



Q4 2020 Results

Presentation to Investors and Analysts



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**We are
Iceland Seafood**



Iceland Seafood in numbers

Global value added
Seafood producer and
sales and marketing
company

+370m

€ Annual revenues in 2020

5.1m

Normalised PBT 2020,

31.2%

Equity ratio at year end 2020



11

Businesses in 8 countries



3000+

Customers across 45 countries



0.8m

Meals sold every day during 2020



7

value added factories



+670

employees



80.000

MT of products sold in 2020

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



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

1932



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

1935



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

1957



Armengol
Spanish company
Purchased in 1999

1999



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

1999



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

2004



Tros
The first company in exporting fresh fish from Iceland became a part of Iceland Seafood

2008



IS Barraclough
Acquired in 2010 and marks the beginning of value added operations in the UK

2010

2012



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

2016



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

2018



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

2018



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

2019



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

2020



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

2020



Iceland Seafood UK
Merge of the two Iceland Seafood's UK based companies Havelok Ltd and Iceland Seafood Barraclough in one

2020



Carr & Sons
In November completed the acquisition of Carr & Sons Seafood Ltd, an Irish seafood processing company specialized in high quality smoked salmon production



Important milestones reached in Q4 on the way to improve focus and strengthening retail position

Value Added S-Europe

Sale of the Malaga based distribution company Ecomsa

- The 100% shareholding in Ecomsa sold at a price in line with book value of equity in Iceland Seafood accounts at end of October,
- The sale is a direct consequence of Iceland Seafood moving all its productions in Spain to its Barcelona factory. Ecomsa distribution operation outside the core strategy of IS Iberica,
- The continuing task of improving production efficiency in the Barcelona factory will get even greater focus after the sale. Future layout of production in Barcelona being developed,
- The right to use the ICELANDIC SEAFOOD brand secured. Important for the future brand strategy in S-Europe.

The benefits of investment in Argentina evident during the Rawson season

- Record production of 925MT in December. Recent investment has both increased capacity and improved efficiency,
- Margins and profit levels improved from last year, with recovering market prices and improved flexibility,
- Strong start of the year 2021, both with regards to shrimp production and squid fishing

Value Added N-Europe

Footprint in Irish retail increased with the acquisition of Carr&Sons

- A company producing from 1000MT of raw material predominantly salmon for Irish retail. Generated PBT of €0.7m in 2020,
- The Group is a market leader in smoked and fresh seafood production for the retail market in Ireland post acquisition,
- Strong sales of both Oceanpath and Carr&Sons during the important Christmas season. Overall retail demand higher than in a normal year due to impact of lockdown restrictions on restaurants activity.

UK merger completed in December

- All UK operation moved into a single location at year end 2020,
- Launching of breaded product into retail took place in December, new listings with retail customers in excess of £18m secured for 2021,
- The process of merging the two businesses and scaling up production in one location has become more complex and costly than anticipated, negatively impacted by both Covid19 and Brexit uncertainty.

Significant steps taken during challenging year to enhance future profit growth

January



- **Iceland Seafood Ibérica**
Merger of Icelandic Iberica and IS Spain completed,
- **Achernar**
Factory reforms started

February



- **Elba** Acquisition completed, sourcing network strengthened with GPG Seafood and Icemar shareholding
- **Iceland Seafood Ibérica**
All production moved to Barcelona
- **Ecomsa** Restructuring completed operation focused on local distribution

March

COVID19

- **Havelok** Acquisition of 33% minority stake from the company's management
- **Grimsby** Investment in a 10.000m2 facility with 2000 mt cold store
- **Outbreak of Covid19 in Europe**
Significantly impacting sales in key markets

April



- **Havelok** Renamed Iceland Seafood UK

June



- **Grimsby** 2000 mt cold store up and running

August



- **Carr & Sons** LOI signed with Mondi Group, acquisition price €6.5m

November



- **Ecomsa** Sale completed
- **Carr & Sons** Acquisition completed
- **Bradford property sold** Production moved to the new Grimsby factory
- **Achernar** 800 mt cold store up and running
- **Oceanpath** Acquisition of 33% minority stake from the Ecock family

December



- **Iceland Seafood UK**
Merger of Havelok & IS Barraclough completed, under the name of Iceland Seafood UK
- **Brexit** Agreement signed

Projects for 2021 focused on driving efficiency and profitability from recent investments

Stabilize the UK operation and utilize its unique growth platform

- Current focus on improved efficiency within the new factory and decreasing costs within the supply chain,
- Commercial team being strengthened, continuing discussion with customers to fully utilize production capabilities,
- Important to take full advantage of opportunities that will come up when the foodservice sector opens post Covid.

