

Annual General Meeting

17 May 2018

Presented by Helgi Anton Eiríksson, CEO

Bringing quality seafood to demanding customers and consumers worldwide



Serving over 1,900 customers,
across 45 countries with circa 60 commercial managers

* Proforma 2017 including recently acquired Oceanpath subsidiary

2017 Financials

Income Statement 2017



Very encouraging results given external factors, with Normalised Profit before Tax up 6.5%

- Sales growing by €2.8m, despite €9m strike impact on sales within Sales & Distribution and Spain:
 - New listings within Value Added delivering significant growth in the second half of the year
 - Sales to North America up 27% from prior year
- Normalised EBITDA of €5.7m, up €0.2m on the prior year
- Second half normalised PBT €0.6m higher than the prior year, driven by sales and margin growth:
 - Sales growth within both operating divisions delivering net margin increase of €0.6m from prior year
 - Operating cost stabilising with slight weakening of ISK and GBP/EUR rate at similar level as same time last year.
- Divisional PBT of €5.0m before central costs

€m's	2017	2016	Variance
Income from Sales	249.1	246.3	2.8
Gross Margin	34.2	33.8	0.4
Distribution costs	(14.7)	(14.8)	0.1
Net Margin	19.5 7.8%	19.0 7.7%	0.5
Normalised** PBT	3.5 1.4%	3.3 1.3%	0.2
Significant items / discontinued	(0.2)	(0.2)	-
Tax	(0.7)	(0.5)	(0.2)
Net Income / (loss)	2.6	2.6	-

- FX movements related to inventories are classified in cost of sales,
- Normalised PBT represents Profit before tax, before allowing for significant items and discontinued operations

Balance Sheet

Strong Balance Sheet supporting future growth

€m's	31.12.17	31.12.16	Variance
Fixed Assets	8.5	8.7	(0.2)
Intangible Assets	8.9	9.0	(0.1)
Deferred tax/other	1.6	1.2	0.4
Non Current Assets	19.0	18.9	0.1
Inventory	30.6	20.0	10.6
Accounts receivable	35.1	32.9	2.2
Other receivables	1.2	1.3	(0.1)
Bank deposit and cash	2.2	1.8	0.4
Current Assets	69.1	56.0	13.1
Assets held for sale	0.1	0.1	-
Total Assets	88.2	75.0	13.2

€m's	31.12.17	31.12.16	Variance
Total Equity	17.7	15.4	2.3
Obligations	0.6	0.4	0.2
Long term loans	0.9	1.6	(0.7)
Non Current Liabilities	1.5	2.0	(0.5)
Suppliers	25.6	19.6	6.0
Bank loans	39.4	34.1	5.3
Other current liabilities	3.2	3.1	0.1
Current maturities long term loans	0.8	0.8	-
Current Liabilities	69.0	57.6	11.4
Total Equity and Liabilities	88.2	75.0	13.2

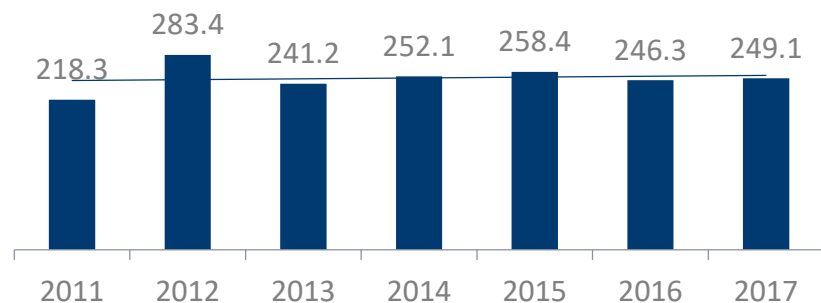
- Total assets increase by €13.2m from prior year, reflecting increased activities in the second half of the year, mostly funded with higher payables, up €6.0m
- Net debt of €38.1m only €4.1m higher than last year, with long term debt reducing to €0.9m at year-end
- Majority of remainder a debt revolver secured against inventory and receivables. Borrowing headroom in excess of €20m at year end 2017, with loan extended in early 2018 to 2022

