



Iceland Seafood International hf.

Consolidated Financial Statements

for the year ending 31 December 2017

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

Contents

	Page
Independent Auditor's Report of the Consolidated Financial Statements	2-4
Statement and Endorsement by the Board of Directors and the CEO	5-6
Consolidated Income Statement	7
Consolidated Statement of Comprehensive Income	8
Consolidated Balance Sheet	9
Consolidated Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Consolidated Financial Statements	12-35
Appendices (unaudited)	
Non-financial information	36

Company Information

Name	Iceland Seafood International hf.
TIN	611088-1329
BOD	Benedikt Sveinsson, Chairman Ingí Jóhann Guðmundsson, Board Member Mark Holyoake, Board Member
CEO	Helgi Anton Eiríksson
Address	Köllunarklettsvegur 2 104 Reykjavík Iceland
Web	www.icelandseafood.com
Lawyers	Fjeldsted & Blöndal lögmannsstofa slf. Suðurlandsbraut 18 108 Reykjavík Iceland www.fjeldco.is
Auditors	Deloitte ehf. Smáratorg 3 201 Kópavogur Iceland www.deloitte.is
Reporting currency	Euro (EUR)

Independent Auditor's Report

of the Consolidated Financial Statements

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

Opinion

We have audited the Consolidated Financial Statements of Iceland Seafood International hf. for the year ended 31 December 2017 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Consolidated Financial Statements give a true and fair view of the consolidated financial position of Iceland Seafood International hf. as at 31 December 2017 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and additional requirements in the Icelandic Financial Statement Act.

In accordance with Paragraph 2 article 104 of the Icelandic Financial Statement Act no. 3/2006, we confirm to the best of our knowledge that the accompanying report of the board of directors includes all information required by the Icelandic Financial Statement Act that is not disclosed elsewhere in the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Iceland Seafood International hf. in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the Icelandic Institute of State Authorized Public Accountants, Code of Ethics (FLE Code) and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Valuation of goodwill

Book value of goodwill at year-end amount to EUR 8,8 million (2016: 8,9 million).

As required by the applicable accounting standards, management conducts annual impairment tests to assess the recoverability of the carrying value of goodwill. This is performed using discounted cash flow models. As disclosed in note 11, there are a number of key sensitive judgements made in determining the inputs into these models which include:

- Revenue growth
- Expected future margins and
- The discount rate applied to the projected

How our audit addressed the key audit matter

We focused our testing of the impairment of goodwill on the key assumptions made by management. Our audit procedures included:

Engaging our internal specialist to assist with:

- Critically evaluating whether the model used by management to calculate the value in use of the individual Cash Generating Units complies with the requirements of IAS 36 Impairment of Assets.
- Validating the assumptions used to calculate the discount rates and recalculating these rates.
- Analysing the future projected cash flows used in the models to determine whether they are reasonable and supportable given the current economic climate and expected future performance of the Cash Generating Unit.
- Subjecting the key assumption to sensitivity analyses.

Independent Auditor's Report

of the Consolidated Financial Statements

future cash flows

Accordingly, the impairment test of these assets is considered to be a key audit matter in the audit of valuation of goodwill.

▪ Comparing the projected cash flows, including the assumptions relating to revenue growth rates and operating margins, against historical performance to test the accuracy of management's projections.

We also reviewed the disclosures presented in note 11 to the Consolidated Financial Statements to confirm compliance with the requirements within IAS 36.

Other information

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

Those charged with governance are responsible for overseeing the Iceland Seafood International hf.'s consolidated financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to

Independent Auditor's Report

of the Consolidated Financial Statements

influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Iceland Seafood International hf.'s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Kópavogur, 21 March 2018.

Deloitte ehf.

Ingvi Björn Bergmann
State Authorised Public Accountant

Björn Helgi Arason
State Authorised Public Accountant

Statement and Endorsement

by the Board of Directors and the CEO

Statement

It is the opinion of the Board of Directors and the CEO of Iceland Seafood International hf. (the Company), that these Consolidated Financial Statements present the necessary information to evaluate the financial position of the Company at year end, the operating results for the year and financial developments during the year 2017.

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

The Company

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

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

Operations for the year

The Board of Directors and the CEO are pleased to report strong results for 2017, especially given the headwinds of the strike in Iceland and the Brexit devaluation of the Sterling.

Sales saw a positive growth in the second half of the year 2017 (up 4,7%), supported by new customers and range extensions, to finish the year at EUR 249,1 million or 1,2% up YOY. The Consolidated Income Statement for the year 2017 shows Normalised Profit Before Tax of EUR 3,5 million, up 6,5% YOY. Significant Items costs of EUR 192 thousands are mainly due to potential acquisitions. Profit For The Year of EUR 2,58 million increased 1% YOY, where the 2016 figure benefited from recalculation of deferred tax due to a decrease in tax rates in some countries and other factors, during the year.

The Consolidated Balance Sheet at year-end 2017 shows total assets of EUR 88,2 million or EUR 13,1 million increase YOY. Reflecting a combination of new customers and range extensions in the second half of the year 2017 and start of 2018. Equity amounted EUR 17,7 million or up EUR 2,4 million YOY and the equity ratio was 20,1%, marginally lower than prior year (2016: 20,5%). Net debt of EUR 38,8 million, was EUR 4,1 million up YOY, reflecting increased sales, inventory and receivables. Full time employees on average for the year were 287 (2016: 268).

Events after the reporting period

On 14 March 2018 the Board of Directors was delighted to announce the acquisition of 67% of the share capital of Oceanpath Limited, the leading fresh fish supplier to retailers in the Republic of Ireland. Further information on this post balance sheet event are in note 26.

