



Austevoll Seafood ASA

Financial report 3Q 2021



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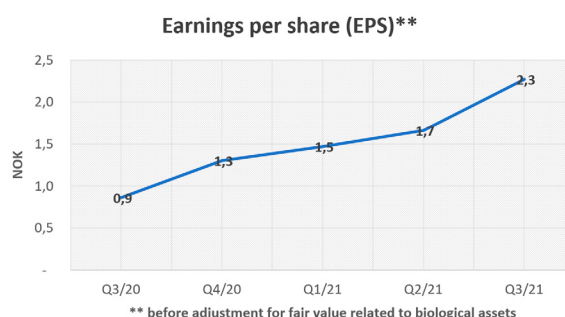
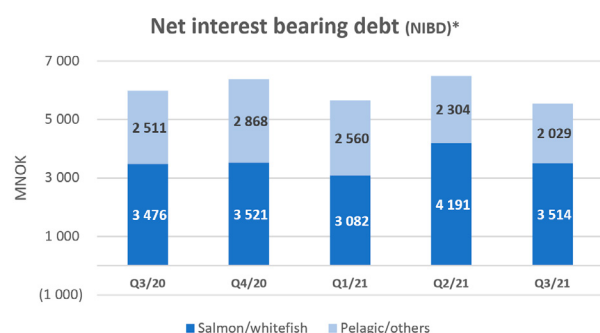
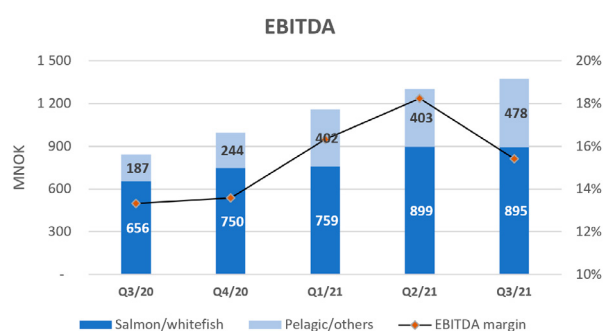
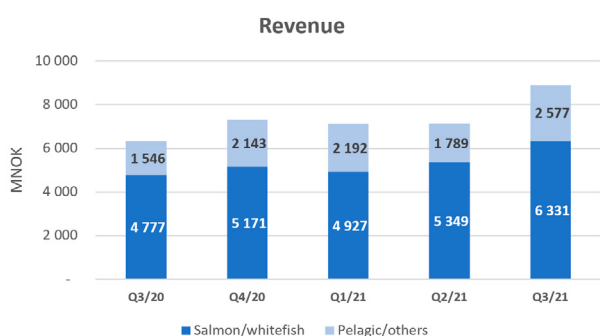
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FINANCIAL REPORT Q3 2021

- Positive development in Group's operating profit and strong cash flows
- Growth in harvest volume for Atlantic salmon and trout compared with Q3 2020
 - » The need to make amendments to the harvest schedule has resulted in increased release from stock costs and lower prices realised in the quarter
 - » Prices are volatile. Industry spot price for whole superior salmon down NOK 8 per kg in Q3 2021 compared with Q2 2021, and up NOK 7 per kg compared with Q3 2020
- Seasonal decline in pelagic catches in South America, but good sales volume for finished products
 - » Austral caught 100% of their quota for the first fishing season, which closed at the end of July
- Early start-up for mackerel season in Norway
 - » Significant growth in catch volume and receipt of raw materials compared with same period in 2020



The figures include 50% of revenue, EBITDA and net interest-bearing debt from the Pelagia Holding Group.

EBITDA before fair value adjustment related to biological assets

NIBD is net interest-bearing debt to institutions where the main activity is financing

FINANCIAL REVIEW

PROFIT/LOSS Q3 2021

The Group reported operating revenue of NOK 7,390 million in the quarter, compared with NOK 5,538 million in Q3 2020.

Group EBITDA in Q3 2021 totalled NOK 1,146 million, compared with NOK 789 million in Q3 2020.

The higher sales volume for Atlantic salmon, fishmeal and fish oil, and improved earnings from the land-based industry (whitefish), are the main factors behind the increase in earnings when comparing Q3 2021 with Q3 2020.

EBIT before fair value adjustment related to biological assets in Q3 2021 was NOK 741 million (Q3 2020: NOK 415 million).

Fair value adjustment related to biological assets in Q3 2021 was negative and totalled NOK -185 million. The corresponding figure in Q3 2020 was positive, at NOK 57 million.

EBIT after fair value adjustment related to biological assets in Q3 2021 was NOK 556 million (Q3 2020: NOK 472 million).

The largest associates are Norskott Havbruk AS and Pelagia Holding AS. Income from associates in Q3 2021 totalled NOK 172 million (Q3 2020: NOK 78 million). The profit figure for the third quarter includes a one-off gain of NOK 70 million, which was the effect of a so-called step acquisition. The Group's associates have generated good results over time, are significant enterprises in their segments and represent substantial values for Austevoll Seafood ASA. Please refer to note 5 for more detailed information on associates.

The Group's net interest expense in Q3 2021 totalled NOK 67 million (Q3 2020: NOK 72 million). Net other financial expenses in the quarter totalled NOK 30 million. Net other financial expenses in Q3 2020 totalled NOK 21 million.

Profit before tax and fair value adjustment related to biological assets for Q3 2021 amounted to NOK 839 million, compared with NOK 393 million in Q3 2020.

The Group reported profit before tax in the quarter of NOK 631 million (Q3 2020: profit of NOK 457 million). The profit figure after tax was NOK 517 million (Q3 2020: NOK 363 million).

OPERATIONAL REVIEW OF SEGMENTS FOR Q3 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 comprise three farming regions in Norway: Lerøy Aurora in Troms and Finnmark, Lerøy Midt in Nordmøre/Trøndelag, and Lerøy Sjøtroll in Vestland.

In Q3 2021, LSG reported revenue of NOK 6,331 million (Q3 2020: NOK 4,777 million) and EBITDA before fair value adjustment related to biological assets of NOK 895 million (Q3 2020: NOK 656 million).

The positive development when compared with Q3 2020 is attributed to improved earnings for the land-based industry (whitefish), significant growth in harvest volume for salmon and trout, the gradual lifting of COVID-19 restrictions with a corresponding positive development in prices and, finally, a sustained positive development in downstream operations. During the last part of the quarter, it became necessary to make amendments to the harvest schedule, particularly at Lerøy Aurora, but also to a certain extent at Lerøy Sjøtroll. These amendments required compulsory harvesting at a lower average weight, with higher release from stock costs and lower prices realised. Unfortunately, this resulted in a significantly poorer operating profit for the third quarter than forecast.

