Austevoll Seafood ASA

FINANCIAL REPORT

Q2 and H1 2024

Austevoll Seafood ASA

Alfabygget
N-5392 Storebø
NORWAY

www.auss.no

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Q2 IN BRIEF

The Group's earnings grew strongly in the quarter compared with Q2 2023. The Group's strong profit performance is the result of a normalised first fishing season in Peru, as well as a significant gain on sale of shares in the quarter.

- Growth in harvest volume for salmon compared with Q2 2023
  - Lower y-o-y prices, significant price fall in the last part of the quarter
  - Good biological development
  - Promising results from shielding technology
- Seasonally lower level of pelagic activity in the North Atlantic
- Seasonally high level of pelagic activity in Peru
  - The first fishing season started on 16 April
  - The quota for the season was 2,475,000 tonnes (limited first season in 2023)
- In line with the company's dividend policy, the Board of Directors paid a dividend of NOK 4.50 per share in June (NOK 5.50 per share in June 2023)
- Br. Birkeland AS (of which AUSS owns 42.9%) completed the sale of 100% of the shares in Br. Birkeland Fiskebåtrederi AS and Talbor AS on 28 June 2024. The Board of Directors is pleased that the transaction realised substantial values. Figures on 100% basis are given below:
  - The cash proceeds for the sale were NOK 1,962 million
  - The gain on the sale of shares was NOK 1,265 million
  - The Board of Directors of Br. Birkeland AS has recommended, for approval at the upcoming (extraordinary) general meeting, a total dividend of NOK 1,757 million.
  - AUSS' share of the dividend (42.9%) will be NOK 754 million.
- The Group is maintaining its good underlying cash flow

Key figures for the quarter

All figures in MNOK	Note	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Operating revenue and other income		**8 612**	**8 452**	**16 985**	**16 454**	**33 774**
Gain from sale of shares		**1 265**	**0**	**1 265**	**0**	**0**
EBITDA (adj.)	7, a)	**3 057**	**1 441**	**4 717**	**3 067**	**5 269**
EBIT (adj.)	7, a)	2 555	968	3 715	2 141	3 360
EBIT (adj.) incl. income from associates	5	**2 697**	**988**	**3 918**	**2 228**	**3 645**
Earnings per share (adj.)	*	5,1	-3,2	6,9	-0,8	1,3
Total assets				**53 940**	**51 933**	**52 990**
Equity ratio				**53%**	**52%**	**51%**
Net interest bearing debt				**6 071**	**6 930**	**6 715**
EBITDA (adj.) incl. 50% of Pelagia Group		**3 218**	**1 606**	**5 014**	**3 426**	**6 131**
EBITDA (adj.) from salmon/whitefish		1 300	1 307	2 534	2 644	4 831
EBITDA (adj.) from pelagic segments		1 918	299	2 480	781	1 300
EBITDA (adj.) from pelagic segments ex. gain from sales of shares		***653***	***299***	***1 215***	***781***	***1 300***

* Before fair value adj. related to biological assets
a) including gain from sale of shares of MNOK 1,265 in Q2 and H1 2024

Austevoll Seafood ASA

Since it was established in 1981, Austevoll Seafood ASA (AUSS) has developed into an active and long-term owner of world-leading portfolio companies within aquaculture, fishery, processing, sales and distribution. This is also reflected in the company's vision:

« Passionate owner of globally leading seafood companies»

The company's values – Look to the Future, Act with Integrity, Enhance Knowledge and Strive for Excellence – shall lay the foundations for the company's ownership and be reflected in the activities of the company's portfolio companies.

The Group's financial reporting is divided into 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).

FINANCIAL REVIEW, GROUP

RESULTS Q2 2024

All figures in MNOK	NOTE	Operating revenue and other income Q2 2024	Operating revenue and other income Q2 2023	EBITDA (adj.) Q2 2024	EBITDA (adj.) Q2 2023	EBIT (adj.) Q2 2024	EBIT (adj.) Q2 2023
Lerøy Seafood Group ASA		7 659	7 671	1 300	1 307	906	950
Austral Group S.A.A.		485	238	292	-157	233	-222
FoodCorp Chile S.A.		266	337	75	138	61	126
Br Birkeland Farming AS		326	233	135	147	119	127
Br Birkeland AS		1 919	59	1 846	0	1 831	-17
Elimination/HQ/others		-779	-86	-590	5	-596	4
Total Group	a)	**9 878**	**8 452**	**3 057**	**1 441**	**2 555**	**968**
Pelagia Group	50%	1 457	1 257	161	165	108	116
Total Group incl. JV		**11 334**	**9 709**	**3 218**	**1 606**	**2 663**	**1 084**

a) Includes gain from sale of shares, total MNOK 1,265

Group revenue in Q2 2024, including income from sale of shares, totalled NOK 9,878 million, compared with NOK 8,452 million in Q2 2023. The significant increase in revenue is mainly explained by the gain on the sale of the shares in Talbor AS and Br. Birkeland Fiskebåtrederi AS, which amounted to NOK 1,265 million. Austral Group's strong execution of the first fishing season in Peru was also a factor. Normalisation of the quota level and an early start-up resulted in significantly higher revenue for Austral Group in Q2 2024 compared with the same period of 2023.

Adjusted EBITDA in Q2 2024 was NOK 3,058 million, up from NOK 1,441 million in Q2 2023. The strong growth in earnings can be explained by the factors discussed above. It is pleasing to note that normalisation of fishery in Peru is generating strong earnings in Austral Group.

Adjusted EBIT in Q2 2024 was NOK 2,555 million, compared with NOK 968 million in Q2 2023.

Norskott Havbruk AS (Scottish Sea Farms) and Pelagia Holding AS are the Group's two largest joint ventures. After a very challenging 2023, it is positive to see the strong profit performance in Norskott Havbruk (Scottish Sea Farms). This positive development demonstrates the company's strong underlying production, together with a significant improvement in liquidity and financial strength. As usual, Pelagia had a lower level of activity within end products for the consumer market in the second quarter. Income from associates before fair value adjustment related to biological assets totalled NOK 131 million in Q2 2024 (Q2 2023: NOK 14 million). The equivalent figure including fair value adjustment of biological assets was NOK 142 million (Q2 2023: NOK 20 million). The Group's joint ventures and 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.

Adjusted EBIT including revenue from associates was NOK 2,697 million in Q2 2024, against NOK 988 million in the same period of last year.

Operating profit after fair value adjustment of biological assets and other income and expenses totalled NOK 2,854 million (Q2 2023: NOK 992 million). Fair value adjustment related to biological assets was positive at NOK 178 million, compared with NOK 76 million in Q2 2023.

The Group's net interest expense in Q2 2024 amounted to NOK -175 million (Q2 2023: NOK -142 million). Net other financial expenses in the quarter totalled NOK -34 million. The equivalent figure in Q2 2023 was NOK 7 million.

The Group reported profit before tax in Q2 2024 of NOK 2,645 million (Q2 2023: NOK 857 million).

In May 2023, the Storting voted to introduce resource rent tax of 25% on earnings from sea-based production of salmon and trout. The legislation was implemented with retroactive effect from 1 January 2023. The resource rent tax comes on top of ordinary tax of 22%, giving a total tax rate of 47% for the activity concerned/scope of the tax wedge. The estimated tax expense for Q2 2024, including resource rent tax, is NOK -473 million. The Group estimated the implementation effect of resource rent tax on biomass in the sea at 1 January 2023 in Q2 2023, but no estimate was made of resource rent tax on earnings in the period because no sufficiently reliable estimates were available at this point. The implementation effect of resource rent tax amounted to NOK 1.8 billion in Q2 2023.

Profit after tax in Q2 2024 was NOK 2,172 million, compared with NOK -1,139 million for Q2 2023, which included the above-specified implementation effect of NOK 1.8 billion.

OPERATIONAL REVIEW OF SEGMENTS FOR Q2 AND H1 2024

Lerøy Seafood Group ASA (LSG)

LSG's operations comprise farming, wild catch (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 and Trøndelag, and Lerøy Sjøtroll in Vestland.

KEY FIGURES (LSG):

(MNOK)		**Q2 2024**	Q2 2023	H1 2024	H1 2023	2023
Revenue and other income		**7 659**	**7 671**	**14 768**	**14 645**	**30 906**
EBITDA (adj)		1 300	1 307	2 534	2 644	4 831
EBIT (adj.)		**906**	**950**	**1 749**	**1 939**	**3 335**
EBIT (adj.) margin		*12%*	*12%*	*12%*	*13%*	*11%*
Total assets				**39 910**	**40 124**	**41 419**
Net interest bearing debt				6 761	5 992	5 209
Slaugthered volume	GWT	**36 709**	**29 659**	**63 085**	**58 261**	**159 620**
EBIT (adj.)/kg ex wild catch	NOK	24,8	28,7	24,8	27,6	19,2
Havfisk catch volume	MT	**17 829**	**23 709**	**41 922**	**48 978**	**75 893**
EBIT (adj.)/kg wild catch	NOK	-4	99	182	328	284

LSG has implemented a number of improvement measures in recent years, and these are gradually showing results. Biological development in Farming in Q2 and year to date in 2024 has been good. Downstream operations/VAPS&D continue to develop positively, while earnings for the Wild Catch segment were negatively impacted by a significant reduction in quotas and hence the operating basis. Earnings (adjusted EBIT) for the Wild Catch segment were NOK 103 million lower than in the same period of 2023. This decrease is largely the result of lower quotas.

In Q2 2024, LSG reported revenue of NOK 7,659 million (Q2 2023: NOK 7,671 million), adjusted EBITDA of NOK 1,300 million (Q2 2023: NOK 1,307 million) and adjusted EBIT of NOK 906 million (Q2 2023: NOK 950 million). This gave an EBIT margin of 12%, the same as in Q2 2023.

LSG harvested 36,709 GWT salmon and trout in the quarter, up 24% on Q2 2023.

In the first half of 2024, the market for Norwegian salmon was affected by quality downgrades. The lower supply of superior-grade whole salmon, which was a result of a large number of quality downgrades, impacted prices at the start of 2024.

Through the second quarter, and particularly in June 2024, the number of quality downgrades in Norway decreased significantly. Combined with seasonal growth in harvest volume, this resulted in sudden volume growth and a marked fall in prices.

