



Austevoll Seafood ASA

Financial report Q1 2021



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Austevoll Seafood ASA

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FINANCIAL REPORT Q1 2021

- Higher harvest volume for Atlantic salmon and trout when compared with Q1 2020
 - » Industry spot price for whole superior salmon in Q1 2021 down 24% compared with same quarter of 2020
 - » Spot price remains impacted by COVID-19 pandemic
- Good level of pelagic activity
- Good activity within whitefish in the North Atlantic
- COVID-19
 - » The ongoing pandemic continues to represent a challenging situation for the Group companies
 - » The seafood market remains significantly impacted by the pandemic

KEY FIGURES FOR THE GROUP

All figures in NOK 1,000

	Q1 2021	Q1 2020	2020
Operating revenue	5 952 815	5 856 454	22 446 926
EBITDA*	1 094 987	1 200 395	3 674 978
EBITDA %	18%	20%	16%
EBIT*	706 348	833 819	2 158 707
Pre tax profit before biomass adj.*	682 393	659 473	2 037 136
Pre tax profit	1 100 843	16 683	1 027 426
Earnings per share (EPS) *	1,47	1,15	4,55
Earnings per share (EPS)	2,34	-0,18	2,45
Dividend per share (paid)			2,50
Proposed dividend			3,50
Total assets	40 826 786	40 875 143	39 741 004
Equity	23 779 340	23 926 559	22 990 574
Equity ratio	58%	59%	58%
NIBD ex. right-of-use assets liabilities **	3 954 692	4 586 266	4 651 037
NIBD incl. right-of-use assets liabilities to tother than credit institurions **	5 658 242	5 952 099	5 942 244

* Before fair value adjustments of biological assets

** NIBD = Net interest bearing debt

FINANCIAL REVIEW

PROFIT/LOSS Q1 2021

Group operating revenue in Q1 2021 totalled NOK 5,953 million, compared with NOK 5,856 million in Q1 2020.

Group EBITDA in Q1 2021 totalled NOK 1,095 million compared with NOK 1,200 million in Q1 2020.

The global COVID-19 pandemic has a negative impact on demand for the Group's products and has resulted in significantly lower prices for redfish and whitefish when compared with Q1 2020. The spot prices for salmon were very high at the start of 2020, but were gradually impacted by effect on demand as the first quarter progressed, following restrictions introduced to combat the outbreak. The spot prices are down 24% in Q1 2021 when compared with Q1 2020. The main factor behind the fall in earnings from salmon and whitefish from Q1 2020 to Q1 2021 is therefore the lower prices realised.

Pelagic operations have seen an increase in revenue and earnings in the first quarter when compared with the same period in 2020. The main reason for this is that the Group's companies in Peru have had a successful second fishing season, starting in November 2020 and ending in January 2021. Good access to raw materials combined with a high sales volume of finished goods has produced significantly higher revenue and earnings in Q1 2021 when compared with Q1 2020.

EBIT before fair value adjustment related to biological assets in Q1 2021 was NOK 706 million (Q1 2020: NOK 834 million).

Fair value adjustment related to biological assets in Q1 2021 was positive and totalled NOK 400 million. The corresponding figure in Q1 2020 was negative at NOK -614 million.

EBIT after fair value adjustment related to biological assets in Q1 2021 was NOK 1,106 million (Q1 2020: NOK 220 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 Q1 2021 totalled NOK 75 million (Q1 2020: NOK -50 million). The result reported for the first quarter of 2020 was significantly affected by negative biomass adjustment for Norskott Havbruk AS and currency effects for Pelagia Holding AS. Please refer to note 5 for more detailed information on associates.

The Group's net interest expense in Q1 2021 totalled NOK 74 million (Q1 2020: NOK 73 million). Net other financial expenses in the quarter totalled NOK 6 million. Net other financial expenses in Q1 2020 totalled NOK 80 million.

Profit before tax and fair value adjustment related to biological assets for Q1 2021 amounted to NOK 682 million, compared with NOK 659 million in Q1 2020.

Profit before tax in the quarter was NOK 1,101 million (Q1 2020: NOK 17 million). Profit after tax was NOK 852 million (Q1 2020: a loss of NOK 4 million).

OPERATIONAL REVIEW OF SEGMENTS FOR Q1 2021

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 Q1 2021, LSG reported revenue of NOK 4,927 million (Q1 2020: NOK 5,306 million) and EBITDA before fair value adjustment related to biological assets of NOK 759 million (Q1 2020: NOK 1,097 million).

The global COVID-19 pandemic has a negative impact on demand and has resulted in lower prices for both redfish and whitefish. The main factor behind the fall in earnings from Q1 2020 to Q1 2021 is the reduction in prices realised. At the same time, the Group can report a good underlying demand for seafood.

For Farming, the harvest volume for salmon and trout, gutted weight, was 42,150 tonnes in Q1 2021, up from 39,377 tonnes in Q1 2020.

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 combined to give historically very high prices for salmon.