For Farming, the harvest volume for salmon and trout, gutted weight, was 56,397 tonnes in Q3 2021, which is a substantial increase from 44,227 tonnes in Q3 2020.

Throughout the third quarter, demand for Norwegian salmon, measured in Euro, has grown to record-high levels. When compared with Q3 2020, the export volume for salmon from Norway has increased by approx. 10%. This growth continued throughout the quarter, and salmon exports in September were approx. 20% higher than in the same period in 2020. This increase reinforced the normal seasonal trend, and is evident in the increase in weekly export volume of salmon from approx. 25,000 tonnes in July to approx. 35,000 tonnes in September. The increase resulted in a significant fall in prices throughout the quarter, but is still indication of a strong underlying market.

The average price for salmon in Q3 2021, measured according to NSI (sales price FCA Oslo), was NOK 54.70/kg, compared with NOK 62.50/kg in Q2 2021 and NOK 47.40/kg in Q3 2020. This is equivalent to a fall in price of NOK 8/kg from Q2 2021 and an increase in price of NOK 7/kg from Q3 2020.

Norwegian trout exports saw an increase in volume of around 20% in 2020. This factor, combined with the COVID-19 restrictions, had a very negative impact on pricing on the market throughout 2020. The growth in volume has flattened out throughout 2021. This has led to much better equilibrium in the trout market, and prices realised in Q3 2021 have improved significantly on the same period in 2020.

The Group's total prices realised in the quarter are impacted by the fact that approx. 40% of the harvest volume in the quarter was harvested in September. LSG's contract share for salmon in the third quarter was 23%.

During the first half of the year, the Group's prices realised were, as previously reported, significantly impaired by quality downgrades. As expected, this impact is much less evident in Q3 2021.

For Lerøy Sjøtroll, 47% of the harvest volume in Q3 2021 was trout. The Group's prices realised for trout in the quarter were approximately NOK 2/kg lower than for salmon.

LSG's release from stock costs in Q3 2021, including the new production fee of NOK 0.4/kg, are lower than in Q2 2021 but higher than in Q3 2020.

We expect to see a reduction in release from stock costs from Q3 2021 to Q4 2021. All other aspects being equal, the Group's production costs will increase in the near future due to expectations of a further price increase for practically all input factors.

Lerøy Aurora made changes to their harvest schedule, with some localities harvesting earlier than scheduled and others harvesting slightly later than scheduled. As a result, the release from stock costs in the third quarter did not fall by as much as was expected after the second quarter. At the time of writing, release from stock costs in the fourth quarter are expected to be substantially lower than those realised in the third quarter of 2021. Lerøy Aurora has forecast a harvest volume in the region of 44,000 GWT in 2021, and a corresponding volume of approx. 43,000 GWT in 2022.

Production in Lerøy Midt in Q3 2021 has shown a satisfactory development. Release from stock costs are currently expected

to be lower in Q4 2021 compared with the costs reported to date in 2021. The company has forecast a harvest volume of approx. 72,000 GWT in 2021, and 71,000 GWT in 2022.

Growth reported by Lerøy Sjøtroll for parts of the autumn of 2021 has been somewhat lower than expected. The estimated harvest volume in 2021 has been reduced from the original figure of 75,000 GWT to 71,000 GWT, albeit still an increase from the figure of 67,900 GWT in 2020. For 2022, the harvest volume is forecast to increase to 76,000 GWT. At the time of writing, a reduction in release from stock costs is expected in Q4 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 around 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 Q3 2021. The catch volume in Q3 2021 was 12,336 tonnes compared with 11,083 tonnes in Q3 2020. The increase in cod catches is the most important factor behind the higher catch value when compared with the same period in 2020. Lerøy Havfisk has a large quota remaining in 2021, and therefore solid grounds for good profitability in Q4 2021. The company is in a strong position to be able to fully capitalise on their cod quota. The remaining quotas for saithe and haddock have been affected by major re-allocations throughout the year. It is normal for the catch volumes for these species to be very unsure, but the company still expects to see satisfactory catches.

The most important markets for whitefish remain slightly affected by COVID-19 restrictions, but the development in demand is good and most products have seen a positive development in prices. Compared with Q3 2020, prices realised for cod are down 3%, while prices for haddock and saithe are substantially up, by 59% and 35% respectively.

LNWS's primary business is processing wild-caught whitefish. The company has use of 12 processing plants and purchasing stations in Norway, five of which are leased from Lerøy Havfisk.

For several years now, it has been extremely challenging to process whitefish in Norway, and Q3 2021 has been no exception. It is, nonetheless, rewarding to note the significant

improvement in land-based operations. This has also led to an improvement in the financial results in the third quarter of 2021 when compared with the same period last year.

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 presumes are temporary market-related challenges brought about by the pandemic. Over time, the Group has carried out organisational changes and made significant investments in facilities, which are expected to produce sustainable earnings.

In total, Lerøy Havfisk and LNWS reported EBIT of NOK 17 million in Q3 2021, compared with NOK -50 million in the same period of 2020. Lerøy Havfisk has a higher volume remaining from its cod quota for the third quarter when compared with the same period last year.

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 suspected restrictive practices involving collaboration on the salmon market. The US Department of Justice (DOJ) started an investigation into the Norwegian salmon industry in November 2019. Lerøy Seafood Group ASA is one of the companies involved in these matters. In the wake of the European Commission's investigations, companies in Lerøy Seafood Group ASA and a number of other Norwegian-owned aquaculture companies are among those to be sued by customers in the USA and Canada. Please refer to the Group's annual report for more information.

For further information, please refer to LSG's report and presentation for Q3 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 completed fisheries for the first season on 26 July 2021, by which time they had caught 100% of their allocated quota of 175,000 tonnes. The remaining part of the quarter and first part of the fourth quarter are dedicated to maintenance of vessels, nets and factories to get ready for the second fishing season.

Operating revenue in Q3 2021 totalled NOK 658 million (Q3 2020: NOK 530 million) and EBITDA NOK 185 million (Q3 2020: NOK 139 million).

Sales volumes for fishmeal and fish oil in the third quarter were 43,700 tonnes, up from 37,600 tonnes in the same quarter of 2020. The company's prices realised for fishmeal and fish oil in Q3 2021 were up 10% and 16% respectively on Q3 2020. Fishmeal represented 80% of total sales volume in the third quarter of the year, whereas the corresponding figure in Q3 2020 was 99%.

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 for fishmeal and fish oil.

