




Austevoll Seafood ASA



Financial report
Q4 2019
and preliminary
figures for 2019

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FINANCIAL REPORT Q4 2019 AND PRELIMINARY FIGURES FOR 2019

- Lower harvest volume for Atlantic salmon and trout when compared with Q4 2018
 - » Spot price for salmon saw significant improvement in last part of the quarter
- Good activity for pelagic and whitefish in the North Atlantic
- Disappointing second season in Peru. Fishing stopped on 15 January 2020
 - » 36% of the total quota for the season caught before season stopped (2018 II: 98%)
- In line with the company's dividend policy, the Board of Directors will propose a dividend payment of NOK 4.50 per share for 2019 compared with NOK 3.50 per share for 2018

KEY FIGURES FOR THE GROUP

All figures in NOK 1,000	Q4 2019	Q4 2018	2019	2018
Operating revenue	5 930 588	5 765 343	23 341 679	22 837 084
EBITDA*	996 644	1 215 632	4 260 515	5 238 612
EBITDA %	17%	21%	18%	23%
EBIT*	652 494	955 123	2 923 726	4 278 538
Pre tax profit before biomass adj.*	714 535	967 927	3 080 975	4 396 999
Pre tax profit	1 002 853	246 985	2 755 926	5 192 428
Earnings per share (EPS) *	1,36	2,49	6,89	9,79
Earnings per share (EPS)	1,98	1,06	6,22	11,39
Dividend per share (paid)			3,50	2,80
Proposed dividend			4,50	3,50
Total assets			39 830 835	37 954 835
Equity			23 331 034	22 454 007
Equity ratio			59%	59%
NIBD ex. right-of-use assets liabilities **			4 074 378	3 982 594
NIBD incl. right-of-use assets liabilities **			5 353 877	

* Before fair value adjustments of biological assets

** NIBD = Net interest bearing debt

Q4 2019

Group operating revenue in Q4 2019 totalled NOK 5,931 million, compared with NOK 5,765 million in Q4 2018.

Group EBITDA in Q4 2019 totalled NOK 997 million compared with NOK 1,216 million in Q4 2018. Lower harvest volumes for Atlantic salmon and trout, and substantially lower catch volumes in Peru, are the most significant reasons behind the lower earnings when compared with the same period last year.

EBIT before fair value adjustment related to biological assets in Q4 2019 was NOK 652 million (Q4 2018: NOK 955 million).

Value adjustment related to biological assets was positive in Q4 2019, amounting to NOK 246 million. Value adjustment for the corresponding quarter in 2018 was negative at NOK 741 million. EBIT after fair value adjustment related to biological assets in Q4 2019 was NOK 898 million (Q4 2018: NOK 214 million).

Income from associates totalled NOK 173 million in the quarter (Q4 2018: NOK 151 million). Value adjustment related to biological assets was positive and amounted to NOK 43 million in the quarter. The corresponding value adjustment for Q4 2018 was NOK 20 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.

The Group's net interest expense in Q4 2019 totalled NOK 102 million (Q4 2018: NOK 56 million).

Profit before tax and fair value adjustment related to biological assets for Q4 2019 amounted to NOK 715 million, compared with NOK 968 million in Q4 2018.

The Group reported a profit before tax in the quarter of NOK 1,003 million (Q4 2018: NOK 247 million). The profit figure after tax was NOK 802 million (Q4 2018: NOK 356 million).

The Group implemented accounting standard IFRS 16 regarding leases with effect from 1 January 2019. The profit/loss figures are therefore not directly comparable to the corresponding figures from previous periods. See note 1 for a more detailed description of the accounting impact of implementation of IFRS 16 in 2019.

OPERATING SEGMENTS

Lerøy Seafood Group ASA (LSG)

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

In Q4 2019, LSG reported revenue of NOK 5,256 million (Q4 2018: NOK 5,347 million) and EBITDA before fair value adjustment related to biological assets of NOK 1,031 million (Q4 2018: NOK 1,134 million).

The most significant factor behind the fall in earnings is the reduction in harvest volume for Atlantic salmon and trout and a slightly lower margin per kilo when compared with the same period in 2018. The harvest volume for salmon and trout, gutted weight, was 42,823 tonnes in Q4 2019, down from the figures reported for Q4 2018, when LSG harvested 49,414 tonnes.

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.

Prices were very volatile in the second half of 2019. Towards the end of Q3 2019, there was a substantial increase in harvest volume in Norway compared with the same period in 2018. In September 2019, Norwegian exports of salmon were up 23% on the same period in 2018. The high export volume was sustained in Q4 2019. October and November also saw substantial increases in export volume when compared with 2018, while export volume in December was on a level with the same month in 2018.

At the start of Q4 2019, the spot price for salmon was at its lowest for four years, approx. NOK 40/kg, and had risen to close to NOK 80/kg at the end of the quarter. The average price for salmon in Q4 2019, measured according to NSI (sales price FCA Oslo), was NOK 56.1/kg, compared with NOK 55.4/kg in Q4 2018. This corresponds to a price increase of NOK 0.7/kg or 1%.

The contract share for salmon in Q4 2019 was 38%, and prices realised for contracts were higher than prices realised on the

spot market. Compared with the spot price FCA Oslo, the prices realised have been impacted by sales margin, transport, size, quality and time of sale.

For Lerøy Sjøtroll, 60% of the harvest volume in Q4 2019 was trout. The market for trout has been weaker than the market for salmon in the quarter. Prices realised for trout in the quarter are approximately NOK 9/kg lower than for salmon.

The Group's release from stock costs have shown a downwards trend throughout the year, and release from stock costs in Q4 2019 are the lowest reported in any quarter in 2019, although they remain higher than in Q4 2018.