Investments in the ICELANDIC brand and collaborative marketing efforts for Icelandic seafood products

- Using our wide sales network, our market presence and strong producer network in Iceland to market the well-recognized ICELANDIC brand into the rest of European market.

Integrate operations in Ireland and realize synergies

- Significant synergy opportunities in sourcing, processing and logistics. Estimated annual synergies of €0.2m – €0.5m, expected to materialize in full during 2022,
- Expand branded sales, using the market leading Nolan Brand. Explore adding on new product categories leveraging Group capabilities,
- Brexit has brought both challenges and opportunities. Key task to deal with the challenges in an efficient way but at the same time act on the opportunities that come up.

Drive automation and focused growth in S-Europe

- Production and coldstore facility in Barcelona being expanded. Utilising economies of scale opportunities, to improve automation and efficiency,
- Use the strong market and brand recognition to expand both distribution network and product offering in the market,
- Fully utilize the recent investment in Argentina which increased production capacity and improved flexibility with a new 800MT coldstore,
- Production in Argentina for the current Rawson season (from beginning of Nov to mid March) expected to be around 2,800MT compared to 1,700MT in previous Rawson season.

ICELANDIC
SEAFOOD



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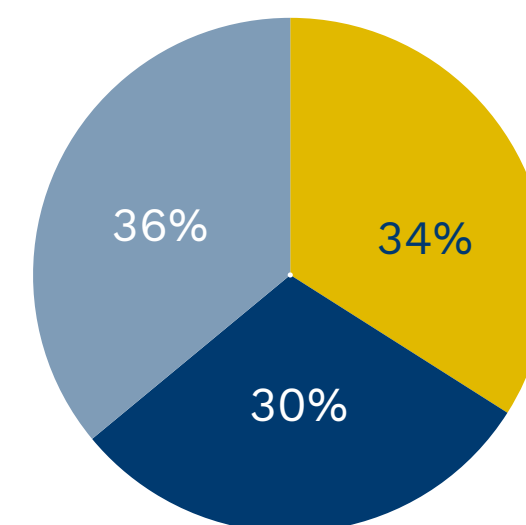
Financial performance



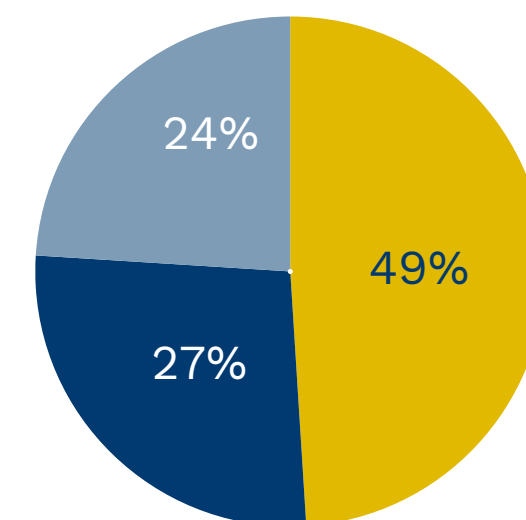
Unique combination of sourcing expertise and well positioned value added activities

Iceland Seafood International Executive management		
Sales & Distribution	Value Added N-Europe	Value Added S-Europe
IS Iceland 	IS UK 	IS Ibérica 
IS France 	Oceanpath 	Elba 
IS Germany 	Dunn's of Dublin 	Achernar 
IS USA 	Carr & Sons 	
Employees		
34 (5%) 	354 (52.3%) 	286 (42.2%) 
<i>Executive management & Group reporting:</i>		3 (0.5%) 