The rate of COVID-19 infections has been on the decrease since the middle of the second quarter. National restrictions remain in place in the wake of the COVID-19 outbreak. 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.

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. FC's quota therefore now corresponds to 8.6% 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 completed its main season in the first half of the year. In the third quarter, the company caught 8,500 tonnes of horse mackerel (Q3 2020: 6,700 tonnes). The remaining months of the year are mainly spent on maintenance of vessels and factories.

In 2021, the company's own quota (including leased quota) for horse mackerel was just under 40,000 tonnes (2020: 34,600 tonnes). The company has also purchased 31,800 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 71,800 tonnes, up from approx. 63,100 tonnes in 2020. The higher catch volume is a reflection of administration in recent years and a positive development in the marine biomass.

In Q3 2021, operating revenue was NOK 162 million (Q3 2020: NOK 131 million) and EBITDA was NOK 34 million (Q3 2020: NOK 10 million).

Sales of frozen products totalled 12,300 tonnes in Q3 2021, up from 11,200 tonnes in the same quarter of 2020. Demand for frozen products has been good, and the company's prices realised in the quarter have been substantially higher than in Q3 2020.

The authorities in Chile, as in Peru, still have national restrictions to combat the COVID-19 pandemic. 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 Q3 2021, the BRBI segment reported operating revenue of NOK 119 million (Q3 2020: NOK 39 million). EBITDA amounted to NOK 41 million (Q3 2020: NOK 7 million).

The mackerel season for the Norwegian fishing fleet started much earlier than in previous years. BRBI's two pelagic vessels have therefore caught the main share of their mackerel quota for the year in the third quarter. In 2020, fisheries for the mackerel quota mainly took place in the fourth quarter. The company's snow crab vessel completed fisheries for the year on 1 July 2021, by which time they had caught the total volume of their snow crab quota for 2021. During the third and fourth quarters, the vessel will undergo necessary maintenance prior to start-up of the next season in January 2022. In September 2021, BRBI purchased a second-hand fishing vessel to replace the "Northguider", which sank off the coast of Spitzbergen in

December 2018. This vessel is now being reconstructed and is expected to start snow crab catches in the middle of Q1 2022.

In Q3 2021, the BFARM segment reported operating revenue of NOK 110 million (Q3 2020: NOK 52 million). EBITDA before fair value adjustment related to biological assets in Q3 2021 was NOK -13 million (Q3 2020: NOK -28 million).

As mentioned in the previous report, the company unfortunately detected ILA at one of its localities in June 2021. The company has carried out a compulsory harvest resulting in very low average weights and high release from stock costs, and the company has therefore incurred a significant loss. The negative impact on operating profit is in the order of NOK 25-28 million. A provision for this loss was made in the accounts on 30 June 2021.

The company's harvest volume in Q3 2021 was 2,329 tonnes, compared with 1,542 tonnes in Q3 2020.

JOINT VENTURES

Pelagia Holding AS (Pelagia)

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

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

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

As mentioned in the previous report, Pelagia carried out a transaction/acquisition of the remaining 50% of the shares in Hordafør AS on 1 July 2021. Subsequent to this transaction, Pelagia AS owns 100% of the shares in Hordafør AS. In the financial statements, Hordafør AS is reported as a subsidiary from and including Q3 2021. The comparative figures for the third quarter in 2020 have not been converted.

The early start-up of the mackerel season for the Norwegian fishing fleet has resulted in an increased volume of raw materials for production of consumer products in the third quarter of 2021, when compared with the same period in 2020. The earlier start-up will naturally imply a lower volume of raw materials for consumer products in the fourth quarter of 2021 when compared with the same quarter of 2020. As is normal, the third quarter is a low season for production of fishmeal and fish oil.

Revenue for Pelagia in the quarter was NOK 3,037 million (Q3 2020: NOK 1,570 million) and EBITDA was NOK 455 million (Q3 2020: NOK 106 million). The figures for Q3 2021 include a one-off amount relating to the acquisition of Hordafor AS of NOK 139 million.

The sales volume for frozen products in the quarter was 80,200 tonnes, up significantly from 34,200 tonnes in the same quarter in 2020. The growth in volume resulted from the early start-up of the mackerel season. Sales of fishmeal/FPC and fish oil in the quarter totalled 70,400 tonnes, also a significant increase from 38,000 tonnes in Q3 2020. In addition to this is the sales volume of FPC and fish oil from Hordafor/Aquarius, totalling 36,400 tonnes in the third quarter.

The volume of raw materials received for consumer products in the quarter was 108,900 tonnes, a substantial increase from 38,600 tonnes in Q3 2020. Total receipt of raw materials in Pelagia for fishmeal/FPC and fish oil production was approx. 146,300 tonnes in Q3 2021, compared with approx. 151,600 tonnes in Q3 2020.

CASH FLOWS Q3 2021

Cash flow from operating activities for Q3 2021 was NOK 1,553 million (Q3 2020: NOK 867 million). Cash flow from investment activities in Q3 2021 was NOK -343 million (Q3 2020: NOK -225 million). Cash flow from financing activities for Q3 2021 was NOK 460 million (Q3 2020: NOK -947 million). The subsidiary, Lerøy Seafood Group ASA, has issued three new senior unsecured green bond loans in the third quarter, each of NOK 500 million and totalling NOK 1,500 million. These bond loans mature in five, six and ten years respectively.

The Group's cash and cash equivalents at the end of Q3 2021 totalled NOK 5,371 million, compared with NOK 4,173 million at the end of Q3 2020.

FINANCIAL INFORMATION AT END SEPTEMBER 2021

The Group reported operating revenue of NOK 19,605 million at the end of September 2021 (YTD Q3 2020: NOK 16,701 million). EBITDA before fair value adjustment related to biological assets at the end of September 2021 was NOK 3,503 million (YTD Q3 2020: NOK 2,816 million).

EBIT before fair value adjustment related to biological assets at the end of September 2021 was NOK 2,315 million (YTD

Q3 2020: NOK 1,695 million). The fair value adjustment related to biological assets at the end of September 2021 was positive at NOK 868 million. The corresponding value adjustment related to biological assets at the same period in 2020 was negative at NOK -250 million.

EBIT after fair value adjustment related to biological assets at the end of September 2021 was NOK 3,183 million (YTD Q3 2020: NOK 1,445 million).

Income from associates at the end of September 2021 totalled NOK 308 million (YTD Q3 2020: NOK 111 million).

The Group's net interest expenses for the first three quarters of 2021 were NOK 213 million (YTD Q3 2020: NOK 228 million).

Profit before tax and fair value adjustment related to biological assets for the first three quarters of 2021 was NOK 2,350 million, compared with NOK 1,485 million for the same period in 2020.