Market capitalization

The Company is listed on the Nasdaq First North market in Iceland (ticker: ICESEA). The latest transaction in 2017 was at ISK 6,49 per share, giving the Company a market capitalization of EUR 68,1 million (2016: EUR 54,4 million) or 25% increase YOY.

Statement and Endorsement

by the Board of Directors and the CEO

Shareholders

The total number of shareholders at year end was 161 (2016: 160). The ten largest are (shares are in ISK millions):

	31.12.2017		31.12.2016	
International Seafood Holdings S.a.r.l.	657	51%	830	64%
Kvika banki hf.	113	9%	142	11%
Akta sjóðir	54	4%	30	2%
Frjálsi lífeyrissjóðurinn	50	4%	43	3%
Sjóvá-Almennar tryggingar hf.	47	4%	20	2%
Íshóll ehf.	32	2%	0	0%
HEF kapital ehf.	32	2%	0	0%
Stefnir sjóðir	30	2%	38	3%
Blueberg ehf.	29	2%	0	0%
Festa lífeyrissjóður	27	2%	27	2%
	1.070	82%	1.129	87%
Other	229	18%	171	13%
	1.300	100%	1.300	100%

The Board of Directors will propose to the Annual General Meeting that no dividend will be paid to shareholders in 2018. For an overview of changes in equity, see the Consolidated Statement of Changes in Equity.

Non-financial information

The Company is defined, under the Icelandic Act no. 3/2006 on Financial Statements, as a parent company of a large group of companies. According to the Act, such companies are to disclose as an attachment to the Statement and Endorsement by the Board of Directors and the CEO, relevant and useful information on their policies, main risks and outcomes relating to environmental, social and employee matters, their human rights policy and how they counteract corruption and bribery. Also a short description of their business model. This new disclosure requirement is derived from a European directive that became effective on 1 January 2017.

The Company has various policies in place regarding these above mentioned matters, rights and actions, which are disclosed in the Non Financial Information appendices to these Consolidated Financial Statements. The Company will further expand this new disclosure in its consolidated financial statements for 2018.

Endorsement

The Board of Directors and the CEO of Iceland Seafood International hf. hereby confirm the Consolidated Financial Statements of the Company for the year 2017 with their signatures.

Reykjavík, 21 March 2018.

Benedikt Sveinsson
Chairman of the Board

Ingi Jóhann Guðmundsson
Board Member

Mark Holyoake
Board Member

Helgi Anton Eiríksson
Chief Executive Officer

Consolidated Income Statement

for the year ended 31 December 2017

	Note	2017			2016		
		Normalised results	Significant items*	IFRS	Normalised results	Significant items*	IFRS
Gross profit							
Sales of seafood		249.149		249.149	246.273		246.273
Cost of sales	13	(214.976)		(214.976)	(212.468)		(212.468)
		34.173	0	34.173	33.805	0	33.805
Operating expenses							
Operating expenses		(28.473)	(192)	(28.665)	(28.267)	(203)	(28.470)
Depreciation and amortisation	10	(863)		(863)	(811)		(811)
Operating profit (loss)		4.836	(192)	4.644	4.727	(203)	4.524
Net finance costs	5	(1.343)		(1.343)	(1.432)		(1.432)
Net exchange rate difference		15		15	(2)		(2)
Normalised profit (loss) before tax		3.508	(192)	3.316	3.294	(203)	3.090
Income tax expense	6	(765)	38	(727)	(529)	30	(499)
Normalised profit (loss)		2.743	(154)	2.589	2.765	(174)	2.591
Discontinued operations	8		(11)	(11)		(34)	(34)
Profit (loss) for the year		2.743	(165)	2.579	2.765	(208)	2.557
Attributable to							
Owners of the Company		2.730	(161)	2.569	2.765	(197)	2.568
Non-controlling interests		13	(4)	10		(11)	(11)
		2.743	(165)	2.579	2.765	(208)	2.557
Earnings per share							
	9						
<i>Basic and diluted (cents per thousand shares):</i>							
From continuing operations		0,2111		0,1993	0,2212		0,2074
Including discontinued operations		0,2111		0,1984	0,2212		0,2046

* See note no 7 for further information on significant items.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2017

	Note	2017			2016		
		Normalised results	Significant items*	IFRS	Normalised results	Significant items*	IFRS
Profit (loss) for the year		2.743	(165)	2.579	2.765	(208)	2.557
Items that may be reclassified subsequently to profit or loss							
Net fair value of cash flow hedges		(328)		(328)	67		67
Translation of shares		108		108	(264)		(264)
Total comprehensive income for the year		2.523	(165)	2.358	2.569	(208)	2.361
Attributable to							
Owners of the Company		2.510	(161)	2.349	2.569	(197)	2.372
Non-controlling interests		13	(4)	10		(11)	(11)
		2.523	(165)	2.358	2.569	(208)	2.361

* See note no 7 for further information on significant items.

