



Austevoll Seafood ASA

Financial report Q2 and H1 2020



Index

Key figures for the Group.....	03
Profit/Loss Q2 2020	04
Operational review of segments for Q2 2020.....	04
Joint ventures	09
Cash flows Q2 2020	09
Financial information H1 2020.....	10
Cash flows H1 2020	10
Statement of financial position at 30 June 2020	10
Other issues.....	11
Shareholder information	11
Austevoll seafood ASA's focus areas for sustainability.....	12
Market and outlook	12
Income statement.....	16
Condensed statement of comprehensive income.....	16
Statement of financial position.....	17
Condensed statement of changes in equity.....	18
Cash flow statement.....	18
Note 1 Accounting policies.....	19
Note 2 Related party transactions.....	19
Note 3 Biological assets.....	19
Note 4 Segments	22
Note 5 Associates	24
Note 6 List of the 20 largest shareholders	24
Note 7 Alternative performance measures	25
Note 8 Right of use assets	26

Austevoll Seafood ASA

Alfabygget
N-5392 Storebø
NORWAY

www.auss.no

FINANCIAL REPORT Q2 AND H1 2020

- Higher harvest volume for Atlantic salmon and trout compared with Q2 2019
 - » Spot price for salmon impacted by COVID-19 outbreak
- Good level of pelagic activity in South America
 - » First fishing season in Peru started up on 13 May; total quota of 2.4 million tonnes, up from 2.1 million tonnes in same season in 2019.
 - 100% of the quota caught before season stopped in August.
 - » Good fisheries and good access to raw materials have provided a high level of production activity in Chile
- Good access to raw materials for production of fishmeal and fish oil in North Atlantic
- COVID-19
 - » The Group companies have introduced measures to protect employees and have consistently worked to limit the COVID-19 pandemic, in line with restrictions and recommendations from national and global health authorities.
 - » In a challenging situation, the companies have continued with operations almost as normal, and sustained a fully operational value chain.

KEY FIGURES FOR THE GROUP

All figures in NOK 1,000	Q2 2020	Q2 2019	H1 2020	H1 2019	2019
Operating revenue	5 306 056	6 079 453	11 162 510	11 642 724	23 341 679
EBITDA*	826 560	1 206 114	2 026 955	2 362 703	4 260 515
EBITDA %	16%	20%	18%	20%	18%
EBIT*	446 235	874 494	1 280 053	1 711 753	2 923 726
Pre tax profit before biomass adj.*	432 828	955 134	1 092 302	1 894 589	3 080 975
Pre tax profit	714 194	1 169 785	730 878	1 914 462	2 755 926
Earnings per share (EPS) *	1,23	2,20	2,39	4,40	6,89
Earnings per share (EPS)	1,79	2,65	1,61	4,43	6,22
Dividend per share (paid)			2,50	3,50	3,50
Proposed dividend					
Total assets			40 497 880	38 777 849	39 830 833
Equity			23 161 171	22 473 670	23 331 034
Equity ratio			57%	58%	59%
NIBD ex. right-of-use assets liabilities **			5 074 473	5 127 920	4 074 378
NIBD incl. right-of-use assets liabilities **			6 374 216	6 521 129	5 353 877

* Before fair value adjustments of biological assets

** NIBD = Net interest bearing debt

FINANCIAL REVIEW

PROFIT/LOSS Q2 2020

Group operating revenue in Q2 2020 totalled NOK 5,306 million, compared with NOK 6,079 million in Q2 2019.

Group EBITDA in Q2 2020 totalled NOK 827 million compared with NOK 1,206 million in Q2 2019.

The decline in revenue is attributed to significantly lower prices realised for Atlantic salmon and trout, and lower sales volumes for fishmeal, fish oil and frozen pelagic products compared with the same period in 2019. The most significant factor behind the fall in earnings from the same period last year is lower margins per kilo of Atlantic salmon and trout, caused by significantly lower prices realised and higher costs per harvested kilo. Earnings from pelagic operations have increased compared with the same period last year. This increase is mainly attributed to operations in Chile, where the companies have had good access to raw materials, increased production activities and a higher sales volume of finished products compared with Q2 2019. The second fishing season in Peru started in mid-May with a total quota of 2.4 million tonnes, up from 2.1 million tonnes in the same season in 2019. A late start to the season and substantially lower inventories of finished products at the start of the second quarter have resulted in a lower sales volume in Peru in Q2 2020 compared with Q2 2019. In the prevailing COVID-19 situation, the Group companies have invested considerable efforts in ensuring the safety of the Group's employees and in keeping the value chain operational. Despite at times extremely challenging conditions relating to the pandemic, the companies in Chile and Peru have completed the fishing season and caught 100% of their respective allocated quotas for the season.

EBIT before fair value adjustment related to biological assets in Q2 2020 was NOK 446 million (Q2 2019: NOK 874 million).

Fair value adjustment related to biological assets in Q2 2020 was positive and totalled NOK 307 million. The fair value adjustment for Q2 2019 was also positive at NOK 207 million. EBIT after fair value adjustment related to biological assets in Q2 2020 was NOK 753 million (Q2 2019: NOK 1,081 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 Q2 2020 totalled NOK 82 million (Q2 2019: NOK 151 million). For Norskott Havbruk AS, fair value adjustment related to biological assets was negative and amounted to NOK -26 million in the quarter. The corresponding fair value adjustment for Q2 2019 was positive, at NOK 8 million. As normal, the second quarter is a low season for Pelagia within production of consumer products, but the company has had a high level of activity with good access to raw materials for production of fishmeal and fish oil. Please refer to note 5 for more detailed information on associates.

The Group's net interest expense in Q2 2020 totalled NOK 83 million (Q2 2019: NOK 67 million). Net other financial expenses in Q2 2020 were NOK 38 million, of which the main share is unrealised foreign exchange losses. Net other financial expenses in Q2 2019 totalled NOK 5 million.

Profit before tax and fair value adjustment related to biological assets for Q2 2020 amounted to NOK 433 million, compared with NOK 955 million in Q2 2019.

Profit before tax in the quarter was NOK 714 million (Q2 2019: NOK 1,170 million). Profit after tax was NOK 571 million (Q2 2019: NOK 935 million).

OPERATIONAL REVIEW OF SEGMENTS FOR Q2 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 Q2 2020, LSG reported revenue of NOK 4,713 million (Q2 2019: NOK 5,350 million) and EBITDA before fair value adjustment related to biological assets of NOK 606 million (Q2 2019: NOK 1,023 million).

Revenue and earnings are down compared with the same quarter in 2019, with the most important factor behind the lower earnings being a combination of a significant decline in prices realised per kilo of Atlantic salmon and trout and higher costs per harvested kilo. The harvest volume for salmon and trout, gutted weight, was 38,896 tonnes in Q2 2020, compared with 37,055 tonnes in Q2 2019.

In recent years, the prices for Atlantic salmon have been impacted by the fact that Norway, the largest producer in the world, has had very limited growth in 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.

