



Registration Document

October 2020

CONTENTS

Contents	1
1 Risk Factors	3
1.1 General	3
1.1.1 Reputational Risk	3
1.1.2 Raw material, Quota and Environmental Risk.....	4
1.1.3 Economic and global development risk.....	5
1.1.4 Transportation Risk.....	6
1.1.5 Currency Risk.....	6
1.1.6 Supplier Risk	7
1.1.7 Quality Risk.....	7
1.1.8 Competition Risk	7
1.1.9 Customer Risk	7
1.1.10 Risk relating to Essential Employees	8
1.1.11 Legal Risk.....	8
1.1.12 Contract Risk.....	9
1.1.13 Risk relating to Accounting Principles.....	10
1.2 Issuer's Financial Risks.....	10
1.2.1 Financing Risk.....	10
1.2.2 Interest Rate Risk	10
1.2.3 Credit Risk.....	11
1.2.4 Liquidity Risk.....	11
1.2.5 Insurance Risk.....	11
1.2.6 Risk relating to impairment of Goodwill	11
2 Important information	13
2.1 Notice to Investors.....	13
2.2 Company Statement.....	15
2.3 Statutory Auditor	15
2.4 Information incorporated by reference	16
2.5 Documents on display	16
2.6 Third Party Information.....	17
2.7 Definitions	17
3 The Issuer	18
3.1 About the Issuer.....	18
3.2 History and Development.....	18
3.3 Subsidiaries and other investments.....	19
4 Business Overview	21
4.1 Strategy.....	21
4.2 Organisational structure and principal activities	21

4.2.1	<i>Sales and Distribution</i>	23
4.2.2	<i>Value Added Southern Europe</i>	24
4.2.1	<i>Value Added Northern Europe</i>	24
5	Management and corporate governance	26
5.1	Compliance with Corporate Governance	26
5.2	The Board of Directors	26
5.2.1	<i>Sub-Committees of the Board of Directors</i>	28
5.3	Executive Management	28
5.4	Potential conflicts of interest	29
6	Financial Information	30
6.1	Normalised results	31
6.2	Latest financial statements.....	31
6.2.1	<i>Events after the reporting period</i>	31
6.3	Significant Developments in the Period	31
	<i>Oceanpath</i>	31
	<i>Solo Seafood</i>	31
6.4	Funding.....	32
6.5	Share capital and shareholders	32

1 RISK FACTORS

1.1 General

Iceland Seafood International hf., reg. no. 611088-1329, with registered address at Köllunarklettsvegur 2, 104 Reykjavík, is an Icelandic public limited liability company (hereafter referred to as “Iceland Seafood”, the “Issuer” or the “Group”). Iceland Seafood is a worldwide sales, processing and marketing group for a variety of frozen, fresh, salted and dried seafood and seafood products.

The following overview of risk factors is based on what the Group, at its own discretion, considers to be of importance in relation to its present and future operations. While the Group considers the following to be a fair, full and comprehensive disclosure of all relevant risk factors, this overview is not a substitute for the rest of the Registration Document and should not be perceived as such. A full and accurate assessment of the Group's operations may only be made on the basis of the entire Registration Document. Furthermore, the operations of the Group may be affected by risks that are either not known or have not materialised by the date of this Registration Document.

The Issuer has assessed the materiality of the risk factors based on the probability of their occurrence and the expected magnitude of their negative impact and has organised the following risk factors accordingly, beginning with those estimated to be most significant to the Issuer.

1.1.1 Reputational Risk

Reputational risk is the risk of financial loss attributable to a company's negative impression towards stakeholders, such as customers, shareholders, employees, investors and governments. Consequences of a negative impression can be lack of trustworthiness in the market, leading to a loss of customers and opportunities and, consequently, income.

The Issuer operates in a market where reputation of the healthiness of the product is of great importance. If suspicion arises that a given product or product group is unsafe for consumers, it can lead to significant public discussion and media coverage. An accident in the production of one specific product or at one specific facility, either at one of the Issuer's value added facilities or with a producer supplying the Issuer with raw materials, can have a wide-ranging effect and a meaningful contagion in other products or markets.

To ensure quality in its products the Issuer enforces various standards in its sourcing of raw materials, as further described in chapter *1.1.2 Raw material, Quota and Environmental Risk* and places emphasis on the chain of custody and traceability of their products. All of Iceland Seafood's production facilities have been certified and inspected as required by local authorities in addition to many holding additional certifications such as the UK's BRC Global Standard for food safety, which is an internationally recognized mark of food safety and quality achieved by undertaking a third-party audit against standard requirements by an accredited certification body.

The Issuer has a well-established image and positive reputation that has contributed to attracting new customers, as well as strengthening its business relations with core customers. If the Issuer's reputation suffered significant damage, there is a risk that a substantial number of customers will

terminate their business relationship and other counterparties will be reluctant to engage in further transactions with the Issuer. This could negatively impact and limit the Issuer's potential of obtaining funding, creating new business relationships and maintaining existing ones. The Issuer places great emphasis on its relationships with customers and takes great care in maintaining and strengthening them, making sure that customers know the Issuer and its operations, and are aware of the quality control maintained at all times.

1.1.2 Raw material, Quota and Environmental Risk

The primary raw material used by Iceland Seafood is seafood from Icelandic waters. The Icelandic government sets laws and regulations on utilisation of Icelandic Fish stocks, based on advice from the Icelandic Marine & Freshwater Research institute. The quota year in Iceland runs from 1 September to 31 August each year. For further information on the Icelandic quota system see <http://www.fiskistofa.is/english/fisheries-management¹>.

The main risk factor for Iceland Seafood on fish stocks are significant changes in utilisation and therefore availability, which can affect raw material prices up or down. Iceland Seafood is not directly invested in the Icelandic quota system and therefore risks are limited to availability and price fluctuations and effects of having to seek alternative sources of raw materials.

Additionally, although a large part of seafood for Iceland Seafood comes from Icelandic waters, some comes from elsewhere e.g. in the Atlantic Ocean, from waters belonging to Norway, Russia and others, where similar fishery management methods and/or principals as in Iceland are used, i.e. recommendation from scientists based on scientific research. The quota year in Norway and Russia runs from 1 January to 31 December each year.

In the operation of subsidiary Achernar S.A.A (hereafter referred to as “Achernar”) in Argentina, Iceland Seafood is dependent on supply of Argentinian shrimp. The fishery management system in Argentina is different from the previously described quota system as used in Iceland, as the government issues licences to vessel owners for catching without a quota system in place. The availability and price fluctuations of Argentinian shrimp can have a negative impact on Iceland Seafood's operation in Argentina.

Iceland Seafood bases its global sourcing policy on sourcing only from fisheries that are administrated in conformance with the Food and Agriculture Organization of the United Nations' (hereafter referred to as “FAO”) Code of Conduct for responsible fisheries and have proper fishery management systems. For further information on the FAO Code of Conduct see <http://www.fao.org/fishery/code/en²>. Iceland Seafood also supports independent and credible standards that are set to audit and approve fisheries that are well managed and will wherever possible promote these fisheries to its customers as well as committing to supply sustainable seafood to its customers. Initiatives that Iceland Seafood supports and enforces include Iceland Responsible Fisheries (and the Marine Stewardship Council's MSC standard. However, the

¹ Information on the website does not form part of the Registration Document unless that information is incorporated by reference into the document.

² Information on the website does not form part of the Registration Document unless that information is incorporated by reference into the document.

Issuer can not guarantee that any products sold by Iceland Seafood might not conform to the standards set and committed to by the Issuer despite all best efforts.

Fisheries, in Iceland and elsewhere, can be seasonal and affected by weather conditions. This can lead to fluctuations in price and supply throughout the year. Major changes in sea temperature and other natural influences can also affect fisheries, stock conditions and ultimately quota allocations.

Additionally, The Issuer uses farmed species in some of its subsidiaries, including but not limited to Atlantic Salmon and Asian shrimp. Farmed species carry similar price fluctuation risks as wild fish and in addition are affected by feed costs, weather, sea temperatures as well as biological and disease risks that may affect supply and pricing.

