**Encouraging results in Q4 2020, despite negative impact from lockdown restrictions in key markets. Group Normalised PBT of €2.1m in the quarter**

* Sales for 2020: €369.8m, down 15% from 2019,
* Net margin for 2020: €30.3m, down €8.8m from 2019,
* 2020 Normalised profit before tax (“PBT”): €5.1m compared to €11.4m in 2020,
* Basic earning per share (EPS) for 2020 were €0,031 cents per thousand shares compared to €0.255 cents per thousand shares for 2019,
* Encouraging results in Q4, despite negative impact from lockdown restrictions in key markets. Group PBT in Q4 €2.1m compared to combined €3.0m for the first three quarters of 2020,
* Benefits of investment in Argentina evident during Q4. Record production of Argentinean shrimp in December, improved margins and profit levels from last year,
* Increased retail demand due to impact of lockdown restrictions on restaurant activities. Strong Christmas sales of both Oceanpath and the recently acquired Carr&Sons in Ireland,
* All UK operation moved into single location at end of 2020. The merger process was more complex and costly than anticipated, which negatively impacted Group results in Q4,
* Good start of the year 2021, despite continuing Covid19 challenges. Group normalised PBT expected to be in the range of €12.0-17.0m, assuming Covid19 restrictions will be lifted in key markets in middle of the year, and normal trading conditions from that time.

Pleasing results for Q4 with normalised PBT of €2.1m for the quarter, especially considering adverse impact of Covid19 restrictions on sales into the foodservice sectors, especially in S-Europe. At the same time sales into retail were good, the Group benefited from efforts during the year of increasing its footprint into the retail sector. Christmas sales in Ireland were strong driven by overall shift in consumption from foodservice to retail due to restrictions on restaurant activities. This resulted in a positive performance of both Oceanpath and the recently acquired Carr&Sons during the period.

The merger of the two UK operations was completed at year end 2020, with all operation in a single location from year beginning 2021. Launching of breaded products into retail took place in Q4 and as previously announced new listings with retail customers are expected to generate £18m of sales in 2021. The process of merging the two entities and scaling up production in a single location was more complex and costly than anticipated. The Covid19 situation and uncertainties around Brexit increased the complexity level and delayed the process. These challenges had considerable negative impact on the Group’s profitability in Q4.

The main production season in Argentina, the Rawson season, started in November. The Group saw a clear benefit from recent investments, which have both increased capacity and improved efficiency in the operation. A record production of 925MT was reached in December, margins and profit levels have also improved from last year, with recovering market prices and improved flexibility. The good performance continued in the beginning of 2021, total production for the current Rawson season (from beginning of November to mid March) is expected to reach 2.800MT compared to 1.700MT in the 19-20 season. The profitability in Argentina was also helped by a FX gain related to financing of the investment in Argentina. This FX gain offsets negative FX impacts from prior months, the overall FX gain for the division amounts to €0.6m for the year.

Significant steps were taken in Spain during 2020 to improve efficiency and realize synergies from the 2019 merger. The acquisition of Elba was completed in Q1, which was a logical add on to the current operation in Spain and strengthened the Groups sourcing network further. IS Ibérica also merged all its production into its Barcelona facility during the 1H of the year. In Q4 an agreement was completed to sell the Malaga based distribution company Ecomsa which was direct consequence of the transition in 1H of the year. The strong position of the merged Spanish entity has been evident during the pandemic. With the actions taken during 2020 the company is in even stronger position than before to drive increased efficiencies and growth both in foodservice and retail, when the situation becomes more normal.

As announced on January 22nd, the Group has secured a long term right to use the ICELANDIC SEAFOOD brand in Europe. The ICELANDIC SEAFOOD brand is a market leading brand in S-Europe for light salted cod and other Icelandic seafood products. By using its unique sales network and strong market presence Iceland Seafood is in a great position to further extend the brand´s recognition for quality seafood from Iceland. Opportunities to widen usage of the brand both with regards to markets and product range are being explored, in close cooperation with Icelandic producers.

The year 2020 was significantly marked by the Covid19 pandemic, the impact on the Group 2020 profit before tax is estimated to be in the range of €10-12m. The impact of the pandemic on 2021 sales and profitability will depend on the development of lockdown restrictions and pace of vaccination in key markets. The Group Outlook for 2021 assumes that 1H of the year will continue to be impacted by the pandemic and restrictions to control the outbreak, but situation will normalize from mid-year. Based on this assumption the Group estimate it’s normalised PBT to be in the range from €12.0-17.0m for the year. Based on the outlook the Group will reach a run rate of annual Normalised PBT in excess of €20m when situation normalises post the pandemic.

Bjarni Ármannsson, group CEO:

“The year 2020 must be categorized as a highly unusual year.  The impact of the Covid-19 pandemic overrides everything else on both operating level as well as on our balance sheet.  The year was truly turbulent.  Given this situation, Iceland Seafood managed to continue our build up of value added operations in Europe and it’s my firm belief that we are in a stronger and more competitive position now than when the Pandemic started, a year ago. The investments, especially in Ireland and the UK mean that the group is more balanced when it comes to distribution means and not as reliant on HORECA markets.  Being a better balanced company is valuable, both to be able to service our clients, as well as our suppliers and securing long term viability and growth.  We are well positioned to grow, now when we enter a new phase – post the pandemic.  Finally, I’d like to express my gratitude to all employees of Iceland Seafood, who have shown a very strong resilience and been agile and proactive in unusual and difficult times.”

**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 2020 results.

The meeting will be webcasted live in Icelandic on <https://livestream.com/accounts/11153656/events/9544159/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==)

Bjarni Ármannsson, bjarni.armannsson@icelandseafood.com