Management Team oversee and/or manage climate-related risks?	Yes	Double Materiality Assessment
E10. Climate Oversight/Management		
Total amount invested, annually, in climate-related infrastructure, resilience, and product development.	€ 0,4 m	See aligned activities in EU Taxonomy data table

Social Metrics

		2023	Comments
S1 CEO Pay Ratio		10,8	
S2 Gender Pay Ratio			
Total Work Force		1,49	Average for all Group subsidiaries
Production staff		0,99	
Business staff		**1,67**	
S3 Employee Turnover Ratio - Year-Over-Year change			
S3.1. Full time employees		**25%**	
S3.2. Part time employees		17%	
S4 Gender Diversity	**Men**	Women	
S4.1. Total Enterprise Headcount	**52%**	**48%**	
S4.2. Entry- and mid-level	**48%**	**52%**	
S4.3. Senior- and executive level	**70%**	**30%**	
S5 Temporary Worker Ratio		**6%**	
S6 Non-Discrimination Policy		**In place**	*Group Code of Conduct*
S7 Injury Rate		**0,13**	Total accidents (major and/or minor) / FTE
S8 Global Health & Safety Policy		**In place**	*Group Code of Conduct and Sustainability Policy*
S9 Child & Forced Labor Policy		**In place**	*Group Code of Conduct & Supplier Code of Conduct*
S10 Human Rights Policy		**In place**	*Group Code of Conduct & Supplier Code of Conduct*

Governance Metrics

	2023	Comments
G1 Board Diversity		
G1.1. Total board seats occupied by women	40%	There are two women on the board
G1.2. Committee chairs occupied by women	100%	Two of two committee chairs are occupied by women
G2 Board Independence		
G2.1. Does company prohibit CEO from serving as board chair?	Yes	
G2.2. Total board seats occupied by independents	40%	Two of five boardmembers are independent
G3 Incentivized Pay	No	Company employees are currently not incentivized for ESG performance
G4 Collective Bargaining Percentage	50%	*
G5 Supplier Code of Conduct	Yes	*Supplier Code of Conduct*
G6 Ethics & Anti-Corruption		
G6.1. Does your company follow an Ethics and/or Anti-corruption policy?	Yes	*Group Code of Conduct*
G6.2. Workforce formally certified in compliance?	No	
G7 Data Privacy		
G7.1. Does your company follow a Data Privacy Policy?	Yes	Implemented in 2020
G7.2. Has your company taken steps to comply with GDPR rules?	Yes	Finished in 2020
G8 ESG Reporting	Yes	
G9. Disclosure Practices		
G9.1) Does your company provide sustainability data to sustainability reporting frameworks?	Yes	
G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)?	Yes	
G9.3) Does your company set targets and report progress on the UN SDGs?	Yes	
G10 External Assurance	No	

* Our employees have the right to form or join associations of their own choice and be covered by collective bargaining agreements.

Financial Statements

Siglufjörður Harbour

Company Information

Name	Iceland Seafood International hf.
TIN	611088-1329
BOD	Birna Einarsdóttir, Chairman Bergþór Baldvinsson, Board Member Halldór Leifsson, Board Member Ingunn Agnes Kro, Board Member Jakob Valgeir Flosason, Board Member Guðmundur Kristjánsson, Alternate Board Member
CEO	Ægir Páll Friðbertsson
Address	Köllunarklettsvegur 2 104 Reykjavík Iceland
Web	www.icelandseafood.com
Auditors	Deloitte ehf. Dalvegur 30 201 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 Consolidated Financial Statements present the necessary information to evaluate the financial position of the Company at year end, the operating results for the year and financial developments during the year 2023.

Furthermore, in our opinion the Consolidated Financial Statements and the Statement and Endorsement of the Board of Directors and the CEO give a fair view of the development and performance of the Group's operations and its position and describe the principal risks and uncertainties faced by the Group.

The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and additional disclosure requirements in the Icelandic Act no. 3/2006 on Financial Statements.

The Company

Iceland Seafood International hf ("The Company") is a holding company for a Group of subsidiaries in Europe and South America. The Company is a one of the leading suppliers of North-Atlantic seafood, a global value-added seafood producer, and sales and marketing company. The Group is headquartered in Iceland and has subsidiaries in Spain, Argentina, Ireland, Iceland, France, Germany and the United Kingdom.

The Group operates across three divisions, Value Added Southern Europe, Value Added Northern Europe and Sales & 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 year

Total sales from continuing operation in the year 2023 of 429.9 million were 2% above prior year. The higher sales were driven by high sales in the first quarter of the year, mainly driven by higher prices in Q1 than in the same period 2022. After strong sales in the beginning of the year, sales slowed down from Q2, total sales from April-December of 306.8 million were down 3% on same period 2022. High inflation and increased interest rates negatively affected customer purchasing power and therefore demand in this period. As a consequence, prices of various whitefish and shellfish species came down in the second half of the year, some significantly.

Normalised profit before tax in the year of 0.7 million was 11.5 million down on prior year. The economic situation in key markets impacted the results in the year. Sales price decreases in the second half of the year negatively affected margins, especially in the VA S-Europe division. Steep increase in purchase price of salmon during the first quarter impacted profitability of both VA N-Europe divison and Ahumados Domínguez in Spain. Salmon prices came down in the second half of the year, although prices remained higher than in the same period last year. Difficult market conditions for Argentinian shrimp and other shellfish species also impacted margins and profitability of IS Ibérica negatively in the year, although production and profitability of Achernar in December was good. S&D division had a good year, driven by strong sales of products from Iceland. Finance costs increased significantly from prior year due to higher interest rates and higher debt levels.

The loss of Iceland Seafood UK (IS UK), which was classified as discontinued operation, was 18.8 million in the year. At August 30th ISI announced an agreement with Espersen A/S on sale of all the share capital of IS UK and the transaction was completed on September 27th. The operations of IS UK from January to September are presented as discontinued operations in the statement of profit or loss, see further in note 9.

The Consolidated Balance Sheet at year-end 2023 shows total assets of 254.8 million or 35.5 million decrease from the prior year. The decrease in total assets is mainly due to the sale of ISUK, but inventories and receivables also came down from prior year, due to lower sales and price decreases. Net debt at end of December of EUR 97.3 million was 3.8 million higher than at year end 2022 on a like for like basis. Increase in debts is mainly driven by costs of discontinued operation during the year.

Total equity, including Non-controlling interests amounted to 72.7 million compared to 81.1 million at end of December 2022. The Equity ratio was 28.5% at year end compared to 28.0% at end of 2022. Share issuance was completed in May where 150 million shares were issued. The issuance was at a price of ISK 6.00 or the amount of ISK 900 million (EUR 5.9 million). A second share issuance was completed in December where 200 million shares were issued. The issuance was at a price of ISK 5.40 or the amount of ISK 1.080 million (EUR 7.2 million).

Full time employees in continuing operations on average for the year were 747 (2022: 702), with 786 at year end (2022: 766).

On September 24th the Company announced the appointment of Ægir Páll Friðbertsson as the new CEO of the company, succeeding Bjarni Ármannsson who stepped down after five years with ISI. At shareholders meeting on October 24th Birna Einarsdóttir was elected to the board of the company and Guðmundur Kristjánsson as alternate member to the board. Birna replaced Liv Bergþórsdóttir as a Chairman of the board from that time. On December 21st, it was announced that Reynir Jónsson, the Group CFO had decided to leave his position, but would be fulfilling his responsibilities until end of March 2024.

The Company is listed on the Nasdaq main market in Iceland (ticker: ICESEA). The latest transaction in 2023 was at

ISK 5.70 per share, giving the Company a market capitalization of 116.8 million (2022: 108.8 million) or 7% increase from year end 2022.

Divestment of Iceland Seafood UK Ltd

On September 27th the Company announced it had finalized an agreement with Espersen A/S on sale of all the share capital of Iceland Seafood UK Ltd (IS UK). The assets and liabilities of IS UK have been classified as an asset held for sale since the Company announced its intention to exit the UK market from value-added perspective on November 17th 2022. In accordance with the agreement the property, equipment and machinery were sold from IS UK to Iceland Seafood Barraclough (a 100% owned subsidiary of the Company) at completion and then leased back to IS UK/Espersen. In case of the property a leasing agreement was signed, where the lessee has a purchase option at end of the leasing period. In the case of equipment and machinery an equipment hire purchase agreement was agreed, where the lessee will get ownership of the assets at the end of the leasing period. Asset valuation in the balance sheet at December 31st reflects the valuation of rental payments under these agreements.

The negative impact on the Company's P&L and equity during 2023 was EUR 18.8 million including transaction costs. This figure includes negative operational results until completion of the transaction of EUR 8.5 million, impairment of fixed assets of EUR 8.3 million, EUR 1.5 million of inventory write-offs, and transaction costs of EUR 0.2 million and sales loss of share capital of EUR 0.3 million.

Prior to completion, the Company converted intercompany loans to IS UK into equity. The Company injected additional equity, to net out a negative equity balance and to cover the projected EBIT losses of IS UK for the period September - December 2023. The sales price for the 100% share was GBP 1,000.

Shareholders

The total number of shareholders at year end was 820 (2022: 840). The ten largest are (shares are in millions):

	31/12/2023		31/12/2022	
FISK Seafood ehf	363	12%	306	11%
Brim hf.	350	11%		
Jakob Valgeir ehf	340	11%	284	10%
Nesfiskur ehf	312	10%	277	10%
Birta lífeyrissjóður	170	6%	150	6%
Stapi lífeyrissjóður	170	6%	159	6%
Lífsverk lífeyrissjóður	164	5%	162	6%
Frjálsi lífeyrissjóðurinn	139	5%	131	5%
Lífeyrissjóður starfsmanna ríkisins A-deild	122	4%	122	4%
Sjóvá-Almennar tryggingar hf.	103	3%	82	3%
	2.233	**73%**	**1.673**	**61%**
Other shareholders (2022: 830 and 2021: 678)	831	27%	1.041	39%
	3.064	**100%**	**2.714**	**100%**

Stock options have been granted to management, based on stock option plan approved by Annual General Meeting in March 2021. Total granted and unexercised options at year end 2023 were 28.5 million shares (2022: 31.9 million shares). At end of the year 24.2 million shares are exercisable and the remainder will vest in the next year. Further information on stock options is disclosed in note 19.4.

The Board of Directors will propose to the Annual General Meeting that no dividend will be paid to shareholders in 2024. For an overview of changes in equity, see the Consolidated Statement of Changes in Equity.

Corporate Governance

Iceland Seafood International hf. is a limited liability company operating under Act No. 2/1995 respecting Public Limited Companies. The framework for Corporate Governance practices within the Company is defined by the provisions of law, the Nasdaq Iceland Rules, the principles set forth in the Corporate Governance Guidelines issued by the Iceland Chamber of Commerce, the Company's Articles of Association and rules of procedures for Board and sub-committees. The Company is governed by shareholders meetings, the Board of Directors and the Chief Executive Officer. The Board of Directors shall be composed of three to five members and up to two alternate members, elected at the Annual General Meeting for a term of one year. Currently the board consist of five members and one alternate member. Two of five board members are female, the company therefore complies with regulation on gender compositon of the board. Furthermore the Senior Executive Management consists of two males and the Company´s gender ratio is 52% males, 48% females.

Further information is provided in the Corporate Governance Statement which is an appendix to these Financial Statements.

Non-financial information

The Company is defined, under the Icelandic Act no. 3/2006 on Financial Statements, as a parent company of a large consolidation. According to the Act, such companies are to disclose as an attachment to the Statement and Endorsement by the Board of Directors and the CEO, relevant and useful information on their policies, main risks and outcomes relating to environmental, social and employee matters, their human rights policy and how they counteract corruption and bribery. Also a short description of their business model.

The European Union has introduced the European Green Deal which consists of series of major proposals, important commitments and detailed roadmap with the goal of Europe to become the world's first climate-neutral continent by 2050. One aspect of the European Green Deal is the EU Taxonomy Regulation Act no. 25/2023, which took effect in Iceland in June 2023, with the reporting scope for the entire year of 2023. The Company has gone through a detailed assessment to understand the extent of the regulation for its operation and has evaluated the eligibility and alignment against the climate and environmental objectives. The results are reported in detail in the chapter Non- Financial Disclosure.

The Company's policies, material issues and focus areas are disclosed in the Non-Financial Information appendices to these Consolidated Financial Statements.

Endorsement

The Board of Directors and the CEO of Iceland Seafood International hf. hereby confirm the Consolidated Financial

Statements of the Company for the year 2023 with their signatures.

Reykjavík, 28 February 2024

Birna Einarsdóttir
Chairman of the Board

Bergþór Baldvinsson
Board Member

Halldór Leifsson
Board Member

Ingunn Agnes Kro
Board Member

Jakob Valgeir Flosason
Board Member

Ægir Páll Friðbertsson
Chief Executive Officer

Independent Auditor's Report

of the Consolidated Financial Statements

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

Opinion

We have audited the Consolidated Financial Statements of Iceland Seafood International hf. for the year ended 31December 2023 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended and the Notes to the Consolidated Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Consolidated Financial Statements give a true and fair view of the consolidated financial position of Iceland Seafood International hf. as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and additional requirements in the Icelandic Financial Statement Act.