2017 Financial Results (€m)

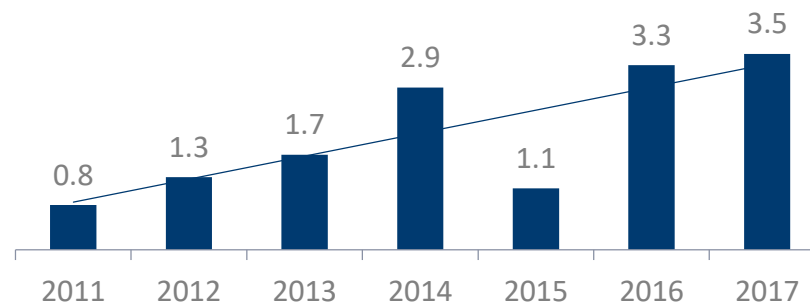
Steady increase of profits, strong working capital management



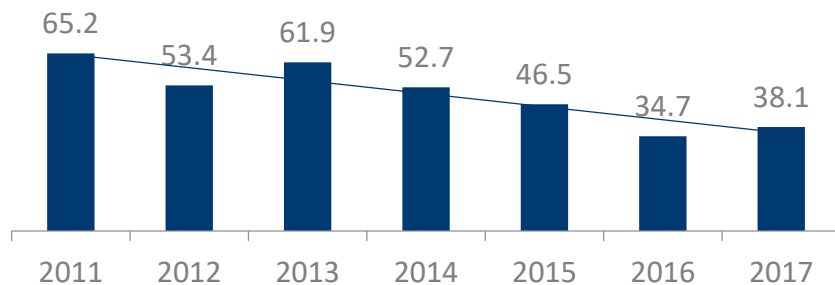
Revenues



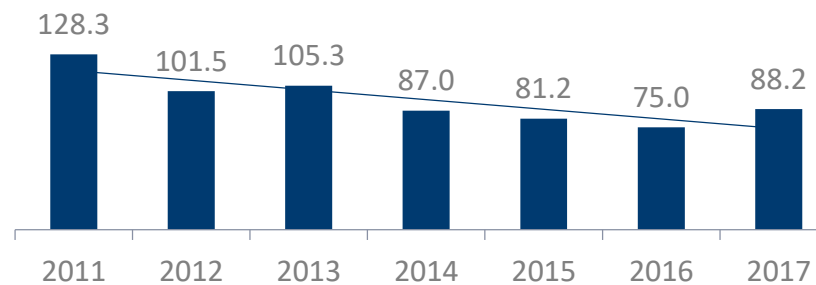
Normalised PBT



Net debt



Total assets



Note: Revenues and Normalised PBT exclude discontinued operations

Divisional overview

Sales & Distribution

Value Added

Value Added Division

5 factories across 3 countries generating 80% of divisional normalised* profit

Oceanpath
Dunn's of Dublin

IS Barraclough

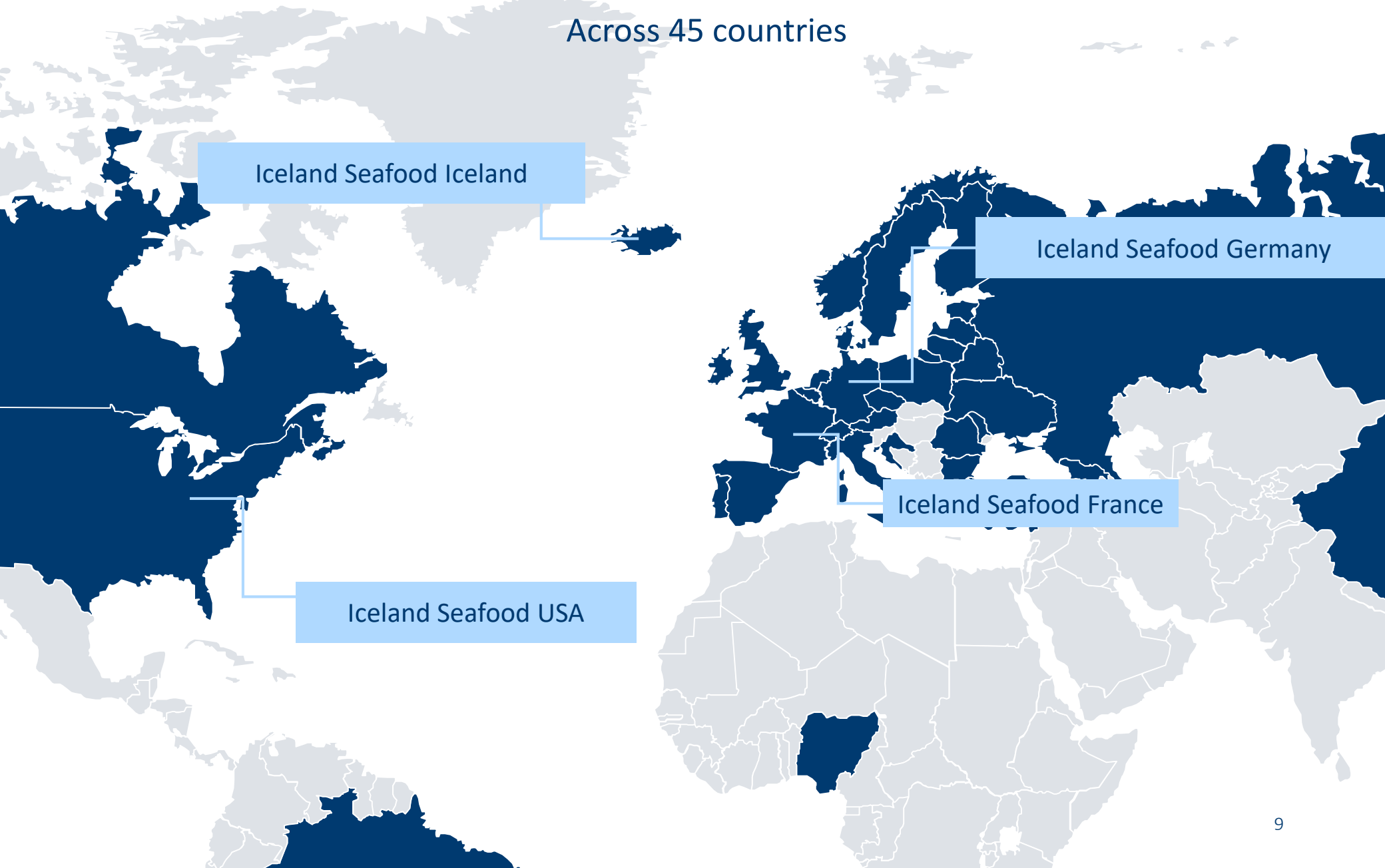
Iceland Seafood Spain

Havelok

• 2017 Proforma normalised divisional PBT, before Head Office, consolidation adjustments, significant items and discontinued operations

Sales & Distribution Division

Across 45 countries



Iceland Seafood Iceland

Iceland Seafood Germany

Iceland Seafood France

Iceland Seafood USA

Value Added Division Update

Value Added

Sales & Distribution

Continued strong performance in Value Added division, Profit before Tax of €3.5m

- Division for 2017 incorporated three manufacturing sites in Barcelona, Grimsby and Bradford
 - Servicing the retail and foodservice markets in the UK and Southern Europe
 - PBT of €3.5m up 6.5% on 2016
 - First half profit growth hindered by:
 - Weaker sales in Spain driven by strike
 - Delay in passing on raw material inflation
 - Sterling weakness compared to prior year saw profits lowered by €0.1m
 - Second half positive results:
 - New listings saw revenue up 13.6%
 - Shellfish packing capacity was fully commissioned, new listings in 2017/8, now packing c€12m in-house
 - Net debt up, reflecting new activity in 2017 & 2018
- Normalised PBT represents Profit before tax before allowing for significant items and discontinued operation