As reported in previous interim reports, several unforeseen incidents have affected Lerøy Aurora's figures in 2019, including a fire in parts of the smolt facility in Laksefjord and the outbreak of toxic algae, obstructing production in the sea. The smolt facility has been re-established and work on extending the facility is under way. Growth figures returned to normal in Q3 and Q4 2019, resulting as expected in a significant fall in release from stock costs in Q4 2019 when compared with Q3 2019. There has been a higher incidence of winter ulcers on the salmon at the start of 2020 than in previous winters, which is having a negative effect on production at the start of the year. At the time of writing, release from stock costs for Q1 2020 are therefore expected to be slightly higher than in Q4 2019. Lerøy Aurora will continue to be a cost leader.

Release from stock costs for Lerøy Midt in Q4 2019 are higher than in Q3 2019. Growth at the start of 2020 has been good, and release from stock costs are expected to be lower for Q1 2020 and for the year as a whole.

Costs for Lerøy Sjøtroll in Q4 2019 were lower when compared with the previous quarter, but still remain high. Costs for trout were significantly better than those for salmon. In 2020, a substantial volume of smolt for release will be supplied by the new facility in Fitjar. This smolt will therefore be larger and of a higher quality than before. The Group expects these factors to improve production in the sea in 2020. Release from stock costs in Q1 2020 are expected to be in line with the figures reported in Q4 2019. Release from stock costs are expected to fall throughout 2020, partly also due to an increase in harvest volume, but the full effect of this will not be evident until 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 more

than 30% of the total quota allocated to the trawler fleet. Lerøy Havfisk also owns several processing plants, which are mainly leased out to their associate Lerøy Norway Seafoods (LNWS) on long-term contracts. Lerøy Havfisk's trawler licences stipulate an operational obligation for these processing plants.

Lerøy Havfisk had nine trawlers in operation in Q4 2019. In April 2018, the Group signed an agreement with Vard for the construction of a new vessel. The contracted vessel is based on the same design as the company's combination trawler (fresh and frozen fish) that was delivered in January 2018, Nordtind. Nordtind is equipped with forward-looking catch-handling equipment to provide optimal quality and utilisation of the whole fish. The new trawler, "Kongsford", was delivered and started operations in February 2020.

Lerøy Havfisk's total catch volume in Q4 2019 was 12,949 tonnes, compared with 11,515 tonnes in Q4 2018. Catch volumes for the main species in Q4 2019 were 7,215 tonnes of cod, 1,907 tonnes of haddock and 1,595 tonnes of saithe. The catch distribution in Q4 2018 was 6,534 tonnes of cod, 961 tonnes of haddock and 2,568 tonnes of saithe. In total, average prices for all species saw an increase of 11% in Q4 2019 when compared with the same period in 2018, due to an increased share of fish species with a higher value in the total catch volume. Prices realised were up 10% for cod, 14% for haddock and 10% for saithe, all compared with Q4 2018.

LNWS's primary business is processing wild-caught whitefish. The company has use of 12 processing and purchasing plants in Norway, five of which are leased from Lerøy Havfisk. Processing of whitefish in Norway has been extremely challenging for many years. As a result of high demand for seafood and lower quotas, the raw material prices increased throughout 2018 and early 2019, something which always represents a challenge for processing operations in the short term.

High raw material prices in the quarter have generated satisfactory earnings for the trawler fleet, but have presented challenges for LNWS. In total, Lerøy Havfisk and LNWS contributed an EBIT of NOK 42 million in Q4 2019, compared with NOK 54 million in the same period of 2018. For 2019 in total, the companies contributed an EBIT of NOK 293 million, compared with NOK 388 million in 2018. Earnings in 2018 were affected positively by the sale of a vessel, generating an accounting gain of NOK 35 million. At the same time, investments have been made in both onshore and offshore operations for the whitefish segment, resulting in an increase in depreciation of approx. NOK 29 million in 2019 compared with 2018. These investments are expected to generate higher future earnings. Nonetheless, there

is no doubt that 2019 has been a very challenging year for the onshore whitefish industry in Norway.

The Group has initiated numerous measures within production and marketing to improve earnings from land-based operations. The Group believes that specialisation is key in boosting competitiveness for the onshore industry. Examples of specialisation are the Group's investment in a factory for processed fish production in Stamsund and the conversion undertaken of the filleting plant in Melbu. Boosting the competitiveness of the whitefish industry requires a long-term effort, but the Group expects – as of 2020 – to see positive effects of the measures implemented and completed.

The Group's substantial investments in whitefish in recent years have significantly improved its product range and position as a seafood supplier to leading enterprises on the global seafood markets. Catch trends for whitefish resources mean seasonal fluctuations in access to raw materials are more evident than in Farming. Seasonal fluctuations naturally result in a slight increase in inventory, which will affect the interim key figures.

For further information, please refer to LSG's report and presentation for Q4 2019.

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 company's earnings in Q4 2019 were significantly impaired by a challenging second fishing season. Fishing was concentrated in the north. Due to a large volume of smaller fish, large areas were closed for fishing in remaining parts of the fishing zone in the centre/north of the country. The season started on 6 November, with a total quota of just under 2.8 million tonnes (2018 II: 2.1 million tonnes). By the end of Q4 2019, 35.8% of the total quota had been caught. When the season was stopped on 15 January 2020, a total of 36% of the total quota had been caught (2018 II: 100%).

Austral Group had a quota of 194,600 tonnes for the second fishing season (2018 II: 146,700 tonnes). Of this figure, 50,800 tonnes were caught by the end of 2019 (Q4 2018: 127,000 tonnes), representing the total catch volume for the company at the end of the season in January 2020. For the corresponding season in 2018, the company caught 19,700 tonnes in January 2019. Purchases of raw materials from third parties in the quarter totalled 31,000 tonnes, down from 49,000 tonnes in the same quarter of 2018. As fishing mainly took place in the north, the company was not able to utilise all of its factories.

