

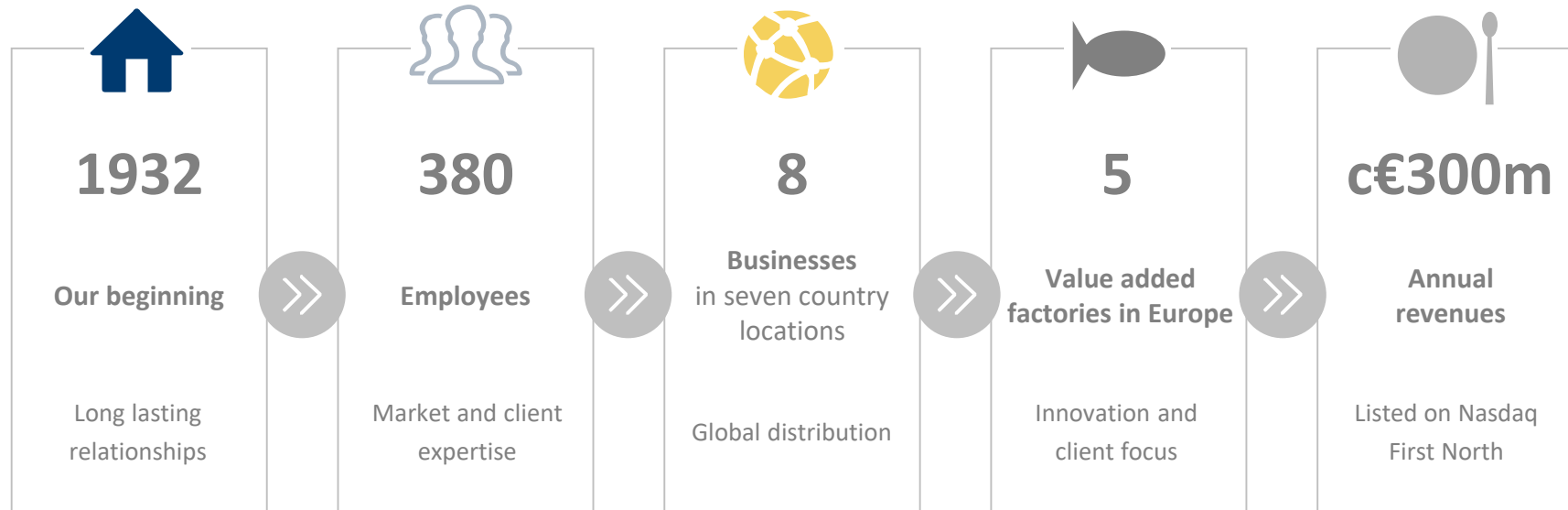


2018 Interim Results  
Presentation to Investors and Analysts

## 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.



Serving over 1,900 customers,  
across 45 countries with circa 60 commercial managers

## Significant steps taken in enhancing Value Added growth

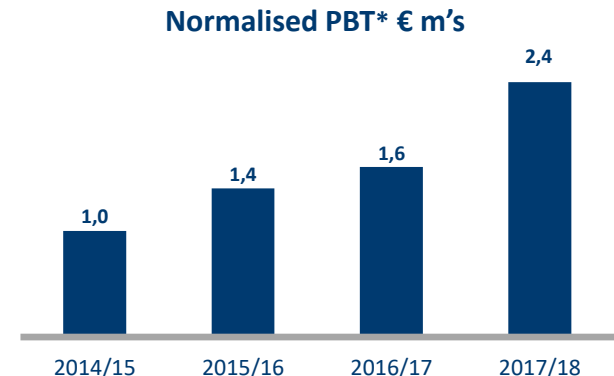
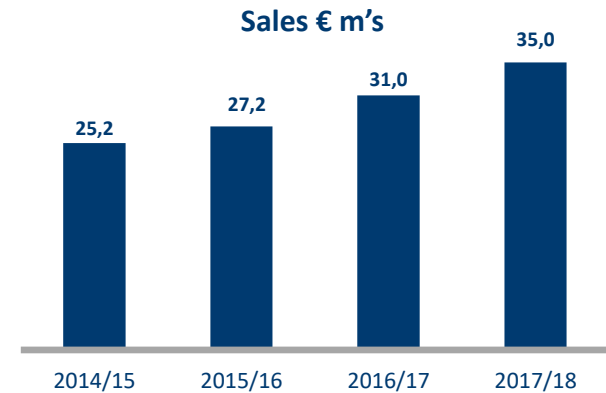
- Acquisition of Oceanpath finalised mid-March 2018:
  - 67% stake acquired, with local management keeping the remaining 33%. In line with Group strategy of acquiring strong value added companies,
  - Leading fresh fish supplier to retailers in the Republic of Ireland,
  - Encouraging performance from acquisition has supported Groups excellent profit growth.
- Head of terms signed to acquire Icelandic Iberica, with SPA finalised in beginning of August:
  - A transformational step for ISI, with three major seafood players coming into the shareholding group, creating an integrated supply chain through to the end customer,
  - Will create a Group with sales of more than €400m delivering in excess of €10m proforma pre-tax profits for 2018, with material synergy benefits within the combined business in 2019 and beyond.



