



Q4 AND FULL-YEAR 2023
RESULTS

Presentation
to Investors
and Analysts



Q4 2023

Presentation to Investors and Analysts

Ongoing geopolitical turmoil continue to affect the operational environment

War in Gaza

The Washington Times
MONDAY, OCTOBER 9, 2023

Israel declares war; Hezbollah joins fight

Full-blown war threatens U.S. goal of thaw in Middle East

U.S. sends strike force, searches for information about citizens

Questions, criticism on Iran deal put Biden on defensive

BRINKING BATTLE: Israel's advance started to secure the police station in Sidon and surrounding communities covered by Hamas militants on Saturday.

500 HAMAS | AS

War in Ukraine

The Economist
JUNE 10TH-16TH 2023

UKRAINE STRIKES BACK

Why finance won't kill off coal
The perils of being loyal at work
Are private schools worth it?
Vladimir Putin's other mother

Cost of living crisis

Getränke Zeitung
August 3 | 1.2.2024 | www.reiszeitsung.de

Der Appell

AUFRUF Verbände und Teile der Getränkewirtschaft sehen den Standort Deutschland aufgrund des zunehmenden Rechtspopulismus in Gefahr. Womit sie ihre Befürchtungen begründen, lesen Sie auf Seite 6.

Red Bulls Rekordumsatz

GOLD DARE TO SHINE

Inflation & interests up

Les Echos
WEEK-END

La BCE joue son va-tout contre l'inflation

La Banque centrale européenne porte ses taux d'intérêt à 4 %, un plus haut historique. Elle privilégie la lutte contre l'inflation plutôt que le soutien à l'activité.

Budget: le nouveau scénario de Bercy

Paris 2024: dans les coulisses de l'entreprise olympique des JO

Ban on Russian Seafood

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

US extends deadline for Russia-origin seafood to enter country

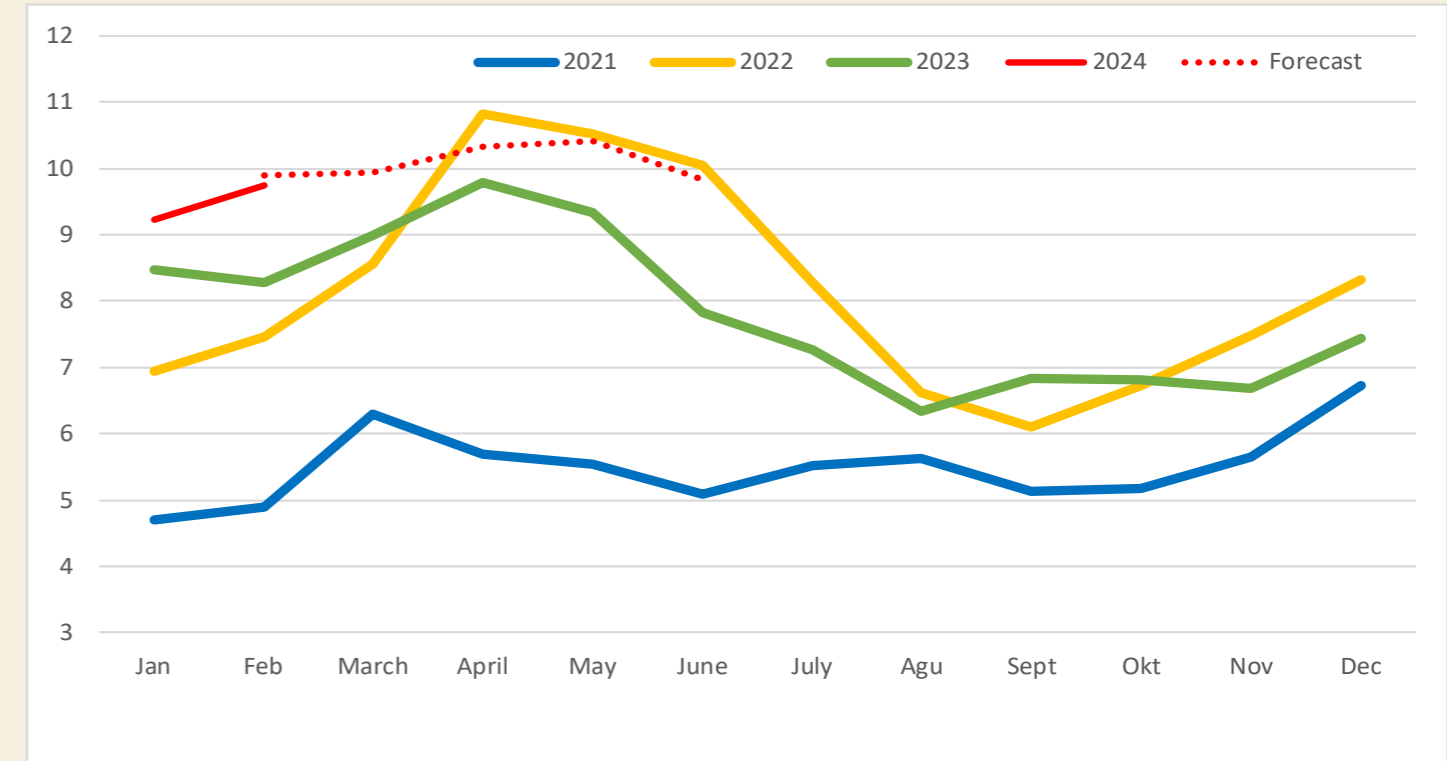
Chris Chase published in Supply & Trade

Demand still under pressure due to diminishing consumer purchasing power

Demand recovered somewhat in Q4, although sales were still lower than in a normal year.

