



Austevoll Seafood ASA

# Q2 2017 Financial presentation

Arne Møgster – CEO

Britt Kathrine Drivenes – CFO

# Highlights

All figures in NOK 1,000	Q2 2017	Q2 2016	H1 2017	H1 2016	2016
Revenue	5 019 195	4 558 229	11 094 149	8 970 468	18 911 523
EBITDA	1 322 119	984 919	2 877 464	1 870 663	3 880 831
EBIT*	1 089 974	789 594	2 420 857	1 485 585	2 912 911
Pre-tax profit*	1 104 096	810 297	2 505 113	1 533 977	3 085 193
EPS (NOK)*	2,09	1,46	5,03	2,89	5,05
Total assets	35 150 568	28 039 359	35 150 568	28 039 359	35 001 403
Net interesting bearing debt	5 169 271	1 911 029	5 169 271	1 911 029	5 492 880
Equity ratio	54 %	57 %	54 %	57 %	52 %
<b>Group EBITDA incl. 50% of Pelagia</b>	<b>1 368 967</b>	<b>1 045 043</b>	<b>3 005 933</b>	<b>1 994 152</b>	<b>4 194 929</b>
<i>EBITDA Salmon/whitefish</i>	<i>947 686</i>	<i>875 633</i>	<i>2 371 150</i>	<i>1 572 988</i>	<i>3 355 089</i>
<i>EBITDA Pelagic incl. proportional Pelagia</i>	<i>421 282</i>	<i>169 409</i>	<i>634 783</i>	<i>421 164</i>	<i>839 840</i>

\* Before FV adjustment biomass

Austevoll Seafood ASA issued a new unsecured bond in June.

- MNOK 500
- 6 years duration
- 3 months NIBOR + 2,35%

# Operation overview

	PERU	CHILE	NORTH ATLANTIC	AUSTEVOLL SEAFOOD GROUP
PELAGIC FISHING	7% of anchovy quota centre-north 20 fishing vessels	9.1% of pelagic fishing quota 3 fishing vessels	5 fishing vessels	400,000 - 500,000 MT of pelagic fish caught annually (28 vessels)
PELAGIC PROCESSING	7 processing plants	4 processing plants	25 processing plants*	36 processing plants Intake of 1.6 - 1.9 mill MT of fish annually
WHITE FISH			11% whitefish quota (NO) <ul style="list-style-type: none"> <li>• 9 fishing vessels</li> <li>• 1 New build (2018)</li> <li>• 10 Processing plants</li> </ul>	100,000-120,000 MT of whitefish (9 vessels) 10 processing plants
SALMON			Norway: 153 salmon licenses <ul style="list-style-type: none"> <li>• incl. salmon operation UK*</li> </ul>	180,000 - 190,000 MT of salmon
SALES	Integrated sales organisation	Integrated sales organisation	Integrated sales organisation	Wholesale with global sales & distribution

\* Associated companies

# Pelagic

Austral Group S.A.A

Foodcorp Chile S.A

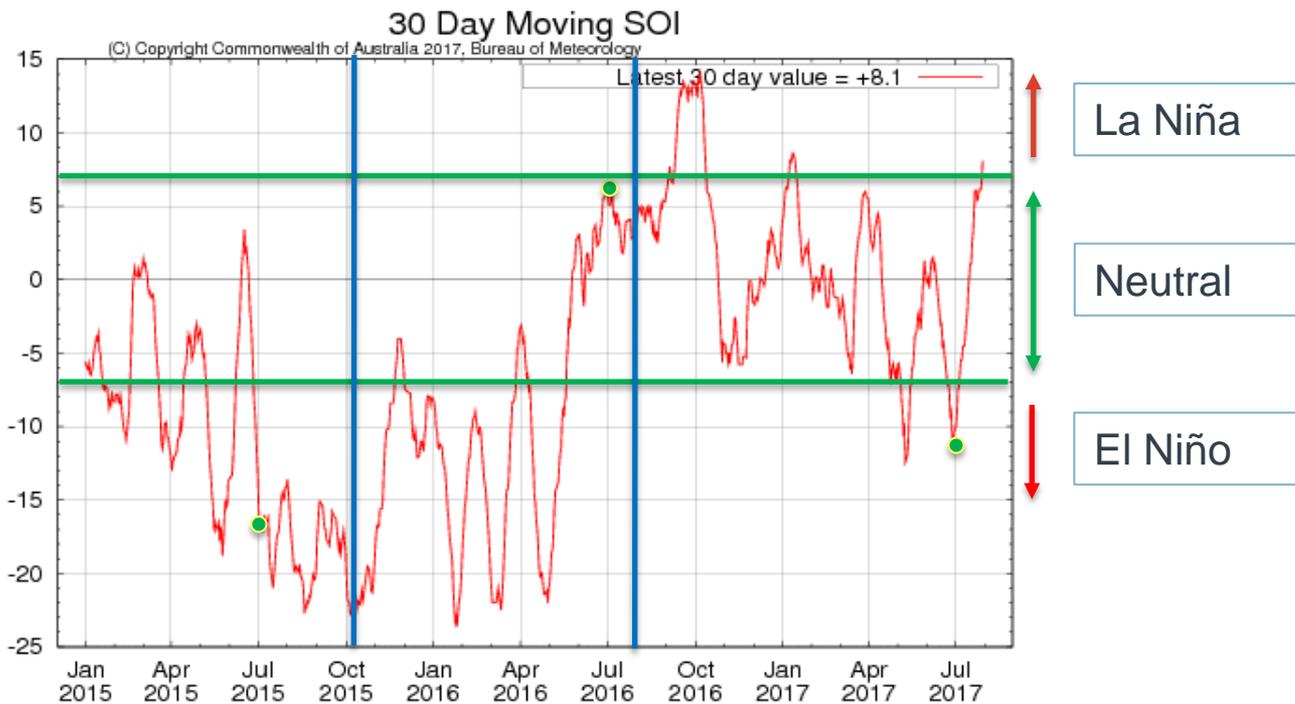
Br. Birkeland AS

Pelagia AS (associated)



