

Strong foundations for the future

In 2019, we recorded the highest revenue in the history of the Group. We have for the first time broken through the NOK 20 billion ceiling, with a total revenue of NOK 20.5 billion.



Henning Kolbjørn Beltestad
CEO, Lerøy Seafood Group

Our company can continue its impressive rate of development sustained over the past 25 years. We are not satisfied to report that the profit figure before tax fell from NOK 3.7 billion in 2018 to NOK 2.7 billion in 2019, but do acknowledge that the major, comprehensive investments made throughout the value chain over a long period of time are now starting to produce results. We are also very much aware of the hard work and efforts of all our employees, every single day. This gives us grounds for an optimistic outlook. 2019 is in the past now, and we must focus on the exciting times that lie ahead of us, and where we can make changes.

Our fisheries operations were positive in 2019, with good catches and increasing prices for most species. High raw material prices, however, represented challenges for our onshore facilities. For Farming, 2019 came with a number of unforeseen incidents in all three regions, and these had a negative impact on development in terms of both volume and costs. For VAP, Sales & Distribution, we can report in total a very positive development and our best year to date. Nonetheless, this segment still has a lot of potential that is not exploited.

Over the past 20 years, Lerøy has invested in and developed a fantastic, fully-integrated value chain for seafood. Few companies worldwide can boast such strong foundations. We now have to shift our focus from major, strategic investments to exploiting the full potential of what we have created. The question is, how?

Our Group is now a global operation with more than 60 companies, 4,600 employees and a high number of different nationalities covering the entire value chain. Our goal is to create "The world's most efficient and sustainable value chain for seafood". To achieve this, we are absolutely reliant on developing a unique integration throughout every single part of the value chain, by focusing on "ONE LERØY".

As a fully-integrated company, we gain unparalleled opportunities to drive the development of our value chain and product categories, in collaboration with key end customers worldwide. The future development of our company will be determined by our ability to achieve continuous improvements,

increased efficiency, innovation and development of sustainable solutions throughout the value chain. We have to work hard to sustain the positive developments achieved over the past – always keeping our customers at the front of our minds, and relying on our values as strong foundations. "Open, honest, responsible and creative" are our values, and they underpin everything we do at Lerøy.

As a Group, we have a strong desire to improve. We can look back on several great years with impressive results, but we are constantly striving to do better. In 2017, we started the process of developing a continuous improvement programme specially designed for our Group – LERØY WAY. This was implemented after we had reported record-high results. Lerøy Way comprises the principles by which we can improve together as a company – One Lerøy.

Lerøy Way is derived from our own experiences and lessons learned, combined with tried and tested improvement methods from other major international companies, which have completed similar systematic improvement programmes in order to understand, control and improve their processes and increase value for the customer. It is important, however, to ensure that Lerøy Way is our programme, designed to solve our challenges. Lerøy Way is based on the most established techniques, but adapted to our requirements. It is a comprehensive and long-term process that will receive high priority as we work to generate an even stronger winner culture in Lerøy, moving forwards.

I am extremely proud of my colleagues – Lerøy's employees – who are the most important resource for the Group. Every single day, all year round, they supply seafood amounting to five million meals in more than 80 countries. Our talented employees have competencies in a large number of disciplines covering the entire value chain. We are and shall continue to focus on guaranteeing proper training and competencies in every part of the Group, aiming to provide for our customers' future requirements.

Thank you again for all your hard work in 2019. The future is bright!

Henning Beltestad

**Together, we will create
"The world's most efficient and sustainable
value chain for seafood"!**

Henry Sæviak