



Austevoll Seafood ASA

**Financial report
Q4 2020
and
preliminary figures
for 2020**



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Austevoll Seafood ASA

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FINANCIAL REPORT Q4 2020

AND PRELIMINARY FIGURES FOR 2020

- Positive growth in harvest volume for Atlantic salmon and trout compared with Q4 2019
- Continued expectations of good growth in harvest volumes in 2021
 - » The industry spot price for whole superior salmon in Q4 2020 was down 23% compared with the same quarter of 2019
- As normal, high level of activity within pelagic segment in Peru and the North Atlantic
 - » The second fishing season in Peru started on 12 November. The total quota was 2.78 million tonnes. The season closed on 25 January 2021 and by that time 88% of the total quota for Peru had been caught
- Covid-19
 - » The Group companies have managed to maintain close-to-normal operations in a challenging situation
 - » The seafood market remains significantly impacted by the pandemic
- The Board of Directors will propose to the annual general meeting a dividend payment of NOK 3.50 per share for 2020 compared with NOK 2.50 per share in 2019

KEY FIGURES FOR THE GROUP

All figures in NOK 1,000	Q4 2020	Q4 2019	2020	2019
Operating revenue	5 746 218	5 930 588	22 446 926	23 341 679
EBITDA*	858 567	996 644	3 674 978	4 260 515
EBITDA %	15%	17%	16%	18%
EBIT*	463 522	652 494	2 158 707	2 923 726
Pre tax profit before biomass adj.*	551 735	714 535	2 037 136	3 080 975
Pre tax profit	-160 330	1 002 853	1 027 426	2 755 926
Earnings per share (EPS) *	1,30	1,36	4,55	6,89
Earnings per share (EPS)	-0,16	1,98	2,45	6,22
Dividend per share (paid)			2,50	3,50
Proposed dividend			3,50	
Total assets			39 741 004	39 830 833
Equity			22 990 574	23 331 034
Equity ratio			58%	59%
NIBD ex. right-of-use assets liabilities **			4 651 037	4 074 378
NIBD incl. right-of-use assets liabilities to other than credit institutions **			5 942 244	5 353 877

* Before fair value adjustments of biological assets

** NIBD = Net interest bearing debt

FINANCIAL REVIEW

PROFIT/LOSS Q4 2020

Group operating revenue in Q4 2020 totalled NOK 5,746 million, compared with NOK 5,931 million in Q4 2019.

Group EBITDA in Q4 2020 totalled NOK 859 million compared with NOK 997 million in Q4 2019.

The global COVID-19 pandemic has a negative impact on demand for the Group's products and has resulted in lower prices for redfish and whitefish. The main factor behind the fall in earnings from Q4 2019 to Q4 2020 is the lower prices realised.

EBIT before fair value adjustment related to biological assets in Q4 2020 was NOK 464 million (Q4 2019: NOK 652 million).

Fair value adjustment related to biological assets in Q4 2020 was negative and totalled NOK -704 million. The corresponding figure in Q4 2019 was positive, at NOK 246 million.

EBIT after fair value adjustment related to biological assets in Q4 2020 was NOK -240 million (Q4 2019: NOK 898 million).

The largest associates are Norskott Havbruk AS and Pelagia Holding AS (Pelagia). The Group's associates have generated good results over time, are significant enterprises in their segments and represent substantial values for Austevoll Seafood ASA. Income from associates in Q4 2020 totalled NOK 140 million (Q4 2019: NOK 173 million). For Norskott Havbruk, fair value adjustment related to biological assets was negative and amounted to NOK -8 million in the quarter. The corresponding fair value adjustment for Q4 2019 was positive, at NOK 43 million. Please refer to note 5 for more detailed information on associates.

The Group's net interest expense in Q4 2020 totalled NOK 67 million (Q4 2019: NOK 102 million). Net other financial expenses in the quarter totalled NOK 7 million. Net other financial expenses in Q4 2019 totalled NOK 34 million.

Profit before tax and fair value adjustment related to biological assets for Q4 2020 amounted to NOK 552 million, compared with NOK 715 million in Q4 2019.

The Group reported a loss before tax in the quarter of NOK 160 million (Q4 2019: profit of NOK 1,003 million). The loss figure after tax was NOK 108 million (Q4 2019: profit of NOK 802 million).

OPERATIONAL REVIEW OF SEGMENTS FOR Q4 2020

The Group's activities are classified according to the following operating segments: Lerøy Seafood Group ASA (Europe), Austral Group S.A.A (Peru), Foodcorp Chile S.A (Chile), Br. Birkeland AS (Norway), Br. Birkeland Farming AS (Norway) and the joint venture Pelagia Holding AS (Europe).

Lerøy Seafood Group ASA (LSG)

LSG's operations comprise farming, wild catches (Lerøy Havfisk and LNWS), VAP and Sales & Distribution. LSG's farming operations are distributed geographically with licences in Troms and Finnmark (Lerøy Aurora), Nordmøre/Trøndelag (Lerøy Midt) and Vestland (Lerøy Sjøtroll).

In Q4 2020, LSG reported revenue of NOK 5,171 million (Q4 2019: NOK 5,256 million) and EBITDA before fair value adjustment related to biological assets of NOK 750 million (Q4 2019: NOK 1,031 million).

Revenue and earnings are slightly down compared with Q4 2019. The most significant factor behind the lower earnings is the reduction in prices realised for redfish and whitefish when compared with the same period in 2019. The global COVID-19 pandemic has a negative impact on demand and has resulted in lower prices for both redfish and whitefish.

For Farming, the harvest volume for salmon and trout, gutted weight, was 48,349 tonnes in Q4 2020, up from 42,823 tonnes in Q4 2019.

In recent years, the prices for Atlantic salmon have been impacted by the fact that Norway, the largest producer of Atlantic salmon in the world, has barely increased domestic production since 2012. There are several reasons for this lack of growth, including biological challenges, limitations in new licence capacity and challenges faced by the Norwegian industry in adapting to national political regulations that drive costs. The lack of growth in Norway together with a positive development in demand and the weaker Norwegian krone have in recent years combined to give historically very high prices for salmon.

The market in 2020 has been substantially impacted by the COVID-19 restrictions. Demand at the start of the year was at an historic high, but the restrictions laid down to combat COVID-19 have gradually made their mark throughout the year. The impact first emerged in the export markets in Asia, spreading to a global extent and significantly evident during the first wave of lockdown in the first half of the second

quarter. During the second half of the second quarter and the third quarter, demand saw an improvement up to the second wave of global lockdowns that dominated the fourth quarter.

The fourth quarter saw a high level of exports from Norway and a market where large volumes traditionally sold to the hospitality and catering market were sold to the grocery market. Grocery sales have been very high.

The market in Q4 2020 was significantly affected by the restrictions and a stronger Norwegian krone. The average price for salmon in Q4 2020, measured according to NSI (sales price FCA Oslo), was NOK 43.40/kg compared with NOK 47.40/kg in Q3 2020 and NOK 56.10/kg in Q4 2019. This constitutes a fall in price of NOK 4/kg from Q3 2020 and NOK 13/kg from Q4 2019.

Norwegian trout exports saw an increase in volume of approx. 20% in 2020. This factor, combined with the COVID-19 restrictions, has had a negative impact on pricing on the market. This growth in exports abated in Q4 2020, and trout prices returned more to the same level as salmon prices. At the time of writing, the Group expects to see an improvement in the balance on the market for trout throughout 2021 when compared with developments in 2020.

LSG's contract share for salmon in Q4 2020 was 32%, and prices realised were higher than prices realised on the spot market. Compared with the sales price FCA Oslo, the prices realised have been impacted by transport, size, quality and time of sale.

For Lerøy Sjøtroll, 40% of the harvest volume in Q4 2020 was trout. The Group's prices realised for trout in the quarter were approximately NOK 6/kg lower than for salmon.

As expected and as previously reported, release from stock costs in Q4 2020 are lower than those reported in Q3 2020, and lower than in Q4 2019. The Group currently expects costs to be lower in 2021 than in 2020, although with higher costs in the first half of the year when compared with the second half.

Release from stock costs for Lerøy Aurora are significantly lower than in Q3 2020. Production in Q4 2020 was good, but there have been some signs of wounds at the start of 2021. This may have a slightly negative impact on prices realised in Q1 2021. For the year 2021 in total, the Group projects lower release from stock costs when compared with 2020, with costs higher in the first half of the year than in the second half. The company projects a harvest volume of approx. 47,000 GWT in 2021.