1.1.3 Economic and global development risk

Economic developments associated with the Covid19 world pandemic have marked the Issuer's operations as the pandemic and associated restrictions have caused a temporary shift in seafood consumption from the foodservice and hotel, restaurant and catering ("HORECA") sector to retail. However, while a vast majority of the Issuer's sales in S-Europe are to the HORECA sector, which was significantly impacted by the restrictions implemented in spring 2020, a majority of sales in N-Europe are to the retail sector which saw growth during the pandemic which helped mitigating the negative impact of the sales decline in S-Europe during the period. At the same time the Group has focused on implementing and following appropriate contingency plans with a focus on the health and safety of employees and to secure continuity of operations.

The situation remains unstable with rising rates of Covid19 cases in various regions. The impact of the pandemic on the Group's sales and profitability for the coming months is uncertain. The Group has reacted to the situation with securing significant sales growth into the retail sector, especially in UK. This will improve the balance between retail and foodservice sales going forward.

Further, Iceland Seafood has extensive operations in the UK and Ireland. In 2016 voters in the United Kingdom voted to exit the European Union and the country is currently in a transition period after leaving the EU without an agreement, only entering into a withdrawal agreement which did not include a trade deal. The transition period is an 11-month phase during which the UK still follows EU rules and trade between the two is the same as before. When the transition phase ends on 31 December 2020 the UK will automatically drop out of the EU's main trading arrangements (the single market and the customs union) and if a trade deal is not agreed in time then tariffs and border checks would be applied to UK goods travelling to the EU under the rules of the World Trade Organization. The UK also decides what tariffs and checks to impose on EU goods.

There is no precedent for a process such as this and the implications are still largely unclear. The risks are that the withdrawal could lead to adverse economic and market conditions in the UK market and might temporarily affect supply channels into Ireland. Although the UK is an important market for the Issuer, the Issuer is not heavily exposed to new tariffs that might come

in place with the UK leaving EU after the transition period without a trade agreement, as the largest part of the Issuers supply in the UK is coming from areas outside the European Union.

However, should other European Union countries follow the UK's example and leave the EU the strength of the European single market could be compromised. The single market refers to the EU as one territory without any internal borders or other regulatory obstacles to the free movement of goods and services. A functioning single market stimulates competition and trade, improves efficiency, raises quality, and helps cut prices. Should the single market be compromised, Iceland Seafood's operations as a seller and exporter of goods between EU countries such as Spain and Italy would be affected.

Additionally, the Issuer has an operation in Argentina which has a history of political and economic instability and is considered a hyperinflation economy. This instability could have a negative impact on the Issuers operation in the country, although the fact that all products produced by the Argentinean operation are exported to Europe and Asia mitigates this risk. In the beginning of September 2019, Argentina's Central Bank announced new temporary restrictions on foreign currency transactions. Under these restrictions, companies in Argentina must obtain prior approval from the Central Bank to access the foreign exchange market to purchase foreign currency and to transfer funds abroad for the payment of dividends and profits, services and imports in excess of USD 2 million per month, and for certain other transactions. The Issuer is not directly affected by the restrictions as the operation in Argentina mainly exports product to the Issuer's other Value Added subsidiaries, however, management remains vigilant about further developments in Argentina.

1.1.4 Transportation Risk

The Group relies on various transportation methods and transportation companies, on land, sea and in the air, to move its products from sellers to buyers. The Issuer cannot guarantee that adequate transportation services will always be available. Additionally, transportation can significantly effect the freshness, safety and quality of the Issuer's products, which are highly sensitive to temperatures, delays, harsh treatment (damaging of packaging/product) etc. The Issuer takes every care possible to ensure that all products are transported in an applicable manner and has relevant insurance in place to mitigate this risk.

1.1.5 Currency Risk

The reporting currency of the Group is EUR, therefore the Group has a currency risk related to the operation of subsidiaries in the UK, Argentina, Iceland and USA, which operate and report in a different currency. Both purchases and sales within the Argentinean operation are based in USD, which mitigates the Issuer exposure to the local currency. The UK entity generally represents over 10% of the Group's operating divisions profits, whilst the Argentinean operation, Iceland and USA were immaterial.

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 that the goods are sold, providing a natural currency hedge.

1.1.6 Supplier Risk

The Issuer is exposed to risks regarding suppliers, both in the wild and farmed seafood sectors, as the Group has sourced 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 Issuer believes mitigates the risk considerably.

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

1.1.7 Quality Risk

The Issuer sells high quality Seafood. It is imperative that the quality of the Group's products is of a sufficiently high standard. Should that standard drop, the financial performance of the Group may suffer. Further information on the Issuer's measures to ensure quality can be found in chapters *1.1.1 Reputational Risk*, *1.1.2 Raw material, Quota and Environmental Risk* and *1.1.6 Supplier Risk*.

1.1.8 Competition Risk

The Group's operating divisions and subsidiaries operate in markets with a variety of competitors. In most of Iceland Seafood's international subsidiaries these competitors would range from large branded entities to smaller family owned businesses. In the Icelandic Sales and Distribution subsidiary competition would range from seafood exporters of various sizes to seafood producers managing some or all of their own sales. As such the Group's subsidiaries constantly need to ensure their proposition, service and product offering meets the demands of the local market.

1.1.9 Customer Risk

The Group has a highly diversified customer base, with over 3,000 customers across 45 countries. In certain markets the Group operates with key customers, the loss of which may impact the profitability of the Issuer.

The Group sells products to several retailers in the UK and Spain. These products are generally sold under the own label of the retailer. In the case of retailers' own labels, it may potentially be easier for a retail chain to change suppliers than if Iceland Seafood was the sole supplier of a recognised brand.

The Issuer and its subsidiaries take great care in maintaining and growing their relationships with customers, many of which are built upon years of mutual trust and respect, and aim to make long-term contracts whenever possible.

1.1.10 Risk relating to Essential Employees

The Group's operations are based on the knowledge, experience and the future vision of key employees. There is no guarantee that these individuals will continue to work for the Group. The loss of service of any such employee could have a detrimental effect on the Group.

The Group operates appropriate remuneration policies, including option programmes and bonus schemes, where relevant, to minimize the risk of key employees terminating their employment.

1.1.11 Legal Risk

Iceland Seafood has operations in eight countries in the production, marketing and sale of seafood products to more than 45 countries worldwide. Consequently, the Issuer is subject to various legislation, government and municipal regulations and standards in these countries, exposing Iceland Seafood's operations to various regulatory and legal risks, including litigation and liability risk.

The Group is subject to, amongst other legislation, health, pollution and environmental legislation, government and municipal regulations and standards. The Issuer must meet requirements based on these legislations, regulations and standards to obtain necessary licenses and certificates in respective countries, e.g. processing licenses and health certificates. These licenses and certificates may be valid as long as Iceland Seafood meets the legal requirements. They may also be valid for a specific period and therefore have to be renewed regularly.

Existing legislation, government and municipal regulations and standards could be amended, the manner in which legislation and standards are enforced or interpreted could change and new legislation, regulations and standards could be adopted, which could adversely affect the Issuer's operations in the respective countries. Violations of legislation, regulations and standards, whether intentional or unintentional, may lead to the revocation of some of the licenses or certificates in the respective countries and /or affect the reputation of Iceland Seafood.

Additionally, it is possible that the legislation in these countries regarding e.g. taxation, customs and permits will be amended, potentially with a retrospective effect, in such a way that could have a negative impact on the Group's operations, profits and financial position.

Iceland Seafood is potentially exposed to claims from dissatisfied customers and consumers of the Issuer's products. Iceland Seafood may be subject to claims arising from violations of health, pollution and environmental legislation, government and municipal regulations and standards. Iceland Seafood may also be subject to claims arising from disputes with employees for, among other things, alleged illegal dismissal, discrimination or harassment. These risks may often be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods. Liability resulting from any of the foregoing or other claims could have a material adverse effect on the reputation and results of the Issuer's operations.