# Operation in Peru

## Southern Oscillation Index

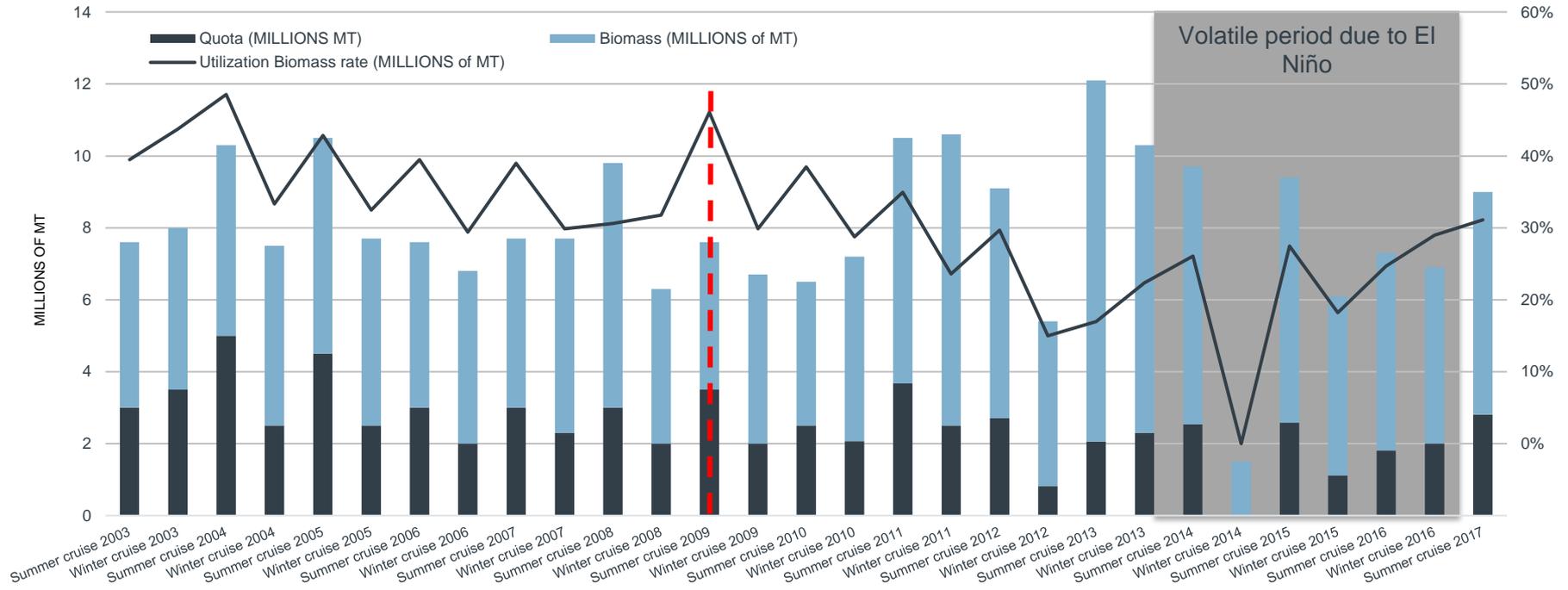


- Indicator of El Niño (<-7) and La Niña (>+7)
- Increase in salinity levels kept all from completing quota set by Government. It affected intermittently during whole season, to finally settle at a high level towards the end of June
- As a result biomass concentrated around north zone (Chicama) and benefited plants in that zone
- In July the biomass was concentrated in restricted and low depth zones difficult for large industrial boats to operate resulting in the failure of the sector to complete the quota (85%)

Source: Australian Government Bureau of Meteorology

# Biomass and quota evolution

## Peruvian Anchoveta



- Highest first season since 2011. Combined with 2<sup>nd</sup> season 2016 suggests a return to more normal quota levels around 4.5 ~ 5 million MT (subject to IMARPE cruise).

# Operation in Peru

Austral Group S.A.A

Volume '000 MT	Q2 2017	Q2 2016	H1 2017	H1 2016	2017 E	2016
<b>Own catch:</b>						
Anchoveta	154	34	202	52	350	190
Mackerel	-	-	9	-	15	12
<b>Purchase:</b>						
Anchoveta	63	19	72	38	117	76
Mackerel	-	-	1	-	4	-
<b>Total ('000 MT)</b>	<b>217</b>	<b>53</b>	<b>284</b>	<b>90</b>	<b>486</b>	<b>278</b>

## Centre/North 1<sup>st</sup> season update

- Quota set at 2.8 million MT vs. 1.8 million MT 1<sup>st</sup> season 2016
- The season ended on July 31<sup>st</sup> with 2.4 million MT caught vs. 0.9 million MT 1<sup>st</sup> season 2016
- Austral caught 160,263 MT (83% of quota) vs. 67,270 MT (55% of quota) in same season 2016
- Third parties purchase 53,000 MT (2.2%) vs. 17,000 MT (1.9%) in 2016
- Total fishmeal yield 23.6% and total fish oil yield 2.6% vs. 24.3% & 2.9%
- Super prime/Prime 83% vs. 79% in 2016
- Production sold Q2 & Q3

## South

- Quota for 2<sup>nd</sup> season set at 515,000 MT

# Operation in Chile

## Foodcorp Chile S.A

Volume '000 MT	Q2 2017	Q2 2016	H1 2017	H1 2016	2017 E	2016
<b>Own catch:</b>						
Mackerel and other species	17	14	25	21	40	27
<b>Purchase:</b>						
Sardine/anchovy	12	4	36	9	44	18
Giant squid/mackerel	8	9	13	18	16	21
Total ('000 MT)	<b>37</b>	<b>27</b>	<b>74</b>	<b>48</b>	<b>100</b>	<b>66</b>

### Jack mackerel:

- Foodcorp quota for 2017 21,650 MT vs. 20,240 MT in 2016
- Main season started in March
- Purchased 18,000 tonnes of quota from 3<sup>rd</sup> party
- Main markets in Africa for frozen products are recovering

### Anchovy/sardine:

- Season 2017 started in March
- Good quality of fish (good size & high fat content)
- Small increase in quota

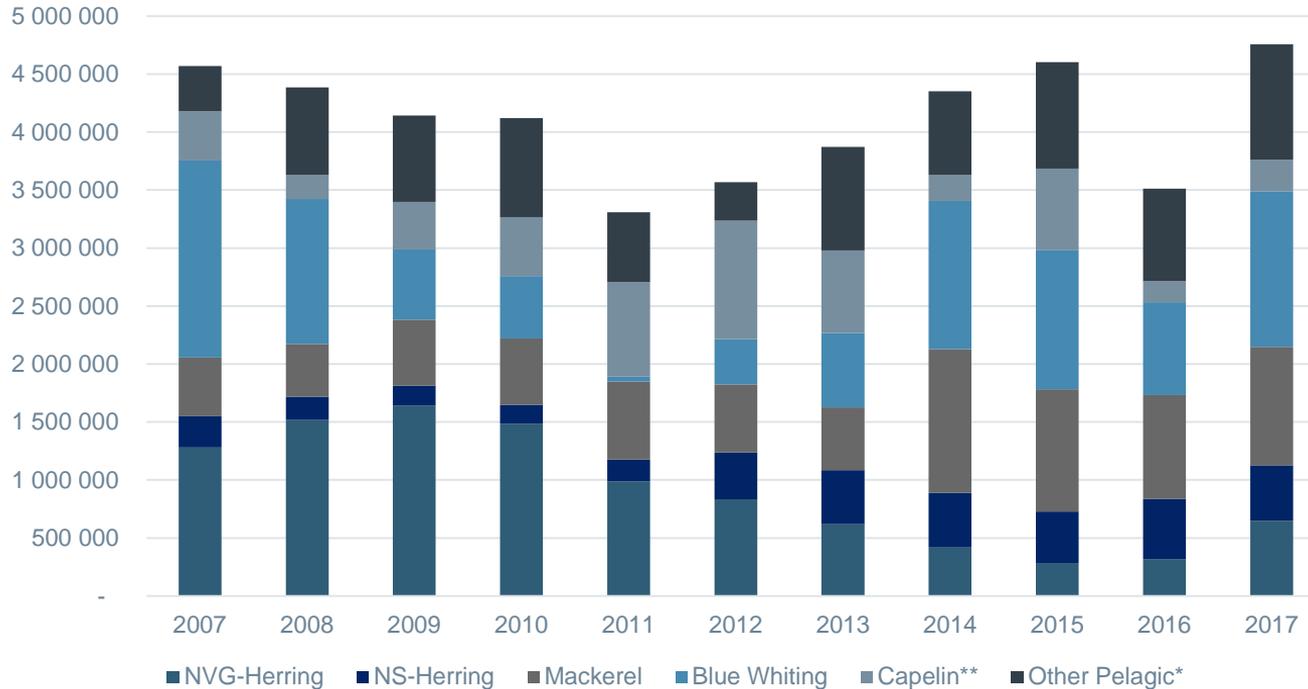
### Giant squid:

- Purchases from artisanal and industrial vessels
- Low catches from artisanals year to date, due to weather conditions
- Good demand and price

**Focus remains in securing raw material from third parties**

# North Atlantic pelagic quotas

(2007-2017)



\* Horse Mackerel, Sand Eel, Norway Pout, Boar \*\* Capelin from both the Barents Sea and Iceland

## Key drivers in 2017

- Increased quota for :
  - Sand eel
  - Icelandic capelin
  - Blue whiting
  - NVG herring
  - Mackerel
- Highest pelagic quota allocated in 10 years