Lerøy Midt has in general reported good production in the sea in Q4 2020. The company has harvested fish with a lower average weight than normal in the quarter, with a negative impact on release from stock costs for the fourth quarter. Release from stock costs were therefore higher than in Q3 2020. Current projections are for lower release from stock costs in 2021 when compared with 2020. The company projects a harvest volume of approx. 70,000 GWT in 2021.

As previously reported, Lerøy Sjøtroll can confirm a positive development with their most recent releases. This trend has continued in the fourth quarter. Release from stock costs in Q4 2020 are significantly lower than in previous quarters. In light of the investments in new smolt facilities, with the most recent in Kjærelva, combined with other initiatives, the Group is pleased to note, in particular, the substantial reduction in release from stock costs for salmon. Current projections for 2021 are for a significant reduction in release from stock costs compared with 2020. Nonetheless, the release from stock costs are expected to be higher than in the Group's other regions. This is a clear indication that there remains room for further improvements. The company projects a harvest volume of approx. 75,000 GWT in 2021.

The wholly-owned subsidiary Lerøy Havfisk's primary business is wild catches of whitefish. Lerøy Havfisk has licence rights to harvest just above 10% of the total Norwegian cod quotas in the zone north of 62 degrees latitude, corresponding to approximately 30% of the total quota allocated to the trawler fleet. Lerøy Havfisk also owns several processing plants, which are mainly leased out to its sister company Lerøy Norway Seafoods (LNWS) on long-term contracts. Lerøy Havfisk's trawler licences stipulate an operational obligation for these processing plants.

Lerøy Havfisk took delivery of the new trawler, "Kongsfjord", on schedule in February 2020, and subsequently had 10 trawlers in operation in 2020. Experience of operations with Kongsfjord is positive.

As described in the previous interim reports, demand for seafood has been negatively impacted by the restrictions introduced to combat the spread of COVID-19. It is difficult to project how long this extraordinary situation will last. The pandemic is also having a negative effect on prices realised.

The catch volume for Q4 2020 is 12,619 tonnes, compared with 12,949 tonnes in Q4 2019. Catch rates for haddock were weak in the fourth quarter. Catches of other species have been as expected.

When compared with Q4 2019, the prices for cod and haddock

were down 13% and 17% respectively, while the prices for saithe were up 5%. Our sales of seafood continue, but the prices realised are lower than normally experienced before the COVID-19 restrictions were introduced. When compared with the peak in prices in Q1 2020, the prices for cod and haddock are down 18% and 17% respectively.

LNWS's primary business is processing wild-caught whitefish. The company has use of 12 processing plants and purchasing stations in Norway, five of which are leased from Lerøy Havfisk. Processing of whitefish in Norway has been extremely challenging for many years. All else being equal, increased stability and predictability will have a positive effect on the land-based industry. The repercussions of COVID-19 have been negative for both the producer and the customer. Market demand for fresh and conventional products saw a significant decline in the quarter.

In total, LNWS and Lerøy Havfisk reported EBIT of NOK -10 million in Q4 2020, compared with NOK 42 million in the same period of 2019.

In 2020, the seafood markets have been negatively impacted by the COVID-19 pandemic. The impact was seen first in markets in Asia, spreading globally throughout Q1 2020 and into Q2 2020. The COVID-19 pandemic has had an effect on demand trends. The grocery market now represents a larger volume of consumption, while the hospitality and catering segment on many core markets has practically been closed down for long periods of time. The pandemic has also had an impact on logistics, particularly for overseas markets, with a reduction in cargo capacity resulting in increased costs during the period.

Throughout the second quarter, key markets showed a considerable level of improvement as the supply chain adapted to the change in consumer trends, with a much higher focus on groceries, but also as some parts of the hospitality and catering segment have gradually reopened. At the start of the third quarter, demand had improved considerably, compared with the situation in the middle of the second quarter. At the start of the fourth quarter, we once again experienced an increase in restrictions on key markets, with a significant impact on demand. At the same time, we are pleased to note that demand continues to be as strong as it is, and that the value chain has proved to be very adaptable. This gives grounds for an optimistic outlook once the pandemic is over and the restrictions are lifted.

For further information, please refer to LSG's report and presentation for Q4 2020.

Austral Group S.A.A (Peru)

Austral Group S.A.A. (Austral) is involved in fishing, production

of fishmeal and fish oil and consumer products. Austral holds 6.98% of the total quota for anchoveta in Central/North Peru, and just under 4% of the quota in South Peru. In addition, the company has fishing rights for horse mackerel and mackerel. Anchoveta is used to produce fishmeal and fish oil, while horse mackerel/mackerel is fished for consumer products. The main fishing seasons for anchoveta in Central/North Peru are from April to July and November to January. Fishmeal and fish oil are produced in four factories, located in Coishco, Chancay, Pisco and Ilo. The company also produces consumer products in facilities that share premises with the fishmeal and fish oil factories in Coishco and Pisco.

The quota for the second fishing season in 2020 was set at 2.78 million tonnes, in line with the corresponding season in 2019. Fisheries started on 12 November. (2019 II: 6 November), and closed on 25 January 2021. By the end of the season, 88% of the total quota for Peru had been caught, a substantial improvement on the corresponding season in 2019, when only 36% of the total quota for Peru was caught by the end of the season in January 2020.

Catches for Austral Group totalled 166,600 tonnes by the end of the season, representing 86% of the company's total quota for the season. Of this total volume, 125,200 tonnes were caught in Q4 2020. For the corresponding season in 2019, the company caught a total 50,800 tonnes in Q4 2019.

An additional 43,000 tonnes of anchoveta were purchased from a third party, up from 31,000 tonnes in the same season in 2019.

The significant growth in catch volumes provides a higher volume of raw materials, resulting in a higher production volume of finished goods. The growth in volume is the most important factor behind the improvement in result for the quarter, when compared with Q4 2019.

Operating revenue in Q4 2020 totalled NOK 259 million (Q4 2019: NOK 395 million) and EBITDA was NOK 115 million (Q4 2019: NOK -35 million).

The company reported a low inventory of fishmeal and oil at the start of the fourth quarter and compared with the corresponding inventory at the start of Q4 2019. This combined with the late start of the fishing season (12 November) resulted in a lower sales volume for finished products when compared with the same quarter in 2019. The sales volume for fishmeal and oil in the quarter was 11,100 tonnes, down from 26,800 tonnes in the same quarter of 2019. The company's prices realised for fishmeal and fish oil in Q4 2020 were up 7% and 24% respectively on Q4 2019. Of the volumes sold in Q4 2020, fish oil amounted to just over 42% of the entire volume, in total 4,700 tonnes.

The company's fishmeal and fish oil inventory at the end of the fourth quarter 2020 was, however, significantly higher than the corresponding inventory at the end of 2019. The fishmeal and fish oil inventory at the end of December 2020 was 38,000 tonnes, compared with 17,400 tonnes at the end of December 2019.

Peru is usually the largest producer of fishmeal and fish oil in the world. Production volumes in Peru therefore have a significant influence on global prices established for fishmeal and fish oil.

Stringent national restrictions remain in place in the wake of the COVID-19 outbreak. The number of persons infected with COVID-19 in Peru flattened out in the autumn of 2020, only to increase again at the end of the year and start of 2021. The restrictions in effect continue to affect the company's operations, including measures to ensure sufficient crew to man the ships and factories and to ensure supply of input factors. The company is maintaining its comprehensive safety routines, which include follow-up of regulations laid down by the authorities, routines for testing and implementation/facilitation of quarantine. The company's employees have done their utmost to keep the value chain operational in a very difficult situation in Peru. The COVID-19 outbreak has caused and continues to cause increased uncertainty and significantly lower predictability. It is to be expected that the fishing seasons in 2021 will also be much more challenging than normal.

Foodcorp Chile S.A (Chile)

Foodcorp Chile S.A. (FC) is involved in fisheries, production of consumer products and production of fishmeal and fish oil. From 2018, the regulation of fisheries in Chile has allowed greater flexibility for the fleet to carry out fishing in all the country's regions. This provides a corresponding increase in flexibility for FC, whose quota previously covered South Chile exclusively. FC's quota therefore now corresponds to 8.4% of the horse mackerel quota established for the fleet to which FC's vessels belong. FC also has a quota for sardine/anchoveta.

All FC's shore-based industrial activities are located in the same building in the coastal town of Coronel.

The main season for horse mackerel fishing is from December to July. The main season for sardine/anchoveta fishing is divided into two periods. The first season starts in March and ends in July/August. The second season normally starts in October/November and lasts until the end of December.