Throughout 2020, the market has been substantially impacted by the COVID-19 restrictions. Demand in Q1 2020 was at an historic high, but the restrictions laid down to combat COVID-19 have gradually made their mark from the last part of the first quarter and for the remainder of 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 of 2020. During the second half of the second quarter and the third quarter of 2020, demand saw an improvement up to the second wave of global lockdowns that dominated large parts of the fourth quarter of 2020.

This remains the situation in Q1 2021, but demand has seen a substantial increase as the quarter has progressed. Grocery sales can be described as very good.

The average price for salmon in Q1 2021, measured according to NSI (sales price FCA Oslo), was NOK 52.10/kg compared with NOK 68.50/kg in Q1 2020 and NOK 43.40/kg in Q4 2020. This constitutes a fall in price of NOK 16/kg from Q1 2020, but an increase of NOK 9/kg from Q4 2020.

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 throughout 2020. Growth in exports subsided in Q4 2020 and this trend remains evident in Q1 2021. At the time of writing, the Group expects to see a significant improvement in the balance on the market for trout throughout 2021 when compared with developments in 2020.

As mentioned in the interim report for Q4 2020, Lerøy Aurora reported an abnormal increase in winter ulcers also at the start of 2021. This development worsened throughout the quarter and had a considerably negative effect on prices realised in Q1 2021. This situation will also have an impact on relative prices realised in Q2 2021.

LSG's contract share for salmon in Q1 2021 was 25%, and prices realised were higher than prices realised on the spot market.

For Lerøy Sjøtroll, 25% of the harvest volume in Q1 2021 was trout. The Group's prices realised for trout in the quarter reflect the improvement in market balance, and were approximately NOK 1/kg lower than for salmon.

LSG's release from stock costs in Q1 2021 are in line with those reported in Q1 2020, and where Lerøy Aurora has significantly higher release from stock costs compared with last year. These costs include a new production fee of NOK 0.40/kg introduced in 2021. Excluding this fee, LSG's release from stock costs in Q1 2021 are lower than in Q1 2020.

The company currently expects costs in 2021 to be lower than in 2020, but a development where the cost levels in the first and second quarters of 2021 will be in the same range, with expectations of a substantial fall in costs in the second half of the year.

As previously mentioned, an abnormal rate of winter ulcers has affected release from stock costs for Lerøy Aurora, due to, for example, low harvest weights. This will also impact results for the second quarter, which is normally a quarter with a low harvest volume. The company projects a harvest volume in the range of 47,000 GWT in 2021. Lerøy Aurora expects to harvest around 70% in the second half of the year.

The cold winter, particularly in February, has also affected production in the sea for Lerøy Midt, although production in the sea in Q1 2021 has been almost as expected. Release from stock costs in Q1 2021 are lower than in Q1 2020, and practically in line with costs in Q4 2020. Current projections are for lower release from stock costs in 2021 when compared with 2020. The cost level will remain practically the same in the first and second quarters, but with a falling cost trend in the third and fourth quarters. The company projects a harvest volume in the range of 70,000 GWT in 2021.

As previously reported, Lerøy Sjøtroll can confirm a positive development with their most recent releases. Lerøy Sjøtroll has also been impacted by a very cold winter, but the company's positive development currently appears to fulfil expectations of a significant increase in harvest volume and related cost reduction in 2021 when compared with 2020. Costs in Q1 2021 are lower than in Q1 2020, but higher than in Q4 2020. For 2021, the company projects a significant improvement in cost levels compared with 2020. Cost levels for 2021 will remain higher than expected in the Group's other regions. The company projects a harvest volume in the range of 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 has had 10 trawlers in operation in Q1 2021. Due to excellent catch rates, these vessels have produced the highest catch volume in the company's history. The catch volume in Q1 2021 was 25,721 tonnes, compared with 25,009 tonnes in Q1 2020. Fishing for haddock proved difficult in 2020, so the company has focused on haddock catches in Q1 2021. The share of cod in catches is down from 50% in Q1 2020 to 43% in Q1 2021. The remaining quota for 2021 for Lerøy Havfisk is positive in terms of market outlook.

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. According to assessments, the most important factor behind the lower prices realised is the pandemic. Prices for cod, haddock and saithe in Q1 2021 are down 27%, 14% and 9% respectively from Q1 2020. Seafood is sold consecutively, and demand is considered to be good, but prices are lower than witnessed before the impact of the COVID-19 restrictions in the last part of Q1 2020.

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.

Seasonal cod catches by the coastal fishing fleet represent an important source of raw materials, but the season had a late start in 2021. For several years now, processing of whitefish has been very challenging, and Q1 2021 was no exception. At the same time, however, there are fortunately signs that the initiatives taken are having a positive effect.

The Group's focus on boosting the competitiveness of the whitefish industry is a long-term process and will continue undiminished, despite what the Group hopes is temporary challenges brought about by the pandemic. Significant investments have been made in both facilities and development for our employees, and despite what we feel we can define as the

temporary/interim negative effects of COVID-19, it is positive to see that these investments are gradually yielding results.

In total, Havfisk and LNWS contributed EBIT of NOK 185 million in Q1 2021, compared with NOK 270 million in the same period of 2020. Please note that Havfisk has a higher share of the remaining quota for cod compared with the same period last year.