The NSI price fell by NOK 7/kg from Q1 to Q2 2024. The average NSI price for Q2 2024 was NOK 101.7/kg. An NSI price of approximately NOK 73/kg at 30 June 2024 demonstrates the price volatility.

Note that the NSI price can only be used for illustration purposes and not as an actual price. The NSI price is a theoretical value based on a limited volume and prices from a number of exporters. The volume reported to NSI in Q2 2024 was approximately 28,000 tonnes. For comparison, seafood insight provider Kontali estimates the total harvest volume in Norway in the quarter at around 310,000 tonnes.

If we look instead at the export value of Norwegian salmon, which covers a significantly higher share of the harvest volume, including processed products and volume sold on contracts, the export value of Norwegian salmon measured in EUR was down 4% on the same period of 2023, with price and volume both down by 2%.

The Group's prices realised are of course affected by a number of factors, including contract share, sizes, quality, time of harvest and exchange rates.

With improved biological performance as a key driver, the Group's average harvest weights in Q2 2024 were 4.7 kg GWT, compared with 3.9 kg GWT in Q2 2023. The Group is experiencing a significant increase in the number of superior fish.

The Group's contract share for sale of salmon in Q2 2024 was 44%.

For Lerøy Sjøtroll, 34% of the harvest volume in the quarter was trout.

The Group's costs per kilo of fish harvested were marginally higher than in Q1 2024 and around NOK 2 higher than in Q2 2023. A weaker Norwegian krone is positive for prices realised but means inflation for virtually all input factors. Feed costs per kilo harvested were around NOK 3 higher than in Q2 2023. Adjusted for this, costs per kilo harvested are falling because of improved biological performance.

The Group currently expects biological development to remain strong in 2024. Based on this, costs per kilo harvested are expected to be lower in the second half of 2024 than the first half.

Lerøy Aurora achieved satisfactory biological development in 2023, and this trend has continued in 2024. The harvest volume in Q2 2024 was 5,088 GWT, a significant reduction from 8,299 GWT in Q2 2023. Fish harvested in Q2 2024 had an average weight of 4.6 kg GWT, compared with 3.9 kg GWT in Q2 2023. Larger fish at harvest and advantageous timing of harvests through the quarter had a positive impact on prices realised. The modest harvest volume meant that costs in Q2 2024 were higher than in Q2 2023. The company's infrastructure, including factory and well boats, was naturally not utilised optimally in the second quarter.

The expected harvest volume for full-year 2024 is unchanged at approximately 47,000 GWT. Compared with Q2 2024, Q3 is currently expected to show a significant increase in harvest volume and a significant reduction in costs. Costs for full-year 2024 are expected to be slightly higher than in 2023.

Lerøy Midt achieved good growth through 2023 and started 2024 with significantly higher biomass than the previous year. The rate of growth in Q2 2024 was in line with Q2 2023 but at the same time considerably higher than the average for the last 10 years. The harvest volume in Q2 2024 was 15,739 GWT, a significant increase from 9,965 GWT in Q2 2023. Fish harvested in Q2 2024 had an average weight of 5.0 kg GWT, compared with 3.9 kg GWT in Q2 2023. There was a significant reduction in downgrades through the quarter. Costs in Q2 2024 were in line with Q1 2024, and slightly lower than in Q2 2023.

At the end of Q2 2024, Lerøy Midt was using submersible technology at six facilities. The company reached a new milestone in its trials with the new technology in mid-August 2024, when it harvested salmon produced using the new technology for the first time. New technology is challenging for those involved, but highly instructive, and experiences so far are good. No treatments of fish in submersible technology were required in Lerøy Midt in Q2, while a small number of treatments have been carried out in Q3 with positive results.

The best estimate for Lerøy Midt's harvest volume in 2024 is approximately 70,000 GWT. The harvest volume is currently expected to be slightly higher in Q3 than in Q2, with a lower number of downgrades and costs at roughly the same level. Costs for full-year 2024 are currently expected to be slightly higher than in 2023.

Biological performance in Lerøy Sjøtroll in 2023 was severely impacted by ILA outbreaks and string jellyfish, and was not satisfactory. Growth in the first half of 2024 was positively impacted by low sea temperatures. It is pleasing that biological performance has been good, despite an outbreak of ILA that resulted in forced harvesting.

Lerøy Sjøtroll's production was good through the first half of 2024, but the harvest profile in the second quarter was impacted by ILA being detected, leading to forced harvesting at two facilities. This resulted in lower weights and slightly lower prices realised than would normally be expected. The harvest volume in Q2 2024 was 15,882 GWT, compared with 11,395 GWT in Q2 2023. Fish harvested in Q2 2024 had an average weight of 4.5 kg (gutted weight), compared with 4.0 kg (gutted weight) in Q2 2023. Costs in the quarter were on par with Q2 2023 and significantly lower than in Q1 2024.

At the end of Q2 2024, Lerøy Sjøtroll had three facilities using submersible technology as well as one with shielding technology. Experience with the new technology so far is good. The company is scheduled to start harvesting fish from cages using the new technology in Q3 2024.

The estimated harvest volume for Lerøy Sjøtroll in 2024 is unchanged at 58,000 GWT. An increase in harvest volume and lower costs compared with Q2 2024 are currently expected in Q3 2024. Costs for full-year 2024 are currently expected to be on par with 2023, but with a substantial reduction expected in the second half of the year compared with the second half of 2023.

LSG's wild catch operations are handled by the wholly owned subsidiary Lerøy Havfisk. Lerøy Havfisk has licences to fish 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 plants.

Lerøy Havfisk had 10 vessels in operation in Q2 2024. The catch volume in Q2 2024 was 17,829 tonnes, compared with 23,709 tonnes in Q2 2023. Both catch volume and operating conditions were negatively impacted by lower quotas. Compared with 2023, the quotas for cod and haddock have been reduced by 34% and 43% respectively. The quotas have been reduced by 6% for saithe caught in the northern zone and increased by 20% for saithe in the North Sea/southern zone.

The remaining catch volume for 2024 is of course significantly lower than in previous years and, accordingly, there is not a sufficient operating basis to keep the whole fleet at sea in the second half of the year. The low quotas impact several important value drivers such as prices, catch composition, catch value and costs.

Prices for cod and haddock were up 23% and 45% respectively on Q2 2023. Compared with Q2 2023, the number of operating days for the fleet was down 95 days to 810 days and catch per day was down from 25.3 tonnes to 20.9 tonnes. The total catch value per day was 17% lower in Q2 2024 than in Q2 2023.

The operations-related costs essentially correlate with catch value and number of operating days, and were lower than in Q2 2023, with the biggest reduction coming from lower crew costs. Fuel consumption was down as a result of fewer operating days, but higher consumption per catch day and higher fuel prices mean that fuel costs for the quarter were on par with the same period of 2023. Change in inventory was positive at NOK 11 million in Q2 2024, compared with NOK 1 million in Q2 2023.

LNWS's primary business is processing wild-caught whitefish. The company has use of 10 processing plants and purchasing stations in Norway, six of which are leased from Lerøy Havfisk. Significant investments have been made in recent years, both to make operations more efficient and to expand the product range. Thorough and methodical work is under way in LNWS, and is gradually being reflected in operational KPIs. Cod is far and away the most important raw material for LNWS's industrial activities. The significant reduction in quotas combined with sharply rising prices for raw material is impacting both the level of activity and the gross margin. Earnings for LNWS were therefore lower in Q2 2024 than in the same period of 2023.

Adjusted EBIT for Lerøy Havfisk/LNWS was NOK -4 million in Q2 2024, down from NOK 99 million in Q2 2023.

The European Commission (the "Commission") initiated, on 19 February 2019, an investigation relating to suspicions of anti-competitive cooperation in the market for farmed Norwegian Atlantic salmon.

On 25 January 2024, the Commission announced that it had sent a Statement of Objections ("SO") to several exporters of Norwegian salmon. The SO sets out the Commission's preliminary assessment that the exporters, in some instances, may have exchanged commercially sensitive information in relation to spot market sale of whole Norwegian farmed salmon to the EU in the period 2011-2019. Lerøy Seafood Group is one of the companies that has received the SO.

Lerøy Seafood Group strongly rejects the Commission's allegations. The SO is not a final decision and has been issued in accordance with the Commission's ordinary procedures for such an investigation. The SO includes the Commission's preliminary assessments only. The company has thoroughly refuted the allegations in its comments submitted to the Commission. The company has cooperated with the Commission throughout the Commission's investigation, and will continue to work constructively with the Commission. It is standard practice that these investigations last several years. It is not possible at this stage to make any statement on whether the case will result in sanctions or other negative consequences for the group, or when the case will end.

In the UK a group of British supermarkets has issued claims for damages against several Norwegian-owned aquaculture companies, including companies in Lerøy Seafood Group. A class action lawsuit on behalf of consumers has also been issued in the UK. The Group strongly rejects the claimants' allegations and considers such claims from customers to be baseless. In Europe, this type of claims are first and foremost relevant if the Commission adopts a decision in its ongoing investigation and the decision is upheld.

For further information, please refer to LSG's report and presentation for Q2 2024.

Austral Group S.A.A. (Peru)

Austral Group S.A.A. 's (Austral) integrated value chain comprises fishery, production of fishmeal and oil, and production of consumer products. Austral has fishing rights corresponding to just under 7% of the total quota for anchoveta fishery 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. In addition to its own catches, the company purchases raw materials (anchoveta) from the coastal fleet for use in its production of fishmeal and oil. Fishmeal and fish oil are produced in four factories, located in Coishco, Chancay, Pisco and Ilo. The company also produces consumer products in two facilities that share premises with the fishmeal and fish oil factories in Coishco and Pisco.

The main fishing seasons for anchoveta in Central/North Peru are April to July (first season) and November to January (second season). The company's results for 2023 were severely affected by the extremely limited fishery in the first season of 2023 due to the weather phenomenon El Niño.