Our opinion in this report on the Consolidated Financial Statements is consistent with the content of the additional report that has been submitted to the parent company´s audit committee in accordance with the EU Audit Regulation 537/2014 Article 11.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Iceland Seafood International hf. in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Iceland, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the EU Audit Regulation 537/2014 Article 5.1 has been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill

Book value of goodwill at year-end amount to EUR 56.2 million (2022: 56.2 million).

The management consider that each geographical segment constitutes its own cash generating unit ('CGU'). The key assumptions applied by the managements in the impairment reviews are: segment specific discount rates, future revenue growth and expected future margins. Determining whether the carrying value of goodwill is recoverable requires management to make significant estimates regarding the future cash flows, discount rates and long-term growth rates based on management's view of future business prospects.

Due to the relative sensitivity of certain inputs to the impairment testing process, in particular the future cash flows of the CGUs noted above, the valuation of goodwill is considered a key audit matter.

How our audit addressed the key audit matter

In order to address this key audit matter, we audited the assumptions used in the impairment model for goodwill. As part of our work, we engaged our internal specialists to assist with:

- Critically evaluating whether the model used by management to calculate the value in use of the individual Cash Generating Units complies with the requirements of IAS 36 Impairment of Assets.
- Validating the assumptions used to calculate the discount rates and recalculating these rates.
- Considering the projected future cash flows, understanding variances between the forecast and actual results for the year ended 31 December 2023 and comparing the forecast growth trends to historic trends.
- Evaluating the appropriateness of the sensitivity analysis applied by management to the impairment testing model including considering whether the scenarios reasonably represent possible changes in key assumptions.
- Performing further sensitivity analysis based on our understanding of the future prospects to identify whether these scenarios could give rise to further impairment; and
- Analysing the future projected cash flows used in the models to determine whether they are reasonable and supportable given the current macroeconomic climate and expected future performance of the CGU's).

We also reviewed the disclosures presented in note 12 to the Consolidated Financial Statements to confirm compliance with the requirements within IAS 36.

Other information

The Board of Directors and the CEO are responsible for the other information. The other information comprises the Statement and Endorsement by the Board of Directors and the CEO and the unaudited appendices to the Consolidated Financial Statements.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon, except the confirmation regarding Statement and Endorsement by the Board of Directors and the CEO as stated below.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In accordance with Paragraph 2 article 104 of the Icelandic Financial Statement Act no. 3/2006, we confirm to the best of our knowledge that the accompanying Statement and Endorsement by the Board of Directors and CEO includes all information required by the Icelandic Financial Statement Act that is not disclosed elsewhere in the Consolidated Financial Statements.

Responsibilities of the Board of Directors and the CEO for the Consolidated Financial Statements

The Board of Directors and the CEO are responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and additional requirements in the Icelandic Financial Statement Act, and for such internal control as the Board of Directors and the CEO determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the Board of Directors and the CEO are responsible for assessing Iceland Seafood International hf.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors and the CEO either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board of directors and the audit committee shall supervise the preparation and presentation of the Consolidated financial statements.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Iceland Seafood International hf.'s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors and the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors and the Audit Committee, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In addition to our work as the auditors of Iceland Seafood International hf., Deloitte has provided the firm with permitted additional services such as review of interim financial statements, other assurance engagements and consultation on tax matters. Deloitte has in place internal procedures in order to ensure its independence before acceptance of additional services. The audit committee also evaluates the independence of the company's auditors on yearly basis in order to ensure their independence and objectivity. Deloitte has confirmed in writing to the Audit Committee that we are independent of Iceland Seafood International hf.

Report on other legal and regulatory requirements

Report on European single electronic format (ESEF Regulation)

As part of our audit of the consolidated financial statements of Iceland Seafood International hf. we performed

procedures to be able to issue an opinion on whether the consolidated financial statements of Iceland Seafood International hf. for the year 2023 with the file name "254900CJS0OI5B8GO668-2023-12-31-en" is prepared, in all material respects, in compliance with laws no. 20/2021 disclosure obligation of issuers of securities and the obligation to flag relating torequirements regarding European single electronic format regulation EU 2019/815 which include requirements related to the preparation of the consolidated financial statements in XHTML format and iXBRL markup.

Management is responsible for preparing the consolidated financial statements in compliance with laws no. 20/2021 disclosure obligation of issuers of securities and the obligation to flag. This responsibility includes preparing the consolidated financial statements in a XHTML format in accordance to EU regulation 2019/815 on the European single electronic format (ESEF regulation).

Our responsibility is to obtain reasonable assurance, based on evidence that we have obtained, on whether the consolidated financial statements is prepared in all material respects, in compliance with the ESEF Regulation, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirement set out in the ESEF regulation, whether due to fraud or error.

In our opinion, the consolidated financial statements for the year ended 31.12.2023, with the file name "254900CJS0OI5B8GO668-2023-12-31-en", has been prepared, in all material respects, in compliance with the ESEF Regulation.

Deloitte was appointed auditor of Iceland Seafood International hf. by the Annual General Meeting of shareholders on 17 March 2023. Deloitte have been elected since the Annual General Meeting 1999.

Kópavogur, 28 February 2024

Deloitte ehf.

Ingvi Björn Bergmann
State Authorised Public Accountant

Financial Statements 2023 - Audited Amounts in EUR thousands

Consolidated Statement Income Statement

for the year ended 31 December 2023

	Note	2023			2022		
		Normalised results	Significant items*	IFRS	Normalised results	Significant items*	IFRS
Gross profit							
Sales of seafood	3	429.905		429.905	420.696		420.696
Cost of sales	14	(365.492)		(365.492)	(349.657)		(349.657)
		64.413		64.413	71.039		71.039
Operating expenses							
Operating expenses		(52.716)	(435)	(53.151)	(52.845)	(78)	(52.923)
Depreciation and amortisation	11	(3.812)		(3.812)	(3.427)		(3.427)
Operating profit		7.885	(435)	7.450	14.767	(78)	14.689
Net finance costs	6	(4.837)	(294)	(5.131)	(1.724)		(1.724)
Net exchange rate difference		(2.369)		(2.369)	(898)		(898)
Profit (loss) before tax		**679**	**(729)**	**(50)**	**12.145**	**(78)**	**12.067**
Income tax expense	7	(1.616)	146	(1.470)	(4.069)	16	(4.053)
(Loss) profit from continuing operations		**(937)**	**(583)**	**(1.520)**	**8.076**	**(62)**	**8.014**
Discontinued operations, net of tax	9		(18.823)	(18.823)		(18.241)	(18.241)
(Loss) profit for the year		**(937)**	**(19.406)**	**(20.343)**	**8.076**	**(18.303)**	**(10.227)**
Attributable to							
Owners of the Company		(807)	(19.406)	(20.213)	8.316	(18.303)	(9.987)
Non-controlling interests		(130)		(130)	(240)		(240)
		(937)	(19.406)	(20.343)	8.076	(18.303)	(10.227)
EBITDA from continuing operations		**11.697**		**11.262**	**18.194**		**18.116**
Earnings per share	10						
From continuing operations							
Basic (cents per thousand shares)		(0,0334)		(0,0542)	0,3072		0,3048
Diluted (cents per thousand shares)		(0,0334)		(0,0542)	0,3048		0,3025
From continuing and discontinued operations							
Basic (cents per thousand shares)		(0,0334)		(0,7248)	0,3072		(0,3890)
Diluted (cents per thousand shares)		(0,0334)		(0,7248)	0,3048		(0,3890)

* See note no 8 for further information on significant items.

Financial Statements 2023 - Audited Amounts in EUR thousands

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2023

	Note	2023			2022		
		Normalised results	Significant items*	IFRS	Normalised results	Significant items*	IFRS
(Loss) profit for the year		**(937)**	**(19.406)**	**(20.343)**	**8.076**	**(18.303)**	**(10.227)**
Items that may be reclassified subsequently to profit or loss							
Net fair value of cash flow hedges		(305)		(305)	(289)		(289)
Translation difference		(195)		(195)	488		488
Total comprehensive income (loss) for the year		**(1.437)**	**(19.406)**	**(20.843)**	**8.275**	**(18.303)**	**(10.028)**
Attributable to							
Owners of the Company		(1.307)	(19.406)	(20.713)	8.515	(18.303)	(9.788)
Non-controlling interests		(130)		(130)	(240)		(240)
		(1.437)	(19.406)	(20.843)	8.275	(18.303)	(10.028)

Consolidated Balance Sheet

for the year ended 31 December 2023

	Note	31/12/2023	31/12/2022
Assets			
Non-current assets			
Property, plant and equipment	11	30.125	27.645
Investment property		1.663	
Leased assets	22	1.592	1.724
Intangible assets	12	56.447	56.665
Finance lease receivables		1.401	
Deferred tax assets	7	2.461	2.359
Other long term assets		120	65
Total non-current assets		**93.809**	**88.458**
Current assets			
Inventories	14	76.989	86.047
Finance lease receivables		334	
Trade and other receivables	15	59.442	62.535
Other assets	16	7.708	9.747
Cash and bank balances	17	16.524	11.072
		160.997	169.401
Assets classified as held for sale	9	0	32.487
Total current assets		**160.997**	**201.888**
Total assets		**254.806**	**290.346**
Equity and liabilities			
Capital and reserves			
Issued capital and share premium	18	71.540	80.291
Translation reserve	19	(505)	(310)
Other reserves	19	(30)	257
Retained earnings and unrealised profit from subsidiaries		0	(1.117)
Equity attributable to owners of the Company		71.005	79.401
Non-controlling interests		1.726	1.968
Total equity		**72.731**	**81.369**
Non-current liabilities			
Borrowings	20	39.663	32.488
Lease liabilities	22	1.245	1.439
Retirement benefit and other obligations		1.620	1.211
Deferred tax liabilities	7	2.490	2.105
Total non-current liabilities		**45.018**	**37.243**
Current liabilities			
Borrowings	20	74.209	72.142
Lease liabilities	22	525	456
Trade and other payables		54.022	52.461
Other liabilities	21	8.301	10.318
		137.057	135.657
Liabilities associated with assets classified as held for sale	9	0	36.357
Total current liabilities		**137.057**	**172.014**
Total liabilities		**182.075**	**209.257**
Total equity and liabilities		**254.806**	**290.346**

Financial Statements 2023 - Audited Amounts in EUR thousands

Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

			Restricted equity								
	Share capital	Share premium	Translation reserve	Hedging reserve	Statutory reserve	Equity reserve	Unrealised profit of subsidiaries	Retained earnings	**Attributable to owners of the Company**	Non - controlling interests	**Total equity**
Balances at 1 January 2022	**25.134**	**55.157**	**(798)**	**(47)**	**430**	**138**	**12.503**	**(3.080)**	**89.437**	**2.297**	**91.734**
Loss for the year							9.647	(19.634)	(9.987)	(240)	(10.227)
Net fair value loss on cash flow hedges				(289)					(289)		(289)
Translation of shares held in foreign currencies			488						488		488
Total comprehensive income			488	(289)			9.647	(19.634)	(9.788)	(240)	(10.028)
Dividend declared from subsidiaries to parent							(3.000)	3.000			
Other adjustments						25		(553)	(528)	(89)	(617)
Balances at 31 December 2022	**25.134**	**55.157**	**(310)**	**(336)**	**430**	**163**	**19.150**	**(20.267)**	**79.121**	**1.968**	**81.089**
Loss for the year							4.507	(24.720)	(20.213)	(130)	(20.343)
Net fair value loss on cash flow hedges				(305)					(305)		(305)
Translation of shares held in foreign currencies			(195)						(195)		(195)
Total comprehensive income			(195)	(305)			4.507	(24.720)	(20.713)	(130)	(20.843)
Issue of share capital	2.322	10.722							13.044		13.044
Transfer of share premium to accumulated loss		(21.795)						21.795	0		0
Dividend declared from subsidiaries to parent							(2.000)	2.000	0		0
Other adjustments						18		(465)	(447)	(112)	(559)
Balances at 31 December 2023	**27.456**	**44.084**	**(505)**	**(641)**	**430**	**181**	**21.657**	**(21.657)**	**71.005**	**1.726**	**72.731**

Financial Statements 2023 - Audited Amounts in EUR thousands

Consolidated Statement of Cash Flows

for the year ended 31 December 2023

	Note	2023	2022
Operating activities			
Operating loss from continuing and discontinued operations		(10.019)	(1.607)
Depreciation and amortisation	9,11	12.990	6.869
Loss on disposal of property, plant and equipment		6	77
Change in obligations and other calculated liabilities		(906)	996
Working capital generated from operations		**2.071**	**6.335**
Decrease (increase) in inventories		9.431	(21.969)
Decrease (increase) in receivables and other assets		5.814	(6.131)
Increase in payables and other liabilities		2.465	6.721
Cash generated from (used in) operations before interests and taxes		**19.781**	**(15.044)**
Interest received		944	432
Interest paid		(7.305)	(3.877)
Income taxes paid		(2.175)	(3.340)
Net cash generated from (used in) operating activities		**11.245**	**(21.829)**
Investing activities			
Payments for property, plant and equipment	9,11	(6.799)	(7.935)
Payments for intangible assets	12	(120)	(84)
Proceeds from disposal of non-current assets		355	352
Disposal of discontinued operation, net of cash disposed of	9	(1.672)	
Net cash used in investing activities		**(8.236)**	**(7.667)**
Net cash before financing activities		**3.009**	**(29.496)**

	Note	2023	2022
Financing activities			
Net (repayment) proceeds of revolving credit facility	9,20	(12.704)	24.338
Net proceeds (repayment) from bills	20	3.549	(6.990)
Net proceeds from borrowings on new term loan	20	11.261	6.656
Net repayment of other borrowings	9,20	(11.673)	(9.674)
Proceeds from issue of share capital, net of issue costs	18	13.044	
Net cash generated by financing activities		**3.477**	**14.330**
Net (decrease) increase in cash and bank balances		6.486	(15.166)
Cash and bank balances at the beginning of the year		11.991	27.766
Effect of exchange rate changes on cash held in foreign currencies		(1.953)	(609)
Cash and bank balances at the end of the year	17	**16.524**	**11.991**
Cash and bank balances at year end are as follows:			
Cash and bank balances from continuing operation		16.524	11.072
Cash and bank balances from discontinued operation	9		919
Cash and bank balances at the end of the year	17	**16.524**	**11.991**

Financial Statements 2023 - Audited Amounts in EUR thousands

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023

1. General information

Iceland Seafood International hf. (the Company) is a public limited company incorporated in Iceland. It is listed on the Nasdaq main market in Iceland (ticker: ICESEA).