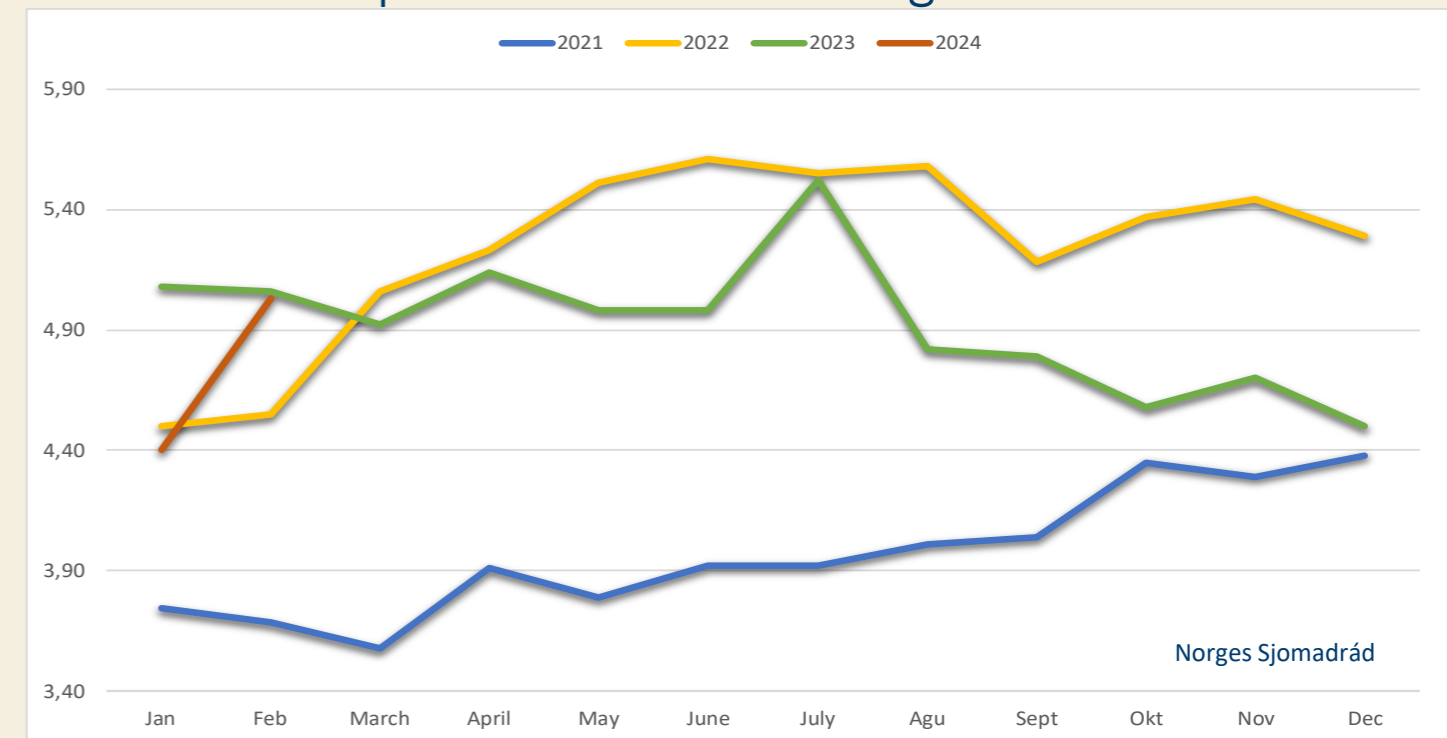
- Difficult economic situations and diminishing consumer purchasing power have had a significant negative impact on demand. The price of seafood has decreased in recent months, in some cases materially. When prices find a new balance, it will create the basis for healthier demand going forward,
- Expected that interest rates will remain high, but current view is that they might start to come down in the summer. This will have a positive impact on the consumer and should drive demand,
- With increased finance cost, higher storage costs, credit controls are increasingly important and need constant focus,
- Financial position strengthened in December with issuance of 200m new shares, resulting in €7.2m equity increase,
- Salmon prices remained relatively stable in Q4, but are following similar pattern in beginning of 2024 as in the previous two years,
- After the sale of ISUK, the Group is operating Value-added activities with strong positions in their markets and should deliver good profits going forward,
- The operation of Iceland Seafood is well-balanced and in good position, with its solid sourcing base and value-added operations close to key markets.

Salmon prices in Q4 lower than in 2022



Source: www.fishpool.eu

HG frozen cod prices have been coming down in last few months



Norges Sjomadråd

Overall positive performance in the important Christmas season, after a difficult year 2023

VA S-Europe

- Overall good results of S-Europe division in Q4, although demand were still lower than in a normal year
- The merger of IS Iberica and Elba was completed at year-end. Simplifies operations and reduces costs,
- Focus on simplifying and restructuring the operation of Ahumados Dominguez. New filleting and trimming line installed at Ahumados Dominguez in February 2024 will improve yields and reduce labour costs,
- Disruptions in Argentina, after presidential change in December are affecting Achernar's operation.

VA N-Europe

- Good performance of Oceanpath in Ireland from mid year, after difficult start of the year
- Actions were taken in Q4 to mitigate the potential impact of salmon price increases in beginning of 2024,
- Continuing focus on integration between operation in Dublin and Killala,
- Investments planned for 2024 which will improve productivity of the operation.

Sales & Distribution

- Continuing good performance of the division driven by strong sales out of Iceland
- Good results from all product categories with an increase in kgs of more than 7.000 tn mainly due to pelagics,
- Bjarni Benediktsson is stepping down as MD of IS Iceland due to retirement; Ægir Páll Friðbertsson will take over his responsibilities in parallel to the Group CEO role from March 2024.

ESG matters: EU Taxonomy and upcoming Corporate Sustainability Reporting Directive (CSRD)

Only 2 out of 6 environmental goals have been approved and implemented

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

Our core activity, sale of seafood, does not currently fall under the technical screening criteria.

Construction and general maintenance of building were identified as eligible activities but not aligned.

Investments in solar cells in Madrid and Barcelona were assessed as aligned activities.

EU Taxonomy

Iceland Seafood EU Taxonomy reporting - 2024

Activities by sector		Share of		
		Revenue	CapEx	OpEx
Energy	Aligned	0%	6%	0%
	Eligible but no aligned	0%	0%	0%
Construction & Real Estate	Aligned	0%	0%	0%
	Eligible but no aligned	0%	29%	62%

CSRD - Double Materiality

Double Materiality Assessment is the first step in compliance to the CSRD as it identifies which sustainability matters are most material to Iceland Seafood and its stakeholders.

During this process we look at how the business is affected by sustainability issues (“outside in”) and how the activities impact society and the environment (“inside out”).

- ❖ Internal and external stakeholder interviews finished
- ❖ Coming up this week: Identify and assess material impacts, risks and opportunities
- ❖ Reporting in compliance to the CSRD for the financial year 2024.



