



Annual General Meeting 17 March 2022





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The Board of Directors report, Liv Bergþórsdóttir





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Presentation Bjarni Ármannsson, CEO





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Group Financials 2021



Good results, driven by excellent performance of S-Europe and S&D divisions

Iceland Seafood Int'l

€ m's	2021	2020
Sales	449.0	369.8
Net margin	44.3	30.3
Normalised EBITDA	18.3	10.2
Normalised PBT*	12.5	5.1
Net Profit	8.8	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 21% up in 2021

- Excellent sales growth from March onwards, after slow start of the year,
- Sales in VA S-Europe 44% up in 2021. Strong sales and margins from both Icelandic cod products and Argentinian shrimp,
- Ahumados Domínguez (AD) in the Group from October 1st with sales of €8.5m in the period,
- Significant Sales growth in Ireland. The Irish operation well prepared for Brexit in the beginning of the year. High retail demand due to Covid19 restriction on foodservice,
- Complex and costly integration affected by supply chain disruption and difficult labour market caused challenges for UK operations, leading to negative results in the period,
- Good sales of all product categories out of Iceland,
- Continued focus on balance between retail and foodservice sales.

Normalised PBT up €7.5m in 2021

- Net margin €14.0m up in 2021, driven by strong margins in S-Europe division. Net margin of AD €3.5m in the period,
- Overhead costs €5.5m higher than 2020, due to higher activity, costs associated with the UK merger and the addition of Carr&Sons and AD,
- Positive movement in FX of €0.4m from 2020, including €0.4m benefit from capital injection to Achnar, to finance recent investments,
- Normalised PBT in 2021 of €12.5m is up €7.5m on last year
- After considering cost of significant items (€0.7) and income tax (€3.1m), net profit in 2021 of €8.8m was up €8.0m compared to last year.

Significant steps taken during 2021 to reorganize funding structure and decrease interest costs

€ m's	31.12.2021	31.12.2020	Variance
Fixed assets	31.6	24.6	7.0
Leased assets	1.9	1.7	0.2
Intangible assets	62.6	52.7	9.9
Deferred tax/other	4.9	3.1	1.8
Non-Current Assets	101.0	82.1	18.9
Inventory	77.3	80.9	(3.6)
Trade and other receivables	65.7	48.8	16.9
Other assets	7.6	6.4	1.2
Bank deposits	27.8	23.3	4.5
Current Assets	178.4	159.3	19.0
Total Assets	279.4	241.5	37.9

On the 27th September 2021, Iceland Seafood acquired 85% of the share capital of Ahumados Domínguez (AD) in Spain. Acquisition price was €12.4m, resulting in provisional goodwill of €10m,

Inventories are €3.6m lower than at year beginning, partly as a result of increased sales,

Trade receivables €16.9m higher than at beginning of the year, reflecting increased sales,

At end of December, 73% of Group receivables are insured, AD receivables are still not insured. (Without AD the ratio is 80%),

Net debt at year-end was €94.2m which is €5.7m higher than at the beginning of the year primarily due to acquisition of AD,

Cash position is strong, particularly in IS-Iberica. When uncertainty decreases, the aim is to reduce the cash position and increase equity ratio,

€ m's	31.12.2021	31.12.2020	Variance
Total Equity	91.7	75.3	16.4
Thereof minority interest	2.3	0.1	2.2
Long term borrowings	40.3	22.8	17.5
Lease liabilities	1.5	1.4	0.1
Obligations/Deferred tax	2.3	2.5	(0.2)
Non-Current Liabilities	44.1	26.7	17.4
Short term borrowings	81.6	89.0	(7.4)
Trade and other payables	52.2	39.3	12.9
Other current liabilities	9.6	11.2	(1.6)
Current liabilities	143.5	139.5	4.0
Total Equity and Liabilities	279.4	241.5	37.9

Private placement of ISK3.4bn (€23.1m) 4 years unsecured bond completed in June. The issuance marks a milestone for the Icelandic Capital Market. The bond is listed on Nasdaq Iceland,

Two offerings of 6 months bills for ISK1.5bn each completed in 2021. Total fixed amount of bills at end of December amounts to €20.4m,

Loan agreement of £28.5m with DNB completed in December, to finance investment and operation in UK and Ireland,

Group funding headroom (including bank deposits) is around €77m at year-end,

Total equity of €91.7m at year-end, has increased by €16.4m from year beginning, resulting in equity ratio of 32.8% compared to 31.2% at end of 2020. Return on equity 10.5% in 2021,

Issuance of new shares in relation to the acquisition of AD was 1,5% of outstanding number of shares. Total proceeds was €4.5m.

