### Iceland Seafood International hf: Solid results for the year 2021 driven by excellent performance of the S-Europe division. Normalised PBT of €12.5m up €7.5m from 2020. UK results still negatively impacted by complex integration process.

* Sales for 2021: €449.0m, up 21% from 2020 and 3.4% from 2019
* Sales for Q4 2021: €147.5m, up 45% from Q4 2020
* Net margin for 2021: €44.3m (9.9% of sales), up €14.0m from 2020
* Normalised profit before tax for 2021: €12.5m, up €7.5m from 2020
* Normalised profit before tax in Q4 2021: €4.4m, up €2.3m from Q4 2020
* Net profit for 2021: €8.8m compared to €0.8m in 2020
* Basic earnings per share (EPS) for 2021 were €0.3337 cents per thousand shares compared to €0.0306 cents per thousand shares for 2020
* Excellent results in VA S-Europe Division, driven by strong sales and margins from both Icelandic cod products and Argentinean shrimp
* Good performance of the Irish operation, sales increased by 8% on a like for like basis from 2020
* UK merger process and integration more complex and costly than anticipated, impacted by extreme external challenges. Glen Mathews starting as Managing Director at end of February
* Improved sales and profitability in the S&D division, excellent sales in all product categories out of Iceland
* Total assets of €279.4m at end of the year, increased by €37.9m from beginning of the year. Equity ratio of 32.8% compared to 31.2% at end of 2020, but still under the target ratio of 35%. Return on equity for 2021 is 10.5%.
* Disruptions and cost increases in various supply chains will negatively impact results in the short term, especially in UK. Actions have been taken to pass on cost increases but it will take time, especially with retail customers
* Outlook range for Normalised PBT €14.0-19.0m for the year 2022

Solid Group results for the year 2021, sales of €449m were 21% higher than last year and normalised PBT in the year was €12.5m, an increase of €7.5m from 2020. Excellent performance by the VA S-Europe division was the key driver for the results, with significant sales growth between years and strong margins from Icelandic cod products, Argentinean shrimp and other product categories. The S&D division also saw a significant increase in both sales and profitability, whilst results of the VA N-Europe were negatively impacted by a costly and complex integration process in the UK.

Total assets at the year-end of €279.4m were €37.9m higher than at the start of the year. The increase was driven by the acquisition of Ahumados Dominguez, which was completed at the end of September, as well as an increase in trade receivables due to higher sales. Net debt of €94.2m was €5.7m higher than the start of the year, driven by an increase in assets and the equity ratio was 32.8% compared to 31.2% at the start of the year. Cash position of €27.8m at the year end was above the optimal level. With less uncertainty the aim will be to decrease the cash position and increase the equity ratio.

Results of the VA S-Europe division were excellent during the period, with sales 44% up on last year and Normalised PBT €10.9m higher than 2020. Good market conditions both in terms of light salted cod products and Argentinean shrimp resulted in excellent sales and margins during the year. The integration after the merger of IS Spain and Icelandic Iberica (and Elba) was mostly completed in the year with positive effects on the results. All production is now in one place instead of three, reduction in overhead and admin has been fully implemented.   Full integration of logistics has taken longer than anticipated due to Covid 19. The central cold store location will be in Barcelona from now on, which will generate synergies in logistics from 2022 onwards. Previously announced synergies of €3.0 - €3.5m will be fully achieved in 2022. The addition of Ahumados Dominguez will further strengthen the division’s position in the retail market and create a platform for selling high quality cod products from Iceland under a strong consumer brand.

The Irish operation was well prepared for Brexit from the start of the year and therefore was in a better position to service local customers than suppliers from the UK. This resulted in sales growth of 8% on like for like basis. Cost increases impacted profits in Ireland, especially at the back end of the year.

The integration process after the merger of IS Barraclough and Havelok in the UK, has proven to be more complex and costly than anticipated, severely impacted by both Brexit and Covid 19. Disruptions and cost increases in various supply chains and a difficult labour market have also impacted the process. Actions were taken at back end of 2021 and the start of 2022 to strengthen the local management team. Glen Mathews, the former production director of Hilton/Icelandic Seachill will be joining the business as Managing Director from end of February 2022.

The S&D division performed well in the year, driven by strong demand for Icelandic products, especially frozen at sea and pelagic products. Divisional sales increased by 12% from the previous year and normalised PBT of €2.9m increased by €1.3m from 2020. Supply chain disruption, especially related to transportation to and from Asia, positively impacted demand for certain Icelandic products both in Europe and the USA.

Iceland Seafood’s outlook range for 2022 normalised PBT is set at €14.0m - €19.0m. Sales in the beginning of the year were impacted by the outbreak of the Omicron Covid 19 variant in key markets. With recent easing of restrictions and levels of herd immunity being reached, sales have started to pick up in the last few weeks. On the other hand, disruptions and cost increases in various supply chains and difficult labour markets will continue to negatively impact results, especially in the UK. Actions have been taken to pass on cost increases, but it takes time to get price increases through.   Iceland Seafood is in a good position to manage its operations through these challenges and take advantage of opportunities that will come up. Investments in automation and energy projects, with short payback time are being implemented, which will help increase efficiencies and deal with labour shortages.

