

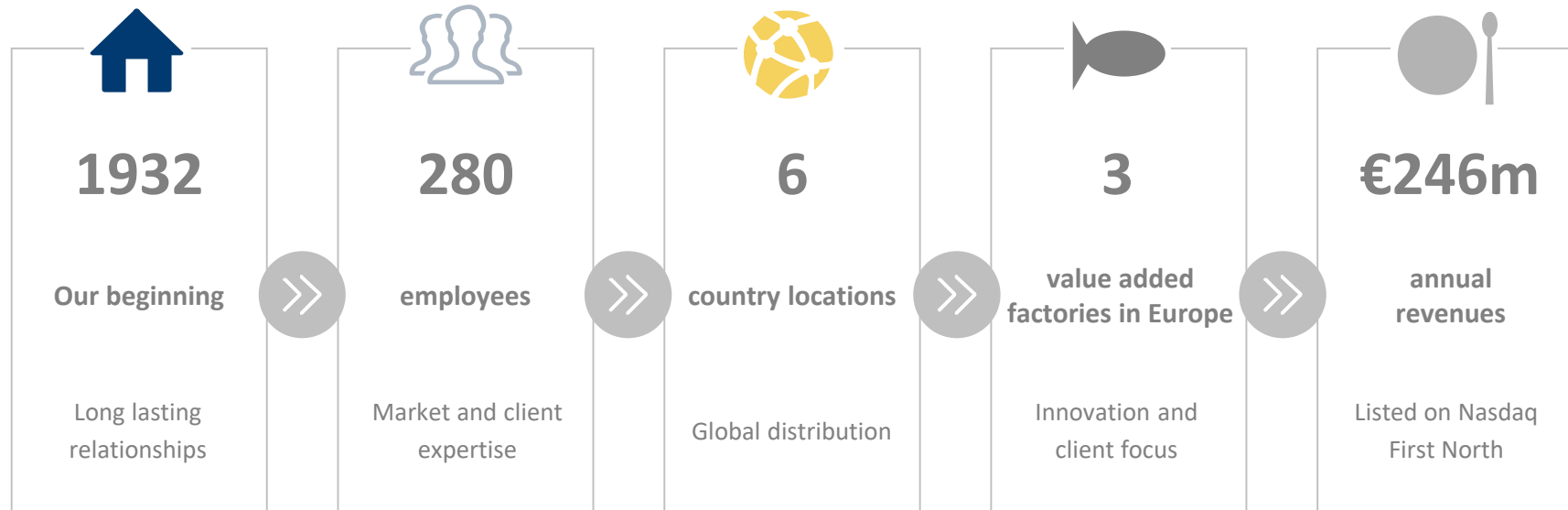
The title of the presentation, '2017 Interim Results Presentation to Investors and Analysts', is centered at the bottom of the page in a dark blue, sans-serif font. The background of the entire slide is a faded, historical nautical chart of the North Atlantic, showing Greenland, Iceland, and parts of Europe and North America. The chart includes a grid of latitude and longitude lines, several compass roses, and illustrations of sailing ships. The word 'ISLANDT.' is visible on the map of Iceland, and 'GROEN' is visible on the map of Greenland.

## 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.

# A leading supplier of North Atlantic fish and seafood

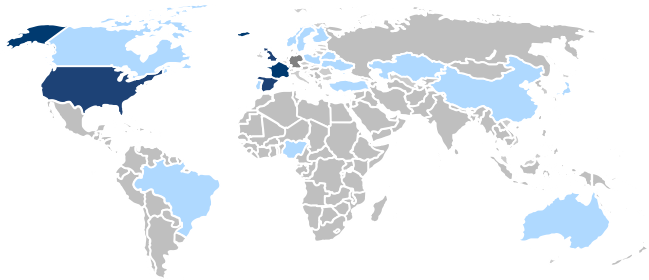


Serving over 1,900 customers,  
across 45 countries with over 55 commercial managers

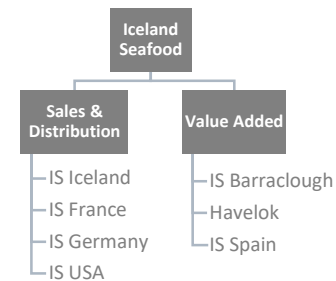
# Iceland Seafood strategy is focused on delivering higher margin growth and earnings over time



## Regions where Iceland Seafood operates



## In depth knowledge of our markets



## Global sourcing with the core from Iceland, delivering to our customers' needs

Fresh



Frozen



Salted



Dried



## Leveraging our network to deliver value added products



# 1H 2017 Key Activities

- Business responded exceptionally well to challenges of the 10 week strike in Iceland:
  - Customer relationships were retained,
  - Swapped into alternative sources of fish in European and USA subsidiaries,
  - Managed raw material inflation aspects well in most regions, although with some delays in Value Added division.
- Completed shellfish packing investment in UK:
  - Will see externally packed products brought in-house over the coming months,
  - Provides a platform for further growth in 2018 and beyond.
- Increased customer base:
  - Secured new value added product contracts / listings which will support growth in second half of the year,
  - Broadened geographical customer base with growing activities in North America.