€ m's	2017	2016
Turnover	118.2	110.3
Normalised* PBT	3.5	3.3
Net Debt	23.2	17.7



Sales & Distribution Division Update

Value Added

Sales & Distribution

Solid performance in the second half of the year offsetting strike impact in first half

- The Sales & Distribution division incorporates subsidiaries in Iceland, France, Germany and the USA
- Division sells to over 45 countries
- Shortfall in sales only 3.5% despite 10 weeks strike in beginning of the year:
 - Strike impact largely offset by strong sales growth of fresh into North America and increased sales of Frozen at Sea products
- First half shortfall in profitability made up by strong profits in second half, helped by:
 - Good demand in key markets supported by some quota increases for 17/18 season in Iceland
 - Good margins in France driven by products sourced outside of Iceland
 - Slight weakening of ISK in the second half of the year helped with stabilising operating costs

• *Normalised PBT represents Profit before tax before allowing for significant items and discontinued operation*

€ m's	2017	2016
Turnover	164.6	170.5
Normalised* PBT	1.5	1.5
Net Debt	1.3	1.7



Q1 2018 Events and Outlook

Oceanpath acquisition – March 2018

One of the largest seafood processors in Ireland

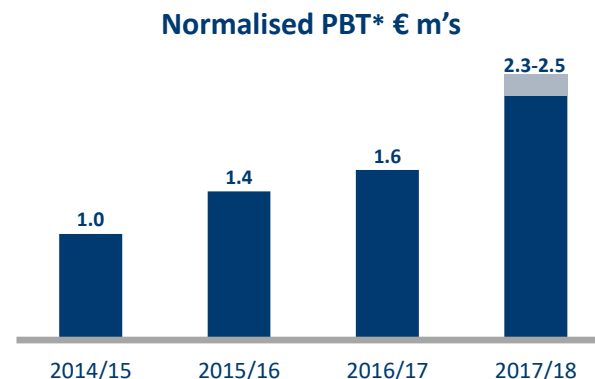
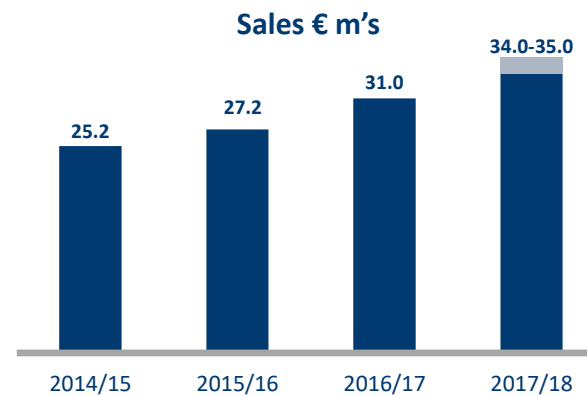


- Oceanpath was founded in 1991 and has grown to become one of the largest seafood processors in Ireland, with a 1.130 m² fresh fish facility in Dublin
- The company supplies fish to all major Irish retailers and food service
- Dunn's of Dublin is Ireland's oldest fish processing company established in 1822 and acquired by Oceanpath in 2006, with a 3.000 m² facility in Dublin
- It is renowned for its smoked salmon and other smoked product

Oceanpath - financials and deal structure

Business has a strong track record of sales and profit growth:

- Highly profitable business with significant historical growth
 - Annual growth in sales (CAGR) in excess of 10% since 2015, seeing PBT more than doubling over the same time.
- Outline deal structure
 - Cash free, debt free
 - Purchase price for 67% of the equity:
 - Payment at completion - €7.44m
 - Payment July 2018 - €2.48m
 - Payment July 2019 - €2.48m
 - Potential earn out payments of up to €1m, dependant on average two year results until end of April 2019.
- Funding
 - New €5m term loan secured with banking partners,
 - Remainder funded from cash
- Opportunities