Turnover 2020



Profit before tax 2020



Good results in Q4 driven by good results of Achnar in Argentina

> VA S-Europe
> VA N-Europe
> Sales & Distribution

€ m's	Q4 20	Q4 19	12M 20	12M 19
Sales	29.8	41.2	125.8	165.4
Net margin	3.4	4.8	13.0	18.7
Normalised EBITDA	1.0	2.3	3.9	8.8
Normalised PBT*	2.1	1.8	3.1	6.8

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

** Ecomsa classified as discontinued operation, therefore not included in numbers



FY sales down 24% on prior year

- Sales in Q4 impacted by negative development of the Covid19 pandemic and restrictions implemented to control the pandemic in key markets,
- Regular sales to customers within the HORECA sector severely impacted, good growth to retail customers in Spain partly offset the shortfall
- Record production of Argentinean shrimp in Q4 and market situation good due to limited supply of sea-frozen products,

FY Normalised PBT of €3.1m compared to €6.8m in 2019

- Profitability in Q4 helped by a FX gain related to financing of the investment in Argentina. This FX impact offsets negative FX impact in prior months, net profit from FX during the year for the division is €0.6m,
- High production of Argentinian shrimp and good market conditions have positively impacted margins,
- Cod products margin percentage have remained strong, although they have come down slightly from 2019 levels,
- Operating costs within IS Iberica €1.6m lower than 2019, driven by cost synergies from merger,
- The strong position of the merged entity in Spain evident in the difficult situation.

Results impacted by disruptive supply chain and cost of merging operations in UK

> VA S-Europe
> VA N-Europe
> Sales & Distribution

€ m's	Q4 20	Q4 19	12M 20	12M 19
Sales	31.7	26.8	111.0	96.6
Net margin	2.5	3.9	10.9	12.3
Normalised EBITDA	0.6	2.3	4.5	6.2
Normalised PBT*	(0.3)	1.5	1.7	4.1

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

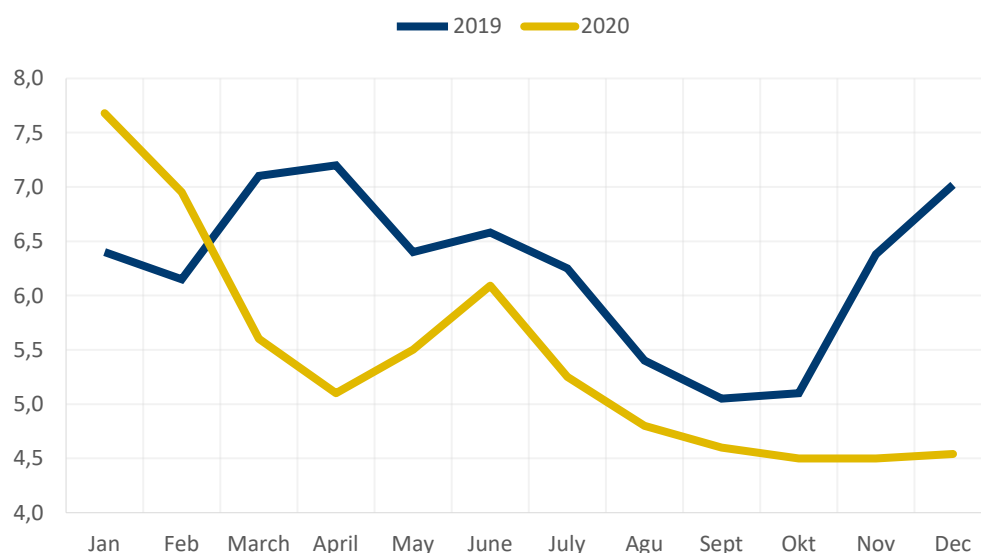
Sales growing by 15% from prior year

- Sales growth driven by higher sales into retail and the acquisition of Carr & Sons in Q4,
- Strong retail demand in Ireland during the important Christmas season. Overall shift in consumption from foodservice to retail due to Covid19 restrictions,
- Launching of new products for UK retail in December, slightly later than expected,