The trend for an increasing volume of seafood consumption in the grocery market remains in Q1 2021, with a very strong growth in sales via this channel. Campaigns carried out by the major European grocery chains have produced extremely high sales volumes, particularly for salmon. This trend supports the strong position held by salmon and seafood with the consumer, and provides strong grounds for an optimistic outlook for future growth in demand.

Investigation by the competition authorities in the EU and USA

On 20 February 2019, the EU's competition authorities ("the Commission") initiated investigations relating to the suspicion of restrictive practices involving collaboration on the salmon market. The US Department of Justice (DOJ) opened an investigation of the Norwegian Salmon farming industry in November 2019. Lerøy Seafood Group ASA is one of the companies to be investigated. In the wake of the European Commission's investigations, Lerøy Seafood Group ASA and a number of other Norwegian owned aquaculture companies have been sued by customers in the US and Canada. For a more detailed description, please refer to the Group's annual report for 2020.

For further information, please refer to LSG's report and presentation for Q1 2021.

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 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 company closed its second fishing season for 2020 in January 2021. Of the total volume of approx. 167,000 tonnes for the season, catches in January 2021 were more than 40,000 tonnes. After the season ended, the vessels have caught horse mackerel/ mackerel and anchoveta in the south, and have carried out necessary maintenance work prior to the first season of 2021. The coastal fleet in the south has supplied a good volume of raw materials, providing a high level of activity for the company's factory in Ilo. The company did not have fisheries in the southern zone in the same quarter of 2020.

The significant improvement in the second season of 2020, when compared with the same season in 2019, has provided a higher volume of raw materials and thereby a higher production rate for finished goods. The company therefore had high inventories of fishmeal and fish oil at the start of 2021. In addition, the company has reported good production in Q1 2021 when compared with the same quarter in 2020. The growth in volume for both catches and sold goods is the most important factor behind the improvement in result for the quarter, when compared with Q1 2020.

In Q1 2021, operating revenue was NOK 700 million (Q1 2020: NOK 264 million) and EBITDA was NOK 225 million (Q1 2020: NOK 23 million).

The company's inventory of fishmeal and fish oil at the start of 2021 was 38,000 tonnes, compared with 17,400 tonnes at the start of 2020. Sales volumes for fishmeal and fish oil in the quarter were 45,700 tonnes, up substantially from 15,000 tonnes in the same quarter of 2020. Prices realised for fishmeal were up 16% from Q1 2020 to Q1 2021, while the company's prices realised for fish oil fell 13% from Q1 2020.

Peru is usually the world's largest producer of fishmeal and fish oil. 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 rate of infection in Peru has been high in 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 COVID-19 outbreak has caused and continues to cause increased uncertainty and significantly lower predictability than

normal. It is therefore to be expected that the fishing seasons in 2021 may 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.

The company has enjoyed a positive start to 2021, catching just under 32,000 tonnes of horse mackerel in the first quarter. The catch volume in Q1 2020 was just under 28,000 tonnes.

In 2021, the company has its own quota (including leased quota) for horse mackerel of just under 40,000 (2020: 34,600 tonnes). The company's horse mackerel quota is 15% higher than in 2020. The company has also purchased 24,500 tonnes (2020: 28,500 tonnes) of horse mackerel from third parties, to be caught by FC's own vessels. The total quota, including purchases from third parties, therefore amounts to just over 64,000 tonnes, up from approx. 63,000 tonnes in 2020.

In Q1 2021, operating revenue was NOK 157 million (Q1 2020: NOK 138 million) and EBITDA was NOK 66 million (Q1 2020: NOK 40 million).

Sales of frozen products totalled 10,600 tonnes in Q1 2021, up from 10,300 tonnes in the same quarter of 2020. Demand for frozen products has been good, and the company's prices realised in the quarter are 25% higher than in Q1 2020.

The authorities in Chile, as in Peru, have introduced stringent national restrictions as a result of the COVID-19 pandemic. The rate of infection in Chile has been high in 2021. It is

to be expected that the fishing seasons in 2021 will also be much 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)

In Q1 2021, the BRBI segment reported operating revenue of NOK 71 million (Q1 2020: NOK 49 million). EBITDA amounted to NOK 28 million (Q1 2020: NOK 10 million).

The pelagic vessels have caught their quota of blue whiting in the first quarter. In 2020, these fisheries were spread over the first and second quarters.

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

In Q1 2021, the BFARM segment reported operating revenue of NOK 87 million (Q1 2020: NOK 87 million). EBITDA before fair value adjustment related to biological assets in Q1 2021 was NOK 16 million (Q1 2020: NOK 27 million).

The company harvested 1,831 tonnes of salmon in Q1 2021, up from 1,441 tonnes harvested in Q1 2020. The company sells all its fish on the spot market, and the prices realised in Q1 2021 are considerably lower than the prices realised in the same quarter of 2020. In the first quarter of 2021, the company harvested the remaining volume from the H19 (autumn 2019) generation.

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, in relation to production of fishmeal and fish oil

and products for consumers.

Revenue for the quarter was NOK 2,332 million (Q1 2020: NOK 2,150 million) and EBITDA was NOK 133 million (Q1 2020: NOK 79 million).