At the start of 2020, the spot prices for salmon were extremely high, around NOK 80/kg. However, towards the end of the first quarter and into the second quarter, these prices were severely negatively affected by the impact on demand resulting from the restrictions introduced to control the COVID-19 pandemic.

At the start of Q2 2020, the spot prices for salmon were just over NOK 50/kg. Restrictions relating to COVID-19 had a very negative effect on the market in the first half of the second quarter, but an easing of the restrictions from the second half of the quarter has produced improvements in demand and higher prices.

The average price for salmon in Q2 2020, measured according to NSI (sales price FCA Oslo), was NOK 57.90/kg compared with NOK 68.50/kg in Q1 2020 and NOK 62.10/kg in Q2 2019. This constitutes a fall in price of NOK 11/kg from Q1 2020 and NOK 4/kg from Q2 2019.

Measured in terms of value, demand for Norwegian trout has declined less than for Norwegian salmon in Q2 2020, but a substantial increase in harvest volume has resulted in major pressure on trout prices. To date in 2020, Norwegian trout exports are up around 25% on 2019, putting trout prices considerably lower than salmon prices in the quarter. For Lerøy Sjøtroll, 35% of the harvest volume in Q2 2020 was trout, and

prices realised for trout have been substantially lower than prices realised for salmon. The Group's prices realised for trout in the quarter are approximately NOK 12/kg lower than for salmon.

LSG's contract share for salmon in Q2 2020 was 30%, 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. Prices realised were also negatively impacted by quality downgrades in the quarter.

For the Group, release from stock costs in Q2 2020 are slightly higher than those reported in Q1 2020, and higher than in Q2 2019. In total, costs have been affected by the fact that 50% of harvest volume in the quarter is from Lerøy Sjøtroll, the region with the highest costs, compared with 36% in Q2 2019. This is combined with the fact that Lerøy Aurora, normally the cost leader, has also delivered unsatisfactory results in the second quarter.

In addition to a low harvest volume, Lerøy Aurora's performance in the first half of 2020 – as reported previously – has been impacted by an extraordinarily high rate of winter ulcers on fish. This has also affected prices realised, release from stock costs and production in the sea in Q2 2020. As previously reported, the Group expects to see significantly lower release from stock costs from the second half of 2020. The estimated harvest volume in 2020 is 37,000 GWT.

Developments for Lerøy Midt in Q2 2020 have mainly been as expected. Release from stock costs in the quarter are lower than in Q1 2020 and are currently expected to be lower in the second half of 2020 when compared with the first half. The estimated harvest volume in 2020 is 68,000 GWT.

For Lerøy Sjøtroll, the cost profile for salmon in Q2 2020 is weak, but significantly better for trout. Nonetheless, total growth in the quarter has been good. The Group expects to see considerable improvements in the second half of 2020 and start of 2021 due to high-quality smolt, including larger smolt from the facility in Kjærrelva. This is expected to contribute to an increase in harvest volume and, with time, a significant reduction in release from stock costs. The estimated harvest volume for 2020 is 67,000 GWT.

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 had 10 trawlers in operation in Q2 2020. To date, experience of operations with Kongsfjord is positive. The vessel has a high catch efficiency, and it is particularly rewarding to see that the investments made in improving the catch quality are paying off.

The market for whitefish suffered a significant blow from the ripple effects of COVID-19 in Q2 2020, with falling prices for the main species when compared with Q1 2020 and a challenging market situation for shrimp, which has affected both catch strategy and catch patterns.

Catch rates have been good in the quarter, with a total catch volume for Lerøy Havfisk of 19,708 tonnes, compared with 15,860 tonnes in Q2 2019. However, market considerations have made it necessary to focus on catching lower-value species. The catch volume for cod and shrimp in Q2 2020 is therefore substantially lower than in Q2 2019, while the volume of saithe and redfish is higher. In comparison with Q1 2020, prices are in general lower. This factor, combined with the change in catch pattern, has resulted in significantly lower average prices realised for all species when compared with the same period in 2019. Towards the end of the second quarter and at the start of the third quarter, the Group has seen a more positive development in demand.

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. In normal circumstances, lower prices for raw materials should be a positive factor for the onshore industry, but the ripple effects of COVID-19 have been negative for both

production and marketing. Market demand for fresh and conventional products saw a significant decline in the quarter.

In total, Lerøy Havfisk and LNWS reported EBIT of NOK -5 million in Q2 2020, compared with NOK 40 million in the same period of 2019. Catch patterns will always affect the timing of earnings realisation.

The Group continues to focus on reinforcing efforts to improve the competitiveness of the whitefish industry, but this is a long-term project. Significant investments have been made in both human resources and machinery, and despite what we feel we can define as temporary/interim negative effects of COVID-19, the Group expects to see positive results in the future.

With its fully integrated, efficient value chain for salmon, trout, whitefish and shellfish, the Group shall be able to supply products that are best suited to the consumers' needs. Knowledge of the customer's preferences and needs is therefore of decisive importance if the Group is to develop demand for its main products. In the space of a calendar year, LSG distributes more than 70 different fish species from Norway to more than 80 different markets. In addition, the Group processes and distributes a number of market-specific seafood products in their respective local markets where LSG has operations. The Group has invested in a value chain in which an increasing share of raw materials are filleted in Norway. Transporting these fillets to their markets is 40% more efficient than distributing whole fish, resulting in lower costs and a smaller environmental footprint. By means of extensive category and product development work with customers, seafood centres close to the markets process, package and label products in line with local requirements.

In 2020, the seafood markets have been severely impacted by the COVID-19 pandemic. The impact was seen first in markets in Asia, spreading globally throughout Q1 2020 and into Q2 2020. COVID-19 has affected the demand pattern, with a larger proportion of consumption shifting towards retail, while the hospitality and catering segments have almost closed down in many key markets. 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. The main focus for the Group has been to keep the value chain open. Key markets have shown signs of considerable improvements throughout the second quarter. The supply chain has adapted to the changes in consumer trends, with a much higher focus

on the retail segment, while major parts of the hospitality and catering segments in key markets have been and remain severely impacted by the pandemic. It should be noted, however, that the hospitality and catering segments in a number of markets have gradually reopened in the quarter, showing positive trends. At the start of the third quarter, demand had improved considerably, compared with the situation in the middle of the second quarter. Recent developments in several markets underline the fact that developments in the second half of the year remain very uncertain. The rising number of COVID-19 infections in several markets increases the level of uncertainty.

For further information, please read LSG's report and presentation for Q2 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 first fishing season started on 13 May with a total quota of 2.4 million tonnes, up from 2.1 million tonnes for the same season in 2019. As mentioned in the previous report, the authorities in Peru had introduced stringent national restrictions due to the ongoing COVID-19 pandemic. This meant there was a high level of anticipation surrounding the fishing season, including whether the quota would be caught by the end of the season. Before the season started, the authorities had imposed restrictions on the number of operational vessels per company, such that each company started the season with 60% of its fleet. Over time, these restrictions were lifted.