In 2020, the company had a quota (including leased quota) for horse mackerel of 34,600 tonnes, up 15% from 2019. The company also purchased an additional 28,500 tonnes of horse mackerel from third parties, caught by FC's own vessels. In 2020, total catches, including

purchases from third parties, thus amounted to 63,100 tonnes, up from 51,000 tonnes in 2019. Catches of third-party quotas allowed for increased productivity for the company's fleet and production facilities. It is pleasing to report that fisheries in Chile continue to show a positive development after many years of very poor results. We are also pleased to report that the quota recommended by SPRFMO for horse mackerel catches in the South Pacific in 2021 implies an increase of approx. 15% on the quota for 2020.

As previously stated in the last interim report, the company normally has a low level of activity in the fourth quarter. The company had caught its entire quota of horse mackerel by the end of September. Operations in the fourth quarter have therefore mainly been based on the purchase of anchoveta/sardines from third parties for the production of fishmeal and fish oil.

Operating revenue in Q4 2020 totalled NOK 69 million (Q4 2019: NOK 93 million) and EBITDA was negative at NOK -41 million (Q4 2019: NOK -41 million).

Sales of frozen products totalled 500 tonnes in Q4 2020, down from 3,000 tonnes in the same quarter of 2019.

The authorities in Chile, as in Peru, have introduced stringent national restrictions as a result of the COVID-19 pandemic. The number of infections flattened out in the autumn of 2020, but saw a new increase at the end of 2020 and start of 2021. It is to be expected that the next fishing season in 2021 will also be more challenging than normal. The company is maintaining its comprehensive safety routines, which include follow-up of regulations laid down by the authorities, routines for testing and implementation/facilitation of quarantine.

Fisheries company Br. Birkeland AS (BRBI) and Br. Birkeland Farming AS (BFARM)

The BRBI segment reported operating revenue of NOK 126 million in Q4 2020 (Q4 2019: NOK 83 million). EBITDA amounted to NOK 69 million (Q4 2019: NOK 32 million).

The pelagic vessels caught their quotas for Norwegian spring-spawning herring and mackerel in the fourth quarter. Mackerel and Norwegian spring-spawning herring are the most profitable species among the quotas for the vessels, reflected in the company's revenue and result in the quarter.

The vessels completed their fishing season as normal, and have experienced only a minor impact from the COVID-19 outbreak.

The BFARM segment reported operating revenue of NOK 110 million in Q4 2020 (Q4 2019: NOK 129 million). EBITDA

before fair value adjustment related to biological assets in Q4 2020 was NOK -33 million (Q4 2019: NOK 13 million).

The company harvested 2,568 tonnes of salmon in Q4 2020, up from 2,492 tonnes harvested in Q4 2019. The company sells all its fish on the spot market, and the prices realised in Q4 2020 are considerably lower than the prices realised in the same quarter of 2019. In the fourth quarter, the company harvested the remaining volume from the V19 (spring 2019) generation. Fish from the H19 (autumn 2019) generation have also been harvested, and it is expected that this generation will be harvested in total by the first half of 2021. Release from stock costs for both generations have been very high.

JOINT VENTURES

Pelagia Holding AS (Pelagia)

In the consolidated financial statements, Pelagia Holding AS (Pelagia) is defined as a joint venture and accounted for according to the equity method.

In note 4 Segments, Pelagia is consolidated according to the so-called "proportionate consolidation method", in accordance with AUSS's 50% shareholding.

The figures for Pelagia in this paragraph reflect 100% of the company's financial and operational figures.

As normal, the company has had a high level of activity in the quarter, particularly in relation to production of frozen products. The main season for mackerel fishing started at the end of September, and the fleet has also had catches of the remaining quota of Norwegian spring-spawning herring in the fourth quarter. The autumn season is the most important season for consumer products for Pelagia.

Revenue for Pelagia in the quarter was NOK 3,136 million (Q4 2019: NOK 2,442 million) and EBITDA was NOK 271 million (Q4 2019: NOK 265 million).

The sales volume for frozen products in the quarter was 123,200 tonnes, up from 115,400 tonnes in the same quarter in 2019. Sales of fishmeal/FPC and fish oil in the quarter totalled 55,600 tonnes, compared with 35,200 tonnes in Q4 2019.

The volume of raw materials received for consumer products in the fourth quarter was 200,000 tonnes, up from 175,000 tonnes in Q4 2019. Total receipt of raw materials for Pelagia and associates (100%) for fishmeal/FPC and oil production was 202,000 tonnes in Q4 2020, compared with 179,000 tonnes in Q4 2019.

National and international restrictions in connection with the COVID-19 outbreak are affecting operations. The company's employees have done their utmost to keep the value chain operational during this challenging time, and operations have, to date, continued practically as normal, albeit with a slight increase in costs – particularly relating to the logistics chains.

CASH FLOWS Q4 2020

Cash flow from operating activities for the fourth quarter 2020 was NOK 706 million (Q4 2019: NOK 813 million). Cash flow from investing activities for Q4 2020 was NOK -308 million (Q4 2019: NOK -453 million). Dividends received from associates totalled NOK 3 million, while the corresponding figure in Q4 2019 was NOK 50 million. Cash flow from financing activities for Q4 2020 was NOK -93 million (Q4 2019: NOK -670 million).

The Group's cash and cash equivalents at the end of Q4 2020 totalled NOK 4,463 million, compared with NOK 4,251 million at the end of Q4 2019.

FINANCIAL INFORMATION AT END DECEMBER 2020

The Group reported operating revenue of NOK 22,447 million in 2020 (2019: NOK 23,342 million). EBITDA before fair value adjustment related to biological assets in 2020 was NOK 3,675 million (2019: NOK 4,261 million).

EBIT before fair value adjustment related to biological assets in 2020 was NOK 2,159 million (2019: NOK 2,924 million). The fair value adjustment related to biological assets for 2020 was negative at NOK -954 million. The corresponding figure for 2019 was also negative at NOK -306 million.

EBIT after fair value adjustment related to biological assets in 2020 was NOK 1,205 million (2019: NOK 2,617 million).

Income from associates in 2020 totalled NOK 250 million (2019: NOK 451 million).

The Group's net interest expense in 2020 totalled NOK 295 million (2019: NOK 298 million).

Profit before tax and fair value adjustment related to biological assets for 2020 was NOK 2,037 million, compared with NOK 3,081 million in 2019.

Profit after tax in 2020 totalled NOK 823 million (2019: NOK 2,197 million).

CASH FLOWS FOR 2020

Cash flow from operating activities in 2020 totalled NOK 2,944 million (2019: NOK 3,172 million). Tax payments in 2020 totalled NOK 494 million, compared with NOK 882 million in 2019. Cash flow from investing activities in 2020 was NOK -1,403 million (2019: NOK -1,059 million). Cash flow from financing activities in 2020 totalled NOK -1,326 million (2019: NOK -2,256 million). Net change in cash for the Group in 2020 was NOK 215 million (2019: NOK -143 million).

The Group's cash and cash equivalents at the end of 2020 totalled NOK 4,463 million compared with NOK 4,251 million at the end of 2019.

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

The Group's statement of financial position at the end of December 2020 totalled NOK 39,741 million compared with NOK 39,831 million at the end of December 2019. Some Group companies have a functional currency other than the Norwegian krone. Changes in foreign exchange rates will therefore result in changes in the amounts in the Group's statement of financial position, due to translation to Norwegian krone from period to period.

The Group is financially sound with book equity at 31 December 2020 of NOK 22,991 million, equivalent to an equity ratio of 58%. At the end of Q4 2019, the Group had book equity of NOK 23,331 million, equivalent to an equity ratio of 59%.

The implementation of IFRS 16 Leases on 1 January 2019 has required right-of-use assets to be capitalised. These are now shown on a separate line in the statement of financial position.

At the end of 2020, the Group had net interest-bearing debt excluding right-of-use liabilities other than to credit institutions totalling NOK 4,651 million, compared with NOK 4,074 million at the end of 2019. The Group's net interest-bearing debt including right-of-use liabilities other than to credit institutions was NOK 5,942 million at the end of 2020, compared with NOK 5,354 million at the end of 2019.

The Group and parent company's financial position is very strong. It remains important for the Board of Directors that the Group, through its operations, retains the confidence of participants in the various capital markets. The Group has and shall continue to have significant financial flexibility to allow it to finance further organic growth, carry out strategic acquisitions and sustain the company's dividend policy.

At 31 December 2020, the parent company Austevoll Seafood ASA had cash and cash equivalents of NOK 825 million and a net interest-bearing debt of NOK 359 million. In 2020, the parent company signed an agreement for a new long-term, revolving credit facility that has not been utilised.

