



ICELAND SEAFOOD INTERNATIONAL

Bringing quality seafood from selected producers to demanding operators and consumers worldwide

Shareholders Meeting
September 11th 2018

- Agenda 1 – Decision on the Board’s proposal to grant the Board authorization to increase the Company’s share capital and amend the Articles of Association accordingly



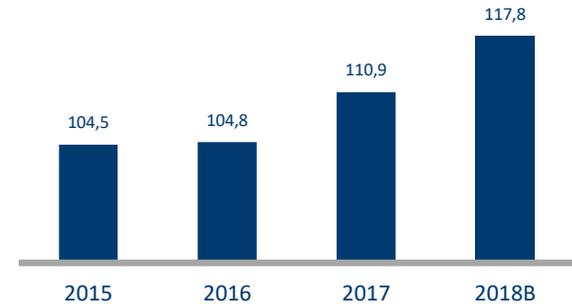
Solo Seafood /
Icelandic Iberica

Icelandic Iberica Group - Overview

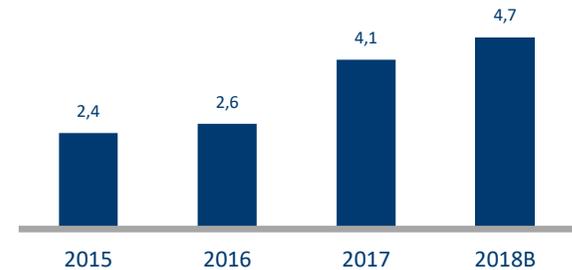


- Solo Seafood is the sole owner of Icelandic Iberica Group
 - Solo Seafood is owned by Sjávarsýn, FISK Seafood, Jakob Valgeir and Nesfiskur and Icelandic Iberica's Managing Director, Hjörleifur Ásgeirsson,
 - Icelandic Iberica group consists of the companies Icelandic Iberica and Ecomsa in Spain and Achernar in Argentina.
- Icelandic Iberica group is one of the leading seafood companies in the Southern European market
- Significant sales and profit growth from 2016,
 - Sales growth driven by increased sales of Icelandic Cod and Argentinean Shrimp,
 - The processing company Achernar in Argentina was acquired in February 2017. Profits positively impacted by improved control of the supply chain post acquisition.
 - Icelandic Iberica group on track to achieve its 2018 Budget numbers

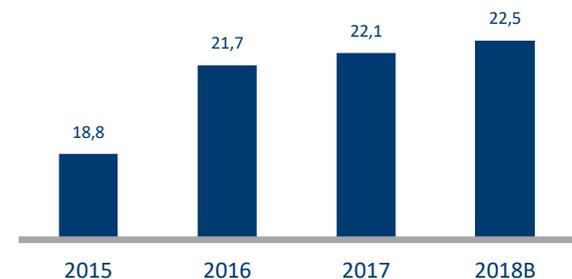
Revenues € m's



PBT € m's*



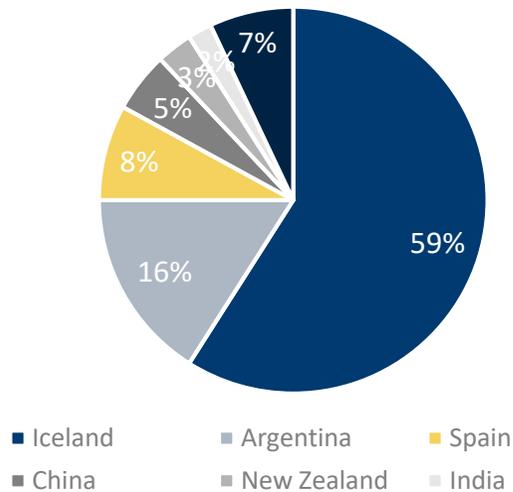
Net debt € m's



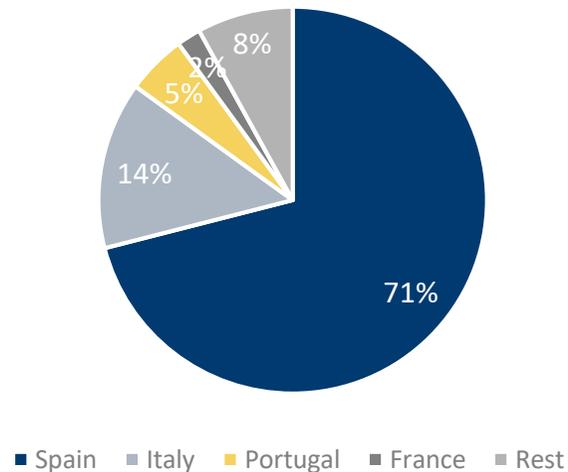
*Underlying PBT of Icelandic Iberica, excluding Solo Seafood interest cost in 2018 of €0.2m

- Majority of products sold by Icelandic Iberica group companies are sourced from Iceland, Argentina and Spain.
- The primary markets for the group are Spain, Italy and Portugal.
 - Sales managers based in Barcelona, Malaga, Vigo and Genova
- Ecomsa is a processing and distribution company based in Malaga
 - Distributing to over 2.000 customers within Horeca in South of Spain
 - C.a. 4000 MT processed annually for the parent company Icelandic Iberica
- Achernar sells all of its products to Icelandic Iberica in Spain, which markets them through their distribution network.