Bjarni Ármannsson, Group CEO:
“The full year 2021 results were overall at the lower end of our expectations , but given the highly volatile and rapidly changing external environment, we are satisfied to have navigated well in turbulent waters.
Our VA-S-Europe division had exceptionally strong results and we are reaping the benefits of the merger between IS Spain and Icelandic Iberica in 2019 as well as the acquisition of Elba in early 2020.  This has created a strong entity that really shined in 2021 being a key driver for majority of the group profit generation.  Similarly, our S&D division had its best year ever resembling the group’s strong position in trading and its long-term relationship with suppliers, especially in Iceland.
In our VA-N-Europe division, UK merger of Barraclough and Havelok and the build-up of our facilities in Grimsby has proven to be more complex and costly than anticipated by group management.
We highly welcome Glen Mathews and have high expectations of him and the management team in the UK.  We believe that in the long term, we’ll be well positioned and that our investment will result in a strong market position for the future in UK retail and foodservice.
As of now, we are convinced that restrictions due to Covid-19 are being lifted, which supports our foodservice sector demand – a highly important factor to Iceland Seafood.  The challenges we generally face at this moment are significant price increases of raw materials, packaging and logistics as well as labour issues in the form of insufficient supply.  These, along with pushing price increases through onto our customers, will be a challenge in the coming months.
At the same time, we are very proud that we have throughout the pandemic continued to build up the company through organic growth as well as adding quality companies to the group.  Our investment in Ahumados Dominguez at the end of Q3 last year was a milestone in having a premium brand in Spain, our key market in smoked salmon products, one of our key categories.
Our consequent investment in branding campaigns shows our seriousness and strong intention in investing in our brands and in our consumers share of mind.
Those investments, along with investments in automation in our processing units are a unique opportunity for us to be more efficient with the objective of increasing our sales and profitability.  Those investments along with our increased focus in ESG matters – and related investments in for example power generation both in Ireland and Spain are important projects for 2022.  All this helps to increase profitability, address labour shortages as well as reduce our carbon footprint.
Last year we saw our top line grow to €449m – a 21% increase. Our profitability rises to PBT of €12.5m.  Our balance sheet is very strong giving us opportunities to continue to invest and fulfil our strategy. Q4 was acceptable with PBT of €4.4m up from €2.1m in 2020.
Finally, I’d like to express my gratitude to all employees of Iceland Seafood, I’m very proud of all the people who every day serve our customers and are the representation of our brand to the world.  You are the bedrock for our future.  Similarly, we are very grateful to our shareholders for their continued backing and to our suppliers and customers – the alfa and omega of our existence.
Looking towards 2022 we are mindful of current challenges, but see good opportunities in the market . ”

**Electronic investor meeting**

Today at 4.15pm GMT, Iceland Seafood will host a meeting for investors and market participants, where management will present and discuss the 2021 results.

The meeting will be held at the company’s premises at Köllunarklettsvegur 2 and also be webcasted live in Icelandic on   [https://vimeo.com/event/1846481/embed/c1e963e15f](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.globenewswire.com%2FTracker%3Fdata%3DbvFP3AoZAJSyrhQAiivoXMkoE0nnhf0BxUd-HmdX6_hE-aUQlYniLyZKdJ9_Fyke1eWG1E1D9WI1IEgbWZjNmxir-X6-b62rmrIGmh3fU_bqMrdoZfLjB2HR0saw57IXt5eumzKFaNhsh3gus8wIEUcu3yinX6svz2zFPwE3L2FvosEp_OclvmmEGhzQM5p8gUzV7AstNQhU-4-bwUt76rSBWllnjB5WnE7wFn1eeUap19VsfTcyJHN2fzkjqYG4UZJbfbn6ifvCBTkyfP-jG_8Ht94xWFkr2nhHYXEzJEiyBEnq8FJjkxWdZHO9NVYYu6V4fT6m43GAwv2831HzhLHmga_EUfEHkdK5kY_qEf7B4Snow1fDpV0sZrfFhrEDPSd0Qlaip0dFnr0-JE_NqK5ADlUVg174zogZm5lCy2NXkE3KZlhpioe4Swdrx7gl-OaHPd02LfP3ybGTj71N2LMZaTSdPIIqSYGE9E8RgLqgJHhnrzO8GGaxiAXWRXOyvb73LaER0-qW0SrkEfXTi4Tgw7sPcjFOo1oQYH31l-vJAZspVijV3tbjFjZQ4y5A_t6FI5NF4lKE-6TD7htRqLI0zl4HPbU3C7c4S4jl71z1w0iT3RpPApWTBS1lTf0GHHnO3MokjY4hmpZu4ojpzw%3D%3D&data=04%7C01%7Ckarl%40icelandseafood.com%7C8e4b74d0e1c74f0bb8c708d9f619ef36%7C3e16a088bae34be2956665feaab59de7%7C0%7C0%7C637811413524225296%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000&sdata=dClxuHrc8pfJEdZoxFAWh0%2BIksTijJWAjEKbvG6hD6k%3D&reserved=0) and recording will be available after the meeting on [www.icelandseafood.com/investors](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.globenewswire.com%2FTracker%3Fdata%3DKJk5LNpamrcvadEYYpaR85FXphq6KOKkWRfAIXr0e_Sw-trMcDvBHq3gcaATI-nqZg0QpCu_2PPqvXeN-mH-n-2T3hrBX-H_KuYHocirHNnBiHXzoEIXwuUdtRj-CGBT&data=04%7C01%7Ckarl%40icelandseafood.com%7C8e4b74d0e1c74f0bb8c708d9f619ef36%7C3e16a088bae34be2956665feaab59de7%7C0%7C0%7C637811413524225296%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000&sdata=1t88JlkELA6rl66B9ZE4KjvW7eoMVrkqqDv0TvC2EG8%3D&reserved=0)

