



Iceland Seafood International hf.

Condensed Consolidated Interim Financial Statements

for the nine months ended 30 September 2024

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

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Company Information

| | |
|--------------------|---|
| Name | Iceland Seafood International hf. |
| TIN | 611088-1329 |
| BOD | Birna Einarsdóttir, Chairman Bergþór Baldvinsson, Board Member Halldór Leifsson, Board Member Ingunn Agnes Kro, Board Member Jakob Valgeir Flosason, Board Member |
| CEO | Ægir Páll Friðbertsson |
| Address | Köllunarklettsvegi 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 Condensed Consolidated Interim Financial Statements present the necessary information to evaluate the financial position of the Company at the end of September 2024 and the operating results and financial developments for the nine months then ended.

The Condensed Consolidated Interim Financial Statements are prepared in accordance with the International Accounting Standard IAS 34, *Interim Financial Reporting*, and should be read in conjunction with the Company's Financial Statements for the year ended 31 December 2023.

The Condensed Consolidated Interim Financial Statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understand the changes in the Company's financial position and performance from year end 2023.

The Condensed Consolidated Interim Financial Statements are neither audited nor reviewed by the group auditors.

The Company

The Company is a holding company for a Group of subsidiaries that are leading suppliers of North Atlantic seafood, one of the largest exporters of seafood from Iceland and a key processor of high quality seafood in the Spanish and Irish markets. 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 and Distribution Division which has offices in Iceland, France and Germany. The Value Added Divisions have processing factories and coldstores in their respective regions with Southern Europe also having a satellite facility in Argentina.

Operations for the period

In the first nine months of this year, total sales reached EUR 314.0 million, marking a 1.3% decrease from the previous year. Value-Added Southern Europe (VA S-Europe) sales decreased by 2.5% in value while volumes grew by 6%. The Sales & Distribution (S&D) division saw a 4.7% drop in sales compared to last year, mainly because no capelin quota was issued in 2024, unlike the significantly high quota in 2023. In Value-Added Northern Europe (VA N-Europe), higher sales prices offset a decrease in volumes, leading to a modest sales increase of 2.8% compared to the previous year.

During the reporting period, the Normalized Profit Before Tax (NPBT) reached EUR 2.5 million, reflecting an improvement of EUR 4.4 million compared to the previous year. This positive result was achieved despite a significant increase in salmon prices during the year's first half. A decline in salmon prices in Q3 had a favorable impact on NPBT for the period. Lower salmon prices considerably improved the profitability in both the VA N-Europe division and Ahumados Dominguez in Spain.

Statement and Endorsement

by the Board of Directors and the CEO

Although sales and volumes at IS Iberica were lower than the previous year, overall financial results have improved, despite higher finance costs, thanks in part to favorable currency movements in Argentina. Ahumados Dominguez achieved higher sales volumes than last year, contributing to a significant turnaround in its financial results. In the VA N–Europe segment, both volume and value experienced a modest increase compared to the previous year. However, financial results were lower than last year due to the high cost of sourcing salmon during the first two quarters. The Sales & Distribution (S&D) division continued to perform strongly, reporting a NPBT of EUR 2.3 million, an increase of EUR 0.5 million compared to the first nine months of 2023. On the other hand, the Group's overall finance costs from regular operations rose to EUR 4.9 million, up from EUR 3.2 million in the same period last year. In Q3, the impact of finalizing outstanding contractual agreements related to the sale of IS UK, particularly concerning the inventory for which ISI hf. was responsible, as well as resolving the remaining issues related to the contractually agreed investment in the UK factory premises to ensure full compliance with insurance standards, amounted to a total of EUR 1.4 million, see further information in notes 6 and 7.

Total assets on 30 September 2024 of EUR 239.1 million were EUR 15.7 million lower than at the end of 2023. Net debt at end of September of EUR 103.5 million was EUR 6.2 million higher than at year end 2023.

Equity amounted to EUR 71.4 million on 30 September 2024 or EUR 1.3 million lower than at the end of 2023. The equity ratio was 29.9% on 30 September 2024, compared to 28.5% at year end 2023.