Sourcing of products by market



Group sales by market





Vertical integration

- Three producers will become key shareholders in ISI
- Integrated value chain with access to 40.000 mt for global ISI group
- Consolidated market strength



Southern European powerhouse

- Icelandic Iberica is one of the leading seafood companies in the Southern European market
- Focus on integration
- Future additional growth opportunities



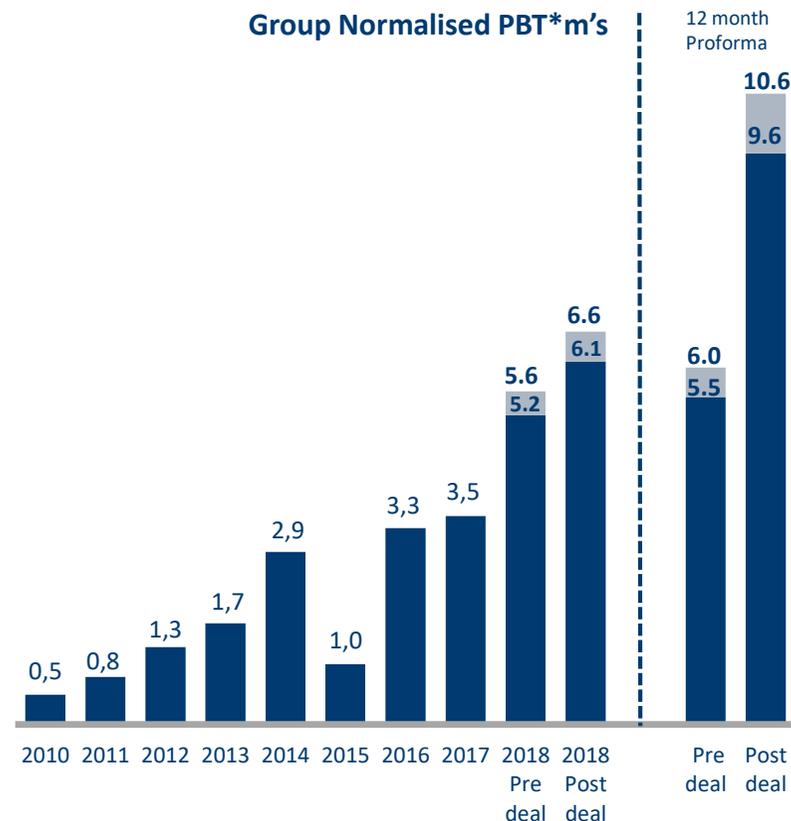
Impact of transaction

- Pro-forma sales €400m+ and pre-tax profits of €10m+
- Consolidation in Europe
- Product distribution across the Group
- Strong synergy opportunities

Icelandic Iberica – Impact of Transaction on Group PBT



- **Outlook for 2018 pre and post transaction:**
 - Full year Normalised PBT, including 3 months of Solo estimated at €6.1-6.6m, compared to €5.2-5.6m pre transaction,
 - Proforma full year, including Oceanpath and Solo estimated at €9.6m-10.6m, compared to €5.5-6.0m pre Solo transaction,
- **Outline deal structure:**
 - Solo seafood and its subsidiaries are acquired by ISI in exchange for shares in ISI, takeover of €5.1m loan and a cash payment of up to €0.52m,
 - At completion current shareholders of Solo Seafood will receive 1.025m new shares in ISI in consideration for their shareholding in Solo Seafood. This will equal 44.09% of total shareholding in ISI,
 - 83% of the new shares will be subject to 12 months lock-in.



- Normalised PBT represents Profits before tax before allowing for significant items and discontinued operations
- 2018 Solo bar assume acquisition is completed on September 30th 2018
- Proforma based upon 2018 outlook for ISI and estimates for Oceanpath and for Solo as if these were owned for the full year

Forward Looking Statements

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.



- Agenda 1 – Decision on the Board’s proposal to grant the Board authorization to increase the Company’s share capital and amend the Articles of Association accordingly
 - *The proposal entails to authorize the Board to increase the Company’s share capital by up to ISK 1,024,977,425 nominal value in connection with the acquisition of Solo Seafood ehf. by way of issuing new shares, without pre-emptive subscription rights for shareholders of the Company. The authorization shall be valid until 30 November 2018. Both the share price and the rules governing the issuance shall be decided by the Board of Directors. The Board may decide to accept payments for the new shares partly or fully with other valuables than cash. Accordingly, it is proposed to add a new paragraph 4 to Article 4 of the Company’s Articles of Association where the terms of the authorization are outlined.*

- Agenda 2 – Decision on the Board’s proposal to revise Clause 7.2 of the Company’s stock option plan approved at a shareholders’ meeting on 11 May 2016
 - *The Board of Directors proposes that Clause 7.2 of the Company’s stock option plan approved at a shareholders’ meeting on 11 May 2016 be amended to read as follows: “The authorisation of the Board to issue new stock under this Plan is limited to ISK 54,362,311 representing 2.34 % of the issued share capital of the Company on a fully diluted basis. In order to fulfil its obligations according to Stock Option Agreements based upon this Plan the Company will issue new shares or deliver own shares.”*

- Agenda 3 – Decision on the Board’s proposal to grant the Board authorization to increase the Company’s share capital in concordance with the revised stock option plan and amend the Articles of Association accordingly
 - *The proposal entails to authorize the Board to increase the Company’s share capital in stages by up to ISK 54,362,311 nominal value to fulfil terms under stock option agreements with employees in accordance with the stock option plan approved by the Company’s shareholders’ meeting on 11th September 2018. The authorization shall be valid until 11th September 2023. The shareholders of the Company shall not have preemptive subscription rights. Both the share price and the rules governing the issuance shall be in accordance with the stock option plan. Accordingly, it is proposed to amend paragraph 2 to Article 4 of the Company’s Articles of Association where the terms of the authorization are outlined.*

- Agenda 4 – Election of the Board of Directors
 - Three candidates have declared their candidature for the Board of Directors of Iceland Seafood International hf.
 - Benedikt Sveinsson
 - Bjarni Ármannsson
 - Mark Holyoake

Annual General Meeting September 11th 2018



- Agenda 5 – Any other business