Q4 AND FULL RESULTS 2023
PRESENTATION TO INVESTORS
AND ANALYSTS

Financial
performance



Profitability in Q4 in line with same period last year, driven by good performance of Ahumados and Achernar

€ m's	Q4 23	Q4 22	FY 23	FY 22
Sales	57.3	53.4	215.5	216.5
Net margin	9.2	8.9	23.1	32.7
Normalised EBITDA	4.9	3.3	6.4	14.1
Normalised PBT*	2.0	2.1	0.7	10.8

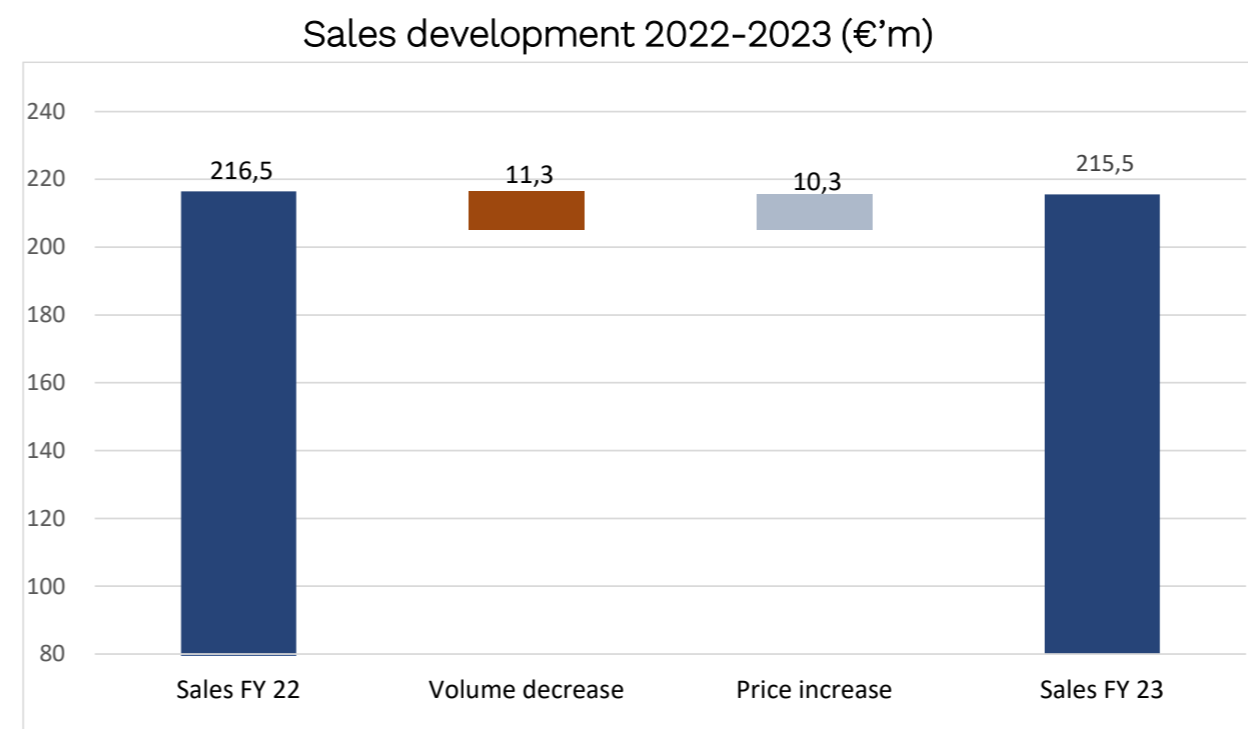
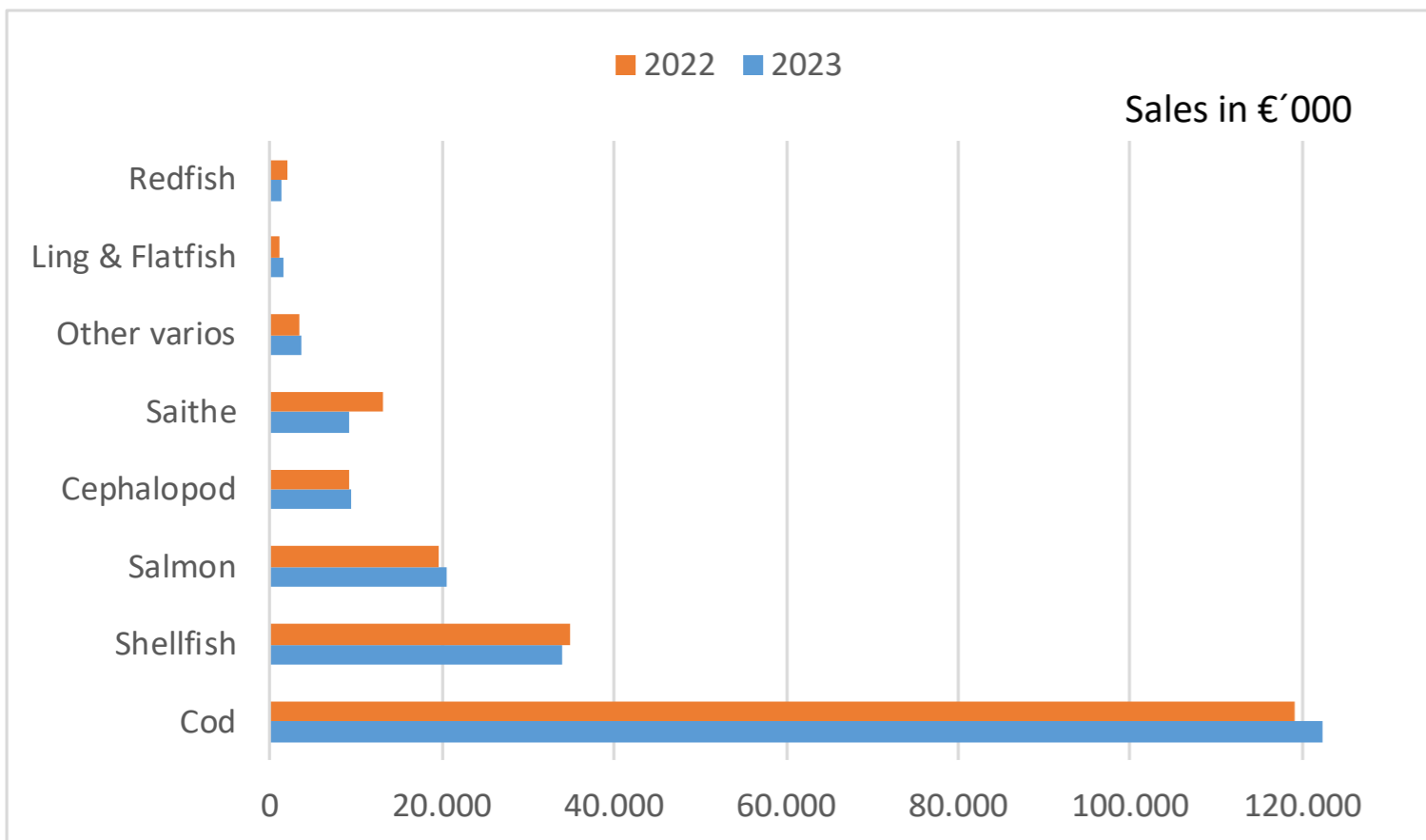
* Normalised PBT represents Profits before tax before allowing for significant items.

Sales in Q4 were 7% up on same period last year

- After low sales during Q2 and Q3, sales of IS Ibérica improved in October and November. This was partly driven by promo activities in the period,
- Christmas sales of Ahumados Domínguez were in line with last year. Around 30% of the FY 2023 sales generated in November and December.

