



Q1 2023

Presentation to Investors and Analysts



WE ARE ICELAND SEAFOOD



WE SELL OVER 1.000.000 MEALS A DAY

**Our favourite
seafood is
Iceland Seafood**

Iceland Seafood at a glance

 <p>€420+ m Revenues in 2022</p>	 <p>€12.4 m Normalised PBT in 2022</p>
 <p>28.0% Equity ratio at 31.12.2022</p>	 <p>10 Businesses</p>
 <p>45 Countries we trade</p>	 <p>6 Value-added factories</p>
 <p>72.000 MT Of products sold</p>	 <p>1.0+ m Meals sold every day</p>
 <p>760+ Employees at 31.12.2022</p>	 <p>5000+ Customers</p>

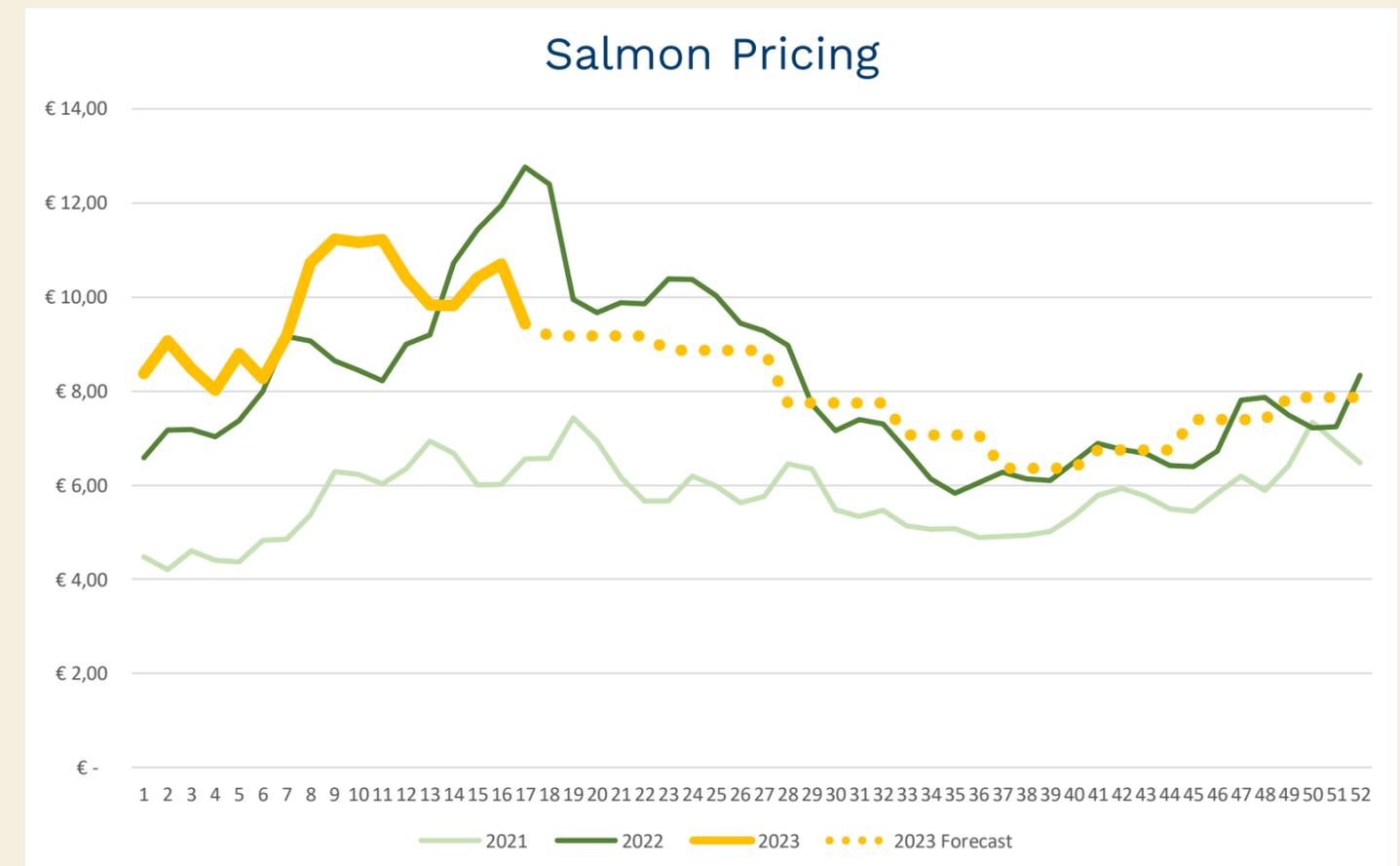


Inflation and high volatility continued to impact Iceland Seafood's operation negatively in Q1 22

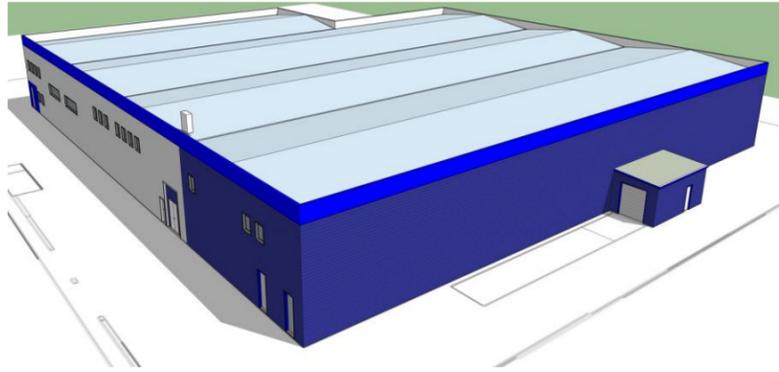
A more balanced external environment is on the horizon.

- Price of key groundfish species has remained high but stable at the beginning of 2023. Prices of various other species (e.g. Argentinean shrimp) have declined,
- Steep price increases of salmon severely impacted the results of Iceland Seafood's operation in Ireland and Ahumados Dominguez in Spain during Q1. Prices have come down in Q2 and are expected to ease further with increased supply in the coming months,
- Customers in retail and food service customers have pushed through significant cost increases to consumers. These price increases have negatively impacted demand, at least in the short term,
- Price volatility, higher financing and storage costs make it more costly and risky to keep inventories. This improves Iceland Seafood's competitiveness in areas where our market position and access to resource is strong,
- Prices of some essential input factors have eased and stabilized during the last months. A more balanced external environment is on the horizon after a highly volatile and disruptive period since the beginning of Covid-19,
- It is likely that value-added production will move closer to consumers. Processing in Europe will become more competitive, where automation and investments in production efficiencies will play a key role.
- 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 have topped and will ease considerably in the coming months according to current forward prices



Source: www.fishpool.eu



Ongoing projects to further improve the successful operations in S-Europe

Facility extension of IS Ibérica completed. It will generate increased throughput, more flexibility in packaging options and rationalizes the production

- Increased capacity in skin pack and vacuum chain pack for retail,
- Improved efficiency in cutting and packing of light salted fillets. Straight-line process from cutting to final pack,
- Increased storage and service capacity, in addition to the extension of the production.

An agreement was signed with a respected logistics company to build a new cold store in Barcelona