Operating revenue in Q4 2019 totalled NOK 395 million (Q4 2018: NOK 164 million) and EBITDA was negative at NOK -35 million (Q4 2018: NOK 77 million).

The increase in turnover is explained by higher sales volume in Q4 2019 compared with Q4 2018. At the start of Q4 2019, the company had an inventory of 23,500 tonnes of fishmeal and fish oil from the first fishing season, and this was realised during the quarter. At the start of Q4 2018, the company had only 3,800 tonnes of inventory. Sales volumes for fishmeal and oil in the quarter were 26,800 tonnes, up from 7,700 tonnes in the same quarter of 2018. However, low catch volumes in the quarter, mentioned in the introduction, had a strong negative impact on the company's earnings.

The company's prices realised for fishmeal in Q4 2019 were down 12% on corresponding prices in Q4 2018. The prices realised for fish oil were up 18% when compared with Q4 2018, although fish oil represents a low volume, 4%, of the total sales volume in Q4 2019.

The company's inventory of fishmeal and fish oil at 31 December 2019 was approximately 17,400 tonnes. At 31 December 2018, the inventory of fishmeal and fish oil was substantially higher, at 42,800 tonnes.

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

Foodcorp Chile S.A (Chile)

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

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

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

As is normal, the level of activity in the fourth quarter has been low, and the company caught its remaining quota of 3,700 tonnes of horse mackerel in December. The corresponding figure for Q4 2018 was 5,300 tonnes. In 2019, the company had its own quota (including leased quota) for horse mackerel of 30,200 tonnes, up 3% from the quota in 2018. The company also signed a contract for the purchase of 19,600 tonnes of horse mackerel from third parties, caught using the company's own vessels. The corresponding figure in 2018 was 23,400 tonnes. Catches of third-party quotas allowed for increased productivity for the company's fleet and in the company's production facilities.

As mentioned in previous reports, catch volumes for squid in 2019 have been significantly lower than in 2018. In 2019, the company purchased 3,700 tonnes of squid, compared with 10,900 tonnes in 2018. The company did not receive supplies of squid in Q4 2019 or in Q4 2018.

Operating revenue in Q4 2019 totalled NOK 93 million (Q4 2018: NOK 73 million) and EBITDA was negative at NOK -41 million (Q4 2018: NOK -31 million).

Sales of frozen products totalled 3,000 tonnes in Q4 2019, down from 3,500 tonnes in the same quarter of 2018. In 2019, the company has reported a fall in prices realised for its main products within production of frozen goods. This is attributed to the change in product mix, but also to the decline in prices realised on the company's main market for horse mackerel.

The South Pacific Regional Fisheries Management Organisation (SPRFMO) has proposed a 15% increase in the quota for horse mackerel in the Pacific for 2020 (2019: + 3%).

Fisheries company Br. Birkeland AS (BrB) and Br. Birkeland Farming AS (BrBF)

The BrB segment reported operating revenue in Q4 2019 of NOK 83 million (Q4 2018: NOK 73 million). EBITDA amounted to NOK 32 million (Q4 2018: NOK 15 million).

The pelagic vessels have reported a good level of activity, catching

the remaining quotas for mackerel and herring in the fourth quarter. Prices realised for mackerel in 2019 have been considerably higher than prices realised in 2018, contributing to improved earnings in Q4 2019 compared with Q4 2018. Fishing for snow crab was also banned from 1 July until 15 September 2019. The ban was introduced to protect the snow crab during the period of ecdysis. The company had caught its total quota for the Norwegian vessels by the end of October, and fishing for snow crab was therefore stopped for 2019 on 31 October.

The BrBF segment reported operating revenue in Q4 2019 of NOK 129 million (Q4 2018: NOK 87 million). EBITDA before fair value adjustment related to biological assets in Q4 2019 was NOK 13 million (Q4 2018: NOK 15 million).

The company harvested 2,492 tonnes of salmon in Q4 2019, up from 1,644 tonnes harvested in Q4 2018. The company sells all its fish on the spot market, and prices realised have been significantly lower in Q4 2019 when compared with Q4 2018. Release from stock costs remain high.

Pelagia Holding AS (Pelagia)

In accordance with IFRS 11, AUSS's consolidated financial statements report the joint venture Pelagia as an associate. In the note to the financial statements about the operating segments (Note 4) and in the description of the segment in this report, the financial information comprises 50% of Pelagia's total revenue, EBITDA, EBIT and sales volume. This corresponds to AUSS's equity interest in Pelagia.

Revenue for the quarter was NOK 1,221 million (Q4 2018: NOK 1,193 million) and EBITDA was NOK 133 million (Q4 2018: NOK 107 million).

As normal for the fourth quarter, the level of activity related to products for consumption has been good. The volume of raw materials received for consumer products in Q4 2019 was just under 175,000 tonnes, compared with 189,000 tonnes in Q4 2018. Raw materials in Q4 2019 were mainly mackerel and herring. Total receipt of raw materials for fishmeal/FPC and fish oil production in Pelagia including associates (100%) was approx. 179,000 tonnes in Q4 2019, compared with approx. 165,000 tonnes in the same quarter of 2018. The main share of the raw materials for fishmeal and fish oil production in Q4 2019 has been based on cuttings from the consumer product plants.

CASH FLOWS Q4 2019

Cash flow from operating activities for Q4 2019 was NOK 813 million (Q4 2018: NOK 1,130 million). Cash flow from investing

activities for Q4 2019 was NOK -453 million (Q4 2018: NOK -608 million). Dividends from associates totalled NOK 50 million, while the corresponding figure in 2018 was NOK 3 million. Investments have also been made in maintenance and disbursements paid to ongoing projects. Cash flow from financing activities for Q4 2019 was NOK -670 million (Q4 2018: NOK -606 million).

