



Austevoll Seafood ASA

Financial report Q4 2021 and preliminary figures for 2021



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Austevoll Seafood ASA

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FINANCIAL REPORT Q4 2021 AND PRELIMINARY FIGURES FOR 2021

- Positive development in the Group's revenue
- Strong earnings growth
- Good demand for seafood
 - » Record level of activity within redfish
- Seasonally high level of activity within pelagic segment in Peru and the North Atlantic
 - » The second fishing season in Peru started on 15 November. The total quota was 2.0 million tonnes. The season closed in January 2022, by when 99% of the total quota for Peru had been caught
- The Board of Directors will propose to the annual general meeting a dividend payment of NOK 4.5 per share for 2021, compared with NOK 3.5 per share for financial year 2020.

KEY FIGURES FOR Q4 2021



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

EBITDA before fair value adjustment related to biological assets

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

FINANCIAL REVIEW

PROFIT/LOSS Q4 2021

Group operating revenue in Q4 2021 totalled NOK 7,028 million, compared with NOK 5,746 million in Q4 2020.

Group EBITDA in Q4 2021 totalled NOK 1,307 million compared with NOK 859 million in Q4 2020.

The strong earnings growth is a result of a good level of activity in the quarter, strong demand for seafood and better prices realised for the Group's products compared with Q4 2020.

EBIT before fair value adjustment related to biological assets was NOK 903 million in Q4 2021, compared with NOK 464 million in Q4 2020.

Fair value adjustment related to biological assets in Q4 2021 was positive and totalled NOK 246 million. The corresponding figure in Q4 2020 was negative at NOK -704 million.

EBIT after fair value adjustment related to biological assets in Q4 2021 was NOK 1,149 million, compared with a negative figure of NOK -240 million in Q4 2020.

The largest associates are Norskott Havbruk AS and Pelagia Holding AS. Income from associates in Q4 2021 totalled NOK 85 million (Q4 2020: NOK 140 million). The weaker earnings in the quarter were impacted in particular by weak biological performance in Norskott Havbruk's subsidiary Scottish Sea Farms Ltd, as well as transaction costs related to Scottish Sea Farms Ltd's acquisition of Grieg Seafood Hjaltdland UK. The Group's associates have generated good results over time, are significant enterprises in their segments and represent substantial values for Austevoll Seafood ASA. Please refer to note 5 for more detailed information on associates.

The Group's net interest expense in Q4 2021 totalled NOK 71 million (Q4 2020: NOK 67 million). Net other financial expenses in the quarter totalled NOK 10 million (Q4 2020: income of NOK 7 million).

Profit before tax and fair value adjustment related to biological assets for Q4 2021 amounted to NOK 905 million, compared with NOK 552 million in Q4 2020.

The Group reported profit before tax in the quarter of NOK 1,154 million (Q4 2020: loss of NOK 160 million). Profit after tax was NOK 909 million (Q4 2020: loss of NOK 108 million).

OPERATIONAL REVIEW OF SEGMENTS FOR Q4 2021

The Group's activities are classified according to the following operating segments: Lerøy Seafood Group ASA (Europe), Austral Group S.A.A (Peru), Foodcorp Chile S.A (Chile), Br. Birkeland AS (Norway), Br. Birkeland Farming AS (Norway) and the joint venture Pelagia Holding AS (Europe).

Lerøy Seafood Group ASA (LSG)

LSG's operations comprise farming, wild catches (Lerøy Havfisk and LNWS), VAP and Sales & Distribution. LSG's farming operations comprise three farming regions in Norway: Lerøy Aurora in Troms and Finnmark, Lerøy Midt in Nordmøre/Trøndelag, and Lerøy Sjøtroll in Vestland.

In Q4 2021, LSG reported revenue of NOK 6,529 million (Q4 2020: NOK 5,171 million) and EBITDA before fair value adjustment related to biological assets of NOK 1,224 million (Q4 2020: NOK 750 million).

Strong demand for seafood, better prices realised for the Group's main products and an improvement in underlying operations were important factors driving the significant earnings improvement in all segments compared with the same period in 2020.

LSG's harvest volume for salmon and trout, gutted weight, was 51,332 tonnes in Q4 2021. This is an increase from Q4 2020, when the harvest volume was 48,349 tonnes.