Profit after tax at 30 September 2021 was NOK 2,527 million (YTD Q3 2020: NOK 931 million).

CASH FLOWS AT END SEPTEMBER 2021

Cash flow from operating activities at the end of September 2021 totalled NOK 3,713 million (YTD Q3 2020: NOK 2,238 million). Tax payments at the end of September 2021 totalled NOK 282 million compared with NOK 477 million for the same period in 2020. Cash flows from investment activities at the end of September 2021 totalled NOK -956 million (YTD Q3 2020: NOK -1,094 million). Cash flow from financing activities at the end of September 2021 totalled NOK -1,857 million (YTD Q3 2020: NOK -1,233 million). Of this, a figure of NOK 1,319 million was dividends from the Group, whereas the corresponding figure at the same time in 2020 was NOK 983 million.

Net change in cash for the Group for the first nine months of 2021 was NOK 900 million (YTD Q3 2020: NOK -89 million).

The Group's cash and cash equivalents at the end of September 2021 totalled NOK 5,371 million compared with NOK 4,173 million at the end of September 2020.

STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2021

The Group's statement of financial position at 30 September 2021 showed a total of NOK 42,631 million, compared with NOK 39,999 million at 30 September 2020. 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 30 September 2021 of NOK 24,232 million, equivalent to an equity ratio of 57%. At the end of Q3 2020, the Group had book equity of NOK 23,471 million, equivalent to an equity ratio of 59%.

At the end of Q3 2021, the Group had net interest-bearing debt excluding right-of-use liabilities other than to credit institutions totalling NOK 3,926 million, compared with NOK 4,626 million at the end of September 2020. The Group's net interest-bearing debt including right-of-use liabilities other than to credit institutions was NOK 5,634 million at the end of September 2021, compared with NOK 5,950 million at the end of September 2020.

The Group and parent company's financial position is very strong. The Board of Directors considers it important 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 30 September 2021, the parent company Austevoll Seafood ASA had cash and cash equivalents of NOK 320 million and net interest-bearing debt of NOK 255 million. In addition to this, the parent company has a long-term credit facility of which NOK 590 million remains unutilised at the end of September 2021.

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, of which the COVID-19 outbreak is an example. As a result of the outbreak, national and global authorities 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 has also been severely affected. This has manifested in the form of changes in the pattern of demand for the Group's products, access to workforce both in the Group and externally, other input factors and increased credit risk.

As the national vaccination programme has been gradually rolled out, the COVID-19 restrictions have been partly lifted. By the end of the third quarter, the majority of restrictions had been lifted in Norway and the rest of Europe. The Group's results will continue to be affected by developments in the relationship between supply and demand in the future.

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 Q3 2021, the Group had live fish on its statement of financial position worth NOK 5.8 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 Group's quarterly key figures.

Since LSG's acquisition of Havfisk and LNWS, the Group has had substantial exposure in relation to catches of various species of whitefish subject to Norwegian quotas.

The Group faces political risk linked to administration by the different 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, are challenging and require a long-term perspective by businesses and politicians at a 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 safeguard industrial development in the numerous local communities where the Group has operations.

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

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

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

The Group has increased its focus on climate risk. Overall, and as mentioned in the Group's presentation of risk, the Group's risk assessment covers various scenarios involving geopolitical and market-related factors, etc. In more recent years, the risk assessment has also, to a greater extent, encompassed climate-related risk. In general, opportunities and risk are assessed on the basis of what is considered the most likely scenarios in the future. In 2022, the Group aims to further develop their risk process, so that climate risk is covered more fully. The Board of Directors in the company has established an ESG committee comprising three of the Board members.

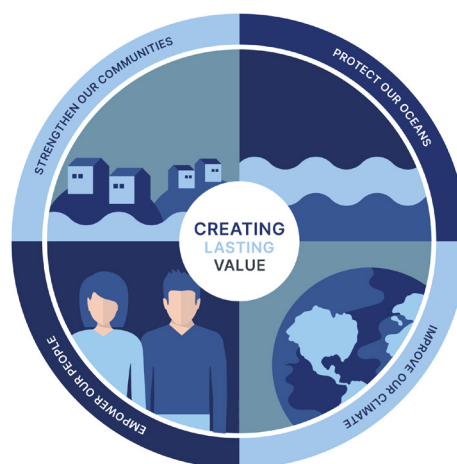
SHAREHOLDER INFORMATION

The company had 8,101 shareholders at the end of Q3 2021. The number of shareholders at the start of Q3 2021 was 7,919.

The share price was NOK 106.80 at the start of Q3 2021 and NOK 103.70 at the end of the quarter.

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 website <https://ar2020.auss.no/>.

For more detailed information on the Group's work on sustainability, please go to the following links:

<https://www.leroyseafood.com/en/investor/reports-and-webcast/sustainability-reports/>

<https://www.austral.com.pe/en/annual-reports-and-sustainability-reports>

<https://www.unglobalcompact.org/what-is-gc/participants/13988-FoodCorp-Chile-S-A->

MARKET AND OUTLOOK

Production, sale and distribution of salmon, trout and whitefish

Price developments for Atlantic salmon have been very volatile in 2021, substantially influenced by the ripple effects of the COVID-19 pandemic. It is not possible to form any precise opinion on the duration or consequences of the pandemic, but developments in 2021 provide grounds for optimism. There are indications that seafood is gaining in popularity with consumers, and there are therefore grounds for optimism about the underlying future development in demand for seafood, and hence about 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 and using new, alternative technologies. These incentives have existed for several years now, but with long lead times for developing the industry, sea-based production in Norway has remained dominant. The harvest volume from land-based production of salmon remains insignificant on 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. As well as developing existing farming operations, the Group is accumulating knowledge and/or expertise within both land-based and offshore 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, producing around 4,000 tonnes of biomass per year. In the fourth quarter 2020, Lerøy Aurora completed the final stages of construction for their smolt facility in Laksefjord. Lerøy Midt can report that the second stage of development of the Belsvik facility is on schedule. The plan is for completion in the first quarter of 2022, and the facility will produce around 5,000 tonnes of biomass. The schedule is to introduce the first roe in the first quarter of 2022, and the results produced by the facility are expected to gradually materialise from 2023. The Group's investments in improved smolt production and post-smolt production, combined with a number of other initiatives, will support its ambition of continued growth in volume and improved competitiveness as a result of lower production costs.

The Group has recently worked on a project in Årskog in Fitjar for further development of large smolt. Based on several factors, including COVID-19 and related consequences, the Group has decided to postpone the final decision regarding commissioning.