Due to the nature of the Issuer's operations there may always be some open disputes towards customers, suppliers or other counterparties. However, upon the publication of this Registration Document, Iceland Seafood is neither involved in any litigation that may have a material negative effect on the Group's operations or financial status nor is the Group aware of any such

pending litigation or any interference that has or can have a considerable negative effect on the financial position of Iceland Seafood.

1.1.12 Contract Risk

The Issuer has assessed the risks of current and imminent disputes due to contracts which the Issuer is a party to. Furthermore, the possibility of disputes rising in the future due to these contracts has been assessed. To the Issuers knowledge no dispute of a significance that would give rise to a special capital allocation exists.

The Issuer's brands 'Icelandic' and 'Icelandic Seafood' are leased from Icelandic Trademark Holding, a holding company owned by the Icelandic Government with the specific purpose of owning and managing the brands and leasing to producers of various Icelandic products. The brands have a long history of over 75 years in the seafood sector and are known throughout the international markets for superior premium quality. The current contract with Icelandic Trademark Holding expires in December 2023 and grants Iceland Seafood the right to market products under the brands in Spain, Portugal, Italy, Greece and France. Should the Issuer's lease not be renewed, a competitor could market its products under the brand in direct competition with the Issuer.

The Issuer is party to lease agreements for its production facilities and land some of which include provisions stating that the asset should be returned in the condition in which it was received. Due to the nature of the Issuer's operations, such provisions might require a one-off cost due to repairs or maintenance to fulfil the contracts.

The Issuer is party to two types of contracts which could be classified as unrelated to regular day-to-day operations.

Firstly Issuer is party to a put and call option contract with Ecock Holdings Limited, the co-owners in subsidiary Oceanpath Ltd. (hereafter referred to as "Oceanpath") which hold 33% of the share capital in Oceanpath. The contract entitles the option holders to purchase/sell 33,000 ordinary shares in Oceanpath, the purchase/sales value is dependent on the profitability of the business in the previous two financial years prior to exercising the option. The number of shares represents the remaining amount of shares in Oceanpath that is not held by the Issuer and the option holder must exercise his option contract in whole. The call option became exercisable for the Issuer at any time after 1 May 2019 and the put option becomes exercisable for the co-owner from 1 May 2023.

Additionally, in spring 2016 a stock option plan was approved by a shareholder meeting (hereafter referred to as the "Stock Option Plan" or the "Options") and later updated and re-approved by a shareholder meeting in September 2018 and in May 2020. The purpose of the Options is to enable Iceland Seafood to attract and retain employees through an attractive wage system. Employees are provided with an opportunity to acquire a stake in the Issuer in order to increase their incentive to promote future growth and increased prosperity of the Issuer and to reward such promotion. The Option pool represents less than 2.5% of the total registered share capital of the Issuer.

1.1.13 Risk relating to Accounting Principles

The Consolidated Financial Statements of the Issuer have been prepared in accordance with International Financial Reporting Standards (hereafter referred to as “IFRS”), as adopted by the European Union and additional requirements in the Icelandic Financial Statement Act, whilst financial statements of individual subsidiaries are either prepared in accordance with local accounting principles or IFRS. Any changes to any of these accounting principles could affect the reported financial results of the Group.

1.2 Issuer's Financial Risks

The Issuer controls its financing in a way that secures the daily operation of all subsidiaries. Iceland Seafood's operations are exposed to various financial risks factors including, but not limited to financing, interest, credit, liquidity and currency risks. The Group operates appropriate controls to manage these risk factors both within individual subsidiaries and at the parent company level. The Group does not take positions in any financial instruments, although it uses forward contracts for hedging currency exposures where appropriate.

1.2.1 Financing Risk

The majority of the Group's interest bearing loans relate to the financing of working capital. These loans are short-term revolving facilities, based upon longer-term agreements secured by pledges over inventories, receivables, bank accounts, intellectual property rights and certain properties held by the Group companies. The parent company, Iceland Seafood International hf's, shares in its subsidiaries are also pledged as security for the Group's short term and long term loans, except from shares in Iceland Seafood Iberica in Spain which are not pledged.

Group's revolving facility agreement with an Icelandic finance institution is the main source of funding for the Group's companies with the exemption of subsidiaries in Spain. The available drawdown at any given time depends on the balance of Group's receivables and inventories with the exception of subsidiary Iceland Seafood Iberica in Spain. The line is drawn by the parent company which then funds the subsidiaries via intercompany loan agreements. Subsidiaries in Spain are solely funded by short term and long term loans with number of local banks in Spain. The Groups main revolver loan incorporates two key financial covenants, one covenant that tests equity ratio at end of each quarter and another one which compares on a quarterly basis the Group's Cash Flow Available For Debt Servicing to the Group's interest and lease payment obligations over a twelve month trailing period.

1.2.2 Interest Rate Risk

Changes in interest rates can affect the Group in both a positive or negative way. The majority of all interest-bearing loans have variable interest rates with a defined margin on the base rate in each currency. The Group's funding is mainly in EUR, GBP and USD, but none in ISK. Management does not expect the base interest rates in these currencies (EURIBOR and LIBOR rates) to increase significantly in the coming years.

However, the Issuer is aware of the risk of future discontinuance of benchmark rates such as EURIBOR and LIBOR that may adversely affect the interest rates of the Issuer. The Financial Conduct Authority has indicated through a series of announcements that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether,

and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards, or whether LIBOR will be administered and compiled in the same manner as present. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

1.2.3 Credit Risk

Credit risk is the risk of default on debt that may arise from a borrower failing to make required payments. 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.

As accounts receivable are a large pillar in the Issuer's balance sheet, the Group places great care in managing and minimising its credit risk. In addition to ongoing credit evaluation on the financial conditions of relevant customers, the Issuer purchases credit insurances from three large international credit insurers which generally covers approximately 80% of the Group's outstanding receivables.

In countries where credit insurance cannot be obtained, the Issuer generally applies other methods such as letters of credit, cash against documents and shares risk with suppliers to control its credit exposure.

1.2.4 Liquidity Risk

Liquidity risk is the risk of the Group not being able to meet financial obligations when they are due. The Group manages liquidity risk by ensuring sufficient liquidity from current bank facilities to meet foreseeable needs and to invest cash assets safely and profitably. This policy has remained unchanged from previous periods.

The Group's main source of financing is a multi currency revolving credit facility with an Icelandic financial institution, secured with a pledge over inventories, receivables and shares in subsidiaries and credit facilities with number of banks in Spain which finance the S-Europe division. Headroom is in the opinion of the Board sufficient to cover fluctuations, both with regards to total facility amount and underlying assets (inventory and receivables).

1.2.5 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 Group maintains Directors and Officers insurance for its executive management. Despite these insurance policies, which the Group has in place, there is no guarantee that all claims that might be lodged against the Group at any time would be covered by such policies.

1.2.6 Risk relating to impairment of Goodwill

Iceland Seafood has recognised a significant amount of goodwill due to acquisitions in recent years. Impairment losses are recognised in profit or loss and an impairment loss in respect of goodwill is not reversed. Therefore, the risk relating to goodwill is that the Issuer will realise impairment losses due to goodwill, affecting the financial results of Iceland Seafood.

The last goodwill impairment test was performed at the end of 2019. Its results showed that the recoverable value exceeds the carrying value of goodwill. In addition to the base case testing, additional scenarios were tested where some key inputs had been stressed. In all scenarios tested, the results show that there is sufficient headroom and that there are no triggers indicating that impairment is necessary.