The demand for Norwegian salmon and trout has been significantly impacted by restrictions relating to COVID-19. As with previous demand shocks, the market for salmon and trout has shown considerable flexibility. Large volumes have found their way to consumers, with grocery stores/retail having taken larger shares at the expense of the HoReCa sector. With the gradual reduction of COVID-related restrictions, demand in the second half of 2021 again reached historic highs in terms of both value and volume. Price development was extremely positive through the fourth quarter, and this positive trend has continued into 2022, with demand and prices both significantly higher than at this point in 2021.

The average price for salmon in Q4 2021, measured according to NSI (sales price FCA Oslo), was NOK 59.7/kg, compared with NOK 54.7/kg in Q3 2021 and NOK 43.4/kg in Q4 2020. This represents a price increase of NOK 5.0/kg compared with Q3 2021 and NOK 16.0/kg compared with Q4 2020. The volume of salmon exported from Norway was 11% higher in Q4

2021 than in Q4 2020, which is evidence of a strong market.

Norwegian trout exports increased in volume by around 20% in 2020. This strong volume growth, combined with the COVID-19 restrictions, had a very negative impact on prices throughout 2020. The growth in volume has flattened out throughout 2021. This led to much better equilibrium in the trout market, and prices realised in Q4 2021 were significantly up on the same period in 2020.

For Lerøy Sjøtroll, 42% of the harvest volume in Q4 2021 was trout. Measures implemented and substantial investments made in recent years have had a positive effect, as is apparent from the significantly higher share of superior trout being produced. The Group's prices realised for trout in Q4 2021 were almost the same as for salmon.

The contract share for salmon in Q4 2021 was 29%.

The Group's release from stock costs in Q4 2021, including the new production fee of NOK 0.4/kg, were lower than in Q3 2021 but higher than in Q4 2020.

As expected, the Group's release from stock costs were lower in the second half of 2021 than in the first half. The reduction was less than originally expected because of slightly lower production in the sea and higher prices for most input factors. This was seen most clearly in the case of feed, which alone increased release from stock costs by around NOK 1.0/kg in Q4 2021 compared with Q4 2020.

The Group has a clear ambition to continue improving its operational efficiency and is therefore confident of improving its competitiveness through 2022 and beyond. Nevertheless, the expectation of higher prices for key input factors will have a negative impact on the cost profile and, despite operational efficiency improvements, release from stock costs could still be higher overall in 2022 than in 2021.

As expected, Lerøy Aurora experienced a significant reduction in release from stock costs in Q4 2021 compared with the first three quarters, but they were still higher than in the same period of 2020. Once again in 2021, Lerøy Aurora faced significant challenges relating to winter ulcers. A number of measures have been introduced, some of which will not be fully effective until 2023. At present, the number of quality downgrades is expected to be lower in 2022 than in 2021, but some fish cohorts will be harvested at sub-optimal average weights in the first half of 2022. This will mean better prices

realised for the current year and, other things equal, lower costs per kilo of harvested fish in Lerøy Aurora. Volumes in the first half of 2022 will be low, meaning higher release from stock costs in the first half of 2022 than the second. Lerøy Aurora estimates a harvest volume in the region of 40,000 GWT in 2022.

As expected, release from stock costs in Lerøy Midt in Q4 2021 were down significantly on Q3 2021. A number of locations due for harvest in the first quarter have performed extremely well. Given the expected price increase for input factors, release from stock costs for the year as a whole are expected to be higher in 2022 than 2021. The company estimates a harvest volume in the region of 71,000 GWT in 2022.

As previously communicated, the growth in Lerøy Sjøtroll from mid-Q3 2021 was slightly lower than expected, which meant the cost reduction was also slightly lower than expected. Release from stock costs in the fourth quarter were roughly in line with the third quarter. The measures implemented and the investments made in Lerøy Sjøtroll are gradually starting to deliver positive effects. Taking this as a starting point, release from stock costs in 2022 are expected to be on par with 2021. Lerøy Sjøtroll estimates a harvest volume in the region of 74,000 GWT in 2022.

The wholly owned subsidiary Lerøy Havfisk's primary business is wild catches of whitefish. Lerøy Havfisk has licence rights to harvest just above 10% of the total Norwegian cod quotas in the zone north of 62 degrees latitude, corresponding to approximately 30% of the total quota allocated to the trawler fleet. Lerøy Havfisk also owns several processing plants, which are mainly leased out to its sister company Lerøy Norway Seafoods (LNWS) on long-term contracts. Lerøy Havfisk's trawler licences stipulate an operational obligation for these processing plants.