FY Normalised PBT of €0.7m, down €10.1m from 2022

- Ibérica PBT €8.2m lower than in 2022. Margins significantly lower than last year due to price reductions, slower turnover of inventories and cost increases,
- Difficult market situation for Argentinian shrimp during the year, which negatively impacted margins and profitability. Results in December, which marks the start of Rawson season were good. Severe devaluation of ARS in December had positive impact on operating results in the month, but negative FX impact of €1.6m,
- Profitability from Christmas sales of Ahumados Dominguez improved significantly from prior year, although sales volume were similar.



Strong demand during Christmas season in Ireland

€ m's	Q4 23	Q4 22	FY 23	FY 22
Sales	15.2	14.7	54.2	52.5
Net margin	2.8	2.2	8.1	5.3
Normalised EBITDA	1.4	1.3	3.2	1.1
Normalised PBT*	1.1	1.0	2.0	(0.1)

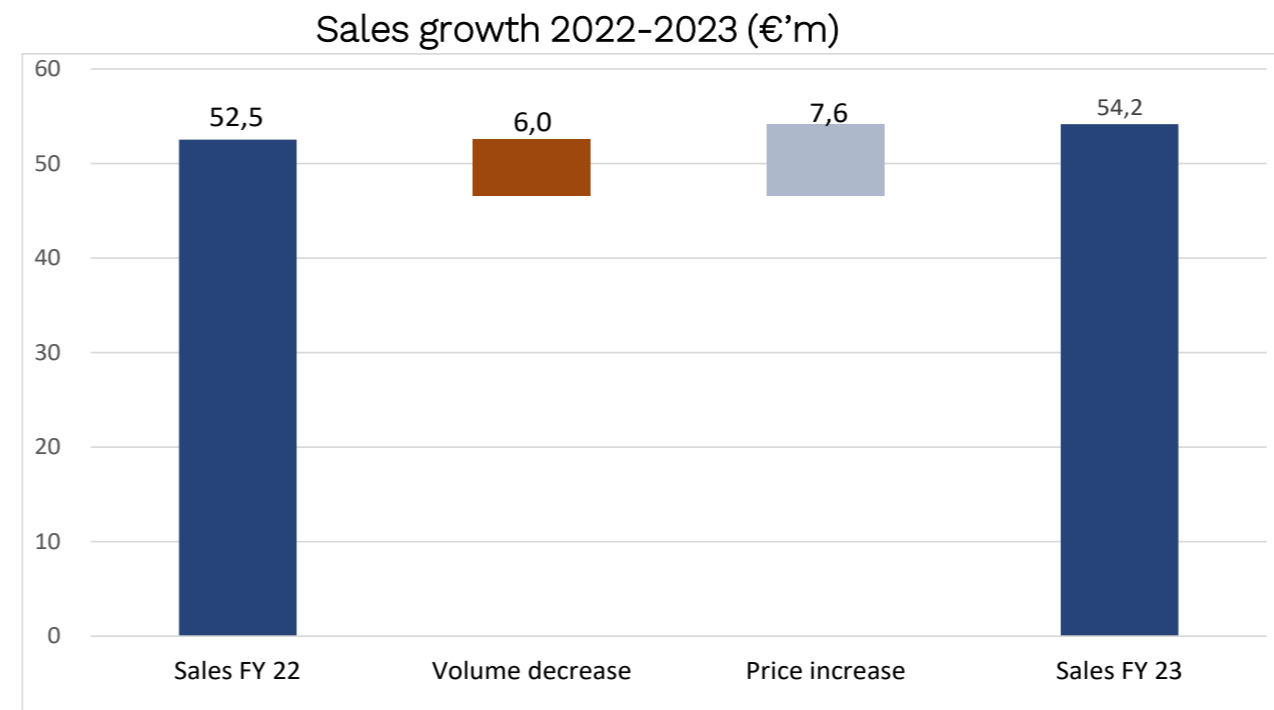
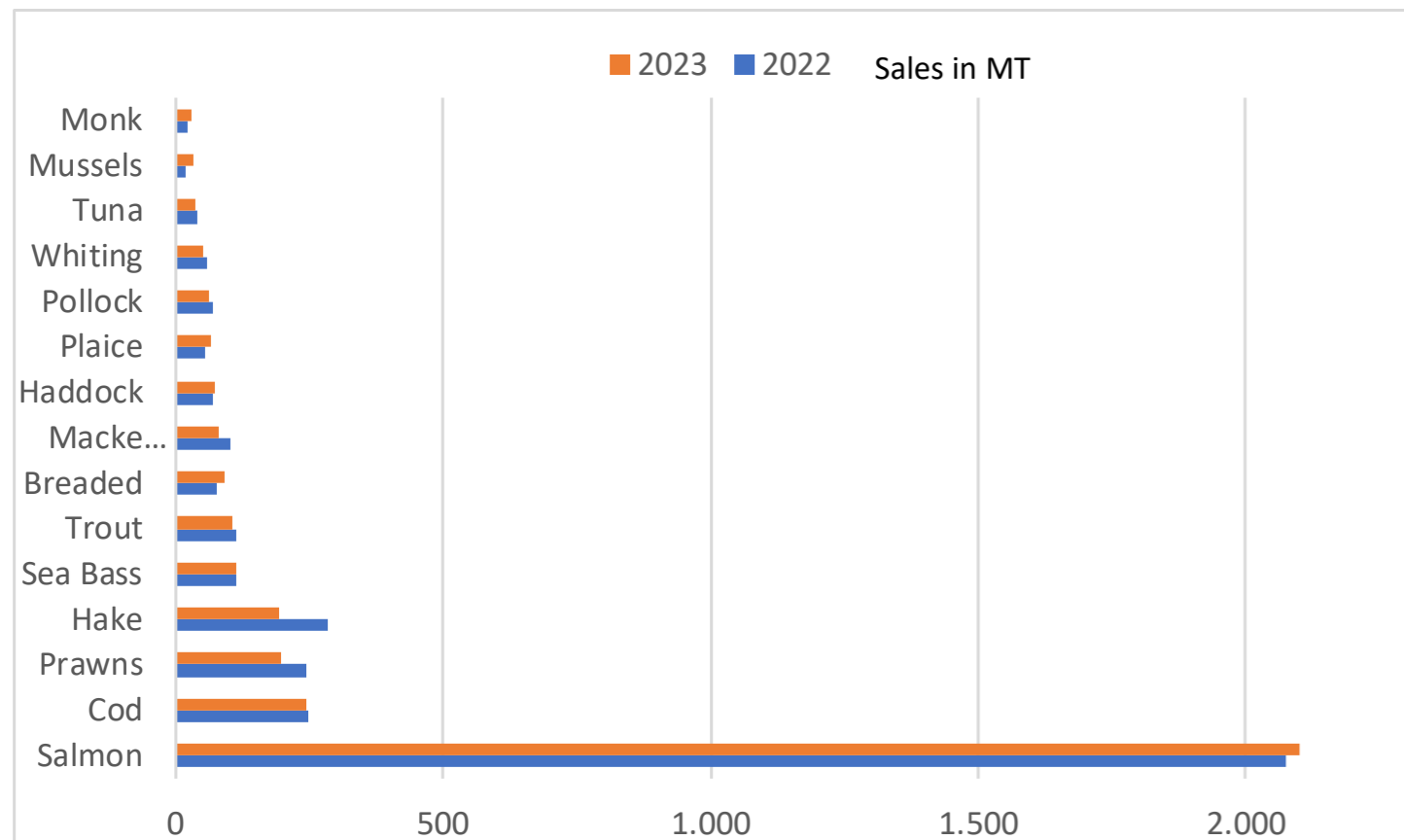
* Normalised PBT represents Profits before tax before allowing for significant items.