The sales volume for frozen products in the quarter was 94,900 tonnes, down from 109,300 tonnes in the same quarter in 2020. Sales of fishmeal/FPC and fish oil in the quarter totalled 45,600 tonnes, up from 33,300 tonnes in Q1 2020.

The volume of raw materials received for consumer products in the first quarter of 2021 was 128,000 tonnes, slightly down from 132,000 tonnes in Q1 2020. Total receipt of raw materials for Pelagia and associates for fishmeal/FPC and fish oil production was 227,000 tonnes in Q1 2021, compared with 289,000 tonnes in Q1 2020.

Pelagia Holding AS' subsidiary Pelagia AS signed an agreement in March 2021 for the acquisition of the remaining 50% of the shares in Hordafor AS. The transaction will be carried out as soon as all relevant permits are in place. Once the transaction is completed, Pelagia AS will own 100% of the shares in Hordafor AS.

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 Q1 2021

Cash flow from operating activities for Q1 2021 was NOK 1,134 million (Q1 2020: NOK 421 million). Cash flow from investing activities for Q1 2021 was NOK -258 million (Q1 2020: NOK -629 million). Cash flows in Q1 2020 were impacted by the takeover of the new whitefish trawler, Kongsfjord. Cash flow from financing activities for Q1 2021 was NOK -566 million (Q1 2020: NOK 188 million). The figure for Q1 2021 includes a reduction of short-term credits of approx. NOK 476 million in the quarter.

The Group's cash and cash equivalents at the end of Q1 2021 totalled NOK 4,772 million, compared with NOK 4,259 million at the end of Q1 2020.

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2021

The Group's total statement of financial position at the end of March 2021 amounts to NOK 40,827 million, in line with the corresponding figure reported at the end of March 2020, which was NOK 40,875 million. Some Group companies have a functional currency other than the Norwegian krone. Changes in foreign exchange rates will therefore result in periodic changes in the amounts in the Group's statement of financial position, due to translation to Norwegian krone.

The Group is financially sound with book equity at 31 March 2021 of NOK 23,779 million, equivalent to an equity ratio of 58 %. At the end of Q1 2020, the Group had book equity of NOK 23,927 million, equivalent to an equity ratio of 59 %.

At the end of Q1 2021, the Group had net interest-bearing debt excluding right-of-use liabilities other than to credit institutions totalling NOK 3,955 million, compared with NOK 4,586 million at the end of March 2020. The Group's net interest-bearing debt including right-of-use liabilities other than to credit institutions was NOK 5,658 million at the end of March 2021, compared with NOK 5,952 million at the end of March 2020.

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 March 2021, the parent company Austevoll Seafood ASA had cash and cash equivalents of just under NOK 800 million and a net interest-bearing debt of NOK 382 million. The parent company's bond loan, established in 2015 and maturing on 4 May 2021, was redeemed in full by utilising parts of the company's cash and cash equivalents.

OTHER ISSUES

Risks and uncertainties

The Group's risk exposure is described in the Annual Report 2020. 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 Q1 2021, 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 the end of Q1 2021, the Group had live fish on its statement of financial position worth NOK 5.3 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. 26 % 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 7,214 shareholders at the end of Q1 2021. The number of shareholders at the start of Q1 2021 was 7,294.

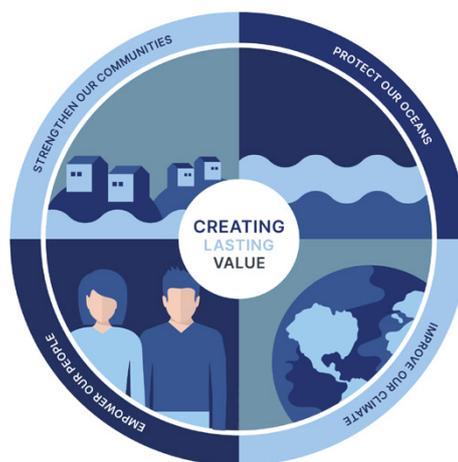
The share price was NOK 87.70 at the start of Q1 2021 and NOK 103.50 at the end of the quarter.

The Board of Directors has recommended a dividend payment of NOK 3.50 per share for financial year 2020 to the company's Annual General Meeting in May 2021. The dividend payment for financial year 2019, paid in June 2020, was NOK 2.50 per share.

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". The entire value chain in the Group's portfolio companies has its "origins" in the sustainable use of the sea, and the Group's growth has been and shall continue to be sustainable in terms of finance and the climate/environment. Sustainable growth places stringent requirements on the Group within finance, corporate governance, the climate and environment as well as 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 2020 on the company's website <https://ar2020.auss.no/>



MARKET AND OUTLOOK

Production, sale and distribution of salmon, trout and whitefish

Price developments for Atlantic salmon have again been very volatile at the start of 2021, substantially influenced by the repercussions of the COVID-19 pandemic. 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 in demand for seafood, and consequently for the Group's operations and value creation.