Lerøy Havfisk had 10 trawlers in operation in Q4 2021. The catch volume in Q4 2021 was 17,119 tonnes compared with 12,619 tonnes in Q4 2020. The increased catch for the quarter was partly driven by higher quotas for 2021 than 2020 but also by the fact that the company had planned a different catch pattern through the year.

In 2021, the authorities made it possible to transfer up to 15% of the cod quota to 2022, measured by vessel. The prices for haddock and saithe continue to show good development, increasing significantly in the fourth quarter. The company prioritised catches of these species in the quarter. Approximately 5% of Lerøy Havfisk's cod quota – around 1,350 tonnes – was

therefore transferred to 2022. The coastal fleet also transferred quota from 2021 to 2022, making it likely that the decrease in the volumes of cod caught in Norway in 2022 will be smaller than the reduction in the quota.

The price level, and variations therein, in 2020 and 2021 were impacted by restrictions linked to the COVID-19 pandemic. Prices for cod were slightly lower in 2021 than in 2020, improved significantly in Q4 2021. Prices for cod were up around 16% on Q4 2020, while prices for haddock and saithe increased by 22% and 32% respectively. Higher catch volumes and higher prices realised for the main species are the main drivers for the higher catch value in Q4 2021 compared with Q4 2020. At the same time, profitability is being negatively affected by higher costs, particularly bunker costs. The higher bunker costs are linked to more working days in Q4 2021 than in Q4 2020 and higher bunker prices. Bunker prices were 34% higher in Q4 2021 than in Q4 2020. In total, bunker costs increased by NOK 28 million compared with the same quarter of 2020.

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

Processing whitefish in Norway has been extremely challenging for several years. Earnings came under severe pressure in the fourth quarter from the rising raw material prices for cod and other whitefish. Nevertheless, earnings in Q4 2021 were up on Q4 2020, and earnings for full-year 2021 were substantially higher than for 2020. This can be explained by operational improvements and significantly better access to raw materials than in 2020.

The Group will continue to devote substantial resources to its long-term efforts to improve the competitiveness of the whitefish industry but, other things equal, the price level at the start of 2022 makes conditions more challenging for the onshore industry. Over time, the Group has implemented organisational changes and made significant investments in facilities, which we believe will deliver sustainable earnings for the onshore industry.

In total, Lerøy Havfisk and LNWS reported EBIT of NOK 73 million in Q4 2021, compared with NOK -10 million in the same period of 2020.

Investigation by the competition authorities in the EU and USA
On 20 February 2019, the EU's competition authorities ("the Commission") initiated investigations relating to suspected

restrictive practices involving collaboration on the salmon market. The US Department of Justice (DOJ) started an investigation into the Norwegian salmon industry in November 2019. Lerøy Seafood Group ASA is one of the companies involved in these matters. In the wake of the European Commission's ongoing investigations, several Norwegian-owned aquaculture companies, including Lerøy Seafood Group, are being sued by customers in the USA and Canada. Please refer to the Group's annual report 2020 for more information.

For further information, please refer to LSG's report and presentation for Q4 2021.

Austral Group S.A.A (Peru)

Austral Group S.A.A. (Austral) is involved in fishing, production of fishmeal and fish oil and consumer products. Austral holds 6.98% of the total quota for anchoveta in Central/North Peru, and just under 4% of the quota in South Peru. In addition, the company has fishing rights for horse mackerel and mackerel. Anchoveta is used to produce fishmeal and oil, while horse mackerel/mackerel is fished for consumer products. The main fishing seasons for anchoveta in Central/North Peru are from April to July and November to January. Fishmeal and fish oil are produced in four factories, located in Coishco, Chancay, Pisco and Ilo. The company also produces consumer products in facilities that share premises with the fishmeal and fish oil factories in Coishco and Pisco.

The second fishing season in Peru started on 15 November, with a total quota of 2.05 million tonnes. The equivalent season in 2020 started on 12 November, with a total quota of 2.78 million tonnes.