Fishery in the season has mainly been concentrated around north Peru. The company has therefore operated the factories in Coishco and Chancay, with very limited activities at the factory in Pisco. As a result of the catch pattern during the season, the company had to sell parts of its volume to third

parties. However, the company has also purchased raw materials from third-party vessels during certain periods. By the end of June 2020, the company had caught 67% of its total quota for the season. In the corresponding season in 2019, the company had caught as much as 94% of its quota by the end of June. The company stopped fishery on 22 July and had at that time caught 100% of its quota for the season.

Operating revenue in Q2 2020 totalled NOK 187 million (Q2 2019: NOK 368 million) and EBITDA amounted to NOK 60 million (Q2 2019: NOK 95 million).

The decline in revenue and earnings is attributed to the considerably lower sales volume for fishmeal, fish oil and frozen products in Q2 2020 compared with the same period in 2019. The low sales volumes in the quarter, compared with the same quarter in 2019, are attributed to a combination of a low inventory of fishmeal and fish oil at the start of the quarter and the late start-up and low catch volumes at the start of the first fishing season. Sales volumes for fishmeal and oil in the quarter were 5,800 tonnes, down from 23,900 tonnes in the same quarter of 2019. The company's prices realised for fishmeal in Q2 2020 were up 4% on Q2 2019. Fish oil accounted for 29% of the volumes sold in Q2 2020, in total 1,700 tonnes. Prices realised for fish oil have been good. By comparison, the sales volume in Q2 2019 was 23,900 tonnes, with fish oil sales amounting to only 130 tonnes, or 0.5% of the total sales volume.

The company's inventory of fishmeal and fish oil at the end of Q2 2020 was 32,400 tonnes. At the end of Q2 2019, the inventory of fishmeal and fish oil was 44,800 tonnes.

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. These restrictions affect access to manpower both within and outside the company, as well as other input factors. Completion of the first fishing season, in a period with a high rate of COVID-19 infections in the country, has been challenging. The company has introduced extensive communication of safety routines and regulations, a routine for testing and quarantine for employees who have tested positive for COVID-19. The company's employees have done their utmost to keep the

value chain operational in a very challenging situation for Peru. The COVID-19 outbreak has caused and continues to cause increased uncertainty and significantly lower predictability. It is to be expected that the second fishing season in 2020, which normally starts in mid-November, 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 its 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 has its own quota (including leased quota) for horse mackerel of 34,600 tonnes, up 15% from 2019. The company has also signed an agreement for the purchase of 28,500 tonnes of horse mackerel from a third party, to be fished using the company's own vessels. The total quota for 2020, including purchases from third parties, amounts to 63,000 tonnes, up from 51,000 tonnes in 2019. Catches of third-party quotas allow 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.

The company can confirm relatively good fisheries and a good level of production activity in the quarter. The company's own vessels have caught 28,700 tonnes of horse mackerel/mackerel, compared with 11,600 tonnes in the same quarter last year. In addition to own catches, the company has purchased 18,100 tonnes of sardines/

anchoveta for the production of fishmeal and fish oil. The corresponding figure in Q2 2019 was 10,600 tonnes. By the end of June, the company had caught a total 56,200 tonnes of horse mackerel. However, the company has also been able to purchase a further 6,000 tonnes of horse mackerel from a third party, to be fished using the company's own vessels. Catches relating to this quota started in early August.

Operating revenue in Q2 2020 totalled NOK 301 million (Q2 2019: NOK 212 million) and EBITDA amounted to NOK 130 million (Q2 2019: NOK 33 million).

The higher revenue and earnings are attributed to a combination of higher sales volume and a higher level of production activity in the quarter compared with Q2 2019.

Sales of frozen products totalled 15,000 tonnes in Q2 2020, in line with the figures for the same quarter in 2019. Sales volumes for fishmeal and oil in the quarter were 9,000 tonnes, up from 5,500 tonnes in the same quarter in 2019. Compared with the same quarter last year, the company has realised higher prices for frozen squid, but lower prices for horse mackerel. The company realised a higher sales price for both fishmeal and fish oil compared with the second quarter of 2019.

As a result of the high season for horse mackerel in the first half of 2020, the company has caught 90% of its total quota for 2020 during the first half of the year. Activities will, as normal, therefore be limited for the company in the second half of 2020.

The authorities in Chile, as in Peru, have introduced stringent national restrictions in the wake of the COVID-19 outbreak. These restrictions affect access to manpower both within and outside the company, as well as other input factors. The company's employees have done their utmost to keep the value chain operational during this challenging time, and vessel and factory operations have continued practically as normal in the quarter. Logistics operations relating to shipping of products have also been executed without major problems to date. However, the situation remains challenging, and it is expected that the stringent restrictions, both from the authorities and the company itself, will result in operations being more challenging than normal going forward.

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

In Q2 2020, the BRBI segment reported operating revenue of NOK 36 million (Q2 2019: NOK 41 million). EBITDA amounted to NOK 16 million (Q2 2019: NOK 10 million).

As normal, the level of activity for the pelagic vessels has been lower in the quarter. The vessels have caught their remaining quota of blue whiting, and one of the vessels has caught parts of its North Sea herring quota. Prices realised have been good and are up from the same fishing season in 2019. After a challenging first quarter, the vessel fishing for snow crab has increased its catch volume in the second quarter, although the catch volume in Q2 2020 is lower than in Q2 2019. These fisheries are regulated, including a ban on fishing in parts of the year during the period of ecdysis for the snow crab. Fishing was banned on 15 July and is not expected to reopen until 1 October at the earliest. The company caught the total of 263 tonnes before the fishery stopped 15 July, compared to 369 tonnes the same period last year.

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

In Q2 2020, the BFARM segment reported operating revenue of NOK 57 million (Q2 2019: NOK 117 million). EBITDA before fair value adjustment related to biological assets in Q2 2020 was NOK 4 million (Q2 2019: NOK 40 million).

The company has harvested 1,239 tonnes of salmon in Q2 2020, down from 1,900 tonnes in Q2 2019. The company sells all its fish on the spot market, and the prices realised are considerably lower than in the same quarter of 2019. Release from stock costs remain high. During the quarter, the company had a negative EBIT/kg of NOK -6.30, down from NOK 16.30 in Q2 2019.

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 however, Pelagia is reported according to the so-called "proportionate consolidation method",

where 50% of the company's total revenue, EBITDA, EBIT and sales volume are presented. This corresponds to AUSS's equity interest in company.

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

As normal, the level of activity within production of frozen products has been lower, but with high activity and good access to raw materials within the production of fishmeal and fish oil. One important factor behind the increased access to raw materials has been higher quotas for sand eel.

Revenue for Pelagia in the quarter was NOK 1,958 million (Q2 2019: NOK 1,471 million) and EBITDA was NOK 199 million (Q2 2019: NOK 251 million). The figures reported in Q2 2019 include a gain on disposal of assets of NOK 105 million.