Cash generation from operation of €9.0m driven by improved operating profit

€ m's	2021	2020	Variance
Working capital generated from operations	19.2	7.7	11.5
Cash generated from operations before interest and taxes	15.4	3.2	12.2
Net cash generated from operating activities	9.0	0	9.0
Net cash used in investing activities	(17.1)	(16.2)	(0.9)
Net cash generated from financing activities	13.3	28.9	(15.6)
Net increase in cash and cash equivalents	5.2	12.8	(7.6)
Cash and cash equivalents at year beginning	23.3	9.6	13.7
Effects of exchange rate fluctuations on cash held	(0.7)	0.9	(1.6)
Cash and cash equivalents at year end	27.3	23.3	4.5

- Cash generated from operation improved by €9.0m from prior year, driven by improved profit,
- Increase in NWC has €3.8m negative impact on Cash flow. Receivables increased by €15m with higher sales, but positive impact of lower inventory and higher payables were amounts to 11.2m in total,
- Investment activities consist of the acquisition of Ahumados Dominguez (€11.8m) and CAPEX (€5.5m)
- Bond issuance and new bank loans for the N-Europe division, are the main sources of new financing in the year.
- As in prior year, majority of cash position at year end relates to operations in S-Europe.



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4. Ákvörðun um hvernig skuli fara með hagnað félagsins á árinu 2021

- Stjórn félagsins gerir það að tillögu sinni að enginn arður verði greiddur út til hluthafa vegna rekstrarársins 2021 og að hagnaður verði færður á óráðstafað eigið fé.

5. Tillaga stjórnar um starfskjarastefnu félagsins

- Stjórn félagsins leggur til að tillaga um starfskjarastefnu, sem er óbreytt frá fyrri stefnu, verði samþykkt. Starfskjarastefnan er birt á vef félagsins.

6. Ákvörðun um þóknun til stjórnarmanna og nefndarmanna í undirnefndum stjórnar

- Stjórn félagsins leggur til að laun til stjórnarmanna á árinu 2022 verði sem hér segir:
 - Stjórnarformaður kr. 700.000,- á mánuði
 - Aðrir stjórnarmenn kr. 350.000,- á mánuði
 - Varamaður kr. 100.000,- fyrir hvern setin fund
- Stjórn leggur til að laun nefndarmanna undirnefnda stjórnar verði 50.000,- fyrir hvern setinn fund að undanskildum launum formanns endurskoðunarnefndar sem verði kr. 100.000,- fyrir hvern fund.

7. Kosning stjórnar

- Eftirtaldir aðilar hafa tilkynnt um framboð til stjórnar:
 - Liv Bergþórsdóttir
 - Jakob Valgeir Flosason
 - Ingunn Agnes Kro
 - Bergþór Baldvinsson
 - Halldór Leifsson
 - Gunnlaugur Karl Hreinsson – Framboð til varamanns

8. Kosning endurskoðanda

- Stjórn félagsins leggur til að Deloitte ehf verði endurkjörið sem endurskoðendafélag félagsins fyrir árið 2022

9. Tillaga um breytingar á samþykktum félagsins

- a) Endurnýjun á heimild stjórnar til kaupa á eigin bréfum ásamt viðeigandi breytingu á viðauka við samþykktir

Stjórn félagsins leggur til endurnýjun heimildar á grundvelli 55. gr laga um hlutafélög nr. 2/1995 til þess að kaupa fyrir hönd félagsins allt að 10% af hlutafé þess. Verði tillagan samþykkt mun hún fela í sér breytingu viðauka 1 við samþykktir félagsins sem mun eftirleiðis vera svohljóðandi:

Aðalfundur félagsins, haldinn 17. mars 2022 samþykkir að veita stjórn þess heimild, á grundvelli og í samræmi við 55. gr. laga um hlutafélög nr. 2/1995 til þess að kaupa, í eitt skipti eða oftari, fyrir hönd félagsins allt að 10% af hlutafé þess. Heimild þessi skal nýtt í þeim tilgangi að setja upp formlega endurkaupaáætlun, gera hluthöfum almennt tilboð um kaup félagsins á eigin bréfum t.d. með útboðsfyrirkomulagi enda sé jafnræðis hluthafa gætt við boð um þátttöku í slíkum viðskiptum, eða til að gera upp kaupréttarsamninga við starfsmenn.