Austral has had a good level of activity in the quarter and completed the season efficiently, despite challenging conditions because of COVID-19. The company's share of the total quota for the season was 143,000 tonnes. By the end of December 2021, Austral had caught 100% of its allocated quota for the season. In the corresponding season in 2020, the company reported catches of 166,600 tonnes, of which 125,200 tonnes were caught in Q4 2020 and the remaining 41,400 tonnes in January 2021.

The company's purchases of anchoveta from third parties in both the central/north zone and the fisheries zone in the south totalled 69,900 tonnes. In Q4 2020, 40,400 tonnes of anchoveta was purchased from third parties.

Operating revenue in Q4 2021 totalled NOK 270 million (Q4 2020: NOK 259 million) and EBITDA was NOK 101 million (Q4 2020: NOK 115 million).

Sales volumes for fishmeal and fish oil in the fourth quarter totalled 15,800 tonnes, up from 11,100 tonnes in the same quarter of 2020. The company's prices realised for fishmeal and fish oil in Q4 2021 were up 12% and 5% respectively on Q4 2020. Fishmeal represented 99% of total sales volume in the fourth quarter of the year, whereas the corresponding figure in Q4 2020 was 58%.

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

The rate of COVID-19 infections has been decreasing since May 2021. National restrictions remain in place in the wake of the COVID-19 outbreak. In common with other parts of the world, Peru experienced a new wave of infections at the end of 2021. The company is maintaining its comprehensive safety routines, which include compliance with regulations laid down by the authorities, testing routines and implementation/facilitation of quarantine. The COVID-19 outbreak has caused and continues to cause increased uncertainty, increased costs relating to input factors and compliance with statutory regulations, and significantly lower predictability than normal.

Foodcorp Chile S.A (Chile)

Foodcorp Chile S.A. (FC) is involved in fisheries, production of consumer products and production of fishmeal and fish oil. FC's quota therefore now corresponds to 8.6% of the horse mackerel quota established for the fleet to which FC's vessels belong. FC also has a quota for sardine/anchoveta.

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

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

As normal, the company completed its main season in the first half of 2021. The level of activity was therefore low in the second half of 2021. In the fourth quarter, the company caught its remaining quota of 4,000 tonnes of horse mackerel (Q4 2020: 100 tonnes). The company also carried out annual maintenance work on vessels and factories during the quarter.

The company's own quota (including leased quota) for horse mackerel was just under 40,000 tonnes in 2021 (2020: 34,600

tonnes). The company purchased an additional catch volume of 31,800 tonnes of horse mackerel (2020: 28,500 tonnes) from third parties, which was caught by FC's own vessels. The total quota, including catch volume purchased from third parties, therefore amounted to 71,800 tonnes in 2021, up from approx. 63,100 tonnes in 2020. The increase in Chile's catch volume is a reflection of fisheries administration in recent years, which has resulted in a positive development in the marine biomass. This positive development in marine resources means the quota for 2022 has been increased by 15% compared with the quota for 2021.

In Q4 2021, operating revenue was NOK 75 million (Q4 2020: NOK 69 million) and EBITDA was NOK -35 million (Q4 2020: NOK -41 million).

Sales of frozen products totalled 3,300 tonnes in Q4 2021, up from 533 tonnes in the same quarter of 2020. Demand for frozen products was good, and the company's prices realised in the quarter were significantly higher than in Q4 2020.

The authorities in Chile, as in Peru, still have national restrictions to combat the COVID-19 pandemic. Chile also experienced a new wave of infections at the end of 2021. The company is maintaining its comprehensive safety routines, including compliance with regulations laid down by the authorities, testing routines and implementation/facilitation of quarantine. The COVID-19 outbreak has caused and continues to cause increased uncertainty, increased costs relating to input factors and compliance with statutory regulations, and significantly lower predictability than normal.

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

The BRBI segment reported operating revenue of NOK 61 million in Q4 2021 (Q4 2020: NOK 126 million). EBITDA amounted to NOK 9 million (Q4 2020: NOK 69 million).

The fall in revenue and earnings is mainly explained by the mackerel catch being brought forward. The mackerel season for the Norwegian fishing fleet started earlier in 2021 than in 2020. BRBI's two pelagic vessels caught the main share of their mackerel quota for the year in Q3 2021. In 2020, the mackerel quota was mainly caught in the fourth quarter. Mackerel is the species with the highest prices of all the quotas allocated to the vessels. In Q4 2021, the vessels caught their remaining quotas of herring.