KEY FIGURES (PERU):

(MNOK)		**Q2 2024**	Q2 2023	H1 2024	H1 2023	2023
Revenue and other income		**485**	**238**	**1 055**	**703**	**1 000**
EBITDA (adj)		292	-157	407	-107	-183
EBIT (adj.)		**233**	**-222**	**290**	**-232**	**-418**
EBIT (adj.) margin		*48%*		*27%*		
Total assets				**3 581**	**3 217**	**3 109**
Net interest bearing debt				1 363	764	1 229
Raw material	1,000 MT	**237**	**10**	**257**	**71**	**184**
Sales volumes:						
Fishmeal	1,000 MT	14,4	7,3	34,6	27,7	36,8
Fish oil	1,000 MT	1,1	0,3	1,7	0,9	1,2
Frozen/fresh	1,000 MT	-	9,7	4,2	16,3	22,5

After a challenging 2023, it is pleasing to note that conditions in Peru seem to have normalised. The first fishing season in 2024 started on 16 April, with a total quota of just under 2.5 million tonnes. The equivalent season last year was cancelled after just a few days' trial fishery.

The company caught all its allocated quota for the first fishing season of 2024 in Q2, and also purchased raw material for the company's factories from third parties. Successful execution of the season, increased oil yield and higher sales volumes of end products led to significantly higher earnings in Q2 2024 than in the same period of 2023.

Operating revenue in Q2 2024 totalled NOK 485 million (Q2 2023: NOK 238 million). Adjusted EBITDA was NOK 292 million (Q2 2023: NOK -157 million). Adjusted EBIT was NOK 233 million, compared with NOK -222 million in Q2 2023. Growth in adjusted EBIT was a full NOK 455 million higher than in Q2 2023.

Prices realised for fishmeal in Q2 2024 were up 3% on the same period of 2023. Prices realised for fish oil were 12% lower in Q2 2024 than in Q2 2023, but remain at a historically high level.

At 30 June 2024, the company had a fishmeal and fish oil inventory of 38,600 tonnes, compared with 3,000 tonnes at 30 June 2023. This growth is explained by the fact that the first season in 2023 was cancelled after just a few days' trial fishery.

Since the company caught its entire quota for the first fishing season in Q2 this year, there will be a low level of activity in Q3. The company will carry out essential maintenance to vessels and factories while waiting for the second fishing season. IMARPE is expected to start its exploratory voyage at the beginning of September, and this will form the basis for IMARPE's recommended quotas for the second fishing season.

Peru is usually the world's largest producer of fishmeal and fish oil. Production volumes in Peru therefore have a significant influence on global pricing for these products.

FoodCorp Chile S.A. (Chile)
FoodCorp Chile S.A (FC) has an integrated value chain comprising fisheries, production of consumer products, and production of fishmeal and fish oil. FC's fishing rights correspond to 8.6% of the horse mackerel quota set for the fleet to which its vessels belong. FC also has a quota for sardine/anchoveta. In addition to their own quotas for horse mackerel, the company purchases raw materials (anchoveta/sardine) from the coastal fleet. The raw materials purchased from the coastal fleet are used in the company's production of fishmeal and oil. The main season for horse mackerel fisheries is from December to July. The main season for sardine/anchoveta fisheries is divided into two periods. The first season starts in March and lasts until July/August. The second season normally starts in October/November and lasts until the end of December.

All FC's onshore industrial activities share the same premises in the coastal town of Coronel.

KEY FIGURES (CHILE):

(MNOK)		**Q2 2024**	Q2 2023	H1 2024	H1 2023	2023
Revenue and other income		**266**	**337**	**591**	**620**	**966**
EBITDA (adj)		75	138	197	259	225
EBIT (adj.)		**61**	**126**	**169**	**236**	**176**
EBIT (adj.) margin		*23%*	*37%*	*29%*	*38%*	*18%*
Total assets				**1 803**	**1 602**	**1 435**
Net interest bearing debt (cash)				9	-45	-51
Raw material	1,000 MT	**33,7**	**33,5**	**88,3**	**98,5**	**119,5**
Sales volumes:						
Fishmeal	1,000 MT	2,4	2,7	5,1	4,3	9,9
Fish oil	1,000 MT	1,0	2,4	1,0	3,2	4,9
Frozen/fresh	1,000 MT	14,9	15,7	39,7	37,1	47,7

The total quota recommended by SPRFMO for horse mackerel in the South Pacific in 2024 represents a further increase of 15%. SPRFMO's recommendation reflects the positive development in horse mackerel fishery in recent years. The company's 2024 quota for horse mackerel is 65,100 tonnes, up from 56,500 tonnes in 2023. In addition to catches under its own quotas, the company purchases quotas from third parties, which it fishes using FC's fishing vessels. Contracts to purchase 46,000 tonnes from third parties have been entered into for 2024, compared with 21,000 tonnes in 2023.

FC caught 28,600 tonnes of horse mackerel/mackerel in Q2 2024 (Q2 2023: 17,500 tonnes) and 75,100 tonnes in the first half as a whole. The remaining horse mackerel quota at 30 June 2024 amounted to just over 39,000 tonnes. Fishery is ongoing, and catches to date augur well for the company fishing the remaining volume before the end of the year. In 2023 FC had caught 60,500 tonnes at 30 June, and the remaining quota of 18,000 tonnes was caught in December. As mentioned in previous reports, the volume caught in December was mainly used to produce fishmeal and oil.

The coastal fleet's sardine/anchoveta fishery started later this year than in 2023. Fishery has been challenging for the coastal fleet this season, with the result that FC bought only 5,100 tonnes of raw material in Q2, compared with 15,900 tonnes in Q2 2023. FC purchased a total of 13,100 tonnes of sardine/anchoveta in the first half of 2024, compared with 37,000 tonnes in the first half of 2023. In addition, the oil yield from this production has been significantly lower than in the equivalent period of last year.

In recent years, FC has essentially caught and purchased its raw material volume in the first half of the year. This year, FC has a substantially higher own quota and purchased quota from third parties. The company therefore has a higher remaining horse mackerel quota of 39,000 tonnes (H2 2023: 18,000 tonnes), which will be fished in the second half of the year. The combination of a change in fishing patterns and raw material mix has shifted part of revenue and earnings to the second half of the year.

Operating revenue in Q2 2024 totalled NOK 266 million (Q2 2023: NOK 337 million) and adjusted EBITDA was NOK 75 million (Q2 2023: NOK 138 million). Adjusted EBIT in Q2 2024 totalled NOK 61 million (Q2 2023: NOK 126 million).

The decrease in earnings (adjusted EBIT) compared with the same quarter of last year is mainly explained by the lower volume of fish oil sold.

The company's prices realised for frozen products were 3% higher in Q2 2024 than in the same period of last year. Sales of frozen products totalled 14,900 tonnes in Q2 2024, down from 15,700 tonnes in Q2 2023. The sales volume for fishmeal was on par with Q2 2023, while the volume of fish oil sold was significantly lower than in the same period of last year. At 30 June 2024, the company had inventory of 3,900 tonnes of frozen products and 13,200 tonnes of fishmeal and oil, compared with 10,400 tonnes and 10,000 tonnes respectively at 30 June 2023.

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

AUSS owns 55.2% of the shares in Br. Birkeland Farming AS and 42.9% of the shares in the fishery company Br. Birkeland AS.

KEY FIGURES (BFARM):

(MNOK)		**Q2 2024**	Q2 2023	H1 2024	H1 2023	2023
Revenue and other income		**326**	**233**	**640**	**477**	**789**
EBITDA (adj)		135	147	258	270	331
EBIT (adj.)		**119**	**127**	**225**	**234**	**268**
EBIT (adj.) margin		36%	54%	35%	49%	34%
Total assets				**1 473**	**1 470**	**1 413**
Net interest bearing debt (cash)				-365	-149	-67
Slaugthered volume	GWT	**2 632**	**1 988**	**5 845**	**4 412**	**7 416**
EBIT (adj.)/kg	NOK	45,2	63,8	38,6	53,0	36,2

The company harvested 2,632 tonnes of salmon in Q2 2024, up 32% from 1,988 tonnes in Q2 2023. All this volume was harvested in April and May, when the spot prices were at their highest for the quarter. As previously discussed, inflation for virtually all input factors has led to higher costs. Release from stock costs were significantly higher in Q2 2024 than in the same period of last year.

In Q2 2024, the BFARM segment reported operating revenue of NOK 326 million (Q2 2023: NOK 233 million). Adjusted EBITDA was NOK 135 million (Q2 2023: NOK 147 million). Adjusted EBIT was NOK 119 million (Q2 2023: NOK 127 million). This gave a figure for adjusted EBIT/kg of NOK 45.2 in Q2 2024, compared with NOK 63.8 in the same period of 2023.

KEY FIGURES (BRBI):

(MNOK)		**Q2 2024**	Q2 2023	H1 2024	H1 2023	2023
Revenue and other income		**67**	**59**	**222**	**149**	**357**
Gain from sale of shares		**1 852**	**0**	**1 852**	**0**	**0**
EBITDA (adj)		1 846	-0	1 915	17	91
EBIT (adj.)		**1 831**	**-17**	**1 885**	**-15**	**28**
EBIT (adj.) margin						
Total assets				**2 367**	**634**	**680**
Net interest bearing debt				-1 994	106	24
Wild catch (pelagic)	1,000 MT	**2,3**	**7,7**	**23,5**	**21,7**	**36,8**
Wild catch (snowcrab)	1,000 MT	**-**	**-**	**0,8**	**0,7**	**0,7**

In April, BRBI entered into an agreement to sell 100% of the shares in Br. Birkeland Fiskebåtrederi AS and Talbor AS. The transaction was formally completed on 28 June 2024, yielding proceeds of NOK 1,962 million for BRBI and a gain on sale of assets of NOK 1,852 million.

Fishing for snow crab continues as an "Olympic" fishery. The total Norwegian quota had been caught by mid-March. In 2023, fishery was not stopped until 3 April. The vessels were therefore inactive in Q2 and will remain so in the second half of the year. As expected, cf. discussion in the Q1 report, halting fishery resulted in negative adjusted EBIT for Q2 2024. Negative earnings are also expected in the second half of the year.

In Q2 2024, the BRBI segment reported operating revenue of NOK 67 million (Q2 2023: NOK 59 million) and a gain on sale of shares of NOK 1,852 million. Adjusted EBITDA was NOK 1,846 million (Q2 2023: NOK 0 million) and adjusted EBIT NOK 1,831 million (Q2 2023: NOK -17 million).

The Board of Directors is pleased with the sale of the two pelagic fishing vessels but naturally regrets the industrial policy climate that necessitates this type of adjustment.