Source:  
Norges Sildesalgslag  
Havforskningsinstituttet

# Pelagia AS

## Fishmeal and fish oil (FMO)

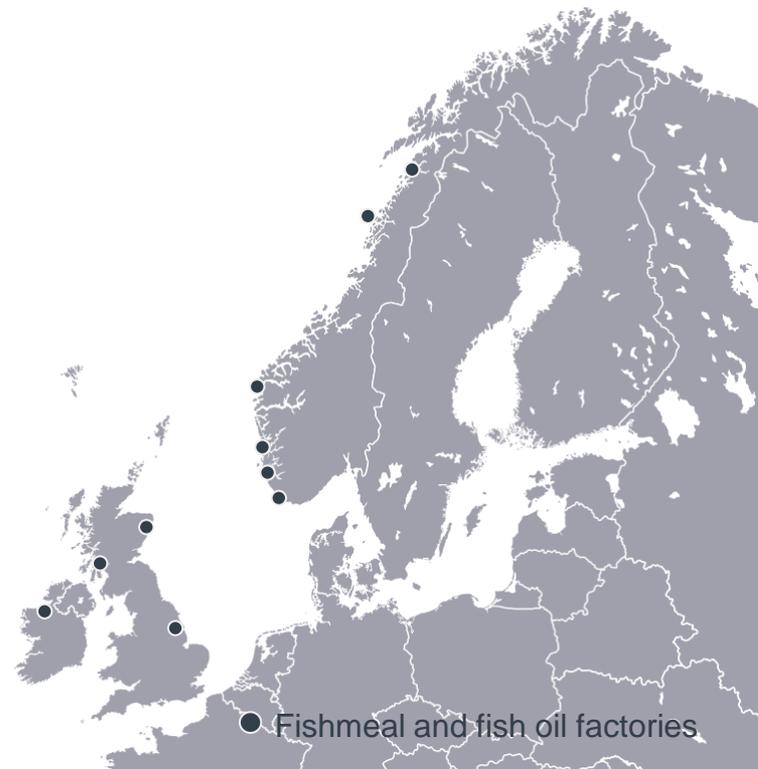
Norway, UK and Ireland ('000 MT)	Q2 2017	Q2 2016	H1 2017	H1 2016	2017 E	2016
----------------------------------	---------	---------	---------	---------	--------	------

### Raw Material:

Fishmeal and fish oil	245	150	480	361	665	575
Protein concentrate/oil	91	60	152	144	265	264
<b>Total ('000 MT)</b>	<b>336</b>	<b>210</b>	<b>632</b>	<b>505</b>	<b>930</b>	<b>839</b>

All volume based on 100%

- Raw material volumes higher than Q2 2016 with more blue whiting and sand eel
  - Quota of Norwegian sand eel ended at 120,000 tonnes vs. 50,000 tonnes in 2016. All fished by early June due to good catches
- Further decrease in prices for both fishmeal and fish oil during Q2



# Pelagia AS

## Direct Human Consumption

Volume ('000 MT)	Q2 2017	Q2 2016	H1 2017	H1 2016	2017E	2016
Raw material intake	47	51	152	155	405	330

- Quantities of raw material for Q2 slightly less than same quarter last year
- Good season of North sea herring both in production and sales
- Slow start of summer mackerel
- Stock situation acceptable



# Pelagia AS

In June Pelagia signed an agreement with FMC to acquire the Epax® Omega-3 business. The transaction was completed 1<sup>st</sup> August 2017

- The main factory and management are located in Ålesund, Norway
- Epax products are noted by customers for purity, stability and traceability
- Pelagia plan to use the competence in Epax to increase the value of it's production of fish oil from North Atlantic by introducing these oils to human consumption additional to feed purpose.
- Epax is a mix of opportunities and challenges
  - existing Omega 3 business are under significant global margin pressure



# Pelagia AS (100% figures)

(MNOK)	Q2 2017	Q2 2016	H1 2017	H1 2016	2016
Revenue	1 192,3	1 065,8	2 564,4	2 330,8	5 758,4
EBITDA	93,7	120,2	256,9	247,0	628,2
EBIT	49,2	79,8	183,9	166,6	464,2
Sales volumes (tonnes):					
Frozen	46 300	40 400	111 300	120 800	264 600
FM/FPC/Oil	49 000	38 600	81 800	64 000	155 700

- High activity for production of fishmeal and oil
- Seasonal lower activity for production of human consumption products
- Increased quotas in the North Atlantic for 2017
- Russian market remains closed
- Pressure on margins for finished products

Associated company, AUSS share = 50%

# Br. Birkeland AS

Salmon	Q2 2017	Q2 2016	H1 2017	H1 2016	2017E	2016
Harvest volume (GWT)	3,685	2,341	4,802	4,059	7,800	8,093
EBIT (NOK/kg)	27,9	31,9	27,1	29,2		26,9

## Salmon:

- Substantially higher harvest volume vs. same quarter 2016
  - Strong prices for salmon in the quarter
  - Lower average weight due to biological challenges

## Fishing:

- The pelagic vessels have been fishing blue whiting and North Sea herring in the quarter, lower prices compared to 2016
- Snow crab fishing severely hampered by ice condition in the Barents sea for most of April to June 2017:
  - 257 MT in Q2 2017 vs. 410 MT in Q2 2016