Normalised PBT down €2.4m on 2019

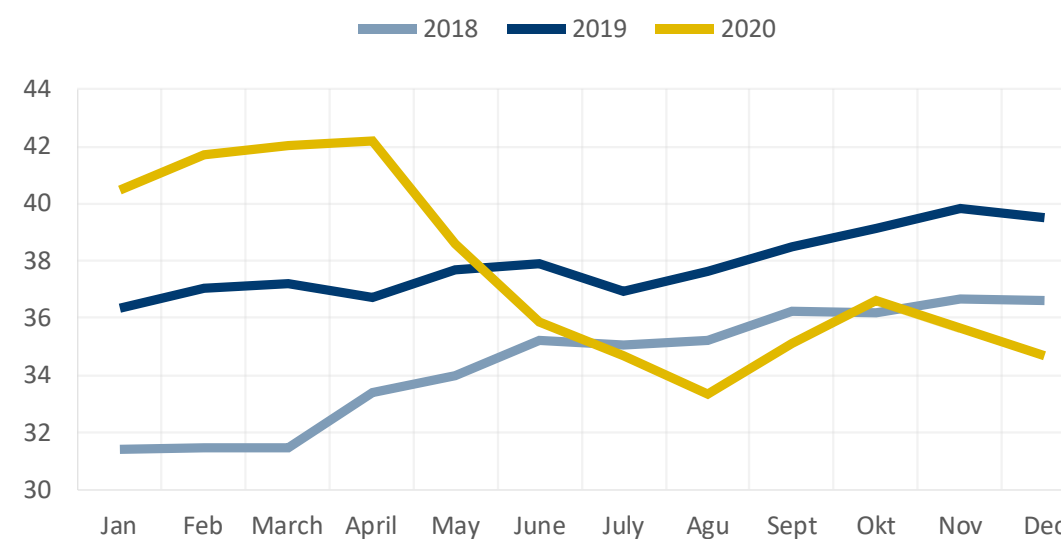
- Good results from the operation in Ireland, driven by strong Christmas sales and stable raw material prices,
- Cost related to implementation of Covid19 contingency plans negatively impacted margins and operating costs in the period,
- Merging the two UK entities in a single location completed in Q4. The process has turned out to be more complex and costly than anticipated, which severely impacted profit numbers in Q4 2020,
- Profitability is further impacted by disruptions in the UK supply chain, affected by Covid19 and Brexit uncertainties,
- Interest cost €0.5m higher than last year, driven by sales growth and investment in UK.

SALMON PRICES (€/KG)



Source: SeaData Center

H&G COD FROZEN PRICES (NOK/KG)



Source: Norges Sjømatråd

Solid results despite reduction in sales

> VA S-Europe
> VA N-Europe
> Sales & Distribution

€ m's	Q4 20	Q4 19	12M20	12M 19
Sales	36.1	47.5	145.4	194.0
Net margin	1.8	2.1	6.3	8.1
Normalised EBITDA	0.7	0.6	1.8	2.3
Normalised PBT*	0.7	0.6	1.6	1.9

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

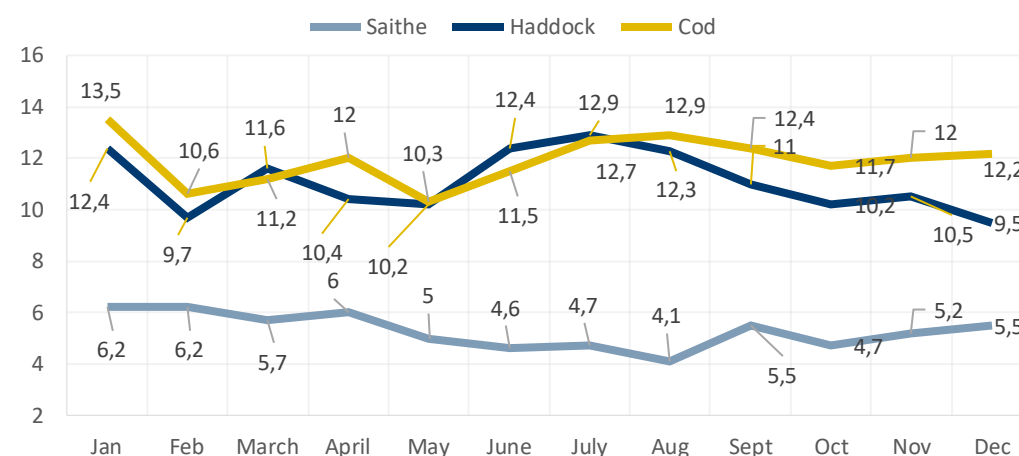
Solid results despite reduction in sales