# Oceanpath - Reminder

Business has a first class track record of sales and profit growth:

- Oceanpath was founded in 1991 by the Ecock family and has grown to become one of the largest seafood processors in Ireland
  - Supplies the finest fresh fish, shell fish and exotic fish to all major Irish retailers and food service sector
- Dunn's of Dublin is Ireland's oldest fish processing company established in 1822 and acquired by Oceanpath in 2006
  - Is renowned for its smoked salmon and other smoked products
- Highly profitable business with significant historical growth
  - Annual growth in sales (CAGR) in excess of 10% since 2015, seeing PBT more than doubling over the same time.
- €2m investment project approved this summer, to extend the fresh fish facility supporting further growth.



Supply

Domestic Growth

Global Distribution

Knowledge Transfer

• Normalised PBT represents Profit before tax, before allowing for significant items and before funding cost of the acquisition  
• Numbers presented in accordance to IFRS

# 1H 2018 Key Headlines



Excellent results with Normalised PBT up 71% on prior year

- Exceptionally encouraging start of the year.
- Sales up 29%
  - Sales in the UK up 29% driven by new listings
  - Oceanpath sales from acquisition mid March
  - Sales & Distribution and Spain showing good growth post 2017 strike
- Continuing growth in fresh fish sales to USA, up 57% on 1H 2017
- Like for like PBT up 23%
  - Driven by new listings with new and existing customers

€ m's	2018	2017
Turnover	150.0	116.2
Net Margin	11.7	9.5
Normalised* PBT	2.2	1.3
Net Income	1.3	0.9

• 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  
€3.2m in 1H 2018

• Before HO costs

# Value Added Division Update

## Value Added

## Sales & Distribution

Divisional PBT up 71% accelerated by 3.5 months contribution from Oceanpath

- Division incorporates five manufacturing sites in Barcelona, Grimsby, Bradford and two in Dublin
- Servicing the retail and foodservice markets in the UK, Ireland and Southern Europe

- Sales up 36%, half from Oceanpath,
  - Continued underlying growth in existing businesses,
- PBT of €2.7m up €1.1m on 1H2017
- Excluding Oceanpath, PBT up 29%
  - UK foodservice up €0.4m, driven by new listings and higher margin products,
  - Higher activity levels in UK retail
  - Spanish margins hindered by greater supply
- Net debt up, reflecting higher activity levels

€ m's	1H 2018	1H 2017
Turnover	78.0	57.4
Normalised PBT	2.7	1.6
Net Debt	22.9	16.3



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



# Sales & Distribution Division Update

Value Added

Sales & Distribution

Stable performance in the first half of the year, positive outlook for the 2<sup>nd</sup> half

- The Sales & Distribution division incorporates subsidiaries in Iceland, France, Germany and the USA
- Division sells to over 45 countries
- Sales increased by €15m from prior year:
  - Pelagic sales from Iceland up €7m from prior year,
  - Sales in 2017 impacted by 10 weeks fisherman strike.
- Profits remain stable from prior year:
  - Sales growth mainly driven by lower margin product groups, resulting in moderate net margin growth of €0.1m,
  - Growth in net margin largely offset by slightly higher operating costs, driven by general salary increases in Iceland.
- Increased quotas and important Mackerel season outlook positive for crucial 2<sup>nd</sup> half.