# 1H 2017 Key Headlines



Positive, strong results given significant headwind of strike, sterling weakness and ISK strength, with Normalised Profit before tax of €1.3m, only €0.4m behind prior year.

- Direct strike & currency Impact:
  - Sales €9m, although expect some to be recovered in 2<sup>nd</sup> Half of the year,
  - Strike PBT impact €0.3m, lower sales and some delays in recovering inflation in Value Added division,
  - Currency impact €0.3m, Brexit linked sterling weakness and strong ISK.
- Net Debt of €36.9m reduced by €1.7m from prior year
- Equity ratio of 20.0% up from 17.8% a year ago

€ m's	2017	2016
Turnover	116.3	119.4
Net Margin	9.5	9.6
Normalised* PBT	1.3	1.7
Net Income	0.9	1.2

• FX movements related to inventories are classified in cost of sales,  
 • Normalised PBT represents Profit before tax before allowing for significant items and discontinued operations



Operating Divisions

Total Divisional PBT of  
€2.1m in the period

# Value Added Division Update

## Value Added

## Sales & Distribution

Solid performance in Value Added division, Profit before tax of €1.6m

- Division incorporates three manufacturing sites in Barcelona, Grimsby and Bradford
- Servicing the retail and foodservice markets in the UK and Southern Europe

- Turnover up 1.2%:
  - Pre currency impact revenue growth of 6.2%.
- 1<sup>st</sup> half profit growth hindered by:
  - Weaker sales in Spain driven by strike,
  - Delay in passing on raw material inflation,
  - Sterling weakness compared to prior year saw profits lowered by €0.1m.
- 2<sup>nd</sup> half outlook positive:
  - New listings will accelerate 2<sup>nd</sup> half profits,
  - Shellfish packing capacity comes fully on-line.

€ m's	2017	2016
Turnover	57.4	56.7
Normalised PBT	1.6	1.6
Net Debt	16.3	18.5



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



# Sales & Distribution Division Update

Value Added

Sales & Distribution

## Good profit performance despite issues caused by strike

- The Sales & Distribution division incorporates subsidiaries in Iceland, France, Germany and the USA
- Division sells to over 45 countries
- Shortfall in sales only 7% despite strike:
  - Product availability impacted by 10 week strike, partially countered by good stock position at start of strike,
  - Sales to North America up 25% reflecting diversified sourcing and new market approach.
- Profit impacted by:
  - Product availability due to strike,
  - Strong ISK increasing operating costs by €0.2m,
  - Market instability post strike.
- Profit growth in 2<sup>nd</sup> half will be driven by:
  - Increased quota and transfer from 16/17 season,
  - Strong demand in most markets and products.

€ m's	2017	2016
Turnover	77.0	82.8
Normalised PBT	0.5	0.7
Net Debt	7.0	5.0





# 1H 2017 Financials

# Income Statement 2017



Encouraging results given headwinds with Normalised Profit before tax of €1.3m

- Results impacted by low product availability due to 10 weeks strike
  - €9m impact on sales within Sales & Distribution and Spain,
  - Net margin and PBT impacted by €0.3m due to lower sales activities and delay in passing on raw material inflation in Value Added businesses.
- Net margin percentage improved to 8.2%
- Fluctuation in FX rates impacted PBT in the period
  - A constant currency would have given a €0.1m higher profit within the UK businesses,
  - Stronger ISK increased costs by €0.2m from last year.
- 2017 significant items relates to ISI stepping away from a potential acquisition, post due diligence
- Lower net debt resulted in €0.2m lower interest cost compared to prior year

€m's	2017	2016	Variance
Income from Sales	116.2	119.4	(3.2)
Gross Margin	16.1	16.8	(0.7)
Distribution costs	(6.6)	(7.2)	0.6
<b>Net Margin</b>	<b>9.5</b>	<b>9.6</b>	<b>(0.1)</b>
	8.2%	8.0%	
<b>Normalised PBT*</b>	<b>1.3</b>	<b>1.7</b>	<b>(0.4)</b>
	1.1%	1.4%	
Significant items / discontinued	(0.1)	(0.1)	(0.1)
Tax	(0.3)	(0.4)	0.1
<b>Profit</b>	<b>0.9</b>	<b>1.2</b>	<b>(0.3)</b>