The company's snow crab vessel completed fisheries for the year on 1 July 2021, by when they had caught the total volume of their snow crab quota for 2021. The vessel underwent comprehensive repairs and maintenance during the second half of the year.

In September 2021, BRBI purchased a second-hand fishing vessel to replace the “Northguider”, which sank off the coast of Spitzbergen in December 2018. The vessel has been undergoing conversion/installation of factory, which was completed at the end of January 2022. The vessel is expected to start up snow crab fishing in mid-February.

The BFARM segment reported operating revenue of NOK 97 million in Q4 2021 (Q4 2020: NOK 110 million). EBITDA before fair value adjustment related to biological assets in Q4 2021 was NOK 9 million (Q4 2020: NOK -33 million).

The company's harvest volume was 1,774 tonnes in Q4 2021, down from 2,568 tonnes in Q4 2020. The company sells all its salmon to independent exporters on the spot market, and 54% of the volume in the quarter was harvested in October, when spot prices were low compared with those in the middle of the quarter and later. The company struggles with persistently high production costs.

JOINT VENTURES

Pelagia Holding AS (Pelagia)

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

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

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

Pelagia increased its 50% shareholding to become the 100% owner of Hordafor AS on 1 July 2021. In the financial statements, Hordafor AS is reported as a subsidiary from and including the date of the transaction. The comparative figures for the third and fourth quarters in 2020 have not been restated.

As mentioned in the previous report, the earlier start-up of the mackerel season for the Norwegian fishing fleet in 2021, compared with previous years, naturally resulted in a lower volume of raw materials for production of fish for consumers in Q4 2021 than in Q4 2020. Receipt of raw materials for the production of fishmeal, FPC and oil in Q4 2021 was just under 10,000 tonnes lower than in Q4 2020.

Revenue for Pelagia in the quarter was NOK 2,882 million

(Q4 2020: NOK 3,136 million) and EBITDA was NOK 350 million (Q4 2020: NOK 271 million).

The sales volume for frozen products in the quarter was 109,600 tonnes, down from 123,200 tonnes in the same quarter in 2020. The fall in sales volume reflects the early start-up of the mackerel season as well as the good sales volumes already achieved for frozen mackerel in the third quarter. Sales of fishmeal/FPC and fish oil in the quarter totalled 35,600 tonnes, down from 55,600 tonnes in Q4 2020.

The volume of raw materials received for consumer products in the quarter was 162,000 tonnes, compared with 200,000 tonnes in Q4 2020. Total receipt of raw materials in Pelagia for fishmeal/FPC and fish oil production was approx. 193,000 tonnes in Q4 2021, compared with approx. 202,000 tonnes in Q4 2020.

CASH FLOW FOR Q4 2021

Cash flow from operating activities for Q4 2021 was strong at NOK 844 million (Q4 2020: NOK 706 million). Cash flow from investing activities in Q4 2021 was NOK -694 million, compared with NOK -308 million in Q4 2020. As well as investments in fixed assets, the Group's liquidity was affected by LSG's share of the capital increase in the associate Norskott Havbruk AS. This capital increase was implemented in connection with the acquisition in December of Grieg Seafood Hjaltland UK by Norskott Havbruk AS' subsidiary Scottish Sea Farms. The Group's share of the capital increase amounted to NOK 305.5 million. Cash flow from financing activities for Q4 2021 was NOK -271 million (Q4 2020: NOK -93 million).

The Group's cash and cash equivalents are significant and totalled NOK 5,251 million at the end of Q4 2021, compared with NOK 4,463 million at the end of Q4 2020.

FINANCIAL INFORMATION 2021

The Group reported operating revenue of NOK 26,633 million in 2021 (2020: NOK 22,447 million). EBITDA before fair value adjustment related to biological assets in 2021 was NOK 4,810 million (2020: NOK 3,675 million).

EBIT before fair value adjustment related to biological assets in 2021 was NOK 3,218 million (2020: NOK 2,159 million). The fair value adjustment related to biological assets for the year was positive at NOK 1,114 million in 2021. The corresponding value adjustment related to biological assets in 2020 was negative at NOK -954 million.

EBIT after fair value adjustment related to biological assets in 2021 was NOK 4,332 million (2020: NOK 1,205 million).