2 IMPORTANT INFORMATION

2.1 Notice to Investors

This Registration Document dated 30 October 2020 (hereafter the “Registration Document”), has been approved by the FSA as competent authority under Regulation (EU) 2017/1129. The FSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 and such approval should not be considered as an endorsement of the issuer that is the subject of this Registration Document. The Registration Document is a part of the Issuers' Prospectus, dated 30 October 2020 (hereafter referred to as the “Prospectus”), which concerns, and is published in relation to the Issuer's application to have its newly issued Securities (hereafter also referred to as the “Securities” and the “Series of Securities”) admitted to trading on the Regulated Market of Nasdaq Iceland hf. (hereafter referred to as the “Regulated Market of Nasdaq Iceland”). The Prospectus has been prepared in accordance with Icelandic laws and regulations in effect on the date of the Prospectus, including Act no. 108/2007, on Securities Transactions (hereafter the “Act on Securities Transactions”) and Act no.14/2020, on Prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market (hereafter the “Act on Prospectuses”) which implements Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (hereafter the “Prospectus Regulation”) into Icelandic law. Furthermore, the Prospectus has been prepared in accordance with the provisions of Annex 6 and Annex 15 of Commission Delegated Regulation (EU) 2019/980, c.f. Regulation 274/2020. The Prospectus is additionally prepared with regard to the Rules for Issuers of Financial Instruments, issued by Nasdaq Iceland hf., effective as of 1 May 2020.

The Prospectus is published in English and consists of two documents, a Securities Note dated 30 October 2020 and this Registration Document dated 30 October 2020. The Prospectus is available for viewing for 10 years from the date of this Prospectus at the Issuer's registered office at Köllunarklettsvegur 2, 104 Reykjavík, Iceland. The Prospectus will also be available on the Issuer's website: <https://www.icelandseafood.com/Investors> and will remain available for at least 10 years after the publication of the Prospectus.

The information appearing in this Prospectus should not be construed as an offer, a recommendation or solicitation to buy, hold or sell securities issued by the Issuer or to take any other investment decisions. The Prospectus contains information for investors to evaluate the Issuer's assets and liabilities, financial situation, performance and outlook. Investors are encouraged to familiarise themselves with all information contained in the Prospectus, especially the chapter named *Risk Factors*, both in the Securities Note and in this Registration Document.

Following the publication of the Prospectus, investors are advised to acquaint themselves with all public information issued by Iceland Seafood or concerning Iceland Seafood and/or bills, bonds or shares issued by Iceland Seafood.

Only the Issuer is entitled to procure information about conditions described in this Registration Document. Information procured by any other person is of no relevance in relation to this Registration Document and cannot be relied on.

This Registration Document, as well as other documents which are a part of the Prospectus, may not be sent or otherwise distributed, whether electronically or by other means, to countries in which distribution would require additional registration measures or other measures to be taken other than as applicable under Icelandic laws and regulations, or would be in conflict with laws and regulations in the relevant country. In some jurisdictions laws and regulations may restrict distribution of the Prospectus. Therefore, the Issuer requests all recipients of the Prospectus to familiarise themselves with and act in accordance with such laws and regulations or other restrictions. Iceland Seafood assumes no liability for distribution of the Prospectus by any third parties in any jurisdiction. This Registration Document, as well as any other documents in the Prospectus, should not be distributed or sent to the or sent to the United States, Australia, Canada, Hong Kong, Singapore, South Africa or Japan.

This Registration Document, or other documents which are a part of the Prospectus, should by no means be viewed or construed as a promise by the Issuer of future success in operations or as a return on investments. Investors must, first and foremost, trust their own judgment when it comes to investing in securities issued by the Issuer, and are advised to seek advice from external experts before making investment decisions. Investors are furthermore advised to consider their legal status, including taxation issues that may concern the purchase or sale of the Issuer's securities, and seek external and independent advice in that respect.

Information in this Prospectus is based on circumstances and facts on the date the Prospectus is signed. If significant new information, material mistakes or inaccuracy relating to information in the Prospectus, which could affect the assessment of the Issuer's securities, is discovered between the time the Prospectus is approved and the time when the Issuer's securities are admitted to trading, a supplement to the Prospectus shall be prepared describing the details in question. The supplement shall be approved within five working days and published in the same manner as the original Prospectus.

As the Issuer's shares were admitted to trading on the Regulated Market of Nasdaq Iceland in October 2019, the Issuer is already under disclosure obligation on the market pursuant to applicable laws and regulations, cf. the Act on Securities Transactions, publicly issues announcements, and is governed by the Nasdaq Iceland Rules.

2.2 Company Statement

Iceland Seafood and the Board of Directors hereby declare, on behalf of the Issuer, that, having taken all reasonable care to ensure that such is the case, the information in this Registration Document is, to the best of Iceland Seafood's and the Board of Directors' knowledge, in accordance with the facts and contains no omission likely to affect its import.

Reykjavík, 30 October 2020

For and on behalf of Iceland Seafood

For and on behalf of Iceland Seafood

Bjarni Ármannsson,
CEO of Iceland Seafood

Liv Bergþórsdóttir
Chairman of the Board of Directors

2.3 Statutory Auditor

The Issuer's audit firm is Deloitte ehf., registration number 521098-2449, Smáratorg 3, 201 Kópavogur, Iceland (hereafter "Deloitte"). The Issuer's auditor is Ingvi Björn Bergmann State Authorised Public Accountant and member of the Institute of State Authorised Public Accountants in Iceland. Deloitte have been the Group's auditors for over fifteen years.

Deloitte has audited the consolidated financial statements of the Group for the years ended 31 December 2019 and 2018 and reviewed the interim financial statements for the six months ended 30 June 2020 and 2019. The auditor's report in the Consolidated Financial Statements of the Issuer for 2019 and 2018 and the review reports for the periods ended 30 June 2020 and 2019 were signed with an unmodified opinion.

2.4 Information incorporated by reference

This Registration Document is to be read in conjunction with all documents which are deemed to be incorporated herein by reference. This Registration Document shall be read and construed on the basis that such documents are incorporated and form part of the Prospectus. The following information shall be incorporated by reference in, and form a part of this Registration Document and will remain available for at least 10 years after the publication of the Registration Document:

Iceland Seafood's reviewed condensed consolidated interim financial statements for the six months ended 30.6.2020, together with the review report thereon:

<https://newsclient.omxgroup.com/cds/DisclosureAttachmentServlet?showInline=true&messageAttachmentId=789607>

Iceland Seafood's audited consolidated financial statements for the year ended 31.12.2019, together with the audit report thereon:

<https://newsclient.omxgroup.com/cds/DisclosureAttachmentServlet?showInline=true&messageAttachmentId=758683>

Iceland Seafood's reviewed condensed consolidated interim financial statements for the six months ended 30.6.2019, together with the review report thereon:

<https://newsclient.omxgroup.com/cds/DisclosureAttachmentServlet?showInline=true&messageAttachmentId=736495>

Iceland Seafood's audited consolidated financial statements for the year ended 31.12.2018, together with the audit report thereon:

<https://newsclient.omxgroup.com/cds/DisclosureAttachmentServlet?showInline=true&messageAttachmentId=714918>

2.5 Documents on display

For 12 months from the date of the publication of the Prospectus, the following documents are available for viewing at the registered office of the Issuer, and/or electronically on the Issuer's website, www.icelandseafood.com/Investors/Governance and www.icelandseafood.com/Investors/Financial :

- The Issuer's Articles of Association
- The Issuer's reviewed consolidated interim financial statements for the six months ended 30 June 2020
- The Issuer's audited consolidated financial statements for the year-ended 31 December 2019
- The Issuer's reviewed consolidated interim financial statements for the six months ended 30 June 2019
- The Issuer's audited consolidated financial statements for the year-ended 31 December 2018

2.6 Third Party Information

Where third party information has been used in the Prospectus, the information has been accurately reproduced and the source of such information has been identified. As far as the Issuer is aware and able to ascertain from information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. When third party information has been used in the Prospectus, it has been on the basis of publicly available information which is cited in footnotes where applicable.