Frozen product sales totalled 47,600 tonnes, up from 45,300 tonnes in Q2 2019. Fishmeal/FPC and fish oil sales totalled 39,300 tonnes, down from 42,600 tonnes in Q2 2019.

The volume of raw materials received for consumer products in the second quarter was 18,000 tonnes, in line with the figure in Q2 2019. Total receipt of raw materials for Pelagia and associates (100%) for fishmeal/FPC and oil production was approx. 336,000 tonnes in Q2 2020, compared with approx. 260,000 tonnes in Q2 2019. The main share of the raw materials for fishmeal and fish oil production in Q2 2020 has been blue whiting, sand eel and cuttings from the consumer product plants.

National and international restrictions in connection with the COVID-19 outbreak are affecting access to manpower both within and outside the company. 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 logistics costs.

CASH FLOWS Q2 2020

Cash flow from operating activities in Q2 2020 was NOK 950 million (Q2 2019: NOK 838 million). Cash flow from investing activities for Q2 2020 was NOK -241 million (Q2 2019: NOK 3 million). Dividends received from associates

totalled NOK 24 million, while the corresponding figure in Q2 2019 was NOK 250 million. Cash flow from financing activities in Q2 2020 was NOK -474 million (Q2 2019: NOK -1,698 million). The Group made dividend payments totalling NOK 979 million in Q2 2020. The corresponding figure for Q2 2019 was NOK 1,408 million.

At the end of Q2 2020, the Group had cash and cash equivalents of NOK 4,482 million, compared with NOK 3,295 million at the end of Q2 2019 and NOK 4,251 million at year-end 2019.

FINANCIAL INFORMATION H1 2020

The Group reported operating revenue of NOK 11,163 million for the first half of 2020 (H1 2019: NOK 11,643 million). EBITDA before value adjustment related to biological assets in H1 2020 was NOK 2,027 million (H1 2019: NOK 2,363 million).

EBIT before value adjustment related to biological assets in H1 2020 was NOK 1,280 million (H1 2019: NOK 1,712 million). The fair value adjustment related to biological assets in H1 2020 was negative at NOK -307 million. The corresponding figure for the same period in 2019 was positive at NOK 32 million.

EBIT after value adjustment related to biological assets in H1 2020 was NOK 973 million (H1 2019: NOK 1,744 million).

Income from associates for H1 2020 totalled NOK 32 million (H1 2019: NOK 282 million).

The Group's net interest expense in H1 2020 totalled NOK 156 million (H1 2019: NOK 125 million).

Profit before tax and fair value adjustment related to biological assets for H1 2020 was NOK 1,092 million, compared with NOK 1,895 million in H1 2019.

Profit after tax for H1 2020 totalled NOK 567 million (H1 2019: NOK 1,528 million).

CASH FLOWS H1 2020

Cash flow from operating activities for H1 2020 was NOK 1,371 million (H1 2019: NOK 1,099 million). Tax

payments in H1 2020 totalled NOK 285 million (H1 2019: NOK 806 million). Cash flow from investing activities for the first half of 2020 was NOK -869 million (H1 2019: NOK -412 million). Cash flow from financing activities for H1 2020 was NOK -286 million (H1 2019: NOK -1,781 million). Net change in cash for the Group in H1 2020 was NOK 216 million (H1 2019: NOK -1,094 million).

The Group's cash and cash equivalents at 30 June 2020 totalled NOK 4,482 million, compared with NOK 3,295 million at 30 June 2019.

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020

The Group's statement of financial position at the end of Q2 2020 totalled NOK 40,498 million, compared with NOK 38,778 million at the end of Q2 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 30 June 2020 of NOK 23,161 million, equivalent to an equity ratio of 57%. At the end of Q2 2019, the Group had book equity of NOK 22,474 million, equivalent to an equity ratio of 58%. The company's equity at year-end 2019 was NOK 23,331 million, with 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.

The Group had net interest-bearing debt, excluding right-of-use obligations, at the end of Q2 2020 totalling NOK 5,074 million, compared with NOK 5,128 million at the end of Q2 2019. The Group's net interest-bearing debt including right-of-use obligations at the end of Q2 2020 was NOK 6,374 million, compared with NOK 6,521 million at the end of Q2 2019.

The Group paid dividends of NOK 979 million in Q2 2020, compared with NOK 1,408 million at the end of Q2 2019. The Board of Directors has been authorised by the Annual General Meeting to pay dividends of up to NOK 2.00 per share in the current year.

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 at a global level are significantly affecting how we live our lives. As part of the seafood industry, the Group is also noting a substantial impact in the form of changes in demand, access to workforce both in the Group and outside, other input factors and credit risk. Although the 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 Q2 2020, 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. 23% 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

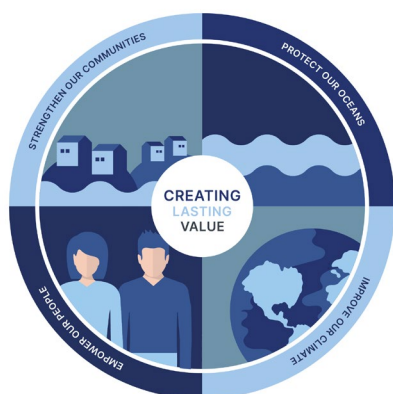
The company had 6,438 shareholders at the end of Q2 2020. The number of shareholders at the start of the period was 5,718.

The share price at the start of Q2 2020 was NOK 73.90 and NOK 79.45 at the end of the quarter. The Board of Directors have authorisation from the Annual General Meeting in 2020 to pay up to NOK 2.00 per share as dividend before the end of 2020.

A list of the 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. In its sustainability reports, the company has therefore focused on four main areas; Protect our Oceans, Improve our Climate, Strengthen our Communities and, not least, Empower our People. For more detailed information, please read the company’s sustainability report for 2019 on the company’s website <https://ar2019.auss.no/>



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 ripple effects of the COVID-19 pandemic. The situation has improved in the second quarter, partly due to the gradual easing of restrictions on end markets and a reduction in the costs related to logistics from

Norway. Nonetheless, the ripple effects of COVID-19 continue to have a negative impact on demand for seafood, and the Board of Directors is not able to form any definitive opinion on the duration or consequences of the pandemic.

Currently, the Group’s production of red fish takes place mainly in Norway. Norwegian and global salmon and trout production are experiencing relatively limited growth. This factor, combined with a weaker Norwegian krone, has resulted in very high prices. This provides incentives 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 be affected by the introduction of salmon and trout production in new regions and locations. The Group has a strong focus on competitiveness, and works hard to ensure that the value chain will stand strong in the face of competition in the years to come.

In 2020, the MTB/licence capacity of Norway’s aquaculture industry will be adjusted, according to the “Traffic light system”, based on an environmental indicator currently defined in relation to the impact on wild salmon. Around 55% of the Group’s MTB capacity is currently in green zones (production areas 6, 11 and 13), approximately 25% in yellow zones (production area 3) and approximately 20% in red zones (production areas 4 and 5). Green zones will be allocated 6% growth, where 1/6 of this growth is at fixed prices and 5/6 for auction. There will be no changes for yellow zones. There will be a reduction for red zones. LSG has purchased licence capacity at fixed prices in the green zones in which the Group operates.

