
2018 Results

Presentation to
Investors and Analysts

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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We are Iceland Seafood



Global value added seafood producer and distributor



1932

Our beginning

Long lasting
relationships

667

Employees

Market and client
expertise

11

Businesses in 8
country locations

Global distribution

7

Value added factories

Innovation
and client focus

+€400m

Annual revenues

Listed on Nasdaq
First North

Serving over

3000 customers

across

45 countries

2018

Year of transformation

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

Acquisition of Solo Seafood finalised September 2018

- A transformational step for Iceland Seafood, with three major fishing and processing companies coming into the shareholding group, creating a vertically integrated supply chain through to the end customer
- Icelandic Iberica - A seafood powerhouse in southern Europe

Management changes

- A new CEO appointed in January 2019
- New board appointed in February 2019
 - Magnús Bjarnason, Chairman. M&A advisor and Managing Partner at MAR Advisors
 - Liv Bergþórsdóttir, Chairman of WOW air and Aur app
 - Jakob Valgeir Flosason, CEO of Jakob Valgeir ehf.
- Magnús B. Jónsson appointed MD for combined entity in Spain to be created during 2019



Profitability driven by value added activities

Value Added Divisions

- Following acquisitions last year, two value added activities are reported in two divisions
- The decision of merging Icelandic Iberica and Iceland Seafood Spain will form a strong organization in the important Southern Europe market
- The two Value Added divisions generate over 90% of total divisional PBT

Sales & Distribution

- Approximately 60% of the Group sales are generated by products sourced from Iceland, the backbone of the Group

- Good cooperation and service to producers in Iceland is vitally important for the Groups success

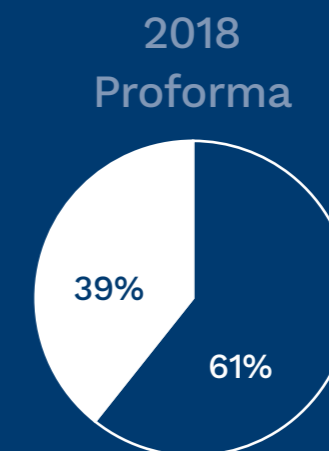
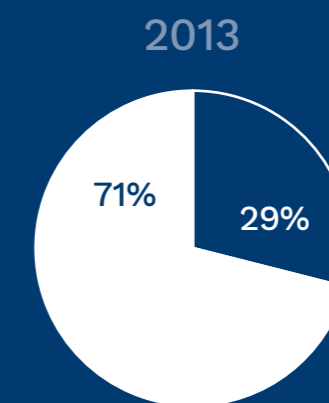
Strong combination

- Strong ties to the source is key to our position in selling food protein to the market
- Understanding of the market demand and behaviour is vital to maximise sourcing power
- Having strong sourcing and processing capabilities and being close to the market is a key attribute towards profitability

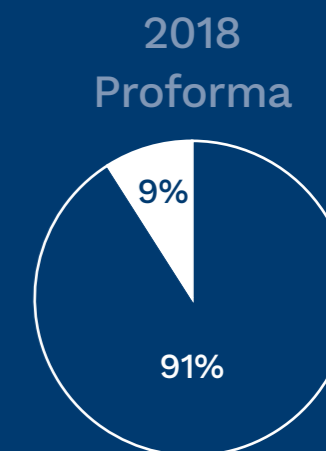
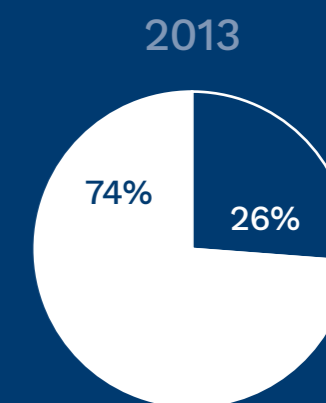
Corporate Structure