Consolidated Balance Sheet

at 31 December 2017

	Note	31.12.2017	31.12.2016
Assets			
Non-current assets			
Property, plant and equipment	10	8.462	8.741
Intangible assets	11	8.900	8.964
Investments in associates	12	42	45
Deferred tax assets	6	1.532	1.117
Total non-current assets		18.937	18.868
Current assets			
Inventories	13	30.618	20.038
Trade and other receivables	14	35.095	32.936
Other assets	15	1.208	1.312
Cash and bank balances	16	2.223	1.797
		69.144	56.083
Assets classified as held for sale	17	81	98
Total current assets		69.225	56.181
Total assets		88.162	75.049
Equity and liabilities			
Capital and reserves			
Issued capital and share premium	18	18.356	18.356
Translation reserve	19	(759)	(867)
Other reserves	19	350	678
Accumulated deficit		(356)	(2.877)
Equity attributable to owners of the Company		17.591	15.290
Non-controlling interests		129	73
Total equity		17.720	15.363
Non-current liabilities			
Borrowings	20	877	1.624
Retirement benefit obligation		148	153
Deferred tax liabilities	6	483	229
Total non-current liabilities		1.508	2.006
Current liabilities			
Borrowings	20	40.194	34.898
Trade and other payables		25.608	19.596
Other liabilities	21	3.130	3.143
		68.932	57.637
Liabilities associated with assets classified as held for sale	17	2	43
Total current liabilities		68.934	57.680
Total liabilities		70.442	59.686
Total equity and liabilities		88.162	75.049

Consolidated Statement of Changes in Equity

for the year ended 31 December 2017

	Restricted equity							Accumu- lated deficit	Attributable to owners of the Company	Non - controlling interests	Total equity
	Share capital	Share premium	Translation reserve	Hedging reserve	Statutory reserve	Equity reserve	Unrealised profit of subsidiaries				
Balances at 1 January 2016	13.442		(603)	168	430			(5.445)	7.992	84	8.076
Profit (loss) for the year							3.953	(1.385)	2.568	(11)	2.557
Dividend declared from subsidiaries to parent ...							(3.000)	3.000	0		0
Net fair value gain on cash flow hedges				67					67		67
Translation of shares held in foreign currencies ..			(264)						(264)		(264)
Total comprehensive income	0	0	(264)	67	0	0	953	1.615	2.372	(11)	2.361
Recognition of share-based payments						13			13		13
Issue of ordinary shares, less issue costs	927	3.987							4.914		4.914
Balances at 31 December 2016	14.369	3.987	(867)	235	430	13	953	(3.830)	15.290	73	15.363
Profit (loss) for the year							4.055	(1.486)	2.569	10	2.579
Dividend declared from subsidiaries to parent ...							(2.700)	2.700	0		0
Net fair value (loss) on cash flow hedges				(328)					(328)		(328)
Translation of shares held in foreign currencies ..			108						108	(1)	107
Other adjustments								(48)	(48)	48	0
Total comprehensive income	0	0	108	(328)	0	0	1.355	1.166	2.301	57	2.358
									0		0
Balances at 31 December 2017	14.369	3.987	(759)	(93)	430	13	2.308	(2.664)	17.591	129	17.720

Consolidated Statement of Cash Flows

for the year ended 31 December 2017

	Note	2017	2016
Operating activities			
Operating profit		4.644	4.524
Depreciation and amortisation		863	811
Gain on disposal of property, plant and equipment		(51)	(6)
Change in obligations and other calculated liabilities		5	12
Working capital generated from operations		5.461	5.341
(Increase)/decrease in inventories		(10.580)	1.907
(Increase)/decrease in receivables and other assets		(2.055)	(440)
Increase/(decrease) in payables and other liabilities		5.957	852
Cash (used in) / generated from operations before interests and taxes		(1.216)	7.660
Interest received		77	80
Interest paid		(1.420)	(1.511)
Income taxes paid		(847)	(668)
Net cash (to) / from continuing operations		(3.406)	5.559
Net cash (to)/from discontinued operations		(35)	958
Net cash (used in) / generated by operating activities		(3.441)	6.517
Investing activities			
Payments for property, plant and equipment	10	(774)	(1.131)
Proceeds from disposal of property, plant and equipment		65	26
Payments for intangible assets	11	(23)	(49)
Proceeds from disposal of intangible assets	11	3	
Net cash used in investing activities		(728)	(1.154)
Net cash before financing activities		(4.169)	5.363
Financing activities			
Proceeds from/(repayment of) revolving credit facility		5.298	(10.783)
Net repayment of other borrowings		(750)	(268)
Proceeds from issue of share capital, net of issue costs	18		4.914
Net cash used in / (generated from) financing activities		4.549	(6.138)
Net increase/(decrease) in cash and bank balances		380	(774)
Cash and bank balances at the beginning of the year		1.797	2.647
Effect of exchange rate changes on cash held in foreign currencies		47	(75)
Cash and bank balances at the end of the year		2.223	1.797

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

1. General information

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

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

2. Segment information

2.1 Products and services from which reportable segments derive their revenues

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

Value added Processing of seafood into value added products prior to sale.
 Sales and distribution Distribution of seafood to a global network of customers.
 Other Head office and discontinued operations.

2.2 Segment revenue, results, assets and liabilities

For the year 2017

	Value added	Sales and distribution	Other	Eliminations	Consolidated
Revenue:					
Sales of seafood	118.286	179.004			297.290
Eliminations	(40)	(14.415)		(33.686)	(48.141)
	<u>118.246</u>	<u>164.589</u>	<u>0</u>	<u>(33.686)</u>	<u>249.149</u>
Operating results:					
EBIT	4.265	1.742	(1.172)	2	4.836
Finance costs	(751)	(208)	(368)	(2)	(1.328)
Normalised PBT	3.514	1.535	(1.540)	0	3.508
Income tax	(711)	(375)	321		(765)
Normalised profit (loss)	2.803	1.160	(1.219)	0	2.743
Significant items	(42)		(112)		(154)
Discontinued operations			(11)		(11)
Profit (loss)	2.761	1.160	(1.342)	0	2.579
Assets	<u>58.546</u>	<u>29.937</u>	<u>53.457</u>	<u>(53.779)</u>	<u>88.162</u>
Liabilities	<u>43.875</u>	<u>21.319</u>	<u>35.597</u>	<u>(30.348)</u>	<u>70.442</u>