A 6% reduction was implemented in MTB volume/licence capacity in red zones effective 5 August 2020. This will have an effect on production capacity for the Group and the industry, to such an extent that it will severely impact the industry’s long-term value creation and employment potential. The Regulations governing the reduction require such a decision to be based on a satisfactory knowledge base. The Group, together with the other actors in production area 4 and with reference to this knowledge base, has instituted legal proceedings against the government regarding the legality of the decision to make the reduction.

Capacity for flexibility and change is also important for global salmon production. LSG is developing its existing business by investing in knowledge and facilities to ensure it remains competitive. Irrespective of the above, the Group constantly seeks new knowledge and expertise within both onshore and offshore salmon production.

In line with its plans, the Group has reported a positive development in harvest volume in the first half of 2020, with a high share from Lerøy Sjøtroll, but has at the same time release from stock costs it considers to be higher than normal. The factors behind the high release from stock costs are a challenging situation for Lerøy Aurora and the sustained high release from stock costs for salmon at Lerøy Sjøtroll. To date in the third quarter, production in the sea has been as expected, and the current outlook is for a significant reduction in release from stock costs in the second half of 2020 and beyond. The investments made by the Group in recent years in larger smolt will gradually start to become evident. The average size of released salmon smolt at LSG Aurora and Lerøy Sjøtroll will be around 300 grams in 2020. The completed investments in new smolt plants, and the ongoing investments, are expected to provide considerable growth in production in the sea in 2020 and the years ahead. From 2020 onwards, this increase in production will gradually result in higher year-on-year harvest volumes over the next four to five years. Estimated harvest volume for 2020, including the share from associates, is currently 183,000-188,000 tonnes salmon and trout. The Group's target is for the corresponding figures in 2021 to be between 200,000 and 210,000 tonnes.

The new smolt facility in Kjærelva has the potential to significantly increase volume and reduce costs for Lerøy Sjøtroll, and the Group has plans for further developments that will further reduce release from stock costs. For example, the Group has access to suitable areas and plans for further development of the large smolt strategy and development of the industrial facilities on shore.

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.

For the onshore whitefish industry, the start of 2020 was challenging, but did show some signs of improvement, compared with 2019, until the ripple effects of COVID-19 started to emerge. The industry is subject to extremely strong seasonal fluctuations, and LSG is of the opinion that profitability for the industry will depend on innovation and opportunities for specialisation. A new processed fish factory opened in Stamsund in 2019, and phase 1 of a major conversion of the filleting plant in Melbu was completed at the start of 2020. Considerable investments have also been made in other facilities.

The quota recommendations from ICES (the International Council for the Exploration of the Sea) for 2021 are to increase the Norwegian total quota for cod by 20% and the haddock quota by 8%. ICES also recommends increasing the quota for saithe north of 62 degrees by 15% and reducing the quota for saithe in the North Sea by 15%. Overall, we consider this will be positive for catch values and improve access to raw materials for the industry. The final quotas will be established by the Norwegian authorities in the autumn. The increase in cod quota for the trawler group will be lower than the total increase in quota.

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, e.g. in a new industrial facility for Lerøy Midt and new factories in Spain and the Netherlands, now commissioned, will make a positive contribution in the years to come.

Through organic growth and a series of acquisition, LSG is now one of the world's largest producers of Atlantic salmon and trout. With the acquisition of Lerøy Havfisk (formerly Havfisk ASA) and Lerøy Norway Seafoods (formerly Norway Seafood Group AS), the Group is now the largest supplier of whitefish in Norway, and a major supplier worldwide. In recent years, the Group has further developed and strengthened its position as a central actor for distribution of seafood in Norway and major international markets. The Group aims to continue its work for lasting value creation via strategic business development and improvements to operational efficiency. This work will generate growth and, based on customer requirements, ensure continuity of supply, quality and cost efficiency, paving the way for increased profitability. Improving operational efficiency at all stages is an ongoing process aimed at further

strengthening the Group's competitiveness nationally and internationally.

Fishmeal and fish oil

According to the IFFO*, fishmeal production at the end of week number 31 (week beginning 27 July 2020) was down 1.2% on the same period in 2019. There has been an increase in catch volumes from Norway and Denmark compared with the same period last year, mainly due to an increase in the sand eel quota but also an increased quota for blue whiting in the North Atlantic in 2020.

The first fishing season in Peru started on 13 May with a total quota of 2.4 million tonnes, up from 2.1 million tonnes in the same season in 2019. The COVID-19 pandemic, combined with a late start to the season, resulted in uncertainty as to whether the total quota would be caught before the end of the season. At the start of the season, the authorities in Peru had imposed restrictions such that only 60% of a company's fleet was permitted to fish. These restrictions were lifted during the season. Despite significant challenges, the total quota in Peru had been caught by the end of the season in August. The main market for fishmeal produced in Peru is Asia, with China firmly at the top in terms of consumption.

*Source: IFFO, week 31, 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 ban on imports to Russia has significantly complicated marketing work for a number of the Group's products in recent years. The recent significant fall in crude oil prices also impacts the economy and access to currency in another important market – Nigeria. We find, nonetheless, that the Group's products are faring well in competition with alternative sources of protein. The quotas recommended by ICES for catches in the North Atlantic in 2020 are up 20% for mackerel and

12% for North Sea herring, while the quota recommended for Norwegian spring-spawning herring is down 11% on 2019. The 2020 quota recommended by SPRFMO for horse mackerel in the South Pacific represents an increase of approx. 15% on the quota for 2019.

Konsernet

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 good for health, and their production is sustainable in terms of finances, the climate and the environment. The Board of Directors therefore expects good underlying growth in demand to continue in the years ahead. 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 increased uncertainty and reduced predictability. It remains extremely difficult to form an opinion on how long the outbreak will last, and it is therefore important to underline the difficulties in making sound assessments of the economic consequences of the pandemic. There are grounds to state that the situation has been and remains challenging and that the outbreak will have a notably negative impact on the world economy and, as a result, the Group's profit/loss this year. 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 changeable conditions. The Board of Directors is therefore confident that the Group will emerge stronger from this global crisis. The management and all 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 thank all the subsidiaries and their employees for their hard work to date under the COVID-19 pandemic.

DECLARATION OF THE BOARD OF DIRECTORS AND CEO

We declare that, to the best of our knowledge, the half-yearly financial statements for the period 1 January to 30 June 2020 have been prepared in accordance with IAS 34 – Interim Financial Reporting, and that the information in the financial statements provides a true and fair illustration of the Group’s assets, liabilities, financial position and result as a whole. We also declare that, to the best of our knowledge, the half-yearly report provides a correct overview of significant events during the accounting period and their impact on the half-yearly accounts, the most central risks and uncertainties faced by the Group during the next accounting period, and significant transactions with related parties.