Turnover



Profit Before Tax



● S&D ○ VA

Oceanpath leading fresh fish supplier to retailers in Ireland



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

Deal structure

- Cash free, debt free
- Purchase price € 12.4m with a potential € 1.0m earnout
- Fully funded with loan and cash

Opportunities

- Utilize Iceland's seafood sourcing network
- Support further domestic growth
- Enhance opportunities for global distribution through the Group's extensive sales network
- Knowledge transfer

Improvement projects

- Extension of the fresh fish facility supporting further growth
- Automation of processes. New filleting line for Salmon

Solo Seafood acquisition creates an integrated Southern European industry powerhouse



Leading seafood companies in Southern European market

- Solo Seafood consists of the companies Icelandic Iberica and Ecomsa in Spain and Achernar in Argentina

Deal structure

- Shareholders of Solo Seafood received approximately 44% of total shareholding in Iceland Seafood
- Iceland Seafood overtook a € 5.1m loan

Opportunities

- Vertical integration: three producers became key shareholders in Iceland Seafood
- Integrated value chain with access to 40.000 mt for global Iceland Seafood group
- Consolidated market strength

Projects

- Focus on integration and synergies with the merger of Icelandic Iberica and IS Spain
- Drive further growth opportunities

Financial performance

Of Divisions
At Group level
Balance sheet

Strong results driven by good performance of Iberica

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

€ m's	2018	2017	2018P	2017P
Sales	100.1	62.0	179.5	172.9
Net margin	10.4	6.6	21.1	20.4
EBITDA	4.1	2.5	8.3	7.8
Normalised PBT*	3.5	2.0	6.7	6.3

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



Division incorporates three manufacturing sites in Barcelona, Malaga and in Argentina

Servicing the foodservice and retail markets in southern Europe

61% increase in sales from prior year

- Includes sales from Iberica Group from acquisition date mid-September
- Good underlying sales growth post 2017 strike in Iceland

Normalised PBT increased by €1.5m from prior year

- Great performance of Iberica Group since acquisition

Proforma normalised PBT of €6.7m

- 51% of the total Proforma Divisional profits of the Group in 2018

Normalised PBT up €3.1m supported by Oceanpath

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

€ m's	2018	2017	2018P	2017P
Sales	97.4	56.2	103.3	87.7
Net margin	11.2	5.3	12.6	10.0
EBITDA	6.1	2.6	6.9	4.6
Normalised PBT*	4.6	1.5	5.2	3.1

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

2017 Proforma numbers for Oceanpath based on financial year ending on April 30th 2017



Division incorporates four manufacturing sites in Grimsby, Bradford and two in Dublin

Servicing the retail and foodservice markets in the UK and Ireland

Sales increasing by 73% from 2017

- Thereof 53% relates to Oceanpath
- Higher activity in UK retail and foodservice

Normalised PBT of €4.6m up €3.1m on prior year

- Up 1.0m excluding Oceanpath
- UK foodservice up €0.6m driven by improved sales and higher margin products

Proforma Normalised PBT of €5.2m, improved by €2.1m from prior year

2018 a challenging year, good growth potential for 2019

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

€ m's	2018	2017	2018P	2017P
Sales	183.2	164.6	183.2	164.6
Net margin	7.3	7.5	7.3	7.5
EBITDA	1.7	1.8	1.7	1.8
Normalised PBT*	1.2	1.5	1.2	1.5

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

The Sales & Distribution division incorporates subsidiaries in Iceland, France, Germany and the USA

Division sells to over 45 countries

Increase in sales by €18.6m from prior year

- Strong sales growth from Pelagic and FAS (frozen at sea) out of Iceland
- Fisherman strike in 2017 impacted sales during that year

Slight decrease in Normalised PBT from prior year

- More challenging environment for higher margin fresh fish and niche activities, both in Iceland and France
- Slight increase in finance cost due to higher sales level and €0.1m adverse FX movement from prior year