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

For the year 2016

	Value added	Sales and distribution	Other	Eliminations	Consolidated
Revenue:					
Sales of seafood	110.271	187.177			297.448
Eliminations	(17)	(16.674)		(34.484)	(51.175)
	<u>110.254</u>	<u>170.503</u>	<u>0</u>	<u>(34.484)</u>	<u>246.273</u>
Operating results:					
EBIT	4.075	1.752	(1.100)	0	4.727
Finance costs	(796)	(237)	(400)	(0)	(1.434)
Normalised PBT	3.279	1.515	(1.500)	0	3.294
Income tax	(552)	(339)	363		(529)
Normalised profit (loss)	2.727	1.176	(1.137)	0	2.765
Significant items	(65)	(83)	(26)		(174)
Discontinued operations		(1)	(33)		(34)
Profit (loss)	2.662	1.091	(1.196)	0	2.557
Assets	<u>46.390</u>	<u>26.511</u>	<u>46.835</u>	<u>(44.687)</u>	<u>75.049</u>
Liabilities	<u>34.117</u>	<u>16.194</u>	<u>31.191</u>	<u>(21.815)</u>	<u>59.686</u>

3. Salaries

Salaries and related expenses:

	2017	2016
Salaries	11.674	11.219
Pension related expenses	577	555
Other salary related expenses	1.357	1.319
	<u>13.608</u>	<u>13.093</u>

Classified by operational category:

	2017	2016
Cost of sales	9.647	9.293
Operating expenses	3.961	3.800
	<u>13.608</u>	<u>13.093</u>

Full time employees on average for the year	<u>287</u>	<u>268</u>
---	------------	------------

4. Fee to auditors

	2017	2016
Audit of the Consolidated Financial Statements	182	175
Other services	62	131
	<u>244</u>	<u>306</u>

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

5. Net finance costs

	2017	2016
<i>Investment income:</i>		
Interest income on bank accounts	4	4
Interest income on trade receivables and payables	73	76
Total investment income	77	80
<i>Finance costs:</i>		
Interest expenses on borrowings	(1.213)	(1.315)
Interest expenses on obligations under finance leases	(10)	(15)
Other interest expenses	(197)	(181)
Total finance costs	(1.420)	(1.511)
Net finance costs	(1.343)	(1.432)

6. Income tax

6.1 Income tax recognised in profit or loss

	2017	2016
Current tax expense	(874)	(749)
Deferred tax expense	147	250
	(727)	(499)

The income tax expense for the year can be reconciled to the accounting profit as follows:

	2017	2016
Normalised profit before tax	3.316	3.090
Income tax expense calculated at 20% (the Company's rate in Iceland)	(663)	(618)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(99)	(109)
Effect of income that is exempt from taxation	1	33
Effect of expenses that are not deductible in determining taxable profit	(67)	(36)
Effect of unused tax losses and tax offsets not recognised as def. tax assets	50	9
Effect of exchange rate difference on deferred tax	50	129
Change in tax rate	3	93
Others	(1)	0
Income tax expense recognised in profit or loss	(727)	(499)
Effective tax rate	22%	16%

The effective tax rate in 2016 was lower, due to a tax rate decrease in 2017 which decreased the deferred tax liability at year end 2016 and exchange rate gains on unused tax losses.

6.2 Current tax balances

	31.12.2017	31.12.2016
Income tax payable	248	207

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

6.3 Deferred tax balances

	31.12.2017	31.12.2016
Deferred tax assets	1.532	1.117
Deferred tax liabilities	(483)	(229)
	<u>1.049</u>	<u>888</u>

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

	Deferred tax assets	Deferred tax liabilities	Total
At 1 January 2016	835	(220)	615
Calculated tax for the year	272	(771)	(499)
Income tax payable the following year		749	749
Other items	10	13	23
At 31 December 2016	<u>1.117</u>	<u>(229)</u>	<u>888</u>
Calculated tax for the year	415	(1.142)	(727)
Income tax payable the following year		874	874
Other items		15	15
At 31 December 2017	<u>1.532</u>	<u>(483)</u>	<u>1.049</u>

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

	31.12.2017	31.12.2016
Property, plant and equipment	(422)	(401)
Intangible assets	(5)	16
Inventories	(26)	(4)
Trade and other receivables	(102)	367
Deferred revenue	27	27
Deferred exchange rate difference	(3)	28
Deferred tax loss	<u>1.579</u>	<u>855</u>
	<u>1.049</u>	<u>888</u>

6.4. Unused tax losses

Most of the unused tax losses will expire in 2027, although some subsidiaries have unused tax losses that do not expire.

7. Significant items

In 2017 the Group incurred costs associated with potential acquisitions and restructure of some of the foreign subsidiaries.

In 2016 the Group terminated employment agreements with a number of employees, following outsourcing and restructure. Associated costs amounted EUR 203 thousands and the duration of these employment agreements is within one year.

In 2013 the Board of Directors made a decision to exit the frozen retail operation at ISG Iceland Seafood GmbH in Germany and sell the trading assets of Iceland Seafood Hellas A.E.E. in Greece.

Note 8 includes further information on discontinued operations.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

8. Discontinued operations

8.1 Withdrawal from frozen operations in Germany

In 2013 the Company started exiting the frozen retail business of its subsidiary in Germany, ISG Iceland Seafood GmbH. This was the main business of the subsidiary. The withdrawal was completed in 2016 and since then, the subsidiary has mainly been trading fresh fish to non-retail customers.