Sales were slightly up on last year in value terms but lower in volume

- Strong demand during the Christmas season. Overall sales in November and December 3% up on same period last year,
- Total sales in EUR terms 3% up on last year, driven by inflation in the period. Sales volume around 11% lower than last year.

Results in Q4 on par with same period last year

- Price of salmon was stable in Q4, leading to solid sales margins in the period,
- Whitefish sourcing improved with improved supply in the autumn. Catches of the Irish fleet have reduced significantly post Brexit, which has negatively affected sourcing in general,
- Normalised PBT in Q4 of €1.1m was €0.1m better than the same time last year. FY 2023 Normalised PBT of €2.0m was €2.1m up on prior year,



Continuing strong performance of the S&D division

€ m's	Q4 23	Q4 22	FY 23	FY 22
Sales	43.9	42.9	177.6	175.0
Net margin	1.9	2.1	7.4	8.2
Normalised EBITDA	0.9	0.8	2.8	3.4
Normalised PBT*	0.9	0.8	2.7	3.3

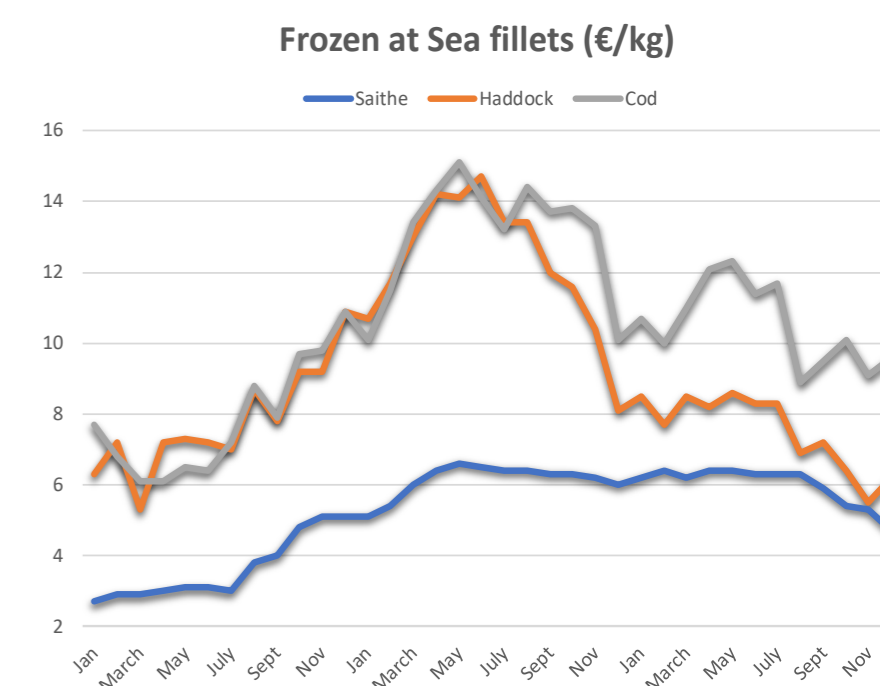
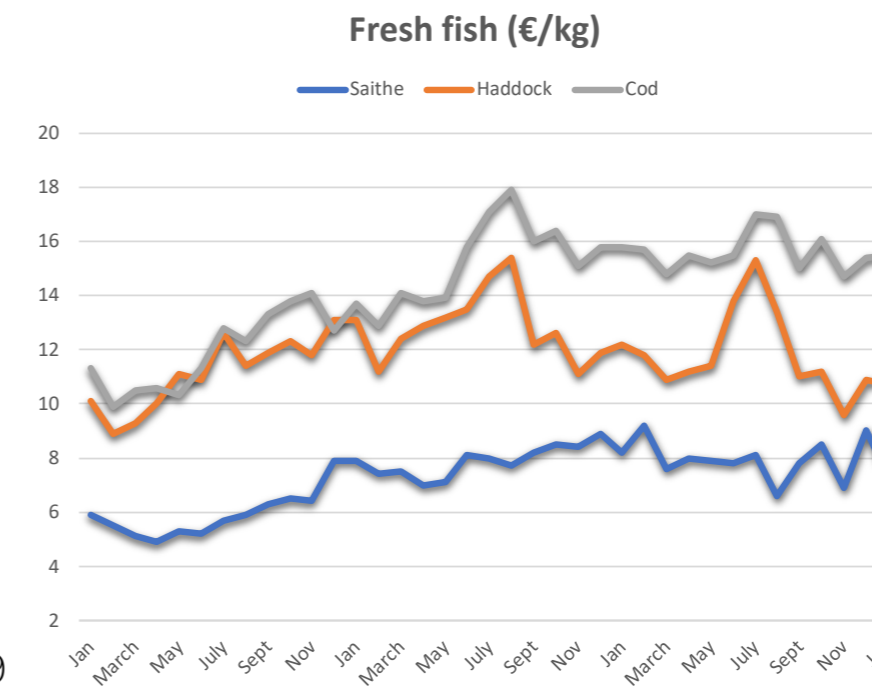
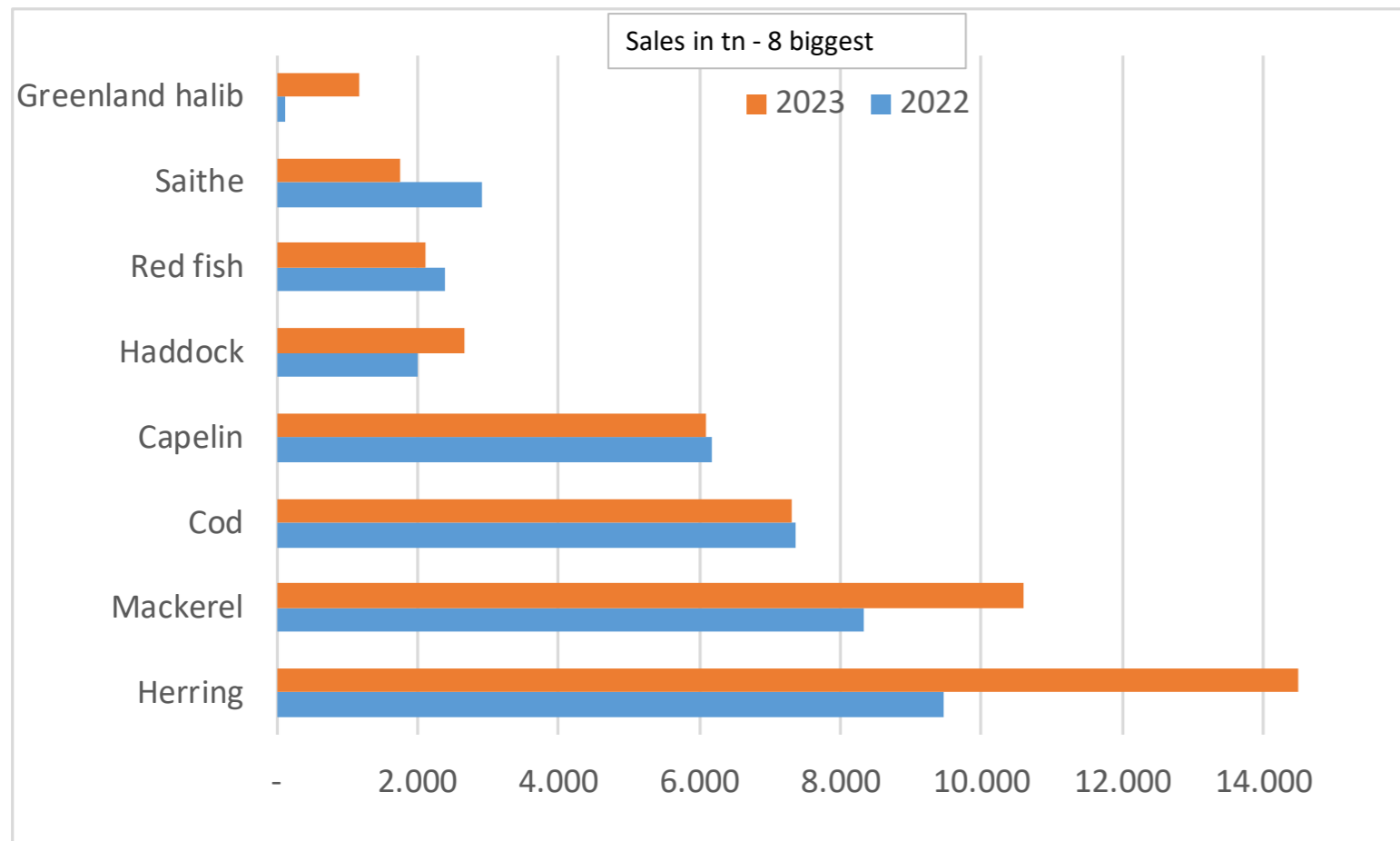
* Normalised PBT represents Profits before tax before allowing for significant items.

