**Improved balance between foodservice and retail enhanced with forthcoming growth in VA N-Europe division. Results for 1H 2020 marked by Covid19 impacts.**

* Sales for 1H 2020: €183.2m, down 21% from 1H 2019
* Net margin for 1H 2020: €16.1m, down €4.4m from 1H 2019
* Normalised profit before tax in 1H 2020: €2.0m compared to €5.5m in 1H 2019
* Basic earning per share (EPS) for 1H 2020 were €0.0509 cents per thousand shares compared to €0.1246 cents per thousand shares for 1H 2019
* Temporary shift in consumption during Covid19 pandemic, leading to a growth in retail sales which operation in UK and Ireland are benefitting from.
* Sales to foodservice severally impacted by lockdown restrictions in key markets from mid-March to late May. These sales have gradually recovered during the summer.
* UK merger project on track despite external challenges. Developments of our new facility in Grimsby on track as well as transfer of operations from current sites in Q4 2020 and Q1 2021.
* LOI to acquire Carrs & Sons signed, an opportunity to further strengthen the Group’s position to service the Irish retail market
* Upper end of Normalised PBT outlook range narrowed, due to ongoing uncertainty of Covid19 impacts on both sales volumes and prices. **Revised outlook in the range from €6.0-8.0m**

Bjarni Ármannsson, CEO

“The first half of the year has brought considerable challenges to our operation, with the outbreak of Covid19 and actions taken in key markets to control the ramifications of the outbreak on our operations. The financial and operational strength of Iceland Seafood has enabled us to manage the situation effectively. Our robust team has taken important actions to secure the security of our employees and continuity of operations and at the same time making the business better prepared and competitive for the future.

The pandemic and associated restrictions have caused a temporary shift in seafood consumption from the foodservice/HORECA sector to retail. Vast majority of our sales in S-Europe are to the HORECA sector which was significantly impacted by the restrictions implemented in March to May. With easing of restrictions in June, both in Spain and Italy, we have seen a strong recovery in sales during the last three months. In N-Europe around 80% of our sales are to the retail sector which saw growth during the pandemic. This is the key driver for good results in N-Europe which helped mitigating the negative impact of the sales decline in S-Europe during the period.

In the VA N-Europe division we are taking significant steps to grow our presence within both UK and Irish retail. Despite external challenges the project of merging our two businesses in UK in a single location is on track and is expected to be finalised before year end. Commercial agreements with key retail customers has resulted in an expected annual sales growth in excess of GBP 18m, which we will start benefiting from in 2021. On August 28th we signed a letter of intent to acquire Carrs & Sons, an Irish company primarily focussed on production of high-quality smoked salmon for the Irish retail sector. We see this acquisition as a great fit to our current operation in Ireland, and we are confident that this will further strengthen our ability to service the Irish retail market.

Benefits of the merger in Spain were evident during the 1H of the year, the merged entity was in good position to manage its operation and finances during difficult times. All production of IS Iberica were merged in a single location in February 2020. Optimisation of distribution and logistics has been disrupted by the pandemic but is in good progress nevertheless. At the same time important steps have been taken to integrate the operation of Elba with IS Iberica, with joint management and integration of sales, purchases and logistics. Although significant cost synergies have been realised, disruption due to Covid10 such as higher stock and lower production, has had a delaying effect.

As expected the overall results of Q2 were severally impacted by the pandemic. Sales have recovered in Q3, in line with previous expectations. The previous profit outlook for the year was based on the assumption that sales would be on track with original pre-pandemic outlook from Q4, which is seasonally an important sales period for the Group. Due to the ongoing uncertainty in key markets remaining high, the upper end of the outlook range is now reduced by €1m. Current outlook range for 2020 Normalised PBT is €6.0-8.0m. This uncertainty both applies to sales levels and increased costs in our operation derived from imposed restrictions and our efforts to meet the demands of our customers“

**Electronic** investor meeting

Today **at 4.15pm GMT, Iceland Seafood** will host an electronic meeting for investors and market participants, where management will present and discuss the 1H 2020 results.

The meeting will be webcasted live in Icelandic on <https://livestream.com/accounts/11153656/events/9275928/player> and recording will be available after the meeting on [www.icelandseafood.com/investors](http://www.icelandseafood.com/investors).

Participants to the meeting can send questions in writing prior and during the meeting to the email [investors@icelandseafood.com](https://www.globenewswire.com/Tracker?data=1fI5PH5_Npa4ZzS4gNtBwlGImtlPgaY7YjPzvz1mNasqTAGyvpWjzh9ZP00JQ7BpRdofsogwL9rNZI7qK6mFKNkQM28UlaxXuRraRioopp5pzqRr7025SS15olxJ8BZo).

**Disclaimer**

This announcement is furnished and intended for European market participants and should be viewed in that light.

Any potential forward looking statements contained in this announcement reflect the management's current views on future events and performance, whilst those views are based on positions that management believes are reasonable, there is no assurances that the stated events and views will be realized. Forward looking views naturally involve uncertainties and risks and consequently actual results may differ from the statements or views expressed.

**For more information:**

**Iceland Seafood International hf.**
[http://www.icelandseafood.com/Investors](https://www.globenewswire.com/Tracker?data=lWFfiyxo7v-RNXPNp-qF7klfNpyM-IbgJKHSsqSlv5heEFRDOTAe2yAi3yo40wfsyB7u9Xya4pc13HaJExTTomSlwiTv4N0tmrRGaOayQFl8LXGM5spf_QUAsvYy9pY14J6gNhJ3_BjUsKcKfHv0dw==)

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