Good growth potential for 2019 with increased focus on utilising opportunities in cooperation with producers



Proforma Normalised PBT up 24% on prior year

€ m's	2018	2017	2018P*	2017P*
Sales	345.9	249.1	431.3	391.6
Net margin	28.9	19.4	41.0	37.8
EBITDA	10.5	5.7	15.5	13.1
Normalised PBT*	7.2	3.5	10.8	8.7
Net Profit	4.7	2.6	7.5	6.7

Normalised PBT represents Profit before tax before allowing for significant items and discontinued operations
Proforma numbers based on 12mth operation of the acquired subsidiaries and include finance cost in HO related to the acquisitions
2017 Proforma numbers for Oceanpath based on financial year ending in April 30th 2017



Transformational year with underlying Group PBT of €10.8m, tripling from prior year

Sales growth of 39%, driven by:

- Sales from Oceanpath and Icelandic Iberica from acquisition dates
- Good sales growth within Sales & Distribution and Spain after 2017 fisherman strike

Proforma Normalised PBT growing by 24% from prior year

- Strong underlying profit growth within the Group's Value Added activities
- Good performance of the acquired businesses

Net Profit up 80%

- Including significant items related to the acquisitions of Oceanpath and Solo Seafood

Stronger Balance sheet with improved equity ratio

€m 's	31.12.2018	31.12.2017	Variance
Fixed assets	14.4	8.5	5.9
Intangible assets	44.7	8.9	35.8
Deferred tax/other	2.7	1.6	1.1
Non Current Assets	61.8	19.0	42.8
Inventory	62.1	30.6	31.5
Trade and other receivables	62.4	35.1	27.3
Other assets	3.4	1.2	2.2
Bank deposits and cash	4.0	2.2	1.8
Current Assets	131.9	69.1	62.8
Assets held for sale	0.1	0.1	0
Total Assets	193.8	88.2	105.6

Total assets increase by €105.6m from prior year, reflecting the acquisition of Oceanpath and Solo Seafood

Net debt of €78.5m up €39.6m from prior year. Increase in net debt related to the acquisitions €40.1m

€m 's	31.12.2018	31.12.2017	Variance
Total Equity	59.4	17.7	41.7
Thereof minority interest	2.8	0.1	2.7
Obligations	1.8	0.6	1.2
Long term loans	6.6	0.9	5.7
Non Current Liabilities	8.4	1.5	6.9
Trade payables	43.8	24.9	18.9
Bank loans	68.5	39.4	29.1
Other current liabilities	6.4	3.9	2.5
Current maturities long term loans	7.3	0.8	6.5
Current Liabilities	126.0	69.0	57.0
Total Equity and Liabilities	193.8	88.2	105.6

Majority of debts related to financing of inventories and trade receivables. Good funding headroom at year end

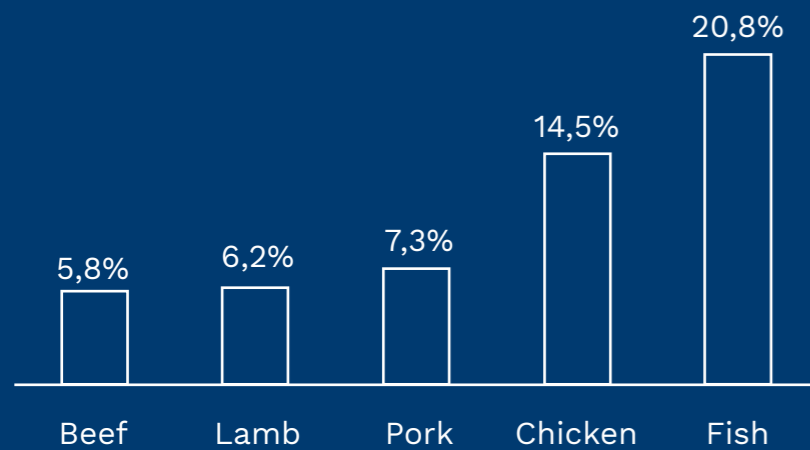
Equity ratio of 30.6% at year end, compared to 20.1% in prior year