OTHER ISSUES

Risks and uncertainties

The Group's risk exposure is described in the Annual Report 2019. The Group's activities are essentially global and will always be impacted to varying degrees by developments in the global economy. In light of the turmoil in the global economy in recent years, including trade barriers and geopolitical risk, the general consensus is that macroeconomic uncertainty is still greater than what was previously considered normal. The Group's risk profile covers pandemics, and the COVID-19 outbreak is an example of a pandemic. As a result of the outbreak, national and global authorities have introduced extensive restrictions in an attempt to prevent uncontrolled spread of the infection. COVID-19 is having an impact on global value chains in that the necessary measures taken by public authorities, illness and fear are, at a global level, significantly affecting how we live our lives. As a part of the global seafood industry, the Group is also severely affected. This has emerged in the form of changes in demand for the Group's products, access to workforce both in the Group and externally, other input factors and credit risk. In Q4 2020, there was once again a significant increase in restrictions on key markets due to the COVID-19 pandemic. At the time of writing, it is therefore difficult for us to reach any conclusion on future developments, apart from highlighting the increased level of uncertainty. Although this uncertainty may have a negative impact on the real economy in most markets, it is our opinion that AUSS's core business is founded on long-term sustainable assets within interesting segments of the global seafood industry.

The Group is exposed to risk related to the value of the Group's assets. Risk arises mainly as a result of changes in the prices of raw materials and finished products, to the extent that these changes impact the company's competitiveness and earnings potential over time. Operational factors, such as marine biomass, fishing conditions and price trends for the Group's input factors, are other key parameters that have an impact on risk for the Group.

At 31 December 2020, the Group had live fish on its statement of financial position worth NOK 5.2 billion. Biological risk has been and will remain a substantial risk factor in the Group's operations. Assessing and managing biological risk must therefore be a part of the Group's core expertise.

Changes in fishing patterns and quota adjustments mean fluctuations in catch volumes from quarter to quarter and year to year, and

hence varying utilisation of the Group's production facilities. The seasonal fluctuations in catch volumes cause similar fluctuations in the quarterly key figures.

After LSG's acquisition of Havfisk and LNWS, the Group has substantial exposure in relation to catches of various species of whitefish according to Norwegian quotas. The Group faces political risk linked to decisions by the authorities, including framework conditions for fish farming and licence terms related to fisheries legislation.

Industrial developments and employment in capital-intensive activities exposed to global competition such as fish farming, fisheries and industry represent challenges and require a long-term perspective by businesses and politicians at national level. The Group's strategy centres on a long-term perspective, irrespective of framework conditions, to ensure a globally competitive organisation, which can continue to ensure industrial development in the numerous local communities where the Group has operations.

In the approval granted by the Norwegian Ministry of Trade, Industry and Fisheries, LSG's ownership of Lerøy Havfisk and LNWS is linked to the ownership structure approved when the application was submitted, thereby requiring approval of any changes in ownership not covered by the exemption granted by the Ministry. The nationality requirement in section 5 of the Act relating to the right to participate in fishing must also be met.

The majority of the Group's debt is at floating interest rates, but fixed-rate contracts have been entered into for approx. 25% of the Group's interest-bearing debt.

The Group is exposed to fluctuations in foreign exchange rates, particularly the EUR, GBP, USD, Chilean peso and Peruvian sol. Measures to reduce this risk in the short term include forward contracts and multi-currency overdraft facilities. Furthermore, parts of the long-term debt are adjusted in relation to earnings in the same currency.

SHAREHOLDER INFORMATION

The company had 7,294 shareholders at the end of 2020. The number of shareholders at the start of Q4 2020 was 6,843.

The share price was NOK 77.70 at the start of Q4 2020 and NOK 87.70 at the end of the quarter.

The Board of Directors intends to recommend a dividend payment for 2020 of NOK 3.50 per share to the company's annual general meeting in May.

A list of the company's 20 largest shareholders can be found in Note 6 in this report.

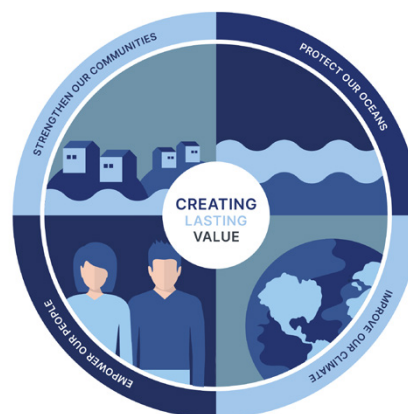
AUSTEVOLL SEAFOOD ASA'S FOCUS AREAS FOR SUSTAINABILITY

Since it was established in 1981, Austevoll Seafood ASA (AUSS) has remained loyal to its strategic foundations of "creating lasting values through healthy oceans and thriving communities". Operations, or the value chain, in the Group's portfolio companies have their "origin" in the use of fresh water and the sea, and the Group's growth has been and shall continue to be sustainable. Sustainable growth places stringent requirements on the Group within finance, the climate and environment and social issues. Sustainability is essential for gaining access to capital, and is of decisive importance for the Group's survival and continued development. We are therefore proud to confirm that the Group's food production is globally competitive, according to the UN's sustainability criteria. Social sustainability is important for sustaining viable local communities and access to the Group's most important resource, people. For more detailed information, please read the company's sustainability report for 2019 on the company's website <https://ar2019.auss.no/>

EVENTS AFTER THE BALANCE SHEET DATE

The 6th of February 2021 was marred by a tragic incident. At Lerøy Seafood Group ASA's subsidiary Lerøy Norway Seafoods AS's factory in Stamsund, an employee died from an accident at work. After the incident, Lerøy Seafood Group ASA have assisted, and will continue to assist, the police and other public agencies in finding the root causes of the incident.

This is a very tragic and unfortunate incident that will affect the Group for a long time. Our thoughts go to the deceased's family, friends, and colleagues.



MARKET AND OUTLOOK

Production, sale and distribution of salmon, trout and whitefish

Price developments for Atlantic salmon have been very volatile in 2020, substantially influenced by the repercussions of the COVID-19 pandemic. This situation remains at the start of 2021, with demand suffering significantly from the COVID-19 restrictions. It is not possible for the management and Board of Directors to form any precise opinion on the duration or consequences of the pandemic, but the growth in volume on the grocery market does provide grounds for optimism. There are indications that seafood is gaining in popularity with consumers, and we are therefore optimistic with a view to the underlying future developments for seafood.

The Group's production of redfish currently takes place mainly in Norway. Norwegian and global salmon and trout production are experiencing relatively modest growth, which – combined with a weaker Norwegian krone – has resulted in very high prices. This provides an incentive to start production of salmon in new areas using alternative technologies. These incentives have existed for several years now, but with long lead times in the industry, Norwegian production in marine fish farms has maintained its predominant position. The harvest volume from salmon produced onshore remains insignificant in the end markets. The market share for Norwegian Atlantic salmon may, in the long term, be affected by production of salmon and trout in new regions and locations. Through business development, investments and a clear operational focus on competitiveness, the Group shall ensure that its value chain stands strong in the face of competition in the years to come. In addition to the development of existing farming operations, the Group is accumulating knowledge and/or competencies within both land-based and offshore-based salmon production.

In recent years, LSG has made significant investments in several parts of the value chain, including building facilities for smolt/post-smolt capacity in all the Group's regions. Lerøy Sjøtroll's Kjærelva facility is now completed and has an annual biomass production of around 4,000 tonnes. Lerøy Aurora completed the final construction stage of a new development in Q4 2020, and the facility is expected to reach full exploitation in 2021. Lerøy Midt can report that the developments to the Belsvik facility are going to schedule. The plan is for completion by the start of 2022, and the facility is expected to produce around 5,000 tonnes of biomass. The Group's investments in improved smolt production and post-smolt production, combined with a number of other initiatives, will support the Group's ambition for continued growth in volume and increased competitiveness by means of a reduction in production costs.

The Group's substantial investments in post-smolt facilities have not only increased the Group's annual harvest volume by means of improved exploitation of existing assets, but also provided significant competencies related to RAS technology. This is in the main the same technology applied for full-scale land-based production of salmon. The Group is now negotiating for a further development of a new RAS facility in the region of Vestland. The plans are initially to develop the facility in three stages. The first and second stages represent further increases in the Group's post-smolt production. The third and final stage will also provide facilities for post-smolt production, but may be used for salmon production up to harvest size. The location of the plant, including the links to the Group's farming operations in West Norway, could potentially provide successful interaction between sea and land. The lessons learned may also be exploited to realise land-based projects in other regions. The development will take place in stages, but initial estimates indicate that the first two stages will represent estimated costs of around NOK 1 billion. The development is projected to provide an annual increase in production in the sea of 8-10,000 GWT. Construction work is scheduled for completion in 2023.

