**Group sales in Q3 on par with same period last year, despite external challenges**

* Sales in Q3 2020: €95.7m, compared to €96.0m in Q3 2019
* Sales for 9M 2020: €276.2m, down 14% from 9M 2019.
* Net margin for 9M 2020: €22.6m, down €5.7m from 9M 2019
* Normalised profit before tax (“PBT) in 9M 2020: €3.0m compared to €7.7m in 9M 2019
* Basic earning per share (EPS) for 9M 2020 were €0.0371 cents per thousand shares compared to €0.1833 cents per thousand shares for 9M 2019
* Strong sales growth during Q3 after a difficult Q2.
* Strong sales in retail during the whole period. Sales into S-European HORECA sector only slightly down on prior year in Q3,
* The position in the Irish seafood market further enhanced with the acquisition of Carr & Sons. Simultaneously the option to acquire 33% minority share in Oceanpath was exercised,
* The last two months of the year an important trading period in key businesses. Good outlook for important Christmas season in Ireland and strong demand for Argentinian Shrimp,
* Stricter Covid19 restrictions implemented in key markets in Q4 are impacting sales, although not to the same extend as during the first wave,
* Due to the ongoing uncertainty the previously announced profit outlook range for 2020 is withdrawn. Trading update to be published in December when more clarity is obtained on key variables.

After a difficult Q2 in a year impacted by Covid19 restrictions in key markets, sales gradually increased during Q3. This resulted in total sales of €95.7m in the quarter which was only marginally down on Q3 2019. Retail sales remained strong and easing of restrictions helped sales within the foodservice sector. Due to low sales in Q2, sales for the first nine months of the year of €276.2m were 14% down on prior year.

Price reductions and increased complexity of supply chains negatively impacted margins in the first nine months, especially with regards to Argentinian shrimp and other shellfish species in S-Europe. Margin percentage on cod products remained strong, although these have come down slightly from 2019 levels. The Group overhead costs in the nine-month period were €1.3m lower than same time last year, driven by cost synergies in Spain, positive impact of ISK depreciation on costs in Iceland and various actions taken to reduce costs in all regions. The resultant Group PBT in the nine month period was €3.0m compared to €7.7m in the same period 2019. Net income in the same period was €1.0m compared to €4.3m in prior year.

The increased sales in the quarter helped reducing Group´s inventory level. Stock level in S-Europe reduced by €15.2m during Q3 with higher sales, at the same time inventories in N-Europe increased by €7.5m driven by build-up of stock for new retail sales in UK and for Christmas sales in Ireland. Total assets at end of September were €229.6m and equity ratio was 36%.

As previously announced Iceland Seafood Ibérica has signed an agreement to sell its Malaga based production company Ecomsa. The sale is a direct consequence of Iceland Seafood moving all its production in Spain to its Barcelona factory, after which Ecomsa became a focused distribution company in direct sales to restaurants and hotels in Andalusia. Due to the sale, Ecomsa is classified as discontinued operation in the 9M accounts, prior year income statement figures have been adjusted as well in accordance with IFRS 5.

As disclosed earlier today, the acquisition of Carr & Sons has been completed. Carr & Sons is a good fit to the Group’s strategy to focus on growing value-added activities in markets where it has strong platform and market position. At the same time Iceland Seafood exercised its option to acquire 33% stake in Oceanpath from Ecock Holding Ltd. After the transaction Oceanpath is 100% owned by Iceland Seafood. The Ecock family continues to be invested in the company with about 2.19% shareholding in Iceland Seafood, as 40% of the consideration is paid with shares in Iceland Seafood. Ken and Trevor Ecock form the core of the management team in Ireland and will continue to do so after the transaction.

The last two months of the year are an important trading period in key businesses within the Group. December is a key sales period for smoked salmon in Ireland and will become even more important with the acquisition of Carr & Sons. Outlook for Ireland is good, as retail consumption has increased considerably due to Covid19 restrictions. Rawson season in Argentina started positively in November and demand is good. The recent investments in Argentina will also improve flexibility, positively impact margins and save costs. At the same time restrictions that have been put in place in key markets to control the Covid19 pandemic are severally impacting sales, especially in S-Europe although the impacts are not to the same level as in March-May. Due to the ongoing uncertainty the previously announced profit outlook range for 2020 is withdrawn. The Group will publish a trading update in December when more clarity is obtained on key variables.

Bjarni Ármannsson, group CEO:

“The results for the first 9 months of the year reflect the unusual circumstances the world finds itself in with the Covid-19 pandemic situation. The strong sales levels in Q3 – which are neck to neck with same quarter last year exhibit that we have recovered strongly after the dramatic downturn in the spring. But it’s fair to say that Q4 will again be impacted by significant restrictions in Europe in order to contain the level of infection and consequent pressure on health care system. We now see increased optimism when it comes to long term recovery thanks to vaccine developments in a speed never seen before. But it’s clear that the winter is going to be cold and it is important to be able to navigate in those turbulent waters.

We have a strong conviction that our model is resilient and our investments announced today keeps the group better balanced, when it comes to distribution channels and price movements of raw materials.

I’m very proud of our people in Iceland Seafood that is working closely with suppliers and customers in a very difficult situation. Same for our production and logistics personnel who have made sure we have delivered our products to the high quality standards of our customers and express gratitude to all of them from the group management.”

**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 9M 2020 results.

The meeting will be webcasted live in Icelandic on <https://livestream.com/accounts/11153656/events/9403581/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