The Group's production of red fish 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 smolt facility in Laksefjord in Q4 2020, and the facility is expected to reach full exploitation in 2021. Lerøy Midt can report that the second stage of development of the Belsvik facility is 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 improved 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 possible 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 final stage will also provide facilities for post-smolt production, but may be used for salmon production up to harvest size. The newly acquired

industrial site, including the links to the Group's farming operations in West Norway, could potentially provide successful interaction effects between sea and land. If applicable, the lessons learned may alternatively be exploited at some point in the future to realise land-based projects in other regions. The development will take place in stages, but initial estimates indicate that the first 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 8,000-10,000 GWT. Construction work is scheduled for completion in 2023.

LSG can report significant improvements in production in the sea in 2020. The harvest volume was up from approx. 158,000 tonnes in 2019 to 171,000 tonnes in 2020. Moreover, standing biomass was up from 111,000 tonnes at year-end 2019 to 119,000 tonnes at year-end 2020. The first months of 2021 were cold, negatively affecting growth conditions, but 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, also including land-based operations, has suffered significantly from the impact on demand of COVID-19 at the start of 2021. It is 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's quotas for 2021 are up 17% for cod, up 22% for haddock, up 16% for saithe north of 62 degrees, and down 43% for saithe south of 62 degrees.

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.

In Q2 2021, LSG increased its shareholding in the company Seafood Danmark from 33% to 78%. This is the result of a long-term relationship between the parties, and LSG looks forward to having this company as an integrated part of the Group. Seafood Danmark's collaboration with demanding customers has afforded them a strong position on the Danish seafood market, but the company is also active on other central markets. Thanks to the company's well-established organisation, Seafood Danmark will strengthen LSG's downstream operations. The company has local management who have demonstrated strong operations and good earnings over several years. The company reported operating profit of approx. DKK 70 million in 2020.

Fishmeal and fish oil

According to the IFFO*, global fishmeal production in the first four months of 2021 was up 61% compared with the same period last year. The increase is mainly attributed to Peru, where the second fisheries season in 2020 lasted until January 2021. Peru has also had fisheries in the southern zone during the period. There has been a reduction in production in the North Atlantic from last year, and the quotas for blue whiting in 2021 are down 20% from quotas in 2020.

The first fishing season in Peru started on 23 April with a total quota of 2.5 million tonnes, up from 2.4 million tonnes in the same season in 2020. The corresponding season in 2020 started on 13 May.

* Source: IFFO, week 17, 2021 (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 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, and how quickly the ongoing vaccination process will contribute to the lifting of restrictions. Based on this increased uncertainty, it must be stressed that it is very difficult to forecast the economic consequences of the pandemic. The situation is and has been challenging, and the outbreak has had a notably negative impact on the global economy and, as a result, the Group's profit/loss in Q1 2021. 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 second quarter of 2021 to also 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, which includes 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.

Storebø, 19 May 2021
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 Q1 2021

INCOME STATEMENT (unaudited)

All figures in NOK 1,000	Note	Q1 2021	Q1 2020	(audited) 2020
Operating revenue	4	5 952 815	5 856 454	22 446 926
Raw material and consumables used		3 052 740	2 884 761	12 079 107
Salaries and personnel expenses		1 045 390	1 021 789	3 604 585
Other operating expenses		759 698	749 509	3 088 256
EBITDA before fair value adjustments *		1 094 987	1 200 395	3 674 978
Depreciation and amortisation		388 926	369 701	1 518 825
Impairment		-287	-3 125	-2 554
EBIT before fair value adjustment *	7	706 348	833 819	2 158 707
Fair value adjustment related to biological assets	3	399 942	-613 934	-954 044
Operating profit		1 106 290	219 885	1 204 663
Income from associated companies	5	74 803	-49 675	250 121
Net interest expenses		-74 304	-73 252	-294 911
Net other financial items (incl. agio/disagio)		-5 946	-80 275	-132 447
Profit before tax and fair value adj.*	7	682 393	659 473	2 037 136
Profit before tax		1 100 843	16 683	1 027 426
Income tax expenses		-249 337	-20 891	-204 575
Net profit		851 506	-4 208	822 851
Profit to non-controlling interest		379 666	32 406	328 736
Profit to controlling interests		471 840	-36 614	494 115
Earnings per share (EPS) *		1,47	1,15	4,55
Earnings per share (EPS)		2,34	-0,18	2,45
Diluted EPS		2,34	-0,18	2,45

*) related to biological assets (alternative performance measure)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

All figures in NOK 1,000	Q1 2021	Q1 2020	(audited) 2020
Net earnings in the period	851 506	-4 208	822 851
Other comprehensive income			
Currency translation differences	-93 715	703 894	-138 724
Other comprehensive income from associated companies	-3 857	-3 936	-4 947
Cash flow hedges	31 202	-65 935	-34 429
Others incl. tax effect	-4 442	-22 884	3 635
Total other comprehensive income	-70 812	611 139	-174 465
Comprehensive income in the period	780 694	606 931	648 386
Allocated to;			
Minority interests	365 985	128 323	312 030
Majority interests	414 709	478 608	336 356

STATEMENT OF FINANCIAL POSITION (unaudited)