LSG can report significant improvements in production in the sea in 2020. The harvest volume is up from approx. 158,000 tonnes in 2019 to 171,000 tonnes in 2020. Moreover, standing biomass has increased from 111,000 tonnes at year-end 2019 to 119,000 tonnes at year-end 2020. The Group maintains its projections of a harvest volume for 2021, including associates, of 205,000-210,000 tonnes. Ongoing investments and additional improvement initiatives will provide further growth in the years to come.

For the Group, the aim is clear – for this growth, combined with other improvement measures, to provide reductions in the Group's release from stock costs for salmon and trout in 2021 and the following years.

The Group has made substantial investments in whitefish in recent years. One new vessel was added to the fleet in 2018 – Nordtind – and another in early 2020 – Kongsfjord. Further improvements to fish quality were established as important design criteria for Kongsfjord. Consumers' expectations and quality requirements continue to increase, making high quality and competitiveness key factors for success when competing to attract consumers.

The whitefish industry, including onshore operations, has suffered significant impacts on demand from COVID-19 in 2020. It is naturally not possible for the Group to know how long the restrictions will last, but LSG's long-term plans remain the same. The work on and investments in making the factories less reliant on seasons continue, along with well-organised and meticulous work on making improvements to each unit. We believe that

this process will generate results with time.

The Group expects to see an increase in quotas in 2021 as follows; 14% increase for cod, 6% for haddock, 16% for saithe north of 62 degrees. For saithe south of 62 degrees, the Group projects a reduction in the quota of 26%. The final quota decision is expected at the end of February 2021.

LSG works to develop an efficient and sustainable value chain for seafood. This not only provides cost-efficient solutions, but also quality, availability, a high level of service, traceability and competitive climate-related and environmental solutions. Investments in recent years in, e.g., a new industrial facility for Lerøy Midt, a new factory in Stamsund and new factories in Spain and the Netherlands, now commissioned, will represent a positive contribution in the years to come.

Fishmeal and fish oil

According to the IFFO*, global fishmeal production in 2020 was higher than in 2019. Production in Norway and Denmark has seen an increase when compared with 2019. The increase in sand eel catches is the main factor behind the production growth in Norway and Denmark, but also the increased catches of blue whiting fisheries in the North Atlantic in 2020. Among the other major production nations included in the statistics, Peru has seen a significant increase in production compared with 2019. This development in Peru is attributed to the two successful fishing seasons in 2020. The quota for the first season of 2020 was 2.4 million tonnes, with 2.78 million tonnes for the second season. The quota for the first season in 2020 was fulfilled in total, while catches in the second season represented 88% of the quota by the time the season closed on 25 January 2021.

In 2019, the corresponding quotas for the first and second seasons were 2.1 million tonnes and 2.78 million tonnes respectively.

Catches in 2019 were dominated by a high volume of fish that were smaller than the minimum size. As a result, the total catches only amounted to a moderate 36% of the total quota by the end of the season on 15 January 2020.

** Source: IFFO, week 53, 2020 (Regions Chile, Peru, Denmark/Norway, Iceland/North Atlantic)*

Consumer products (pelagic)

The Group's production of consumer products takes place in Europe and South America. In Europe, the fishing season for Norwegian spring-spawning herring is usually from January to April and the season for North Sea herring from May onwards. The main season for mackerel fishing normally starts in September and

continues throughout the autumn. Correspondingly, the remaining quotas for Norwegian spring-spawning herring are also caught during this period. The first half of the year is the season for horse mackerel in South America. The quotas recommended by ICES for catches in the North Atlantic in 2021 constitute an increase of 21% for Norwegian spring-spawning herring, while the quotas recommended for mackerel and North Sea herring are down by 9% and 5% respectively in relation to 2020. The 2021 quota recommended by SPRFMO for horse mackerel in the South Pacific represents an increase of approx. 15% on the quota for 2020.

The Group

The Group is financially sound, has shown positive development and is currently well positioned in several parts of the global seafood industry. The Group's products are healthy, and their production is sustainable in terms of finances, the climate and the environment.

The Group's strategy going forward is to continue to grow and further develop within its current operating segments. The Group has and shall continue to have the financial flexibility to support its strategy of further organic growth, carry out strategic acquisitions and sustain the company's dividend policy.

The COVID-19 outbreak has resulted in greater uncertainty and reduced predictability. It remains very difficult to form any opinion on how long the outbreak will last. Based on this increased uncertainty, it must be stressed that it is very difficult to forecast the economic consequences of the pandemic. The situation has been and remains challenging, and the outbreak has had a notably negative impact on the global economy and, as a result, the Group's profit/loss in 2020. The Board of Directors therefore underlines that uncertainties related to assessments of future developments are much higher than normal, but current estimates are for earnings in the first half of 2021 to be negatively impacted by the effect on demand of the COVID-19 restrictions.

Over the years, the Board of Directors and management have focused on building a strong Group of companies, ensuring that the Group has organisations well-prepared to solve challenges in difficult and changing conditions. The Board of Directors is therefore confident that the Group will emerge stronger from this global crisis. The management and Group employees are doing what they can every day to ensure that the Group fulfils its underlying social responsibility, keeping the value chain and food supplies operational at a challenging time.

The Board of Directors would like to sincerely thank all the Group subsidiaries and their employees for their hard work through 2020.

Storebø, 18 February 2021
The Board of Directors of Austevoll Seafood ASA

Helge Singelstad
Chairman of the Board

Lill Maren Møgster
Board member

Oddvar Skjegstad
Deputy Chairman of the Board

Eirik Drønen Melingen
Board member

Helge Møgster
Board member

Hege Charlotte Bakken
Board member

Siren M. Grønhaug
Board member

Arne Møgster
CEO

FINANCIAL REPORT Q4 2020

INCOME STATEMENT (unaudited)

All figures in NOK 1.000	Note	Q4 2020	Q4 2019	2020	(audited) 2019
Operating revenue	4	5 746 218	5 930 588	22 446 926	23 341 679
Raw material and consumables used		3 098 039	3 046 593	12 079 107	12 564 498
Salaries and personnel expenses		956 884	921 573	3 604 585	3 449 343
Other operating expenses		832 728	965 778	3 088 256	3 067 323
EBITDA before fair value adjustments *		858 567	996 644	3 674 978	4 260 515
Depreciation and amortisation		393 792	344 688	1 518 825	1 338 517
Impairment		1 253	-538	-2 554	-1 728
EBIT before fair value adjustment *		463 522	652 494	2 158 707	2 923 726
Fair value adjustment related to biological assets	3	-703 816	245 666	-954 044	-306 323
Operating profit		-240 295	898 160	1 204 663	2 617 403
Income from associated companies	5	139 522	172 537	250 121	450 758
Net interest expenses		-66 604	-101 705	-294 911	-297 879
Net other financial items (incl. agio/disagio)		7 047	33 861	-132 447	-14 356
Profit before tax and fair value adj.*	7	551 735	714 535	2 037 136	3 080 975
Profit before tax		-160 330	1 002 853	1 027 426	2 755 926
Income tax expenses		52 485	-200 808	-204 575	-558 490
Net profit		-107 845	802 045	822 851	2 197 436
Profit to non-controlling interest		-76 109	402 197	328 736	941 755
Profit to controlling interests		-31 736	399 848	494 115	1 255 681
Earnings per share (EPS) *		1,30	1,36	4,55	6,89
Earnings per share (EPS)		-0,16	1,98	2,45	6,22
Diluted EPS		-0,16	1,98	2,45	6,22

*) related to biological assets (alternative performance measure)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

All figures in NOK 1.000	Q4 2020	Q4 2019	2020	(audited) 2019
Net earnings in the period	-107 845	802 045	822 851	2 197 436
Other comprehensive income				
Currency translation differences	-408 771	-38 837	-138 724	78 255
Other comprehensive income from associated companies	-1 255	-129	-4 947	-3 530
Cash flow hedges	24 452	2 092	-34 429	25 711
Others incl. tax effect	12 915	3 329	3 635	-4 313
Total other comprehensive income	-372 659	-33 545	-174 465	96 123
Comprehensive income in the period	-480 504	768 500	648 386	2 293 559
Allocated to;				
Minority interests	-125 801	410 634	312 030	964 164
Majority interests	-354 703	357 866	336 356	1 329 395

STATEMENT OF FINANCIAL POSITION (unaudited)