The Group's cash and cash equivalents at 31 December 2019 totalled NOK 4,251 million, compared with NOK 4,393 million at 31 December 2018.

FINANCIAL SUMMARY FOR 2019 AS A WHOLE

The Group reported operating revenue of NOK 23,342 million in 2019 (2018: NOK 22,837 million). EBITDA before fair value adjustment related to biological assets in 2019 was NOK 4,261 million (2018: NOK 5,239 million).

EBIT before fair value adjustment related to biological assets in 2019 was NOK 2,924 million (2018: NOK 4,279 million). The fair value adjustment related to biological assets in 2019 was negative at NOK 306 million. The corresponding figure for 2018 was positive at NOK 798 million.

EBIT after fair value adjustment related to biological assets for the year was NOK 2,617 million (2018: NOK 5,077 million).

Income from associates in 2019 totalled NOK 451 million (2018: NOK 472 million).

The Group's net interest expense in 2019 totalled NOK 298 million (2018: NOK 277 million).

Profit before tax and fair value adjustment related to biological assets for 2019 was NOK 3,081 million, compared with NOK 4,397 million in 2018.

Profit after tax in 2019 totalled NOK 2,197 million (2018: NOK 4,231 million).

CASH FLOWS AT 31.12.2019

Cash flow from operating activities in 2019 was NOK 3,172 million (2018: NOK 3,162 million). Tax payments in 2019 totalled NOK 882 million compared with NOK 948 million in 2018. Cash flow from investment activities in 2019 was NOK -1,059 million (2018: NOK -1,606 million). Cash flow from financing activities in 2019 was NOK -2,256 million (2018: NOK -2,253 million). The Group paid dividends of NOK 1,416

million in 2019 compared with NOK 1,081 million in 2018. Net change in cash for the Group in 2019 was NOK -143 million (2018: NOK -697 million).

The Group's cash and cash equivalents at 31 December 2019 totalled NOK 4,251 million compared with NOK 4,393 million at 31 December 2018.

STATEMENT OF FINANCIAL POSITION AT 31.12.2019

The Group's statement of financial position at 31 December 2019 totalled NOK 39,830 million compared with NOK 37,955 million at 31 December 2018.

The Group is financially sound with book equity at 31/12/2019 of NOK 23,331 million, equivalent to an equity ratio of 59%. At 31 December 2018, book equity for the Group was NOK 22,454 million, also representing an equity ratio of 59%.

With effect from 1 January 2019, the Group has implemented IFRS 16 Leases. This new standard requires leases to be capitalised.

The Group had net interest-bearing debt, excluding right-of-use obligations, totalling NOK 4,074 million at 31 December 2019, compared with NOK 3,983 million at 31 December 2018. The Group's net interest-bearing debt including right-of-use obligations was NOK 5,354 million at 31 December 2019.

The parent company is financially sound and, like the Group, has good access to external financing on competitive terms. The parent company's net interest-bearing debt at 31 December 2019 was NOK 403 million (31 December 2018: NOK 534 million).

RISKS AND UNCERTAINTIES

The Group's risk exposure is described in the Annual Report 2018. 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 will also include the risk of a pandemic. Although this situation may have a negative impact on the real economy in most markets, it is our opinion that AUSS's core business is founded on long-term sustainable assets within interesting segments of the global seafood industry.

The Group is exposed to risk related to the value of the

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

At 31 December 2019, the Group had live fish on its statement of financial position worth NOK 5.9 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 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. 22% of the Group's interest-bearing debt, including right-of-use obligations.

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.

SHAREHOLDERS

The company had 5,517 shareholders at year-end 2019. The number of shareholders at the start of the period was 5,335.

The share price was NOK 86.25 at the start of Q4 2019 and NOK 90.05 at the end of the quarter.

The Board of Directors will propose a dividend payment of NOK 4.50 per share for 2019, in line with the company's dividend policy.

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

MARKET AND OUTLOOK

Production, sale and distribution of salmon, trout and whitefish

Price developments for Atlantic salmon have been very volatile in Q4 2019, significantly impacted by relatively high variations in the export volume from Norway. This is a continuation of the extremely volatile prices on the salmon market in recent years. However, looking at trends from year to year, the Group feels that the underlying demand for salmon and seafood remains good. The Group expects the market to remain volatile but nonetheless satisfactory in the near future.

In 2019, the Group's Farming segment has experienced several interruptions in production, some unforeseen. As previously mentioned, production at Lerøy Aurora was interrupted by the fire in the smolt facility and the outbreak of toxic algae. Lerøy Midt had a good first half year in terms of production, but reported significant reductions in growth compared with expectations in the second half. Production at Lerøy Sjøtroll remains impacted by our inability to date to achieve the projected smolt yield.

The Board of Directors is not satisfied with the performance reported by Farming in 2019, but feels increasingly confident that the initiatives taken and the investments made will provide a positive development in the form of increased volume and improved competitiveness in the years to come. In recent years, the Group has followed a long-term investment plan, aiming

to increase production of larger smolt (post-smolt). Lerøy Sjøtroll's new facility in Fitjar in Vestland, with a capacity of around 4,000 tonnes biomass production, has now been completed and will contribute to Lerøy Sjøtroll's production with larger and more robust smolt in 2020. The Group is also in the final part of a three-stage development project for Lerøy Aurora's plant in Laksefjord, Finnmark, increasing capacity at the plant to approx. 4,500 tonnes biomass production. The project is scheduled for completion in December 2020, but those parts of the plant already completed in previous development stages will already be supplying a substantial volume of large smolt earlier in the year. The work on developing the last stage, production of post smolt in Belsvik, has now started. On completion, the plant will have capacity for approx. 5,000 tonnes of biomass production. These plants already represent substantial assets for the Group, but the most recent building developments are expected to contribute to higher production and lower release from stock costs in the years to come.