All figures in NOK 1,000	Note	31.03.2021	31.03.2020	31.12.2020
Assets				
Intangible assets		11 489 848	11 837 477	11 526 318
Vessels		2 048 353	2 235 356	2 103 409
Property, plant and equipment		6 316 488	6 465 690	6 275 401
Right-of-use assets	8	3 496 588	3 074 568	3 105 697
Investments in associated companies	5	2 593 298	2 460 677	2 526 775
Investments in other shares		41 735	39 652	41 720
Other long-term receivables		167 826	166 838	163 885
Total non-current assets		26 154 136	26 280 258	25 743 205
Inventories	3	6 854 954	6 860 449	6 735 346
Accounts receivable		2 179 307	2 578 554	2 045 398
Other current receivables		866 255	897 367	754 290
Cash and cash equivalents		4 772 134	4 258 515	4 462 765
Total current assets		14 672 650	14 594 885	13 997 799
Total assets		40 826 786	40 875 143	39 741 004
Equity and liabilities				
Share capital	6	101 359	101 359	101 359
Own shares		-18 312	-18 312	-18 312
Share premium		3 713 549	3 713 549	3 713 549
Retained earnings and other reserves		8 726 181	8 961 042	8 311 893
Non-controlling interests		11 256 564	11 168 922	10 882 086
Total equity		23 779 340	23 926 559	22 990 574
Deferred tax liabilities		3 369 896	3 489 328	3 261 183
Pensions and other obligations		12 269	91 194	56 647
Borrowings		5 748 866	5 993 832	5 650 866
Lease liabilities to credit institutions		1 073 998	896 175	1 093 736
Lease liabilities to other than credit institutions		1 412 187	1 143 443	1 055 920
Other long-term liabilities		25 335	32 984	25 992
Total non-current liabilities		11 642 551	11 646 956	11 144 344
Short term borrowings		1 035 206	596 767	1 022 626
Lease liabilities to credit institutions		269 805	264 204	270 899
Lease liabilities to other than credit institutions		291 363	222 390	235 287
Overdraft facilities		573 616	1 060 819	1 049 683
Account payable		1 455 384	1 540 386	1 363 866
Other current liabilities		1 779 522	1 617 062	1 663 725
Total current liabilities		5 404 896	5 301 628	5 606 086
Total liabilities		17 047 447	16 948 584	16 750 430
Total equity and liabilities		40 826 787	40 875 143	39 741 004
Net interest bearing debt (NIBD)		3 954 692	4 586 266	4 651 037
Lease liabilities to other than credit institutions		1 703 550	1 365 833	1 291 207
NIBD incl. right of use assets liabilities		5 658 242	5 952 099	5 942 244
Equity ratio		58%	59%	58%

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

All figures in NOK 1,000	31.03.2021	31.03.2020	31.12.2020
Equity at period start	22 990 574	23 331 034	23 331 034
Comprehensive income in the period	780 694	606 931	648 386
Dividends	-	-4 786	-983 421
Transactions with non-controlling interest	8 072	-6 620	-5 425
Other	-	-	-
Total changes in equity in the period	788 766	595 525	-340 460
Equity at period end	23 779 340	23 926 559	22 990 574

CASH FLOW STATEMENT (unaudited)

All figures in NOK 1,000	Q1 2021	Q1 2020	(audited) 2020
Cash flow from operating activities			
Profit before income taxes	1 100 843	16 684	1 027 426
Fair value adjustment of biological assets	-399 942	613 934	954 044
Taxes paid in the period	-126 238	-236 736	-493 805
Depreciation and amortisation	388 926	369 701	1 518 825
Impairments	-287	-3 125	-2 554
Associated companies - net	-74 803	49 675	-250 122
Interest expense	79 747	93 551	341 027
Interest income	-5 443	-20 299	-46 116
Change in inventories	280 335	-185 405	-400 415
Change in receivables	-245 875	-156 904	629 946
Change in payables	85 976	-162 886	-334 538
Other operating cash flow incl currency exchange	50 358	43 308	620
Net cash flow from operating activities	1 133 597	421 498	2 944 338
Cash flow from investing activities			
Purchase of intangible and fixed assets	-220 024	-635 462	-1 529 323
Purchase of shares and equity investments	-41 668	-439	-36 672
Proceeds from sale of fixed assets/equity investments	2 117	3 941	17 223
Cash inflow from business combinations	-	-	-
Dividend received	-	-	129 548
Interest income	5 443	20 299	46 116
Other investing activities - net	-3 932	-16 987	-29 716
Net cash flow from investing activities	-258 064	-628 648	-1 402 824
Cash flow from financing activities			
Proceeds from new long term debt	650 841	302 082	2 111 463
Repayment of long term debt	-660 381	-305 904	-2 224 573
Change in short term debt	-475 863	152 865	143 721
Interest paid	-79 752	-100 803	-344 560
Dividends paid	-	-4 786	-983 421
Other finance cash flow - net	-780	144 928	-28 720
Net cash flow from financing activities	-565 935	188 382	-1 326 090
Net change in cash and cash equivalents	309 598	-18 768	215 424
Cash, and cash equivalents at start of period	4 462 765	4 251 100	4 251 100
Exchange gains/losses (-)	-229	26 183	-3 759
Cash and cash equivalents at period end	4 772 134	4 258 515	4 462 765

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 2020 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 2020.