2.7 Definitions

“Iceland Seafood”, the “Issuer”, or the “Group”	Iceland Seafood International hf., reg. no. 611088-1329, Köllunarklettsvegur 2, 104 Reykjavík, Iceland
The “Securities” and the “Series of Securities”	The series of Iceland Seafood's securities which the Issuer has requested to be admitted to trading on the Regulated Market of Nasdaq Iceland.
Deloitte	Deloitte ehf., registration number 521098-2449, Smáratorg 3, 201 Kópavogur, Iceland
“IFRS”	International Financial Reporting Standards
The “FSA”	the Financial Supervisory Authority of the Central Bank of Iceland
“Act on Prospectuses”	Act no.14/2020 on Prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market
“Nasdaq CSD Iceland”	Nasdaq CSD SE, útibú á Íslandi, reg. no. 5101190370, Laugavegi 182, 105 Reykjavík
“Nasdaq Iceland” or the “Exchange”	NASDAQ Iceland hf., Laugavegi 182, 105, Iceland
“Prospectus”	The prospectus dated 30 October 2020, consisting of a securities note dated 30 October 2020 and this registration document, dated 30 October 2020
“Prospectus Regulation”	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
“Registration Document”	This registration document dated 30 October 2020
“Regulated Market of Nasdaq Iceland”	The regulated market of Nasdaq Iceland hf.
“Securities Note”	The securities note dated 30 October 2020
“VA S-Europe”	The Issuer’s Value Added S-Europe division
“VA N-Europe”	The Issuer’s Value Added N-Europe division
“ISK”	Icelandic Króna

3 THE ISSUER

According to Article 3 of the Issuer's Articles of Association dated 4 June 2020, the objective of the Issuer is to be a holding company for shares in other companies, and to export seafood and seafood products, real estate management, and other similar operations.

3.1 About the Issuer

Legal name:	Iceland Seafood International hf.
Commercial name:	Iceland Seafood International
Address:	Köllunarklettsvegur 2, 104 Reykjavík
Reg. No.:	611088-1329
Legal form:	A public limited company established under the Act on Public Limited Companies
Domicile:	Iceland
Date of incorporation:	19.October.1988
Ticker symbol with Nasdaq Iceland:	ICESEA
ISIN-number:	IS0000026961
LEI:	254900CJS0OI5B8GO668
Website:	www.icelandseafood.com ³
E-mail:	info@icelandseafood.is
Phone number:	+ 354 550 8000

3.2 History and Development

Iceland Seafood is a worldwide sales, production and marketing Group for a variety of frozen, fresh, salted, dried, smoked and value-added seafood. The Group's headquarters are in Iceland with three operating divisions incorporating twelve subsidiaries in Northern and Southern Europe and North and South America. The Group is the descendant of three Icelandic 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.

Iceland Seafood is a respected industry leading supplier of North Atlantic fish and seafood and a leading service provider in its markets. Iceland Seafood is one of the largest exporters of fish products from Iceland and a key processor of high-quality seafood in the Spanish, Irish and UK markets.

In 2017 the Issuer reached an agreement with the founders and owners of Oceanpath Ltd, the leading fresh fish supplier to retailers in the Republic of Ireland, to purchase a 67% share in

³ Information on the website does not form part of the Registration Document unless that information is incorporated by reference into the document.

Oceanpath with local management retaining the remaining 33%. The acquisition was finalised in March 2018.

In September 2018 Iceland Seafood completed the acquisition of Solo Seafood ehf, the holding company for Icelandic Freezing Plants Iberica SAU (hereafter referred to as “Icelandic Iberica”) in Spain. Icelandic Iberica consists of the parent company Icelandic Iberica and subsidiaries Elaboración de Congelados Málaga S.A (hereafter referred to as “Ecomsa”) in Spain and Achernar in Argentina. The previous owners of Solo Seafood are industry specialists and producers who all received shares in Iceland Seafood in return for their shares in Solo Seafood. The acquisition was a significant strategic step for the Issuer, in which major seafood players joined Iceland Seafood's shareholding group, creating an integrated supply chain through to the end customer. Icelandic Iberica has since been merged with Iceland Seafood's other operations in Spain, creating a strong integrated company in the Southern European market.

In October 2019 Iceland Seafood was listed on the Nasdaq Iceland main market, having previously been listed on the Nasdaq Iceland First North.

In early 2020 Iceland Seafood completed the purchase of Elba seafood ehf., a great addition to well positioned Southern European operation. Further, the Issuer announced the merger of its two subsidiaries in the UK, Iceland Seafood Barraclough and Iceland Seafood UK Ltd.(previously Havelok) under the name Iceland Seafood UK and a significant investment in processing and coldstore capacity. At the same time a 33% minority stake in Havelok (now Iceland Seafood UK) was acquired, in order for the Group to be the sole shareholder of the merged entity.

At end of August 2020 Iceland Seafood signed a letter of intent to acquire the company Carrs&Sons Seafood Ltd. in Ireland. Carrs&Sons Seafood Ltd. annually produces from 1,000 metric tonnes of raw material, predominantly salmon, for Irish retail. The proposed acquisition is a great opportunity to further strengthen the Group's position when comes to servicing the Irish retail customer base.

3.3 Subsidiaries and other investments

The Group consists of Iceland Seafood, which is the parent company of the Group, and its subsidiaries. At 30 June 2020 Iceland Seafood held shares in the following subsidiaries:

<u>Name of company</u>	<u>Place of incorporation</u>	<u>Ownership 30.6.2020</u>	<u>Principal activity</u>
Subsidiaries			
Iceland Seafood ehf.	Iceland	100%	Sale of seafood
Solo Export ehf.	Iceland	100%	Not active
Iceland Seafood Iberica S.A.U	Spain	100%	Sale of seafood
-Ecomsa S.A.	Spain	100%	Sale of seafood
-IPDML	Spain	100%	Not active
-Achernar S.A.	Argentina	100%	Sale of seafood
Elba Seafood ehf.	Iceland	100%	Holding
-ELBA S.L.	Spain	100%	Sale of seafood
Iceland Seafood Barraclough Ltd.	UK	100%	Sale of seafood
-F.Barraclough Ltd.	UK	100%	Not active

-Iceland Seafood UK Ltd. ⁴	UK	100%	Sale of seafood
Oceanpath Limited	Ireland	67%	Sale of seafood
-Dunns (Fish&Poultry) Ltd.	Ireland	100%	Holding
-Dunns Seafare Ltd.	Ireland	100%	Sale of seafood
Iceland Seafood France S.A.S.	France	100%	Sale of seafood
ISG Iceland Seafood GmbH	Germany	100%	Sale of seafood
ISI Seafood Inc.	USA	100%	Sale of seafood
Iceland Seafood Hellas S.A.	Greece	66%	Liquidation

Investment in joint ventures

Credible Properties Ltd.	Ireland	50%	Properties
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Investments in other companies

Febin Marine Foods Private Ltd.	India	5%	Seafood supply
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⁴ The Issuer is in the process of legally merging its UK entities, Iceland Seafood Barraclough Ltd. and Iceland Seafood UK (previously Havelok Ltd.) under the name Iceland Seafood UK, which will be completed by the end of 2020

4 BUSINESS OVERVIEW

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

The Group operates across three divisions, Value Added Southern Europe, Value Added Northern Europe and Sales & Distribution which has offices in Iceland, France, Germany and the USA. The Value Added Divisions have processing factories and coldstores in their respective regions with Southern Europe also having a satellite facility in Argentina.

4.1 Strategy

Iceland Seafood is deeply rooted in the Icelandic fisheries industry as the descendant of historical Icelandic seafood companies. The Issuer's strategy is focused on delivering high margin growth and earnings over time and the Issuer has developed a long-term business strategy that reflects its purpose and enables the company to capture the value of its international network and in-depth knowledge of its markets.

The Issuer believes that the origin of the seafood products that the Issuer sells in its markets is important and works in a close partnership mainly with Icelandic producers as well as producers from other important origins. Fishing is a large industry in Iceland which generates significant profit for Icelandic society. However, in international markets, the Issuer and Icelandic producers are in competition with larger companies and serve global customers who make ever-increasing demands. It is therefore important for Iceland Seafood and Icelandic producers to join forces to ensure the highest prices are paid for the roughly 1.5 million tonnes that come out of the Icelandic ocean every year. Even though this is a significant volume for the Icelandic economy, it is less than 2% of the fish caught in the world.