€ m's	1H 2018	1H 2017
Turnover	92.0	77.0
Normalised PBT	0.5	0.5
Net Debt	6.1	7.0





# 1H 2018 Financials

# Income Statement 1H 2018



Strong group results, further enriched by the acquisition of Oceanpath

- Sales growing by €33.8m, €23.3m excluding impact of Oceanpath
- Positive impact of new listings within Value Added, both in 2H 2017 and beginning of this year,
- Normalised EBITDA of €3.6m, up €1.3m on the prior year,
- PBT up €0.9m on prior year driven by sales growth particularly within the Value Added division and contribution from Oceanpath,
- 2018 significant items relates to the acquisition of Oceanpath and initial costs in association with the acquisition of Solo Seafood.

€m's	1H 2018	1H 2017	Variance
Income from Sales	150.0	116.2	33.8
Gross Margin	19.8	16.1	3.7
Distribution costs	(8.1)	(6.6)	(1.5)
<b>Net Margin</b>	<b>11.7</b>	<b>9.5</b>	<b>2.2</b>
	7.8%	8.2%	
<b>Normalised PBT*</b>	<b>2.2</b>	<b>1.3</b>	<b>0.9</b>
	1.4%	1.1%	
Significant items / discontinued	(0.4)	(0.1)	(0.3)
Tax	(0.4)	(0.3)	(0.1)
<b>Profit</b>	<b>1.3</b>	<b>0.9</b>	<b>0.4</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

## Balance sheet enhanced by recent acquisition of Oceanpath

€m's	30.6.18	30.6.17	Variance
Fixed assets	10.5	8.5	2.0
Intangible assets	19.1	8.9	10.2
Deferred tax/other	1.8	1.7	0.1
<b>Non Current Assets</b>	<b>31.4</b>	<b>19.1</b>	<b>12.3</b>
Inventory	31.1	23.8	7.3
Trade and other receivables	42.5	32.4	10.1
Other assets	1.7	1.0	0.7
Bank deposit and cash	3.8	2.9	0.9
<b>Current Assets</b>	<b>79.1</b>	<b>60.1</b>	<b>19.0</b>
Assets held for sale	0.1	0.1	-
<b>Total Assets</b>	<b>110.6</b>	<b>79.3</b>	<b>31.3</b>

€m's	30.6.18	30.6.17	Variance
<b>Total Equity</b>	<b>20.8</b>	<b>15.9</b>	<b>4.9</b>
Obligations	0.8	0.6	0.2
Long term loans	7.5	1.2	6.3
<b>Non Current Liabilities</b>	<b>8.3</b>	<b>1.8</b>	<b>6.5</b>
Trade payables	24.9	19.6	5.3
Bank loans	50.1	37.8	12.3
Other current liabilities	5.1	3.4	1.7
Current maturities long term loans	1.3	0.8	0.5
<b>Current Liabilities</b>	<b>81.5</b>	<b>61.6</b>	<b>19.9</b>
<b>Total Equity and Liabilities</b>	<b>110.6</b>	<b>79.3</b>	<b>31.3</b>

- Total assets increase by €31.3m from prior year, reflecting the acquisition of Oceanpath and increased activities in both operating divisions,
- Net debt of €55.2m up €18.3m from prior year, thereof €13.5m related to the acquisition of Oceanpath. New €5m long term loan with 9 year maturity taken out in relation to funding of acquisition,
- Revolver borrowing headroom of just under €13m at end of June 2018.