The Group achieved significant improvements in production in the sea in 2020. The harvest volume was up from around 158,000 tonnes in 2019 to 171,000 tonnes in 2020. Moreover, standing biomass increased from 111,000 tonnes at year-end 2019 to 119,000 tonnes at year-end 2020. The first months of 2021 were cold, affecting growth conditions negatively. Growth was good in the second quarter, while the late autumn of 2021 had slightly lower growth than expected. Since November 2020, the Group has reported a projected harvest volume for 2021, including associates, of between 205,000 and 210,000 GWT. At the time of writing, our best estimate is 204,000 GWT.

For its consolidated operations, Lerøy Seafood Group currently estimates a harvest volume of 190,000 GWT in 2022. The Group's share from associates is forecast to be 17,000 GWT. This does not include the increased share from associates, which will depend upon the final approval of Scottish Sea Farms Ltd.'s acquisition of Grieg Seafood Hjaltdland. The estimated total harvest volume in 2022 will therefore be in the region of 207,000 GWT.

The Group has made significant investments within 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 priority design criteria for Kongsfjord. Consumers are making ever-increasing demands and expectations on quality. High quality and competitiveness are essential for success when competing for consumers' preferences.

The whitefish industry still faces significant challenges in relation to the impact on demand of COVID-19. It is naturally not possible for the Group to know how long the restrictions will last, but LSG's long-term plans remain the same. The work on and investments in making the factories less reliant on seasons continue, along with well-organised and meticulous work on making improvements to each unit. We believe that this process will generate results with time.

The Group'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. Third-country

quotas were re-allocated and distributed during the summer, resulting in an increase in the quotas for cod and haddock of 21% and 37% respectively when compared with the same period in 2020. The quota for saithe north of 62 degrees latitude is up 17% and the saithe quota south of 62 degrees latitude remains unchanged from 2020.

In June, ICES (the International Council for the Exploration of the Sea) published its recommendations for the total quotas of cod, haddock and saithe in 2022. These recommendations entail reductions in the cod and haddock quotas of 20% and 23% respectively. For saithe north of 62 degrees latitude, a quota roughly equivalent to that in 2021 is recommended, while a 24% reduction in the total quota is recommended for North Sea catches. In October, Norway and Russia ratified a quota agreement for 2022 that mainly complies with the ICES recommendations.

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, a new factory in Stamsund and new factories in Spain, the Netherlands and Italy, close to being commissioned, will make a positive contribution in the years to come. LSG has a good starting point for continued profitable growth and development of Group operations.

LSG issued their first bond loan in Q3 2021, and the company was rated as “investment grade”. The bond loan was executed in a so-called green framework. Demand from investors has been good. It has always been important for LSG to retain the trust of the capital markets.

On 29 June 2021, Scottish Sea Farms Ltd. (SSF) – a joint venture between Lerøy Seafood Group ASA and SalMar ASA – signed an agreement to purchase 100% of the shares in Grieg Seafood Hjaltdland (GSHU) from Grieg Seafood ASA. Please refer to other reports for details of the above. The transaction is expected to be completed by the end of Q4 2021, assuming approval is obtained from the relevant authorities and the standard terms and conditions.

Fishmeal and fish oil

According to the IFFO*, fishmeal production from Regions Peru, Chile and North Atlantic as of week 42 (week beginning 26 July 2021) was up 6.5% on the same period in 2020. The increase in production is from Peru and Chile, at 32.5% and

8% respectively. Production in the North Atlantic has seen a reduction when compared with the same period last year.

The quota for the first fishing season for anchoveta in Peru was 2.5 million tonnes. By the end of the season on 13 August 2021, 98% of the total national quota had been caught. As normal, IMARPE have completed their measurements prior to the second fishing season, but the results are yet to be published.

The main reason behind the lower production in the North Atlantic when compared with 2020 is the reduction in blue whiting and sand eel quotas from 2020 to 2021. ICES’ recommended quota for blue whiting in 2022 represents a reduction of 19% on the recommended quota for 2021. It has been proposed to significantly increase the capelin quota off Iceland in relation to 2021. The quota for 2022 is 904,000 tonnes, up from 127,000 tonnes in 2021.

** Source: IFFO, 42 week, 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 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, but started in early August in 2021, 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. ICES’ recommended quota for catches in the North Atlantic in 2022 implies a reduced quota for mackerel and Norwegian spring-spawning herring compared with the recommended quota for 2021. The reduction for these two species is 7% and 8% respectively. ICES’ recommended quota for North Sea herring in 2022 reflects an increase of 45% on the recommended quota for 2021. ICES also recommends catches of up to 70,000 tonnes of capelin in the Barents Sea in 2022. For 2021, ICES recommended a ban on capelin fishing in the Barents Sea. The 2022 quota recommended by SPRFMO for horse mackerel catches in the South Pacific represents a continuation of the positive development in these fisheries. The recommendation implies an increase of approx. 15% on the quota for 2021. This was also the recommendation from SPRFMO for an increase in quotas for 2021.

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 delicious, and production is sustainable from a financial, climate and environmental perspective.

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 management and Board of Directors continue to expect good underlying growth in demand in the years ahead.

The Board of Directors underlines that uncertainties related to assessments of future developments remain higher than normal, but current estimates are that earnings could be negatively impacted by COVID-19 restrictions also in the near future.

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, 10 November 2021

The Board of Directors of Austevoll Seafood ASA

Helge Singelstad
Chairman of the Board

Lill Maren Møgster
Board member

Hege Charlotte Bakken
Deputy Chairman of the Board

Eirik Drønen Melingen
Board member

Helge Møgster
Board member

Hege Solbakken
Board member

Siren M. Grønhaug
Board member

Arne Møgster
CEO

FINANCIAL REPORT Q3 2021

INCOME STATEMENT (unaudited)