All figures in NOK 1.000	Note	31.12.2020	31.12.2019
Assets			
Intangible assets		11 526 318	11 486 974
Vessels		2 103 409	1 737 895
Property, plant and equipment		6 275 401	6 281 630
Right-of-use assets	8	3 105 697	2 934 538
Investments in associated companies	5	2 526 775	2 354 991
Investments in other shares		41 720	39 632
Other long-term receivables		163 885	136 080
Total non-current assets		25 743 205	24 971 740
Inventories	3	6 735 346	7 288 976
Accounts receivable		2 045 398	2 468 085
Other current receivables		754 290	850 932
Cash and cash equivalents		4 462 765	4 251 100
Total current assets		13 997 799	14 859 093
Total assets		39 741 004	39 830 833
Equity and liabilities			
Share capital 6	6	101 359	101 359
Own shares		-18 312	-18 312
Share premium		3 713 549	3 713 549
Retained earnings and other reserves		8 311 893	8 481 884
Non-controlling interests		10 882 086	11 052 555
Total equity		22 990 574	23 331 034
Deferred tax liabilities		3 261 183	3 499 862
Pensions and other obligations		56 647	38 059
Borrowings		5 650 866	5 568 383
Lease liabilities to credit institutions		1 093 736	917 000
Lease liabilities to other than credit institutions		1 055 920	1 070 442
Other long-term liabilities		25 992	28 261
Total non-current liabilities		11 144 344	11 122 007
Short term borrowings		1 022 626	643 888
Lease liabilities to credit institutions		270 899	328 000
Lease liabilities to other than credit institutions		235 287	209 057
Overdraft facilities		1 049 683	839 946
Account payable		1 363 866	1 703 946
Other current liabilities		1 663 725	1 652 955
Total current liabilities		5 606 086	5 377 792
Total liabilities		16 750 430	16 499 799
Total equity and liabilities		39 741 004	39 830 833
Net interest bearing debt (NIBD)		4 651 037	4 074 378
Lease liabilities to other than credit institutions		1 291 207	1 279 499
NIBD incl. right of use assets liabilities		5 942 244	5 353 877
Equity ratio		58%	59%

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

All figures in NOK 1.000	31.12.2020	31.12.2019
Equity at period start	23 331 034	22 454 007
Comprehensive income in the period	648 386	2 293 559
Dividends	-983 421	-1 416 473
Transactions with non-controlling interest	-5 425	-
Other	-	-59
Total changes in equity in the period	-340 460	877 027
Equity at period end	22 990 574	23 331 034

CASH FLOW STATEMENT (unaudited)

All figures in NOK 1.000	Q4 2020	Q4 2019	2020	(audited) 2019
Cash flow from operating activities				
Profit before income taxes	-160 329	1 002 854	1 027 426	2 755 927
Fair value adjustment of biological assets	703 816	-245 667	954 044	306 323
Taxes paid in the period	-16 447	-49 751	-493 805	-882 491
Depreciation and amortisation	393 792	344 688	1 518 825	1 338 517
Impairments	1 254	-538	-2 554	-1 728
Associated companies - net	-139 523	-172 537	-250 122	-450 758
Interest expense	80 101	87 122	341 027	321 262
Interest income	-13 497	-24 802	-46 116	-62 767
Change in inventories	-191 355	-161 166	-400 415	170 634
Change in receivables	33 839	-78 775	629 946	-259 271
Change in payables	-108 812	-13 033	-334 538	75 230
Other operating cash flow incl currency exchange	123 107	124 719	620	-139 238
Net cash flow from operating activities	705 946	813 114	2 944 338	3 171 640
Cash flow from investing activities				
Purchase of intangible and fixed assets	-293 869	-553 371	-1 529 323	-1 544 578
Purchase of shares and equity investments	-34 917	-	-36 672	-40 186
Proceeds from sale of fixed assets/equity investments	-	5 331	17 223	50 899
Cash inflow from business combinations	-	-	-	-
Dividend received	3 408	50 326	129 548	391 452
Interest income	13 497	24 802	46 116	62 767
Other investing activities - net	3 391	20 296	-29 716	20 568
Net cash flow from investing activities	-308 490	-452 616	-1 402 824	-1 059 078
Cash flow from financing activities				
Proceeds from new long term debt	165 017	32 607	2 111 463	218 410
Repayment of long term debt	-422 986	-186 074	-2 224 573	-1 165 719
Change in short term debt	335 458	-409 566	143 721	399 457
Interest paid	-78 330	-82 536	-344 560	-303 805
Dividends paid	-	-	-983 421	-1 416 472
Other finance cash flow - net	-92 091	-24 566	-28 720	12 412
Net cash flow from financing activities	-92 932	-670 135	-1 326 090	-2 255 717
Net change in cash and cash equivalents	304 524	-309 637	215 424	-143 155
Cash, and cash equivalents at start of period	4 172 639	4 565 661	4 251 100	4 392 863
Exchange gains/losses (-)	-14 398	-4 924	-3 759	1 392
Cash and cash equivalents at period end	4 462 765	4 251 100	4 462 765	4 251 100

SELECTED NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 ACCOUNTING POLICIES

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the related standard for interim financial reporting (IAS 34). All figures not included in the financial statements for 2019 are unaudited. The interim financial statements, including historical comparative amounts, are based on current IFRS standards and interpretations. Changes in the standards and interpretations may result in changes to the result. This interim report does not include all the information required by the International Financial Reporting Standards (IFRS) for a set of financial statements and should therefore be read in conjunction with the Group's financial statements for 2019.

Please refer to the Group's financial statements for 2019 for information on standards and interpretations applicable as of 1 January 2019.

NOTE 2 RELATED PARTY TRANSACTIONS

There were related party transactions in Q4 2020. Related party transactions take place on market terms, and the relevant types of transactions are described in more detail in the Annual Report 2019.

NOTE 3 BIOLOGICAL ASSETS

The Group recognises and measures biological assets at fair value according to IAS 41 and IFRS 13. For salmon and trout, including parent fish, a present value model is applied to estimate fair value. For roe, fry, smolt and cleaner fish, historical cost is assumed to be the best estimate of fair value. The value of fish in the sea is estimated as a function of the estimated biomass at the time of release from stock, multiplied by the estimated sales price. For fish not ready for harvest, a deduction is made to cover estimated residual costs to grow the fish to harvest weight. The cash flow is discounted monthly by a discount rate. The discount rate comprises three main components: (1) the risk of incidents that have an effect on cash flow, (2) hypothetical licence lease and (3) the time value of money.

Estimated biomass (volume) is based on the actual number of individuals in the sea on the date of the statement of financial position, adjusted to cover projected mortality up to harvest time and multiplied by the estimated harvest weight per individual at harvest time. The measurement unit is the individual fish. However, for practical reasons, these estimates are carried out per locality. The live weight of fish in the sea is translated to gutted weight in order to arrive at the same measurement unit as for pricing.

Pricing is based on the Fish Pool forward prices. The forward price for the month in which the fish is expected to be harvested is applied in order to estimate cash flow. The price stipulated by Fish Pool is adjusted to take into account export costs and clearing costs and represents the reference price. This price is then adjusted to account for estimated harvesting cost (well boat, slaughter and boxing) and transport to Oslo. Adjustments are also made for any projected differences in size and quality. The adjustments to the reference price are made per locality. Joint regional parameters are applied, unless factors specific to an individual locality require otherwise.

Valuation and classification are based on the principle of highest and best use according to IFRS 13. The actual market price per kilo may vary in relation to fish weight. When estimating fair value, the optimal harvest weight, i.e., the weight when the fish is ready for harvest, is defined as the live weight that results in a gutted weight of 4 kg. This corresponds to a live weight of 4.7 kg for salmon and 4.8 kg live weight for trout. The optimal harvest weight may, however, be lowered slightly if required by factors at an individual locality (biological challenges etc.). In terms of valuation, only fish that have achieved an optimal harvest weight are classified as fish ready for harvest.

The Group enters into contracts related to future deliveries of salmon and trout. As biological assets are recognised at fair value, the fair value adjustment of the biological assets will be included in the estimated expenses required to fulfil the contract. This implies that the Group may experience loss-making (onerous) contracts according to IAS 37 even if the contract price for physical delivery contracts is higher than the actual production cost for the products. In such a scenario, a provision is made for the estimated negative value. The provision is classified in the financial statements as other current liabilities.

NOTE 3 BIOLOGICAL ASSETS (cont.)

The fair value adjustment related to biological assets recognised in the income statement for the period comprises (1) fair value adjustment related to biological assets, (2) change in fair value (provision) related to onerous contracts and (3) change in unrealised gain/loss related to financial sale and purchase contracts (derivatives) for fish in Fish Pool. Fish Pool contracts are treated as financial instruments on the statement of financial position, where unrealised gain is recognised as other current receivables and unrealised loss as other current liabilities.

Conversion to live weight:

The figures for harvested volume and net growth in the tables below have been estimated on the basis of gutted weight (GWT) and converted to live weight (LWT). The gutting loss ratios applied in this conversion are 14% for salmon and 16% for trout. The table for Lerøy Seafood Group ASA includes salmon and trout. The table for Br. Birkeland Farming AS only includes salmon.