- FX movements related to inventories are classified in cost of sales,*
- Normalised PBT represents Profit before tax , before allowing for significant items and discontinued operations*

# Balance Sheet

Strengthened Balance Sheet providing a good platform for future growth

€m's	30.6.17	30.6.16	Variance
Fixed assets	8.5	8.3	0.2
Deferred tax/other	1.6	1.2	0.4
Intangible assets	8.9	9.0	(0.1)
<b>Non Current Assets</b>	<b>19.0</b>	<b>18.5</b>	<b>0.5</b>
Inventory	23.8	25.2	(1.4)
Accounts receivable	32.4	31.6	0.8
Other receivables	1.0	1.6	(0.6)
Bank deposit and cash	2.9	2.1	0.8
<b>Current Assets</b>	<b>60.1</b>	<b>60.5</b>	<b>(0.4)</b>
Assets held for sale	0.1	0.2	(0.1)
<b>Total Assets</b>	<b>79.2</b>	<b>79.2</b>	<b>-</b>

€m's	30.6.17	30.6.16	Variance
<b>Total Equity</b>	<b>15.9</b>	<b>14.1</b>	<b>1.8</b>
Obligations	0.6	0.6	-
Long term loans	1.2	1.8	(0.6)
<b>Non Current Liabilities</b>	<b>1.8</b>	<b>2.4</b>	<b>(0.6)</b>
Suppliers	19.6	20.4	(0.8)
Bank loans	37.8	38.0	(0.2)
Other current liabilities	3.3	3.3	-
Current maturities long term loans	0.8	0.8	-
Liabilities held for sale	-	0.2	(0.2)
<b>Current Liabilities</b>	<b>61.5</b>	<b>62.7</b>	<b>(1.2)</b>
<b>Total equity and liabilities</b>	<b>79.2</b>	<b>79.2</b>	<b>-</b>

- Net debt of €36.9m, €1.7m lower than the prior year,
- Long term debt reducing to €2.0m,
- Majority of remainder a debt revolver secured against inventory and receivables. Borrowing headroom €18.2m at end of June 2017.



Outlook

# Strategy is aligned with global trends



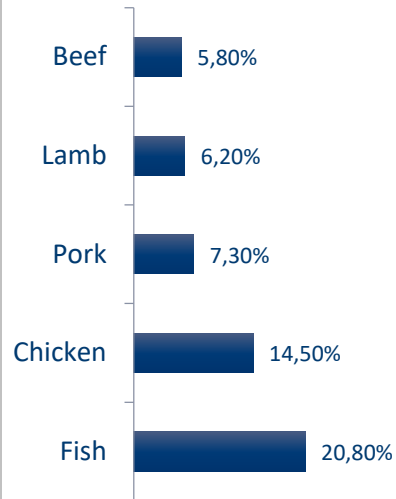
## Need for food solutions



- Easy and quick to prepare
- Tasty and innovative
- Right for consumer, the environment and consumers social standards



## Drive towards healthy living



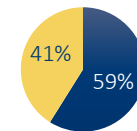
- Governments: "Eat more seafood"
- Millennials' lifestyle is healthier
- Consumer is becoming more selective