Solo Seafood /  
Icelandic Iberica

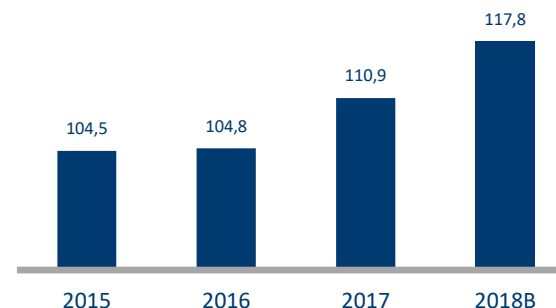


# Icelandic Iberica - Overview

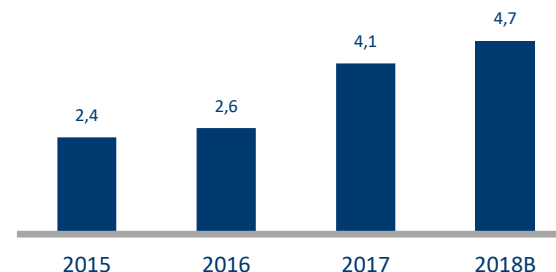


- Solo Seafood is the sole owner of Icelandic Iberica Group
  - Solo Seafood is owned by Sjávarsýn, FISK Seafood, Jakob Valgeir and Nesfiskur and Icelandic Iberica's Managing Director, Hjörleifur Ásgeirsson,
  - Icelandic Iberica group consists of the companies Icelandic Iberica and Ecomsa in Spain and Achernar in Argentina.
- Icelandic Iberica group is one of the leading seafood companies in the Southern European market
- Significant sales and profit growth from 2016,
  - Sales growth driven by increased sales of Icelandic Cod and Argentinean Shrimp,
  - The processing company Achernar in Argentina was acquired in February 2017. Profits positively impacted by improved control of the supply chain post acquisition.
- Outline deal structure
  - Solo seafood and its subsidiaries are acquired by ISI in exchange for shares in ISI and takeover of €5.1m loan,
  - At completion current shareholders of Solo Seafood will receive 1.025m new shares in ISI in consideration for their shareholding in Solo Seafood. This will equal 44.09% of total shareholding in ISI.

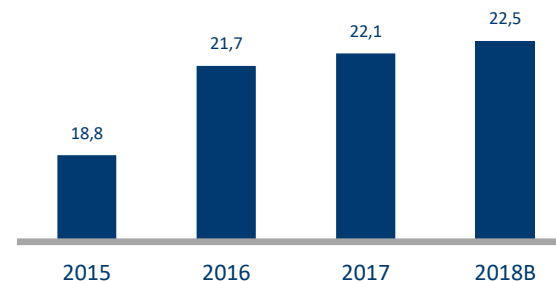
Revenues € m's



PBT € m's\*



Net debt € m's



\*Underlying PBT of Icelandic Iberica, excluding Solo Seafood interest cost in 2018 of €0.2m



## Vertical integration

- Three producers will become key shareholders in ISI
- Integrated value chain with access to 40.000 mt for global ISI group
- Consolidated market strength



## Southern European powerhouse

- Icelandic Iberica is one of the leading seafood companies in the Southern European market
- Focus on integration
- Future additional growth opportunities



## Impact of transaction

- Pro-forma sales €400m+ and pre-tax profits of €10m+
- Consolidation in Europe
- Product distribution across the Group
- Strong synergy opportunities

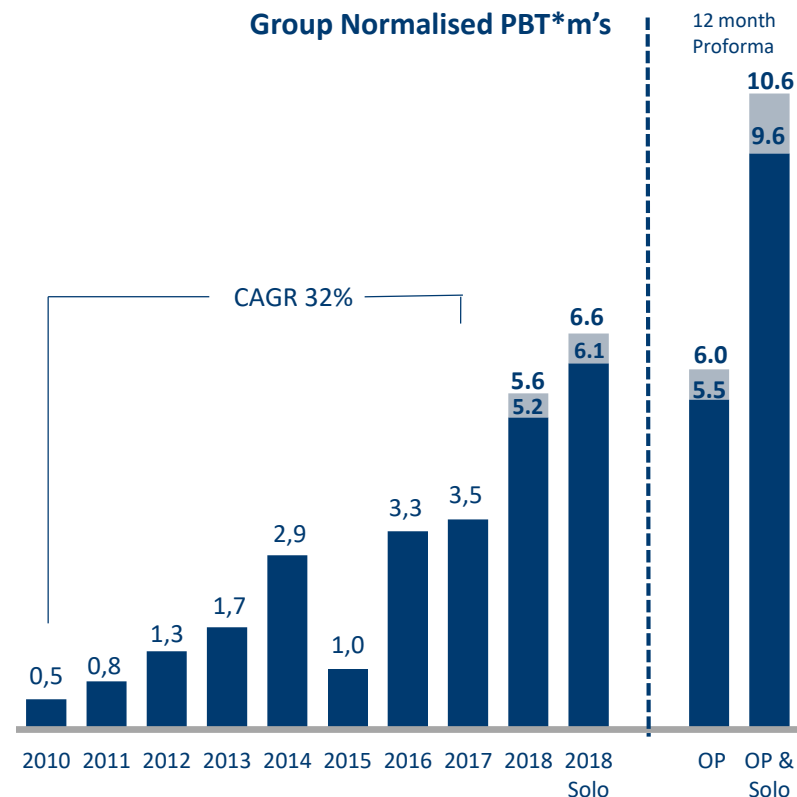


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# Outlook

ISI's strategy of strong organic growth and focused acquisitions is leading to strong annual growth rates