The address of its registered office and principal place of business are disclosed in the Contents to the Consolidated Financial Statements. The principal activities of the Company and its subsidiaries (the Group) are described in the Statement and Endorsement by the Board of Directors and the CEO.

2. Prior period adjustment

Comparative figures have been adjusted to reflect correction in subsidiary financial statements. The impact of the prior period adjustment on the financial statements of the group is following. The loss for the financial year increased EUR 0.3 million and net assets decreased EUR 0.3 million.

3. Segment information

3.1 Products and services from which reportable segments derive their revenues

Information is reported to the Board of Directors and key management on the operating segment level. The reportable segments in 2023 were:

Value added Southern Europe: Processing and sale of seafood in Southern Europe.
Value added Northern Europe: Processing and sale of seafood in Ireland. Also includes UK as discont. operations.
Sales & Distribution: Distribution of seafood to a global network of customers.
Other: Head office and discontinued operations.

3.2 Segment revenue, results, assets and liabilities

	Value added S-Europe	Value added N-Europe	Sales and distribution	Other and Eliminations	Conso-lidated
For the year 2023					
Revenue:					
Sales of seafood	241.870	61.899	184.084		487.853
Eliminations	(26.341)	(7.707)	(6.453)	(17.447)	(57.948)
	215.529	54.192	177.631	(17.447)	429.905
Operating results:					
Operating profit (loss)	4.447	2.237	2.726	(1.525)	7.885
Net finance costs	(3.741)	(220)	(19)	(3.226)	(7.206)
Normalised PBT	**706**	**2.017**	**2.707**	**(4.751)**	**679**
Income tax	(1.071)	(242)	(518)	215	(1.616)
Normalised profit (loss)	**(365)**	**1.775**	**2.189**	**(4.536)**	**(937)**
Significant items and discontinued operations	(30)	(18.213)	(122)	(1.041)	(19.406)
Profit (loss)	**(395)**	**(16.438)**	**2.067**	**(5.577)**	**(20.343)**
Assets	141.149	43.365	27.065	43.227	254.806
Liabilities	94.790	30.081	20.043	37.161	182.075
For the year 2022					
Revenue:					
Sales of seafood	244.077	57.247	183.054		484.378
Eliminations	(27.614)	(4.716)	(8.063)	(23.289)	(63.682)
	216.463	52.531	174.991	(23.289)	420.696
Operating results:					
Operating profit (loss)	12.412	117	3.313	(795)	14.767
Net finance costs	(1.301)	(168)	5	(1.158)	(2.622)
Normalised PBT	**10.831**	**(51)**	**3.318**	**(1.953)**	**12.425**
Income tax	(3.376)	(10)	(649)	(34)	(4.069)
Normalised profit (loss)	**7.735**	**(61)**	**2.669**	**(1.987)**	**8.356**
Significant items and discontinued operations	(18)	(18.241)	(41)	(3)	(18.303)
Profit (loss)	**7.437**	**(18.302)**	**2.628**	**(1.990)**	**(10.227)**
Assets	151.395	60.148	29.981	48.822	290.346
Liabilities	103.297	50.007	22.632	33.321	209.257

4. Salaries

	2023	2022
Salaries and related expenses:		
Salaries	26.041	25.252
Pension related expenses	852	772
Other salary related expenses	2.201	2.177
	29.094	28.201
Classified by operational category:		
Cost of sales	16.229	16.240
Operating expenses	12.865	11.961
	29.094	28.201
Full time employees on average for the year from continuing operations	747	702
Full time employees at end of the year from continuing operations	786	766

5. Fee to auditors

	2023	2022
Audit of the Consolidated Financial Statements	364	356
Other services	33	11
	397	367

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6. Net finance costs

	2023	2022
Investment income:		
Interest income on bank accounts	455	90
Interest income on trade receivables	489	965
Total investment income	944	1.055
Finance costs:		
Interest expenses on borrowings	(5.655)	(2.568)
Interest expenses on obligations under leases	(94)	(89)
Other interest expenses	(326)	(122)
Total finance costs	(6.075)	(2.779)
Net finance costs	(5.131)	(1.724)

7. Income tax

	2023	2022
7.1 Income tax recognised in profit or loss		
Current tax expense	(1.187)	(3.189)
Deferred tax expense	(283)	(864)
	(1.470)	(4.053)
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax after significant items	(50)	12.347
Income tax expense calculated at 20% (the Company's rate in Iceland)	10	(2.469)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(102)	(947)
Effect of items that are not deductible/taxable in determining taxable profit	(1.790)	(71)
Effect of unused tax losses and tax offsets not recognised as def. tax assets	(496)	(280)
Effect of exchange rate difference on deferred tax	1.115	(89)
Change in tax rate	(1)	(1)
Others	(206)	(196)
Income tax expense recognised in profit or loss	(1.470)	(4.053)
Effective tax rate	n/a	34%

	31.12.23	31.12.22
7.2 Current tax balances		
Income tax payable	1.104	2.626

	31.12.2023	31.12.2022
7.3 Deferred tax balances		
Deferred tax assets	2.461	2.359
Deferred tax liabilities	(2.490)	(2.105)
	(29)	254

Deferred tax assets / (liabilities) have changed as follows:

	Deferred tax assets	Deferred tax liabilities	Deferred tax liabilities
At 1 January 2022	4.842	(2.071)	2.771
Calculated tax for the year	319	(4.372)	(4.053)
Discontinued operations, see note 9	(1.653)		(1.653)
Income tax payable for the period	(1.149)	4.338	3.189
At 31 December 2022	2.359	(2.105)	254
Calculated tax for the year	590	(2.060)	(1.470)
Income tax payable for the period	(488)	1.675	1.187
At 31 December 2023	2.461	(2.490)	(29)

Deferred tax assets / (liabilities) are in relation to:

	31.12.2023	31.12.2022
Property, plant and equipment	(309)	(272)
Intangible assets	(1.213)	(1.170)
Inventories	0	(23)
Trade and other receivables	(438)	(110)
Deferred revenue	(262)	(225)
Deferred exchange rate difference	(11)	30
Deferred tax loss	1.431	1.513
Other items	773	511
	(29)	254

7.4 Unused tax losses

Most of the unused tax losses will expire in the years 2026-2033, although some subsidiaries have unused tax losses that do not expire.

Unused tax losses at the amount of EUR 17.9 million is not recognised as deferred tax assets. Unused tax losses at the amount of EUR 13.6 million will not expire and unused tax losses at the amount of EUR 4.3 million will expire in the years 2029-2035.

Management has concluded that there will be sufficient taxable profit in the future to use the tax loss currently carried forward. The recognition of the deferred tax is based on the Group´s forecast whereby there will be sufficient taxable profits to fully utilize current taxable losses.

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8. Significant items

In 2023 the Group incurred costs associated with the following:

- Group management changes EUR 0.1 million.
- Interest cost of bond ICESEA 25 06 related to the sale of ISUK, EUR 0.3 million (see note 9).
- Other restructuring cost EUR 0.2 million.

In 2022 the Group incurred costs associated with the following:

- Elba sold its facitilies for EUR 0.5 million. The company book value was EUR 0.4 million and the sales gain EUR 0.1 million.
- Costs related to restructuring costs in the period EUR 0.2 million.

	2023	2022
Exceptional costs, net of income tax:		
Exceptional income	167	134
Exceptional costs	(896)	(212)
Income tax	146	16
Exceptional costs, net of income tax	(583)	(62)

9. Discontinued operations

On September 27th ISI announced it had finalized an agreement with Espersen A/S on sale of all the share capital of Iceland Seafood UK Ltd (IS UK). The assets and liabilities of IS UK have been classified as an asset held for sale since ISI announced its intention to exit the UK market from value-added perspective on November 17th 2022. In accordance with the agreement the property, equipment and machinery were sold from IS UK to Iceland Seafood Barraclough (a 100% owned subsidiary of ISI) at completion and then leased back to IS UK/Espersen. In case of the property an operating lease agreement was agreed, where the lessee has a purchase option at end of the leasing period. In the case of equipment and machinery an equipment hire purchase agreement was agreed, where the lessee will get ownership of the assets at the end of the leasing period. Asset valuation in the balance sheet at December 31st reflects the valuation of rental payments under these agreements.

The negative impact on ISI P&L and equity during 2023 was EUR 18.8 million including transaction costs. This figure includes negative operational results until completion of the transaction of EUR 8.5 million, impairment of fixed assets of EUR 8.3 million, EUR 1.5 million of inventory write-offs, estimated transaction costs of EUR 0.2 million and sales loss of share capital of EUR 0.3 million.

Prior to completion, ISI converted intercompany loans to IS UK into equity. ISI injected additional equity, to net out a negative equity balance and to cover the projected EBIT losses of IS UK for the period September - December 2023. The sales price for the 100% share was GBP 1,000.

The sale of Iceland Seafood UK meant that ISI needed a consent from bondholders of bonds in the series ICESEA 25 06, in the amount of ISK 3,400,000,000 for an amendment of a waiver of one of the financial covenants under the Bonds. The consent was needed to one of the conditions under the bond since the sale of IS UK meant that assets representing more than 5% of total group turnover were sold. The relevant amendment was approved by 100% of the bondholders at a bondholders meeting on October 25th. To compensate bondholders for granting this consent, the interest rates of the bond were amended from that time to reflect changes in market conditions since the bond was issued. As a result the fixed interest rate in ISK increased from 5.65% to 13.00%. The additional interest cost related to the sale of ISUK is classified as significant items in the Income statement (see note 8).

Analysis for the period January to September from discontinued operations:

	1.1-27.9/23	2022
Revenue:		
Sales of seafood	32.088	60.031
Operating results:		
EBIT	(7.340)	(12.851)
Finance costs	(1.677)	(1.664)
Normalised loss before tax	**(9.017)**	**(14.515)**
Income tax	0	0
Normalised loss	**(9.017)**	**(14.515)**
Significant items	(9.806)	(3.726)
Loss for the year	**(18.823)**	**(18.241)**

	27/9/23	31/12/22
Non-current assets:		
Intangible assets	182	23
Property, plant and equipment	0	11.734
Leased assets	464	219
	646	11.976
Current assets:		
Inventories	12.860	13.233
Trade and other receivables	5.621	6.359
Cash	1.672	919
	20.153	20.511
Total assets	20.799	32.487
Equity		
Total equity	333	(3.870)
Non-current liabilities:		
Lease liabilities	107	119
	107	119
Current liabilities:		
Borrowings	13.148	30.441
Intangible assets	72	119
Trade and other payables	7.139	5.678
	20.359	36.238
Total liabilities	20.466	36.357
Total equity and liabilities	20.799	32.487

	27/9/23	31/12/22
Statement of cash flows:		
Operating activities	(6.400)	(8.568)
Investing activities	(941)	(2.957)
Financing activities	8.193	10.487
Net increase (decrease) in cash and bank balances	852	(1.038)
Cash and bank balances at the beginning of the year	919	2.322
Effect of exchange rate changes on cash held in foreign currencies	(99)	(365)
Cash and bank balances at the date of disposal	**1.672**	**919**

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10. Earnings per share

	2023	2022
Loss for the year	(20.343)	(10.227)
Weighted average number of ordinary shares (in ISK thous.) for basic EPS	2.806.672	2.629.172
Shares to be issued in respect of employee options	24.000	20.184
Weighted average number of ordinary shares (in ISK thous.) for diluted EPS	2.830.672	2.649.356
From continued operations (EUR cents per thousand shares)		
Basic earnings per share	(0,0542)	0,3048
Diluted earnings per share	(0,0542)	0,3025
From continued and discontinued operations (EUR cents per thousand shares)		
Basic (loss) earnings per share	(0,7248)	(0,3890)
Diluted (loss) earnings per share	(0,7248)	(0,3890)

11. Property, plant and equipment

	Property and land	Machinery and equip.	Total
For the year 2023			
Cost			
At 1 January	20.460	12.493	32.953
Additions	932	4.926	5.858
Eliminated on disposal	(9)	(530)	(539)
Fully depreciated assets		(247)	(247)
Exchange rate differences	(60)	(144)	(204)
At 31 December	21.323	16.498	37.821
Depreciation			
At 1 January	2.719	2.589	5.308
Charge for the period	621	2.280	2.901
Eliminated on disposal		(225)	(225)
Fully depreciated		(247)	(247)
Exchange rate differences	(1)	(40)	(41)
At 31 December	3.339	4.357	7.696
At 31 December 2023	17.984	12.141	30.125
For the year 2022			
Cost			
At 1 January	25.644	16.335	41.979
Discontinued operations, see note 9	(5.929)	(6.747)	(12.676)
Additions	634	3.737	4.371
Eliminated on disposal		(747)	(747)
Fully depreciated assets		(264)	(264)
Exchange rate differences	111	179	290
At 31 December	20.460	12.493	32.953
Depreciation			
At 1 January	2.399	2.903	5.302
Discontinued operations, see note 9	(228)	(1.678)	(1.906)
Charge for the period	545	2.008	2.553
Eliminated on disposal		(448)	(448)
Fully depreciated		(264)	(264)
Exchange rate differences	3	68	71
At 31 December	2.719	2.589	5.308
At 31 December 2022	17.741	9.904	27.645

11.1 Useful lives

The following useful lives of property, plant and equipment are used in the calculation of amortisation.