The management of the Company is actively exploring economical refinancing options to strengthen the company's financial position. With the credit facility with an Icelandic bank expiring in April 2025 and the Nasdaq Iceland listed bond maturing in June 2025. Management is working to identify and secure suitable solutions ahead of these deadlines.

The Company is listed on the NASDAQ Iceland main market (ticker: ICESEA). The closing price at the end of September 2024 was ISK 5.10 per share (2023 year end: ISK 5.70), giving the Company a market capitalization of EUR 104.2 million (2023: EUR 116.8 million), a 11% decrease from year end 2023.

Shareholders

The number of shareholders at the end of September 2024 were 743 (2023 year end: 820). The ten largest were (shares are in millions):

| | 30.9.2024 | | 31.12.2023 | |
|---|-----------|------|------------|------|
| FISK Seafood ehf. | 363 | 12% | 363 | 12% |
| Brim hf. | 350 | 11% | 350 | 11% |
| Jakob Valgeir ehf. | 320 | 10% | 340 | 11% |
| Nesfiskur ehf | 312 | 10% | 312 | 10% |
| Birta lífeyrissjóður Lífsværk lífeyrissjóður | 171 | 6% | 170 | 6% |
| Stapi lífeyrissjóður | 164 | 5% | 164 | 5% |
| Frjálsi lífeyrissjóðurinn | 159 | 5% | 170 | 6% |
| Kvika banki hf. | 139 | 5% | 139 | 5% |
| Lífeyrissjóður starfsmanna ríkisins A-deild | 130 | 4% | 48 | 2% |
| | 122 | 4% | 122 | 4% |
| | 2.230 | 72% | 2.178 | 72% |
| Other shareholders (2024: 733 and 2023: 810) | 834 | 28% | 886 | 28% |
| | 3.064 | 100% | 3.064 | 100% |

For an overview of changes in equity, see the Consolidated interim Statement of Changes in Equity.

Statement and Endorsement

by the Board of Directors and the CEO

Endorsement

The Board of Directors and the CEO of Iceland Seafood International hf. hereby confirm the Condensed Consolidated Interim Financial Statements of the Company for the nine months ended 30 September 2024 with their signatures.

Reykjavík, 20 November 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

Consolidated Interim Statement of Income

for the nine months ended 30 September 2024

| | Note | 9M 2024 | | | 9M 2023 | | |
|--|------|--------------------|--------------------|----------------|--------------------|--------------------|-----------------|
| | | Normalised results | Significant items* | IFRS | Normalised results | Significant items* | IFRS |
| Gross profit | | | | | | | |
| Sales of seafood | | 314.014 | | 314.014 | 318.092 | | 318.092 |
| Cost of sales | 6,7 | (268.933) | (457) | (269.390) | (274.031) | | (274.031) |
| | | 45.081 | (457) | 44.624 | 44.061 | 0 | 44.061 |
| Operating expenses | | | | | | | |
| Operating expenses | 6 | (36.044) | (439) | (36.483) | (39.487) | (145) | (39.632) |
| Operating profit (EBITDA) | | 9.037 | (896) | 8.141 | 4.574 | (145) | 4.429 |
| Change in fair value of investment property | | | | | | | |
| | 6,7 | (166) | (946) | (1.112) | | | |
| Depreciation and amortisation | | (3.106) | | (3.106) | (2.672) | | (2.672) |
| Results from operating activities (EBIT) .. | | 5.765 | (1.842) | 3.923 | 1.902 | (145) | 1.757 |
| Net finance costs | | | | | | | |
| | 6 | (4.886) | (1.268) | (6.154) | (3.185) | | (3.185) |
| Net exchange rate difference | | 1.622 | | 1.622 | (615) | | (615) |
| Profit (loss) before income tax | | 2.501 | (3.110) | (609) | (1.898) | (145) | (2.043) |
| Income tax | | | | | | | |
| | 6 | (917) | 57 | (860) | 98 | 29 | 127 |
| Profit (loss) from continuing operations . | | 1.584 | (3.053) | (1.469) | (1.800) | (116) | (1.916) |
| Discontinued operations, net of tax | | | | | | | |
| | 7 | | | | | (18.830) | (18.830) |
| Profit (loss) for the period | | 1.584 | (3.053) | (1.469) | (1.800) | (18.946) | (20.746) |
| Attributable to | | | | | | | |
| Owners of the Company | | | | | | | |
| | | 1.612 | (3.053) | (1.441) | (1.535) | (18.946) | (20.481) |
| Non-controlling interests | | | | | | | |
| | | (28) | | (28) | (265) | | (265) |
| Profit (loss) for the period | | 1.584 | (3.053) | (1.469) | (1.800) | (18.946) | (20.746) |
| Earnings per share | | | | | | | |
| From continuing operations | | | | | | | |
| Basic (cents per thousand shares) | | 0,0517 | | (0,0479) | (0,0657) | | (0,0699) |
| Diluted (cents per thousand shares) | | 0,0517 | | (0,0479) | (0,0657) | | (0,0699) |
| From continuing and discontinued operations | | | | | | | |
| Basic (cents per thousand shares) | | 0,0517 | | (0,0479) | (0,0657) | | (0,7573) |
| Diluted (cents per thousand shares) | | 0,0517 | | (0,0479) | (0,0657) | | (0,7573) |