The new plants will gradually increase the average smolt size in the Group, with the released salmon smolt at Lerøy Aurora and Lerøy Sjøtroll expected to have an average size of around 300 grams in 2020. Both the corporate management and the Board of Directors expect the implemented and completed investments in the smolt plants to provide considerable growth in production in the sea in 2020 and the years to come. From 2020 and onwards, this increase in production will gradually result in higher harvest volumes every year 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 Group's contract share for Q1 2020 is approx. 40%.

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. Fish quality was an important design criterion 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 industry, where activities are based on whitefish, 2019 has been extremely difficult. Lower quotas, along with a number of large new operations opening in an industry that already had excess capacity, have resulted in challenging framework conditions. The industry is subject to extremely strong seasonal fluctuations, and Lerøy is of the opinion that profitability for the industry will depend on innovation and opportunities for specialisation. In recent years, the Group has

made substantial investments to start facilitating this. A new processed fish factory opened in Stamsund in 2019, and a major conversion of the filleting plant in Melbu is expected to be completed in early 2020. Considerable investments have also been made in other facilities. The Board of Directors and the Group expect these investments, together with diligent, organised improvement measures in each factory, to gradually generate results.

Organic growth and a series of acquisitions mean LSG is now one of the world's largest producers of salmon and trout and Norway's largest supplier of whitefish. In addition to fish produced from its own licences and catches covered by its own quotas, the Group also has substantial trading activities with other suppliers. The Group has spent many years developing 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 sustainable solutions.

Thanks to LSG's well-established integrated value chain for red fish, there is significant potential for increased value creation by means of further developing the market for whitefish, including strengthening the Group's position as a supplier of fresh/"refreshed" seafood with a full range of seafood products. LSG's many years of investing in vertical integration, building alliances, developing high-quality products, entering new markets, quality-assuring its value chain and building its brand will enable it to continue to create value going forward. The Group will continue its work to deliver sustainable value creation by focusing on strategic business development and operational improvements. 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 is an ongoing process that will further improve the Group's competitiveness on national and global markets.

Fishmeal and fish oil

According to the IFFO*, fishmeal production is down 30.7% in 2019 when compared with 2018. This decline is mainly due to the 43% fall in production in Peru, and is attributed to the lower quota in the first season of 2019 and low catch volume from the quota set for the second season of 2019, when compared with the same seasons in 2018. The quota for the first season of 2019 was set at 2.1 million tonnes, down from 3.3 million tonnes for the corresponding season in 2018. The total quota for the second season of 2019 was set at 2,786 million tonnes, up from 2.1 million tonnes for the corresponding season in 2018. Challenging conditions, with a high volume of smaller fish, resulted in the closure

of fishing zones in large parts of Central/North Peru, with fishing mainly concentrated in the north. By the end of 2019, 35.8% of the total quota for the season had been caught. When the season was stopped on 15 January 2020, a total of 36% of the total quota had been caught.

The main market for fishmeal produced in Peru is Asia, with China firmly at the top in terms of consumption. There has also been a fall in fishmeal production in Europe in 2019. The European quotas for catches of fish species primarily used for production of fishmeal and fish oil were lower in 2019 when compared with the quotas in 2018. The quota recommended by the ICES for the most important species, blue whiting, in 2020 is up 2% on the quota for 2019.

**Source: IFFO, week 52, 2019 (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 herring fishing season 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. The remaining quotas for Norwegian spring-spawning herring are also caught during

the same 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. We find 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 2020 for 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.

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 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 Group's strong position within the global seafood industry gives grounds for a positive outlook for the Group's future development.

Storebø, 24 February 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

INCOME STATEMENT (unaudited)

All figures in NOK 1.000	Note	Q4 2019	Q4 2018	2019	(audited) 2018
Operating revenue	4	5 930 588	5 765 343	23 341 679	22 837 084
Raw material and consumables used		3 046 593	2 787 442	12 564 498	11 302 468
Salaries and personnel expenses		921 573	850 474	3 449 343	3 195 423
Other operating expenses		965 778	911 795	3 067 323	3 100 581
EBITDA before fair value adjustments *		996 644	1 215 632	4 260 515	5 238 612
Depreciation and amortisation		344 688	266 020	1 338 517	967 118
Impairment		-538	-5 511	-1 728	-7 044
EBIT before fair value adjustment *		652 494	955 123	2 923 726	4 278 538
Fair value adjustment related to biological asset		245 666	-741 032	-306 323	798 388
Operating profit		898 160	214 091	2 617 403	5 076 926
Income from associated companies	5	172 537	151 138	450 758	472 019
Net interest expenses		-101 705	-56 107	-297 879	-276 901
Net other financial items (incl. agio/disagio)		33 861	-62 137	-14 356	-79 616
Profit before tax and fair value adj.*		714 535	967 927	3 080 975	4 396 999
Profit before tax		1 002 853	246 985	2 755 926	5 192 428
Income tax expenses		-200 808	109 141	-558 490	-961 596
Net profit		802 045	356 126	2 197 436	4 230 832
Profit to non-controlling interest		402 197	143 109	941 755	1 932 045
Profit to controlling interests		399 848	213 017	1 255 681	2 298 787
Earnings per share (EPS) *		1,36	2,49	6,89	9,79
Earnings per share (EPS)		1,98	1,06	6,22	11,39
Diluted EPS		1,98	1,06	6,22	11,39

*) related to biological assets (alternative performance measure)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

All figures in NOK 1.000	Q4 2019	Q4 2018	2019	(audited) 2018
Net earnings in the period	802 045	356 126	2 197 436	4 230 832
Other comprehensive income				
Currency translation differences	-38 837	257 220	61 549	118 498
Other comprehensive income from associated companies	-129	-204	-3 530	-5 526
Cash flow hedges	2 092	-6 530	25 711	26 588
Others incl. tax effect	3 329	-9 222	-4 647	-14 372
Total other comprehensive income	-33 545	241 264	79 083	125 188
Comprehensive income in the period	768 500	597 390	2 276 519	4 356 020
Allocated to;				
Minority interests	410 634	170 197	964 164	2 000 569
Majority interests	357 866	427 193	1 312 355	2 355 451