The Board of Directors of Br. Birkeland AS has proposed payment of a total dividend of NOK 1,757 million for approval at the upcoming (extraordinary) general meeting. AUSS' share of the dividend (42.9%) will be NOK 754 million.

JOINT VENTURE

Pelagia Holding AS (Pelagia)

Pelagia Holding AS (Pelagia) is accounted for as a joint venture and is therefore recognised using the equity method in the consolidated financial statements. In note 4 Segments, Pelagia is consolidated using the "proportionate consolidation method", in accordance with AUSS's 50% shareholding.

The company's operations comprise production of fishmeal, protein concentrate and fish oil (FEED) as well as frozen pelagic consumer products (FOOD). Pelagia purchases all its raw material from third parties. The company has production facilities in Norway, the UK, Ireland and Denmark. Through its wholly owned subsidiary Epax, Pelagia is globally a leading manufacturer of Omega-3 products based on marine ingredients (HEALTH). These products are used in dietary supplements and pharmaceutical products. Epax is a world leader in its segment.

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

KEY FIGURES (PELAGIA):

(MNOK)		**Q2 2024**	Q2 2023	H1 2024	H1 2023	2023
Revenue and other income		**2 914**	**2 514**	**5 874**	**5 557**	**13 001**
EBITDA (adj)		322	331	594	717	1 725
EBIT (adj.)		**217**	**232**	**384**	**522**	**1 307**
EBIT (adj.) margin		*7%*	*9%*	*7%*	*9%*	*10%*
Total assets				**10 596**	**9 303**	**10 044**
Net interest bearing debt				5 165	4 145	4 483
Raw material						
FOOD	1,000 MT	13	18	122	143	390
FEED	1,000 MT	235	275	615	628	991
Sales volumes						
Frozen/fresh	1,000 MT	41	37	104	121	265
FM/FPC/Oil	1,000 MT	85	93	153	165	336

As usual, the second quarter has seen seasonally low production within frozen consumer products (FOOD). In addition, Q2 2024 was affected by poor North Sea herring fishery, resulting in lower supply of raw material volume. The marked decrease in raw material volume in the FEED segment in Q2 2024 compared with Q2 2023 can partly be attributed to the absence of sand eel catches and the reduced volume of North Sea herring. Cuttings from consumer production (FOOD) represent an important part of the raw material used in the production of fishmeal and oil (FEED). In addition, cuttings from the salmon industry and wild-caught whitefish represent an important share of the volume supplied to the FEED segment through the year, and are used in the production of protein concentrate and fish oil.

The volume of raw material received for consumer products in Q2 2024 was 13,000 tonnes, compared with 18,000 tonnes in Q2 2023. Total receipt of raw material in Pelagia for fishmeal/protein concentrate and fish oil production was 235,000 tonnes in Q2 2024, compared with 275,000 tonnes in Q2 2023.

Pelagia is sustaining its successful operations, but the decrease in quotas for important species used in consumer products is challenging and means lower capacity utilisation for the company's factories through the year. The sales volume for frozen products in the quarter was 41,200 tonnes, up from 37,200 tonnes in the same period in 2023. Sales of fishmeal/FPC and fish oil in Q2 2024 totalled 84,600 tonnes, against 92,800 tonnes in Q2 2023.

Revenue for Pelagia in the quarter was NOK 2,914 million (Q2 2023: NOK 2,514 million) and adjusted EBITDA was NOK 322 million (Q2 2023: NOK 331 million). The company reported adjusted EBIT in Q2 2024 of NOK 217 million (Q2 2023: NOK 232 million).

GROUP CASH FLOW IN Q2 2024

Cash flow from operating activities in Q2 2024 was NOK 1,098 million (Q2 2023: NOK 926 million). Tax paid in Q2 2024 totalled NOK 212 million (Q2 2023: NOK 148 million).

Cash flow from investing activities in Q2 2024 was NOK 1,785 million and was of course significantly impacted by the cash proceeds from sale of the shares in Talbor AS and Br. Birkeland Fiskebåtrederi AS, which amounted to NOK 1,962 million. Cash flow from investing activities in Q2 2023 was NOK -143 million.

Cash flow from financing activities in Q2 2024 was NOK -1,731 million, with dividends paid to shareholders in AUSS and minority interests representing NOK 1,615 million. Cash flow from financing activities in Q2 2023 was NOK 85 million, with dividend payments accounting for NOK 1,881 million. Cash flow in Q2 2023 was further affected by both AUSS and LSG issuing new long-term senior unsecured bond loans, at total values of NOK 800 million and NOK 1,500 million respectively.

The Group's cash and cash equivalents at 30 June 2024 totalled NOK 6,968 million, compared with NOK 5,352 million at 30 June 2023.

FINANCIAL INFORMATION H1 2024

The Group reported operating revenue, and income from sale of shares, of NOK 18,250 million for H1 2024 (H1 2023: NOK 16,454 million). Adjusted EBITDA was NOK 4,717 million, against NOK 3,067 million in H1 2023. The increase in earnings in the period, compared with the same period of 2023, is mainly explained by the gain on sale of shares and a positive first fishing season in Peru. Adjusted EBIT for H1 2024 was NOK 3,715 million (H1 2023: NOK 2,141 million).

Income from associates before fair value adjustment related to biological assets in H1 2024 totalled NOK 189 million (H1 2023: NOK 88 million). The equivalent figure including fair value adjustment of biological assets was NOK 203 million (H1 2023: NOK 86 million). After an extremely challenging 2023, it is pleasing to see Norskott Havbruk (Scottish Sea Farms) performing strongly, as expected, both operationally and financially.

Adjusted EBIT including revenue from associates was NOK 3,918 million in H1 2024, against NOK 2,228 million in the same period of last year.

Operating profit after fair value adjustment of biological assets and other income and expenses totalled NOK 4,099 million in H1 2024 (H1 2023: NOK 2,671 million). Fair value adjustment related to biological assets was positive at NOK 240 million, compared with NOK 537 million in H1 2023.

The Group's net interest expense in H1 2024 was NOK -327 million (H1 2023: NOK -258 million). Net other financial items were negative at NOK -41 million. The equivalent figure for H1 2023 was NOK 12 million.

The Group reported profit before tax in H1 2024 of NOK 3,731 million (H1 2023: NOK 2,425 million).

In May 2023, the Storting voted to introduce a so-called resource rent tax on aquaculture (sea-based production) with retroactive effect from 1 January 2023. The Group's tax estimates for H1 2023 were therefore severely impacted by the implementation effects of resource rent tax on biomass in the sea at 1 January 2023, which amounted to NOK -1,803 million.

Profit after tax in H1 2024 was NOK 2,911 million, against NOK 85 million in H1 2023.

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

The Group's statement of financial position at 30 June 2024 showed a total of NOK 53,940 million, compared with NOK 51,933 million at 30 June 2023. 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 recognised in the Group's statement of financial position, due to translation to Norwegian krone.

The Group is financially sound with book equity at 30 June 2024 of NOK 28,463 million, equivalent to an equity ratio of 53%. At 30 June 2023, book equity was NOK 27,061 million, equivalent to an equity ratio of 52%.

At 30 June 2024, the Group had net interest-bearing debt excluding right-of-use liabilities other than to credit institutions totalling NOK 6,071 million, compared with NOK 6,930 million at 30 June 2023 and NOK 6,715 million at 31 December 2023. At 30 June 2024, the Group had net interest-bearing debt including right-of-use liabilities other than to credit institutions totalling NOK 7,755 million, compared with NOK 8,870 million at 30 June 2023 and NOK 8,434 million at 31 December 2023.

The Group and parent company's financial position is very good. 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 had, has and must continue to have a high level of financial flexibility to allow it to finance further organic growth, carry out strategic acquisitions and sustain the company's dividend policy.

At 30 June 2024, the parent company Austevoll Seafood ASA had cash and cash equivalents of NOK 945 million (31.12.2023: NOK 1,021 million). The parent company's cash and cash equivalents are stated before receipt of dividends from the companies that disposed of the two pelagic fishing vessels in Q2. The parent company has long-term credit facilities totalling NOK 1,100 million, which were practically unutilised at 30 June 2024.

OTHER ISSUES

Risks and uncertainties

The Group's activities are essentially global and will always be impacted to varying degrees by developments in the world economy. In light of the global economic turmoil of 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 conflicts we are currently experiencing as a result of Russia's invasion of Ukraine and acts of war in the Middle East are also impacting financial markets, exchange rates, supply chains, and the supply and price of input factors.

The seafood industry is international, and Norway is an important seafood-exporting nation. Trade barriers have been and will remain a substantial risk factor for the industry. In recent years, we have also seen how a pandemic, including the associated restrictions and fear, can negatively impact demand and value chains. The market for high-quality seafood is global and demonstrates strong underlying growth. Over time, this growth has largely compensated for both political trade barriers and other temporary challenges. 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 negative impacts on the real economy in most markets, we consider 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 its assets. Risk arises mainly as a result of changes in the prices of raw material and end products, to the extent that these changes impact the company's competitiveness and earnings potential over time. Other key parameters that affect the Group's risk level include operational factors such as biomass in the sea, fishing conditions and price trends for the Group's input factors.

At 30 June 2024, the Group had live fish on its statement of financial position worth NOK 9.5 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 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 vessels and production facilities. The seasonal fluctuations in catch volumes cause equivalent fluctuations in the Group's quarterly key figures. Weather phenomena such as El Niño and La Niña are examples of natural events that can affect catch patterns for periods of time. Austral's operational situation in 2023 was a case in point.

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

After many years of investments, the Group is a significant owner of farming licences and of whitefish and pelagic quotas. The Group faces political risk linked to decisions by the various authorities, including framework conditions for fish farming and licence terms related to fishery legislation. Political risk, including a lack of predictability, could impair the industry's competitiveness and capacity for development and value creation. This risk was laid bare when the Norwegian government submitted a proposal concerning so-called resource rent taxation in the Norwegian aquaculture industry to the Storting (Prop. 78 LS of 28 March 2023). The purpose of the tax, according to the government, is to "target" specific companies. It was implemented retroactively from 1 January 2023. The Storting approved the proposal by a one-vote majority on 31 May 2023. Adoption of the new tax entails a "tax wedge" – in a complex value chain – of 25% on top of ordinary corporation tax.