* See note no 6 for information on significant items.

See note no 4 for results of Q3 2024.

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

Consolidated Interim Statement of Comprehensive Income

for the nine months ended 30 September 2024

| | Note | 9M 2024 | | | 9M 2023 | | |
|--|------|--------------------|--------------------|----------------|--------------------|--------------------|-----------------|
| | | Normalised results | Significant items* | IFRS | Normalised results | Significant items* | IFRS |
| Profit (loss) for the period | | 1.584 | (3.053) | (1.469) | (1.800) | (18.946) | (20.746) |
| Items that may be reclassified subsequently to profit or loss | | | | | | | |
| Net fair value of cash flow hedges | | | | | (305) | | (305) |
| Translation difference | | (168) | | (168) | (5) | | (5) |
| Total comprehensive income (loss) | | 1.416 | (3.053) | (1.637) | (2.110) | (18.946) | (21.056) |
| Attributable to | | | | | | | |
| Owners of the Company | | 1.444 | (3.053) | (1.609) | (1.845) | (18.946) | (20.791) |
| Non-controlling interests | | (28) | | (28) | (265) | | (265) |
| Total comprehensive income (loss) | | 1.416 | (3.053) | (1.637) | (2.110) | (18.946) | (21.056) |

* See note no 6 for information on significant items.