## 7 salmon farming licenses in Norway

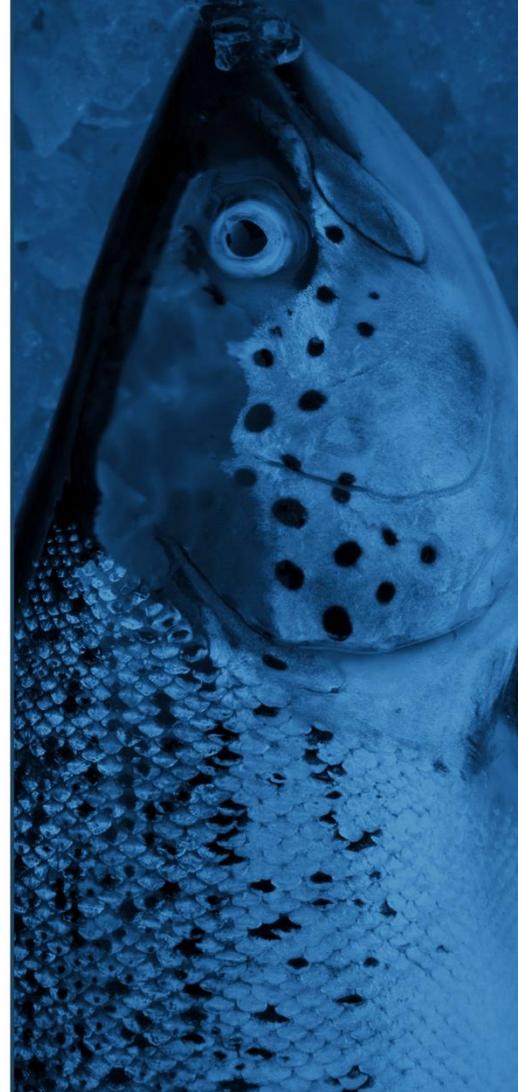


## 5 fishing vessels operating in Norway



# Salmon

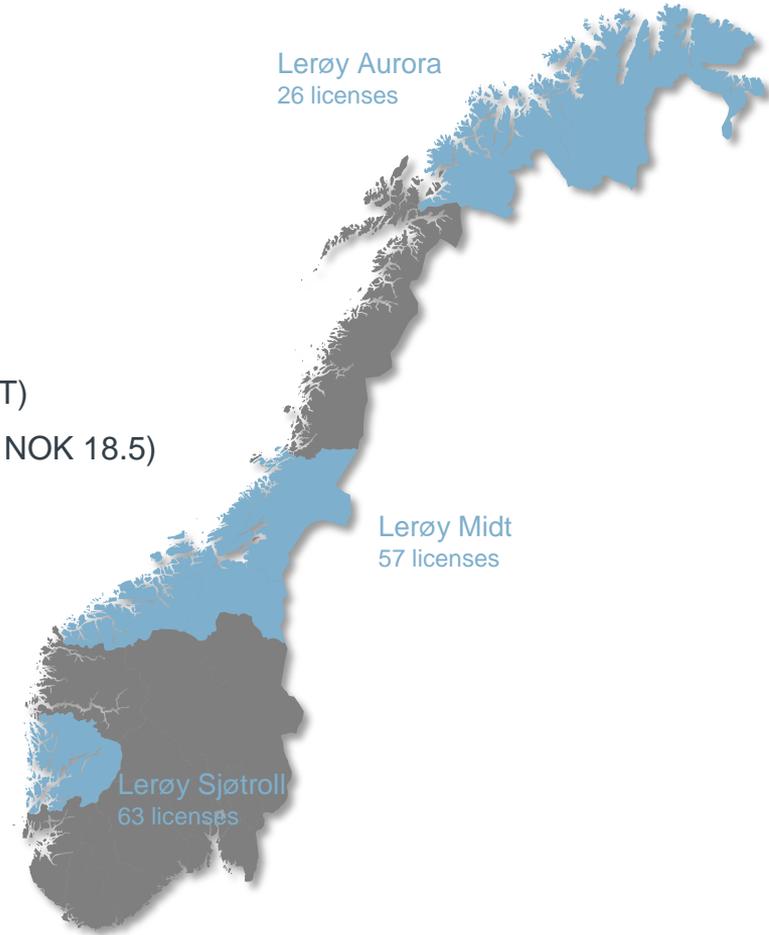
*Lerøy Seafood Group ASA*



# Lerøy Seafood Group ASA

## Q2 2017

- EBIT before FV adj. NOK 801 million (Q2/16: NOK 760 million)
  - Havfisk & LNWS EBIT NOK 86 million
- Harvest volume salmon and trout 26,156 GWT (Q2/16: 41,132 GWT)
- EBIT/kg all incl. (excl. EBIT Havfisk & LNWS) of NOK 27.3 (Q2/16: NOK 18.5)
- Contract share of 45% (Q2/16: 31%)
- NIBD NOK 3,190 million at end of Q2/17 (Q2/16: NOK -7)
  
- Harvest guidance 2017
  - Salmon and trout 160,000 GWT



\* Before biomass adjustment

# Lerøy Seafood Group ASA

## Salmon/trout farming

	Licences	Smolt cap.	2011 GWT	2012 GWT	2013 GWT	2014 GWT	2015 GWT	2016 GWT	2017E GWT
Lerøy Aurora AS*	26	11,5	18 100	20 000	24 200	26 800	29 200	30 000	39 000
Lerøy Midt AS	57	22,0	62 300	61 900	58 900	68 300	71 400	52 200	64 000
Lerøy Sjøtroll	63	22,6	56 200	71 600	61 700	63 200	57 100	68 000	57 000
<b>Total Norway</b>	<b>146</b>	<b>56,1</b>	<b>136 600</b>	<b>153 400</b>	<b>144 800</b>	<b>158 300</b>	<b>157 700</b>	<b>150 200</b>	<b>160 000</b>
Villa Organic AS**						6 000			
Norskott Havbruk (UK)***			10 900	13 600	13 400	13 800	13 500	14 000	15 000
<b>Total</b>			<b>147 500</b>	<b>167 100</b>	<b>158 200</b>	<b>178 100</b>	<b>171 200</b>	<b>164 200</b>	<b>175 000</b>

\*) Included harvested volume from Villa Organic after split July 2014

\*\*) LSG's share of Villa Organic's volume in H1 2014, not consolidated

\*\*\*) LSG's share, not consolidated

# Lerøy Seafood Group ASA (Wild catch)

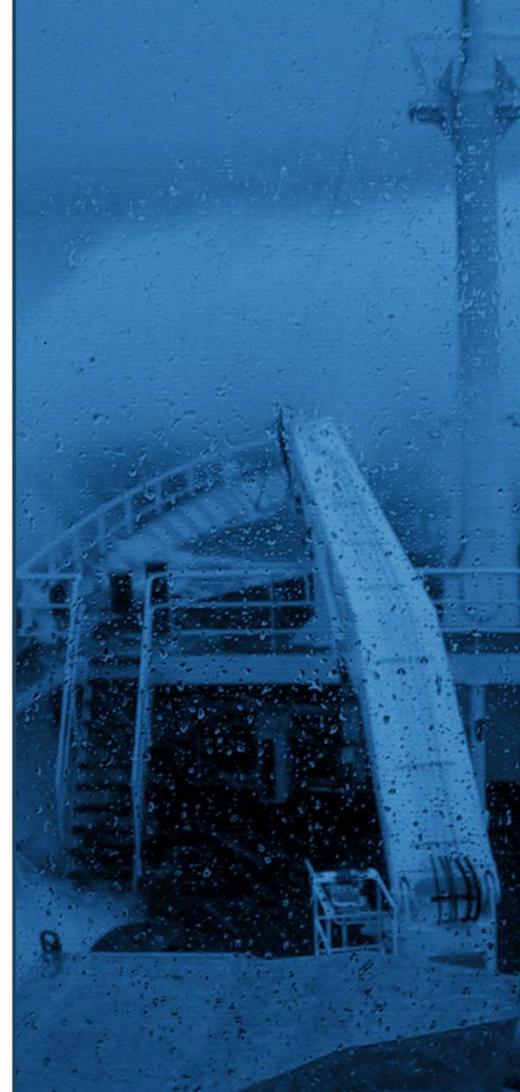
## Strong start of 2017

- Catch volume based on annual quotas, time of catch may vary from year to year
  - Catch volume 16,769 MT in Q2/17 down from 17,020 MT in Q2/16
  - High share of saithe (39% of catch Q2/17 vs. 11% of catch in Q2/16)
  - Compared to Q2/16. Positive price development for cod (up 9% y-o-y) and haddock (up 30% y-o-y). Saithe prices down 28% y-o-y
- Remaining quota for 2017 about 25,000 MT, same level as end Q2/16
- Government proposals on changes in shore-based production obligations withdrawn by the Minister of Fisheries



# Financials

Q2 2017



# Catch, purchase and farming (100% volumes)

Figures in 1,000 tonnes	Q2 2017	Q2 2016	H1 2017	H1 2016	2017 E	2016
<b>Group companies:</b>						
Norway (whitefish)	17	17	37	33	63	64
Norway (pelagic)	9	3	24	20	40	32
Chile own catch	17	14	25	21	40	27
Chile purchase	20	13	49	27	60	39
Peru own catch	154	34	211	52	365	202
Peru purchase	63	19	72	38	121	76
<b>Total Group companies</b>	<b>279</b>	<b>100</b>	<b>418</b>	<b>192</b>	<b>689</b>	<b>440</b>
<b>Joint ventures:</b>						
Europe purchase (HC)	47	51	152	155	405	330
Europe purchase (FM/FPC/Oil)	337	211	632	505	930	839
<b>Total Joint venture:</b>	<b>383</b>	<b>261</b>	<b>784</b>	<b>660</b>	<b>1 335</b>	<b>1 169</b>
<b>TOTAL GROUP</b>	<b>663</b>	<b>361</b>	<b>1 202</b>	<b>852</b>	<b>2 024</b>	<b>1 609</b>
<b>Salmon/Trout (GWT)*</b>	<b>30,4</b>	<b>44,7</b>	<b>76,6</b>	<b>86,4</b>	<b>175,0</b>	<b>164,2</b>