Participants to the meeting can send questions in writing prior and during the meeting to the email [investors@icelandseafood.com](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.globenewswire.com%2FTracker%3Fdata%3DOW-qxmrIYZjxKmK3LWU1nQXYiZmeAw2X5XwomcV2sbMBx9fpTuXOP2yxAc6RKVAFM0cMSgeN55ZaHZhrd_f3V-BDMSL4hW0b8pVQmpSGzL-zNMopc6jIifKEeQqxBMsWdP6XyBuEx-2K5TiEBI04lvcJ8-LNv05ZVsi1As7EUOgcXBp6DlHrbQgBH8ohzpi4KktDvcm1j5hj8YxHPfXupRe722fXneQj7VBmS5DupJO54w5JB9vbIoRabg3nGdqi3IUWIAeVHTWD8ls7l-NdnFeo_VrA2mBPsiMiNYQil0OB0L_STWTWM3GMH5UZqDx10ikpv2Wz_CvCoFe0QyDBb2g7ccAn6wgxF4jQPKc0QuNXXTqBmye6FtIZonhF6XoE7rCARwe2XWFWB1E8DxodAkXj5Dzy5x-hmdSOMeKkNjTCHQgMu4dal1BBpAJYVXNYTNOXkZHfwqdx9R9BrcrKujTDvW03ugj4ZTzdNnFyaGV6YlMR75dZ58oDTuFGSDqZRLXZKM3FjKqTJr8S9KQFLg%3D%3D&data=04%7C01%7Ckarl%40icelandseafood.com%7C8e4b74d0e1c74f0bb8c708d9f619ef36%7C3e16a088bae34be2956665feaab59de7%7C0%7C0%7C637811413524225296%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000&sdata=QV0Cx%2FiSF72L7ioJO8jY0BMBBWL1F8knK7TDlRinKtQ%3D&reserved=0).

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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://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.globenewswire.com%2FTracker%3Fdata%3DbvFP3AoZAJSyrhQAiivoXHEmJOb9LL5Wd1KLraAoNzqEnZVrS_6v2UoPtHKZB4UoBR8oFfK75DImhXAvU3zKbtXrX-i528nx3WK7t6eumYgd7329GNiYf5OX1SzI2snxwOn8SAbBugSpnfP43BA6-a49KHNhiPHJjI7_MnpgtthJQEhjTpyo-eHrVWNzO9h2zvmZZb3XazXYsRVpttNtxDfCt5hVIsbb1EpYoAdOhDL1TSoF1wpRyKkrnY2kUkFzknPgxxKQZ8SJsRJp4rjvGPiTCIQeJAUr6f3X7n1F4Bi9uXwbFI2O7TXJA08T70mzylnxV7vzGOw7hnpNIbBH8BWMVL_OfWHn_Ms4uMP9G9fnPxNDE-OPNfL2OhzCfrnUCbsKcx5b_0ArbbFOkOehaurrZRvQ5c2WlkOeuvyzwK5S_oFrMrncBC0WuLk-yH0moOAlQRDYgxfCcg7VieL1pZI0_Phz2cbkQWvEaTZwcmIdiOhTuZBBSQclic11HLYx6TaH9WDNvpuWuE8DMV_0YzfLWYAfDZE8x1SuCIyBx-71qHL23gprItZl6yMFMLxzkx1sw3Rl4El9w22v1Ynz96YFMo3LmGNrqzHVGmdnrLjWu0qNRMNk_dQgXwMRlNCc&data=04%7C01%7Ckarl%40icelandseafood.com%7C8e4b74d0e1c74f0bb8c708d9f619ef36%7C3e16a088bae34be2956665feaab59de7%7C0%7C0%7C637811413524225296%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000&sdata=pLD%2Fzflbgjm03IyREbEQmNIckzLPTQPbPHzKaYhXSPA%3D&reserved=0)

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