Iceland Seafood's strong international presence ensures Icelandic producers' access to a large market that is the backbone of Iceland Seafood operations, with over 3000 active business to business customers in 45 countries. It is vital for producers of seafood products to have stable access to key markets and to be deep in the market, close to the distribution channels and the final consumer. Iceland Seafood has for many decades been a key player in export of Icelandic seafood products. The Issuer has, as a longterm project, built up strong brands and a quality reputation which Iceland Seafood believes to afford them a strong competitive advantage in the export and sales market.

4.2 Organisational structure and principal activities

Iceland Seafood and its forerunners have been an integral part of the seafood industry in Iceland for decades as a leading exporter, producer and marketer of Icelandic seafood products globally. Iceland Seafood is comprised of three operating divisions, which incorporate the Group's subsidiaries. At 30 June 2020 the Group had over 630 employees.

Iceland Seafood International hf., is the parent company which employs the Issuer's CEO and CFO who serve as the Issuer's executive management. Each subsidiary is separately managed

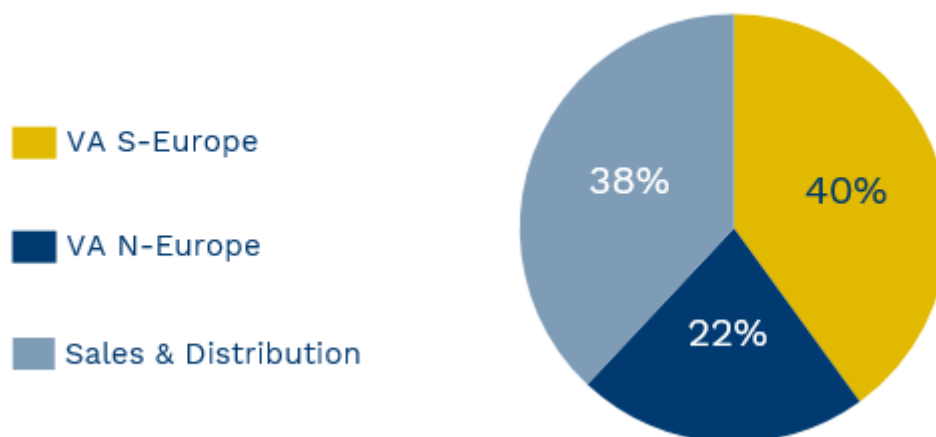
by its own local managing director and executive management as required. The following table shows the organisational structure of Iceland Seafood:

Iceland Seafood International Executive management		
Sales & Distribution	Value Added N-Europe	Value Added S-Europe
IS Iceland 	IS Barraclough 	IS Ibérica 
IS France 	IS UK 	Elba 
IS Germany 	Oceanpath 	Ecomsa 
IS USA 	Dunn's of Dublin 	Achernar 

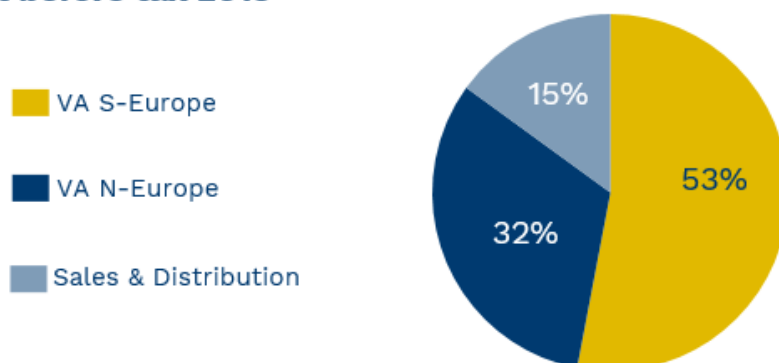
The Group structure of three efficient operating divisions provides a balanced base from which to drive further profit growth. Each operating division benefiting from a mixture of growth opportunities including the growing seafood sector globally, local organic growth drivers along with focused investments to support growth, whilst the fragmented seafood industry presents the Issuer with potential consolidation opportunities.

All abovementioned subsidiaries are significant to the Issuer's operations. Though varying in their financial contribution to the Group, any reputational or other difficulties in their operations can also negatively affect the Issuer. The Issuer is therefore partially dependent on the successful operations of all of its subsidiaries. A divisional breakdown of turnover and profit before tax as at 30.6.2020 can be seen below:

Turnover 2019



Profit before tax 2019



4.2.1 Sales and Distribution

The Sales and Distribution division consist of a sales and marketing company in Iceland along with closely linked sister companies in France, Germany and USA, which focus their efforts on selling to their local markets.

Iceland Seafood Iceland is a leading company in exports of seafood from Iceland to all main markets around the world. The company operates in close co-operation with Icelandic fish producers. Iceland Seafood Iceland's main functions are fish sales, sourcing for the Issuer's subsidiaries and technical and quality services for producers and customers.

The Iceland division works with a broad range of producers in Iceland, from many of the largest quota owners to smaller independent operators focused on a single species or product. Most supply relationships are long-term multi-year relationships built on trust and transparency where a bridge has been built between a catcher and end customer.

The setup creates an opportunity for strong margins due to deep access to markets and the close working relationship with the seafood industry partners in Iceland. The most important markets for the Iceland division are France, UK, Spain, Italy, Germany, US and Belgium along with parts of Eastern Europe, which have historically been important pelagic markets.

Iceland Seafood France, based in Boulogne-Sur-Mer, provides high quality seafood from Iceland as well as from Canada, USA, South Africa, Namibia, New Zealand and Asia. The company supplies fresh and frozen products to foodservice, retail and processors in France.

Iceland Seafood Germany, located in Bremerhaven Germany, is a supplier of high-quality fresh seafood from Iceland. Fresh fish is mainly sourced from Iceland for the delicatessen, food service, catering and retail sectors in Germany.

Iceland Seafood USA, located in Branford, Connecticut, imports, maintains inventory and markets a full range of Cod, Haddock, and Pollock/Saithe products for the distributor, foodservice and restaurant industry in the USA. Products are imported directly from Iceland, Russia and China.

4.2.2 Value Added Southern Europe

The Issuer's Value-Added S-Europe division (“VA S-Europe”) consists of Iceland Seafood Iberica and its subsidiaries Ecomsa in Málaga and Achernar in Argentina as well as the recently acquired Elba Seafood ehf.

Iceland Seafood Iberica is one of the main importers of Icelandic wet salted cod (Bacalao de Islandia) in Spain as well as the largest importer and seller of light salted cod in the Mediterranean market. In addition to seafood from Iceland the company manufactures, markets and sells various salted and frozen seafood products from other parts of the world, adapted for local tastes with a flexible distribution network of shops, supermarkets and the wide HORECA channel. Icelandic Ibérica is a benchmark of quality in the market thanks to an excellent team of professionals and the reliability, guaranteed by the strong brands. All of Iceland Seafood Iberica's production of light salted cod is in one location in Barcelona.

Subsidiary Ecomsa in Málaga is focused on local distribution in Andalusia and Achernar is an Argentinian processing plant mainly for shrimp and hake which supplies product to the southern Europe division as well as the Group as a whole.

VA S-Europe has a strong focus on the hotel, restaurant and catering (“HORECA”) market in Southern Europe.

4.2.1 Value Added Northern Europe

Value-Added N-Europe (“VA N-Europe”) consists of Iceland Seafood UK (previously Havelok Ltd.) and Iceland Seafood Barraclough, which are in process of being legally merged under the name Iceland Seafood UK, and Oceanpath Limited in Ireland.

Iceland Seafood UK (previously Havelok), located in Grimsby UK, was established in 2012 as a joint venture partnership which has since grown into one of the leading seafood suppliers to the foodservice sector in the UK.

Iceland Seafood Barraclough specializes in the supply of private label high quality seafood and shellfish sourced from all over the world, selling frozen fish and shellfish to most of the large retailers in the UK.

In early 2020 Iceland Seafood announced the merger of the two subsidiaries under the name Iceland Seafood UK, and a significant investment in coldstore capacity and refurbishment of production facility in Grimsby which will be the merged entity's single manufacturing site. The merger will create a significant player, servicing UK retail, with strong buying, production and marketing power in addition to improved balance between retail and foodservice.