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

Consolidated Interim Statement of Financial Position

at 30 September 2024

| | Note | 30.9.2024 | 31.12.2023 | 30.9.2023 |
|--|------|----------------|----------------|----------------|
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | | 30.908 | 30.125 | 29.620 |
| Investment property | | 2.667 | 1.663 | 1.642 |
| Leased assets | | 1.444 | 1.592 | 1.663 |
| Intangible assets | 9 | 56.520 | 56.447 | 56.467 |
| Finance lease receivables | | 1.136 | 1.401 | 1.319 |
| Deferred tax assets | | 2.275 | 2.461 | 2.558 |
| Other long term assets | | 128 | 120 | 119 |
| Total non-current assets | | 95.078 | 93.809 | 93.388 |
| Current assets | | | | |
| Inventories | | 67.591 | 76.989 | 75.891 |
| Finance lease receivables | | 387 | 334 | 478 |
| Trade and other receivables | | 56.484 | 59.442 | 60.135 |
| Other assets | | 7.380 | 7.708 | 9.627 |
| Cash and bank balances | | 12.203 | 16.524 | 10.795 |
| Total current assets | | 144.045 | 160.997 | 156.926 |
| Total assets | | 239.123 | 254.806 | 250.314 |
| Equity and liabilities | | | | |
| Capital and reserves | | | | |
| Issued capital and share premium | | 71.524 | 71.540 | 86.170 |
| Translation reserve | | (673) | (505) | (315) |
| Other reserves | | (45) | (30) | (38) |
| Accumulated deficit and unrealised profit from subsidiaries .. | | (1.441) | 0 | (21.670) |
| Equity attributable to owners of the Company | | 69.365 | 71.005 | 64.147 |
| Non-controlling interests | | 2.058 | 1.726 | 1.703 |
| Total equity | | 71.423 | 72.731 | 65.850 |
| Non-current liabilities | | | | |
| Borrowings | 11 | 12.676 | 39.663 | 41.007 |
| Lease liabilities | | 1.102 | 1.245 | 1.333 |
| Retirement benefit and other obligations | | 1.988 | 1.620 | 1.041 |
| Deferred tax liabilities | | 2.323 | 2.490 | 1.722 |
| Total non-current liabilities | | 18.089 | 45.018 | 45.103 |
| Current liabilities | | | | |
| Borrowings | 11 | 103.037 | 74.209 | 85.364 |
| Lease liabilities | | 513 | 525 | 513 |
| Trade and other payables | | 38.310 | 54.022 | 43.810 |
| Other liabilities | | 7.751 | 8.301 | 9.674 |
| Total current liabilities | | 149.611 | 137.057 | 139.361 |
| Total liabilities | | 167.700 | 182.075 | 184.464 |
| Total equity and liabilities | | 239.123 | 254.806 | 250.314 |

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

Consolidated Interim Statement of Changes in Equity

for the nine months ended 30 September 2024

| | Restricted equity | | | | | | | Attributable to owners of the Company | Non - controlling interests | Total equity | |
|---|-------------------|------------------|------------------------|--------------------|----------------------|-------------------|--------------------------------------|---|-----------------------------------|-----------------|------------------------|
| | Share capital | Share premium | Translation reserve | Hedging reserve | Statutory reserve | Equity reserve | Unrealised profit of subsidiaries | | | | Accumulated deficit |
| Balances at 1 January 2023 | 25.134 | 55.157 | (310) | (336) | 430 | 163 | 19.150 | (20.267) | 79.121 | 1.968 | 81.089 |
| Profit (loss) | | | | | | | 2.793 | (23.274) | (20.481) | (265) | (20.746) |
| Net fair value loss on cash flow hedges | | | | (305) | | | | | (305) | | (305) |
| Translation of shares held in foreign currencies .. | | | (5) | | | | | | (5) | | (5) |
| Total comprehensive income | 0 | 0 | (5) | (305) | 0 | 0 | 2.793 | (23.274) | (20.791) | (265) | (21.056) |
| Issue of share capital | 988 | 4.891 | | | | | | | 5.879 | | 5.879 |
| Other adjustments | | | | | | 10 | | (72) | (62) | | (62) |
| Balances at 30 September 2023 | 26.122 | 60.048 | (315) | (641) | 430 | 173 | 21.943 | (43.613) | 64.147 | 1.703 | 65.850 |
| Profit (loss) | | | | | | | 1.714 | (1.446) | 268 | 135 | 403 |
| Translation of shares held in foreign currencies .. | | | (190) | | | | | | (190) | | (190) |
| Total comprehensive income | 0 | 0 | (190) | 0 | 0 | 0 | 1.714 | (1.446) | 78 | 135 | 213 |
| Issue of share capital | 1.334 | 5.831 | | | | | | | 7.165 | | 7.165 |
| Transfer from share premium to accumulated deficit | | (21.795) | | | | | | 21.795 | 0 | | 0 |
| Dividend declared from subsidiaries to parent | | | | | | | (2.000) | 2.000 | 0 | | 0 |
| Other adjustments | | | | | | 8 | | (393) | (385) | (112) | (497) |
| Balances at 31 December 2023 | 27.456 | 44.084 | (505) | (641) | 430 | 181 | 21.657 | (21.657) | 71.005 | 1.726 | 72.731 |
| Profit (loss) | | | | | | | 4.948 | (6.389) | (1.441) | (28) | (1.469) |
| Translation of shares held in foreign currencies .. | | | (168) | | | | | | (168) | | (168) |
| Total comprehensive income | | 0 | (168) | 0 | 0 | 0 | 4.948 | (6.389) | (1.609) | (28) | (1.637) |
| Issue of share capital | | | | | | | | | 0 | 360 | 360 |
| Other adjustments | | (16) | | | | (15) | | | (31) | | (31) |
| Balances at 30 September 2024 | 27.456 | 44.068 | (673) | (641) | 430 | 166 | 26.605 | (28.046) | 69.365 | 2.058 | 71.423 |