Slight increase in FY sales from 2022

- Strong demand of all product categories out of Iceland during the year,
- Sales of pelagic products especially good in the year, 30% higher than 2022, helped by strong capelin season in the beginning of the year,
- In France sales improved in Q4 after low demand during Q2 and Q3,

Normalised PBT of €2.7m, down €0.6m from 2022

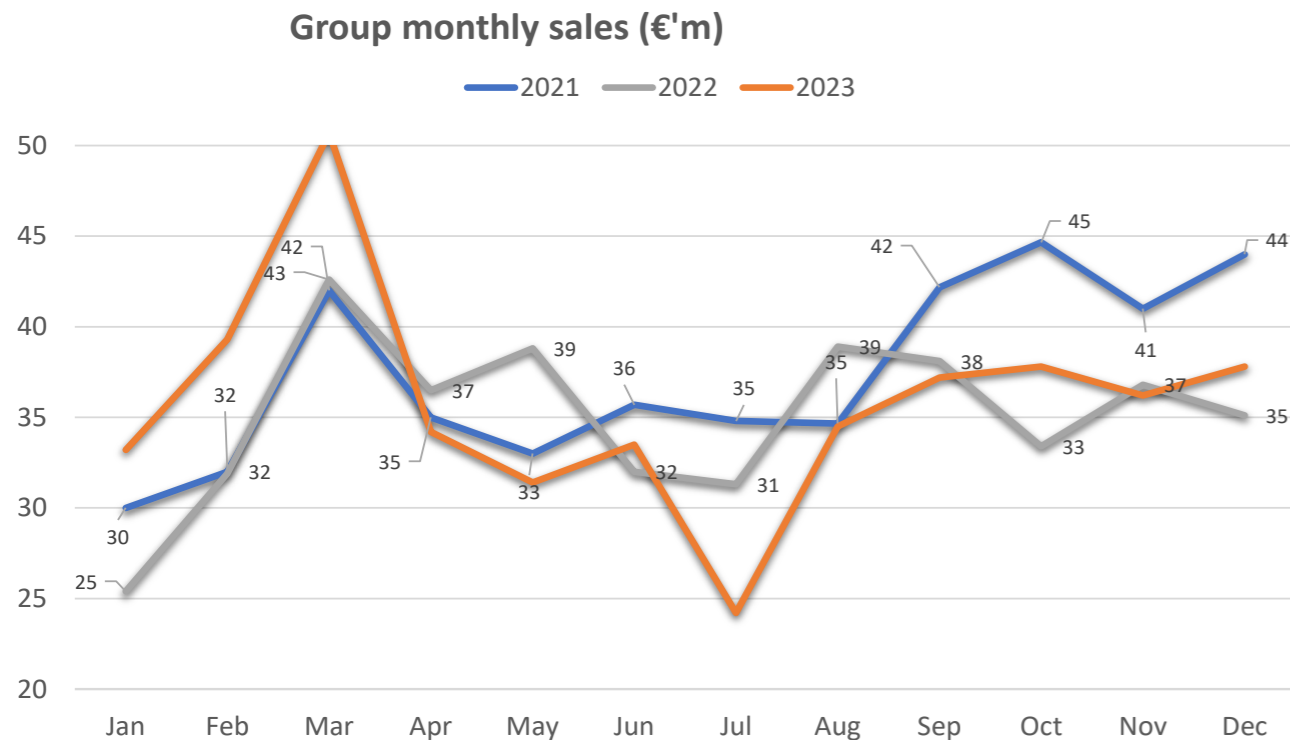
- Net margin in 2023 down €0.8m from last year, impacted by price reductions and higher logistic costs,
- Operating costs in 2023 are in line with last year, but finance costs are slightly higher due to increased interest rates.
- Normalised PBT of €2.7m was €0.6m down on last year. 2022 was a record year in profitability for the division.



