**Iceland Seafood International hf: Consolidated Financial Statements 2023**

**Overall positive performance in the important Christmas season, after a difficult year 2023**

* Sales for 2023: €429.9m, up 2% from 2022
* Sales for Q4 2023: €111,8m up 11% from Q4 2022
* Net margin for 2023: €38.4m, down €7.9m from 2022
* Normalised profit before tax for 2023: €0.7m, compared with €12.1m for 2022. Normalised profit before tax in Q4 2023 of €2.6m was €1.4m down from same period 2022
* Net loss for 2023: €20.3m compared with €10.2m loss for 2022
* Loss from discontinued operation (IS UK) in the year of €18.8m. The sale of ISUK was completed in September 2023
* Basic earnings per share (EPS) for 2023 were negative by €0.7248 cents per thousand shares compared to negative €0.3890 cents per thousand shares for 2022
* Total assets of €254.8m at the end of December 2023 were €35.5m lower than at the beginning of the year, explained by the sale of ISUK and lower inventory. Equity ratio of 28.5% at the end of December 2023
* Outlook range for Normalised PBT €5.0-7.0m for the year 2024

After low sales during the period from April to September, demand recovered to some extent in Q4 . Group sales in Q4 of €111.8m were 11% higher than in the same period last year. This resulted in total sales for the full year of €429.9m, which was 2% higher than in 2022. Christmas sales of smoked salmon in Oceanpath and Ahumados Dominguez were in line with expectations, and sales of IS Ibérica picked up in the autumn. Prices of various seafood products did decrease in the second half of the year, which led to lower margins, especially in the VA S-Europe division. At the same time, higher interest rates significantly impacted the Group’s finance costs, which increased by €3.4m from the prior year. The full year Normalised PBT of the Group was €0.7m, compared to €12.1m in 2022. In Q4, the Normalised PBT was €2.6m, which was €1.4m lower than in Q4 2022. As previously announced, the sale of ISUK was completed in September 2023. The total negative impact of discontinued operation, including operation results until completion of the sale and impairment of assets, amounted to €18.8m. The resultant full-year loss of the Group, including discontinued operation and income tax, was €20.3m, but the Group generated a net profit of €0.4m in Q4 2023.

Total assets at year-end of €254.8m were €35.5m lower than at year beginning. The sale of ISUK is the main explanation for the decrease, but inventories also decreased by €9.0m, driven by price reductions. The Group completed a share capital increase at the end of the year, where 200m new shares were issued, resulting in a €7.2m increase in equity and taking the equity ratio up to 28.5%.

Sales of the VA S-Europe division of €215.5m in the year were slightly down on the prior year, although sales in Q4 were 7% up on Q4 2022. Sales of light salted cod at IS Ibérica were good in October and November, which are seasonally important sales months for that product. The period before Christmas is the main sales period for Ahumados Dominguez, but around 30% of annual sales were generated in November and December. Demand was in line with expectations in this period, and relatively stable salmon prices also helped the performance. Achernar in Argentina had a good start of the Rawson season in December, production volume in the month was 4% above the same period last year. The significant devaluation of the currency (ARS) in December had a positive impact on operation costs in the month but created a negative FX impact in the accounts. The labour market in Argentina has been unstable since the presidential change in December, which has had a disruptive effect on operations. Overall, the full-year normalized PBT of the VA S-Europe division was €0.7m, compared to €10.8m last year. In Q4 Normalised PBT was €2.0m which was in line with the same quarter 2022.

The VA N-Europe division, which solely consists of the operation of Oceanpath Group in Ireland after the sale of ISUK, showed a good performance in Q4. Sales in the period of €15.2m increased by 3% from Q4 2022. Demand during Christmas was strong, and profitability was in line with expectations. Salmon prices were relatively stable in the period, and whitefish sourcing improved from difficulties in Q3. The full year sales of Oceanpath Group in Ireland of €54.2m were 3% up on last year. Sales volume decreased by 11% from the prior year, but this was offset by price inflation. Full year profitability was impacted by steep salmon price increases in the first half of the year. The Normalised PBT of €2.0m was €2.1m up on last year but still €1.8m lower than in 2021.

2023 was a good year for the S&D division, although sales and profitability came down from the record year 2022. The demand for products out of Iceland remains strong, sales of pelagic products were especially good in the year, 30% higher than in 2022. Sales in France improved slightly in Q4 after low demand during Q2 and Q3. Total divisional sales in the year of €177.6m were 2% up on 2022 numbers. Full year Normalised PBT of €2.7m was €0.6m down on last year, although profitability in Q4 was slightly up in the same period in 2022.