Property and land 25-50 years
Machinery and equipment 3-20 years

10.2 Property, plant and equipment pledged as security

The Group has provided a pledge on its property in UK to secure banking facility granted to the UK operation of the Group. This asset has a carrying amount at year end of EUR 3.4 million.

11.3 Depreciation and amortisation expense

	2023	2022
Depreciation of property, plant and equipment	2.901	2.553
Amortisation of intangible assets, note 11	335	325
Depreciation of leased assets, note 22	558	549
	3.794	3.427

11.4 Property, plant and equipment insurance value

	31.12.23	31.12.22
Insurance value	53.255	42.016

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12. Intangible assets

	Goodwill	Other intangible assets	Total
For the year 2023			
At 1 January	56.216	449	56.665
Additions		120	120
Charge for the period		(335)	(335)
Eliminated on disposal		(1)	(1)
Exchange rate differences		(2)	(2)
At 31 December	56.216	231	56.447
For the year 2022			
At 1 January	57.910	749	58.659
Additions		59	59
Discontinued operations	(1.694)		(1.694)
Charge for the period		(325)	(325)
Exchange rate differences		(34)	(34)
At 31 December	56.216	449	56.665

During the year, the Company assessed the recoverable amount of goodwill and determined that none of the Company's cash-generating units have suffered an impairment loss.

12.1 Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to the following cash-generating units.

	31/12/23		31/12/22	
	WACC %	Book value	WACC %	Book value
Iceland	8,0%	4.072	8,4%	4.072
Spain	8,3%	36.005	8,8%	36.005
France	8,2%	1.127	8,4%	1.127
Ireland	9,0%	15.012	10,1%	15.012
		56.216		56.216

The recoverable amount of these cash-generating units is determined based on a value in use calculation, which uses cash flow projections based on financial forecasts prepared by management covering a five-year period and a discount rate of 8.0-9.0% p.a. (2022: 8.4-10.1% p.a.).

Cash flow projections during the forecast period are based on the same expected gross margins and raw materials price inflation throughout the forecast period. The cash flows beyond that five-year period have been extrapolated using a steady 1.5% p.a. (2022: 1.5%) growth rate which is the projected long-term average growth rate for the international seafood market. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause carrying amounts of any of the cash generating units to exceed their recoverable amounts. An increase in weighted average cost of capital of more than 200 bps would cause impairment of goodwill.

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13. Subsidiaries and other investments

The Group's subsidiaries and other investments are as follows.

Name of company	Place of incorporation	Ownership 31/12/22	Ownership 31/12/21	Principal activity
Subsidiaries:				
Iceland Seafood ehf.	Iceland	100%	100%	Sale of seafood
Solo Export ehf.	Iceland	100%	100%	Not active
Iceland Seafood Ibérica S.A.U. A)	Spain	100%	100%	Sale of seafood
- Achernar S.A.	Argentina	100%	100%	Sale of seafood
Elba S.L. A)	Spain		100%	Sale of seafood
Ahumados Domínguez	Spain	85%	85%	Sale of seafood
Iceland Seafood Barraclough Ltd.	UK	100%	100%	Real estate
- F. Barraclough Ltd. B)	UK		100%	Liquidation
- Iceland Seafood UK Ltd. C)	UK		100%	Sale of seafood
Oceanpath Ltd.	Ireland	100%	100%	Sale of seafood
- Dunns Seafare Ltd.	Ireland	100%	100%	Sale of seafood
- Mondi Properties Ireland Ltd.	Ireland	100%	100%	Real estate
- Carr & Sons Seafood Ltd.	Ireland	100%	100%	Sale of seafood
- H J Nolan Ltd.	Ireland	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%	Not active
Investments in other companies:				
Febin Marine Foods Private Ltd C)	India		5%	Seafood supply

A) Elba S.L. and Iceland Seafood Ibérica S.A.U. merged at year end 2023.

B) F. Barraclough Ltd. was liquidated in 2023.

C) Iceland Seafood UK Ltd was sold on September 27th 2023 (see note 9).

13.1 Subsidiaries pledged as security
Equity of subsidiaries, except from subsidiaries in Spain, have been pledged for the Group's borrowings.

14. Inventories

	31.12.23	31.12.22
Raw materials	5.127	4.978
Finished goods	69.043	77.593
Other inventories	2.819	3.476
	76.989	86.047

14.1 Recognised as an expenses
The cost of inventories recognised as an expense is:

	2023	2022
Cost of sales	365.492	349.657

14.2 Movement in write-downs to net realisable value

	31.12.23	31.12.22
At 1 January	(949)	(931)
Write-downs of inventory to a net realisable value	(317)	(195)
Reversal of such write-downs	49	183
Exchange rate differences		(6)
At 31 December	(1.217)	(949)

14.3 Inventories pledged as security
Inventories, except from Inventories in Spain EUR 67.4 million, have been pledged for the Group's borrowings.

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15. Trade and other receivables

	31.12.23	31.12.22
Trade and other receivables	60.363	63.599
Allowance for doubtful accounts	(921)	(1.064)
	59.442	62.535

Allowance has been made for doubtful accounts and sales returns. This allowance has been determined by management in reference to past default experience. Management considers that the carrying amount of receivables approximates their fair value.

15.1 Trade receivables

The expected credit losses (ECL) on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor´s current financial position, adjusted for factors that are specific to the debtors such as general economic conditions in the markets the Group operates. This analysis also takes into account if receivables are credit insured or not at end of the year, recoverability of credit insured receivables is in the range from 90-95%. Around 78% of Group's receivables were credit insured.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

15.2 Trade receivables expected credit loss

The following table details the risk profile of trade receivables based on the Group´s provision matrix.

	Trade receivables - days past due				
	Not past due	<30	31 - 60	61 - 90	>90
31.12.2023					
Uninsured receivables					
Expected credit loss rate	1,4%	2,4%	5,0%	17,0%	100,0%
Estimated total gross carrying amount at default	6.141	584	190	90	688
Expected credit loss (ECL)	86	14	10	15	688
Insured receivables					
Expected credit loss rate	0,9%	1,9%	5,0%	13,5%	100,0%
Estimated total gross carrying amount at default	41.928	9.345	463	243	691
Expected credit loss (ECL)	29	12	2	2	63
Total expected credit loss					921
31.12.2022					
Uninsured receivables					
Expected credit loss rate	1,5%	2,5%	7,5%	21,3%	100,0%
Estimated total gross carrying amount at default	8.829	1.308	183	626	654
Expected credit loss (ECL)	132	38	14	135	654
Insured receivables					
Expected credit loss rate	0,9%	2,0%	5,0%	13,5%	100,0%
Estimated total gross carrying amount at default	39.330	10.854	1.255	312	249
Expected credit loss (ECL)	35	22	6	4	25
Total expected credit loss					1.064

15.3 Movement in the allowance for doubtful debts

	2023	2022
At 1 January	(1.064)	(1.247)
Discontinued operations, see note 8		96
Change in impairment estimate	(132)	(172)
Amounts recovered	25	
Exchange rate difference	250	259
At 31 December	(921)	(1.064)

15.4 Receivables pledged as security

Trade receivables, except from receivables in Spain, have been pledged for the Group's borrowings.

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16. Other assets

	31.12.23	31.12.22
Prepaid expenses	6.222	6.709
Value added and capital gain taxes	1.404	3.038
Fair value of cash flow hedges	82	
	7.708	9.747

17. Cash and bank balances

Cash and bank balances consist of cash and bank accounts. Cash amounts are insignificant.

18. Issued capital and share premium

18.1 Shares

	Authorized shares	Issued shares	Outstanding shares	Book value
At 1 January 2022	2.714.480	2.714.480	2.714.480	25.134
At 31 December 2022	2.714.480	2.714.480	2.714.480	25.134
New shares issued	350.000	350.000	350.000	2.322
At 31 December 2023	3.064.480	3.064.480	3.064.480	27.456

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

18.2 Issued capital and share premium

	Share capital	Share premium	Total
At 1 January 2022	25.134	55.157	80.291
At 31 December 2022	25.134	55.157	80.291
New shares issued	2.322	10.722	13.044
Transfer of share premium to accumulated loss		(21.795)	(21.795)
At 31 December 2023	27.456	44.084	71.540

19. Reserves

	31/12/23	31.12.22
Translation reserve	(505)	(310)
Hedging reserve	(641)	(336)
Statutory reserve	430	430
Equity reserve	181	163
Unrealised profit of subsidiaries	21.657	17.150
	21.122	17.097

19.1 Translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Euro) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

19.2 Hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Group's accounting policy.

19.3 Statutory reserve

In accordance with the Icelandic Act no 2/1995 on Public Limited Companies, the Company is to retain 10% of its annual profit in a statutory reserve until it equals 10% of the outstanding shares. After that, the Company is to retain 5% until the reserve equals 25% of the outstanding shares.

19.4 Equity reserve

The equity-settled employee benefits reserve relates to share options granted by the Company to its employees under its employee share option plan.

At 31 December 2023, executives and senior employees held options to buy 25.775.000 shares in the Company, no new share options were granted during the year. Weighted average lifetime of outstanding options at year end was 5.3 years, the exercise price is in the range from ISK 5.4 to 10.23 per share. Options granted prior to 2020, will vest over four years from issuance, with the first 12/48 of the option vesting at the first anniversary of grant date and the remaining 36/48 vesting monthly after that. Options granted during 2020, will vest over four years from issuance, with the first 36/48 vesting at the third anniversary of grant date and being exercisable at that day. The remaining 12/48 will vest monthly after that but are first exercisable at the time the Optionee

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ceases to be employed by the Company. The exercise price of options granted is the same as market price at Nasdaq stock exchange at the time options are granted. All options are subject to the condition that the Optionee remains an employee of the Company. The options carry neither rights to dividends nor voting rights and are valued using the Black Scholes option pricing model. During 2023 2.350 thousands shares options were exercised at the exercise price of ISK 5.40 per share. During the year 18 thousands was expensed in the income statement due to stock option agreements (2022: 25 thousands).

	Average exercise price per share	Stock options (thou-sands)
At 1 January 2023	8,44	31.875
Granted	-	
Exercised	5,40	(2.350)
Cancelled	8,62	(3.750)
At 31.12.2023	8,78	25.775
Exercisable stock options at 31.12.2023		24.170
At 1 January 2022	8,44	32.560
Granted	-	
Exercised	-	
Cancelled	5,40	(685)
At 31.12.2022	8,44	31.875
Exercisable stock options at 31.12.2022		20.184

Assumptions used in the Black-Scholes calculation:

	Exercise price	Expected term (years)	Expected risk free interest rate	Estimated volatility	Remaining lifetime in years
2015	5,40	4	0,31%	3,70%	2,4
2017	6,85	4	0,43%	11,00%	3,5
2019	9,55	4	0,00%	14,10%	5,7
2020	10,23	4	0,00%	19,29%	7,0

19.5 Unrealised profit of subsidiaries

If a share of profit of subsidiaries is in excess of dividends received from those companies or dividend that has been decided to distribute, the difference is to be transferred from retained earnings to a restricted reserve among equity. If a company's shareholding in its subsidiary is sold or written off, the aforementioned reserve is to be dissolved via transfer to retained earnings or accumulated deficit, as applicable.

20. Borrowings

	31/12/23		31/12/22	
	Current	Non-current	Current	Non-current
Revolving credit facilities	68.013		64.219	
Other bank loans	6.196	39.663	7.923	32.488
	74.209	39.663	72.142	32.488

20.1 Revolving credit facilities

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 three 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 December 2023 the total headroom of the Group was EUR 51.1 million including cash.

The facility with the institution in Iceland has a cap of EUR 20 million with EUR 8.6 million draw down at year end

(2022: EUR 9.9 million). 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 48.6 million at year end (2022: EUR 58.2 million).

The Group's subsidiaries in UK and Ireland (Northern Europe division) entered into a loan agreement with a foreign bank, which was finalised in December 2021. In relation to the sale of ISUK, an amendment agreement was finalised for that facility, to reflect a reduction in borrowing need post the transaction. After that amendment, the loan agreement consist of a 3 year term loan of GBP 4.0 million against pledge in the Groups properties in UK and Ireland, and a revolving borrowing base facility of EUR 12.0 million against inventories and receivables in Ireland.

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. As detailed in note 9, an amendment and waiver letter was approved for terms of the bond in relation to the sale of IS UK Ltd in October 2023.

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The parent company has outstanding two offerings of 3 months bills for total ISK 2.600 million in total, at end of December 2023. In both cases hedging was put in place to fix the liability in EUR. The total fixed amount at end of December 2023 amounts to EUR 16.9 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.