Group sales improved in Q4 after low demand during the summer

€ m's	Q4 23	Q4 22	FY 23	FY 22
Sales	111.8	101.1	429.9	420.7
Net margin	13.9	13.3	38.4	46.3
Normalised EBITDA	6.8	5.4	11.5	18.3
Normalised PBT*	2.6	4.0	0.7	12.1
Net Loss**	0.4	(15.8)	(20.3)	(10.2)

- Normalised PBT represents Profits before tax before allowing for significant items and discontinued operations.
- Net loss including income tax and loss from discontinued operation



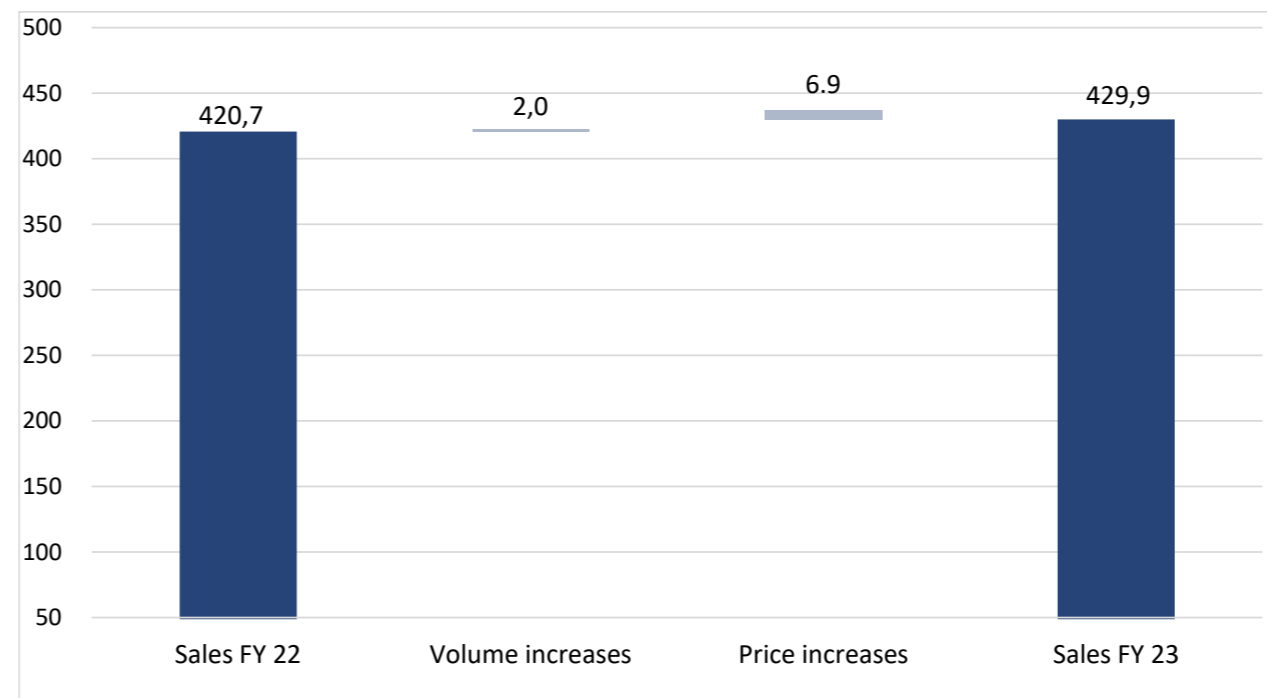
Group sales in 2023 of €429.9m, up 2% on 2022

- Sales in Q4 were 11% ahead of the same period last year. Sales of all three divisions were higher than the same period last year,
- A difficult economic situation is impacting demand, although it recovered to some extent in Q4 after a difficult summer.

Normalised PBT reduced by €11.4m from 2022

- Margins in Q4 have improved from previous quarters and are higher than in same period 2022. FY margins impacted by lowering sales prices and inventory write offs, which has especially impacted performance of VA S-Europe division
- Higher debt levels and increased interest rates have significantly impacted finance costs, which is €3.4m higher for 2023 than same period last year. Finance cost in Q4 affected by negative FX impact in Achernar of €1.6m due to devaluation of ARS in December,
- Normalised PBT €0.7m in 2023, compared with positive €12.1m last year. Normalised PBT of the VA S-Europe division down €10.1m for 2023 compared to same period last year,
- Loss from discontinued operation (IS UK) for 2023 of €18.8m.
- Net loss in 2023 was €20.3m, compared to €10.2m loss in 2022.

Sales growth 2022-2023 (€'m)



Financial position strengthened with issuance of 200m new shares in December

€ m's	31.12.2023	31.12.2022	Variance
Fixed assets / Inv. property	31.8	27.6	4.2
Leased assets	1.6	1.7	(0.1)
Intangible assets	56.4	56.7	(0.3)
Fin. Lease rec./Def. tax/other	4.0	2.5	1.5
Non-Current Assets	93.8	88.5	5.3
Inventory	77.0	86.0	(9.0)
Trade and other receivables	59.4	62.5	(3.1)
Other assets	8.1	9.7	(1.6)
Bank deposits	16.5	11.1	5.4
Current Assets	161.0	169.3	(8.3)
Assets classified as held for sale	0.0	32.5	(32.5)
Total Assets	254.8	290.3	(35.5)

- Total assets of €254.8m, down €35.5m from the year beginning, as a result of divestment of ISUK and decrease in inventories.
- Value of inventories €9.0m lower than year beginning. Stocks in the VA S-Europe division decreased by €8.3m from year beginning, driven by price decreases,
- Accounts receivables lower by €3.7m from the year beginning, due to lower sales. At the end of the period, 78% of Group receivables are insured.
- Despite more challenging environment, collections have remained good, and receivable write offs are insignificant.