Supply

Domestic Growth

Global Distribution

Knowledge Transfer

• Normalised PBT represents Profit before tax, before allowing for significant items
• Numbers presented in accordance to IFRS

Group sales in excess of €280m and Profit Before Tax of over €5m post transaction

€ m's	ISI 2017	Oceanpath 2017/18 est	Funding cost	ISI 2017 Proforma
Turnover	249.1	34.0 - 35.0		283 - 284
Normalised PBT	3.5	2.3 – 2.5	(0.4)	5.4 – 5.6

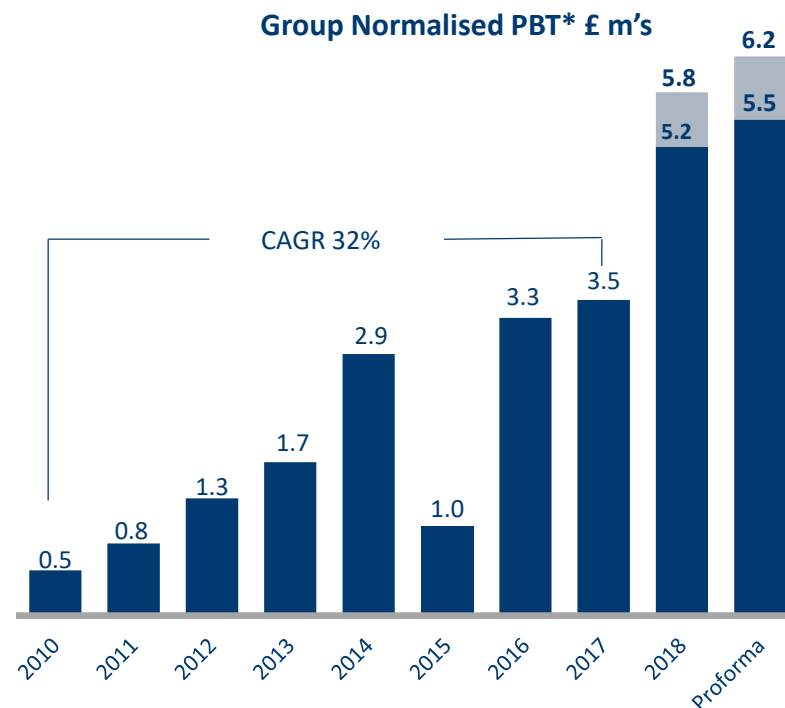
* Proforma based on:

- 2017 audited figures for ISI
- Unaudited estimates for current financial year for Oceanpath, ending 30.4.2018, using IFRS accounting standards

Outlook including Oceanpath

ISI's strategy of strong organic growth and acquisitions is leading to strong annual growth rates, with a focus on integration going forward

- **Current Trading (April YTD):**
 - Normalised PBT of €1.5m up 64%, in line with expectations,
 - Like for like Normalised PBT up 29%, in line with expectations**
- **Outlook for 2018:**
 - Seafood demand expected to remain strong in key markets
 - Upward price trends on some products and species
 - Global cod supply to reduce in 2018, Iceland quota up
 - Oceanpath to contribute strongly to ISI's profit growth
 - Full year Normalised PBT estimated at €5.2 - 5.8m, including 9.5 months of Oceanpath
 - Underlying Divisional Normalised PBT est. at €7.2 - 7.8m
 - Proforma full year including Oceanpath est. at €5.5 - 6.2m
- **Uncertainty:**
 - Group's results are influenced by fishing and quota changes in Iceland and the North Atlantic
 - Changes in underlying global economic conditions, currency rates, competition and consumer behaviours all generate uncertainty
- **Growth:**
 - Group continues its strategy of strong organic growth supported by smart, strategic investments in well positioned companies



- Normalised PBT represents Profits before tax before allowing for significant items and discontinued operations
- Proforma based upon 2018 outlook for ISI and estimates for Oceanpath as if it was owned for the full year



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



South European powerhouse

- Icelandic Iberica is one of the leading seafood companies in the South 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

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.