20.2 Aggregated maturities

The contractual repayments of non-current borrowings are as follows:

	31/12/23	31/12/22
In 2024 / 2023	6.196	7.923
In 2025 / 2024	28.551	4.098
In 2026 / 2025	6.877	26.077
In 2027 / 2026	2.544	1.805
Later	1.691	508
	45.859	40.411

20.3 Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non–cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's Consolidated Statement of Cash Flows as cash flows from financing activities.

	2023	2022
At 1 January	106.525	124.076
Discontinued operations longterm loan at 1 January	5.073	
Discontinued operations, see note 9		(33.142)
Net (decrease) increase in revolving credit facility	(485)	24.338
Increase (decrease) in bills	3.549	(6.990)
Increase (decrease) in lease liabilities	428	699
New borrowings	11.261	6.656
Repayments	(10.686)	(9.089)
FX impact long term loans	(23)	(23)
At 31 December	115.642	106.525

20.4 Weighted average interests

Weighted average interests rate on longterm loans in 2023 are 5.9% (2022: 3.9%).

20.5 Assets pledged as security

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.

21. Other liabilities

	31/12/23	31/12/22
Accrued payroll related expenses	2.444	2.002
Accrued other expenses	3.410	3.873
Deferred payments	147	569
Income tax	1.104	2.626
Value added tax	1.196	590
Fair value of cash flow hedges		938
	8.301	10.598

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22 . Leases

22.1 Leased assets

	Property and land	Machinery and equip.	Total
Balance at 1.1.2023	935	789	1.724
Adjust. for indexed leases	23		23
New or re-newed leases	38	360	398
Depreciation	(190)	(368)	(558)
Exchange rate differences	5		5
Balance at 31.12.23	811	781	1.592

22.2 Recognised in profit and loss

	2023	2022
Depreciation expense from leased assets	558	549
Interest expense on lease liabilities	94	89
Total amount recognised in profit and loss	652	638

22.3 Lease liabilities
Maturity analysis (not discounted)

	31/12/23	31/12/22
Not later than 1 year	597	527
Later than 1 year and not later than 5 years	877	1.054
Later than 5 year	723	791
	2.197	2.372

The total cash outflow for leases amount to EUR 0.6 million (2021: 0.6 million).

23. Financial instruments

23.1 Categories of financial instruments

	31/12/23	31/12/22
Financial assets		
Amortised cost (trade and other receivables)	59.442	62.535
Amortised cost (other assets)	82	902
Derivative instruments in designated hedge accounting relationships	44.914	37.653
Cash and bank balances	16.524	11.072
Financial liabilities		
Amortised cost (borrowings)	113.872	104.630
Amortised cost (trade and other payables)	54.022	52.461
Amortised cost (other liabilities)	6.001	6.146

23.2 Financial risk management objectives
The Company's Board of Directors and senior executive team has the overall responsibility for the establishment and oversight of the Group's risk management framework, with regards to market risk, credit risk, liquidity risk and operational risk. The objective of the Group's risk policies is to manage and control risk exposures within acceptable levels, while optimizing the return.

23.3 Foreign currency risk management
The Group's foreign currency forward contracts are measured at fair value with discounted cash flow valuation techniques. Future cash flow (which is all anticipated within the next 12 months) is estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	Assets		Liabilities	
	31/12 2023	31/12 2022	31/12 2023	31/12 2022
GBP	3.428	5.213	3.257	6.124
USD	15.013	10.687	8.121	5.418
ISK	8.186	949	40.948	38.425
ARS	1.389	4.300	3.406	6.329
Other	251	228	25	11
	28.267	21.377	55.757	56.307

Sensitivity analysist
A 10% strengthening of the EUR against the following currencies at 31 December would have changed result after income tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2023	2022
GBP	14	73
USD	551	(399)
ISK	(2.621)	2.998
ARS	(161)	152
CAD	(4)	(11)
JPY	(14)	(6)

A 10% weakening of the EUR against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above on the basis that all other variables remain constant.

The following significant exchange rates were applied during the year:

	Average rate		Closing rate	
Eur	2023	2022	2023	2022
GBP	0,8698	0,8528	0,8668	0,8870
USD	1,0809	1,0507	1,1047	1,0669
ISK	149,1400	142,3300	149,5700	150,9700
JPY	151,5959	137,8098	155,8021	141,0935
CAD	1,4592	1,3692	1,4565	1,4486
NOK	11,4091	10,1008	11,2206	10,5352

23.4 Interest rate risk management
At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	31/12/23	31/12/22
Variable rate instruments		
Financial assets	16.524	11.072
Financial liabilities	(113.872)	(104.630)
	(97.348)	(93.558)

A change of 50 basis points in interest rates during the year would have impacted pre-tax profits by EUR 527 thousands (2022: 549 thousands).

23.5 Credit risk management
Trade receivables consist of a large number of customers spread across geographic areas. The maximum credit risk of financial assets is their book value. The Group manages its credit risk by using credit insurances alongside ongoing credit evaluation on the financial conditions of relevant customers. At year end 78% of receivables are credit insured. Further information about credit risk is shown in notes 15 and 26.15.

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23.6 Liquidity risk management

The Group manages liquidity risk by ensuring sufficient liquidity is available from current bank facilities to meet foreseable needs and to invest cash assets safely and profitably. This policy has remained unchanged from previous periods. At end of 2023 the total funding headroom of the Group was 51.1 million including cash.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities, including estimated interest payments.

	Carrying amount	Contractual cash flow	Less than 1 year	1-3 years	More than 3 years
31 December 2023					
Non-current borrowings*	47.629	51.143	9.617	33.875	7.651
Current borrowings	68.013	68.013	68.013		
Other liabilities	60.023	60.023	60.023		
	175.665	179.179	137.653	33.875	7.651
31 December 2022					
Non-current borrowings*	42.306	43.485	9.013	31.369	3.103
Current borrowings	64.219	64.219	64.219		
Other liabilities	58.607	58.607	58.607		
	165.132	166.311	131.839	31.369	3.103

*Non- current borrowings includes Long term loans and leases

23.7 Fair value measurements

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the Consolidated Financial Statements approximate their fair values.

24. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

24.1 Trading transactions

During the year, Group entities entered into the following trading transactions with related parties that are not members of the Group:

	2023	2022
Purchases of goods and services, from companies related to Board Members	118.135	140.652

The following balances were outstanding at the end of the reporting period:

	31/12/23	31/12/22
Amounts owed to companies related to Board Members	22.206	22.683
Amounts owed by companies related to Board Members	2.150	101

Purchases of goods and services from and sales to related parties were made at the same prices and terms to non related parties.

24.2 Compensation to key management personnel

The remuneration of directors and other members of key management personnel was as follows:

	2023	2022	Shares at 2023 year end*
Birna Einarsdóttir, Chairman	10		
Liv Bergþórsdóttir, Former chairman	54	65	1.200
Bergþór Baldvinsson, Board Member	32	33	312.304
Halldór Leifsson, Board Member	32	32	362.907
Ingunn Agnes Kro, Board Member	33	33	
Jakob Valgeir Flosason, Board Member	32	32	339.961
Guðmundur Kristjánsson, Alternate Board Member			350.246
Gunnlaugur K Hreinsson, Former Alternate Board Member	6	2	25.826
Ægir Páll Friðbertsson, CEO	89		
Bjarni Ármannsson, Former CEO	333	383	
Reynir Jónsson, CFO	321	276	550
Total salaries and benefits for the BOD and executive management	942	856	1.392.994

The remuneration of directors and other members of key management is determined by a Remuneration Committee, having regarded to their performance, general market trends and other factors.

25. Approval of financial statements

The Consolidated Financial Statements were approved by the Board of Directors and the CEO and authorised for issue on February 28th 2024.

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26. Significant accounting policies

26.1 Statement of compliance

The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and additional disclosure requirements in the Icelandic Act no. 3/2006 on Financial Statements.

The same accounting policies (except mentioned here above), presentation and methods of computation are followed in these Consolidated Financial Statements as were applied in the latest Financial Statements for the year ended 31 December 2022.

26.2 Basis of preparation

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Share-based payments transactions are valued according to IFRS 2.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

26.3 Basis of consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Group. Control is achieved when the Group has power over the subsidiaries, is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an entity, it has power over the entity when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the entity unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an entity are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income are attributed to the owners of the Company and to the non-controlling interests. Total Comprehensive Income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

26.4 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non- controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

26.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business, less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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26.6 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is considered as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposals groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

26.7 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

26.7.1 Sale of seafood

Revenue from the sale of goods is recognised when control of the goods has transferred, being at the point the goods are delivered to the customer and titles have passed. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. There is no right of return under the Group's return policy and therefore no refund liability is recognised.

26.7.2 Dividend and interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the

Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

26.8 Leasing

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a leased asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease payments included in the measurement of the lease liability comprise fixed payments less any incentives, variable lease payments that depend on an index or rate, expected residual guarantees and the excercise price of purchase options if the Group expects to excercise the option.

Leased assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the leased asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

26.9 Foreign currencies

The Group’s Consolidated Financial Statements are presented in Euro, the Group’s presentation currency. In preparing the Financial Statements of each individual group entity, transactions in foreign currencies other than the entity's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in net profit or loss for the period.

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group´s foreign operations (including comparatives) are expressed in Euro using exchange rates prevailing on the balance sheet date. Income and expense items of foreign operations, are translated at the average exchange rates for each month. Translation differences from foreign operations are posted to

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translation reserves among equity. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as asset and liabilities of the foreign operation and translated at the rate of exchange prevailing at end of each reporting period. Exchange differences are recognised in other comprehensive income.

26.10 Employee benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

26.10.1 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

26.10.2 Share based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight- line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

26.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

26.11.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated Income Statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

26.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

26.11.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

26.12 Property, plant and equipment

Property and equipment are recognized as an asset when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured in a reliable manner. Property and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Land is not depreciated. Such cost includes the cost of replacing parts of the property and equipment if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group

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recognizes such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognized in profit or loss as incurred.

The depreciable amount of the asset is allocated on a straight-line basis over its useful life. The depreciation charge for each period is recognized as an expense. The estimated useful lives, residual values and depreciation method are reviewed at each balance sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

In the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Consolidated Income Statement.

26.13 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

26.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

26.15 Financial assets

26.15.1 Recognition of financial assets

Financial assets are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

26.15.2 Financial assets at amortised cost

Financial assets at amortised cost are debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group's financial assets measured at amortised cost are trade and other receivables, bank balances and cash.

26.15.3 Financial assets at fair value

Debt instruments that are held within a business model whose objective is both to collect the contractual cashflows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL). The Group currently holds no financial assets measured at fair value.

26.15.4 Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on its trade receivables, that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The Group's estimate for trade receivable ECL is described in detail in note 15.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

26.15.5 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

26.16 Financial liabilities and equity instruments

26.16.1 Financial liabilities

Financial liabilities are classified as 'other financial liabilities'. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

26.17 Hedge accounting

The Group designates certain hedging instruments, which include derivatives in respect of cash flow hedges.

Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. The Group has elected to continue to apply the hedging requirements of IAS 39, as permitted by IFRS 9.

At the inception of the hedge relationship, the entity documents

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023

the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

26.17.1 Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

27. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

28. Application of new and revised International Financial Reporting Standards (IFRSs)

28.1 Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these Consolidated Financial Statements.

- IFRS 17 Insurance Contracts:
  New accounting standard
- IAS 1 Presentation of Financial Statements:
  Disclosure of accounting policies
- IAS 8 Accounting policies, Changes in Accounting Estimates and Errors:
  Definition of Accounting Estimates
- IAS 12 Income tax:
  Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the amendments stated above has not had any material impact on the disclosures or on the amounts reported in these Consolidated Financial Statements.

28.2 New and revised IFRSs in issue but not yet effectiver

The Group has not early adopted new standards or amendments to IFRSs that have been issued and are permitted for early adoption. The following amendments are effective from 1 January 2024:

- IAS 1 Presentation of Financial Statements:
  Classification of Liabilities as Current or Non-current
- IAS 1 Presentation of Financial Statements:
  Non-current Liabilities with Covenants
- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures:
  Supplier Finance Arrangements
- IFRS 16 Leases:
  Lease Liability in a Sale and Leaseback

The Management of the Company do not expect that the adoption of the amended Standards listed above or other issued new standards and amendments scheduled that become effective in subsequent periods will have a material impact on the Consolidated Financial Statements of the Group in future periods.