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Outlook

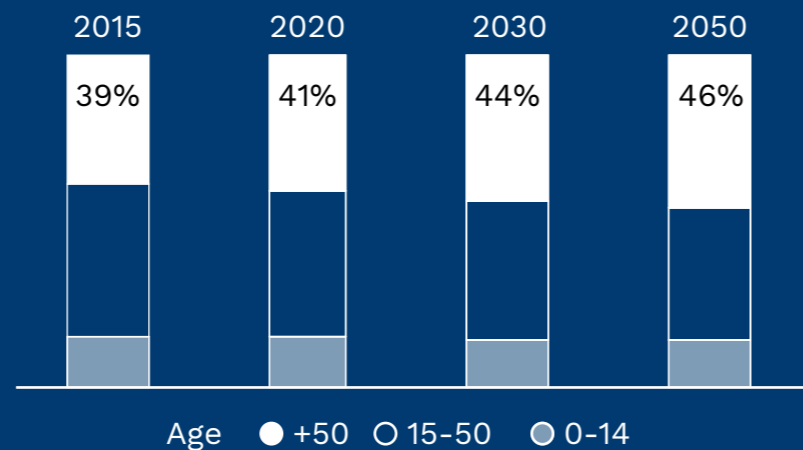
Growing with global trends



Drive towards healthy living

Increasing Seafood consumption

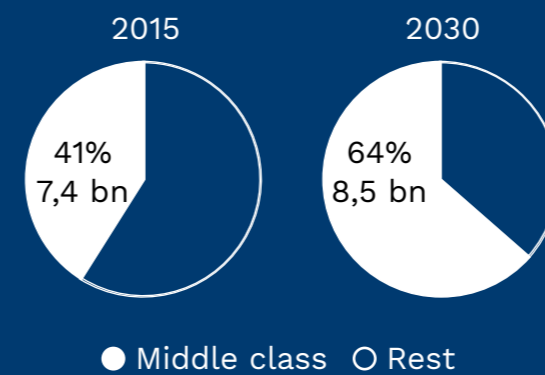
Source: Seafish.org



Older western population

Increasing Seafood consumption

Source: Eurostat



Growing middle class

Increasing Seafood consumption

Source: Brookings.edu



Need for food solutions

Increasing Seafood demand

Key projects for 2019 to support future growth



Significant synergy opportunities with the merger of Icelandic Iberica and Iceland Seafood Spain

- Opportunities of economic of scale
- Integration and optimisation of functions and processes
- Improve services to customers and producers
- Finance cost
- To enjoy long term synergies and benefits we can expect short term one of cost items in 2019

Focus on closer cooperation with producers to enhance growth

- Unique sales platform with network of 3000 customers in 45 different countries
- Utilise this platform in close cooperation with producers in Iceland
- At the same time continue to grow our substantive global sourcing network

Main market listing, logical step for Iceland Seafood

- More efficient pricing of shares and increased awareness
- Facilitates further growth
 - Good organic as well as aquired growth potential
- Increased discipline towards investors
 - Increased information sharing
 - Dividend policy – Pay 20-40% of PAT annually as dividend. Targeted equity ratio of 35%, which shall be reached within the next three years

Continuing strong profit growth

Outlook for 2019

- Seafood demand in major markets expected to remain strong
- Significant upward price movement in some key species and markets
- Global cod supply has reduced whilst Iceland quota has increased slightly
- Full year Normalised PBT estimated at 11.0-11.8m, compared to €10.8m this year