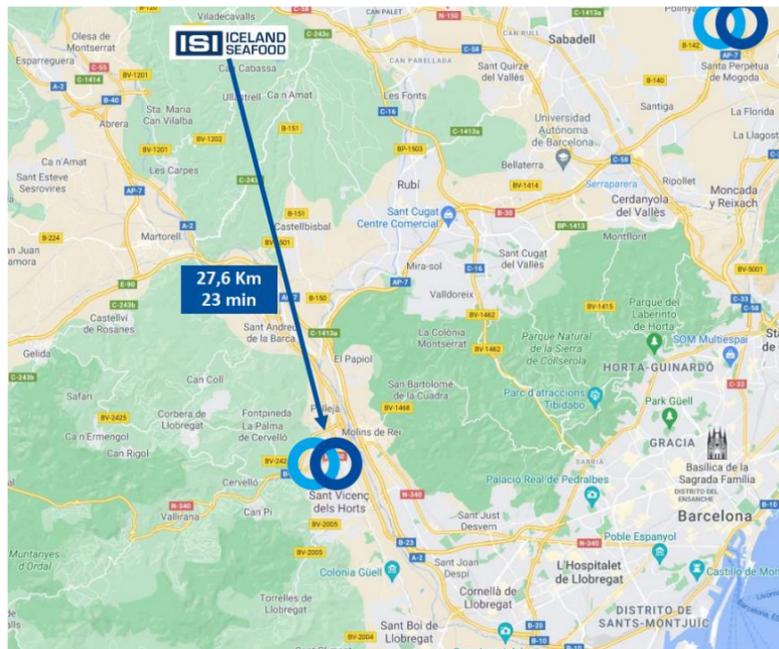
- Currently finished goods stock of IS Ibérica is stored in 5 different cold stores in Spain. The new cold store will be able to keep all our stock in one place, raw material and finished goods, and is located 23 min away from the factory. This will release significant savings in transport and logistic

costs, now estimated at €0.5m per annum,

- This is the final step in integration following the merger of IS Spain and Icelandic Iberica in 2018, a step that has taken longer than expected due to complexities caused by Covid-19.
- Construction of the cold store is expected to take 18-24 months. It will therefore start generating savings in 2025.

Steps were taken to integrate Ahumados Domínguez's operation with IS Ibérica.

- Management team of IS Ibérica supporting the relevant functions within Ahumados Domínguez,
- Focus on improved efficiency in Ahumados Domínguez operations and increased cooperation between the two entities in different areas, which both entities will benefit from,
- Leveraging on the experience from successful processes after the merger of IS Spain and Icelandic Iberica in 2018 and Elba and IS Ibérica in 2021-22.



Significant steps taken towards improved operation of IS UK



The losses in Q1 were in line with expectations. A negative market trend, where volume has declined due to significant consumer price increases, is impacting Q2 results.

Key achievements have come through in recent months in accordance with plan:

- The process of recovering inflationary costs has come through as planned,
- Improved production efficiencies and throughput where new equipment was installed at the beginning of the year and is working well,
- Various input costs have stabilised and have been fixed for the remainder of the year,

New retail business coming in slightly later than planned. Retail selling price increases impact the volume of both existing and incoming businesses.

- Retail selling price has increased significantly in the first four months of the year, up to 40% in some instances,

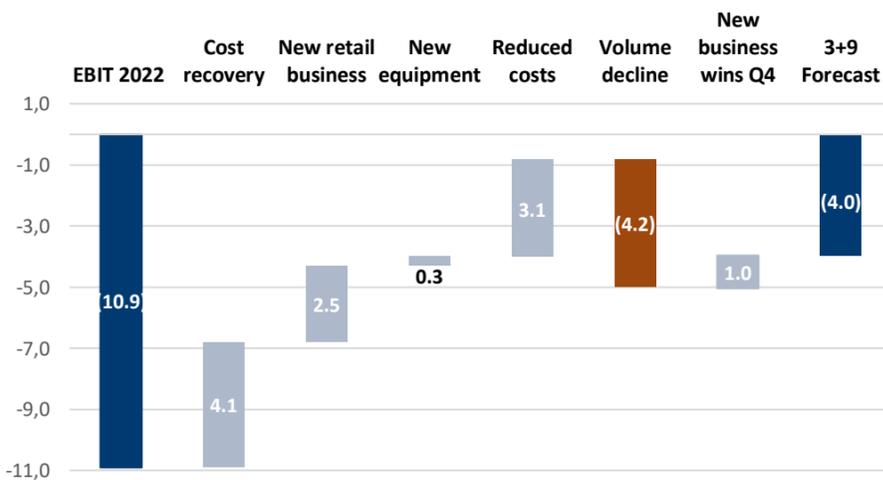
- Demand has decreased, and consumers are switching from fish to other proteins, especially after increases in March/April. It needs to be seen if the impacts are temporary or long-term,
- This is negatively impacting IS UK sales volumes and will delay the point where positive cash flow will be reached,

Progress is being made with current and new customers on significant new business wins. Discussions and tender processes are expected to bear fruit in the summertime, with launches starting in October.