- Sales in Q4 were 24% down on prior year and FY sales 25% down,
- More strict lockdown measures in key markets impact sales in Q4, after a positive development in Q3,
- Fresh fish sales have been strong through the pandemic, despite ongoing logistics challenges,
- Seafood sales have also remained good, especially into the UK fish and chips market.

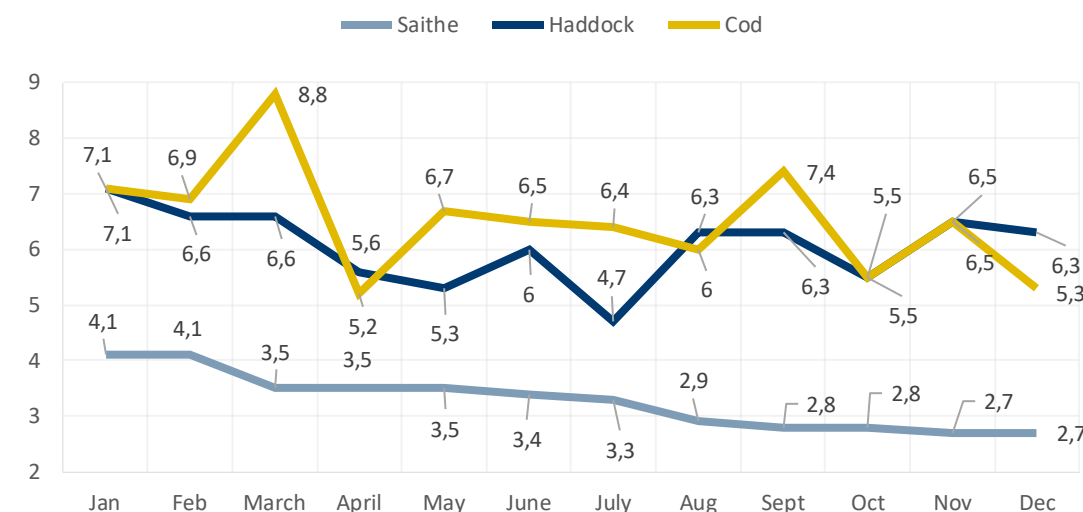
Q4 showing slight increase in Normalised PBT from Q4 2019

- Divisional FY net margin €1.8m down on prior year, due to lower sales,
- Overhead costs are €1.2m down on prior year. Various actions have been taken to reduce costs. The depreciation of ISK has also reduced costs in Iceland,
- With further €0.2m positive development in finance cost, the resultant Normalised PBT of €1.6m is only €0.3m down from 2019.

FRESH FILLETS (€/KG)



FROZEN AT SEA FILLETS (€/KG)



Group Normalised PBT of €2.1m in Q4, 41% of the total profit generated in the year

 Iceland Seafood
Group

€ m's	Q4 20	Q4 19	12M 20	12M 19
Sales	93.6	112.6	369.8	434.2
Net margin	7.7	10.8	30.3	39.1
Normalised EBITDA	2.1	5.2	9.9	17.4
Normalised PBT*	2.1	3.7	5.1	11.4
Net Profit	(0.2)	1.8	0.8	6.1

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

Positive results in Q4 driven by Ireland and Argentina

- Adverse development of Covid19 and more strict lockdown measures in key markets impacted sales in Q4, although not to the same level as in beginning of the pandemic,
- Strong Christmas sales in Ireland, significant shift in consumption from foodservice to retail due to Covid19 restrictions,
- Good performance of Achnar in Argentina, record production of 925MT in December,
- Overall better balance between retail and foodservice sales, with the growth in UK, acquisition of Carr&Sons in Ireland and increased focus on retail sales in S-Europe.