STATEMENT OF FINANCIAL POSITION (unaudited)

All figures in NOK 1.000	Note	31.12.2019	(audited) 31.12.2018
Assets			
Intangible assets		11 486 975	11 491 957
Vessels		1 737 895	2 096 891
Property, plant and equipment		6 281 630	6 754 551
Right-of-use assets		2 934 538	-
Investments in associated companies	5	2 354 991	2 203 623
Investments in other shares		39 632	33 054
Other long-term receivables		136 080	156 217
Total non-current assets		24 971 741	22 736 293
Inventories	3	7 288 976	7 765 933
Accounts receivable		2 468 085	2 293 128
Other current receivables		850 933	766 618
Cash and cash equivalents		4 251 100	4 392 863
Total current assets		14 859 094	15 218 542
Total assets		39 830 835	37 954 835
Equity and liabilities			
Share capital	6	101 359	101 359
Own shares		-18 312	-18 312
Share premium		3 713 549	3 713 549
Retained earnings and other reserves		8 481 884	7 858 932
Non-controlling interests		11 052 555	10 798 480
Total equity		23 331 034	22 454 007
Deferred tax liabilities		3 499 862	3 424 568
Pensions and other obligations		38 059	72 757
Borrowings		6 585 383	6 965 352
Right-of-use assets liabilities		1 070 442	-
Other long-term liabilities		28 261	28 006
Total non-current liabilities		11 222 007	10 490 683
Short term borrowings		871 888	940 931
Current right-of-use assets liabilities		209 057	-
Overdraft facilities		839 946	441 168
Account payable		1 699 842	1 628 329
Other current liabilities		1 657 061	1 999 717
Total current liabilities		5 277 794	5 010 145
Total liabilities		16 499 801	15 500 828
Total equity and liabilities		39 830 835	37 954 835
NIBD ex. right-of-use assets liabilities		4 074 378	3 982 594
Right-of-use assets liabilities		1 279 499	-
NIBD incl. right of use assets liabilities		5 353 877	3 982 594
Equity ratio		59%	59%

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

All figures in NOK 1.000	31.12.2019	(audited) 31.12.2018
Equity at period start	22 454 007	19 171 739
Comprehensive income in the period	2 276 519	4 356 020
Dividends	-1 416 473	-1 081 312
Transactions with non-controlling interest	-	-
Other	16 981	7 560
Total changes in equity in the period	877 027	3 282 268
Equity at period end	23 331 034	22 454 007

CASH FLOW STATEMENT (unaudited)

All figures in NOK 1.000	Q4 2019	Q4 2018	2019	(audited) 2018
Cash flow from operating activities				
Profit before income taxes	1 002 854	246 984	2 755 927	5 192 428
Fair value adjustment of biological assets	-245 667	741 032	306 323	-798 388
Taxes paid in the period	-49 751	-43 010	-882 491	-948 184
Depreciation and amortisation	344 688	266 020	1 338 517	967 118
Impairments	-538	-5 511	-1 728	-7 044
Associated companies - net	-172 537	-151 138	-450 758	-472 019
Interest expense	87 122	75 742	321 262	333 713
Interest income	-24 802	-19 634	-62 767	-56 812
Change in inventories	-161 166	-472 882	170 634	-1 066 512
Change in receivables	-78 775	64 401	-259 271	-78 497
Change in payables	-13 033	141 107	75 230	138 969
Other operating cash flow incl currency exchange	124 719	286 551	-139 238	-42 965
Net cash flow from operating activities	813 114	1 129 662	3 171 640	3 161 807
Cash flow from investing activities				
Purchase of intangible and fixed assets	-553 371	-677 094	-1 544 578	-2 533 241
Purchase of shares and equity investments	-	-10 392	-40 186	-144 522
Proceeds from sale of fixed assets/equity investments	5 331	56 776	50 899	540 413
Cash inflow from business combinations	-	247	-	26 635
Dividend received	50 326	3 000	391 452	395 200
Interest income	24 802	19 634	62 767	56 812
Other investing activities - net	20 296	-234	20 568	53 026
Net cash flow from investing activities	-452 616	-608 063	-1 059 078	-1 605 677
Cash flow from financing activities				
Proceeds from new long term debt	32 607	245 564	218 410	1 513 565
Repayment of long term debt	-186 074	-713 806	-1 165 719	-2 402 037
Change in short term debt	-409 566	-115 880	399 457	-5 374
Interest paid	-82 536	-81 267	-303 805	-333 713
Dividends paid	-	-	-1 416 472	-1 081 324
Other finance cash flow - net	-24 566	59 387	12 412	56 035
Net cash flow from financing activities	-670 135	-606 002	-2 255 717	-2 252 848
Net change in cash and cash equivalents	-309 637	-84 403	-143 155	-696 718
Cash, and cash equivalents at start of period	4 565 661	4 461 674	4 392 863	5 074 875
Exchange gains/losses (-)	-4 924	15 592	1 392	14 706
Cash and cash equivalents at period end	4 251 100	4 392 863	4 251 100	4 392 863

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 2018 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 2018.

With effect from 1 January 2019, the Group has implemented IFRS 16 Leases. 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 Group has applied the modified, retrospective method for implementation on 1 January 2019. This implies no changes to comparative figures and that the value of the lease liability and the right of use are the same at the time of implementation. As a result, the amendment has no impact on equity. The equity ratio has been reduced as a result of the implementation, as the total assets (denominator) are higher. The new lease liabilities are valued at the current 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.