Please refer to the Group's financial statements for 2020 for information on standards and interpretations applicable as of 1 January 2020.

NOTE 2 RELATED PARTY TRANSACTIONS

There were related party transactions in Q1 2021. Related party transactions take place on market terms, and the relevant types of transactions are described in more detail in the Annual Report 2020.

In Q1 2021, LSG completed the purchase of a large plot of land/industrial site on the coast with related rights for smolt production from the Group's leading company, Laco AS, via the acquisition of the company FMV Eiendom AS. Utilisation of the plot of land/industrial site is described in detail under Market and outlook, and the sub-heading "Production, sale and distribution of salmon, trout and whitefish".

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	Q1 2021	Q1 2020	2020
Change FV adj. of biological assets	368 481	-555 091	-853 236
Change in FV of onerous contracts	-3 730	26 517	26 485
Change in FV of fishpool contracts	-1 577	0	0
Total FV adjustments over profit and loss	363 175	-528 574	-826 751

Fair value adjustments over OCI

Change in FV of fishpool contracts *	2 736	-3 951	-3 183
Total FV adjustments over OCI	2 736	-3 951	-3 183

* 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	31/03/2021	31/03/2020	31/12/2020
Cost on stock for fish in sea	3 954 381	3 915 388	4 231 901
Cost on stock for fry, brood, smolt and cleaning fish	412 054	367 601	362 065
Total cost on stock for biological assets *	4 366 435	4 282 989	4 593 966
FV adj. of fish in sea	688 027	617 690	319 546
FV adj. of fry, brood, smolt and cleaning fish	0	0	0
Total FV adj. of biological assets	688 027	617 690	319 546
Monthly discount rate applied	5%	5%	5%
FV of fish in sea	4 642 408	4 533 078	4 551 447
FV of fry, brood, smolt and cleaning fish	412 054	367 601	362 065
Carrying amount of biological assets	5 054 462	4 900 679	4 913 512
Carrying amount on onerous contracts (liability)			
Carrying amount of onerous contracts	-3 762	0	-32
Carrying amount on fishpool contracts			
Carrying amount of Fish Pool contracts	-1 347	-4 096	-2 939

* Cost on stock is historic costs after expensed mortality

NOTE 3 BIOLOGICAL ASSETS (cont.)

HARVESTED VOLUME:

Volume in gutted weight (GWT)	Q1 2021	Q1 2020	2020
Salmon	37 943	32 971	142 841
Trout	4 207	6 406	28 007
Total harvested volume	42 150	39 377	170 849

VOLUME

Volume of fish in sea (LWT)	Q1 2021	Q1 2020	2020
Volume at beginning of period	119 407	111 263	111 263
Net growth during the period	33 699	35 953	210 396
Harvested volume during the period	-49 128	-46 877	-202 252
Volume at end of period (LWT)	103 978	100 339	119 407

Specification of fish in sea (LWT)	31/03/2021	31/03/2020	31/12/2020
Salmon	91 054	85 451	105 745
Trout	12 924	14 888	13 662
Total	103 978	100 339	119 407
Salmon > 4,7 kg (live weight) *	4 885	18 285	7 802
Salmon > 4,8 kg (live weight) *	240	4 076	0

* Defined as mature biological assets

Br. Birkeland Farming AS

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

Fair value adjustment over profit and loss	Q1 2021	Q1 2020	2020
Change FV adj. biological assets	36 767	-85 360	-127 293
FV adj. related to biological assets	36 767	-85 360	-127 293

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS

Positive amounts are assets and negative amounts are liabilities

Carrying amount of biological assets	Q1 2021	Q1 2020	2020
Cost on stock for fish in sea	228 701	261 355	265 042
Fair value adjustment fish in sea	24 185	29 351	-12 582
Fair value fish in sea	252 886	290 706	252 460
Fry, brood and smolt	-	-	-
Carrying amount of biological assets	252 886	290 706	252 460

HARVESTED VOLUME

Harvested volume in gutted weight (GWT)	Q1 2021	Q1 2020	2020
Total volume	1 832	1 441	6 790
- Salmon	1 832	1 441	6 790

VOLUME

Volume of fish in sea (LWT)	Q1 2021	Q1 2020	2020
Volume at beginning of period	5 693	5 033	5 033
Net growth during the period	1 631	2 094	9 291
Harvested volume during the period	-2 245	-1 751	-8 631
Volume at end of period (LWT)	5 079	5 376	5 693
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%)
Q1 2021									
Operating revenue	4 926 881	699 940	157 184	70 876	86 947	10 987	5 952 815	1 165 844	7 118 659
EBITDA*	759 317	225 114	66 442	27 900	15 656	558	1 094 987	66 672	1 161 659
EBITDA%	15%	32%	42%	39%	18%		18%	6%	16%
EBIT*	455 432	181 567	57 665	17 646	-1 752	-4 210	706 348	36 301	742 649
Volumes sold:									
Salmon (GWT tonnes)	42 150				1 831		43 981		43 981
Fishmeal/oil/FPC (tonnes)		45 654	3 373				49 027	22 800	71 827
Frozen/fresh fish (tonnes)		9 233	10 590				19 823	47 450	67 273
Q1 2020									
Operating revenue	5 305 861	264 141	138 178	48 594	87 463	12 217	5 856 454	1 074 951	6 931 405
EBITDA*	1 096 799	23 000	40 096	10 447	26 945	3 108	1 200 395	39 473	1 239 868
EBITDA%	21%	9%	29%	21%	31%		20%	4%	18%
EBIT*	815 723	-29 471	32 663	-291	17 751	-2 556	833 819	9 321	843 140
Volumes sold:									
Salmon (GWT tonnes)	39 377				1 441		40 818		40 818
Fishmeal/oil/FPC (tonnes)		15 002	3 163				18 165	16 650	34 815
Frozen fish (tonnes)		11 461	10 312				21 773	54 650	76 423