€6.3m reduction in Normalised PBT from prior year

- Margins affected by significant disruptions in supply chains due to Covid19. Implementation of necessary contingency plans in production units further impacting margins and profits,
- Overhead costs for the year are €1.5m lower than last year, driven by cost synergies in Spain, depreciation of ISK and various actions taken to reduce costs in all regions,
- Overall financial items €1.1m lower than last year, helped by FX gain related to financing of investment in Argentina. Total FY FX gain of €0.7m compared to FX loss of €0.8m in 2019.



Increase in total assets reflecting investments during the year and higher inventory level

€ m's	31.12.2020	31.12.2019	Variance
Fixed assets	24.6	17.6	7.0
Leased assets	1.7	2.7	(1.0)
Intangible assets	52.7	44.7	8.0
Deferred tax/other	3.1	3.1	-
Non Current Assets	82.1	68.1	14.0
Inventory	80.9	65.1	15.8
Trade and other receivables	48.8	62.3	(13.5)
Other assets	6.4	4.4	2.0
Bank deposits	23.3	9.6	13.7
Current Assets	159.4	141.4	18.0
Total Assets	241.5	209.5	32.0

Increase in inventories of €15.8m from year beginning, but €8.7m decrease from mid year,

Inventories in S-Europe have decreased by €16m in the 2H of the year. At the same time inventories in N-Europe have increased by €9.9m, driven by UK Growth and Brexit uncertainties around year end,

Decrease in accounts receivables reflecting lower sales. Collections have remained good during the year.

Net debt at year end of €88.5m increased by €23m during the year, driven by investments and higher Net Working Capital

€ m's	31.12.2020	31.12.2019	Variance
Total Equity	75.3	80.2	(4.9)
Thereof minority interest	0.1	3.8	(3.7)
Long term borrowings	22.8	8.0	14.8
Lease liabilities	1.4	2.1	(0.7)
Obligations/Deferred tax	2.5	2.1	0.4
Non Current Liabilities	26.7	12.2	14.5
Short term borrowings	89.0	67.2	21.8
Trade and other payables	39.3	42.2	(2.9)
Other current liabilities	11.2	7.6	3.6
Current liabilities	139.5	117.0	23.5
Total Equity and Liabilities	241.5	209.5	32.0

New funding of €18.4m raised with auction of 6-month bills September and November.

Long term funding in Spain of €17m completed in April and further short term lines of €13m secured in Q3 and Q4.

Group funding headroom (including bank deposits) in excess of €50m at end of December.

Total equity of €75.3m at year end, resulting in equity ratio of 31.2%.

Difference between acquisition price and book value of minority shares in Havelok and Oceanpath treated as a reduction in shareholders equity in accordance with IFRS 5, but not as an increase in Goodwill. This is the main reason for reduction in equity.



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Outlook



Outlook range for Normalised PBT €12.0-17.0m, assuming Covid19 restrictions will be lifted in key markets in middle of the year