Industrial development and employment in capital-intensive activities exposed to global competition, such as fish farming, fishery and related industry, are challenging and demand predictability where possible. Achieving predictability requires national political leaders to pursue a responsible long-term business policy. The government's proposal and the Storting's adoption of so-called resource rent taxation, including the process itself, is an example of an extremely irresponsible process and lack of predictability. Political behaviour of this kind constitutes a serious risk to the industry's opportunities to continue developing and contributing to the common good.

Norway's "traffic light system" for fish farming was introduced in 2017, and affects the Group's total licence capacity. The 13 production areas in Norway were categorised on 6 March 2024. Production areas 3 and 4, where Lerøy Sjøtroll and Br. Birkeland Farming operate, were categorised as red, meaning that 6% of the commercial licence capacity has been temporarily revoked. This is the second time capacity has been reduced in region 3 and the third time it has happened in region 4. The reduction to be implemented from autumn 2024 will be approximately 2,500 tonnes MTB for Lerøy Sjøtroll and 300 tonnes for Br. Birkeland Farming, affecting the operating basis, volume produced, and jobs and production potential in the region. The Group is investing heavily in new technology, and expects work on the environmental flexibility scheme and the new aquaculture report to pave the way both for utilising reduced licence capacity and for new growth for those using new technology, including in these regions.

The Storting adopted the new quota report on 30 April 2024. The report includes several measures that entail redistribution of quota from trawler fleet to coastal fleet. The "trawl ladder" is being reintroduced in the quota allocation for cod fishery. In addition, quota for the open group is to be taken from the total quota and not the coastal quota. This means that the trawler fleet's relative share of the total quota will fall, while that of the coastal fleet will increase. This measure reveals an incomprehensible wish to weaken the company's industrial existence because it means a lower operating basis for the Group's whitefish industry. Reduced volume for the Group's industrial facilities in Nordland, Troms and Finnmark is a serious political intervention that undermines important jobs and value creation. This is negative for the company's seagoing and onshore employees, and reveals a policy that contributes to weakening product development, processing and jobs in Lerøy Havfisk and LNWS. Political predictability is a fundamental requirement for being able to invest in an eternal perspective to the extent we have. We are disappointed, and concerned about future developments.

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, such that any changes in ownership not covered by the exemption granted by the Ministry require approval. The nationality requirement must also be fulfilled; cf. section 5 of the Act relating to the right to participate in fishing.

At the end of December 2023, the Chilean government submitted a proposal to replace the country's Fishery Act of 1989. The proposal includes changing the allocation of quotas between the current LTP-A and LTP-B licences from 85%/15% to 50%/50%. The proposal is expected to pass through various phases of feedback and discussions, and it is therefore not possible at this stage to indicate a time scale for or the outcome of the proposal submitted by the Chilean government.

Assuming there are viable political framework conditions in place, the Group's strategy centres on a long-term perspective to ensure a globally competitive structure that can continue to safeguard future industrial development in the numerous local communities where the Group has operations.

The majority of the Group's debt is at floating interest rates, but fixed-rate contracts have been entered into for approximately 26% of the Group's interest-bearing debt.

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

In common with society at large, the Group has stepped up 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 recent years, the risk assessment has also encompassed climate-related aspects to a greater extent. In general, opportunities and risk are assessed based on what are considered the most likely future scenarios. The Group is working to improve its risk management, to take even greater account of climate risk where possible. As well as the Audit Committee, the company has established an ESG subcommittee comprising three board members.

The Group's risk exposure is described in detail in the Annual Report 2023. The quarterly reports through the year should be read in conjunction with the most recent annual report.

SHAREHOLDER INFORMATION

The company had 10,734 shareholders at the start of Q2 2024 and 10,510 at the end of the quarter.

The share price at the start of Q2 2024 was NOK 74.15 and NOK 82.80 at the end.

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 sustainable, expert use of freshwater resources and the ocean, in thriving communities". The entire value chain in the Group's portfolio companies has its "origins" in sustainable use of the sea, and the Group's growth has been and must continue to be sustainable both financially and in terms of the climate/environment. Sustainable growth places stringent requirements on the Group within the areas of financial management, corporate governance, climate and the environment as well as social conditions. Sustainability is a prerequisite for gaining access to capital and is vital to the Group's existence and continued development. We are therefore proud that the Group's food production contributes to the UN Sustainable Development Goals (SDGs). Social sustainability is important for maintaining viable local communities and access to the Group's most important resource: the people who make up the organisations. For more detailed information, please read the company's sustainability report for 2023 on the website www.auss.no

MARKET AND OUTLOOK

Production, sale and distribution of salmon, trout and whitefish

Lerøy is continuing to work in line with the interim targets communicated previously. Targets of a harvest volume of 200,000 GWT and EBIT of NOK 1.25 billion for VAPS&D have been set for 2025, and GHG gases are to be reduced by 46% by 2030. Earnings in the Wild Catch segment are significantly affected by the quota basis, and it is therefore not possible to provide estimates for 2025 until there is more clarity concerning the quota for next year. The quota recommendations for 2025 were announced in June but are not yet finalised. However, we expect further reductions in the quotas for key species such as cod and haddock.

As communicated in previous reports, the Group did not achieve its targets for the Farming segment in 2023, but has every confidence that the measures it has implemented will gradually deliver results. A number of measures have been taken within several areas, for example genetic selection, and changes in production processes, temperature control and filter capacities in the hatcheries. Considering this is about biological production and that the work comprises a number of small and bigger measures, the effects will come gradually. It is pleasing to note that biological production in the first half of 2024 was good, but it is important to acknowledge that the most challenging period in the autumn is still ahead of us.

Lerøy has invested heavily in new technology for the sea-based production phase. Submersible cages and new shielding technology are currently in use in both Lerøy Sjøtroll and Lerøy Midt. This type of innovative technology is not risk-free, but is expected to provide significant improvements in biological production. At 30 June 2024, 28% of the Group's salmon (by number of fish) were in facilities with shielding technology. This proportion is expected to increase marginally towards the end of 2024. As knowledge is gained from harvesting fish produced using the new technology, new batches will be set out in this technology on an ongoing basis. The salmon being produced in submersible technology did not undergo any treatments in Q2. A small number of treatments were carried out in mid-August, with positive results. It is important that we achieve our goals for reducing how much the fish are handled during the sea-based production cycle. The company's experience with the new technology gives us reason to believe that the equipment will help to substantially reduce fish handling and hence improve fish welfare and boost biological performance, supporting the company's production targets for 2025.

The first harvest from submerged production in August 2024 was a red-letter day for Lerøy. The Board of Directors would like to thank the employees, suppliers and partners who have made this possible. This is not the end of the development process but rather the start of something Lerøy believes will be an extremely important farming system in future.

As mentioned, the quotas – and hence the operating basis for the Group's whitefish activities – have been significantly reduced in 2024, making the outlook for 2025 challenging. The Institute of Marine Research published next year's recommended quotas for the Barents Sea on 21 June. The recommendations entail reductions in the cod and haddock quotas of 31% and 24% respectively. A 7% increase is recommended in the quota for saithe in the North Sea, while the quota recommendation for saithe north of 62 degrees latitude is a reduction of 13%. For other species such as beaked redfish and halibut, the quota recommendations are down 4% and 42% respectively. The final quotas will be set by the Norwegian authorities in the autumn. Faced with decreasing quotas and hence a weakened operating basis, operations in LSG's Wild Catch segment are challenging. Quotas have varied historically too, and while the Group maintains a consistent focus on improving operational efficiency both at sea and in the onshore industry, lower quotas will negatively impact earnings in this segment.

The Board of Directors is surprised that the quota report adopted by the Storting in April 2024 – which clearly redistributes quota from trawler fleet to coastal fleet – has met with public disappointment from the coastal fleet, which has had its share of the quota increased. The quota report is expected to result in a reduction in the Group's quota of around 3,000 tonnes of cod, over and above the general quota reduction. Operations in LSG's Wild Catch segment are extremely challenging, with natural fluctuations leading to decreasing quotas and a reduced operating basis. Keeping all vessels in normal operation in 2025 is also likely to be challenging. The Group's industrial operational obligation and employment naturally rely on volume assumptions. The debate surrounding the change in quota distribution was unfortunately characterised by ignorance and emotions. Lerøy and its employees had expected the facts to weigh heavily, but this was not the case. Lerøy is one of the largest private employers in North Norway, with significant employment behind the company's quota units. It is sad to say, but over time the redistribution of quotas from the trawler fleet will lead to further job losses in Norway's whitefish industry.

LSG works to develop an efficient and sustainable value chain for seafood. This not only delivers cost-efficient solutions, but also quality, availability, a high level of service, traceability and competitive climate-related and environmental solutions. Investments in downstream entities in recent years, including in a new industrial facility in Lerøy Midt, and new factories in Stamsund and Båtsfjord, and in Spain, the Netherlands and Italy, are expected to make a positive contribution going forward. The VAPS&D segment occupies a central position in this value chain. The segment developed positively in 2023, and it is pleasing to see this trend continuing in 2024. A significant increase in profitability is expected in the segment in 2024 compared with 2023, moving towards the ambitious target for 2025.

Like most forms of food production and other business activities, Norwegian aquaculture has the potential to improve, but it is important to remember that the starting point is extremely good. Norwegian aquaculture is something as rare as a globally competitive regional industry that scores well in terms of environmental, social and economic sustainability. The industry can be part of the global green shift, at the same time as safeguarding interesting jobs in communities all along Norway's coastline. This requires politicians to understand the industry, its opportunities and challenges. The Board of Directors can only hope that the government and other authorities, for once, will take steps to facilitate the industry's development, including in terms of knowledge and capital. This will require a joined-up understanding of industrial policy.

For 2024, the Group currently projects a harvest volume of 193,500 tonnes, including joint ventures. A further improvement in earnings for the VAPS&D segment is expected this year. Wild Catch operations will be negatively affected by the lower quota situation.

Through 2023 and the start of 2024, we have seen demand for seafood in some market segments being negatively affected by general economic developments, but overarching demand for seafood is strong. Historically, demand for seafood products has held up relatively well in economic downturns. The Group's products are healthy and tasty. Production is sustainable from an economic, social and environmental perspective.