\* incl. 50% of the Scottish Sea Farms volumes

# Key financial figures

(NOK 1,000)	Q2 2017	Q2 2016	Δ%
Revenue	5 019 195	4 558 229	10,1 %
<b>EBITDA</b>	<b>1 322 119</b>	<b>984 919</b>	<b>34,2 %</b>
Depreciation/Impairment	232 145	195 325	
<b>EBIT*</b>	<b>1 089 974</b>	<b>789 594</b>	<b>38,0 %</b>
Income from associates*	105 560	70 111	
Net finance	-91 438	-49 408	
<b>Pre-tax*</b>	<b>1 104 096</b>	<b>810 297</b>	<b>36,3 %</b>
Net profit	1 398 235	504 159	
EPS (NOK)	3,52	1,09	
EPS (NOK)*	2,09	1,46	

	Q2 2017 **	Q2 2016 **	Δ%
	5 615 337	5 091 140	10,3 %
	<b>1 368 966</b>	<b>1 045 042</b>	<b>31,0 %</b>
	254 405	215 540	
	<b>1 114 561</b>	<b>829 502</b>	<b>34,4 %</b>

\* Before biomass adjustment

\*\* AUSS incl. proportional 50% of Pelagia AS

	Q2 2017	Q2 2016
Biomass adj group company	702 362	-150 187
Biomass adj group associated companies	10 369	-1 018

# Key financial figures

(NOK 1,000)	H1 2017	H1 2016	Δ%
Revenue	11 094 149	8 970 468	23,7 %
<b>EBITDA</b>	<b>2 877 464</b>	<b>1 870 663</b>	53,8 %
Depreciation/Impairment	456 607	385 078	
<b>EBIT*</b>	<b>2 420 857</b>	<b>1 485 585</b>	<b>63,0 %</b>
Income from associates*	220 100	146 292	
Net finance	-135 844	-97 900	
<b>Pre-tax*</b>	<b>2 505 113</b>	<b>1 533 977</b>	<b>63,3 %</b>
Net profit	1 741 605	1 196 813	
EPS (NOK)	4,54	2,92	
EPS (NOK)*	5,03	2,89	

	H1 2017 **	H1 2016 **	Δ%
	12 376 372	10 135 844	22,1 %
	<b>3 005 933</b>	<b>1 994 151</b>	<b>50,7 %</b>
	493 107	425 268	
	<b>2 512 826</b>	<b>1 568 883</b>	<b>60,2 %</b>

\* Before biomass adjustment

\*\* AUSS incl. proportional 50% of Pelagia AS

	H1 2017	H1 2016
Biomass adj group company	-318 864	13 641
Biomass adj group associated companies	46 238	19 170

# Lerøy Seafood Group ASA

(MNOK)	Q2 2017	Q2 2016	H1 2017	H1 2016	2016
Revenue	4 232,4	4 261,9	9 692,0	8 077,6	17 269,7
EBITDA	947,7	875,6	2 371,2	1 573,0	3 355,1
EBIT*	800,7	760,4	2 078,1	1 344,9	2 843,5
Harvested volume (GWT)	<b>26 156</b>	<b>41 132</b>	<b>69 463</b>	<b>79 295</b>	<b>150 182</b>
EBIT/kg* ex. Havfisk (NOK)	27,3	18,5	26,4	17,0	18,9
Havfisk catch volume (MT)	<b>16 769</b>	N/A	<b>37 355</b>	N/A	63 764**
EBIT Havfisk (MNOK)	86,1	N/A	244,3	N/A	89,0

\* before biomass adj.

\*\* Catch volume full year 2016

- Spot prices above last year
  - NSI Q2/17 NOK 67.7 vs. NOK 64.2 in Q2/16 (+5%)
  - Up NOK 1.6/kg q-o-q, and up NOK 3.5/kg y-o-y
- Positive development in trout price
  - 2014, 2015 and 2016 with severe loss on price achievement relative to salmon, post Russian import ban imposed 7 August 2014
- High contract share, and contract prices well below spot prices
  - Contract share of 45%
- Cost increase from Q1/17
  - Cost related to prevention for sea lice and treatment remains substantial
- Biomass at sea
  - End Q2/17 at 96,258 MT vs. 81,700 MT end Q2/16 (+18%)

NIBD Q2/17 MNOK 3,190 vs. Q2/16 MNOK - 7

# Austral Group S.A.A

(MNOK)	Q2 2017	Q2 2016	H1 2017	H1 2016	2016
Revenue	489,3	55,0	923,3	476,8	1 020,5
EBITDA	181,1	-28,1	268,6	49,7	140,1
EBIT	134,0	-70,1	175,5	-30,5	-8,8
<b>Rawmaterial intake (tonnes):</b>	<b>216 909</b>	<b>53 381</b>	<b>284 139</b>	<b>90 194</b>	<b>278 266</b>
<b>Sales volumes:</b>					
Fishmeal (tonnes)	30 905	1 363	61 275	27 074	56 358
Fish oil (tonnes)	4 187	989	6 375	2 993	5 767
Frozen/fresh (tonnes)	5 012	27	8 136	72	7 788

- Seasonal high activity in the quarter
- 80% of the quota for first season were caught by end June
- 58% of the production of fishmeal from 1<sup>st</sup> season 2017 were sold in the quarter vs. zero in same quarter 2016
- Lower prices in Q2/17 vs. Q2/16
- Inventory by end June 2017
  - Fishmeal 20,467 MT (June 2016: 9,959)
  - Fish oil 5,037 MT (June 2016: 1,403)

NIBD Q2/17 MNOK 923 vs. Q2/16 MNOK 909

# Foodcorp Chile S.A

(MNOK)	Q2 2017	Q2 2016	H1 2017	H1 2016	2016
Revenue	162,9	151,0	260,9	254,6	425,3
EBITDA	71,0	21,7	80,9	41,2	31,1
EBIT	61,4	5,6	62,1	8,0	-187,0
<b>Rawmaterial intake:</b>	<b>36 443</b>	<b>26 544</b>	<b>73 796</b>	<b>47 988</b>	<b>66 438</b>
<b>Sales volumes:</b>					
Fishmeal (tonnes)	3 381	4 622	5 853	7 498	11 015
Fish oil (tonnes)	1 831	968	2 671	1 653	2 204
Frozen (tonnes)	9 432	6 727	13 699	10 651	21 869

- Good activity in the quarter
  - Purchased 18,000 tonnes of horse mackerel from 3rd party (to be caught by Foodcorp's vessels)
- The market for frozen horse mackerel improved during 2017
- The coastal fleet started their sardine/anchoveta season in March. Good availability of fish in Q2 vs. Q2 2016
- Lower intake of giant squid in the quarter vs. same quarter 2016

NIBD Q2/17 MNOK 36 vs. Q2/16 MNOK 91

# Br. Birkeland AS

(MNOK)	Q2 2017	Q2 2016	H1 2017	H1 2016	2016
Revenue	304,7	210,4	428,5	388,9	789,7
EBITDA	117,9	104,6	148,4	191,4	344,5
EBIT*	94,5	87,9	106,9	158,5	277,3

\* before biomass adj.