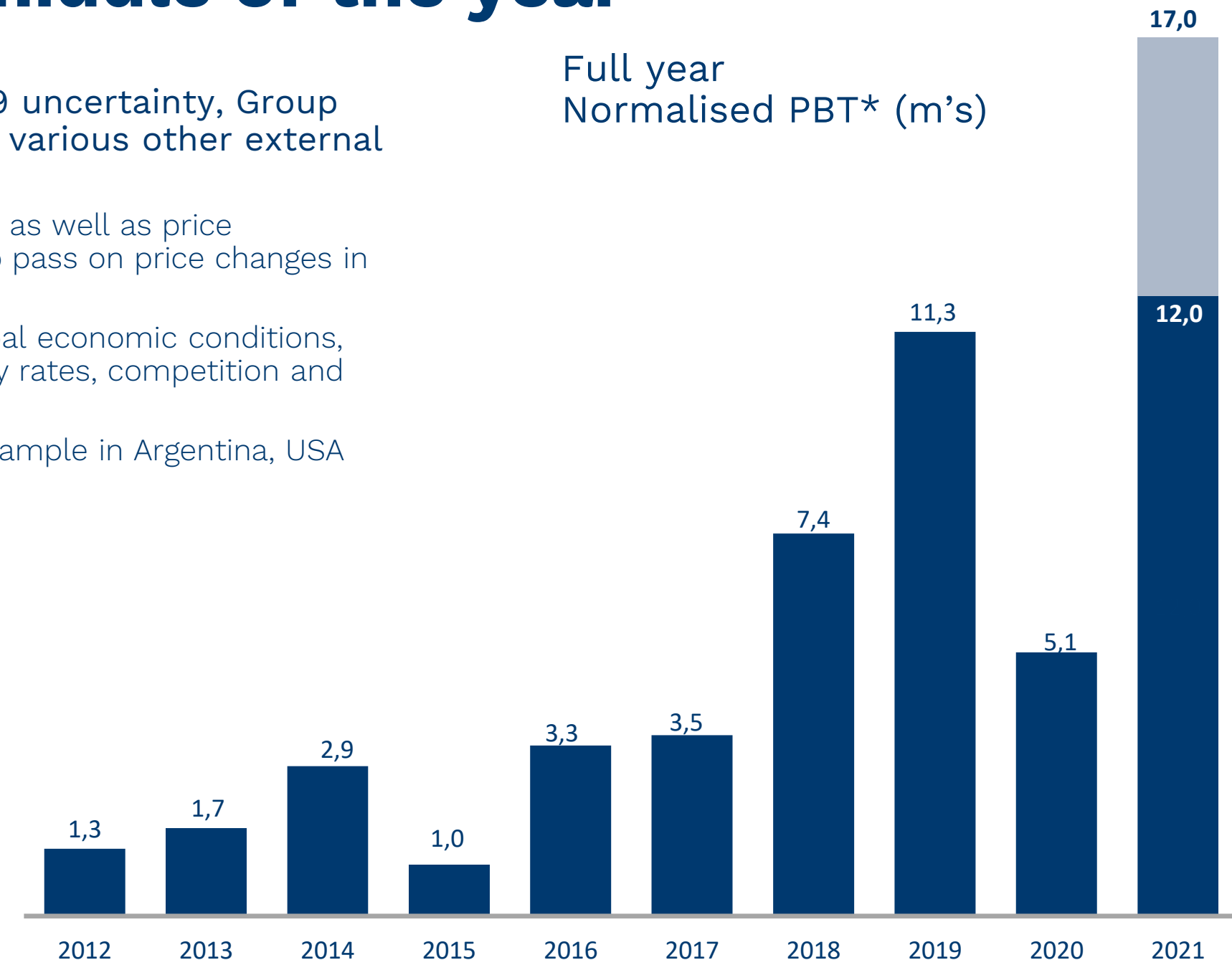
Ongoing Covid19 uncertainty

- Strong start of 2021, especially in Argentina and Ireland. Sales and profitability in S-Europe and UK foodservice impacted by the pandemic, as expected.
- Cost of merger in UK higher than anticipated significantly impacted Q4 results. Without these impacts the outlook target of €6.0m would have been reached,
- Estimated Covid19 impact on the Group 2020 profit before tax in the range of €10-12m. The impact on 2021 sales and profitability will depend on development of the pandemic restrictions and pace of vaccination,
- Outlook is based on the assumption that 1H of the year will be impacted by the pandemic and restrictions in key markets to control the outbreak. Normalised situation assumed from mid year,
- Significant steps taken during 2020 to enhance future profit Growth post pandemic,
- Current outlook range for 2021 Normalised PBT €12.0-17.0m. Outlook range will be narrowed as less ambiguity will be on Covid19 development,
- Based on Outlook, the Group will reach a run rate of annual Normalised PBT in excess of €20m post the pandemic.

In addition to the Covid19 uncertainty, Group results are influenced by various other external factors such as:

- Fishing and quota changes as well as price development and ability to pass on price changes in key markets,
- Changes in underlying global economic conditions, currency rates, import duty rates, competition and consumer behaviours,
- Political uncertainty, for example in Argentina, USA and UK related tariffs,

Full year
Normalised PBT* (m's)



With recent investments and projects that will increase efficiency and drive profit growth, the Group is in strong position to reach it's target of Normalised PBT in excess of €20m post the pandemic.

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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