Fishmeal and fish oil
According to the IFFO*, total fishmeal production from the Peru, Chile and North Atlantic regions at the end of week beginning 29 July 2024 was up 48.9% on the same period of last year. This increase can be attributed to Peru, where production was up 292.8%. The other regions saw production fall. The total increase in fish oil production for these regions was 12.7%. Peru achieved an increase of 1,132%, while production in the other regions fell. As well as the extremely limited fishery in Peru in the first half of 2023, the oil yield was very low but was at more normalised levels in the first season of this year. The first fishing season in Peru started on 16 April with a total quota of 2,475,000 tonnes. The equivalent fishing season in 2023 was cancelled after only a few days' trial fishery. According to the Peruvian authorities, the fishery was good and the season was executed successfully. Just over 98% of the total quota had been caught when the season was halted on 18 July 2024.

The ICES quota recommendation for 2024 resulted in increases of 13% for capelin in the North Atlantic and 216% for blue whiting in the Barents Sea, compared with the recommendations for 2023. Blue whiting fishery was also carried out in Q2 2024.

** Source: IFFO, week 31, 2024 (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 usually runs from January to April and the season for North Sea herring from May onwards. The main season for mackerel fishing in Europe is in the autumn and normally starts in September. However, the season has started in early August in recent years, as the Norwegian fleet has had reduced access to UK waters. The remaining quotas for Norwegian spring-spawning herring are caught in the second half of the year. The first half of the year is the main season for horse mackerel fishery in South America.

ICES's recommended quotas for catches in the North Atlantic in 2024 reflect a small (5%) reduction for mackerel and a 24% reduction for Norwegian spring-spawning herring compared with the recommended quotas for 2023.

SPRFMO has decided to increase the quotas for horse mackerel in the South Pacific in 2024 by 15%. This is in line with increases in recent years, and confirms that the biomass is sustainable thanks to good management.

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

The Group's strategy going forward is to continue to grow and develop within its current operating segments. The Group has had, has and must 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.

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 ready to solve challenges under difficult and changeable framework conditions.

Industrial development and employment in capital-intensive activities exposed to global competition, such as fish farming, fishery and related industry, are challenging and demand knowledge and predictability from the regulatory authorities. In turn, predictability of this kind requires businesses and, not least, national political leaders to pursue a responsible long-term industrial policy. The government's introduction of resource rent tax on Norwegian aquaculture, adopted by the Storting on 31 May 2023, constitutes a material risk to the further industrial development of aquaculture, including weakening its ability to continue contributing to society. Regrettably, the fact that the tax was adopted is an example of political risk of a kind we have not experienced in recent times in Norway.

The seafood companies need to retain capital in line with other comparable industries if they are not to lose ground in international competition. One distinctive feature of the aquaculture industry is the dominance of Norwegian private capital. This capital – the foundation of non-urban Norway – pays corporation tax and charges like other industries, but also already contributes billions in production fees, export duties and tax on purchase of production capacity. Given that the aquaculture industry owes its existence to Norwegian private capital, the dividend tax and wealth tax paid mean that the industry's capital is the most heavily taxed of all capital.

As in previous reports, the Board of Directors underlines that uncertainties related to assessments of future developments remain higher than normal, not least as a result of the increased political risk.

The Group and the parent company are financially sound and have access to competitive financing. The Group's products are healthy and tasty, and production is sustainable from a financial, climate and environmental perspective. For these reasons, the Board of Directors expects the good underlying growth in demand to continue in the years ahead. The Group's strong position within the global seafood industry underpins the Board's positive outlook for the Group's future development.

DECLARATION OF THE BOARD OF DIRECTORS AND CEO

We declare that, to the best of our knowledge, the half-year financial statements for the period 1 January to 30 June 2024 have been prepared in accordance with IAS 34 – Interim Financial Reporting, and that the information in the financial statements provides a true and fair illustration of the Group's assets, liabilities, financial position and result as a whole. We also declare that, to the best of our knowledge, the half-year report provides an accurate overview of significant events during the accounting period and their impact on the half-year accounts, the key risks and uncertainties faced by the Group during the next accounting period, and significant transactions with related parties.

Storebø, 20th of August 2024
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 D. Melingen
Board member

Petter Dragesund
Board member

Helge Møgster
Board member

Hege Solbakken
Board member

Siren Grønhaug
Board member

Arne Møgster
CEO

FINANCIAL REPORT, Q2 AND H1 2024

Income statement (unaudited)

All figures in MNOK	Note	Q2 2024	Q2 2023	H1 2024	H1 2023	(audited) 2023
Operating revenue and other income	4	**8 612**	**8 452**	**16 985**	**16 454**	**33 774**
Gain of sale of shares		**1 265**	**0**	**1 265**	**0**	**0**
Raw material and consumable used		4 278	4 702	8 426	8 656	18 610
Salaries and personnel expenses		1 146	1 112	2 506	2 406	4 857
Operating expenses		1 396	1 197	2 600	2 325	5 038
EBITDA (adj.)	7	**3 057**	**1 441**	**4 717**	**3 067**	**5 269**
Depreciation		502	473	1 002	926	1 909
EBIT (adj.)	7	**2 555**	**968**	**3 715**	**2 141**	**3 360**
EBIT (adj.) margin		*30%*	*11%*	*22%*	*13%*	*10%*
Income from associates		142	20	203	86	285
EBIT (adj.) incl. income from associates		**2 697**	**988**	**3 918**	**2 228**	**3 645**
Other income and expenses		21	73	60	94	284
Fair value adj. related to biological assets	3	178	76	240	537	77
Operating profit (EBIT)		**2 854**	**992**	**4 099**	**2 671**	**3 438**
Net interest expenses		-175	-142	-327	-258	-527
Net other financial items		-34	7	-41	12	-65
Profit before tax		**2 645**	**857**	**3 731**	**2 425**	**2 845**
Income tax expenses		-473	-1 996	-819	-2 340	-2 501
Net profit		**2 172**	**-1 139**	**2 911**	**85**	**344**
Profit to non-controlling interest		1 067	-534	1 405	20	52
Profit to controlling interest		1 106	-605	1 507	64	292
EPS (adj.)*	NOK	**5,1**	**-3,2**	**6,9**	**-0,8**	**1,3**
Earnings per share (EPS)	NOK	**5,5**	**-3,0**	**7,5**	**0,3**	**1,4**
Diluted EPS	NOK	**5,5**	**-3,0**	**7,5**	**0,3**	**1,4**

Other income and expenses

All figures in MNOK	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Impairment	-1	38	0	38	142
Production tax (aquaculture)	37	18	64	35	129
Change in unrealised internal margin	-16	2	-4	6	-2
Other non-operational items	0	15	0	15	15
Total other income and expenses	**21**	**73**	**60**	**94**	**284**

Condensed statement of comprehensive income (unaudited)

All figures in MNOK	Q2 2024	Q2 2023	H1 2024	H1 2023	(audited) 2023
Net earnings in the period	**2 172**	**-1 139**	**2 911**	**85**	**344**
Other comprehensive income					
Currency translation differences	-135	290	175	779	428
Other comprehensive income from associated companies	2	-	2	-	-
Cash flow hedges	-1	17	-4	-16	24
Others incl. tax effect	1	0	-4	-7	-5
Total other comprehensive income	**-133**	**307**	**169**	**756**	**446**
Comprehensive income in the period	**2 039**	**-831**	**3 080**	**841**	**790**
Allocated to;					
Minority interests	1 042	-451	1 445	189	175
Majority interests	997	-381	1 635	651	615

Statement of financial position (unaudited)

All figures in MNOK	Note	30.06.2024	30.06.2023	(audited) 31.12.2023
ASSETS				
Intangible assets		11 559	12 301	12 265
Vessels		2 656	2 679	2 730
Property, plant and equipment		8 597	8 173	8 368
Right-of-use assets	8	2 927	3 282	3 043
Investments in associated companies	5	3 585	3 474	3 572
Investments in other shares		45	39	40
Other long-term receivables		295	244	191
Total non-current assets		**29 665**	**30 191**	**30 209**
Inventories	3	12 692	12 042	11 865
Accounts receivable		3 259	3 270	3 106
Other current receivables		1 356	1 078	2 334
Cash and cash equivalents		6 968	5 352	5 475
Total current assets		**24 275**	**21 742**	**22 780**
Total assets		**53 940**	**51 933**	**52 990**
EQUITY AND LIABILITIES				
Share capital	6	101	101	101
Treasury shares		-18	-18	-18
Share premium		3 714	3 714	3 714
Retained earnings and other reserves		11 749	11 033	11 030
Non-controlling interests		12 918	12 232	12 215
Total equity		**28 463**	**27 061**	**27 042**
Deferred tax liabilities		6 209	5 702	5 970
Pensions and other obligations		4	13	4
Borrowings		8 864	9 050	8 850
Lease liabilities to credit institutions		888	949	939
Lease liabilities other than to credit institutions		1 306	1 560	1 381
Other non-current interest bearing debt		22	1	-
Other long-term liabilities		15	40	38
Total non-current liabilities		**17 308**	**17 316**	**17 182**
Short term borrowings		1 292	775	662
Lease liabilities to credit institutions		238	259	256
Lease liabilities other than to credit institutions		377	380	337
Overdraft facilities		1 735	1 249	1 462
Account payable		2 408	2 617	2 678
Other current liabilities		2 118	2 277	3 372
Total current liabilities		**8 169**	**7 556**	**8 766**
Total liabilities		**25 477**	**24 871**	**25 948**
Total equity and liabilities		**53 940**	**51 933**	**52 990**
Net interest bearing debt (NIBD)		6 071	6 930	6 715
Lease liabilities other than to credit institutions		1 683	1 940	1 719
NIBD incl. right of use assets liabilities		**7 755**	**8 870**	**8 434**
Equity ratio		53%	52%	51%

Condensed statement of changes in equity (unaudited)

All figures in MNOK	30.06.2024	30.06.2023	(audited) 31.12.2023
Equity at period start	**27 042**	**28 162**	**28 162**
Comprehensive income in the period	**3 080**	**841**	**790**
Dividends	-1 643	-1 903	-1 905
Transactions with non-controlling interest	-14	-6	-6
Other	-2	-33	-
Total changes in equity in the period	**1 422**	**-1 101**	**-1 120**
Equity at period end	**28 463**	**27 061**	**27 042**

Cash flow statement (unaudited)