## Salmon Q2

- Harvested volume (GWT):
  - Q2/17 3,685 MT vs. Q2/16 2,341 MT (+ 57%)
- EBIT/kg:
  - Q2/17 NOK 27.9 vs. Q2/16 NOK 31.9 (- 13%)
    - Strong prices
    - Lower average weight due to biological challenges

## Pelagic Q2

- Seasonal lower activity
  - Blue whiting and herring
  - Lower price achievement for blue whiting and herring vs. 2016
- Substantially lower snow crab catches in the quarter compared to same quarter 2016
  - 257 tonnes vs. 410 tonnes

NIBD Q2/17 MNOK 317 vs. Q2/16 MNOK 296

# Statement of financial position (Group)

(NOK 1,000)	30.06.2017	30.06.2016	31.12.2016
Intangible assets	11 726 665	8 049 524	11 746 906
Tangible fixed assets	6 957 218	5 490 220	6 691 064
Financial non-current assets	2 059 590	1 771 956	1 864 664
<b>Total non-current assets</b>	<b>20 743 473</b>	<b>15 311 700</b>	<b>20 302 634</b>
Biological assets at cost	3 633 412	3 140 393	3 893 963
Fair value adjustment biomass	2 356 130	1 067 439	2 861 168
Other inventory	1 351 346	822 519	1 123 550
Receivables	3 018 686	2 718 501	3 074 700
Cash and cash equivalents	4 047 521	4 978 807	3 745 388
<b>Total current assets</b>	<b>14 407 095</b>	<b>12 727 659</b>	<b>14 698 769</b>
<b>Total assets</b>	<b>35 150 568</b>	<b>28 039 359</b>	<b>35 001 403</b>
<b>NIBD</b>	<b>5 169 271</b>	<b>1 911 029</b>	<b>5 492 880</b>
<b>Equity</b>	<b>19 053 074</b>	<b>16 004 776</b>	<b>18 212 820</b>
<b>Equity ratio</b>	<b>54 %</b>	<b>57 %</b>	<b>52 %</b>

USD/NOK:

- 30.06.2017: 8.39
- 30.06.2016 8.38
- 31.12.2016: 8.62

Strong financial position, equity ratio at 54%

Austevoll Seafood ASA issued a new unsecured bond in June. MNOK 500 with 6 years duration at 3 months NIBOR + 2,35%.

Havfisk and Lerøy Norway Seafoods Group consolidated from September 1<sup>st</sup> 2016, and not included in the consolidated balance sheet by 30.06.2016

Pelagia AS is an associated company which is included in the line *Financial non-current assets* of the Group balance sheet

- As such the Group balance sheet does not include proportional consolidation of Pelagia (50%)

# Cash flow

(NOK 1,000)	Q2 2017	Q2 2016	H1 2017	H1 2016	2016 (audited)
Pre tax profit	1 816 826	659 092	2 232 487	1 566 788	4 682 581
Biomass adjustment	-702 362	150 187	318 864	-13 641	-1 549 449
Paid tax	-351 591	-36 419	-567 323	-216 935	-249 323
Depreciaton and impairments	232 145	195 325	456 607	385 077	967 920
Associated companies	-115 929	-69 093	-266 338	-165 462	-459 498
Interest (net)	68 268	58 381	142 747	118 568	251 644
Working capital	-678 014	75 039	-316 332	147 973	-394 790
<b>Cash from operating activities</b>	<b>269 343</b>	<b>1 032 512</b>	<b>2 000 712</b>	<b>1 822 368</b>	<b>3 249 085</b>
Net investment in capex	-469 720	-273 200	-734 110	-431 193	-1 142 494
Acquisitions and divestments	-41 760	51 674	-10 540	1 010 621	-3 020 613
Others	200 090	243 546	185 474	248 549	313 594
<b>Cash from investing activities</b>	<b>-311 390</b>	<b>22 020</b>	<b>-559 176</b>	<b>827 977</b>	<b>-3 849 513</b>
Change in long term loans	561 545	-46 534	489 612	151 531	919 618
Change in short term loans	127 951	-76 264	-495 044	-504 437	-176 746
Dividends	-947 005	-1 694 645	-950 584	-1 694 645	-1 695 079
Others	-80 972	1 981 863	-178 638	1 909 154	2 829 702
<b>Cash from financing activities</b>	<b>-338 481</b>	<b>164 420</b>	<b>-1 134 654</b>	<b>-138 397</b>	<b>1 877 495</b>
Cash at the beginning of the period	4 431 625	3 752 486	3 745 198	2 470 222	2 470 222
Net change in cash (incl.exchange gain/losses)	-384 311	1 226 161	302 116	2 508 425	1 274 976
<b>Cash at the end of the period</b>	<b>4 047 314</b>	<b>4 978 647</b>	<b>4 047 314</b>	<b>4 978 647</b>	<b>3 745 198</b>

## Q2 2017

Increased working capital in the quarter, building biomass within the salmon segment and in the middle of the season for pelagic in South America

Austevoll Seafood ASA issued a new unsecured bond in June. MNOK 500 with a 6 years duration at 3 months NIBOR + 2,35%

# Outlook



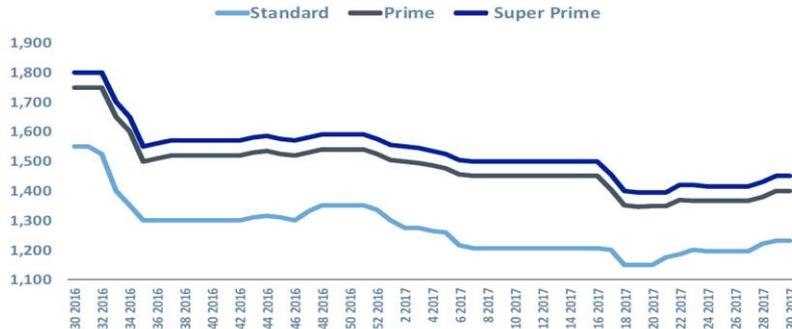
# Fishmeal

Week 30

## Fishmeal production - 2017 vs. 2016 (Cumulative)

Regions	2017	2016	Change %
Chile	273 268	154 086	77 %
Peru	725 133	296 268	145 %
Danmark/ Norway <sup>#</sup>	252 946	148 486	70 %
Iceland/ North Atlantic*	171 045	118 218	45 %
<b>Total</b>	<b>1 422 392</b>	<b>717 058</b>	<b>98 %</b>

Source: IFFO All numbers are preliminary and subject to revision <sup>#</sup>Includes salmon-derived oil \*Includes U.K., Ireland and Faroe Islands



Source: IFFO

## Production

- IFFO Fishmeal production increase 98% YTD vs. same period 2016 (Peru 145% up vs. 2016)
- Peruvian 1<sup>st</sup> season ended on July 31<sup>st</sup>, 85% of the quota caught, leaving a balance of about 400,000 MT (caused by bad weather). However volume produced during the season is sufficient for the market

## Prices

- USD 1,470/MT FOB Peru for Super Prime
- USD 1,250/MT FOB Peru for Standard

## Demand

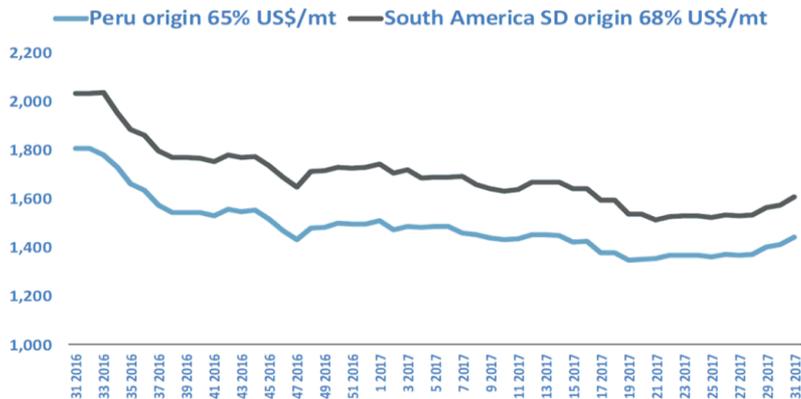
- Feed producers and end-users focus on covering their consumption for Q3, Q4 and Q1-2018

## Supply

- About 30,000 MT available for spot sales (Aug. – Sept. shipment)
- New futures sales has been done at USD 1,450 FOB Peru (based on an expectation of 2 million MT quota) for deliveries at destination during Q1-2018

# Fishmeal

Total weekly port stocks (mt)