Storebø, 19 August 2020

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 Q2 AND H1 2020

INCOME STATEMENT (unaudited)

All figures in NOK 1.000	Note	Q2 2020	Q2 2019	H1 2020	H1 2019	(audited) 2019
Operating revenue	4	5 306 056	6 079 453	11 162 510	11 642 724	23 341 679
Raw material and consumables used		2 910 941	3 347 156	5 795 703	6 144 841	12 564 498
Salaries and personnel expenses		785 297	776 872	1 807 085	1 682 569	3 449 343
Other operating expenses		783 258	749 311	1 532 767	1 452 611	3 067 323
EBITDA before fair value adjustments *		826 560	1 206 114	2 026 955	2 362 703	4 260 515
Depreciation and amortisation		380 690	332 020	750 391	651 747	1 338 517
Impairment		-365	-400	-3 489	-797	-1 728
EBIT before fair value adjustment *		446 235	874 494	1 280 053	1 711 753	2 923 726
Fair value adjustment related to biological asset		306 889	206 528	-307 045	32 340	-306 323
Operating profit		753 124	1 081 022	973 008	1 744 093	2 617 403
Income from associated companies	5	82 098	150 577	32 423	281 839	450 758
Net interest expenses		-82 688	-67 010	-155 940	-124 545	-297 879
Net other financial items (incl. agio/disagio)		-38 340	5 196	-118 613	13 075	-14 356
Profit before tax and fair value adj.*		432 828	955 134	1 092 302	1 894 589	3 080 975
Profit before tax		714 194	1 169 785	730 878	1 914 462	2 755 926
Income tax expenses		-142 767	-234 833	-163 657	-386 375	-558 490
Net profit		571 427	934 952	567 221	1 528 087	2 197 436
Profit to non-controlling interest		209 251	400 659	241 657	633 326	941 755
Profit to controlling interests		362 176	534 293	325 564	894 761	1 255 681
Earnings per share (EPS) *		1,23	2,20	2,39	4,40	6,89
Earnings per share (EPS)		1,79	2,65	1,61	4,43	6,22
Diluted EPS		1,79	2,65	1,61	4,43	6,22

*) related to biological assets (alternative performance measure)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

All figures in NOK 1.000	Q2 2020	Q2 2019	H1 2020	H1 2019	(audited) 2019
Net earnings in the period	571 427	934 952	567 221	1 528 087	2 197 436
Other comprehensive income					
Currency translation differences	-370 903	-58 887	332 990	-106 996	78 255
Other comprehensive income from associated companies	305	138	-3 631	-3 286	-3 530
Cash flow hedges	1 771	1 893	-64 164	18 024	25 711
Others incl. tax effect	10 186	685	-12 698	-463	-4 313
Total other comprehensive income	-358 641	-56 171	252 497	-92 721	96 123
Comprehensive income in the period	212 786	878 781	819 718	1 435 366	2 293 559
Allocated to;					
Minority interests	142 274	385 858	270 597	614 171	964 164
Majority interests	70 512	492 923	549 121	821 195	1 329 395

STATEMENT OF FINANCIAL POSITION (unaudited)

All figures in NOK 1.000	Note	30.06.2020	30.06.2019	31.12.2019
Assets				
Intangible assets		11 689 333	11 453 094	11 486 974
Vessels		2 166 981	2 036 250	1 737 895
Property, plant and equipment		6 368 221	7 155 999	6 281 630
Right-of-use assets	8	3 001 322	1 434 940	2 934 538
Investments in associated companies	5	2 420 824	2 165 806	2 354 991
Investments in other shares		39 649	53 267	39 632
Other long-term receivables		177 293	151 546	136 080
Total non-current assets		25 863 623	24 450 902	24 971 740
Inventories	3	7 165 460	7 620 303	7 288 976
Accounts receivable		2 110 140	2 561 310	2 468 085
Other current receivables		876 664	850 075	850 932
Cash and cash equivalents		4 481 993	3 295 259	4 251 100
Total current assets		14 634 257	14 326 947	14 859 093
Total assets		40 497 880	38 777 849	39 830 833
Equity and liabilities				
Share capital 6	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		8 524 721	7 973 742	8 481 884
Non-controlling interests		10 839 855	10 703 333	11 052 555
Total equity		23 161 171	22 473 670	23 331 034
Deferred tax liabilities		3 531 655	3 505 221	3 499 862
Pensions and other obligations		92 885	52 385	38 059
Borrowings		5 781 808	5 933 710	5 568 383
Lease liabilities to credit institutions		936 311	897 278	917 000
Lease liabilities to other than credit institutions		1 080 282	1 182 002	1 070 442
Other long-term liabilities		30 075	27 734	28 261
Total non-current liabilities		11 453 016	11 598 330	11 122 007
Short term borrowings		1 179 501	527 853	643 888
Lease liabilities to credit institutions		257 614	324 036	328 000
Lease liabilities to other than credit institutions		219 461	211 207	209 057
Overdraft facilities		1 371 157	712 568	839 946
Account payable		1 432 073	1 594 665	1 703 946
Other current liabilities		1 423 887	1 335 520	1 652 955
Total current liabilities		5 883 693	4 705 849	5 377 792
Total liabilities		17 336 709	16 304 179	16 499 799
Total equity and liabilities		40 497 880	38 777 849	39 830 833
Net interest bearing debt (NIBD)		5 074 473	5 127 920	4 074 378
Lease liabilities to other than credit institutions		1 299 743	1 393 209	1 279 499
NIBD incl. right of use assets liabilities		6 374 216	6 521 129	5 353 877
Equity ratio		57%	58%	59%

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

All figures in NOK 1.000	30.06.2020	30.06.2019	31.12.2019
Equity at period start	23 331 034	22 454 007	22 454 007
Comprehensive income in the period	819 718	1 435 366	2 293 559
Dividends	-983 421	-1 415 703	-1 416 473
Transactions with non-controlling interest	-6 160	-	-
Other	-	-	-59
Total changes in equity in the period	-169 863	19 663	877 027
Equity at period end	23 161 171	22 473 670	23 331 034

CASH FLOW STATEMENT (unaudited)