All figures in MNOK	Q2 2024	Q2 2023	H1 2024	H1 2023	(audited) 2023
Cash flow from operating activities					
Profit before income tax	**2 645**	**857**	**3 731**	**2 425**	**2 845**
Fair value adjustment of biological assets	-178	-76	-240	-537	-77
Taxes paid in the period	-212	-148	-655	-251	-739
Depreciation and amortisation	502	473	1 002	926	1 909
Impairments	-1	38	-0	38	142
Associated companies - net	-142	-20	-203	-86	-285
Interest expense	230	178	452	314	716
Interest income	-55	-35	-125	-56	-188
Change in inventories	-396	-88	-590	-575	-857
Change in receivables	82	-319	-329	-649	-302
Change in payables	-197	453	-264	236	281
Other operating cash flow incl. currency exchange	-1 180	-386	-1 084	-408	-243
Net cash flow from operating activities	**1 098**	**926**	**1 694**	**1 376**	**3 202**
Cash flow from investing activities					
Purchase of intangible and fixed assets	-476	-440	-946	-911	-1 968
Purchase of shares and equity investments	-8	-	-8	-85	-85
Proceeds from sale of fixed assets/equity investments	1 997	53	2 004	63	83
Cash inflow from business combinations	**25**	**-1**	**25**	**-1**	**-1**
Dividends received	200	228	200	228	228
Interest income	55	35	125	56	188
Other investing activities - net	-9	-18	-100	-13	33
Net cash flow from investing activities	**1 785**	**-143**	**1 301**	**-663**	**-1 521**
Cash flow from financing activities					
Proceeds from new long term debt	604	3 311	1 068	3 479	3 948
Repayment of long term debt	-482	-774	-776	-1 114	-2 147
Change in short term debt	1	-399	253	82	314
Interest paid	-222	-200	-462	-336	-777
Dividends paid	-1 615	-1 881	-1 643	-1 903	-1 905
Other finance cash flow - net	-16	28	44	71	15
Net cash flow from financing activities	**-1 731**	**85**	**-1 516**	**278**	**-551**
Net change in cash and cash equivalents	1 153	868	1 478	991	1 130
Cash, and cash equivalents at start of period	5 812	4 484	5 475	4 340	4 340
Exchange gains/losses (-)	3	-0	15	22	6
Cash and cash equivalents at period end	**6 968**	**5 352**	**6 968**	**5 352**	**5 475**

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 2023 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 International Financial Reporting Standards (IFRS) for annual financial statements and should therefore be read in conjunction with the Group's financial statements for 2023.

Please refer to the Group's financial statements for 2023 for information on standards and interpretations applicable as of 1 January 2023.

NOTE 2 Related party transactions

There were related party transactions in Q2 2024. Related party transactions take place on market terms, and the relevant types of transactions are described in more detail in the Annual Report 2023.

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 broodstock, 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 date and multiplied by the estimated harvest weight per individual on the harvest date. The measurement unit is the individual fish. However, for practical reasons, these estimates are carried out at site level. 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 Fish Pool's forward prices. The forward price for the month in which the fish are 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. At present Fishpool is not publishing forward prices for periods after 2024. Therefore, analysts' estimates of future prices have been used for 2025 and 2026, based on the average from five different analyst houses. This price is then adjusted to account for estimated harvesting cost (well boat, harvesting 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 at site level. Common regional parameters are applied, unless factors specific to an individual site 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 4.65 kg for salmon and 4.76 kg for trout. The optimal harvest weight may, however, be lowered slightly if required by factors at an individual site (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 related to 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.

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 on Fish Pool. Fish Pool contracts are treated as financial instruments in the statement of financial position, where unrealised gain is recognised as other current receivables and unrealised loss as other current liabilities.

NOTE 3 Biological assets (cont.)

Conversion to live weight:
The figures for harvested volume and net growth in the tables below have been estimated based on 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 (amounts in NOK 1,000)

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

FV adjustments over profit and loss	**Q2 2024**	Q2 2023	**H1 2024**	H1 2023	2023
Change FV adj. of biological assets	**170 788**	-20 921	**193 163**	543 823	167 331
Change in FV of onerous contracts	**37 918**	99 119	**55 969**	8 533	-42 369
Change in FV of fishpool contracts	**0**	0	**0**	0	0
Total FV adjustments over profit and loss	**208 706**	78 198	**249 132**	552 356	124 962

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS
Positive amounts are assets and negative amounts are liabilities

Biological assets	**30.06.2024**	30.06.2023	31.12.2023
Cost on stock for fish in sea	**5 771 058**	5 235 699	5 294 231
Cost on stock for fry, brood, smolt and cleaning fish	**581 467**	497 895	454 775
Total cost on stock for biological assets *	**6 352 526**	5 733 594	5 749 007
FV adj. of fish in sea	**2 868 639**	3 051 968	2 675 476
FV adj. of fry, brood, smolt and cleaning fish	**0**	0	0
Total FV adj. of biological assets	**2 868 639**	3 051 968	2 675 476
Monthly discount rate applied	**4,0 %**	4,0 %	4,0 %
FV of fish in sea	**8 639 698**	8 287 667	7 969 708
FV of fry, brood, smolt and cleaning fish	**581 467**	497 895	454 775
Carrying amount of biological assets	**9 221 165**	8 785 562	8 424 483
Onerous contracts (liability)			
Carrying amount of onerous contracts	**0**	-5 067	-55 969

* Cost on stock is historic costs after expensed mortality

SLAUGHTERED VOLUME:

Volume in gutted weight (GWT)	**Q2 2024**	Q2 2023	**H1 2024**	H1 2023	2023
Salmon	**31 384**	26 003	**54 494**	50 917	138 673
Trout	**5 325**	3 656	**8 591**	7 343	20 947
Total	**36 709**	29 659	**63 085**	58 261	159 620

VOLUME

Volume of fish in sea (LWT)	**Q2 2024**	Q2 2023	**H1 2024**	H1 2023	2023
Volume at beginning of period	**98 151**	92 816	**97 977**	97 923	97 923
Net growht during the period	**46 143**	42 071	**77 077**	36 964	186 239
Slaughtered volume during the period	**-42 833**	-33 360	**-73 593**	-33 360	-186 185
Volume at end of period (LWT)	**101 461**	101 527	**101 461**	101 527	97 977

Specification of fish in sea (LWT)	**30.06.2024**	30.06.2023	31.12.2023
Salmon	**83 587**	86 484	83 230
Trout	**17 874**	15 043	14 747
Total	**101 461**	101 527	97 977
Salmon > 4.65 kg (live weight) *	**13 119**	0	10 961
Trout > 4.76 kg (live weight) *	**178**	149	0

* Defined as mature biological assets

NOTE 3 Biological assets (cont.)

Br. Birkeland Farming AS (amounts in MNOK)

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

Fair value adjustment over profit and loss	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Change FV adj. biological assets	-31	-2	-9	-16	-48
Total FV adjustments over profit and loss	-31	-2	-9	-16	-48

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS
Positive amounts are assets and negative amounts are liabilities

Biological assets	H1 2024	H1 2023	2023
Cost on stock for fish in sea	222	257	281
Fair value adjustment fish in sea	61	102	70
Fair value fish in sea	283	359	351
Fry, brood and smolt			
Carrying amount of biological assets	283	359	351

SLAUGHTERED VOLUME

Slaughtered volume in gutted weight (GWT)	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Total volume	2 632	1 988	5 845	4 412	7 416
- Salmon	2 632	1 988	5 845	4 412	7 416

VOLUME

Volume of fish in sea (LWT)	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Volume at beginning of period	4 956	4 146	4 465	4 784	4 784
Sale of biomass	-	-	-	-	-1 158
Purchase of biomass	-	-	1 512	-	445
Net growth during the period	2 067	2 594	4 913	4 897	9 657
Slaughtered volume during the period	-3 253	-2 561	-7 120	-5 502	-9 263
Volume at end of period (LWT)	3 770	4 179	3 770	4 179	4 465
Fish > 4.65 kg (live weight)	-	-			2 279

NOTE 4 Segments

All figures in MNOK		Operating revenue and other income		EBITDA (adj.)		EBIT (adj.)	
		Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023
Lerøy Seafood Group ASA		7 659	7 671	1 300	1 307	906	950
Austral Group S.A.A.		485	238	292	-157	233	-222
FoodCorp Chile S.A.		266	337	75	138	61	126
Br Birkeland Farming AS		326	233	135	147	119	127
Br Birkeland AS		1 919	59	1 846	0	1 831	-17
Elimination/HQ/others		-779	-86	-590	5	-596	4
Total Group		**9 878**	**8 452**	**3 057**	**1 441**	**2 555**	**968**
Pelagia Group	50%	1 457	1 257	161	165	108	116
Total Group incl. JV		**11 334**	**9 709**	**3 218**	**1 606**	**2 663**	**1 084**

a) Includes gain from sale of shares, total MNOK 1 265

All figures in MNOK		Operating revenue and other income		EBITDA (adj.)		EBIT (adj.)	
		H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023
Lerøy Seafood Group ASA		14 768	14 645	2 534	2 644	1 749	1 939
Austral Group S.A.A.		1 055	703	407	-107	290	-232
FoodCorp Chile S.A.		591	620	197	259	169	236
Br Birkeland Farming AS		640	477	258	270	225	234
Br Birkeland AS		2 075	149	1 915	17	1 885	-15
Elimination/HQ/others		-879	-139	-594	-17	-603	-21
Total Group		**18 250**	**16 454**	**4 717**	**3 067**	**3 715**	**2 141**
Pelagia Group	50%	2 937	2 779	297	358	192	261
Total Group incl. JV		**21 187**	**19 232**	**5 014**	**3 426**	**3 907**	**2 402**

a) Includes gain from sale of shares, total MNOK 1 265

All figures in MNOK		Operating revenue and other income	EBITDA (adj.)	EBIT (adj.)
		FY 2023	FY 2023	FY 2023
Lerøy Seafood Group ASA		30 906	4 831	3 335
Austral Group S.A.A.		1 000	-183	-418
FoodCorp Chile S.A.		966	225	176
Br Birkeland Farming AS		789	331	268
Br Birkeland AS		357	91	28
Elimination/HQ/others		-244	-27	-30
Total Group		**33 774**	**5 269**	**3 360**
Pelagia Group	50%	6 500	862	654
Total Group incl. JV		**40 275**	**6 131**	**4 014**

a) Includes gain from sale of shares, total MNOK 1 265

NOTE 4 Segments (cont.)