Financial Statements 2023 Amounts in EUR thousands

Quarterly Statements (unaudited)

for the year ended 31 December 2023

Quarterly Statements

The Group´s quarterly statements are not audited. Summary of the Group´s results by quarters is specified as follows:

	Q4	Q3	Q2	Q1	Total
For the year 2023					
Revenue:					
Sales of seafood	124.453	104.913	112.443	146.044	487.853
Eliminations	(12.640)	(9.098)	(13.281)	(22.929)	(57.948)
	111.813	95.815	99.162	123.115	429.905
Operating results:					
Operating profit	5.983	242	(290)	1.950	7.885
Net finance costs	(3.406)	(1.362)	(1.528)	(910)	(7.206)
Normalised PBT	**2.577**	**(1.120)**	**(1.818)**	**1.040**	**679**
Income tax	(1.714)	676	261	(839)	(1.616)
Normalised profit	**863**	**(444)**	**(1.557)**	**201**	**(937)**
Significant items and discontinued operations	(460)	(5.047)	(11.476)	(2.423)	(19.406)
Profit (loss)	**403**	**(5.491)**	**(13.033)**	**(2.222)**	**(20.343)**
Assets	254.806	250.314	272.622	305.266	
Liabilities	182.075	184.184	201.111	226.533	
For the year 2022					
Revenue:					
Sales of seafood	120.138	128.149	116.792	119.299	484.378
Eliminations	(19.021)	(16.846)	(12.868)	(14.947)	(63.682)
	101.117	111.303	103.924	104.352	420.696
Operating results:					
Operating profit	4.977	4.157	1.290	4.343	14.767
Net finance costs	(992)	(762)	(272)	(596)	(2.622)
Normalised PBT	**3.985**	**3.395**	**1.018**	**3.747**	**12.145**
Income tax	(1.858)	(1.105)	(226)	(880)	(4.069)
Normalised profit	**2.127**	**2.290**	**792**	**2.867**	**8.076**
Significant items and discontinued operations	(17.912)	(173)	(72)	(146)	(18.303)
Profit	**(15.785)**	**2.117**	**720**	**2.721**	**(10.227)**
Assets	290.346	281.844	284.424	294.200	
Liabilities	209.257	194.590	195.159	203.344	

Statement of Corporate Governance

About Iceland Seafood International

Iceland Seafood International hf (hereafter referred to as “Iceland Seafood“, the “Company“ or “ISI”) is a holding company for 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, Ireland, Iceland, France, Germany and United Kingdom. The Group operates across three divisions; Value-Added Southern Europe, Value-Added Northern Europe and our Sales and Distribution Division. The Value-Added Divisions have processing factories and cold stores in their respective regions with Southern Europe also having a satellite facility in Argentina.

Corporate Governance structure

Iceland Seafood's corporate governance framework is defined by Act No. 2/1995 on Public Limited Companies (hereafter referred to as the “Act on Public Companies“), the Nasdaq Iceland Rules and is set out in the Company’s Articles of Association. Under its Articles of Association, the Company is governed by shareholders' meetings, the Company's Board of Directors (hereafter referred to as the “Board of Directors” or the “Board”) and the Chief Executive Officer. The Shareholders hold the decision-making powers in the Company through shareholders meetings that are held at least once a year. The Board of Directors is authorized to allow shareholders to participate in proceedings at shareholders’ meetings through electronic means without being present at the meeting venue if it deems that available equipment is sufficiently secure for this purpose. When organising shareholders meetings, the Board does so in a manner that allows shareholders to exercise their decision powers and express their opinions, i.e., by publishing all information and documents on the Company’s website. Between shareholders meetings, the Board holds supreme authority of the Company. In accordance with Article 70 (5) of the Act on Public Companies the Board of Directors has set itself formal Rules of Procedure which are supplementary to the Articles. According to the Rules the Board of Directors may elect committees that operate on behalf of the Board. All Board committees set themselves specific rules of procedure.

The Company adheres to the principles set forth in the Corporate Governance Guidelines, published by the Iceland Chamber of Commerce in co-operation with SA Business Iceland and Nasdaq Iceland (hereafter referred to as the “Guidelines”). As of the date of this statement there are two deviations from full compliance with the Guidelines.

The Company does not have a board nomination committee, the reason being that due to the nature of the Company and close connection to the seafood sector, it is considered important to have representatives from key seafood suppliers of the Company on its board. These board members bring both valuable sourcing capabilities and sector knowledge to the board of Iceland Seafood. At the date of this statement, three of five board members of the Company are directors and/or owners of key suppliers of Iceland Seafood and are as such not independent from the company. These board members do not participate in dealings with items connected to their own business or business that is related to them, except from normal trading of seafood.

Board of Directors

The Company's Board of Directors shall be composed of three to five members and up to two alternate members, elected at the Annual General Meeting for a term of one year. In 2023 the total number of Board meetings were 26 and the Board was competent to make decisions in all meetings. The Board annually evaluates its own work, the work of the CEO and the Company’s operation. This assessment is based on self-assessment of the board, examination of whether the Board has operated in accordance with its Rules of Procedures. The Board shall evaluate the work of the CEO and the Company’s operation in general, the CEO shall not be present for this evaluation. The Chairman of the Board shall present and discuss the results of the assessment with the CEO. The Board currently consists of five main members and one alternate member. As of the date of this statement the Board of Directors consists of the following members:

Name:

Birna Einarsdóttir
November 2023.

Birna has over 30 years experience in the banking sector, both in Íslandsbanki and in the Royal Bank of Scotland. Before her banking career she worked in marketing as the Marketing Director of the television station Stöð 2, among other roles.

Birna holds a degree in Business Administration, Cand.oecon from University of Iceland and MBA from University of Edinburgh.

Member of board or manangement:
Birna is also chairman of the board of Fólk Reykjavík.

Shareholdings in the Company as at 31.12.2023 and other interest related to large shareholders, competitors, customers or suppliers: none

Name:
Jakob Valgeir Flosason

First elected: February 2019.

Education and experience:
Jakob has an extensive knowledge of the Icelandic fishing industry from all perspectives, a knowledge that not many people possess. He has been involved in every aspect of the sector from early age, working in factories, on fishing boats and building up the family company to become one of the most technology advanced and leading company within the Icelandic fishing sector.

Member of board or manangement:
Jakob is currently a board member of Sigurbjörg ehf., HRock ehf., BB29 ehf., Klofningur ehf., Valgeir ehf., B1917 ehf., Sýr ehf., Itsorf ehf., Salting ehf., Breiðhella ehf., Karlsbali ehf., Gafl ehf., Hamarshöfði 4 ehf., B15 ehf., Fiskmarkaður Vestfjarða hf. and EA 30 ehf. in addition to his board membership with the Company.

Shareholdings in the Company as at 31.12.2023 and other interest related to large shareholders, competitors, customers or suppliers: Jakob Valgeir ehf., owned by Jakob, his wife, and his father, holds 339,961,200 shares. Jakob Valgeir ehf. is also a large supplier of seafood to the Company.

Statement of Corporate Governance

Name:
Bergþór Baldvinsson

First elected: March 2020.

Education and experience: Bergþór has been the CEO of Nesfiskur since 1979. Nesfiskur is a family-owned company that Bergþór and his parents stated in 1975.

Working at Nesfiskur since a teenager, Bergþór has familiarized himself with every aspect o the industry. The small family company has grown constantly from the beginning, today Nesfiskur and its subsidiaries employ around 400 people.

Member of board or manangement: Bergþór is a board member of FSM hf, Umbúðamiðlun hf, Nesfiskur ehf and companies within Nesfiskur Group.

Shareholdings in the Company as at 31.12.2023 and other interest related to large shareholders, competitors, customers or suppliers: Nesfiskur ehf, owned by Bergþór and his family, holds 312,304,386 shares. Nesfiskur is also a large supplier of seafood to the Company.

Name:
Ingunn Agnes Kro

First elected: February 2019 as an alternate board member and as a board member from March 2020.

Education and experience: Ingunn is the general manager of Jarðvarmi slhf. Previously Ingunn was a Director of Administration and Communication at Skeljungur hf., a company listed on Nasdaq Iceland, heading internal and external communication, incl. legal matters, marketing, public relations and human resources, and before that the company´s general counsel, compliance officer and secretary to the board. Ingunn holds a B.A. and M.A. degree in law and an MBA from the University of Iceland, as well as being a certified district court attorney and securities broker.

Member of board or manangement: Ingunn is currently a board member of Sjóvá Almennar tryggingar hf. (insurance company), HS Orka hf. (electricity producer and provider), Freyja slhf. (private equity fund) and the Wetlands fund (environmental NGO).

Shareholdings in the Company as at 31.12.2023 and other interest related to large shareholders, competitors, customers or suppliers: None.

Name:
Halldór Leifsson

First elected: March 2020.

Education and experience: Halldór is Marketing and Sales Director at Fisk Seafood ehf. He has worked in the seafood industry since 1990, in all the key segments including management of production, fleet, sales, office, finance and in the role of deputy MD and MD.

Halldor holds a degree in Fishery Technology from the Technical University of Iceland and has studied Business Management in the University of Reykjavík and business courses in University of Iceland.

Member of board or manangement: Halldór is the main owner and board member of the company Haf-sjór slf.

Shareholdings in the Company as at 31.12.2023 and other interest related to large shareholders, competitors, customers or suppliers: Fisk Seafood, the employer of Halldor, holds 362,906,903 shares. Fisk Seafood is also a large supplier of seafood to the Company.

Name:
Guðmundur Kristjánsson

First elected: November 2023 as alternate board member.

Education and experience: Guðmundur is a CEO of Brim hf, previously the CEO of Útgerðarfélagið Tjaldur ehf and Managing Director of Kristján Guðmundsson hf. Guðmundur holds a degree in Business and marketing from the Salem State College in USA and a degree in Fishery Technology from the Technical University of Iceland.

Member of board or manangement: Guðmundur is a board member of Brim hf. and related companies.

Shareholdings in the Company as at 31.12.2023 and other interest related to large shareholders, competitors, customers or suppliers: Brim hf., holds 350.246.206 shares. Brim hf. are also a large supplier of seafood to the Company.

Subcommitees

The Board of Directors has appointed two subcommittees, Audit Committee and Remuneration Committee.

Audit Committee

The Audit Committee ensures the quality of the financial statements and internal controls. It has oversight of the

external auditors. It also presents proposals for the selection of external auditors and ensures their independence. The Audit Committee's main responsibilities include monitoring the integrity of the financial statements of the Group, reviewing the effectiveness of the Group's internal controls and risk management systems and overseeing the selection, appointment and relationship with the Group's external auditor.

The committee shall operate independently on behalf of the Board of Directors who shall elect the members of the Audit Committee each year. The Audit Committee operates in accordance with rules of procedure approved by the Board of Directors and shall be made up of 2-3 members. Committee members shall possess knowledge and experience which is consistent with the work of the committee, at least one of the audit committee members shall be a financial expert who has accounting or related financial expertise. The members shall be independent of the auditor of the Group and the majority should be independent of the Company's management. Members of the Audit Committee are Ingunn Agnes Kro, Bergþór Baldvinsson and Ágúst Kristinsson.

The committee shall meet at least four times a year, at appropriate times in the reporting and audit cycle and otherwise as required. Only members of the Audit Committee have the right to attend committee meetings, however, other individuals such as the chairman of the Board, chief executive, finance director, other directors and representatives from the finance function may be invited to attend all or part of any meeting as and when appropriate. Additionally, the external auditors are invited to attend meetings of the committee on a regular basis.

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The Board is responsible for the appointment and activities of the Audit Committee and it operates under the Board's authority. The Audit Committee does not reduce the responsibilities of the Board or relieve it of any responsibility.

Remuneration Committee

TThe Remuneration Committee is responsible for establishing a remuneration policy for the Company. The Remuneration Committee shall assist the Board in ensuring that compensation arrangements support the strategic aims of the Company and enable the recruitment, motivation and retention of senior executives while also complying with legal and regulatory requirements. The committee's main tasks include preparing and submitting annually a proposal to the Board of Directors for the Company's remuneration policy, annually reviewing the Company's compensation programs and monitoring that salary and any incentive schemes are in accordance with law and market practice.

The Board of Directors appoints the members of the committee and its chairman. Neither the Company's chief executive officer nor any of the Company's and its subsidiaries' top executives shall be appointed to the Remuneration Committee. The committee operates in accordance with rules of procedure approved by the Board of Directors and shall be made up of 2-3 members. It is preferable that the members of the committee have experience and knowledge on guidelines and common practise regarding decision on executives' terms of employment. If deemed necessary, the Remuneration Committee may seek the assistance of consultants, such consultants shall be independent of the Company, its executives and the Board of Directors who are not deemed to be independent. The committee is responsible for examining the consultant's experience. Members of the Remuneration Committee are Birna Einarsdóttir, Jakob V Flosason and Halldór Leifsson. The committee shall call meetings as often as necessary at their own initiative or at the request of the other committee members, however, not less than twice a year.

The Board is responsible for the appointment and activities of the Remuneration Committee and it operates under the Board's authority. The Remuneration Committee does not reduce the responsibilities of the Board or relieve it of any responsibility.

Executive Management

The Executive Management comprises the Company's CEO and CFO. The CEO has charge of the day-to-day operations of the Company and represents the Company in all matters concerning normal operations. The CEO shall manage the accounts of the Company and employ the employees of the Company. The CEO shall grant Board members and auditors all necessary information on the operations of the Company which they might request and should be granted according to statutory law. The CEO of the company is Ægir Páll Friðbertsson and the CFO is Reynir Jónsson.

CEO

Name:
Ægir Páll Friðbertsson

First elected: November 2023

Ægir Páll has over 30 years of management experience, in the

finance sector, seafood sector, as well as consulting for various companies. Before joining the Group he was the COO of Brim hf. from 2018 to 2023. He was the Managing Director of Útgerðafélag Reykjavíkur from 2015 - 2017. From 2010 until 2014 he was in consulting. He was the Managing Director of Ísfélag hf. from 2001- 2009.

Ægir Páll holds a MSc in Finance from the University of Iceland, and Cand.Oecon. degree from the University of Iceland

Member of board or manangement: Ægir Páll is currently the chairman of the board of Jöklar-Verðbréf hf. and a board member of Viðskiptaráð (e. Iceland Chamber og Commerce). Ægir Páll is also a board member of several of the Issuer's subsidiaries.