All figures in NOK 1.000	Q2 2020	Q2 2019	H1 2020	H1 2019	(audited) 2019
Cash flow from operating activities					
Profit before income taxes	714 193	1 169 785	730 877	1 914 461	2 755 927
Fair value adjustment of biological assets	-306 889	-206 529	307 045	-32 340	306 323
Taxes paid in the period	-48 368	-373 944	-285 104	-805 612	-882 491
Depreciation and amortisation	380 690	332 020	750 391	651 747	1 338 517
Impairments	-364	-400	-3 489	-797	-1 728
Associated companies - net	-82 098	-150 577	-32 423	-281 839	-450 758
Interest expense	92 355	80 159	185 906	150 142	321 262
Interest income	-9 667	-13 149	-29 966	-25 597	-62 767
Change in inventories	1 878	82 511	-183 527	177 970	170 634
Change in receivables	489 117	-88 757	332 213	-351 639	-259 271
Change in payables	-108 668	118 387	-271 554	-33 758	75 230
Other operating cash flow incl currency exchange	-172 199	-111 710	-128 893	-263 528	-139 238
Net cash flow from operating activities	949 980	837 796	1 371 476	1 099 210	3 171 640
Cash flow from investing activities					
Purchase of intangible and fixed assets	-262 299	-302 507	-897 760	-740 326	-1 544 578
Purchase of shares and equity investments	-	-	-11	-439	-40 186
Proceeds from sale of fixed assets/equity investments	3 448	42 548	7 389	44 056	50 899
Cash inflow from business combinations	-	-	-	-	-
Dividend received	24 440	250 068	24 440	256 555	391 452
Interest income	9 667	13 149	29 966	25 597	62 767
Other investing activities - net	-16 090	-238	-33 505	2 862	20 568
Net cash flow from investing activities	-240 834	3 020	-869 481	-411 695	-1 059 078
Cash flow from financing activities					
Proceeds from new long term debt	1 520 159	162 636	1 822 241	162 636	218 410
Repayment of long term debt	-1 211 637	-417 028	-1 517 541	-645 786	-1 165 719
Change in short term debt	343 390	43 910	496 255	273 927	399 457
Interest paid	-90 407	-78 513	-191 210	-137 271	-303 805
Dividends paid	-978 635	-1 408 039	-983 421	-1 415 702	-1 416 472
Other finance cash flow - net	-56 988	-485	87 941	-19 281	12 412
Net cash flow from financing activities	-474 118	-1 697 519	-285 735	-1 781 477	-2 255 717
Net change in cash and cash equivalents	235 028	-856 703	216 260	-1 093 962	-143 155
Cash, and cash equivalents at start of period	4 258 515	4 165 483	4 251 100	4 392 863	4 392 863
Exchange gains/losses (-)	-11 550	-13 521	14 633	-3 642	1 392
Cash and cash equivalents at period end	4 481 993	3 295 259	4 481 993	3 295 259	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 Q2 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 4.8 kg. 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 a live weight greater than 4.8 kg are classified as 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 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 ratio for salmon and trout applied in this conversion is 16%. The table for Lerøy Seafood Group ASA includes salmon and trout. The table for Br. Birkeland Farming AS only includes salmon.

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 ratio for salmon and trout applied in this conversion is 16%. 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	Q2 2020	Q2 2019	H1 2020	H1 2019	2019
Change FV adj. of biological assets	291 582	139 143	-263 509	-52 276	-374 799
Change in FV of onerous contracts	-83	22 442	26 434	51 974	25 457
Change in FV of fishpool contracts	0	-19	0	13 944	15 638
FV adj. related to biological assets	291 499	161 566	-237 075	13 643	-333 703

Fair value adjustments over OCI

Change in FV of fishpool contracts *	-290	0	-4 241	0	-757
Total FV adjustments over OCI	-290	0	-4 241	0	-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	30/06/2020	30/06/2019	31/12/2019
Cost on stock for fish in sea	3 828 311	3 772 031	4 058 953
Cost on stock for fry, brood, smolt and cleaning fish	278 444	256 243	343 187
Total cost on stock for biological assets *	4 106 755	4 028 274	4 402 140
FV adj. of fish in sea	909 272	1 495 305	1 172 781
FV adj. of fry, brood, smolt and cleaning fish	0	0	0
Total FV adj. of biological assets	909 272	1 495 305	1 172 781
Monthly discount rate applied	5%	6%	5%
FV of fish in sea	4 737 583	5 267 336	5 231 734
FV of fry, brood, smolt and cleaning fish	278 444	256 243	343 187
Carrying amount of biological assets	5 016 027	5 523 579	5 574 921
Carrying amount on onerous contracts (liability)			
Carrying amount of onerous contracts	-82	0	-26 517
Carrying amount on fishpool contracts			
Carrying amount of fishpool contracts	-3 404	0	757

* Cost on stock is historic costs after expensed mortality

NOTE 3 BIOLOGICAL ASSETS (cont.)

HARVESTED VOLUME:

Volume in gutted weight (GWT)	Q2 2020	Q2 2019	H1 2020	H1 2019	2019
Salmon	32 024	31 274	64 995	58 120	128 699
Trout	6 871	5 780	13 277	11 251	29 479
Total harvested volume	38 896	37 055	78 273	69 372	158 178

VOLUME

Volume of fish in sea (LWT)	Q2 2020	Q2 2019	H1 2020	H1 2019	2019
Volume at beginning of period	100 339	104 619	111 263	110 105	110 105
Net growth during the period	41 951	40 950	77 905	73 936	189 465
Harvested volume during the period	-46 304	-44 113	-93 182	-82 585	-188 307
Volume at end of period (LWT)	95 986	101 456	95 986	101 456	111 263

Specification of fish in sea (LWT)	30/06/2020	30/06/2019	31/12/2019
Salmon	81 012	83 216	94 493
Trout	14 974	18 240	16 770
Total	95 986	101 456	111 263
Fish > 4,8 kg (live weight)	18 600	10 093	16 318

Br. Birkeland Farming AS

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

Fair value adjustment over profit and loss	Q2 2020	Q2 2019	H1 2020	H1 2019	2019
Change FV adj. biological assets	15 390	44 962	-69 970	18 697	27 380
FV adj. related to biological assets	15 390	44 962	-69 970	18 697	27 380

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS

Positive amounts are assets and negative amounts are liabilities

Carrying amount of biological assets	H1 2020	H1 2019	2019
Fish in sea at historic cost	244 672	224 838	220 399
Fair value adjustment fish in sea	44 741	106 028	114 711
Fair value fish in sea	289 413	330 866	335 110
Fry, brood and smolt	-	-	-
Carrying amount of biological assets	289 413	330 866	335 110

HARVESTED VOLUME

Harvested volume in gutted weight (GWT)	Q2 2020	Q2 2019	H1 2020	H1 2019	2019
Total volume	1 239	1 900	2 680	3 092	7 318
- Salmon	1 239	1 900	2 680	3 092	7 318