Volumes in 1,000 tonnes		Slaugthered salmon GWT)		Wild Catch		Sales volume FM/oil/FPC		Sales volume Frozen/Fresh	
		Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023
Lerøy Seafood Group ASA		36,7	29,7	17,8	23,7				
Austral Group S.A.A.				237,2	10,4	15,6	7,7	-	9,7
FoodCorp Chile S.A.				33,7	33,5	3,4	5,1	14,9	15,7
Br Birkeland Farming AS		2,6	2,0						
Br Birkeland AS				2,3	7,7				
Total Group		**39,3**	**31,6**	**291,0**	**75,3**	**19,0**	**12,7**	**14,9**	**25,4**
Pelagia Group *	50%			248,3	293,0	42,3	46,4	20,6	18,6
Norskott Havbruk AS	50%	6,1	3,2						
Total Group incl. JV		**45,5**	**34,8**	**539,3**	**368,3**	**61,3**	**59,1**	**35,6**	**44,0**

* Pelagia, includes 100% of raw material intake,and of the 50% sales volumes

Volumes in 1,000 tonnes		Slaugthered salmon GWT)		Wild Catch		Sales volume FM/oil/FPC		Sales volume Frozen/Fresh	
		H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023
Lerøy Seafood Group ASA		63,1	58,3	41,9	49,0				
Austral Group S.A.A.				256,9	70,6	36,4	28,6	4,2	16,3
FoodCorp Chile S.A.				88,3	98,5	6,1	7,5	39,7	37,1
Br Birkeland Farming AS		5,8	4,4						
Br Birkeland AS				23,5	21,7				
Total Group		**68,9**	**62,7**	**410,7**	**239,8**	**42,5**	**36,1**	**43,9**	**53,4**
Pelagia Group *	50%			737,0	770,9	76,4	82,6	52,1	60,5
Norskott Havbruk AS	50%	9,8	5,7						
Total Group incl. JV		**78,7**	**68,4**	**1 147,6**	**1 010,7**	**118,9**	**118,7**	**95,9**	**113,9**

* Pelagia, includes 100% of raw material intake,and of the 50% sales volumes

Volumes in 1,000 tonnes		Slaugthered salmon GWT)	Wild Catch	Sales volume FM/oil/FPC	Sales volume Frozen/Fresh
		FY 2023	FY 2023	FY 2023	FY 2023
Lerøy Seafood Group ASA		159,6	75,9		
Austral Group S.A.A.			184,1	38,0	22,5
FoodCorp Chile S.A.			119,5	14,8	47,7
Br Birkeland Farming AS		7,4			
Br Birkeland AS			36,8		
Total Group		**167,0**	**416,4**	**52,8**	**70,2**
Pelagia Group *	50%		1 380,2	168,1	132,4
Norskott Havbruk AS	50%	12,4			
Total Group incl. JV		**179,5**	**1 796,5**	**220,9**	**202,6**

* Pelagia, includes 100% of raw material intake,and of the 50% sales volumes

NOTE 5 Associates

All figures in MNOK	Share of net profit	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Norskott Havbruk AS* a)	50.0%	61	-78	94	-95	-168
Pelagia Holding AS b)	50.0%	60	64	73	140	388
Others		21	34	36	41	65
Income from JV and associates		**142**	**20**	**203**	**86**	**285**
Fair value adj. related to biological assets		-10	-6	-14	2	-6
Income from JV and associates before fair value adj.		**131**	**14**	**189**	**88**	**279**
Investment in JV and associates:						
Norskott Havbruk				1 241	1 232	1 107
Pelagia Holding AS				1 880	1 770	1 980
Others				463	472	485
Total investment				**3 585**	**3 474**	**3 572**
Dividend received from JV and associates						
Norskott Havbruk		-	-			
Pelagia Holding AS		200	225	200	225	225
Others		-	3	-	3	3
Total dividend received		**200**	**228**	**200**	**228**	**228**

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 30.06.2024

Investor	Number of shares	% of top 20	% of total
LACO AS	112 605 876	74.29	55.55
STATE STREET BANK AND TRUST COMP	4 318 372	2.85	2.13
PARETO AKSJE NORGE VERDIPAPIRFOND	3 984 705	2.63	1.97
J.P. MORGAN SE	3 629 178	2.39	1.79
OM HOLDING AS	3 010 636	1.99	1.49
FOLKETRYGDFONDET	2 950 377	1.95	1.46
SIX SIS AG	2 066 583	1.36	1.02
STATE STREET BANK AND TRUST COMP	2 014 198	1.33	0.99
THE BANK OF NEW YORK MELLON SA/NV	1 907 364	1.26	0.94
JPMORGAN CHASE BANK, N.A., LONDON	1 873 220	1.24	0.92
VERDIPAPIRFONDET FONDSFINANS NORGE	1 686 118	1.11	0.83
PRIMA ESTATE AS	1 500 000	0.99	0.74
VERDIPAPIRFONDET STOREBRAND NORGE	1 418 542	0.94	0.70
J.P. MORGAN SE	1 382 707	0.91	0.68
STATE STREET BANK AND TRUST COMP	1 363 986	0.90	0.67
DANSKE INVEST NORSKE INSTIT. II.	1 272 763	0.84	0.63
STATE STREET BANK AND TRUST COMP	1 247 573	0.82	0.62
VPF SPAREBANK 1 UTBYTTE	1 175 000	0.78	0.58
VPF FONDSFINANS UTBYTTE	1 100 000	0.73	0.54
SKANDINAVISKA ENSKILDA BANKEN AB	1 073 717	0.71	0.53
Total number owned by top 20	**151 580 915**	**100.00**	**74.77**
Total number of shares	**202 717 374**		

NOTE 7 Alternative performance measures

Austevoll Seafood Group's financial statements are prepared 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 calculated consistently and presented in addition to other performance measures, in line with the Guidelines for Alternative Performance Measures from the European Securities and Markets Authority (ESMA).

Adjusted EBITDA and adjusted EBIT, previously operating EBITDA and operating EBIT

Adjusted EBITDA and adjusted EBIT are two alternative performance measures used by the Group that are commonly used within aquaculture. In order to provide the information required by management, investors and analysts regarding performance and industry comparability, the Group has now implemented the two specified alternative performance measures. These replace the previous alternative performance measures operating profit/loss before fair value adjustments related to biological assets and operating profit/ loss before depreciation and fair value adjustments related to biological assets.

Adjusted EBITDA and adjusted EBIT exclude certain items. The most significant of these items is fair value adjustment related to biological assets. This is excluded because it has nothing to do with the Group's operating performance. The change in fair value derives from changes in forward prices for salmon, published by Fish Pool. Another item excluded is provision for onerous contracts. This item is indirectly related to biological assets, as the loss is calculated based on the increased value of fish in the sea as a result of fair value adjustment. Production fees based on the harvest volume of salmon and trout, which were introduced in 2021, are also excluded. This is because production fees are tax-related. Production fees were introduced as an alternative to resource rent tax. Also excluded are one-off events not expected to happen again, such as settlement costs. These types of costs are not considered relevant to the current operating activity and hence not relevant to persons wanting to analyse operating profit in the period. Finally, unrealised internal gains associated with inventories are also excluded. Feedback from investors and analysts suggests that this accrual item has interfered with evaluation of operating profit for the period. Since this item is insignificant to profit for the period, it has been excluded from the two alternative performance measures.

The Group has investments in joint ventures and associates that are significant enterprises in their segments and represent substantial values for Austevoll Seafood ASA. Revenue from joint ventures and associates is therefore shown on a separate line and forms part of adjusted EBIT including revenue from associates.

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 (assets) and lease liabilities other than lease commitments to credit institutions (liabilities) 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:

(All figures in MNOK)	30.06.2024	30.06.2023	31.12.2023
Loans from credit institutions *			
+ Lease liabilities to credit institutions *	1 126	1 207	1 195
+ Other long term loans *	10 178	9 826	9 533
+ Overdrafts/other short term loans	1 735	1 249	1 462
- Cash and cash equivalents	6 968	5 352	5 475
= Net interest bearing debt (NIBD)	**6 071**	**6 930**	**6 715**

* Both long-term and short-term portion

NOTE 8 Right-of-use assets

The Group implemented IFRS 16 Leases on 1 January 2019. This standard requires practically all leases to be capitalised, as there is no longer a distinction, for the lessee, between operating and finance leases. 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 is to 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 expenses.

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 cash flow statement, 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 (All figures in MNOK)	**Land**	**Buildings**	**Plant, equipment and other fixtures**	**Vessels**	**Total**
Carrying value 01.01.	**31**	**510**	**1 345**	**1 157**	**3 043**
Foreign currency translation differences	0	0	1	0	1
Right-of-use assets acquired	0	19	132	118	270
Disposal	0	0	-3	0	-3
Depreciation	-3	-31	-182	-124	-339
Business combinations	0	0	0	0	0
Reclassification	0	0	0	-45	-45
Carrying value 30.06.2024	**29**	**499**	**1 294**	**1 106**	**2 927**

NOTE 9 Tax expense, including new resource rent tax on aquaculture (in the sea) from 1 January 2023

On 31 May 2023, the Storting voted to introduce a resource rent tax of 25% on aquaculture. The tax is levied on profit after tax from commercial sea-based salmon farming, and is an additional tax on aquaculture.

The resource rent tax comes on top of ordinary corporation tax of 22%, giving a total tax rate of 47% on aquaculture. The new tax was implemented with retroactive effect from 1 January 2023.

TOTAL TAX EXPENSES IN COMPREHENSIVE INCOME	Q2 2024	Q2 2023	H1 2024	H1 2023	2023
Regular corporate tax	-308	-193	-596	-537	-590
Resource rent tax incl. implementation effect (payable and deferred tax)	-165	-1 803	-223	-1 803	-1 912
Income tax expenses in comprehensive income	**-473**	**-1 996**	**-819**	**-2 340**	**-2 501**

From 1 January 2024, the production fee is NOK 0.935 per kilo of Norwegian farmed salmon and can no longer be deducted when calculating ordinary Norwegian corporation tax.

However, the production fee paid can be deducted from the resource rent tax payable.

Austevoll Seafood ASA

Alfabygget
5392 Storebø
NORWAY

www.auss.no