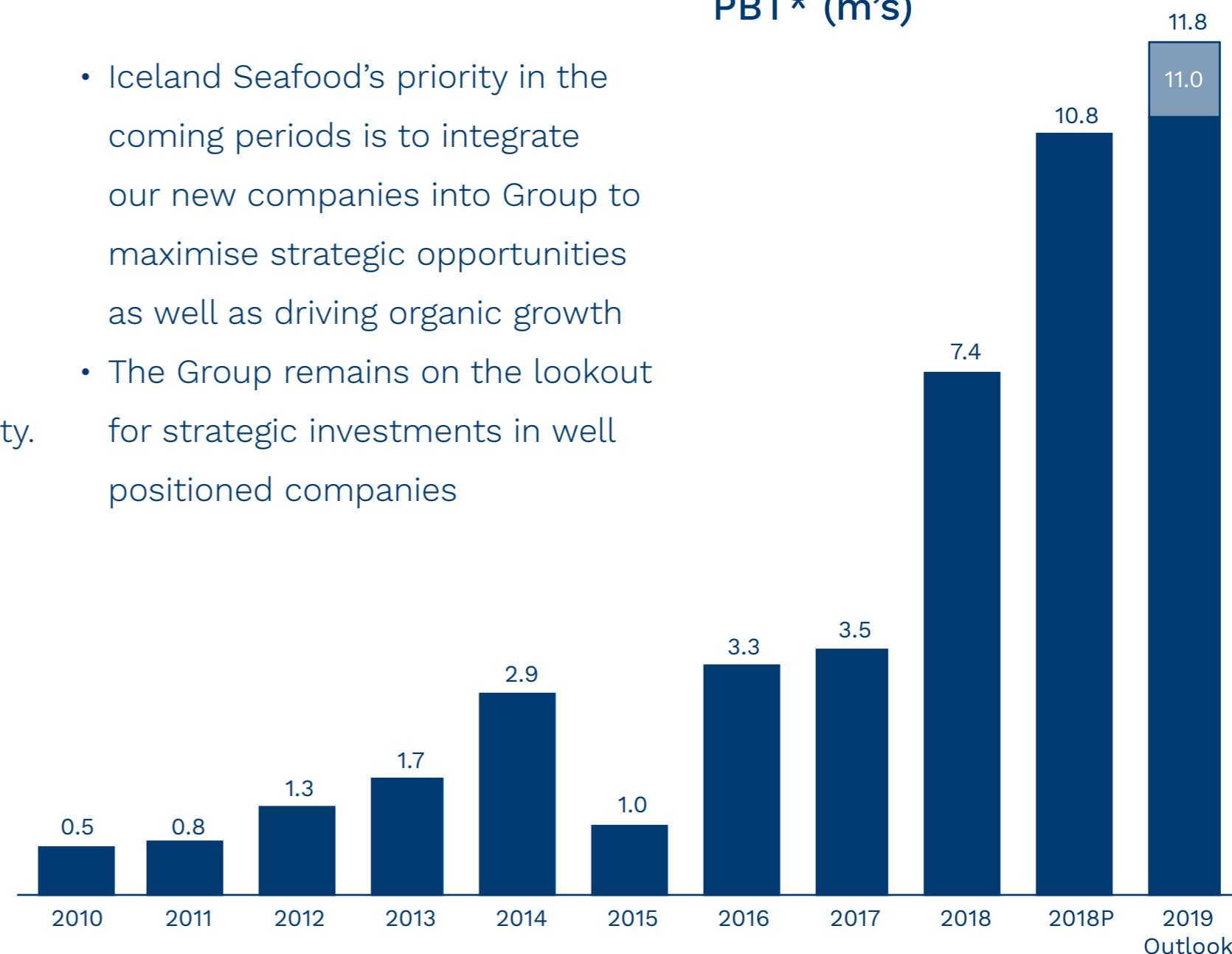
Uncertainty

- 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

- Iceland Seafood’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

Full year 2019 Normalised PBT* (m’s)



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

2018P (proforma) based upon 2018 actuals as Oceanpath and Solo were owned for the full year



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