Source: IFFO

## Main market – China

- Stock level: 147,770 MT as of Aug 8<sup>th</sup> vs. 110,560 MT same period 2016 (+34%)
  - Off takes: 3,684 MT/day (+33% vs. same period 2016)
  - Domestic production remains limited, imported FM is supporting the consumption
- Chinese prices currently higher than in Peru
  - Quoted at RMB 10,700 equivalent super prime 68% USD 1,535/MT FOB Peru
- Fishmeal/soymeal price ratio (China) remains high at 3.44
- Weak USD against RMB is making favorable new sales and interest for future purchases to cover Q1-2018 fishmeal consumption

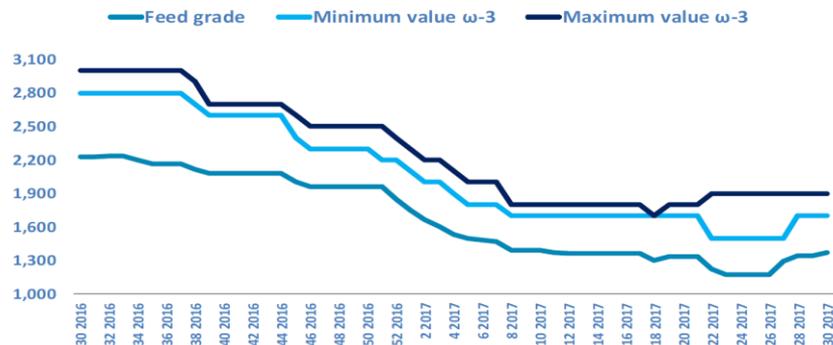
# Fish oil

Week 30

## Fish oil production - 2017 vs. 2016 (cumulative)

Regions	2017	2016	Change %
Chile	71 853	51 868	39 %
Peru	101 918	44 812	127 %
Denmark/ Norway <sup>#</sup>	71 956	39 896	80 %
Iceland/ North Atlantic*	31 471	21 591	46 %
Total	277 198	158 167	75 %

Source: IFFO All numbers are preliminary and subject to revision <sup>#</sup>Includes salmon-derived oil \*Includes U.K., Ireland and Faroe Islands



Source: IFFO

## Production

- IFFO Fish oil production increase 75% YTD vs. same period 2016
- Peru up 127% vs. 2016 due to the increase in landings

## Prices

- Feed grade: USD 1,450/MT FOB Peru
- Omega-3 grade: USD 1,850 - 1,900/MT FOB Peru

## Demand

- Feed market covered up to end of the year
- Omega-3 market – undersupply, buyers looking for 18/12 or high EPA with EPA+DHA 30%

## Supply

- Limited oils available, estimating below 5,000 MT and decreasing because of the omega-3 market demand

# Atlantic salmon supply

(in tonnes WFE )

	2012	Change 11-12	2013	Change 12-13	2014	Change 13-14	2015	Change 14-15	2016	Change 15-16	2017	Change 16-17
Norway	1 183 100	17,7 %	1 143 600	-3,3 %	1 199 000	4,8 %	1 234 200	2,9 %	1 171 100	-5,1 %	1 200 600	2,5 %
United Kingdom	159 400	3,0 %	157 800	-1,0 %	170 500	8,0 %	166 300	-2,5 %	157 400	-5,4 %	173 400	10,2 %
Faroe Islands	70 300	24,9 %	72 600	3,3 %	82 700	13,9 %	75 600	-8,6 %	77 300	2,2 %	80 400	4,0 %
Ireland	15 600	-2,5 %	10 600	-32,1 %	12 300	16,0 %	15 700	27,6 %	15 800	0,6 %	17 000	7,6 %
Iceland	3 250	170,8 %	3 350	3,1 %	4 400	31,3 %	3 600	-18,2 %	8 100	125,0 %	12 200	50,6 %
<b>Total Europe</b>	<b>1 431 650</b>	<b>16,0 %</b>	<b>1 387 950</b>	<b>-3,1 %</b>	<b>1 468 900</b>	<b>5,8 %</b>	<b>1 495 400</b>	<b>1,8 %</b>	<b>1 429 700</b>	<b>-4,4 %</b>	<b>1 483 600</b>	<b>3,8 %</b>
Chile	364 000	64,7 %	468 100	28,6 %	582 900	24,5 %	598 200	2,6 %	504 400	-15,7 %	547 400	8,5 %
Canada	136 500	14,2 %	115 100	-15,7 %	95 000	-17,5 %	135 200	42,3 %	142 500	5,4 %	137 800	-3,3 %
USA	19 600	7,1 %	20 300	3,6 %	24 000	18,2 %	20 200	-15,8 %	22 000	8,9 %	21 500	-2,3 %
Australia	40 000	11,1 %	39 000	-2,5 %	42 000	7,7 %	54 400	29,5 %	50 900	-6,4 %	57 500	13,0 %
Others	8 100	62,0 %	11 200	38,3 %	15 200	35,7 %	13 700	-9,9 %	12 500	-8,8 %	12 100	-3,2 %
<b>Total Others</b>	<b>568 200</b>	<b>42,1 %</b>	<b>653 700</b>	<b>15,0 %</b>	<b>759 100</b>	<b>16,1 %</b>	<b>821 700</b>	<b>8,2 %</b>	<b>732 300</b>	<b>-10,9 %</b>	<b>776 300</b>	<b>6,0 %</b>
<b>Total World-wide</b>	<b>1 999 850</b>	<b>22,4 %</b>	<b>2 041 650</b>	<b>2,1 %</b>	<b>2 228 000</b>	<b>9,1 %</b>	<b>2 317 100</b>	<b>4,0 %</b>	<b>2 162 000</b>	<b>-6,7 %</b>	<b>2 259 900</b>	<b>4,5 %</b>

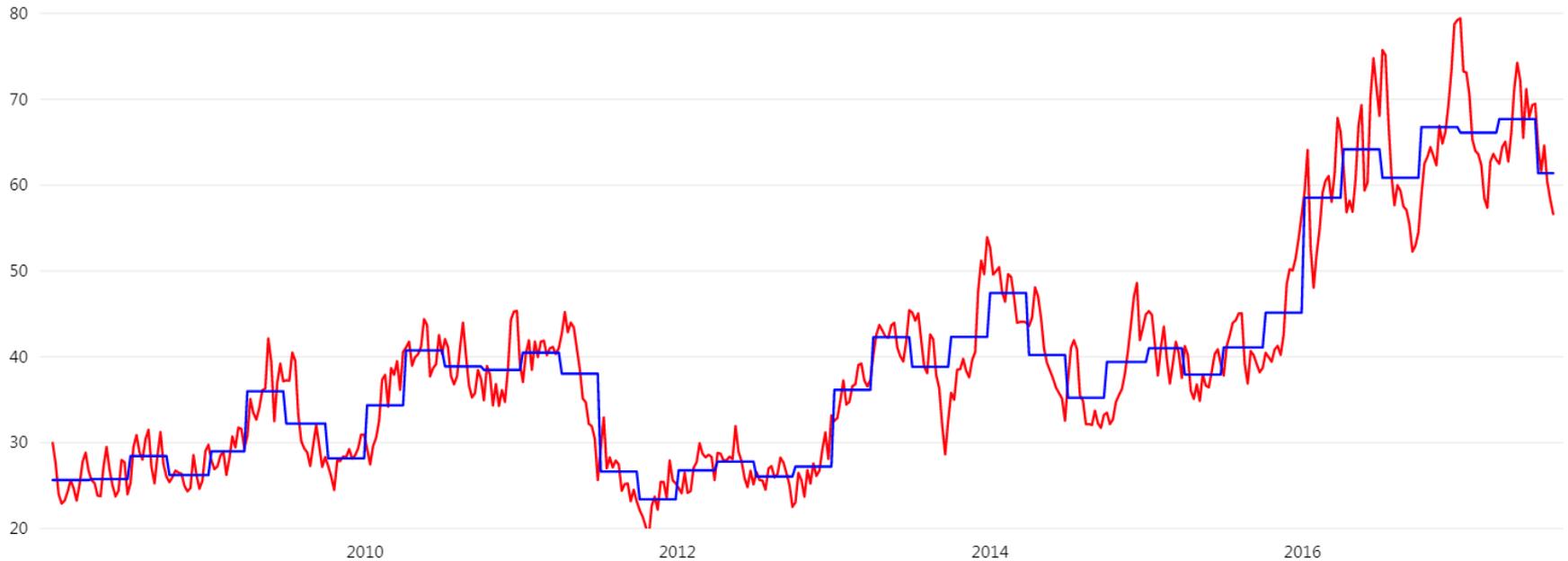
Figures as per 23.08.2017 - Source: Kontali