All figures in NOK 1,000	Note	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020	(audited) 2020
Operating revenue	4	7 389 811	5 538 197	19 605 417	16 700 707	22 446 926
Raw material and consumables used		4 377 191	3 185 366	10 612 058	8 981 068	12 079 107
Salaries and personnel expenses		1 027 543	840 616	3 006 511	2 647 701	3 604 585
Other operating expenses		838 736	722 761	2 483 484	2 255 528	3 088 256
EBITDA before fair value adjustments *		1 146 341	789 454	3 503 364	2 816 410	3 674 978
Depreciation and amortisation		398 139	374 642	1 182 202	1 125 033	1 518 825
Impairment		7 159	-318	6 601	-3 808	-2 554
EBIT before fair value adjustment *		741 043	415 130	2 314 561	1 695 185	2 158 707
Fair value adjustment related to biological assets	3	-184 824	56 817	868 106	-250 228	-954 044
Operating profit		556 219	471 947	3 182 667	1 444 957	1 204 663
Income from associated companies	5	171 537	78 176	308 018	110 599	250 121
Net interest expenses		-67 012	-72 368	-213 214	-228 307	-294 911
Net other financial items (incl. agio/disagio)		-29 713	-20 880	-56 224	-139 494	-132 447
Profit before tax and fair value adj.*	7	838 773	393 098	2 349 856	1 485 402	2 037 136
Profit before tax		631 031	456 875	3 221 247	1 187 755	1 027 426
Income tax expenses		-114 348	-93 403	-694 523	-257 060	-204 575
Net profit		516 683	363 472	2 526 724	930 695	822 851
Profit to non-controlling interest		147 519	163 187	1 079 691	404 845	328 736
Profit to controlling interests		369 164	200 285	1 447 033	525 850	494 115
Earnings per share (EPS) *		2,26	0,86	5,39	3,25	4,55
Earnings per share (EPS)		1,83	0,99	7,17	2,61	2,45
Diluted EPS		1,83	0,99	7,17	2,61	2,45

*) related to biological assets (alternative performance measure)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

All figures in NOK 1,000	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020	(audited) 2020
Net earnings in the period	516 683	363 472	2 526 724	930 695	822 851
Other comprehensive income					
Currency translation differences	-6 218	-62 943	-132 151	270 046	-138 724
Other comprehensive income from associated companies	4	-56	-884	-3 691	-4 947
Cash flow hedges	14 130	5 283	58 684	-58 881	-34 429
Others incl. tax effect	-2 753	3 418	-3 149	-9 280	3 635
Total other comprehensive income	5 163	-54 298	-77 500	198 194	-174 465
Comprehensive income in the period	521 846	309 174	2 449 224	1 128 889	648 386
Allocated to:					
Minority interests	149 450	167 234	1 075 989	437 832	312 030
Majority interests	372 396	141 940	1 373 235	691 057	336 356

STATEMENT OF FINANCIAL POSITION (unaudited)

All figures in NOK 1,000	Note	30.09.2021	30.09.2020	31.12.2020
Assets				
Intangible assets		11 725 387	11 719 416	11 526 318
Vessels		2 076 396	2 122 218	2 103 409
Property, plant and equipment		6 685 518	6 366 579	6 275 401
Right-of-use assets	8	3 432 649	2 997 440	3 105 697
Investments in associated companies	5	2 603 979	2 433 677	2 526 775
Investments in other shares		46 244	41 379	41 720
Other long-term receivables		165 806	174 775	163 885
Total non-current assets		26 735 979	25 855 484	25 743 205
Inventories	3	7 299 494	7 247 808	6 735 346
Accounts receivable		2 474 063	2 047 598	2 045 398
Other current receivables		751 020	675 311	754 290
Cash and cash equivalents		5 370 742	4 172 639	4 462 765
Total current assets		15 895 319	14 143 356	13 997 799
Total assets		42 631 298	39 998 840	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		8 978 745	8 666 645	8 311 893
Non-controlling interests		11 457 150	11 007 263	10 882 086
Total equity		24 232 490	23 470 503	22 990 574
Deferred tax liabilities		3 568 911	3 508 115	3 261 183
Pensions and other obligations		11 025	83 721	56 647
Borrowings		6 908 677	5 666 185	5 650 866
Lease liabilities to credit institutions		1 036 896	932 844	1 093 736
Lease liabilities to other than credit institutions		1 441 971	1 101 025	1 055 920
Other non-current interest bearing debt		981	-	-
Other long-term liabilities		32 649	28 988	25 992
Total non-current liabilities		13 001 110	11 320 878	11 144 344
Short term borrowings		568 515	1 247 045	1 022 626
Lease liabilities to credit institutions		259 872	249 267	270 899
Lease liabilities to other than credit institutions		266 404	222 428	235 287
Overdraft facilities		521 473	674 454	1 049 683
Account payable		1 917 966	1 477 699	1 363 866
Other current liabilities		1 863 468	1 336 566	1 663 725
Total current liabilities		5 397 698	5 207 459	5 606 086
Total liabilities		18 398 808	16 528 337	16 750 430
Total equity and liabilities		42 631 298	39 998 840	39 741 004
Net interest bearing debt (NIBD)		3 925 672	4 626 144	4 651 037
Lease liabilities to other than credit institutions		1 708 375	1 323 453	1 291 207
NIBD incl. right of use assets liabilities		5 634 047	5 949 597	5 942 244
Equity ratio		57%	59%	58%

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

All figures in NOK 1,000	30.09.2021	30.09.2020	31.12.2020
Equity at period start	22 990 574	23 331 034	23 331 034
Comprehensive income in the period	2 449 224	1 128 889	648 386
Dividends	-1 318 753	-983 421	-983 421
Transactions with non-controlling interest	111 445	-5 999	-5 425
Other	-	-	-
Total changes in equity in the period	1 241 916	139 469	-340 460
Equity at period end	24 232 490	23 470 503	22 990 574

CASH FLOW STATEMENT (unaudited)

All figures in NOK 1,000	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020	(audited) 2020
Cash flow from operating activities					
Profit before income taxes	631 031	456 875	3 221 247	1 187 755	1 027 426
Fair value adjustment of biological assets	184 824	-56 817	-868 106	250 228	954 044
Taxes paid in the period	-16 512	-192 255	-281 522	-477 359	-493 805
Depreciation and amortisation	398 139	374 642	1 182 202	1 125 033	1 518 825
Impairments	7 159	-319	6 601	-3 808	-2 554
Associated companies - net	-171 537	-78 176	-308 018	-110 599	-250 122
Interest expense	74 338	75 020	231 477	260 926	341 027
Interest income	-7 327	-2 653	-18 264	-32 619	-46 116
Change in inventories	512 346	-25 533	461 112	-209 060	-400 415
Change in receivables	-19 410	263 894	-191 869	596 107	629 946
Change in payables	29 055	45 828	441 505	-225 726	-334 538
Other operating cash flow incl currency exchange	-68 988	6 405	-162 902	-122 486	620
Net cash flow from operating activities	1 553 118	866 911	3 713 463	2 238 392	2 944 338
Cash flow from investing activities					
Purchase of intangible and fixed assets	-354 301	-337 694	-919 012	-1 235 454	-1 529 323
Purchase of shares and equity investments	-6 064	-1 744	-207 704	-1 755	-36 672
Proceeds from sale of fixed assets/equity investments	7 556	9 834	35 238	17 223	17 223
Cash inflow from business combinations	-	-	2 948	-	-
Dividend received	-	101 700	113 514	126 140	129 548
Interest income	7 327	2 653	18 264	32 619	46 116
Other investing activities - net	2 230	399	466	-33 107	-29 716
Net cash flow from investing activities	-343 252	-224 852	-956 286	-1 094 334	-1 402 824
Cash flow from financing activities					
Proceeds from new long term debt	1 497 611	124 205	2 371 013	1 946 446	2 111 463
Repayment of long term debt	-630 580	-284 046	-2 057 536	-1 801 587	-2 224 573
Change in short term debt	-343 121	-687 992	-645 836	-191 737	143 721
Interest paid	-74 338	-75 020	-228 356	-266 230	-344 560
Dividends paid	-10 047	-	-1 318 753	-983 421	-983 421
Other finance cash flow - net	20 308	-24 569	22 416	63 371	-28 720
Net cash flow from financing activities	459 833	-947 422	-1 857 052	-1 233 158	-1 326 090
Net change in cash and cash equivalents	1 669 699	-305 363	900 125	-89 100	215 424
Cash, and cash equivalents at start of period	3 701 043	4 481 993	4 462 765	4 251 100	4 251 100
Exchange gains/losses (-)	-	-3 991	7 852	10 639	-3 759
Cash and cash equivalents at period end	5 370 742	4 172 639	5 370 742	4 172 639	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 Q3 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.