LWT = live weight measured in tonnes

GWT = gutted weight measured in tonnes

Lerøy Seafood Group ASA

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

Fair value adjustments over profit and loss	Q4 2020	Q4 2019	2020	2019
Change FV adj. of biological assets	-686 554	221 862	-853 236	-374 799
Change in FV of onerous contracts	2 023	-26 095	26 485	25 457
Change in FV of fishpool contracts	0	1 638	0	15 638
FV adj. related to biological assets	-684 531	197 405	-826 751	-333 703

Fair value adjustments over OCI

Change in FV of fishpool contracts *	-1 857	-757	-3 183	-757
Total FV adjustments over OCI	-1 857	-757	-3 183	-757

* Included in change in FV financial instruments (hedges) in statement of comprehensive income

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS

Positive amounts are assets and negative amounts are liabilities

Carrying amount on biological assets	31/12/2020	31/12/2019
Cost on stock for fish in sea	4 231 901	4 058 953
Cost on stock for fry, brood, smolt and cleaning fish	362 065	343 187
Total cost on stock for biological assets *	4 593 966	4 402 140
FV adj. of fish in sea	319 546	1 172 781
FV adj. of fry, brood, smolt and cleaning fish	0	0
Total FV adj. of biological assets	319 546	1 172 781
Monthly discount rate applied	5%	5%
FV of fish in sea	4 551 447	5 231 734
FV of fry, brood, smolt and cleaning fish	362 065	343 187
Carrying amount of biological assets	4 913 512	5 574 921
Carrying amount on onerous contracts (liability)		
Carrying amount of onerous contracts	-32	-26 517
Carrying amount on fishpool contracts		
Carrying amount of fishpool contracts	-2 939	757

* Cost on stock is historic costs after expensed mortality

NOTE 3 BIOLOGICAL ASSETS (cont.)

HARVESTED VOLUME:

Volume in gutted weight (GWT)	Q4 2020	Q4 2019	2020	2019
Salmon	41 147	33 833	142 841	128 699
Trout	7 202	8 990	28 007	29 479
Total harvested volume	48 349	42 823	170 849	158 178

VOLUME

Volume of fish in sea (LWT)	Q4 2020	Q4 2019	2020	2019
Volume at beginning of period	112 504	110 213	111 263	110 105
Net growth during the period	63 322	52 029	210 396	189 465
Harvested volume during the period	-56 419	-50 979	-202 252	-188 307
Volume at end of period (LWT)	119 407	111 263	119 407	111 263

Specification of fish in sea (LWT)	31/12/2020	31/12/2019
Salmon	105 745	94 493
Trout	13 662	16 770
Total	119 407	111 263
Fish > 4,8 kg (live weight)	7 802	16 318

Br. Birkeland Farming AS

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

Fair value adjustment over profit and loss	Q4 2020	Q4 2019	2020	2019
Change FV adj. biological assets	-19 285	48 261	-127 293	27 380
FV adj. related to biological assets	-19 285	48 261	-127 293	27 380

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS

Positive amounts are assets and negative amounts are liabilities

Carrying amount of biological assets	2020	2019
Fish in sea at historic cost	265 042	220 399
Fair value adjustment fish in sea	-12 582	114 711
Fair value fish in sea	252 460	335 110
Fry, brood and smolt	-	-
Carrying amount of biological assets	252 460	335 110

HARVESTED VOLUME

Harvested volume in gutted weight (GWT)	Q4 2020	Q4 2019	2020	2019
Total volume	2 568	2 492	6 790	7 318
- Salmon	2 568	2 492	6 790	7 318

VOLUME

Volume of fish in sea (LWT)	Q4 2020	Q4 2019	2020	2019
Volume at beginning of period	5 213	5 694	5 033	5 828
Net growth during the period	3 708	3 256	9 291	8 938
Harvested volume during the period	-3 228	-3 917	-8 631	-9 733
Volume at end of period (LWT)	5 693	5 033	5 693	5 033
Fish > 4,8 kg (live weight)	-	-	-	-

NOTE 4 SEGMENTS

All figures in NOK 1.000	Lerøy Seafood Group ASA	Austral Group S.A.A	Foodcorp Chile S.A	Br. Birkeland AS	Br. Birkeland Farming AS	Other/ elimina- tions	Total Group	Pelagia (50% of figures and volumes)	Total Group incl. Pelagia (50%)
Q4 2020									
Operating revenue	5 170 998	259 363	69 051	125 707	110 080	11 019	5 746 218	1 568 199	7 314 417
EBITDA*	750 051	115 095	-40 831	69 270	-33 200	-1 818	858 567	135 647	994 214
EBITDA%	15%	44%	-59%	55%	-30%		15%	9%	14%
EBIT*	441 433	69 543	-49 408	58 328	-48 532	-7 842	463 522	103 830	567 352
Volumes sold:									
Salmon (GWT tonnes)	48 349				2 568		50 917		50 917
Fishmeal/oil/FPC (tonnes)		11 129	3 156				14 285	27 800	42 085
Frozen/fresh fish (tonnes)		570	533				1 103	61 600	62 703
Q4 2019									
Operating revenue	5 255 719	395 284	92 824	83 143	128 540	-24 922	5 930 588	1 220 903	7 151 491
EBITDA*	1 030 859	-34 565	-40 878	31 507	12 886	-3 166	996 643	132 535	1 129 178
EBITDA%	20%	-9%	-44%	38%	10%		17%	11%	16%
EBIT*	769 008	-85 529	-48 823	20 556	6 030	-8 749	652 493	103 032	755 525
Volumes sold:									
Salmon (GWT tonnes)	42 823				2 492		45 315		45 315
Fishmeal/oil/FPC (tonnes)		26 788	4 913				31 701	17 600	49 301
Frozen fish (tonnes)		2 178	3 038				5 216	57 700	62 916

* Before fair value adjustments related to biological assets

All figures in NOK 1.000	Lerøy Seafood Group ASA	Austral Group S.A.A	Foodcorp Chile S.A	Br. Birkeland AS	Br. Birkeland Farming AS	Other/ elimina- tions	Total Group	Pelagia (50% of figures and volumes)	Total Group incl. Pelagia (50%)
2020									
Operating revenue	19 966 221	1 240 525	637 911	248 827	306 404	47 038	22 446 926	4 406 951	26 853 877
EBITDA*	3 108 795	337 944	137 834	102 657	-30 291	18 039	3 674 978	327 387	4 002 365
EBITDA%	16%	27%	22%	41%	-10%		16%	7%	15%
EBIT*	1 949 655	133 956	100 934	59 400	-79 814	-5 424	2 158 707	204 201	2 362 908
Volumes sold:									
Salmon (GWT tonnes)	170 849				6 790		177 639		177 639
Fishmeal/oil/FPC (tonnes)		69 498	17 722				87 220	90 400	177 620
Frozen/fresh fish (tonnes)		17 222	36 987				54 209	157 200	211 409
2019									
Operating revenue	20 454 147	1 700 455	555 000	230 027	391 536	10 514	23 341 679	3 493 195	26 834 874
EBITDA*	3 746 276	304 991	46 549	72 609	77 650	12 440	4 260 515	435 581	4 696 096
EBITDA%	18%	18%	8%	32%	20%		18%	12%	17%
EBIT ex. impairment*	2 734 236	107 897	11 553	28 058	49 504	-9 250	2 921 998	325 007	3 247 005
EBIT*	2 734 236	109 444	11 734	28 058	49 504	-9 250	2 923 726	325 007	3 248 733
Volumes sold:									
Salmon (GWT tonnes)	158 178				7 318		165 496		165 496
Fishmeal/oil/FPC (tonnes)		112 636	17 302				129 938	87 500	217 438
Frozen fish (tonnes)		15 386	36 038				51 424	134 600	186 024

* Before fair value adjustments related to biological assets

NOTE 5 ASSOCIATES

		Q4 2020	Q4 2019	2020	2019
Norskott Havbruk AS* a)	50,0%	21 731	72 617	48 986	106 492
Pelagia Holding AS b)	50,0%	76 356	89 643	127 312	268 575
Others		41 436	10 277	73 823	75 691
Income from associates		139 523	172 537	250 121	450 758
* Fair value adjustment biological assets		-8 247	42 652	-55 666	-18 726
Income from associates before FV adj.		147 770	129 885	305 787	469 484

Investment in associates:

Norskott Havbruk				713 502	667 804
Pelagia Holding AS				1 288 903	1 248 663
Others				524 370	438 524
Total investment				2 526 775	2 354 991