Shareholdings in the Company as at 31.12.2023 and other interest related to large shareholders, competitors, customers or suppliers.

Chief Financial Officer

Name:
Reynir Jónsson

First elected: October 2013

Reynir Jónsson has been the Group's CFO since late 2013. Before joining the Group, he worked as a Director and Partner at Deloitte Financial advisory services for five years, where large parts of his projects were related to the seafood sector in Iceland. Prior to that, Reynir was the head of accounting at HB Grandi from 2003-2006. Reynir holds an MSc degree in Finance and Strategic Management from Copenhagen Business School and a Cand. oceon Degree in accounting from the University of Iceland.

Member of board or manangement: Reynir is a board member of several of the Issuer's subsidiaries.

Shareholdings in the Company as at 31.12.2023 and other interest related to large shareholders, competitors, customers or suppliers: 550,345 shares in addition to options for 10,000,000 shares..

Internal control and risk management

The Board of Directors and the CEO are responsible for internal control and risk management of the Company. Internal control and risk management procedures are designed to minimize risk of material misstatements. The Company does not have an internal audit function, but the Audit Committee reviews the effectiveness of the Group's internal controls and risk management systems.

An independent auditor or auditing company is elected at the Annual General Meeting for a term of one year. The auditors shall be provided with any information requested in relation to its auditing services for the Company, they shall always have full access to the Company's books and documents. They shall audit the Company's consolidated financial statements in accordance with international standards on auditing, including a review of internal controls and processes. Any significant findings in relation to the audit and review of internal controls are reported to the Board of Directors through Audit Committee.

Effective risk management is important to minimise the risk of material misstatement and for the business to perform. Iceland

Statement of Corporate Governance

Seafood activities are exposed to variety of risk factors related to its operations and financials, such as Currency Risk, Supplier Risk, Credit Risk, Liquidity Risk etc. Risk management within Iceland Seafood is governed by the Board of Directors, while the Audit Committee is responsible for its review on a regular basis. The Executive Management is responsible for identifying material risk and developing the risk management strategy.

Iceland Seafood's corporate governance rules

The Company has specifically reserved a section of its website for corporate governance information on www.icelandseafood.com/investors. The below information and documents are available on the website:

1. The Company's corporate governance statement.

2. The Company's remuneration policy.

3. Summarised information on the Company's Board of Directors, CEO, auditors and members of sub-committees.

4. Information on the Company's shareholders' meetings, including time and location, information on candidates to the Board, and the agenda of the meeting, together with the date of issue of the annual accounts and interim financial statements.

5. Meeting notices, minutes of shareholders' meetings and documents presented at the meeting. It is not necessary to publish a list of the shareholders and proxies that have attended meetings.

6. The Company's Articles of Association.

7. The Board's rules of procedure.

8. The sub-committee's rules of procedure.

9. The Company's annual accounts and the report of the Board of Directors.

Reykjavík, 28 February 2024.
Board of Directors

Non-Financial Information (unaudited)
for the year ended 31 December 2023

About the Company

Iceland Seafood International hf ("The Company") is a holding company for a Group of subsidiaries in Europe and South America. The Company is one of the leading suppliers of North-Atlantic seafood, a global value-added seafood producer, and sales and marketing company. The Company serves all major seafood markets worldwide, with a depth of expertise and understanding to meet customers' needs, combined with innovative, flexible solutions and strategic global distribution.

The Group is headquartered in Iceland and has subsidiaries in Argentina, France, Germany, Iceland, Ireland, Spain, and UK. The operation is categorised into three division.

VA S-Europe:

- Iceland Seafood Ibérica offers variety of frozen and salted products from all major fishing grounds in the world and runs factories in Barcelona and Argentina, serving markets in Spain, Italy, Portugal, and Greece.
- Ahumados Domínguez produces premium-quality smoked salmon and has a strong brand and consumer recognition in the Spanish retail market. It actively runs consumer campaigns and has a direct consumer facing through its speciality stores.

VA N-Europe:

- Oceanpath Limited is the Irish subsidiary. It consists of three companies, Oceanpath, specialising in supplying fresh fish to the retail sector in Ireland, Dunns of Dublin, best known for its smoked seafood products, and Carr & Sons, producing smoked salmon and a range of other premium quality seafood products. Oceanpath is the leading supplier to the retail sector in Ireland in fresh and smoked products.

Sales & Distribution:

- Iceland Seafood Iceland is one of the largest companies in seafood export from Iceland to all main markets worldwide, providing sourcing expertise, quality control and logistic solutions.
- Iceland Seafood Germany supplies high quality fresh seafood. Fresh fish is mainly flown in from Iceland for delicatessen stores, food service and retail.
- Iceland Seafood France provides high quality seafood from Iceland and various global sources. The company supplies fresh and frozen products to food service, retail, and processors in France.

Sustainability

The Company's mission is to supply sustainably sourced seafood while continuously improving the environmental and social aspects linked to its operations and aligning them with business priorities. The Company's ambition is to continuously improve the environmental and social impacts, both from own operations, as well as supply-chain partners' operations.

The financial year 2023 marks the last year the Company will report on its ESG aspects according to the Nasdaq ESG Reporting Guide as preparations to comply with the new EU Corporate Sustainability Reporting Directive (CSRD) have begun. One of the first steps to comply with the CSRD and other emerging sustainability regulations was taken when a new Sustainability Policy was implemented for the Company. The Sustainability Policy is set up as a guiding document for sustainability work within the Company, which has been categorised into Environmental, Social and Governance (ESG) aspects, with defined objectives and subsequent impacts. Head of ESG ensures that the policy is presented and monitors its effectiveness. Quantitative values are reported per month by each subsidiary. Objectives and reported Key Performance Indicators (KPI's) will continuously evolve depending on the Company's own initiatives, emerging legislations, and stakeholder interest.

Objectives and impacts of Key Performance Indicators (KPI's)

On the road to improving its impact the Company set out certain objectives to achieve. The impacts of those objectives were then further identified and the KPI's were set. The following sections will explain in more detail why the objectives were chosen and how the KPI's will be reached. Final results and milestones achieved to fulfil targets will be presented in the Annual Report, published in conjunction with the Annual Meeting on March 21st.

Supporting policies for sustainability objectives and KPI's

- Sustainability Policy
- Group Code of Conduct
- Supplier Code of Conduct

a) Environmental aspects

The aim is to build further on improvements already made as well as finding new methods to further strengthen the environmental profile and reduce overall greenhouse gas (GHG) emissions. The Company depends on the continued biodiversity and stability of the ocean ecosystem and therefore places reduction of GHG emissions and sustainable sourcing of seafood high on the agenda.

Objectives	Impacts	2026 Targets
Promote sustainable sourcing	· Increased rate of certified sustainable seafood	· Certified sustainable seafood sold be 40% of all sales
Reduce GHG emissions	· Lower operational emissions in Scope 1&2 · Increased share of renewable energy in scope 2 · Reduced energy intensity	· Reduce scope 1&2 emissions by 17% · Increase share of renewables to 80%
Minimise water usage	· Reduce water usage · Increase share of reclaimed water	· 50% of water reclaimed
Minimise waste	· Reduce amount of waste generated · Increase recycling rate of waste	· Start calculating GHG emissions from waste and set quantitative reduction targets

Non-Financial Information (unaudited)

for the year ended 31 December 2023

Certified sustainable seafood:

The Company promotes and practices responsible sourcing of seafood and monitors the level of MSC or ASC certified products within the value chain. All subsidiaries have a valid chain of custody certification towards the MSC standard, ensuring traceability of the products. Subsidiaries also have a certification towards ASC chain of custody where applicable.

The Company is committed to work with the industry on fishery improvements and best practices. There is a deep understanding of the risks related to each type of supplier and market within the trading part of the company. The risks are continuously assessed and monitored during the relationships with suppliers. All production sites are also subject to inspections for compliance with applicable food laws, including traceability requirements, by local authorities.

Scope 1 & 2 emissions

It is important to lower the carbon footprint by eliminating emissions as much as possible. Innovation and investment are the driving factors enabling the completion to reach this goal.

For scope 1 this can be done by switching to more environmentally friendly cooling systems and phasing out fossil-fuel use on site by upgrading to electricity generated equipment.

For scope 2 this can be done by opting out of purchasing electricity not generated from renewable energy sources and reduce the dependency on the electricity grid by increasing electricity production on site.

Recycled waste

Circular economy aims to minimize waste and promote a sustainable use of natural resources. In a circular economy, products are either recycled, remanufactured, or re-used after they have served their initial purpose. As strategies have been prioritised on how to reduce the amount of waste generated, the circular economy has been kept in mind.

1. Continued improvements in the processing of seafood.

2. Purchase wisely other goods.

3. Awareness training for staff on different streams and what can be recycled.

4. Seek every opportunity to find recycling streams for the waste that is generated on-site.

5. Increased co-operation with our service partners in waste-handling.

Most of the non-recycled waste from the operations is organic waste from shrimp processing in Achernar, located in Argentina. Therefore, special emphasis has been placed on finding ways to reuse the organic waste and upcycle it.

Water

The Company has invested in a wastewater treatment plant in Puerto Madryn, Argentina, supporting the goal of reclaiming 50% of the water used. Reclaimed wastewater, treated at this wastewater treatment facility, can be reused in applications such as irrigation and industrial processes.

When upgrading equipment, water efficiency is an important selection criterion. Possible water savings will be analysed to reduce the water footprint.

Renewable energy

To increase the share of renewable energy, investments have been made in solar panels for the sites in Madrid and Barcelona. The sun already emits more than enough energy to power all energy needs on the planet and as an added benefit the sun is free, clean, and a sustainable energy source. It can be used to provide heat, and electricity.

Given the abundance of solar energy, its reliability, positive effects on air quality, and its cost-effectiveness, investing in solar panels for the Spanish subsidiaries was an easy choice. Ahumados Domínguez in Madrid and Iceland Seafood Ibérica in Barcelona completed the installation of solar panels in 2023. The solar panels are mounted on the roofs of our buildings, utilizing otherwise unused areas, increasing even more the benefits of them.

In Madrid the generation capacity is around 550 kWh and in Barcelona about 440 kWh, in total around 25-30% of the electricity need of the Spanish subsidiaries.

b) Social aspects of own operations

Human resources are the heart of the operation. The Company is convinced that good management, transparency in communication, safe work conditions, health of employees and appropriate training, increases job satisfaction and employee engagement, as well as increasing their overall health and well-being.

Objectives	Impacts	2026 Targets
Health and Safety at work	· Increase awareness and nowledge · Reduce number of incidents	· Establish Group policies and targets
Engaging and healthy work environment	· Reach more employees through internal employee satisfaction surveys · Increased employee satisfaction · Increased equality	· Reach 80% of employees through satisfaction survey · Steadly increase score of satisfaction survey

Employee satisfaction survey

The Company's operations are made up of a highly experienced group of employees, from various countries, backgrounds, and cultures. Focus is set on the importance of attracting employees with the right skills and ambition to provide high quality service, exceed customer demands and achieve financial and strategic goals. The objective is to ensure that the employees feel empowered to deliver to the highest standards by being connected to producers and customers.

The Company has implemented a robust system of regularly scheduled measurements to monitor employee engagement. The system is intended to reduce employee turnover, boost employee engagement, improve managerial skills, increase workforce visibility and human resource metrics, and provide up to date human resource information.

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Health and safety

Health and safety of staff is essentially important for the Company. Management in each subsidiary oversees compliance with all local laws and regulations. Production sites have in place appropriate occupational health and safety (OHS) and emergency preparedness and response management systems. Employee safety is ensured with training on tasks and appropriate personal protective equipment (PPE). Metrics on operational health and safety will be reported in the company's ESG report.

c) Social aspects of the value chain

As a global value-added seafood producer and sales and marketing company with a vast global supply chain, the Company must source, produce, package, transport, and sell products sustainably and responsibly. The objective is to foster sustainable and responsible corporate behaviour within the supply chain, increase transparency and to know the collective impact of the entire supply chain. This involves continued co-operation with suppliers and service providers.

The Company recognises and supports international human right treaties. No human right violations have been reported in 2023.

Objectives	Impacts	2026 Targets
Engaging suppliers	· Increase share of suppliers assessed on their sustainability aspects	· 50% of largest supplier's sustainability aspects mapped
Supporting communities	· Continued support with local communities and communities within the supply-chain	· Support local communities

Corporate Social Responsibility (CSR) mapping of suppliers

The Company has started to assess its suppliers on their overall sustainability matters. The supply chain mostly consists of sourced seafood, packaging material and transportation. It has both environmental and social impacts. Environmental impacts include all the impacts the products and their respective processes have on the environment. Social impacts include labour practices and human rights, business ethics involved in the production and product delivery. Often these subjects are intertwined.

The Company has implemented a platform that enables continuous monitoring on its supplier CSR management and progress while offering tools to drive improvement on the supplier side. Within this platform risks are identified in the supply chain, corporate adherence to recognized CSR criteria is validated and the scope of the assessment is adjusted to supplier company size, industry, and location.

Supporting communities

Iceland Seafood International and its subsidiaries have through the years donated resources and money to charitable organisations in their communities. The amounts and number of donations are evaluated and decided by each subsidiary. The focus has been on engaging children in various activities and donating to causes where most aid is needed.

d) Governance

Continuous improvement regarding the Company's ESG aspects is high on the agenda. Integrating sustainability into the business culture and supply chain is a key factor in operating a successful and sustainable global business. The Company will continue to increase the knowledge of employees regarding ethics and human rights as well as continue to increase the knowledge of its suppliers and service providers sustainability aspects.