# Spot price NSI

All sizes, sales price Oslo

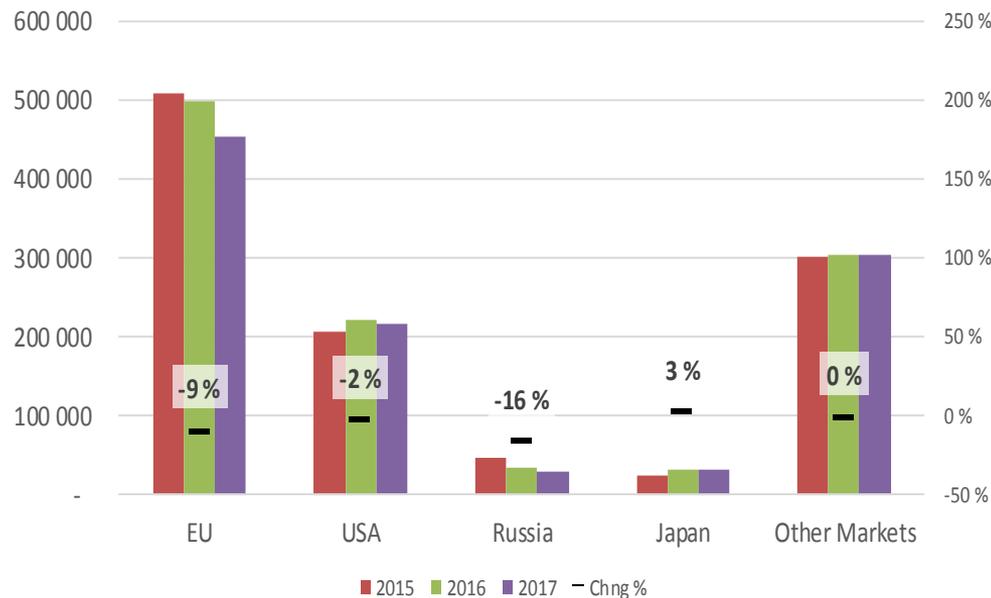
Quarter	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Q1	26	29	34	40	27	36	47	41	59	66
Q2	26	36	41	38	28	42	40	38	64	68
Q3	28	32	39	27	26	39	35	41	61	61
Q4	26	28	38	23	27	42	39	45	67	67
<b>Total</b>	<b>27</b>	<b>31</b>	<b>38</b>	<b>32</b>	<b>27</b>	<b>40</b>	<b>41</b>	<b>41</b>	<b>63</b>	<b>66</b>

● Weekly Price NSI FCA Oslo ● Quarterly Price NSI FCA Oslo



# Atlantic salmon consumption

YTD Q2 2017



Market	2015	2016	2017 Chng	Chng %	
EU	508 000	499 800	454 800	-45 000	-9 %
USA	206 500	220 400	215 800	-4 600	-2 %
Russia	47 200	34 900	29 400	-5 500	-16 %
Japan	24 300	30 300	31 200	900	3 %
Other Markets	302 200	305 200	304 100	-1 100	0 %
<b>Total</b>	<b>1 088 200</b>	<b>1 090 600</b>	<b>1 035 300</b>	<b>-55 300</b>	<b>-5 %</b>

Figures as per 11.08.2017 - Source: Kontali/Nasdax

# Conclusion

## Salmon

- Strong salmon prices in Q2
- Lower harvest volumes in Q2/17 vs. Q2/16 (announced in the Q1 presentation)
- Still high cost related to sea lice treatments
- Limited growth in global salmon supply combined with strong demand, gives a strong outlook for the coming years

## White fish

- Good catches in the quarter, high volumes of saithe vs. Q2/16
- Positive price development for cod (up 9% y-o-y) and haddock (up 30% y-o-y)
- Saithe prices reduced in 2017 compared with previous years – increased quotas
- Remaining quota for 2017 about 25,000 MT same level as end Q2 2016
- Government proposals on changes in shore-based production obligations withdrawn by the Minister of Fisheries

(refer to Lerøy Seafood Group's management presentation [www.leroy.no](http://www.leroy.no))

# Conclusion

## Pelagic

### South America

- Seasonal high activity in the quarter
  - Austral finalised 80% of the 1<sup>st</sup> season 2017 quota by end June (154,500 MT)
  - Chile; finalized own quota of horse mackerel by end June (21,650 MT)
    - ✓ Has entered into an agreement to buy 18,000 MT horse mackerel from 3<sup>rd</sup> party to be caught by own vessels
- 1<sup>st</sup> season quota for anchoveta in Peru set at 2.8 million tonnes
  - Started April 22<sup>nd</sup> and ended July 31<sup>st</sup>
  - Total 2,37 million tonnes were caught before the seasons ended (vs. 0.9 million tonnes same season 2016)
- Environmental conditions improved, expecting 2<sup>nd</sup> season to start in November 2017

# Conclusion

## Pelagic

### North Atlantic (Pelagia AS, an associated company)

- High activity within production for fishmeal and fish oil
- Seasonal low activity within the human consumption production
- Increased quotas in the North Atlantic for 2017
- Pressure on margins for finished products

**Expecting seasonable low production activity for the pelagic segments in Q3**



Austevoll Seafood ASA



# Disclaimer

- This Presentation has been produced by Austevoll Seafood ASA (the “Company” or “Austevoll”) solely for use at the presentation to the market held in connection with the announcement of second quarter results for 2017.
- This document contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. Neither The Company or any of their respective group of companies or any such person’s officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results.
- An investment in the company involves risk, and several factors could cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in this presentation, including, among others, risks or uncertainties associated with the company’s business, segments, development, growth management, financing, market acceptance and relations with customers, and, more generally, general economic and business conditions, changes in domestic and foreign laws and regulations, taxes, changes in competition and pricing environments, fluctuations in currency exchange rates and interest rates and other factors.
- Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this presentation. The company does not intend, and does not assume any obligation, to update or correct the information included in this presentation.
- No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, none of the Company or any of their group companies or any such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.
- By attending the quarterly presentation or upon reading the Presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business.
- This Presentation is dated 24.08.2017. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

# Appendix



# Associated companies

Pelagia AS (100% figures)

AUSS's share = 50%

(MNOK)	Q2 2017	Q2 2016	H1 2017	H1 2016	2016
Revenue	1 192,3	1 065,8	2 564,4	2 330,8	5 758,4
EBITDA	93,7	120,2	256,9	247,0	628,2
EBIT	49,2	79,8	183,9	166,6	464,2
Net interest bearing debt			2 249,2	1 987,0	1 844,0

# Associated companies

Norskott Havbruk AS (100% figures)

LSG's share = 50%

(MNOK)	Q2 2017	Q2 2016	H1 2017	H1 2016	2016
Revenue	599	433	971	854	1 721
EBITDA	250	123	411	227	554
EBIT*	227	101	370	182	474
Volumes (gwt)	8 437	7 155	14 355	14 136	28 043
EBIT/kg* (NOK)	26,9	14,2	25,8	12,9	16,9
Net interest bearing debt			447	344	267

\* before biomass adj.

- Strong quarter, but with some challenges in the Shetland region with low average harvest weights
- Contract share 34%
- New RAS smolt facility under construction.
- Expected harvest volume in 2017 is 30,000 GWT