VOLUME

Volume of fish in sea (LWT)	Q2 2020	Q2 2019	H1 2020	H1 2019	2019
Volume at beginning of period	5 397	5 453	5 033	5 828	5 828
Net growth during the period	1 956	2 319	3 726	3 360	8 938
Harvested volume during the period	-2 152	-2 301	-3 551	-3 717	-9 733
Volume at end of period (LWT)	5 201	5 471	5 208	5 471	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%)
Q2 2020									
Operating revenue	4 712 659	186 912	301 130	35 846	57 346	12 163	5 306 056	979 025	6 285 081
EBITDA*	606 419	60 359	129 701	15 844	4 132	10 105	826 560	99 327	925 887
EBITDA%	13%	32%	43%	44%	7%		16%	10%	15%
EBIT*	322 333	3 498	118 823	5 063	-7 813	4 331	446 235	68 809	515 044
Volumes sold:									
Salmon (GWT tonnes)	38 896				1 239		40 135		40 135
Fishmeal/oil/FPC (tonnes)		5 773	8 993				14 766	19 650	34 416
Frozen/fresh fish (tonnes)		3 772	14 971				18 743	23 800	42 543
Q2 2019									
Operating revenue	5 349 886	368 387	212 239	41 000	116 995	-9 054	6 079 453	735 651	6 815 104
EBITDA*	1 023 484	95 258	32 609	10 484	40 030	4 249	1 206 114	125 497	1 331 611
EBITDA%	19%	26%	15%	26%	34%		20%	17%	20%
EBIT*	773 593	47 752	23 716	-660	31 064	-971	874 494	98 913	973 407
Volumes sold:									
Salmon (GWT tonnes)	37 055				1 900		38 955		38 955
Fishmeal/oil/FPC (tonnes)		23 901	5 519				29 420	21 300	50 720
Frozen fish (tonnes)		7 102	14 937				22 039	22 650	44 689

* Before fair value adjustments related to biological assets

NOTE 4 SEGMENTS (cont.)

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%)
H1 2020									
Operating revenue	10 018 520	451 053	438 308	84 440	144 808	25 381	11 162 510	2 053 976	13 216 486
EBITDA*	1 703 219	83 360	168 797	26 290	31 077	14 212	2 026 955	138 800	2 165 755
EBITDA%	17%	18%	39%	31%	21%		18%	7%	16%
EBIT*	1 138 057	-25 972	150 486	4 771	9 938	2 773	1 280 053	78 130	1 358 183
Volumes sold:									
Salmon (GWT tonnes)	78 273				2 680		80 953		80 953
Fishmeal/oil/FPC (tonnes)		20 775	12 156				32 931	36 300	69 231
Frozen/fresh fish (tonnes)		15 220	25 283				40 503	78 450	118 953
H1 2019									
Operating revenue	10 096 732	925 260	358 827	86 785	185 150	-10 030	11 642 724	1 557 420	13 200 144
EBITDA*	1 957 009	235 755	83 973	19 372	58 420	8 174	2 362 703	225 033	2 587 736
EBITDA%	19%	25%	23%	22%	32%		20%	14%	20%
EBIT*	1 464 527	141 191	66 545	-2 845	44 452	-2 117	1 711 753	171 514	1 883 267
Volumes sold:									
Salmon (GWT tonnes)	69 372				3 092		72 464		72 464
Fishmeal/oil/FPC (tonnes)		61 465	9 792				71 257	41 900	113 157
Frozen fish (tonnes)		12 746	24 161				36 907	59 700	96 607
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/fresh fish (tonnes)		15 386	36 038				51 424	134 600	186 024

* Before fair value adjustments related to biological assets

NOTE 5 ASSOCIATES

		Q2 2020	Q2 2019	H1 2020	H1 2019	2019
Norskott Havbruk AS* a)	50,0%	7 505	49 463	-19 099	74 019	106 492
Pelagia Holding AS b)	50,0%	62 725	89 721	29 102	148 769	268 575
Others		11 868	11 393	22 420	59 051	75 691
Income from associates		82 098	150 577	32 423	281 839	450 758
* Fair value adjustment biological assets		-25 523	8 123	-54 379	-12 467	-18 726
Income from associates before FV adj.		107 621	142 454	86 802	294 306	469 484

Investment in associates:

Norskott Havbruk AS				661 638	722 353	667 804
Pelagia Holding AS				1 307 768	1 083 864	1 248 663
Others				451 418	359 589	438 524
Total investment				2 420 824	2 165 806	2 354 991

Dividend received

Norskott Havbruk AS					125 000	252 900
Pelagia Holding AS					125 000	125 000
Others			-	24 440	6 555	13 552
Total dividend received from associates		-	-	24 440	256 555	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 AT 30 JUNE 2020

Investor	Number of shares	% of top 20	% of total
LACO AS	112 605 876	74,00	55,55
STATE STREET BANK AND TRUST COMP	5 873 771	3,86	2,90
STATE STREET BANK AND TRUST COMP	5 150 265	3,38	2,54
J.P. MORGAN BANK LUXEMBOURG S.A.	3 330 231	2,19	1,64
SIX SIS AG	3 272 349	2,15	1,61
FOLKETRYGDFONDET	3 066 921	2,02	1,51
PARETO AKSJE NORGE VERDIPAPIRFOND	2 137 755	1,40	1,05
MITSUI AND CO., LTD	1 782 236	1,17	0,88
THE NORTHERN TRUST COMP, LONDON BR	1 692 492	1,11	0,83
STATE STREET BANK AND TRUST COMP	1 584 094	1,04	0,78
OM HOLDING AS	1 519 771	1,00	0,75
JPMORGAN CHASE BANK, N.A., LONDON	1 496 849	0,98	0,74
HSBC TRINKAUS & BURKHARDT AG	1 366 728	0,90	0,67
DANSKE INVEST NORSKE INSTIT. II.	1 217 963	0,80	0,60
CLEARSTREAM BANKING S.A.	1 187 758	0,78	0,59
STATE STREET BANK AND TRUST COMP	1 080 590	0,71	0,53
JPMORGAN CHASE BANK, N.A., LONDON	1 001 699	0,66	0,49
J.P. MORGAN BANK LUXEMBOURG S.A.	940 962	0,62	0,46
VERDIPAPIRFONDET NORDEA KAPITAL	933 649	0,61	0,46
ARCTIC FUNDS PLC	929 650	0,61	0,46
Total number owned by top 20	152 171 609	100%	75,07%
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:

	Q2 2020	Q2 2019
Operating project (EBIT)	753 124	1 081 022
- Fair value adjustments	306 889	206 528
= EBIT before fair value adjustments	446 235	874 494

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:

	Q2 2020	Q2 2019
Profit before tax	714 194	1 169 785
- Fair value adjustment	306 889	206 528
- Fair value adjustments incl. in income from associates	-25 523	8 123
= Profit before tax and fair value adjustments	432 828	955 134

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:

	30/06/2020	30/06/2019	31/12/2019
Loans from credit institutions *			
+ Lease liabilities to credit institutions *	1 193 925	1 221 314	1 245 000
+ Other long term loans *	6 991 384	6 572 297	6 240 532
+ Overdrafts and other short term credits	1 371 157	712 568	839 946
- Cash and cash equivalents	-4 481 993	-3 295 259	-4 251 100
= Net interest bearing debt (NIBD)	5 074 473	5 210 920	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	-	-10 447	23 775	11 459	24 787
Right-of-use assets acquired	-	148	174 943	132 000	307 091
Disposal	-1 721	-	-2 396	-	-4 117
Depreciation	-1 952	-29 819	-147 379	-87 334	-266 484
Impairment loss	-	-	-	-	-
Reclassification	-	-	5 508	-	5 508
Carrying value 30.06.2020	42 235	519 621	1 361 510	1 077 956	3 001 322