Employee training on Group Code of Conduct

Sets the standard for how employees engage with co-workers, suppliers, customers, and other stakeholders. The code applies to all employees, managers and board members and gives guidance towards conducting business practices honestly, fairly, and legally. The Company has zero tolerance towards bribery and corruption and expects employees, suppliers, contractors, and other business partners to act with integrity and without acts of bribery or

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Commitment to Supplier Code of Conduct

The Company recognises that a Supplier Code of Conduct is an important way to communicate publicly to customers,

Objectives	Impacts	2026 Targets
Integrating governance	· Increased employee training and knowledge on Group Code of Conduct · Increased rate of suppliers commited to Supplier Code of Conduct	· 50% of largest supplier's sustainability aspects mapped
Transparency	· Continous improvement of ESG reporting · CSRD requirements fullfilled · Increase reported Scope 3 KPI's	· Double Materiality Assessment · ESG report audited · Report GHG of waste and packaging

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consumers of our products, and other stakeholders the practices that are expected for suppliers to follow. The Supplier Code of Conduct sets expectations for suppliers, gives guidance, and promotes ethical behaviour by addressing human rights, fair labour practices, legal compliance, and environmental responsibility.

All suppliers shall read, approve, and conduct their operation according to the code.

Transparency - due diligence

ESG numbers are collected and reviewed respectively in each subsidiary before they are sent to head of ESG, where results of the KPIs are combined for the final report, outcomes calculated, and impacts assessed. The Company is continuously improving on internal documentation and processes and intends to get external verification along with CSRD implementation.

Double Materiality Assessment

A detailed double materiality assessment is ongoing. The results of this work will be ready and made public when the Company reports according to the ESRS standard for the financial year 2024.

Scope 3

Most of the Company's identified GHG emissions come from upstream and downstream transportation.
The calculation method is based on Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The Company puts effort into receiving calculated emission factors from its transportation service providers, when that is not available, the standard emission factors provided in the above mentioned GHG standard are used. Scope 3 reporting is expected to extend when result of the double materiality assessment are ready.

Risk management

As previously mentioned, double materiality assessment is ongoing where risks are being systematically identified and the extent of them evaluated. The major risks that have previously been identified are related to climate change:

Ocean acidification: Majority of the global carbon cycle is circulated through the ocean which absorbs the greater part of excess heat from GHG emissions causing acidification. The ocean is the home to a vast variety of marine species and acidification disrupts the balance of life found in the ocean which can affect seafood supplies.

Extreme weather events: Climate change increases the frequency of extreme weather events. This can affect the availability of seafood due to dangerous sea conditions as well as delaying transportation of seafood from producer to the end consumer.

EU Taxonomy Reporting

The EU Taxonomy Regulation was entered into force in Iceland on June 1st, 2023, through Act no. 25/2023 on Sustainability Disclosures in Financial Services and the Taxonomy for Sustainable Investments. The regulation is retroactive to Jan 1st, 2023, the reporting scope is therefore the full financial year of 2023.

The purpose of the regulation is to define which business activities are considered environmentally sustainable based on the technical screening criteria set out in the delegated regulation 2021/2139 and is set to promote transparency in sustainability information. For companies to be considered environmentally sustainable within the meaning of the regulation, they must meet the criteria for environmentally sustainable economic activity according to Article 3 of the regulation.

Firstly, the economic activity must significantly contribute to one or more of the environmental goals, while at the same time it must do no significant harm to other goals. It must be carried out in accordance with the minimum safeguards and finally comply with the technical screening criteria.

The environmental objectives are six, climate mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. The technical screening criteria for climate mitigation and climate change adaptation have been implemented by delegated regulation EU 2021/2139 and business activities that are listed there are subject to information obligations in Iceland but delegated regulation EU 2023/2486 on other environmental objectives and delegated regulation EU 2023/2485 on updated climate objectives entered into force within the EU in 2023 and are awaiting implementation in Iceland.

Companies are required to disclose the percentage of revenue, capital expenses and operational expenses for eligible activities, that is, activities identified under the EU Taxonomy. Similarly, the same criteria must be reported for activities that meet all the criteria of the regulation and have been identified as aligned activities or environmentally sustainable.

Evaluation of eligibility

The Company began reviewing its operations in accordance with the technical screening criteria, where the activities were compared to the technical screening criteria of the environmental objectives that have already been implemented, climate mitigation, and climate change adaptation. The Company's core activity, sale of seafood, does not currently fall under the technical screening criteria. However, a decision was made to identify revenue, CapEx and OpEx for the following activities:

* 4.1 - "Construction or operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology".

* . - " Renovation of existing building".

* . - "Installation, maintenance and repair of renewable energy technologies".

* . - "Acquisition and ownership of buildings".

The aim of going through the eligbility assessment was to identify environmental sustainability within the operation and prepare the Company for further reporting in coming years. Further development of the EU Taxonomy will be monitored to prepare for when additional activites will be subject to disclosure.

Evaluation of alignment

For an activity to be considered aligned and thereby meet requirements of the

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EU Taxonomy of being environmentally sustainable, it needs to meet the requirements of substantial contribution to at least one environmental objective while doing no significant harm to any of the other objectives, in addition to complying with minimum safeguards.

Buildings

For the renovation of buildings (7.2) to be considered a significant contribution to mitigating climate change, the first requirement is that they meet current requirements for major renovation or that they lead to a reduction in primary energy demand by 30%. For the purchase and ownership of buildings (7.7) to be considered a significant contribution, the buildings in question must be in energy efficiency class A. Energy efficiency is defined by an energy efficiency certificate, which is defined by EU Directive 2010/30, and primary energy needs are based on the same certificate.

The renovation of an existing building owned by the subsidiary in Barcelona does not meet the requirement of 30% reduction in primary energy demand. The Company owns various buildings in its locations, however none of them hold an energy efficiency certificate, stating the energy efficiency of the building to be class A. The Company is therefore not able to demonstrate that these activities have a significant contribution to mitigating climate change and did not continue with the assessment.

Renewable energy

The Company generates electricity using photovoltaic cells at its locations in Madrid and Barcelona (4.1/7.6). For the activity to be considered contributing significantly to mitigating climate change, it is sufficient that electricity is produced using photovoltaic cell technology. To meet the requirement of not causing significant harm, a climate risk and vulnerability assessment of the specified activity is required. The Company has carried out the mentioned assessment on the activity classified as eligible activity and has assessed the main climate-related risks associated with it. Similarly, the company has identified which adaptation solutions are available and where improvements are needed. There are no other requirements for the activity, and it is therefore considered environmentally sustainable and classified as Taxonomy-aligned.

Minimum safeguards

Article 18 of the EU Taxonomy regulation describes Minimum Safeguards considering the guidelines of the Organization for Economic Cooperation and Development (OECD), the guiding principles of the United Nations on business and human rights as well as eight fundamental conventions in the declaration of the International Labor Organization. Platform on Sustainable Finance has defined the core topics based on these requirements to be human rights, including labour rights, bribery, taxation, and fair competition.

The Company complies with these requirements and has both implemented Group Code of Conduct and Supplier Code of Conduct. The Company also performs due diligence on its upstream value chain by mapping and scoring its suppliers and service providers sustainability aspects in cooperation with EcoVadis, a recognised assessment platform that rates business sustainability in environmental impact, labour, and human rights standards, ethics, and procurement practices.

The Company is aware that continuous improvements and reassurances are needed when it comes to minimum safeguards, such as a detailed due diligence on human rights according to the OECD definition, as well as upcoming requirements in European legislation regarding the provision of information in the field of human rights and will continue to emphasize this work in the coming months.

Key Performance Indicators

The European Union has published guidance on calculations of key performance indicators (KPI's) in a delegated regulation 2021/2178. The proportion of turnover, CapEx and OpEx, is calculated in accordance with Article 8 of the EU Taxonomy regulation. However, there's a possibility that criteria or methods for calculations will change in accordance with any future updates of the regulation, that could influence future Taxonomy calculations of the Company. Following are explanations of KPI's of identified eligible activities within the Company.

Revenue

Turnover as defined in the EU Taxonomy regulation is equal to the consolidated revenues as reported in the Company's financial statement for the year 2023, explained in note 3. The portion of the revenue that is eligible or aligned with the EU Taxonomy is 0%. See table on page 64.

CapEx

According to Article 8 of the EU Taxonomy regulation, CapEx consist of the increase in tangible and intangible assets, before any depreciation, amortisation, revaluation, or write offs, excluding fair value movements. CapEx in the financial year 2023 amounted to € 6.799m as detailed in note 11 to the financial statement. Thereof, 35% are related to eligible activities and 6% related to aligned activities. See table on page 65.

OpEx

The EU Taxonomy regulation defines OpEx differently from the OpEx of the financial statement. The EU Taxonomy excludes depreciation, amortization, general and administrative, and sales and marketing related expenses. Included are direct non-capitalised costs derived from the day-to-day servicing of assets, consisting of research and development, short-term leases, and maintenance and repairment and similar essential cost for maintaining efficient operation of the relevant assets. OpEx in the year 2023 was € 1m and were related to maintenance material, cost of employee repairing a machine, cost of employee cleaning a factory and IT dedicated to maintenance. Thereof 63% are related to eligible activities, however 0% are aligned. See table on page 66.

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Key Perfomance Indicators: Revenue

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic Activities (1)	Code (2)	Absolute turnover (3)	Proportion of Turnover (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	"Water (7)"	"Pollution (8)"	"Circular Economy (9)"	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	"Water (13)"	"Pollution (14)"	"Circular Economy (15)"	"Biodiversity (16)"	"Minimum Safeguards (17)"	"Taxonomy aligned proportion of total turnover, year N (18)**"	"Taxonomy aligned proportion of turnover, year N-1 (19)"	"Category (enabling activity) (20)"	"Category (transitional activity) (21)"
		Millons €	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy-Eligible Activities			0%																	
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
			0%	0%	0%	0%	0%	0%	0%								0%	-		
			0%	0%	0%	0%	0%	0%	0%								0%	-		
			0%	0%	0%	0%	0%	0%	0%								0%	-		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0,00**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**0%**	**-**	**0%**	**0%**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Acquisition and ownership of buildings		0,00	0%																	
Electricity generation using solar photovoltaic technology		0,00	0%																	
Renovation of existing buildings		0,00	0%																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0,00**	**0%**																	
Total (A.1+A.2)		**0,00**	**0%**																	
B. Taxonomy-Non-Eligible Activities																				
Turnover of Taxonomy-non-eligible activities		**429,91**	**100%**																	
Total (A+B)		**429,91**	**100%**																	

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Key Perfomance Indicators: CapEx

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic Activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	"Water (7)"	"Pollution (8)"	"Circular Economy (9)"	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	"Water (13)"	"Pollution (14)"	"Circular Economy (15)"	"Biodiversity (16)"	"Minimum Safeguards (17)"	"Taxonomy aligned proportion of total CapEx, year N (18)**"	"Taxonomy aligned proportion of turnover, year N-1 (19)	"Category (enabling activity) (20)"	"Category (transitional activity) (21)"
		Millons €	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy-Eligible Activities			35%																	
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																				
Electricity generation using solar photovoltaic technology (CapEx A)	4.1	0,40	6%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	6%	-		
			0%	0%	0%	0%	0%	0%	0%								0%	-		
			0%	0%	0%	0%	0%	0%	0%								0%	-		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0,40**	**6%**	**6%**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**6%**	**-**	**0%**	**0%**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Acquisition and ownership of buildings (CapEx A)	7.7	0,00	0%																	
Renovation of existing buildings (CapEx A)	7.2	1,97	29%																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,97**	**29%**																	
Total (A.1+A.2)		**2,37**	**35%**																	
B. Taxonomy-Non-Eligible Activities																				
Capex of Taxonomy-non-eligible activities		**4,43**	**65%**																	
Total (A+B)		**6,80**	**100%**																	

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Key Perfomance Indicators: OpEx

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic Activities (1)	Code (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	"Water (7)"	"Pollution (8)"	"Circular Economy (9)"	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	"Water (13)"	"Pollution (14)"	"Circular Economy (15)"	"Biodiversity (16)"	"Minimum Safeguards (17)"	"Taxonomy aligned proportion of total OpEx, year N (18)**"	"Taxonomy aligned proportion of turnover, year N-1 (19)	"Category (enabling activity) (20)"	"Category (transitional activity) (21)"
		Millons €	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy-Eligible Activities			62%																	
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
			0%	0%	0%	0%	0%	0%	0%								0%	-		
			0%	0%	0%	0%	0%	0%	0%								0%	-		
			0%	0%	0%	0%	0%	0%	0%								0%	-		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0,00**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	Y	Y	Y	Y	Y	**0%**	**-**	**0%**	**0%**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Acquisition and ownership of buildings (OpEx A)	7.7	0,18	18%																	
Renovation of existing buildings (OpEx A)	7.2	0,44	44%																	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0,62**	**62%**																	
Total (A.1+A.2)		**0,62**	**62%**																	
B. Taxonomy-Non-Eligible Activities																				
OpEx of Taxonomy-non-eligible activities		**0,38**	**38%**																	
Total (A+B)		**1,00**	**100%**																	

Iceland Seafood International

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