- Revised management plan assumes a positive EBIT from Q4 onwards but negative PBT of £4.0-4.5m for the year,

IS UK is still classified as an asset held for sale. As before, Iceland Seafood intends to support further consolidation in the UK processing industry.

EBIT bridge IS UK 2022-2023 (£'000)



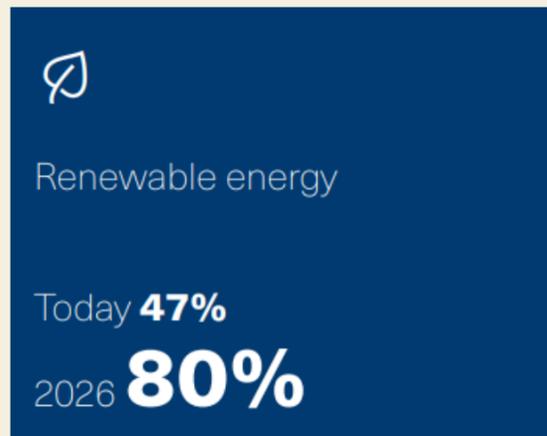
ESG matters play a more significant role as we advance. Recycling waste is a key project for Iceland Seafood



Today our recycling rate is 19% overall and 69% if we exclude the organic waste from Achernar. Our target for 2026 is that overall recycling rate will reach 60% and 90% if we exclude the organic waste from Achernar.

- Quantitative targets have been set for Key Performance Indicators (KPIs) – Published in the 2022 ESG report.
- One contributor to reaching our waste target for 2026 is our Waste Treatment Plant in Argentina.
- Achernar generates over 70% of our total waste – mostly organic waste.
- The treatment plant is designed with the circular economy in mind, aiming at upcycling waste for different value-added production processes.
 - The solid waste, e.g., shrimps' heads and shells of shrimps, can be processed into shrimp flour and oil for animal feed.
 - Ongoing project with YPF AGRO and Universidad Politécnica Nacional regarding developing fertilizer from the sludge.
 - The liquid waste goes through specific filtration steps ending in a lagoon where the water can be reclaimed for various industrial processes.

Installation of solar cells driving 9% reduction in scope 1 and 2 CO2 emission for the Group



- Total investment in Spain €1m
- Annual reduction of CO₂ emissions by around 350 MT (Considering the average grid mix in Spain)
- Share of renewables within the Group has increased from 47% to 54% - getting us closer to our 2026 target

Ahumados Domínguez

Installation completed, 412 kWp installed, generating around 27% of the need in the first week of May. Estimated annual savings of €51k, reduction of annual CO₂ emission of about 150MT.

IS Ibérica

Installation completed, 388 kWp installed, generating around 37% of the need in the first week in May. Estimated annual savings of over €130k, reduction of annual CO₂ emission of about 190MT.

Oceanpath

Being evaluated.

It would cover 15-18% of the energy needed.

IS UK

In place when the site was bought in 2020 and produced 150 MWh in 2022.



Q1 2023 RESULTS
PRESENTATION TO INVESTORS
AND ANALYSTS

Financial
performance



Strong sales of IS Iberica in Q1. The steep increase in salmon prices negatively impacted profit margins of the division

€ m's	Q1 23	Q1 22
Sales	66.0	54.1
Net margin	6.4	7.3
Normalised EBITDA	1.8	3.2
Normalised PBT*	1.0	2.6

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



22% sales growth driven by strong sales in March

- Significant fluctuations in sales since the back end of 2022,
- March was a record sales month for IS Ibérica, driven by strong sales of Argentinean shrimp and Cod products in the weeks before Easter (the lent).
- Sales of Ahumados Domínguez were up 16% from Q1 22, driven by price increases,
- Sales have declined in the weeks post-Easter, partly explained by seasonality. The outlook for tourism season in Spain is good, which should positively impact sales,