Despite the sales recovery in Q4 2023, demand is still lower than normal due to the difficult economic situation and diminishing consumer purchasing power. Seafood prices have decreased, which negatively impacts margins in the short term. When prices find a new balance, it will create a basis for healthier demand going forward. Based on the current view, the outlook range for 2024 Normalised PBT is set at €5.0-7.0m, assuming that demand will improve from mid-year onwards.

**Ægir Páll Friðbertsson, CEO**

“Last year was a challenging year for Iceland Seafood and its employees. A year characterized by large fluctuations in prices and uncertainty in markets.

This situation had a significant negative impact on the company's bottom line. Interest rates and inflation were high in our main markets, which led to declining consumer purchasing power and higher logistic costs, mainly storage costs. High salmon prices in the first months of the year heavily affected the results for our companies in Ireland and Madrid. In the latter part of the year, the price of whitefish and shellfish decreased, which led to inventory write-offs and a lower sales margin.

However, we saw notable improvements to market conditions in Q4, although they are still far away from recovering completely. I believe that these changes in the market conditions is a step in the right direction and that uncertainty will continue decrease in the latter part of 2024.

The sale of ISUK was completed in the year. This activity has played the most significant role in the poor operating results in recent years, generating a higher cost of capital for the company, not to mention the time spent by management on this case. I firmly believe that after the sale of ISUK, our value-added companies in Spain and Ireland will remain strong and profitable in the future.

Iceland Seafood is a well-balanced company with a strong market position for seafood products in various markets and highly skilled, knowledgeable, and experienced employees. The focus in the short term will be to improve the operation of existing business units and the company's capital structure and review the company's strategy.

The goal will be to prepare Iceland Seafood to meet its future challenges and opportunities, which I am convinced will benefit the company, owners and employees."

**Electronic investor meeting**

Today at 4.30 pm GMT, Iceland Seafood will host a meeting for investors and market participants, where management will present and discuss the 2023 results. The meeting will be held at the company’s premises at Köllunarklettsvegur 2, 104 Reykjavík. The meeting will also be webcast live in Icelandic on <https://vimeo.com/event/4117782/embed/8e0135b0a6/interaction>, and a recording will be available after the meeting on [www.icelandseafood.com/investors](http://www.icelandseafood.com/investors)

Participants in the meeting can send questions in writing prior to and during the meeting to the email [investors@icelandseafood.com](https://www.globenewswire.com/Tracker?data=YdSYZ3p7emQvzwwk0BsQqhxRg1rIL_nQ08DLV7EE7rXMAPedyCRgTYeCgZp78Y4SD9CNts4wY4TKHRD_kM3Mwa5oVjJ4X3_XqQWGvQBvxIs_vgmMtmgj7ljwkKWmU0kr9T39qu01bOShU8XYCyG4cypuuQUFyQtVROzXzmmkrKXOsHsGktIJvzmSBkeyI9fx729myFDnX6DpOyHJIhVBSabHPlYo-thZkOYE77kMCh0hN7D6HEt3pzf9fwLAcIZCFfUu4X_v_V9V99iCVhY3w_JQf1SgarRklDF1zE7Lq90=).

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

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**For more information:**

**Iceland Seafood International hf.**  
[http://www.icelandseafood.com/Investors](https://www.globenewswire.com/Tracker?data=NDH6-v2QGWTsSzaMC64_t97yAaaKKd2_LOZaT-51gHJ-MjGalzl6e9hmZI7SE08xDOseRTaYCGBFHobfxBtOU_vhHYB8kjOBD3BYL7ba2erLY3MsNXBQNNI9Zj36LgkdEcme3YRvXt8EJ0QHDSDuxioIzM4et0Ll4B54grhyMhRqg7e9tepgUbnnRPcZIFR9TXZoFPShtMx1fCCP0A8PlNF8EE4uJIatKOkYlcMTru8HmtkXqxjmITl7Udf1D-MGfNn0SPYTNppoHrCrbrSQPmu6fLV2ADaJQFmvu_SACZlvGe82abSg0cjA1iAVViuWDytm-dqhqiUpZjvKMl7qi5Qug7jy-2VC19KjIZG9dWc=)

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