* 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

* Before fair value adjustments related to biological assets

NOTE 5 ASSOCIATES

		Q1 2021	Q1 2020	2020
Norskott Havbruk AS* a)	50,0%	45 910	-26 604	48 986
Pelagia Holding AS b)	50,0%	19 680	-33 623	127 312
Others		9 213	10 552	73 823
Income from associates		74 803	-49 675	250 121
* Fair value adjustment biological assets		18 508	-28 856	-55 666
Income from associates before FV adj.		56 295	-20 819	305 787

Investment in associates:

Norskott Havbruk		760 541	700 088	713 502
Pelagia Holding AS		1 305 174	1 290 154	1 288 903
Others		527 583	470 432	524 370
Total investment		2 593 298	2 460 674	2 526 775

Dividend received

Norskott Havbruk			-	
Pelagia Holding AS			-	100 000
Others		-	-	29 548
Total dividend received from associates		-	-	129 548

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 AT 31 MARCH 2021

Investor	Number of shares	% of top 20	% of total
LACO AS	112 605 876	73.15	55.55
STATE STREET BANK AND TRUST COMP	6 751 079	4.39	3.33
STATE STREET BANK AND TRUST COMP	5 042 322	3.28	2.49
J.P. MORGAN BANK LUXEMBOURG S.A.	4 778 741	3.10	2.36
FOLKETRYGDFONDET	3 370 241	2.19	1.66
SIX SIS AG	2 774 356	1.80	1.37
OM HOLDING AS	2 157 279	1.40	1.06
PARETO AKSJE NORGE VERDIPAPIRFOND	2 077 655	1.35	1.02
THE NORTHERN TRUST COMP, LONDON BR	1 694 561	1.10	0.84
THE BANK OF NEW YORK MELLON SA/NV	1 541 304	1.00	0.76
JPMORGAN CHASE BANK, N.A., LONDON	1 494 907	0.97	0.74
DANSKE INVEST NORSKE INSTIT. II.	1 478 363	0.96	0.73
STATE STREET BANK AND TRUST COMP	1 223 648	0.79	0.60
J.P. MORGAN BANK LUXEMBOURG S.A.	1 175 631	0.76	0.58
CLEARSTREAM BANKING S.A.	1 163 344	0.76	0.57
STATE STREET BANK AND TRUST COMP	1 017 594	0.66	0.50
STOREBRAND NORGE I VERDIPAPIRFOND	938 795	0.61	0.46
VERDIPAPIRFONDET ALFRED BERG NORGE	908 015	0.59	0.45
AUSTEVOLL SEAFOOD ASA	893 300	0.58	0.44
J.P. MORGAN BANK LUXEMBOURG S.A.	858 002	0.56	0.42
Total number owned by top 20	153 945 013	100	75.94%
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:

	Q1 2021	Q1 2020
Operating project (EBIT)	1 106 290	219 885
- Fair value adjustments	399 942	-613 934
= EBIT before fair value adjustments	706 348	833 819

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:

	Q1 2021	Q1 2020
Profit before tax	1 100 843	16 683
- Fair value adjustment	399 942	-613 934
- Fair value adjustments incl. in income from associates	18 508	-28 856
= Profit before tax and fair value adjustments	682 393	659 473

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 debt 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:

	31/03/2021	31/03/2020	31/12/2020
Loans from credit institutions *			
+ Lease liabilities to credit institutions *	1 343 803	1 160 379	1 364 635
+ Other long term loans *	6 809 407	6 623 583	6 699 484
+ Overdrafts and other short term credits	573 616	1 060 819	1 049 683
- Cash and cash equivalents	-4 772 134	-4 258 515	-4 462 765
= Net interest bearing debt (NIBD)	3 954 692	4 586 266	4 651 037

* 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 01.01.2021	40 272	588 398	1 411 464	1 065 562	3 105 696
Foreign currency translation differences	-	-7 794	-6 288	-8 629	-22 711
Right-of-use assets acquired	1 759	2 385	148 989	408 992	562 125
Disposal	-	-	-	-	-
Depreciation	-1 458	-14 375	-74 034	-58 655	-148 522
Impairment loss	-	-	-	-	-
Reclassification	-	-	-	-	-
Carrying value 31.03.2021	40 573	568 614	1 480 131	1 407 270	3 496 588