Dividend received

Norskott Havbruk			43 400		252 900
Pelagia Holding AS			-	100 000	125 000
Others		3 408	6 926	29 548	13 552
Total dividend received from associates		3 408	50 326	129 548	391 452

a) Lerøy Seafood Group ASA owns 50% of Norskott Havbruk AS

b) Austevoll Seafood ASA owns 50% of Pelagia Holding AS

NOTE 6 LIST OF THE 20 LARGEST SHAREHOLDERS PER 31.12.2020

Investor	Number of shares	% of top 20	% of total
LACO AS	112 605 876	73,12	55,55
STATE STREET BANK AND TRUST COMP	6 594 450	4,28	3,25
STATE STREET BANK AND TRUST COMP	5 099 287	3,31	2,52
J.P. MORGAN BANK LUXEMBOURG S.A.	4 878 741	3,17	2,41
FOLKETRYGDFONDET	3 120 241	2,03	1,54
SIX SIS AG	2 904 861	1,89	1,43
PARETO AKSJE NORGE VERDIPAPIRFOND	2 110 655	1,37	1,04
MITSUI AND CO., LTD	1 782 236	1,16	0,88
OM HOLDING AS	1 701 661	1,10	0,84
THE NORTHERN TRUST COMP, LONDON BR	1 693 201	1,10	0,84
THE BANK OF NEW YORK MELLON SA/NV	1 516 304	0,98	0,75
DANSKE INVEST NORSKE INSTIT. II.	1 500 363	0,97	0,74
JPMORGAN CHASE BANK, N.A., LONDON	1 496 849	0,97	0,74
CLEARSTREAM BANKING S.A.	1 381 630	0,90	0,68
STATE STREET BANK AND TRUST COMP	1 159 530	0,75	0,57
STATE STREET BANK AND TRUST COMP	1 008 450	0,65	0,50
STOREBRAND NORGE I VERDIPAPIRFOND	980 823	0,64	0,48
AUSTEVOLL SEAFOOD ASA	893 300	0,58	0,44
VERDIPAPIRFONDET NORDEA KAPITAL	796 636	0,52	0,39
VERDIPAPIRFONDET ALFRED BERG NORGE	784 827	0,51	0,39
Total number owned by top 20	154 009 921	100	75,97%
Total number of shares	202 717 374		

NOTE 7 ALTERNATIVE PERFORMANCE MEASURES

Austevoll Seafood Group's accounts are submitted in accordance with international standards for financial reporting (IFRS) and interpretations established by the International Accounting Standards Board (IASB) and adopted by the EU. In addition, the Board and management have chosen to present certain alternative performance measures to make the Group's developments simpler to understand. The Board and management are of the opinion that these performance measures are in demand and utilised by investors, analysts, credit institutions and other stakeholders. The alternative performance measures are derived from the performance measures defined in IFRS. The figures are defined below. They are consistently calculated and presented in addition to other performance measures, in line with the Guidelines on Alternative Performance Measures from the European Securities and Markets Authority (ESMA).

Operating profit/loss before fair value adjustments

EBIT before fair value adjustments is an alternative performance measure utilised by the Group. Pursuant to IFRS, biological assets (fish in the sea) shall be measured at fair value in the statement of financial position (IAS 41). Estimates of fair value require various assumptions about the future, including price developments. Changes in the market's price expectations may therefore result in major changes in carried value. As this change in value is included in the operating profit or loss (EBIT) as defined in IFRS, this figure alone is not sufficient to illustrate the Group's performance during the period. The same applies to two other items on the statement of financial position related to biological assets, onerous contracts (IFRS 37) and financial fish-pool contracts (IFRS 9). The Group has therefore elected to present operating profit/loss as it would be presented before recognition of the above-mentioned fair value adjustments, as an alternative performance measure. By presenting (1) EBIT before fair value adjustments, (2) fair value adjustments in the period and (3) EBIT after fair value adjustments, the user of the financial statements will easily be able to identify how much of the operating profit comprises changes in fair value (fair value adjustments) and thereby compare performance with other companies in the same industry. The note on biological assets contains a detailed description of how fair value adjustment is calculated and the figures for each component. The following components are included:

	Q4 2020	Q4 2019
Operating project (EBIT)	-240 295	898 160
- Fair value adjustments	-703 816	245 666
= EBIT before fair value adjustments	463 522	652 494

Fair value adjustments consist of:

1. Change in fair value adjustment on fish in sea
2. Change in fair value adjustment on roe, fry and cleaning fish *
3. Change in fair value adjustment on onerous contracts (salmon and trout)
4. Change in fair value adjustment on fish pool contracts (financial contracts on salmon)

* For this group historical cost provides the best estimate of fair value. See note 3 for further details.

Operating profit/loss before depreciation and fair value adjustments

The operating profit/loss before depreciation and fair value adjustments is an alternative performance measure. This is estimated in the same way as for "Operating profit/loss before fair value adjustments" (above).

Profit/loss before tax and fair value adjustments

The profit/loss before tax and fair value adjustments is an alternative performance measure utilised by the Group. Pursuant to IFRS, biological assets shall be measured at fair value in the statement of financial position (IAS 41). The alternative performance measure shows how the profit/loss before tax would be if IAS 41 had not been applied. This requires reversal of fair value adjustments made for fish in the sea. The reversal comprises the Group's own fair value adjustment in addition to fair value adjustments included in the share of profit/loss from associates carried according to the equity method, also in accordance with IAS 41. The following components are included:

	Q4 2020	Q4 2019
Profit before tax	-160 330	1 002 853
- Fair value adjustment	-703 816	245 666
- Fair value adjustments incl. in income from associates	-8 247	42 652
= Profit before tax and fair value adjustments	551 734	714 535

NOTE 7 ALTERNATIVE PERFORMANCE MEASURES (cont.)

Net interest-bearing debt (NIBD)

NIBD is an alternative performance measure used by the Group. The figure shows how much capital the Group employs and is an important key figure for stakeholders who are planning to provide financing to the Group and for those who want to value the company. The Group therefore defines NIBD as interest-bearing liabilities, both short-term and long-term, to persons or institutions where the main objective is to provide financing and/or credit, minus interest-bearing cash or cash equivalents. This implies that long-term interest-bearing receivables (asset) and other lease liabilities exceeding lease commitments to credit institutions (liability) are not included. The latter component covers the majority of the new lease liabilities capitalised in connection with the implementation of IFRS 16. The following components from the statement of financial position are included:

	31/12/2020	31/12/2019
Loans from credit institutions *		
+ Lease liabilities to credit institutions *	1 364 635	1 245 000
+ Other long term loans *	6 699 484	6 240 532
+ Overdrafts and other short term credits	1 049 683	839 946
- Cash and cash equivalents	-4 462 765	-4 251 100
= Net interest bearing debt (NIBD)	4 651 037	4 074 378

* Both long-term and short-term portion

NOTE 8 RIGHT-OF-USE ASSETS

The Group implemented IFRS 16 Leases on 1 January 2019. This new standard requires practically all leases to be capitalised, as there is no longer a distinction, for the lessee, between operating and finance leases. According to the new standard, the asset (right of use) and the liability to pay rent are recognised in the financial statements. Exemptions are made for short-term leases and low-value leases.

The lease liabilities (previously operating leases) are recognised at the present value of the future lease payments. The lease payments are discounted by the Group's estimated marginal average interest rate on loans (4%). The interest on the lease liability in each accounting period of the lease period shall be the amount that provides a constant periodic interest rate for the remaining balance of the lease liability (annuity principle). The interest expense related to the liability is presented as a financial expense. Lease costs that were previously included in cost of goods sold and other operating expenses are now presented in the income statement as depreciation and interest expense.

The right-of-use assets are depreciated on a straight-line basis from the date of commissioning until the end of the useful life of the right-of-use asset or the end of the lease period, whichever comes first. In the statement of cash flows, cash payments for the lease liability's principal (instalment part) are presented under financing activities. The same applies to cash payments for the interest part of the lease liability.

The table shows the breakdown of right-of-use assets by asset group.

Right-of-use assets	Land	Buildings	Plant, equipment and other fixtures	Vessels	Total
Carrying value 01.01.2020	45 908	559 739	1 307 059	1 021 831	2 934 537
Foreign currency translation differences	-	-19 899	6 452	-29 136	-42 583
Right-of-use assets acquired	-1,798	107 109	383 330	262 823	751 464
Disposal	-	-	-1 319	-	-1 319
Depreciation	-3 838	-58 551	-290 359	-189 162	-541 910
Impairment loss	-	-	-	-	-
Reclassification	-	-	5 507	-	5 507
Carrying value 31.12.2020	40 272	588 398	1 410 670	1 066 356	3 105 696