8.2 Disposal of all operations in Greece

In 2014 the Company sold the trading assets of its subsidiary in Greece, Iceland Seafood Hellas A.E.E. The subsidiary ceased operations following the sale and has been a dormant company since. It is now in liquidation.

8.3 Discontinued operations recognised in profit or loss

The results of the discontinued operations recognised in profit or loss are:

	2017	2016
Sale of seafood		986
Cost of sales		(875)
	0	111
Operating expenses	(11)	(145)
Loss of discontinued operations	(11)	(34)

Attributable to:

	2017	2016
Owners of the Company	(7)	(23)
Non-controlling interests	(4)	(11)
	(11)	(34)

9. Earnings per share

As there are no diluted earnings or shares, basic and diluted earnings per share are the same.

	2017	2016
Profit from continuing operations	2.589	2.591
Profit including discontinued operations	2.579	2.557
Weighted average number of ordinary shares (in ISK thousands)	1.299.588	1.249.741
<i>Basic and diluted earnings per share (EUR cents per thousand shares):</i>		
From continuing operations	0,1993	0,2074
Including discontinued operations	0,1984	0,2046

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

10. Property, plant and equipment

For the year 2017

Cost

	Property and plant	Machinery and equipment	Total
At 1 January	5.926	9.366	15.292
Additions		774	774
Eliminated on disposal		(116)	(116)
Fully depreciated assets	(48)	(1.063)	(1.111)
Reclassified due to grant	(58)		(58)
Exchange rate differences	(29)	(173)	(201)
At 31 December	5.791	8.789	14.581

Depreciation

At 1 January	973	5.578	6.551
Charge for the period	112	733	845
Eliminated on disposal		(102)	(102)
Fully depreciated	(48)	(1.062)	(1.110)
Exchange rate differences	(3)	(63)	(65)
At 31 December	1.034	5.084	6.118

At 31 December 2017	4.757	3.705	8.462
---------------------------	-------	-------	-------

For the year 2016

Cost

	Property and plant	Machinery and equipment	Total
At 1 January	5.943	9.798	15.741
Additions	103	1.029	1.132
Eliminated on disposal		(77)	(77)
Fully depreciated assets		(657)	(657)
Reclassified due to grant	(7)		(7)
Exchange rate differences	(113)	(727)	(840)
At 31 December	5.926	9.366	15.292

Depreciation

At 1 January	859	5.945	6.804
Charge for the period	113	679	791
Eliminated on disposal	15	(70)	(55)
Fully depreciated assets		(657)	(657)
Exchange rate differences	(14)	(318)	(332)
At 31 December	973	5.578	6.551

At 31 December 2016	4.953	3.788	8.741
---------------------------	-------	-------	-------

10.1 Useful lives

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

Property and plant	20-40 years
Machinery and equipment	3-20 years

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

10.2 PP&E pledged as security

PP&E have been pledged for the Group's borrowings.

10.3 Depreciation and amortisation expense

	2017	2016
Depreciation of property, plant and equipment	845	791
Amortisation of intangible assets	18	14
Other	1	6
	<u>863</u>	<u>811</u>

10.4 PP&E insurance value

	31.12.2017	31.12.2016
Insurance value	<u>12.781</u>	<u>12.983</u>

11. Intangible assets

For the year 2017

	Goodwill	Other intangible assets	Total
At 1 January	8.907	57	8.964
Additions		23	23
Charge for the period		(18)	(18)
Eliminated on disposal		(3)	(3)
Exchange rate differences	(65)	(0)	(65)
At 31 December	<u>8.842</u>	<u>58</u>	<u>8.900</u>

For the year 2016

	Goodwill	Other intangible assets	Total
At 1 January	9.171	22	9.193
Additions		49	49
Charge for the period		(14)	(14)
Exchange rate differences	(264)	(1)	(264)
At 31 December	<u>8.907</u>	<u>57</u>	<u>8.964</u>

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

11.1 Allocation of goodwill to cash-generating units

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

	31.12.2017		31.12.2016	
	WACC %	Book value	WACC %	Book value
Iceland	8,1%	4.072	8,6%	4.072
Spain	7,9%	2.019	8,1%	2.019
France	8,0%	1.127	8,3%	1.127
UK	8,0%	1.624	8,3%	1.689
		<u>8.842</u>		<u>8.907</u>

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

The recoverable amount of these cash-generating units is determined based on a value in use calculation, which uses cash flow projections based on financial forecasts prepared by management covering a five-year period and a discount rate of 7,9-8,1% p.a. (2016: 8,1-8,6% p.a.).

Cash flow projections during the forecast period are based on the same expected gross margins and raw materials price inflation throughout the forecast period. The cash flows beyond that five-year period have been extrapolated using a steady 2% p.a. (2016: 2%) growth rate which is the projected long-term average growth rate for the international seafood market. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit. An increase in weighted average cost of capital of more than 200 bps would cause impairment of goodwill.

12. Subsidiaries and other investments

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

Name of company	Place of incorporation	Ownership 31.12.2017	Ownership 31.12.2016	Principal activity
<i>Subsidiaries:</i>				
Iceland Seafood ehf.	Iceland	100%	100%	Sale of seafood
Iceland Seafood S.L.	Spain	100%	100%	Sale of seafood
- Union Islandia Pleamar S.L.	Spain	55%	55%	Not active
Iceland Seafood Barraclough Ltd.	UK	90%	90%	Sale of seafood
- F. Barraclough Ltd.	UK	100%	100%	Not active
- Havelok Ltd.	UK	67%	67%	Sale of seafood
Iceland Seafood France S.A.S.	France	100%	100%	Sale of seafood
ISG Iceland Seafood GmbH	Germany	100%	100%	Sale of seafood
ISI Seafood Inc.	USA	100%	100%	Sale of seafood
Iceland Seafood Hellas A.E.E.	Greece	66%	66%	Not active
<i>Other investments:</i>				
Febin Marine Foods Private Ltd	India	5%	5%	Seafood supply

12.1 Subsidiaries pledged as security

Equity of subsidiaries have been pledged for the Group's borrowings.