Oceanpath and its subsidiaries are located in Dublin Ireland. Oceanpath is the main fresh fish supplier to the Irish retail industry and one of the largest seafood processors in Ireland supplying fish to all major Irish retailers and food service as well as exporting to USA and throughout Europe. Additionally, Oceanpath's subsidiary Dunns Seafare (Dunn's of Dublin), acquired in 2006, produces several varieties of both hot and cold smoked fish including Irish, organic, wild and farmed salmon. Dunn's of Dublin is Ireland's oldest fish company which was set up in 1822.

VA N-Europe has a strong focus on the retail (fresh and frozen) and foodservice market in the UK and Ireland.

5 MANAGEMENT AND CORPORATE GOVERNANCE

5.1 Compliance with Corporate Governance

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”) and the Nasdaq Iceland Rules and is set out in the Issuer's Articles of Association. Under its Articles of Association, the Issuer is governed by shareholders' meetings, the Issuer's Board of Directors and the Chief Executive Officer. 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 Issuer 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 (The Confederation of Icelandic Enterprise) and Nasdaq Iceland. There is only one deviation from the aforementioned guidelines as Iceland Seafood has not appointed a nomination committee, as such a committee has not been considered needed.

A statement on the corporate governance practices of Iceland Seafood is reviewed and agreed upon annually by the board of directors and is accessible on the Issuer's website.

5.2 The Board of Directors

The Issuer's Board of Directors shall be composed of three to five members and up to one alternate member, elected at the Annual General Meeting for a term of one year. The Board currently consists of five main members and one alternate. The Board of Directors has supreme powers in all matters concerning the Issuer between shareholders' meetings and is obligated to appoint an audit committee and a remuneration committee.

The Board of Directors consists of the following members:

Liv Bergþórsdóttir, Chairman of the Board of Directors

Víkurhvarfi 7, 203 Kópavogi

Liv Bergþórsdóttir is the CEO of The Icelandic biotechnology company ORF Genetics. Prior to ORF she has worked in the telecommunication industry for the last 20 years, 12 years as CEO. She has various board member experience in listed and unlisted companies.

Liv has a degree in Business Administration, Cand.oecon from University of Iceland in 1995 and AMP (Advanced Management Programme) from IESE Business School Barcelona in 2013.

Ingunn Agnes Kro, Board Member

Gvendargeisli 110, 113 Reykjavík

Ingunn Agnes Kro was Director of Administration and Communication at Skeljungur hf., heading internal and external communication and compliance, incl. legal matters, marketing, public relations, human resources and subsidiaries. Ingunn was also the CEO of H2 Iceland.

Previously Ingunn was the general council of Skeljungur, secretary to the Board of Directors and compliance officer.

Ingunn is on the Board of Íslenskir fjárfestar hf., a securities brokerage company, and of the Company Lawyers Association of Iceland. She also sits on the board HS Orka, a clean energy producer and provider. Ingunn is currently seeking an MBA degree at the University of Iceland. Additionally, she has a B.A. and M.A. degree in law from the University of Iceland. Ingunn also has a diploma in Securities Brokerage.

Jakob Valgeir Flosason, Board Member

Grundarstíg 5, 415 Bolungarvík

Jakob Valgeir Flosason, is the CEO of Jakob Valgeir ehf. 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.

Halldór Leifsson, Board Member

Háeyri 1, 550 Sauðárkróki

Halldór Leifsson is Marketing and Sales manager at Fisk Seafood ehf. He has worked in the seafood industry since 1990, in all key segments including, managing production, fleet, sales, office, finance, assistance MD and MD. Education: Matriculation certificate, business line in 1987. Fishery Technologist from Technical University of Iceland 1989. Halldór studied Business Management in University of Reykjavík in 2005-2007 (not finished).

Bergþór Baldvinsson, Board Member

Gerðavegi 32, 250 Suðurnesjabæ

Bergþór has been the CEO of Nesfiskur since 1979. Nesfiskur is a family owned company that Bergþór and his parents started in 1975. Nesfiskur's main factory focuses on frozen light salted cod, and its subsidiaries focus on fresh fish, shrimp and dried fish products. Working at Nesfiskur since a teenager, Bergþór has familiarized himself with every aspect of the industry. The small family company has grown constantly from the beginning. Today, Nesfiskur and its subsidiaries employ around 400 people.

Bergþór has been a board member of various companies and pension funds for the past two decades.

Gunnlaugur Hreinsson, Alternate Board Member

Suðurgarður, 640 Húsavík

Gunnlaugur Hreinsson is the Chairman of the Board of GPG Seafood ehf. in Húsavík. He was previously CEO of GPG Seafood before taking on the role of Chairman. Gunnlaugur has decades of experience within the seafood sector and joined the Issuer's board of directors as an alternate member in March 2020.

5.2.1 Sub-Committees of the Board of Directors

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 Corporate Governance & Social Responsibility 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 Issuer's management. Members of the Audit Committee are Ingunn Agnes Kro, Bergþór Baldvinsson and Ágúst Kristinsson.

Remuneration Committee

The Remuneration Committee is responsible for establishing a remuneration policy for the Issuer. The Remuneration Committee shall assist the Board in ensuring that compensation arrangements support the strategic aims of the Issuer 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 Issuer's remuneration policy, annually reviewing the Issuer'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 Issuer's chief executive officer nor any of the Issuer'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 at least 2 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 Issuer, 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 Liv Bergþórsdóttir, Halldór Leifsson and Jakob Valgeir Flosason.

5.3 Executive Management

The Executive Management comprises the Issuer's CEO and CFO.

Bjarni Ármannsson, CEO

Köllunarklettsvegur 2, 104 Reykjavík

Bjarni Ármannsson is a private investor. He is currently the largest shareholder in Iceland Seafood International. Bjarni is a computer engineer from University of Iceland in 1990 and graduated as MBA from IMD in Switzerland in 1996. Bjarni spent a lion share of his career in the banking industry in Iceland, originally as a CEO for Kaupthing a investment and financial service company, later for the Icelandic Investment Bank and as a CEO of Islandsbanki – a leading seafood service provider out of Iceland. He exited the banking sector in spring of 2007. In 2008 he became an Operating Director for Paine and Partners a US based Private equity fund focusing on food and Agri business. Since 2013 Bjarni has been focusing on his investments and developing them as a long term active industrial owner.

Reynir Jónsson, CFO

Köllunarklettsvegur 2, 104 Reykjavik

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.ocean Degree in accounting from the University of Iceland.

5.4 Potential conflicts of interest

Members of the Issuer's Executive Management and members of the Board of Directors own shares in the Issuer. Furthermore, several employees and members of the Executive Management own shares and/or stock options issued by Iceland Seafood. Several of these individuals have contributed to the preparation of this Prospectus.

Further, Jakob Valgeir Flosason, a member of the Board of Directors of Iceland Seafood is CEO and a shareholder of fishery Jakob Valgeir ehf. which is a large supplier of seafood to the Issuer.

Bergþór Baldvinsson, a member of the Board of Directors of Iceland Seafood is CEO and shareholder of fishery Nesfiskur ehf, which is a large supplier of seafood to the Issuer.

Halldór Leifsson, a member of the Board of Directors of Iceland Seafood is Marketing and sales manager of Fisk Seafood ehf, which is a large supplier of seafood to the Issuer.

Finally, Gunnlaugur Hreinsson, an alternate member of the Board of Directors of Iceland Seafood is chairman of the board of GPG Seafood ehf., which is a large supplier of seafood to the Issuer.

Kvika banki hf. (hereafter “Kvika”) is Iceland Seafood's advisor in relation to the offering and listing of Iceland Seafood's bills through its Corporate Finance and Capital Markets departments who have contributed to the preparation of this Prospectus. Kvika will receive a fee for this work. Additionally, Kvika's Proprietary Trading department acts as a market maker for the Issuer's shares and for that purpose holds an average of 3-4% of the Issuer's shares in its portfolio.