	31.12.2018 IAS 17	Reclassification 01.01.2019	Implementation effect of IFRS 16	01.01.2019 IFRS 16
TOTAL ASSETS				
Right of use assets		1 538 494	1 541 096	3 079 590
Tangible fixed assets	8 851 442	-1 538 494	-	7 312 948
Total	8 851 442	-	1 541 096	10 392 538
LIABILITIES				
Long term part of other lease liabilities			1 316 298	1 316 298
Short term part of other lease liabilities			225 419	225 419
Total	-	-	1 541 717	1 541 717
EQUITY RATIO				
Equity	22 454 008		-	22 454 298
Total assets	37 954 835		1 541 717	39 496 550
Equity ratio	59%		-2%	57%

Moreover, the interim report has been prepared according to the same accounting principles as for the last set of financial statements.

Please refer to the Group's financial statements for 2018 for information on standards and interpretations applicable as of 1 January 2018.

NOTE 2 RELATED PARTY TRANSACTIONS

There were related party transactions in Q4 2019. Related party transactions take place on market terms, and the relevant types of transactions are described in more detail in the Annual Report 2018.

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, classified in the financial statements as other current liabilities.

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 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

NOTE 3 BIOLOGICAL ASSETS (cont.)

Lerøy Seafood Group ASA

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

Fair value adjustments over profit and loss	Q4 2019	Q4 2018	2019	2018
Change FV adj. of biological assets	221 862	-740 909	-374 799	799 983
Change in FV of onerous contracts	-26 095	22 771	25 457	-46 519
Change in FV of fishpool contracts	1 638	-10 182	15 638	1 474
FV adj. related to biological assets	197 405	-728 320	-333 703	754 938

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS

Positive amounts are assets and negative amounts are liabilities

Carrying amount on biological assets	31/12/2019	31/12/2018
Cost on stock for fish in sea	4 058 953	3 746 634
Cost on stock for fry, brood, smolt and cleaning fish	343 187	270 233
Total cost on stock for biological assets *	4 402 140	4 016 867
FV adj. of fish in sea	1 172 781	1 547 580
FV adj. of fry, brood, smolt and cleaning fish	0	0
Total FV adj. of biological assets	1 172 781	1 547 580
Monthly discount rate applied	5%	6%
FV of fish in sea	5 231 734	5 294 214
FV of fry, brood, smolt and cleaning fish	343 187	270 233
Carrying amount of biological assets	5 574 921	5 564 447
Carrying amount on onerous contracts (liability)		
Carrying amount of onerous contracts	-26 517	-51 974
Carrying amount on fishpool contracts		
Carrying amount of fishpool contracts	757	-15 633

HARVESTED VOLUME:

Volume in gutted weight (GWT)	Q4 2019	Q4 2018	2019	2018
Salmon	33 833	41 677	128 699	137 733
Trout	8 990	7 737	29 479	24 306
Total harvested volume	42 823	49 414	158 178	162 039

VOLUME

Volume of fish in sea (LWT)	Q4 2019	Q4 2018	2019	2018
Volume at beginning of period	110 213	112 624	110 105	112 489
Net growth during the period	52 029	56 307	189 465	190 520
Harvested volume during the period	-50 979	-58 826	-188 307	-192 904
Volume at end of period (LWT)	111 263	110 105	111 263	110 105

Specification of fish in sea (LWT)	31/12/2019	31/12/2018
Salmon	94 493	92 794
Trout	16 770	17 312
Total	111 263	110 105
Fish > 4,8 kg (live weight)	16 318	6 572

* Cost on stock is historic costs after expensed mortality

NOTE 3 BIOLOGICAL ASSETS (cont.)

Br. Birkeland AS

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

Fair value adjustment over profit and loss	Q4 2019	Q4 2018	2019	2018
Change FV adj. biological assets	48 261	-12 712	27 380	43 451
FV adj. related to biological assets	48 261	-12 712	27 380	43 451

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS

Positive amounts are assets and negative amounts are liabilities

Carrying amount of biological assets	2019	2018
Fish in sea at historic cost	220 399	217 259
Fair value adjustment fish in sea	114 711	87 331
Fair value fish in sea	335 110	304 590
Fry, brood and smolt	-	-
Carrying amount of biological assets	335 110	304 590

HARVESTED VOLUME

Harvested volume in gutted weight (GWT)	Q4 2019	Q4 2018	2019	2018
Total volume	2 492	1 644	7 318	5 727
- Salmon	2 492	1 644	7 318	5 727

VOLUME

Volume of fish in sea (LWT)	Q4 2019	Q4 2018	2019	2018
Volume at beginning of period	5 694	5 240	5 828	5 070
Net growth during the period	3 256	2 617	8 938	7 627
Harvested volume during the period	-3 917	-2 029	-9 733	-6 869
Volume at end of period (LWT)	5 033	5 828	5 033	5 828
Fish > 4,8 kg (live weight)	-	-	-	-