13. Inventories

	31.12.2017	31.12.2016
Raw materials	6.292	2.910
Finished goods	24.213	17.026
Other inventories	113	102
	<u>30.618</u>	<u>20.038</u>

13.1 Recognised as an expense

The cost of inventories recognised as an expense is:

	2017	2016
Cost of sales	<u>214.976</u>	<u>212.468</u>

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

13.2 Movement in write-downs to net realisable value

	31.12.2017	31.12.2016
At 1 January	(294)	(526)
Write-downs of inventory to a net realisable value	(115)	(199)
Reversal of such write-downs	214	401
Exchange rate differences	5	30
At 31 December	<u>(189)</u>	<u>(294)</u>

13.3 Inventories pledged as security

Inventories have been pledged for the Group's borrowings.

14. Trade and other receivables

	31.12.2017	31.12.2016
Trade and other receivables	35.907	36.212
Allowance for doubtful accounts	(812)	(3.276)
	<u>35.095</u>	<u>32.936</u>

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

14.1 Movement in the allowance for doubtful debts

	2017	2016
At 1 January	(3.276)	(4.133)
Impairment (losses)/gains recognized on receivables	(698)	(148)
Amounts written off as uncollectible	3.132	988
Amounts recovered	24	17
Exchange rate difference	5	0
At 31 December	<u>(812)</u>	<u>(3.276)</u>

In determining the recoverability of a trade and other receivables, the Group considers any change in the credit quality of the receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Included in the allowance for doubtful debts are specific impairments amounting to EUR 0,7 million (2016: EUR 2,8 million). The impairment recognised represents the difference between the carrying amount of these receivables and the present value of the expected recoveries.

14.2 Receivables pledged as security

Trade receivables have been pledged for the Group's borrowings.

15. Other assets

	31.12.2017	31.12.2016
Prepaid expenses	877	767
Value added and capital gain taxes	308	326
Fair value of cash flow hedges	23	219
	<u>1.208</u>	<u>1.312</u>

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

16. Cash and bank balances

Cash and bank balances consist of cash and bank accounts.

17. Assets classified as held for sale

The assets classified as held for sale and associated liabilities relate to the dormant subsidiary in Greece.

18. Issued capital and share premium

18.1 Shares	Authorized shares	Issued shares	Treasury shares	Outstanding shares	Book value
At 1 January 2016	1.299.588	1.272.323	(102.693)	1.169.630	13.442
Treasury shares sold			102.693	102.693	733
New shares issued		27.265		27.265	194
At 31 December 2016	1.299.588	1.299.588	0	1.299.588	14.369
At 31 December 2017	1.299.588	1.299.588	0	1.299.588	14.369

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

18.2 Issued capital and share premium	Share capital	Share premium	Total
At 1 January 2016	13.442		13.442
Treasury shares sold	733	3.150	3.883
New shares issued	194	836	1.031
At 31 December 2016	14.369	3.987	18.356
			0
At 31 December 2017	14.369	3.987	18.356

19. Reserves

	31.12.2017	31.12.2016
Translation reserve	(759)	(867)
Hedging reserve	(93)	235
Statutory reserve	430	430
Equity reserve	13	13
Unrealised profit of subsidiaries	2.308	953
	1.899	764

19.1 Translation reserve

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

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

19.2 Hedging reserve

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

19.3 Statutory reserve

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

19.4 Equity reserve

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

At 31 December 2017, executives and senior employees held options to buy 32.500.000 shares in the Company, of which 1.700.000 were granted in 2017. The outstanding options will vest from May 2017 to May 2021. The exercise price of options granted prior to 2017 is 5,4 and the exercise price of options granted in 2017 is 6,85. All options have a five year term and are conditional that the Optionee remains an employee of the Company. The options carry neither rights to dividends nor voting rights and are valued using the Black Scholes option pricing model.

19.5 Unrealised profit of subsidiaries

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

20. Borrowings

	31.12.2017		31.12.2016	
	Current	Non-current	Current	Non-current
Revolving credit facility	39.429		34.130	
Other bank loans	452	386	471	874
Finance leases	313	491	297	750
	<u>40.194</u>	<u>877</u>	<u>34.898</u>	<u>1.624</u>

20.1 Revolving credit facility

The Group's main source of financing is a multi currency revolving credit facility with an Icelandic financial institution, with a cap of EUR 65 million. The facility was renewed in December 2017 and extended to May 2022.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

20.2 Aggregated maturities

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

	31.12.2017	31.12.2016
In 2018 / 2017	765	768
In 2019 / 2018	526	773
In 2020 / 2019	227	527
In 2021 / 2020	90	185
Later	34	138
	<u>1.642</u>	<u>2.392</u>

20.3 Reconciliation of liabilities arising from financing activities

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

Borrowings	2017	2016
At 1 January	36.522	49.241
Net increase/(decrease) in revolving credit facility	5.298	(12.265)
New borrowings	57	441
Repayments	(762)	(707)
FX impact long term loans	(45)	(186)
At 31 December	<u>41.071</u>	<u>36.522</u>

20.4 Assets pledged as security

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

21. Other liabilities

	31.12.2017	31.12.2016
Accrued payroll related expenses	1.292	1.246
Accrued other expenses	416	1.119
Income tax	248	207
Value added tax	1.006	570
Fair value of cash flow hedges	168	
	<u>3.130</u>	<u>3.143</u>

22. Obligations under finance leases

The Group has a number of finance lease agreements, which relate to the leasing of PP&E. The Group will take ownership of these assets at the end of the lease term.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

22.1 Finance lease liabilities

Minimum lease payments.