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

Consolidated Interim Statement of Cash Flows

for the nine months ended 30 September 2024

| | Note | 9M 2024 | 9M 2023 |
|---|------|----------------|----------------|
| Operating activities | | | |
| Operating profit (loss) from continuing and discontinued operations | | 3.923 | (15.188) |
| Change in fair value of investment property | | 1.112 | |
| Depreciation and amortisation | | 3.106 | 11.472 |
| Gain on disposal of non-current assets | | (63) | (81) |
| Change in obligations and other calculated liabilities | | 895 | (236) |
| | | <u>8.973</u> | <u>(4.033)</u> |
| Working capital generated from (used in) operations | | | |
| Decrease in inventories | | 9.398 | 9.740 |
| Decrease in receivables and other assets | | 3.278 | 3.199 |
| Decrease in payables and other liabilities | | (16.651) | (3.617) |
| | | <u>4.998</u> | <u>5.289</u> |
| Cash generated from operations before interests and taxes | | | |
| Interest received | | 1.162 | 674 |
| Interest paid | | (7.378) | (5.461) |
| Income taxes paid | | (838) | (2.388) |
| | | <u>(2.056)</u> | <u>(1.886)</u> |
| Net cash used in operating activities | | | |
| Investing activities | | | |
| Payments for property, plant and equipment | | (5.419) | (5.300) |
| Payments for intangible assets | | (118) | (150) |
| Proceeds from disposal of non-current assets | | 73 | 470 |
| Disposal of subsidiary, net of cash disposed of | | | (1.670) |
| | | <u>(5.464)</u> | <u>(6.650)</u> |
| Net cash used in investing activities | | | |
| Net cash before financing activities | | | |
| | | <u>(7.520)</u> | <u>(8.536)</u> |
| Financing activities | | | |
| Net proceeds from (repayment) revolving credit facilities | | 5.341 | (1.480) |
| Net proceeds from bills | | 166 | 2.747 |
| Proceeds from new long term borrowings | | 2.250 | 10.788 |
| Repayment of other borrowings | | (6.609) | (10.441) |
| Proceeds from issue of share capital, net of issue costs | | 360 | 5.879 |
| | | <u>1.508</u> | <u>7.493</u> |
| Net cash generated by financing activities | | | |
| Net decrease in cash and bank balances | | (6.012) | (1.043) |
| Cash and bank balances at the beginning of period | | 16.524 | 11.991 |
| Effect of exchange rate changes on cash held in foreign currencies | | 1.691 | (153) |
| | | <u>12.203</u> | <u>10.795</u> |
| Cash and bank balances at the end of period | | | |

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

Notes to the Condensed Consolidated Interim Financial Statements

for the nine months ended 30 September 2024

1. General information

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

The Condensed Consolidated Interim Financial Statements of the Company as at and for the nine months ended 30 September 2024, comprise the Company and its subsidiaries (together referred to as "the Group").

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

The Company's shares are listed on NASDAQ main market in Iceland (ticker: ICESEA).

2. Statement of compliance

The Condensed Consolidated Interim Financial Statements are prepared in accordance with the International Accounting Standard on Interim Financial Reporting, IAS 34, as adopted by the European Union.

The Condensed Consolidated Interim Financial Statements do not include all of the information required for a complete set of consolidated annual financial statements and should be read in conjunction with the Consolidated Financial Statements of the Company for the year ended 31 December 2023, which is available on the Company's website, www.icelandseafood.com/investors.