Normalised PBT of €1.0m, down €1.6m from Q1 2022

- Overall good results of IS Ibérica, driven by strong sales, especially in March. Margins were lower than at the same time last year due to cost increases and challenging market conditions,
- Production of shrimp at Acherar was 1,728MT compared to 1,001MT in Q1 last year, but margins were negatively impacted by difficult market situation and price decreases. The squid season was disappointing due to low catches,
- Q1 was difficult for Ahumados Domínguez due to steep increases in salmon prices. Steps are being taken to further integrate the operation of Ahumados Dominguez with IS Ibérica, which will reduce costs and improve efficiency.

Results in Ireland were severely impacted. by a steep increases in salmon prices

€ m's	Q1 23	Q1 22
Sales	13.1	12.6
Net margin	1.2	0.9
Normalised EBITDA	0.1	(0.1)
Normalised PBT*	(0.2)	(0.4)

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

Sales were slightly up on Q1 22 in value terms but lower in volume

- Steep price increases overall have negatively impacted sales volumes of the Irish operation,
- Overall Grocery inflation in Ireland of c.a. 15%. Price increases offset lower volumes' impact, leading to slight growth in sales in Euro terms.

Results in Q1 were slightly better than the same period last year.

- Price of salmon seems to have topped in March 2023, whilst it reached the top at the beginning of May 2022,
- The steep price increases have caused similar challenges as in the same period last year. It takes time to push cost increases through to customers.
- Whitefish sourcing improved in Q1 compared to the back end of last year. Availability was better, and prices have stabilised,
- Loss before tax in the period of €0.2m was €0.2m better than the same time last year,
- Outlook for the remainder of the year is better, as salmon prices are expected to come down and stabilise.



Excellent start of the year for S&D division, helped by good capelin season in Iceland

€ m's	Q1 23	Q1 22
Sales	48.8	40.4
Net margin	2.2	2.1
Normalised EBITDA	1.0	0.9
Normalised PBT*	1.0	0.9

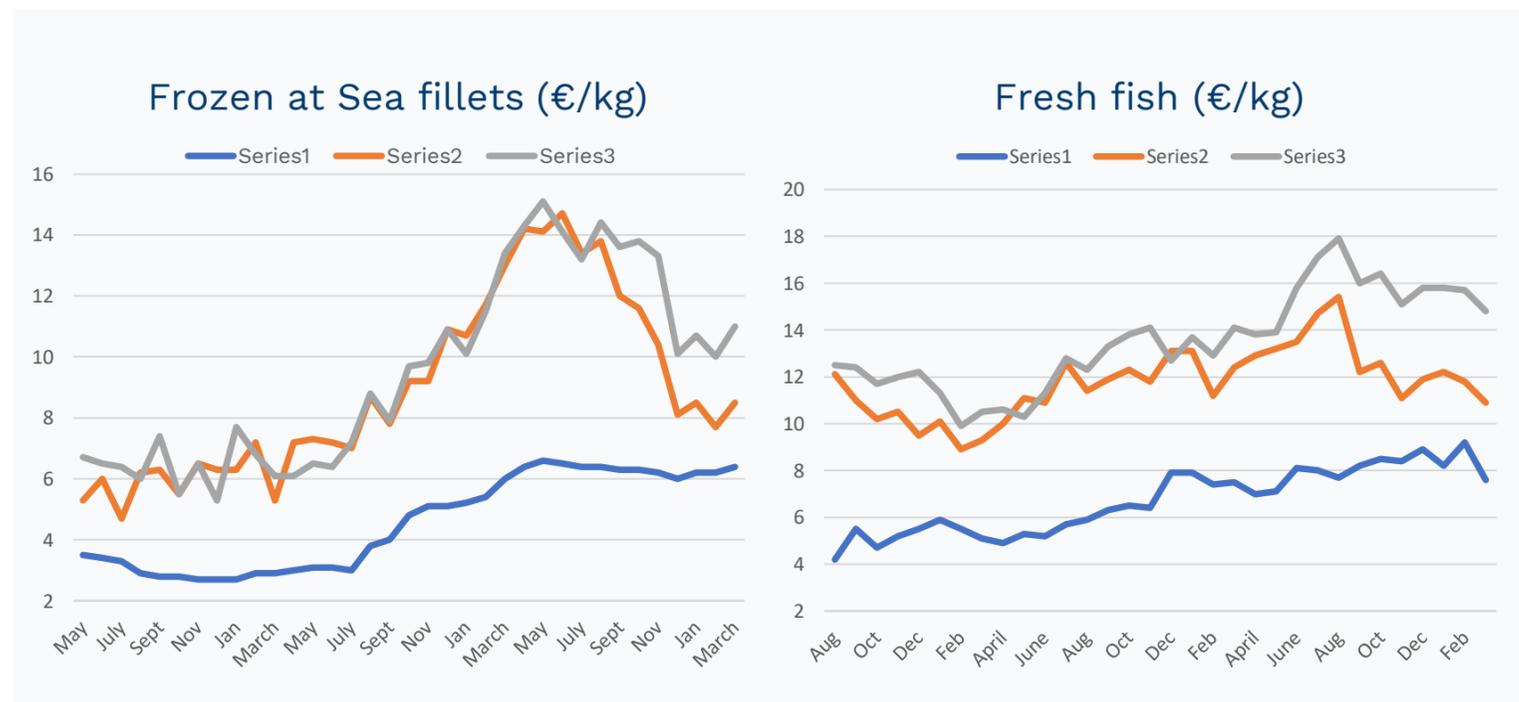
* Normalised PBT represents Profits before tax before allowing for significant items.