	31.12.2017	31.12.2016
No later than one year	313	297
Later than one year and not later than five years	491	750
Later than five years		
	<u>804</u>	<u>1.048</u>

Included in the Consolidated Financial Statements as:

	31.12.2017	31.12.2016
– Current borrowings	313	297
– Non-current borrowings	491	750
	<u>804</u>	<u>1.048</u>

23. Obligations under operating leases

The Group leases premises under non-cancellable operating lease agreements. The leases have varying terms and renewal rights. The Group also leases motor vehicles under non-cancellable operating lease agreements. The lease payments are included in the Consolidated Income Statement as:

	2017	2016
Operating expenses	<u>965</u>	<u>1.397</u>

23.1 Operating lease liabilities

Minimum lease payments.

	31.12.2017	31.12.2016
No later than one year	324	709
Later than one year and not later than five years	805	616
Later than five years		
	<u>1.130</u>	<u>1.325</u>

These liabilities are not included in the Consolidated Balance Sheet.

24. Financial instruments

24.1 Categories of financial instruments

	31.12.2017	31.12.2016
Financial assets		
Fair value through profit or loss (other investments)	42	45
Amortised cost (trade and other receivables)	35.095	32.936
Amortised cost (other assets)	50	239
Derivative instruments in designated hedge accounting relationships	8.409	4.894
Cash and bank balances	2.223	1.797
Financial liabilities		
Amortised cost (borrowings)	41.071	36.522
Amortised cost (trade and other payables)	25.608	19.596
Amortised cost (other liabilities)	1.709	3.143

Amounts in EUR thousands

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

24.2 Financial risk management objectives

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

24.3 Foreign currency risk management

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

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

	Assets		Liabilities	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
GBP	1.038	2.075	1.956	3.153
USD	3.488	3.711	4.185	3.470
ISK	125	255	115	770
Other	138	182	229	26
	<u>4.789</u>	<u>6.223</u>	<u>6.485</u>	<u>7.419</u>

24.4 Interest rate risk management

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

Variable rate instruments	31.12.2017	31.12.2016
Financial assets	2.223	1.797
Financial liabilities	(41.071)	(36.522)
	<u>(38.847)</u>	<u>(34.725)</u>

A change of 50 basis points in interest rates during the year would have impacted pre-tax profits by EUR 177 thousands (2016: 195 thousands).

24.5 Credit risk management

Trade receivables consist of a large number of customers spread across geographic areas. The Group manages its credit risk by using credit insurances alongside ongoing credit evaluation on the financial conditions of relevant customers.

24.6 Liquidity risk management

The Group manages liquidity risk by ensuring sufficient liquidity is available 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, with a cap of EUR 65 million. The facility was renewed in December 2017 and extended to May 2022.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

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

31 December 2017	Carrying amount	Contractual cash flow	Less than 1 year	1-3 years	More than 3 years
Non-current borrowings	1.642	1.701	802	772	127
Current borrowings	39.429	39.429	39.429		
Other liabilities	27.618	27.618	27.618		
	<u>68.689</u>	<u>68.748</u>	<u>67.849</u>	<u>772</u>	<u>127</u>

31 December 2016	Carrying amount	Contractual cash flow	Less than 1 year	1-3 years	More than 3 years
Non-current borrowings	2.392	2.561	848	1.362	351
Current borrowings	34.130	34.130	34.130		
Other liabilities	21.898	21.898	21.898		
	<u>58.420</u>	<u>36.691</u>	<u>56.876</u>	<u>1.362</u>	<u>351</u>

24.7 Fair value measurements

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

25. Related party transactions

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

25.1 Trading transactions

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

	2017	2016
Purchases of goods and services	19.309	19.016
Sales of goods and services		

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

	31.12.2017	31.12.2016
Amounts owed to related parties	1.444	1.550
Amounts owed by related parties		

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

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

25.2 Compensation to key management personnel

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

	2017	2016
Short-term benefits (excluding bonus)	1.055	981
Bonus	128	14
Post-employment benefits	108	114
	<u>1.291</u>	<u>1.109</u>

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

26. Events after the reporting period

On 14 March 2018, the Company announced that it had signed an agreement to purchase 67% in Oceanpath Limited, an Irish processor of fresh and frozen seafood for retail and wholesale customers in Ireland. The purchase price is EUR 12,4-13,4 million, debt and cash free. Forecasted sales of Oceanpath for the year ending 30 April 2018 are EUR 33-35 million and normalised Profit Before Tax EUR 1,8-2,2 million. Of the purchase price, EUR 7,4 million will be paid at completion with further payments due in August 2018 and August 2019. The purchase price will be financed with a drawdown on the revolving credit facility and a potential long-term loan of up to EUR 5 million.

At the date of approval of these Consolidated Financial Statements, completion accounts for the acquired business are not yet available.

27. Approval of financial statements

The Consolidated Financial Statements were approved by the Board of Directors and the CEO and authorised for issue on 21 March 2018.

28. Significant accounting policies

28.1 Statement of compliance

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

28.2 Basis of preparation

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

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

28.3 Basis of consolidation

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

The Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

changes to one or more of the three elements of control listed above.