Við endurkaup skal hæsta leyfilega endurgjald fyrir hvern hlut ekki vera hærra en sem nemur verði síðustu óháðu viðskipta eða hæsta fyrirliggjandi óháða kauptilboði í þeim viðskiptakerfum þar sem viðskipti með hlutina fara fram, hvort sem er hærra. Viðskipti félagsins með eigin hluti skulu tilkynnt í samræmi við lög og reglugerðir. Heimild þessi gildir til 31. mars 2023 og falla aðrar eldri heimildir til kaupa á eigin hlutum úr gildi við samþykkt heimildar þessarar.

The Annual General Meeting of the Company, held on 17 March 2022 authorizes the Board of Directors, based on and in accordance with Article 55 of the Act No. 2/1995 on Public Limited Companies to acquire, in one transaction or more, on behalf of the Company up to 10% of its total issued share capital. This authorisation shall be applied to set up a formal buy-back programme, offer the shareholders to purchase its shares in the company, inter alia with offering placement provided there is no discrimination among shareholders as regards the invitation to participate in such transaction or to settle call option agreement with employees.

Upon buy-back, the maximum allowable consideration for each share shall not be higher than the price of the last independent transaction or the highest available independent offer in the trading systems in which the shares are traded, whichever is higher. The company's trading in own shares shall be announced in accordance with laws and regulations. This authorization is valid until March 31, 2023, and older outstanding authorizations will be cancelled simultaneously with the approval of this authorization.

9. Tillaga um breytingar á samþykktum félagsins

- b) Endurnýjun á heimild stjórnar til hækkunar á hlutafé félagsins um allt að 100.000.000 hluti í tengslum við möguleg fyrirtækjakaup ásamt viðeigandi breytingu á 4.gr. samþykktu

Stjórn félagsins leggur til að heimild stjórnar til hækkunar hlutafjár um allt að kr. 100.000.000 að nafnverði með útgáfu nýrra hluta verði endurnýjuð. Sama heimild var veitt af aðalfundi félagsins árið 2021. Síðan þá hefur félagið gefið út 40.000.000 hluti samkvæmt þessari heimild. Lagt er til að orðalag 3. mgr. 4. gr. samþykktu félagsins verði að öðru leyti óbreytt, en ákvæðið skal eftirleiðis vera svohljóðandi:

Í tengslum við fyrirtækjakaup er stjórn félagsins heimilt að ákveða hækkun á hlutafé félagsins um allt að kr. 100.000.000 að nafnverði með útgáfu nýrra hluta í áföngum. Heimild stjórnar samkvæmt ákvæði þessu gildir til 31. mars 2023. Hluthafar félagsins skulu ekki njóta forgangs til áskriftar að hinum nýju hlutum sem gefnir eru út á grundvelli framangreindrar heimildar, samanber 3. mgr. 34. gr. laga um hlutafélög nr. 2/1995, og 7. grein samþykktu þessara. Stjórn félagsins ákveður útboðsgengi hinna nýju hluta og sölureglur hverju sinni, fresti til áskriftar og fresti til greiðslu þeirra. Heimilt er að hækkunin sé gerð að nokkru eða öllu leyti án greiðslu í reiðufé. Stjórn félagsins skal vera heimilt að gera nauðsynlegar breytingar á samþykktum félagsins í tengslum við útgáfu hinna nýju hluta.

In connection with acquisitions, the Board of Directors is authorized to increase the share capital of the Company in stages by up to ISK 100,000,000 shares in nominal value by way of issuing new shares. This authorization of the board of directors shall be valid until 31st March 2023. The shareholders of the Company shall not have pre-emptive subscription rights to shares issued under this authorization, cf. Article 7 of these Articles of Association and Article 34 (3) of the Icelandic Act No. 2/1995 on Public Limited Liability Companies. The Board of Directors determines the offer price of the new shares, the terms of sale, the subscription deadline and deadline for payment. The share increase may be executed in part or in whole by payment in kind. The Board of Directors shall be authorized to make necessary changes to the Company's Articles of Association resulting from the issue.

10. Önnur mál