Sales growth of 21% from same period in 2022,

- Strong sales of IS Iceland in the beginning of the year, driven by good sales of pelagic. Good capelin season and improved sales into E-Europe helped the sales growth,
- Sales of Frozen at Sea products also increased by 10% from same time last year, driven by increased prices,
- In France and Germany, sales were slightly down on prior year. Price increases have impacted demand in these markets,

Normalised PBT of €1.0m, up €0.1m from 2022

- Overall percentage margins have decreased slightly from same time last year, but Euro net margin is up €0.1m in total,
- Margins and profitability in France and Germany slightly down on Q1 22, impacted by decreased demand,
- Operations and finance costs are in line with prior year, resulting in Normalised PBT of €1.0m which was €0.1m up on last year.



Group results show a normalised PBT of €1.0m. Bottom line results impacted by €2.5m loss from discontinued operation

€ m's	Q1 23	Q1 22
Sales	123.1	99.9
Net margin	9.8	10.4
Normalised EBITDA	2.9	3.9
Normalised PBT*	1.0	2.6
Net Loss	(2.2)	(0.8)

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

** Ahumados Dominguez in the figures from Q4 21



Group sales in Q1 23 of €123.1m, up 23% on Q1 22

- March was a record sales month for both IS Iberica and IS Iceland, after slower sales at the beginning of the year,
- Strong sales of Argentinean shrimp and cod products in Spain in the weeks before Easter in Spain,
- Sales of IS UK (discontinued operation) were in line with budget in the period,

Normalised PBT of €1.0m was down €1.6m from Q1 22

- Reduction in net margin despite sales growth. Cost increases and challenging market conditions are putting pressure on margins,
- Operating costs are €0.4m higher than Q1 22, driven by overall inflationary cost increases,
- Interest costs are €0.6m higher than Q1 22, but due to positive movement in FX, the overall finance cost of €0.9m is €0.3m up on same period last year,
- Loss from discontinued operation in Q1 23 of €2.5m was in line with budget. Revised management forecast expecting a delay in the turnaround of IS UK, as demand has decreased following recent retail sales price increases. Positive EBIT level expected from Q4 23,
- Normalised PBT of €1.0m is down €1.6m from same time last year.
- After taking into account income tax expenses and loss from discontinued operation, net loss in the period amounts to €2.2m, compared to €0.8m loss in Q1 22