- Outlook for 2018:
  - Seafood demand in major markets expected to remain strong,
  - Significant upward price movement in some key species and markets,
  - Global cod supply to reduce in 2018/19, Iceland quota slightly up,
  - Full year Normalised PBT estimated at €5.2 - 5.6m, including 9.5 months of Oceanpath,
  - Full year Normalised PBT including 3 months of Solo estimated at €6.1-6.6m,
  - Proforma full year including Oceanpath and Solo est. at €9.6 - 10.6m.
- Uncertainty:
  - Group's results are influenced by fishing and quota changes,
  - Changes in underlying global economic conditions, currency rates, import duty rates, competition and consumer behaviours all generate uncertainty.
- Focus and growth:
  - ISI's priority in the coming periods is to integrate our new companies into Group to maximise strategic opportunities as well as driving organic growth. The Group remains on the lookout for strategic investments in well positioned companies



- Normalised PBT represents Profits before tax before allowing for significant items and discontinued operations
- 2018 Solo bar assume acquisition is completed on September 30<sup>th</sup> 2018
- Proforma based upon 2018 outlook for ISI and estimates for Oceanpath and for Solo as if these were owned for the full year



# Appendices

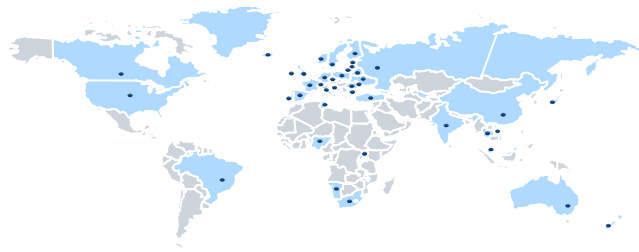


# Iceland Seafood Strategy

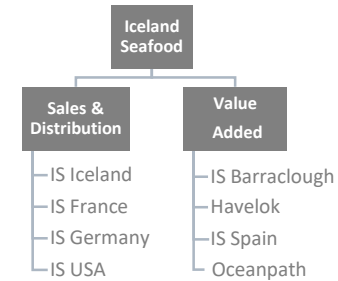
Focused on delivering higher margin growth and earnings over time, combined with acquisitions of first rate seafood companies



## 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



Smoked



Salted



## Leveraging our network to deliver value added products



# Strategy is aligned with global trends



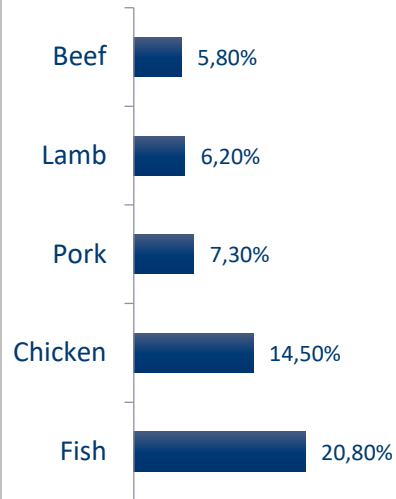
## Need for food solutions



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



## Drive towards healthy living



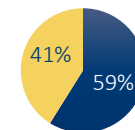
- Governments: "Eat more seafood"
- Millennials' lifestyle is healthier
- Consumer is becoming more selective