The same accounting policies, presentation and methods of computation (except mentioned here above) are followed in these Condensed Consolidated Interim Financial Statements as were applied in the latest Financial Statements for the year ended 31 December 2023.

3. Use of estimates and judgements

The preparation of the Condensed Consolidated Interim Financial Statements in line with IAS 34, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these Condensed Consolidated Interim Financial Statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Consolidated Financial Statements for the year ended 31 December 2023.

Notes to the Condensed Consolidated Interim Financial Statements

for the nine months ended 30 September 2024

4. Quarterly statements

| | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 |
|--|----------------|----------------|----------------|----------------|----------------|
| Revenue: | | | | | |
| Sales of seafood | 106.884 | 105.712 | 127.153 | 124.453 | 104.913 |
| Intercompany | (4.888) | (7.515) | (13.332) | (12.640) | (9.098) |
| | <u>101.996</u> | <u>98.197</u> | <u>113.821</u> | <u>111.813</u> | <u>95.815</u> |
| Operating results: | | | | | |
| Operating profit | 2.257 | 720 | 2.788 | 5.983 | 242 |
| Net finance costs | (895) | (1.443) | (926) | (3.406) | (1.362) |
| Normalised PBT | 1.362 | (723) | 1.862 | 2.577 | (1.120) |
| Income tax | (269) | 330 | (978) | (1.714) | 676 |
| Normalised profit (loss) | 1.093 | (393) | 884 | 863 | (444) |
| Significant items and discontinued operations | (1.832) | (415) | (806) | (460) | (5.047) |
| Profit (loss) for the period | (739) | (808) | 78 | 403 | (5.491) |
| Assets | 239.123 | 253.324 | 272.419 | 254.806 | 250.314 |
| Liabilities | 167.700 | 180.848 | 199.546 | 182.075 | 184.464 |

5. Segment reporting

| For 9M 2024 | Value added S-Europe | Value added N-Europe | Sales and distribution | Other and Eliminations | Consolidated |
|---------------------------------------|-------------------------|-------------------------|---------------------------|---------------------------|----------------|
| Revenue: | | | | | |
| Sales of seafood | 162.809 | 45.236 | 131.704 | | 339.749 |
| Intercompany | (8.488) | (5.121) | (4.235) | (7.891) | (25.735) |
| | <u>154.321</u> | <u>40.115</u> | <u>127.469</u> | <u>(7.891)</u> | <u>314.014</u> |
| Operating results: | | | | | |
| Operating profit (loss) | 3.374 | 955 | 2.218 | (782) | 5.765 |
| Net finance costs | (100) | (481) | 112 | (2.795) | (3.264) |
| Normalised PBT | 3.274 | 474 | 2.330 | (3.577) | 2.501 |
| Income tax | (585) | (122) | (494) | 284 | (917) |
| Normalised profit (loss) | 2.689 | 352 | 1.836 | (3.293) | 1.584 |
| Significant items | (1) | (946) | (229) | (1.877) | (3.053) |
| Profit (loss) | 2.688 | (594) | 1.607 | (5.170) | (1.469) |
| Assets | 130.523 | 42.141 | 29.129 | 37.330 | 239.123 |
| Liabilities | 80.917 | 29.538 | 19.790 | 37.455 | 167.700 |