Receivables €17.1m higher than at the beginning of the year, driven by increased sales in March

€ m's	31.3.2023	31.12.2022	Variance
Fixed assets	29.1	27.6	1.5
Leased assets	1.7	1.7	0.0
Intangible assets	56.6	56.7	(0.1)
Deferred tax/other	2.3	2.5	(0.2)
Non-Current Assets	89.7	88.5	1.2
Inventory	82.0	86.0	(4.0)
Trade and other receivables	79.6	62.5	17.1
Other assets	10.1	9.7	0.4
Bank deposits	8.9	11.1	(2.2)
Current Assets	180.6	169.3	11.3
Assets classified as held for sale	35.0	32.5	2.5
Total Assets	305.3	290.3	15.0

- Total assets of €305.3m, up €15m from the year beginning, driven by an increase in receivables. The size of balance sheet is at a high point at end of March, will reduce in Q2, beginning, driven by increased sales, especially in the S-Europe division. At the end of the period, 87% of Group receivables are insured,
- Value of inventories €4.0m lower than year beginning. Stocks in the VA S-Europe division decreased by €4.8m in Q1 23,
- Accounts receivables increased by €17.1m from the year

€ m's	31.3.2023	31.12.2022	Variance
Total Equity	78.7	81.4	(2.7)
Thereof minority interest	1.8	2.0	(0.2)
Long term borrowings	33.7	32.5	1.2
Lease liabilities	1.4	1.4	0.0
Obligations/Deferred tax	3.2	3.3	(0.1)
Non-Current Liabilities	38.3	37.2	1.1
Short term borrowings	81.1	72.1	9.0
Trade and other payables	55.5	52.5	3.0
Other current liabilities	10.1	10.7	(0.6)
Current liabilities	146.7	135.3	11.4
Liab. associated w. assets held for sale	41.6	36.3	5.3
Total Equity and Liabilities	305.3	290.3	15.0

- Two offerings of 6 months' bills for ISK 2.120 million in total outstanding at the end of March.
- Net debt, excluding IS UK, of €106,0m at the end of March increased by €12.4m from the year beginning, driven by the increase in working capital.
- Funding headroom of €26.3m at the end of March, including cash,
- Total equity of €78.7m and an equity ratio of 25.8% at the end of March compared to 28.0% at the end of 2022.



Q1 2023 RESULTS
PRESENTATION TO INVESTORS
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Outlook