Source: Seafish.org

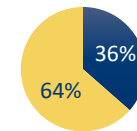


## Growing middle class

2015: 7,4 bn



2030: 8,5 bn



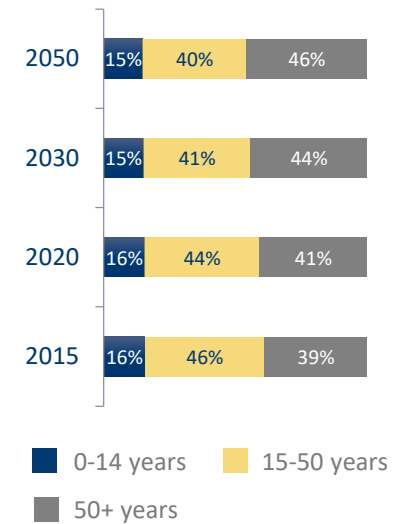
■ Middle Class ■ Rest of World

- Middle class will nearly double by 2030
- Asia is the engine of growth

Source: Brookings.edu



## Older western population



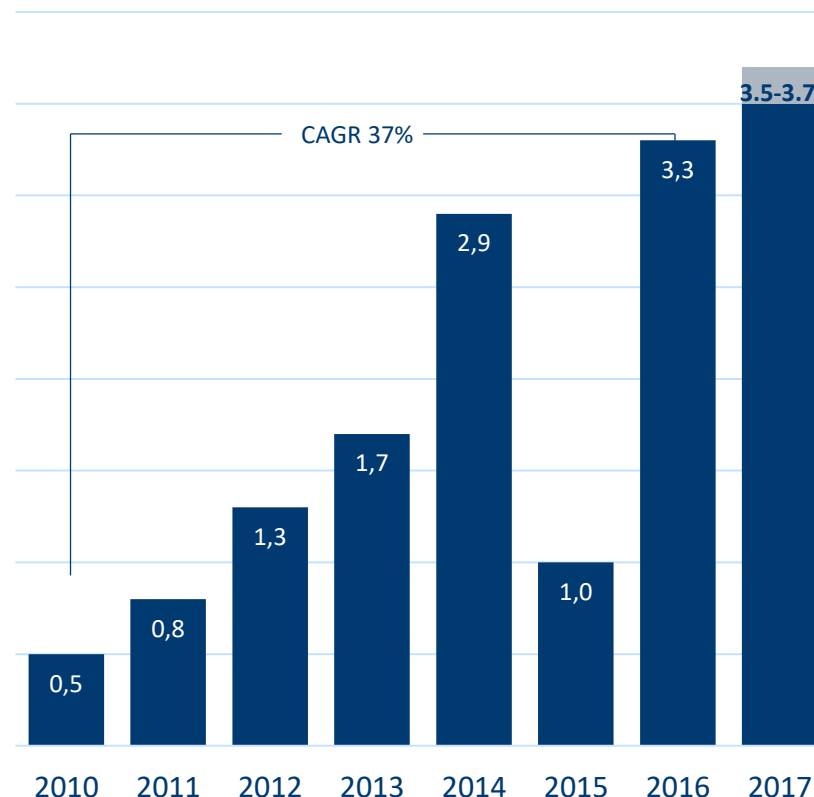
- Western population ageing,
- Seafood consumption increases with higher age

Source: Eurostat

# 2017 Outlook

- Outlook for 2017:
  - Strong current market demand expected to continue during 2017.
- Growth expected to accelerate during the 2nd half:
  - Residual overhang quota from '16/17,
  - Increased cod quota for '17/18,
  - New contracts / listings will aid value added divisions profitability,
  - Full year Normalised PBT estimated at €3.5 - 3.7m, with underlying Divisional Normalised PBT estimated at €5.2-€5.4m
- Uncertainty:
  - Group's results are influenced by fishing and quota changes in Iceland and the North Atlantic,
  - Changes in underlying global economic conditions, currency rates, competition and consumer behaviours all generate uncertainty.
- Acquisition growth:
  - Group is actively working on potential acquisition opportunities in Europe,
  - Acquisition strategy and strong organic growth provides the group an excellent platform for future accelerated profit returns.

### Normalised PBT\* € m's



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



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# Appendices



# Executive Team background



**Helgi Anton Eiríksson**  
Chief Executive Officer

- 25 years of involvement within the global seafood industry including sales, procurement, operations and financing.
  - Board member of SFS (Fisheries Iceland) (2015-current)
  - Blueberg, M&A advisory company (2009-10)
  - Glitnir; Management Board (2007-08)
  - Director of Islandsbanki (2004-06)
  - Director of Coldwater Seafood (Icelandic Group);
    - Procurement Director, Coldwater UK (1998-2004)
    - Sales Director, Coldwater UK (1995-98)
    - Icelandic Group (Marketing, 1992-95)



**Lee Camfield**  
Chief Operations Officer

- 30 years of financial and operational experience within the food industry, including:
  - COO of British Seafood (2009-10)
  - CFO of Real Good Food Company PLC (2004-09)
  - Financial Controller of Golden West Foods (2001-2004) and Heinz (Purchasing, 2000-2001)
  - Business Development Manager of The Cheese Company (1996-1999)
  - Different positions at Coca-Cola, (1986-1996)



**Reynir Jónsson**  
Chief Financial Officer

- Over 15 years experience within financial advisory and the seafood sectors in Iceland
  - Deloitte Financial advisory services (2008-2013) first as a Director and later Partner
  - Manager at Glitnir Bank Copenhagen (2007-2008)
  - MSc Finance and Strategic management from Copenhagen Business School in 2007
  - Financial Controller of HB Grandi (2003-2006)
  - Deloitte auditing and accounting services (2000-2003)

# European network

- ❄️ Frozen seafood sales
- ❄️ Frozen seafood sourcing
- ★ Saltfish sales
- ★ Saltfish sourcing
- ◆ Dry fish sales
- ◆ Dry fish sourcing
- Fresh seafood sales
- Fresh seafood sourcing



# Rest of world network