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 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	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020	2020
Change FV adj. of biological assets	-199 113	96 828	857 676	-166 682	-853 236
Change in FV of onerous contracts	-2 530	-1 973	-8 699	24 462	26 485
Change in FV of fishpool contracts	-8	0	-1 571	0	0
Total FV adjustments over profit and loss	-201 651	94 855	847 406	-142 220	-826 751

Fair value adjustments over OCI

Change in FV of fishpool contracts *	839	2 915	5 080	-1 326	-3 183
Total FV adjustments over OCI	839	2 915	5 080	-1 326	-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	30/09/2021	30/09/2020	31/12/2020
Cost on stock for fish in sea	4 159 281	4 208 157	4 231 901
Cost on stock for fry, brood, smolt and cleaning fish	287 791	261 902	362 065
Total cost on stock for biological assets *	4 447 072	4 470 059	4 593 966
FV adj. of fish in sea	1 177 222	1 006 100	319 546
FV adj. of fry, brood, smolt and cleaning fish	0	0	0
Total FV adj. of biological assets	1 177 222	1 006 100	319 546
Monthly discount rate applied	5%	5%	5%
FV of fish in sea	5 336 502	5 214 257	4 551 447
FV of fry, brood, smolt and cleaning fish	287 791	261 902	362 065
Carrying amount of biological assets	5 624 293	5 476 159	4 913 512
Carrying amount on onerous contracts (liability)			
Carrying amount of onerous contracts	-8 731	-2 055	-32
Carrying amount on fishpool contracts			
Carrying amount of Fish Pool contracts	1 388	-568	-2 939

* Cost on stock is historic costs after expensed mortality

NOTE 3 BIOLOGICAL ASSETS (cont.)

HARVESTED VOLUME:

Volume in gutted weight (GWT)	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020	2020
Salmon	47 989	36 699	118 206	101 694	142 841
Trout	8 408	7 528	17 097	20 805	28 007
Total harvested volume	56 397	44 227	135 303	122 500	170 849

VOLUME

Volume of fish in sea (LWT)	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020	2020
Volume at beginning of period	108 448	95 986	119 407	111 263	111 263
Net growth during the period	70 031	69 169	151 063	147 074	210 396
Harvested volume during the period	-65 811	-52 651	-157 802	-145 833	-202 252
Volume at end of period (LWT)	112 668	112 504	112 668	112 504	119 407

Specification of fish in sea (LWT)	30/09/2021	30/09/2020	31/12/2020
Salmon	96 448	97 052	105 745
Trout	16 220	15 452	13 662
Total	112 668	112 504	119 407
Salmon > 4,7 kg (live weight) *	11 170	12 216	7 802
Trout > 4,8 kg (live weight) *	132	179	0

* Defined as mature biological assets

Br. Birkeland Farming AS

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

Fair value adjustment over profit and loss	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020	2020
Change FV adj. biological assets	16 827	-38 038	20 700	-108 008	-127 293
FV adj. related to biological assets	16 827	-38 038	20 700	-108 008	-127 293

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS

Positive amounts are assets and negative amounts are liabilities

Carrying amount of biological assets	YTD Q3 2021	YTD Q3 2020	2020
Cost on stock for fish in sea	176 812	258 901	265 042
Fair value adjustment fish in sea	8 118	6 703	-12 582
Fair value fish in sea	184 930	265 604	252 460
Fry, brood and smolt	-	-	-
Carrying amount of biological assets	184 930	265 604	252 460

HARVESTED VOLUME

Harvested volume in gutted weight (GWT)	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020	2020
Total volume	2 329	1 542	6 377	4 222	6 790
- Salmon	2 329	1 542	6 377	4 222	6 790

VOLUME

Volume of fish in sea (LWT)	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020	2020
Volume at beginning of period	4 735	5 201	5 693	5 033	5 033
Net growth during the period	2 158	1 864	6 147	5 583	9 291
Harvested volume during the period	-2 805	-1 852	-7 752	-5 403	-8 631
Volume at end of period (LWT)	4 088	5 213	4 088	5 213	5 693
Fish > 4,8 kg (live weight)	1 522	-	1 522	-	-