Hofn seaport

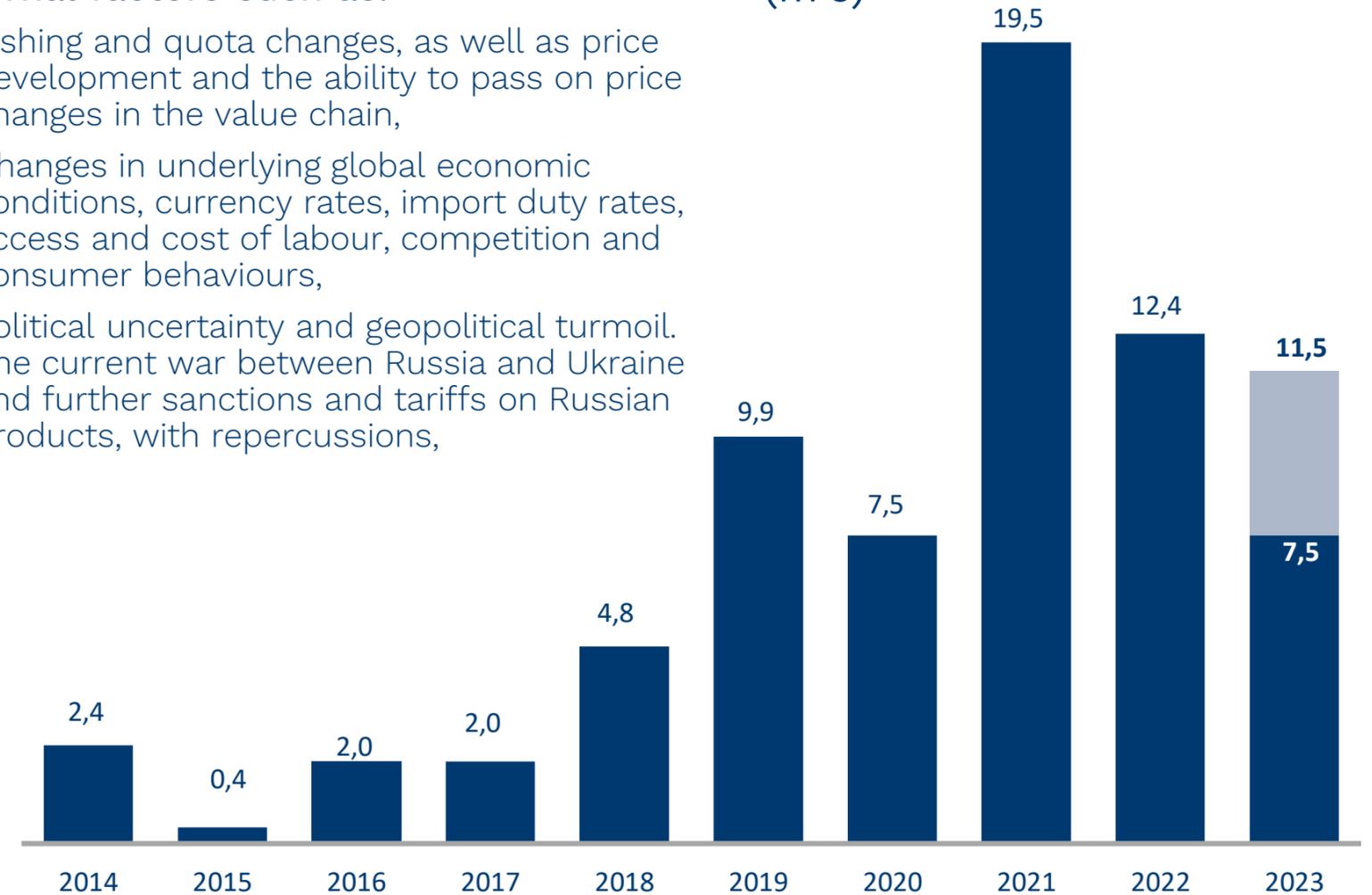
Outlook range for Normalised PBT revised to €7.5-11.5m, excluding impacts from IS UK operation

- As the IS UK operation is classified as discontinued, the results from that operation have been excluded from both historical numbers and outlook range,
- Prices of seafood remains high and have increased more than other animal proteins. This has decreased demand reflected in lower volumes. After strong sales in S-Europe in March, demand dropped in April partly due to seasonality. Outlook for the coming tourism season in Spain is good, which should positively impact demand,
- Salmon prices have come down after a sharp increase in Q1 23 and based on forward prices further decrease should come through in the coming months. Performance of the operation in Ireland and Ahumados Domínguez in Spain is expected to be back to normal levels from May onwards,
- After a disruptive period during the last three years, it is likely that production will move closer to home. Iceland Seafood is in an excellent position to benefit from this development with its value-added production facilities in Europe,
- Investments in automation and energy-saving projects are being implemented to address the difficult labour market and improve efficiency. These investments have a short payback times,
- Outlook range for Normalised PBT of €7.5-11.5m for 2023; the higher end assumes that economic conditions will improve in the year's second half, leading to improved sales and margins,
- Results for IS UK are excluded from Outlook. A negative market trend, where volume has declined due to a significant consumer price increase, will impact Q2-Q3 results. Revised management forecast estimates a loss from discontinued operation in the range of £4.0m-4.5m for 2023 (£2.0m adverse from previous forecast), but positive EBIT level from Q4 onwards.

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)



* Normalised PBT excluding UK operation for the whole period

With recent investments and projects that will increase efficiency and drive profit growth, the Group is in a solid position to reach its target of a Normalised PBT of over €20m when the external environment stabilizes.

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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