The Board of Directors is not aware of any other potential conflicts of interest between the duties of the members of the Board of Directors or members of the Executive Management to the Issuer and their private interests or other duties.

6 FINANCIAL INFORMATION

The consolidated financial statements of Iceland Seafood for the years 2019 and 2018 and all interim financial statements in the period 1 January 2018 to 30 June 2020 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and additional requirements in the Act on Annual Accounts. The consolidated financial statements comprise Iceland Seafood and its subsidiaries. The latest audited consolidated financial statements of Iceland Seafood were approved by the Issuer's board of directors on 25 February 2020 and cover the financial period of 1.1.2019-31.12.2019.

For a complete overview of the Issuer's financial position, it is recommended that investors review the complete consolidated financial statements of Iceland Seafood for the years 2019 and 2018, including all published interim financial statements, as well as all notes thereto. The statements include, among other information, a consolidated income statement, consolidated statement of financial position, consolidated statement of cash flows and auditor reports where applicable.

Consolidated financial statements for the last two financial years prior to the date of this Prospectus, as well as all published interim consolidated financial statements, have been incorporated in the Registration Document by reference and may be accessed on the Issuer's website, under the following link:

<https://www.icelandseafood.com/Investors/Financial>

Consolidated financial statements incorporated by reference are also available on Nasdaq Iceland's website, see chapter 2.4 *Information incorporated by reference*.

Deloitte has audited the Group's consolidated financial statements for the years ended 31.12.2019 and 2018 and reviewed the Group's condensed interim consolidated financial statements for the six months ended 30.6.2019 and 2018. No other information in this Prospectus has been audited.

When publishing results for the six months ended 30.6.2020, the Issuer announced a revised outlook for the year 2020 as the first half results are marked by Covid19 impacts. For further information on the effect of Covid19 on the Issuer's operations see chapter 1.1.3 *Economic and global development risk*. Neither the announcement nor the outlook form a part of this prospectus. The Issuer confirms that no significant change in the financial or trading position of the Group has occurred since the end of the last financial period, but the outlook remains uncertain due to the ongoing impact of Covid19.

Except as disclosed in chapter 1.1.11 *Legal Risk* the Issuer's Board of Directors and Executive Management are not aware of any governmental, legal or arbitration proceedings, during the twelve months preceding the date of this Registration Document, which may have, or have had in the recent past, significant effects on the Issuer's and/or the Group's financial position or profitability.

6.1 Normalised results

It should be noted that in the Issuer's financial statements the Income Statement is reported on both an IFRS basis and a normalised basis, the latter being the Issuer's main focus. The normalised results reflect the IFRS results net of significant one-off items which the Issuer considers a better reflection of the underlying operations of the Issuer. Both results are audited/reviewed as applicable.

6.2 Latest financial statements

On 31 August 2020 the Issuer's Board of Directors approved Iceland Seafood's reviewed condensed consolidated interim financial statements for the period 1.1.2020 to 30.6.2020. The statements, together with the review report thereon, have been incorporated into the Prospectus by reference see chapter 2.4 *Information incorporated by reference*.

6.2.1 Events after the reporting period

On the 28 August 2020 the Issuer signed a Letter of Intent to acquire all the issued share capital of Carrs & Sons Seafood Ltd., an Irish seafood processing company specialized in high quality smoked salmon production. According to the letter, Iceland Seafood will acquire 100% stake in Carrs & Sons Seafood Ltd. for €6.5m, based on 2019 financial statement and other information provided by the seller at this stage. The letter is a legally non-binding document and will serve as a basis for discussion of key terms for the potential transaction. Parties aim to complete the transaction before the 30 November 2020.

6.3 Significant Developments in the Period

Oceanpath

On 13 March 2018 the Issuer announced the acquisition of 67% of the share capital of Oceanpath Ltd., an Irish company and the leading fresh fish supplier to retailers in Ireland. The acquisition was completed on 14 March 2018 and Oceanpath has been included in the consolidated accounts from that time. The total acquisition price is EUR 14.2 million including an earn out payment, which was subject to actual profitability of Oceanpath for the periods ending on 30 April 2018 and 30 April 2019. An earn out payment is generally an additional future compensation paid to the owners of a business after it has been sold, usually contingent on specific milestones being met. EUR 11.5 million was paid in 2018 with the remaining EUR 2.7 million paid in August 2019. Further information on the earn out paid in 2018 can be found in note 13.1 to the 2018 CFS. The consideration, was settled by a cash payment, fully funded with cash and a loan.

In accordance with IFRS 3 Business Combinations the purchase price of Oceanpath was allocated to the identifiable assets and liabilities acquired. Provisional goodwill amounted to 9.9 million. For further information on the transaction and a breakdown of the allocation of the purchase price to assets and liabilities see note 13.1 to the 2018 CFS.

Solo Seafood

On 30 April 2018 the Issuer agreed on the Head of Terms to acquire 100% of the share capital of Solo Seafood ehf., an Icelandic holding company which holds 100% of the share capital of

Icelandic Ibérica S.A. in Spain. The Share Purchase Agreement related to the transaction was signed on 1 August 2018. The sellers were Sjárvarsýn ehf., an Icelandic holding company, three Icelandic seafood companies, FISK Seafood ehf., Jakob Valgeir ehf. and Nesfiskur ehf. and the former Managing Director of Icelandic Ibérica S.A. The acquisition was completed on 14 September 2018 and Solo Seafood ehf. were included in the consolidated accounts from that time. The holding company Solo Seafood ehf was merged with Iceland Seafood International hf. in 2019, the merger took effect from January 1st that year.

In accordance with IFRS 3 Business Combinations the purchase price of Solo Seafood ehf. was allocated to identifiable assets and liabilities acquired. Provisional goodwill amounted to EUR 24.5 million. The consideration for the acquisition was settled by the issuance of 1.25 million new shares and a cash payment of EUR 0.5 million. The consideration was valued at EUR 35.3 million at the acquisition date using a combination of multiple and discounted cash flow valuation methodologies. For further information on the transaction and a breakdown of the allocation of the purchase price to assets and liabilities see note 13.2 to the 2018 CFS.

6.4 Funding

The Group's main sources of financing are a multi-currency revolving credit facility with an Icelandic financial institution and credit facilities with number of banks in Spain which finance the S-Europe division.

The facility with the institution in Iceland has a cap of EUR 50 million and is drawn by the parent company which then funds subsidiaries via intercompany loan agreements. As the loan is drawn on a monthly basis, it is classified within current liabilities although the underlying agreement is until May 2022. The credit facility and other short-term loans are secured mainly with pledges over inventories and receivables.

The facilities in Spain are with number of banks in the local market. Total amount of these loans was EUR 58.3m at end of June 2020. Most of these loans are short term facilities with a 6 to 12 month duration. In April 2020 the Group secured in excess of EUR 20m new long term funding for the operation in Spain, with banks in Spain. This improved the overall funding headroom accordingly and at the same time increased the proportion of long term funding of the overall Group funding. Facilities in Spain are not secured with direct pledge, but most of these facilities are secured with negative pledge.

In the debt market, Iceland Seafood recently issued 6 month bills and expects to become a regular issuer in the Icelandic debt market. Further, Iceland Seafood is continuously observing opportunities when it comes to the funding of its operations, both in the local Icelandic market and with foreign banks.

6.5 Share capital and shareholders

As of the date of this Prospectus, the nominal value of the share capital of Iceland Seafood is ISK 2,616,002,630 divided into an equal number of Shares with a nominal value of ISK one each. All of the Issuer's issued share capital is paid in full. The Issuer's share capital consists of one class of shares and each issued share carries equal rights. The ISIN number of the shares is IS0000026961 and their ticker symbol in the trading system of Nasdaq Iceland is ICESEA.

The Issuer had 547 shareholders at 30 September 2020. To the extent known to the Issuer, Iceland Seafood is not directly or indirectly owned or controlled by parties other than listed shareholders. Apart from issued stock options as described in the chapter *1.1.12 Contract Risk*, no arrangements are known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

Undirritunarsíða

Bjarni Ármannsson

Liv Bergþórsdóttir