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

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

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

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

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

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

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

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

28.5 Goodwill

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

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

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

for goodwill is not reversed in subsequent periods.

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

28.6 Non-current assets held for sale

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

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

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

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

28.7 Revenue recognition

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

28.7.1 Sale of seafood

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied: the Group has transferred to the buyer the significant risks and rewards of ownership of the goods, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

28.7.2 Dividend and interest income

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

28.8 Leasing

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

28.8.1 The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

lessor is included in the Consolidated Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

28.9 Foreign currencies

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

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Euro using exchange rates prevailing on the balance sheet date. Income and expense items of foreign operations, are translated at the average exchange rates for each month. Translation differences from foreign operations are posted to translation reserves among equity. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

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

28.10 Employee benefits

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

28.10.1 Short-term and other long-term employee benefits

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

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

28.10.2 Share based payment arrangements

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

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

grant date.

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

28.11 Taxation

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

28.11.1 Current tax

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

28.11.2 Deferred tax

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

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

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

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

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

28.11.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

28.12 Property, plant and equipment

Property and equipment are recognized as an asset when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured in a reliable manner. Property and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Land is not depreciated. Such cost includes the cost of replacing parts of the property and equipment if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognized in profit or loss as incurred.

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

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

28.13 Intangible assets

28.13.1 Intangible assets acquired separately

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

28.14 Inventories

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

28.15 Financial assets

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

28.15.1 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as in other categories. AFS equity investments that do not have a quoted market price in an active market are measured at cost less any identified impairment losses at the end of each reporting period.

28.15.2 Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

affected.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

28.15.3 Derecognition of financial assets

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

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

28.16 Financial liabilities and equity instruments

28.16.1 Financial liabilities

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

28.17 Hedge accounting

The Group designates certain hedging instruments, which include derivatives in respect of cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

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

28.17.1 Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

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

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

29. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

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

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2017.

30.1.1 Amendments to IAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes.

The Group's liabilities arising from financing activities consist of borrowings (note 20) and certain other financial liabilities (note 22). A reconciliation between the opening and closing balances of these items is provided in note 20.3. Apart from the additional disclosure in note 20.3, the application of these amendments has had no impact on the Group's Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2017

30.1.2 Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The Group has applied these amendments for the first time in the current year. The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilise a deductible temporary difference.

The application of these amendments has had no impact on the Group's Consolidated Financial Statements as the Group already assesses the sufficiency of future taxable profits in a way that is consistent with these amendments.

30.1.3 Annual Improvements to IFRSs 2014-2016 Cycle

The Group has applied the amendments to IFRS 12 included in the Annual Improvements to IFRSs 2014-2016 Cycle for the first time in the current year. The other amendments included in this package are not yet mandatorily effective and they have not been early adopted by the Group.

IFRS 12 states that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests.

The application of these amendments has had no effect on the Group's Consolidated Financial Statements as none of the Group's interests in these entities are classified, or included in a disposal group that is classified, as held for sale.

30.2 New and revised IFRSs in issue but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments (1)
IFRS 15	Revenue from Contracts with Customers (and the related Clarifications) (1)
IFRS 16	Leases (2)
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions (1)
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its associate or Joint Venture (3)
Amendments to IAS 40	Transfers of Investment Property (1)
Amendments to IFRSs	Annual Improvements to IFRS Standards 2014-2016 Cycle (1)
IFRIC 22	Foreign Currency Transactions and Advance Consideration (1)

(1) Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted. The Group has during the year been evaluating its impact and does not expect IFRS 9 and IFRS 15 to have material impact on the Consolidated Financial Statements.

(2) Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted. The Group has not evaluated the impact of IFRS 16 on the Consolidated Financial Statements.

(3) Effective for annual periods beginning on or after a date to be determined.

Non-Financial Information (unaudited)

for the year ended 31 December 2017

About the Company

Iceland Seafood International hf. (the Company) is an Icelandic holding company of a worldwide processing, sales and distribution group for frozen, fresh, salted and dried seafood products (the Group). The Group is headquartered in Iceland, operates in two divisions and has seven subsidiaries in Europe and North America. The Group is an industry leading supplier of North Atlantic seafood, one of the largest exporters of seafood from Iceland and a key supplier of high quality seafood in the Spanish and UK markets.

Employees

The Group has over 280 employees in the six countries it operates in. The Group focuses on the importance of attracting employees with the right skills and ambition to provide high quality service, exceed customer demands and achieve the Company's financial and strategic goals.

The Group's operations are made up of a highly experienced group of employees, from various countries, backgrounds and cultures. The objective is to ensure that the employees feel empowered to deliver to the highest standards by being:

- Connected to our producers and customers.
- Dependable to deliver seafood consistently all year round.
- Open to different ideas and innovation for evolving demands.

The Group provides a safe and healthy working environment for its employees, with equal opportunities. Human rights violations, illegal labour conditions and illegal and unethical business behaviour are not tolerated. The Group engages with local communities, where innovation and education serve as the main areas of social participation.

Environment

The Group is environmentally conscious and committed to addressing its environmental responsibilities. The Group bases its global sourcing policy on the following key principles:

- Use sources from fisheries that are controlled in conformance with the FAO Code of Conduct for responsible fisheries and have proper fishery management systems.
- Support 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.
- Committed to working with the seafood industry on fishery improvements and best practices.
- Help and support customers to make the right choice to source sustainable seafood.
- Committed to supply sustainable seafood to its customers.

Anti corruption and bribery

The Group and its employees strive to comply with applicable laws and regulations and with rules and general standards of business ethics and corporate governance. The Group's internal controls and risk management are intended to identify any breach of these standards, including the risk of corruption and bribery.