€ m's	31.12.2023	31.12.2022	Variance
Total Equity	72.7	81.1	(8.4)
Thereof minority interest	1.7	2.0	(0.3)
Long term borrowings	39.7	32.5	7.2
Lease liabilities	1.8	1.9	(0.1)
Obligations/Deferred tax	4.1	3.3	0.8
Non-Current Liabilities	45.6	37.7	7.9
Short term borrowings	74.2	72.1	2.1
Trade and other payables	54.0	52.5	1.5
Other current liabilities	8.3	10.5	(2.2)
Current liabilities	136.5	135.1	1.4
Liab. associated w. assets held for sale	0.0	36.3	(36.3)
Total Equity and Liabilities	254.8	290.3	(35.5)

- Two offerings of 3 months' bills for ISK 2.600m in total outstanding at the end of December (EUR 16.9m). In both cases hedging was put in place to fix the liability in EUR,
- Bondholders of ISK 3.400m bond, issued in 2021, approved a waiver and amendment letter in October in relation to the sale of ISUK. Interest rates increased to 13%, to reflect current market conditions,
- Net debt, of €97.3m at the end of December increased by €3.8m from the year beginning,
- Funding headroom of €51.1m at the end of December, including cash,
- Total equity of €72.7m and an equity ratio of 28.5% at the end of December compared to 28.0% at the end of 2022,
- 200m new shares issued in December, which resulted in proceeds of €7.2m in increased equity, this sits in bank deposits at year end.



Q4 AND FULL RESULTS 2023
PRESENTATION TO INVESTORS
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Outlook



Hofn seaport

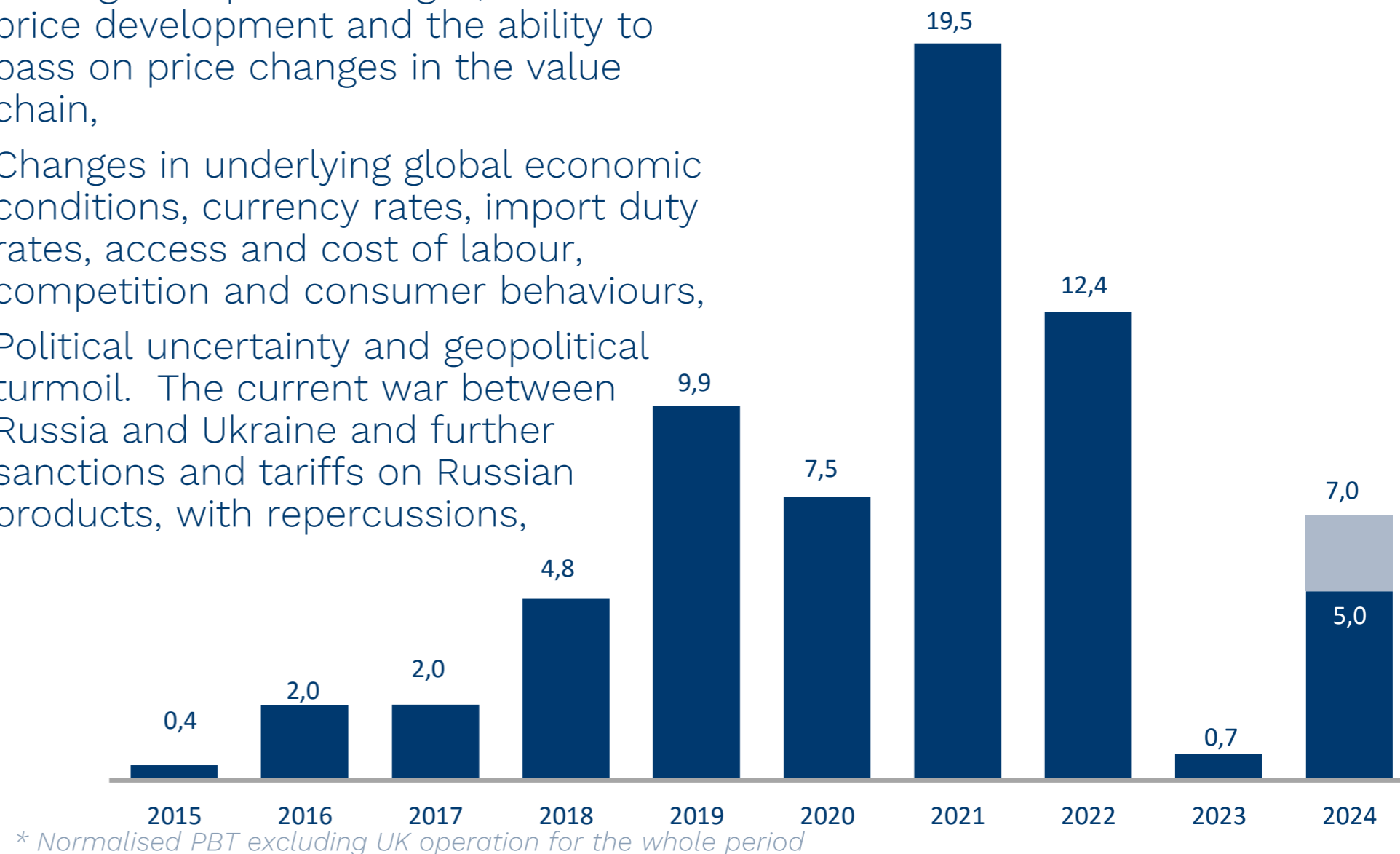
Outlook range for Normalised PBT €5.0-7.0m for the year 2024

- Sales prices of various products declined considerably during 2023. This had significant negative impacts on margins, especially of IS Iberica. In the long run these price adjustments will create healthier demand which Iceland Seafood will benefit from,
- Actions have been taken to mitigate the impact salmon price increases in beginning of 2024. Steep price increases in the first months of 2023 had significant negative impact on profitability in that year,
- It is expected that difficult economic conditions will continue to affect demand in the coming months. There are signs that the situation will start to improve from mid year, with lowering interest rates,
- The group is well balanced, operating well established value-added units with strong position in their key markets and solid sourcing base,
- Strategic review for the Group is ongoing, outcome to be communicated to stakeholders in Q2,
- Outlook range for Normalised PBT of €5.0-7.0m for 2024. The higher end of the range assumes that economic conditions will improve in the second half of the year.

Group results are influenced by various external factors such as:

- Fishing and quota changes, as well as price development and the ability to pass on price changes in the value chain,
- Changes in underlying global economic conditions, currency rates, import duty rates, access and cost of labour, competition and consumer behaviours,
- Political uncertainty and geopolitical turmoil. The current war between Russia and Ukraine and further sanctions and tariffs on Russian products, with repercussions,

Full year Normalised PBT* (m's)



Iceland Seafood today



€430 m

Revenues in 2023



10

Businesses



45

Countries we trade in



6

Value-added factories



78.000 MT

Of products sold



1.0+ m

Meals sold every day



780+

Employees at 31.12.2023



5000+

Customers



Forward Looking Statements

Disclaimer

This presentation is furnished and intended for European market participants and should be viewed in that manner.

Any potential forward looking statements contained in this presentation are reflective of managements current views on future events and performance,

whilst the views are based on positions that management believes are reasonable there is no assurances that these events and views will be achieved. Forward looking views naturally involve uncertainties and risk and consequently actual results may differ to the statements or views expressed.



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