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%)
Q3 2021									
Operating revenue	6 331 330	657 503	161 805	119 477	109 858	9 838	7 389 811	1 518 618	8 908 429
EBITDA*	895 330	185 149	33 877	41 249	-12 879	3 615	1 146 341	227 280	1 373 621
EBITDA%	14%	28%	21%	35%			16%	15%	15%
EBIT*	578 976	144 793	17 717	30 828	-29 826	-1 445	741 043	189 420	930 463
Volumes sold:									
Salmon (GWT tonnes)	56 397				2 329		58 726		58 726
Fishmeal/oil/FPC (tonnes)		43 662	1 971				45 633	53 400	99 033
Frozen/fresh fish (tonnes)		-	12 259				12 259	40 100	52 359
Q3 2020									
Operating revenue	4 776 703	530 109	130 552	38 680	51 516	10 637	5 538 197	784 776	6 322 973
EBITDA*	655 526	139 489	9 868	7 097	-28 168	5 643	789 455	52 940	842 395
EBITDA%	14%	26%	8%	18%			14%	7%	13%
EBIT*	370 165	90 385	-144	-3 699	-41 220	-355	415 132	22 241	437 373
Volumes sold:									
Salmon (GWT tonnes)	44 227				1 542		45 769		45 769
Fishmeal/oil/FPC (tonnes)		37 594	2 410				40 004	19 000	59 004
Frozen fish (tonnes)		1 432	11 171				12 603	17 100	29 703
YTD Q3 2021									
Operating revenue	16 606 883	1 746 624	640 501	245 873	335 666	29 870	19 605 417	3 559 766	23 165 183
EBITDA*	2 553 757	571 782	227 122	101 767	43 753	5 183	3 503 364	333 811	3 837 175
EBITDA%	15%	33%	35%	41%	13%		18%	9%	17%
EBIT*	1 617 177	446 296	193 995	70 777	-4 265	-9 419	2 314 561	235 028	2 549 589
Volumes sold:									
Salmon (GWT tonnes)	135 303				6 377		141 680		141 680
Fishmeal/oil/FPC (tonnes)		112 651	13 621				126 272	102 300	228 572
Frozen/fresh fish (tonnes)		13 639	42 321				55 960	112 000	167 960
YTD Q3 2020									
Operating revenue	14 795 223	981 162	568 860	123 120	196 324	36 018	16 700 707	2 838 752	19 539 459
EBITDA*	2 358 744	222 849	178 665	33 387	2 909	19 856	2 816 410	191 740	3 008 150
EBITDA%	16%	23%	31%	27%	1%		17%	7%	15%
EBIT*	1 508 221	64 413	150 342	1 072	-31 282	2 419	1 695 185	100 371	1 795 556
Volumes sold:									
Salmon (GWT tonnes)	122 500				4 222		126 722		126 722
Fishmeal/oil/FPC (tonnes)		58 369	14 566				72 935	55 300	128 235
Frozen fish (tonnes)		16 652	36 454				53 106	95 500	148 606
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%			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

		Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020	2020
Norskott Havbruk AS* a)	50,0%	7 194	46 354	104 286	27 255	48 986
Pelagia Holding AS b)	50,0%	151 059	21 854	177 628	50 956	127 312
Others		13 284	9 968	26 104	32 388	73 823
Income from associates		171 537	78 176	308 018	110 599	250 121
* Fair value adjustment biological assets		-22 918	6 960	3 285	-47 419	-55 666
Income from associates before FV adj.		194 455	71 216	304 733	158 018	305 787

Investment in associates:

Norskott Havbruk				823 530	717 858	713 502
Pelagia Holding AS				1 378 191	1 245 545	1 288 903
Others				402 258	470 274	524 370
Total investment		-	-	2 603 979	2 433 677	2 526 775

Dividend received

Norskott Havbruk				-		
Pelagia Holding AS				-	100 000	100 000
Others				-	13 514	29 548
Total dividend received from associates		-	-	113 514	126 140	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 30.09.2021

Investor	Number of shares	% of top 20	% of total
LACO AS	112 605 876	73.20	55.55
STATE STREET BANK AND TRUST COMP	6 990 332	4.54	3.45
STATE STREET BANK AND TRUST COMP	4 917 726	3.20	2.43
J.P. MORGAN BANK LUXEMBOURG S.A.	4 686 989	3.05	2.31
FOLKETRYGDFONDET	3 175 074	2.06	1.57
SIX SIS AG	2 853 077	1.85	1.41
OM HOLDING AS	2 199 279	1.43	1.08
PARETO AKSJE NORGE VERDIPAPIRFOND	2 058 655	1.34	1.02
THE BANK OF NEW YORK MELLON SA/NV	1 619 318	1.05	0.80
JPMORGAN CHASE BANK, N.A., LONDON	1 537 070	1.00	0.76
THE NORTHERN TRUST COMP, LONDON BR	1 532 223	1.00	0.76
STATE STREET BANK AND TRUST COMP	1 320 278	0.86	0.65
DANSKE INVEST NORSKE INSTIT. II.	1 248 163	0.81	0.62
J.P. MORGAN BANK LUXEMBOURG S.A.	1 166 073	0.76	0.58
VERDIPAPIRFONDET ALFRED BERG NORGE	1 058 015	0.69	0.52
J.P. MORGAN BANK LUXEMBOURG S.A.	1 055 691	0.69	0.52
CLEARSTREAM BANKING S.A.	1 032 944	0.67	0.51
J.P. MORGAN BANK LUXEMBOURG S.A.	984 014	0.64	0.49
STATE STREET BANK AND TRUST COMP	902 337	0.59	0.45
STOREBRAND NORGE I VERDIPAPIRFOND	899 772	0.58	0.44
Total number owned by top 20	153 842 906	100%	75.89%
Total number of shares	202 717 374		100%

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 aid understanding of the Group's development. The Board and management are of the opinion that these performance measures are sought 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 carrying amount. 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 can easily see 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:

	Q3 2021	Q3 2020
Operating profit (EBIT)	556 219	471 947
- Fair value adjustments	-184 824	56 817
= EBIT before fair value adjustments	741 043	415 130

Fair value adjustments consists 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 what the profit/loss before tax would have been 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:

	Q3 2021	Q3 2020
Profit before tax	631 031	456 875
- Fair value adjustments	-184 824	56 817
- Fair value adjustments in associated comp.	-22 918	6 960
= Profit before tax and fair value adjustments	838 773	393 098

NOTE 7 ALTERNATIVE PERFORMANCE MEASURES (cont.)

Net interest-bearing debt (NIBD)

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

	30/09/2021	30/09/2020	31/12/2020
Loans from credit institutions *			
+ Lease liabilities to credit institutions *	1 296 768	1 182 111	1 364 635
+ Other long term loans *	7 478 173	6 942 218	6 699 484
+ Overdrafts/other short term loans	521 473	674 454	1 049 683
- Cash and cash equivalents	-5 370 742	-4 172 639	-4 462 765
= Net interest bearing debt (NIBD)	3 925 672	4 626 144	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. Under 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 component) are presented under financing activities. The same applies to cash payments for the interest component 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.	40 272	588 398	1 411 464	1 065 562	3 105 696
Foreign currency translation differences	-	-8 784	-10 977	-23 450	-43 211
Right-of-use assets acquired	8 499	14 574	288 371	654 812	966 256
Disposal	-	-45 036	-1 606	-108 389	-155 031
Depreciation	-4 529	-44 231	-231 126	-168 065	-447 951
Business combinations	-	-	6 890	-	6 890
Reclassification	-	-	-	-	-
Carrying value 30.09.2021	44 242	504 921	1 463 016	1 420 470	3 432 649