Source: Seafish.org

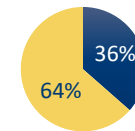


## Growing middle class

2015: 7,4 bn



2030: 8,5 bn



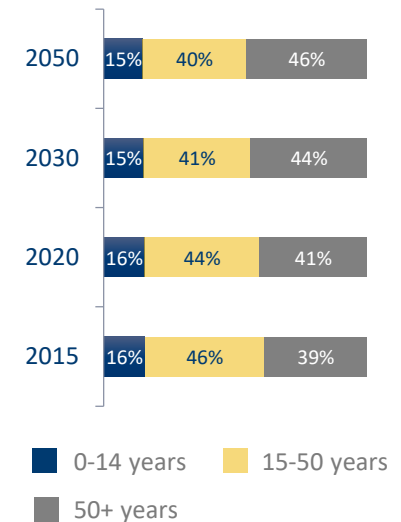
■ Middle Class ■ Rest of World

- 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

# 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)

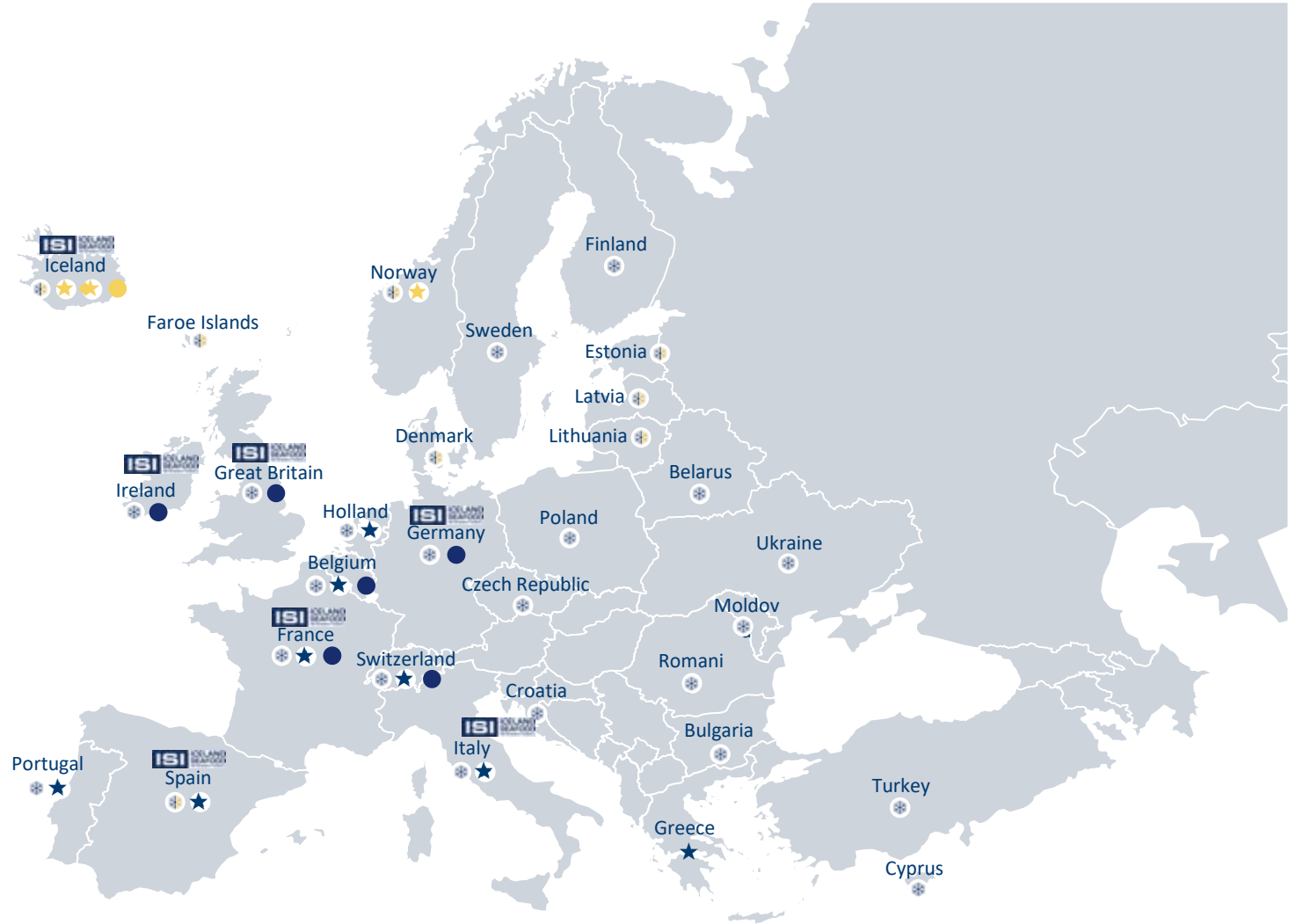


**Reynir Jónsson**  
**Chief Financial Officer**

- 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