Notes to the Condensed Consolidated Interim Financial Statements

for the nine months ended 30 September 2024

| For 9M 2023 | Value added S-Europe | Value added N-Europe | Sales and distribution | Other and Eliminations | Consolidated |
|--|-------------------------|-------------------------|---------------------------|---------------------------|-----------------|
| Revenue: | | | | | |
| Sales of seafood | 181.309 | 43.733 | 138.358 | | 363.400 |
| Intercompany | (23.109) | (4.714) | (4.621) | (12.864) | (45.308) |
| | <u>158.200</u> | <u>39.019</u> | <u>133.737</u> | <u>(12.864)</u> | <u>318.092</u> |
| Operating results: | | | | | |
| Operating profit (loss) | (18) | 1.146 | 1.893 | (1.119) | 1.902 |
| Net finance costs | (1.278) | (224) | (78) | (2.220) | (3.800) |
| Normalised PBT | (1.296) | 922 | 1.815 | (3.339) | (1.898) |
| Income tax | 8 | (166) | (361) | 617 | 98 |
| Normalised profit (loss) | (1.288) | 756 | 1.454 | (2.722) | (1.800) |
| Significant items and discontinued operations | 57 | (19.967) | (70) | 1.034 | (18.946) |
| Profit (loss) | (1.231) | (19.211) | 1.384 | (1.688) | (20.746) |
| Assets | <u>135.817</u> | <u>40.986</u> | <u>33.799</u> | <u>39.712</u> | <u>250.314</u> |
| Liabilities | <u>91.212</u> | <u>30.028</u> | <u>27.595</u> | <u>35.629</u> | <u>184.464</u> |

6. Significant items

In 2024 the Group incurred exceptional costs associated with the following:

- Costs related to the sale of UK operation EUR 1.4 million (see note 7).
- Group management changes EUR 0.4 million.
- Interest cost of bond ICESEA 25 06 related to the sale of Iceland Seafood UK, EUR 1.3 million (see note 11).

In 2023 the Group incurred exceptional incomes and costs associated with restructuring and the sale of Iceland Seafood UK Ltd of EUR 0.1 million.

Exceptional income and costs, net of income tax:

| | 9M 2024 | 9M 2023 |
|--|----------------|--------------|
| Exceptional income | 10 | 72 |
| Exceptional costs | (3.120) | (217) |
| Income tax | 57 | 29 |
| Significant items, net of income tax | <u>(3.053)</u> | <u>(116)</u> |

7. The sale of UK operation

In Q3, the impact of finalizing outstanding contractual agreements related to the sale of Iceland Seafood (IS UK) included resolving issues related to inventory for which the Company was responsible. Additionally, the contractually agreed investment in the UK factory premises increased by GBP 1.0 million from the original estimate when the agreement with Espersen was finalized, while lease payments remained unchanged. This resulted in an impairment of EUR 0.9 million on the premises.

| | 9M 2024 | 9M 2023 |
|------------------------------------|----------------|-----------------|
| Inventory write-downs | (457) | (1.964) |
| Impairment of property | (946) | (8.202) |
| Operational results | | (8.317) |
| Loss on sale of IS UK shares | | (347) |
| Total cost | <u>(1.403)</u> | <u>(18.830)</u> |

Notes to the Condensed Consolidated Interim Financial Statements

for the nine months ended 30 September 2024

8. Earnings per share

| | 9M 2024 | 9M 2023 |
|--|-----------|-----------|
| Loss for the period | (1.469) | (20.746) |
| Weighted average number of ordinary shares (ISK '000) for basic EPS | 3.064.480 | 2.739.480 |
| Shares to be issued in respect of employee options | 0 | 19.681 |
| Weighted average number of ordinary shares (ISK '000) for diluted EPS | 3.064.480 | 2.759.161 |
| <i>From continued operations (EUR cents per thousand shares)</i> | | |
| Basic earnings per share | (0,0479) | (0,0699) |
| Diluted earnings per share | (0,0479) | (0,0699) |
| <i>From continued and discontinued operations (EUR cents per thousand shares)</i> | | |
| Diluted earnings per share | (0,0479) | (0,7573) |
| Diluted earnings per share | (0,0479) | (0,7573) |

9. Intangible assets

Goodwill is tested for impairment at least annually at year-end. In the opinion of management there were no indicators of impairment of goodwill present at the 30 September 2024 reporting date.

| | 30.9.2024 | 31.12.2023 | 30.9.2023 |
|--|-----------|------------|-----------|
| Goodwill at beginning of period | 56.216 | 56.216 | 56.216 |
| Goodwill at end of period | 56.216 | 56.216 | 56.216 |
| Other intangible assets at end of period | 304 | 231 | 251 |
| Intangible assets at end of period | 56.520 | 56.447 | 56.467 |