NOTE 4 SEGMENTS

All figures in NOK 1.000	Lerøy Seafood Group ASA	Austral Group S.A.A	Foodcorp Chile S.A	Br. Birkeland AS	Br. Birkeland Farming AS	Other/ elimina- tions	Total Group	Pelagia (50% of figures and volumes)	Total Group incl. Pelagia (50%)
Q4 2019									
Operating revenue	5 255 719	395 284	92 824	83 143	128 540	-24 922	5 930 588	1 220 903	7 151 491
EBITDA*	1 030 859	-34 565	-40 878	31 507	12 886	-3 166	996 643	132 535	1 129 178
EBITDA %	20%			38%	10%		17%	11%	16%
EBIT ex. impairment*	769 008	-85 886	-49 004	20 556	6 030	-8 750	651 954	103 032	754 986
EBIT*	769 008	-85 529	-48 823	20 556	6 030	-8 749	652 493	103 032	755 525
Volumes sold:									
Salmon (GWT tonnes)	42 823				2 492		45 315		45 315
Fishmeal/oil/FPC (tonnes)		26 788	4 913				31 701	17 600	49 301
Frozen/fresh fish (tonnes)		2 178	3 038				5 216	57 700	62 916
Q4 2018									
Operating revenue	5 346 873	164 467	73 427	73 456	86 703	20 417	5 765 343	1 193 047	6 958 390
EBITDA*	1 133 683	76 793	-31 484	14 747	15 263	6 629	1 215 631	106 780	1 322 411
EBITDA %	21%	47%		20%	18%		21%	9%	19%
EBIT ex. impairment*	948 211	31 680	-38 924	-2 347	9 657	1 334	949 611	78 408	1 028 019
EBIT*	948 211	32 195	-19 556	-16 718	9 657	1 333	955 122	81 633	1 036 755
Volumes sold:									
Salmon (GWT tonnes)	49 414				1 644		51 058		51 058
Fishmeal/oil/FPC (tonnes)		7 715	2 550				10 265	24 100	34 365
Frozen fish (tonnes)		5 321	3 541				8 862	55 650	64 512
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
2018									
Operating revenue	19 879 978	1 640 342	602 795	406 793	319 738	-12 562	22 837 084	3 184 481	26 021 565
EBITDA*	4 228 205	618 949	89 741	212 646	90 549	-1 479	5 238 611	322 601	5 561 212
EBITDA %	21%	38%	15%	52%	28%		23%	10%	21%
EBIT ex. impairment*	3 568 536	451 225	60 135	143 637	70 255	-22 295	4 271 493	218 209	4 489 702
EBIT*	3 568 536	453 273	79 502	129 266	70 255	-22 294	4 278 538	221 434	4 499 972
Volumes sold:									
Salmon (GWT tonnes)	162 039				5 727		167 766		167 766
Fishmeal/oil/FPC (tonnes)		110 569	13 864				124 433	88 850	213 283
Frozen fish (tonnes)		11 808	40 277				52 085	142 350	194 435

* Before fair value adjustments related to biological assets

NOTE 5 ASSOCIATES

		Q4 2019	Q4 2018	2019	2018
Norskott Havbruk AS* a)	50,0%	72 617	82 661	106 492	264 993
Pelagia Holding AS b)	50,0%	89 643	70 913	268 575	184 937
Others		10 277	-2 436	75 691	22 089
Income from associates		172 537	151 138	450 758	472 019
* Fair value adjustment biological assets		42 652	20 090	-18 726	-2 959
Income from associates before FV adj.		129 885	131 048	469 484	474 978
Investment in associates:					
Norskott Havbruk AS				667 804	792 334
Pelagia Holding AS				1 248 663	1 100 258
Others				438 524	311 030
Total investment		-	-	2 354 991	2 203 622
Dividend received					
Norskott Havbruk AS		43 400		252 900	242 200
Pelagia AS				125 000	150 000
Others		6 926	3 000	13 552	3 000
Total dividend received from associates		50 326	3 000	391 452	395 200

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

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

NOTE 6 LIST OF THE 20 LARGEST SHAREHOLDERS PER 31.12.2019

Investor	Number of shares	% of top 20	% of total
LACO AS	112 605 876	72.98	55.55
STATE STREET BANK AND TRUST COMP A/C CLIENT:OM80	5 842 288	3.79	2.88
FOLKETRYGDFONDET	4 899 739	3.18	2.42
STATE STREET BANK AND TRUST COMP A/C CLIENT OMNIBUS OM06	4 885 554	3.17	2.41
HANDELSBANKEN NORDISKA SMABOLAG	2 955 231	1.92	1.46
SIX SIS AG	2 906 556	1.88	1.43
OM HOLDING AS	2 366 850	1.53	1.17
PARETO AKSJE NORGE VERDIPAPIRFOND	2 031 819	1.32	1.00
HSBC TRINKAUS & BURKHARDT AG	1 882 122	1.22	0.93
MITSUI AND CO., LTD.	1 782 236	1.16	0.88
THE NORTHERN TRUST COMP, LONDON BR	1 679 785	1.09	0.83
STATE STREET BANK AND TRUST COMP A/C CLIENT OMNIBUS OM01	1 652 576	1.07	0.82
JPMORGAN CHASE BANK, N.A., LONDON	1 496 849	0.97	0.74
CLEARSTREAM BANKING S.A.	1 301 628	0.84	0.64
DANSKE INVEST NORSKE INSTIT. II.	1 129 229	0.73	0.56
STATE STREET BANK AND TRUST COMP A/C WEST	1 128 082	0.73	0.56
JPMORGAN CHASE BANK, N.A., LONDON	1 009 025	0.65	0.50
STATE STREET BANK AND TRUST COMP	952 161	0.62	0.47
AUSTEVOLL SEAFOOD ASA	893 300	0.58	0.44
KLP AKSJE NORGE INDEKS	887 882	0.58	0.44
Total number owned by top 20	154 288 788	100%	76.11%
Total number of shares	202 717 374		

NOTE 7 ALTERNATIVE PERFORMANCE MEASURES

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

Operating profit/loss before fair value adjustments

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

	Q4 2019	2019
Operating project (EBIT)	898 159	2 617 403
- Fair value adjustments	245 666	-306 323
= EBIT before fair value adjustments	652 493	2 923 726

Fair value adjustments consist of:

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

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

Operating profit/loss before depreciation and fair value adjustments

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

Profit/loss before tax and fair value adjustments

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

	Q4 2019	2019
Profit before tax	1 002 853	2 755 926
- Fair value adjustment	245 666	-306 323
- Fair value adjustments incl. in income from associates	42 652	-18 726
= Profit before tax and fair value adjustments	714 535	3 080 975