Notes to the Condensed Consolidated Interim Financial Statements

for the nine months ended 30 September 2024

10. Subsidiaries

At 30 September 2024, the Company directly owned nine subsidiaries that are all included in the consolidation. The direct subsidiaries in addition owned a further five subsidiaries. The Company holds the majority of voting power in all of its subsidiaries.

| Name of company | incorporation | 30.9.2024 | 31.12.2023 | 30.9.2023 | activity |
|---------------------------------|---------------|-----------|------------|-----------|-----------------|
| <i>Subsidiaries:</i> | | | | | |
| Iceland Seafood ehf. | Iceland | 100% | 100% | 100% | Sale of seafood |
| Solo Export ehf. | Iceland | 100% | 100% | 100% | Not active |
| Iceland Seafood Ibérica S.A.U. | Spain | 100% | 100% | 100% | Sale of seafood |
| - Achernar S.A. | Argentina | 100% | 100% | 100% | Sale of seafood |
| ELBA S.L. | Spain | | | 100% | Sale of seafood |
| Ahumados Domínguez S.A. | Spain | 85% | 85% | 85% | Sale of seafood |
| Iceland Seafood Barraclough | UK | 100% | 100% | 100% | Holding |
| Oceanpath Ltd. | Ireland | 100% | 100% | 100% | Sale of seafood |
| - Dunns Seafare Ltd. | Ireland | 100% | 100% | 100% | Sale of seafood |
| - Mondi Properties Ireland Ltd. | Ireland | 100% | 100% | 100% | Real estate |
| - Carr & Sons Seafood Ltd. | Ireland | 100% | 100% | 100% | Sale of seafood |
| - H J Nolan Ltd. | Ireland | 100% | 100% | 100% | Sale of seafood |
| Iceland Seafood France S.A.S. | France | 100% | 100% | 100% | Sale of seafood |
| ISG Iceland Seafood GmbH | Germany | 100% | 100% | 100% | Sale of seafood |
| ISI Seafood Inc. | USA | 100% | 100% | 100% | Not active |

Notes to the Condensed Consolidated Interim Financial Statements

for the nine months ended 30 September 2024

11. Financing

The Group's main sources of financing are a multi currency revolving credit facility with an Icelandic financial institution, a four year unsecured bond listed on Nasdaq Iceland, two three month 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 finances the Northern Europe division. At end of September 2024 the total headroom of the Group was EUR 37.9 million including cash.

The facility with the institution in Iceland has a cap of EUR 20 million with EUR 5.9 million draw down at end of September 2024 (2023 year end: EUR 8.6 million). The facility 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 54.5 million at end of September 2024 (2023 year end: EUR 48.6 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 Iceland Seafood UK, 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 3.6 million against pledge in the Groups properties in UK and Ireland, and a revolving borrowing base facility of EUR 10.9 million against inventories and receivables in Ireland.

The 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 through a currency swap at EUR 23.1 million. The bond has semi-annual interest payments, balance will be paid with one installment in June 2025. The bond is listed on Nasdaq Iceland. As detailed in the Group's financial statement 2023, an amendment and waiver letter was approved for terms of the bond in relation to the sale of Iceland Seafood UK Ltd in October 2023.

The Company concluded two offerings of 3 month bills for ISK 2,600 million in total, at end of September 2024. In both cases hedging was put in place to fix the liability in EUR. The total fixed amount at end of September 2024 amounts to EUR 17.1 million. The bills are listed on Nasdaq Iceland.

The management of the Company is actively exploring economical refinancing options to strengthen the Group's financial position. With the credit facility with an Icelandic bank expiring in April 2025 and the Nasdaq Iceland listed bond maturing in June 2025. Management is working to identify and secure suitable solutions ahead of these deadlines.

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

12. Approval of financial statements

The Condensed Consolidated Interim Financial Statements have been approved for issue by the Board of Directors and the CEO on 20 November 2024.