Income from associates in 2021 totalled NOK 393 million (2020: NOK 250 million). Profit from associates in 2021 includes a one-off gain of NOK 70 million as a result of a so-called step acquisition.

The Group's net interest expense in 2021 totalled NOK 284 million (2020: NOK 295 million).

Profit before tax and fair value adjustment related to biological assets for 2021 was NOK 3,255 million, compared with NOK 2,037 million in 2020.

Profit after tax in 2021 totalled NOK 3,436 million (2020: NOK 823 million).

CASH FLOWS FOR 2021

Cash flow from operating activities in 2021 was strong at NOK 4,557 million (2020: NOK 2,944 million). Tax payable in 2021 totalled NOK 447 million compared with NOK 494 million in 2020. Cash flow from investing activities in 2021 was NOK -1,650 million (2020: NOK -1,403 million). The largest individual investment was the post-smolt facility at Lerøy Midt, alongside LSG's acquisitions in Denmark and the UK through Norskott Havbruk AS, as detailed above. Cash flow from financing activities in 2021 was NOK -2,128 million (2020: NOK -1,326 million). Of this, a figure of NOK 1,335 million was dividends from the Group, whereas the corresponding figure in 2020 was NOK 983 million. The subsidiary, Lerøy Seafood Group ASA, issued three new senior unsecured green bonds of NOK 500 million in the autumn of 2021, totalling NOK 1,500 million. These bonds fall due five, six and ten years after issuance respectively.

Net change in cash for the Group in 2021 was NOK 779 million (2020: NOK 215 million).

The Group's cash and cash equivalents at the end of 2021 totalled NOK 5,251 million, compared with NOK 4,463 million at the end of 2020.

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

The Group's statement of financial position at 31 December 2021 showed a total of NOK 43,781 million, compared with NOK 39,741 million at 31 December 2020. Some Group

companies have a functional currency other than the Norwegian krone. Changes in foreign exchange rates will therefore result in periodic changes in the amounts in the Group's statement of financial position, due to translation to Norwegian krone.

The Group is financially sound with book equity at 31 December 2021 of NOK 25,187 million, equivalent to an equity ratio of 58%. At 31 December 2020, book equity for the Group was NOK 22,991 million, also representing an equity ratio of 58%.

At 31 December 2021, the Group had net interest-bearing debt excluding right-of-use liabilities other than to credit institutions totalling NOK 4,019 million, compared with NOK 4,651 million at 31 December 2020. The Group's net interest-bearing debt including right-of-use liabilities other than to credit institutions was NOK 5,663 million at 31 December 2021, compared with NOK 5,942 million at 31 December 2020.

The Group and parent company's financial position is very strong. The Board of Directors considers it important that the Group, through its operations, retains the confidence of participants in the various capital markets. The Group has and shall continue to have significant financial flexibility to allow it to finance further organic growth, carry out strategic acquisitions and sustain the company's dividend policy.

At 31 December 2021, the parent company Austevoll Seafood ASA had cash and cash equivalents of NOK 435 million and net interest-bearing debt of NOK 136 million. The parent company has a long-term NOK 600 million credit facility, of which NOK 590 million remained unutilised at 31 December 2021.

OTHER ISSUES

Risks and uncertainties

The Group's risk exposure is described in the Annual Report 2020. The Group's activities are essentially global and will always be impacted to varying degrees by developments in the global economy. In light of the turmoil in the global economy in recent years, including trade barriers and geopolitical risk, the general consensus is that macroeconomic uncertainty is still greater than what was previously considered normal. The Group's risk profile covers pandemics, of which the COVID-19 outbreak is an example. As a result of the outbreak, national and global authorities introduced extensive restrictions in an attempt to prevent uncontrolled spread of the infection. COVID-19 is having an impact on global value chains in that the necessary measures taken by public authorities, illness and

fear are, at a global level, significantly affecting how we live our lives. As a part of the global seafood industry, the Group has also been severely affected. This has manifested in the form of changes in the pattern of demand for the Group's products, access to workforce both in the Group and externally, other input factors and increased credit risk.

As the national vaccination programme was rolled out, COVID-19 restrictions were partly lifted in the early autumn of 2021. However, a new wave of infections at the end of 2021 resulted in the reintroduction of restrictions to curb the pandemic. The Group's results will continue to be affected by developments in the relationship between supply and demand in the future.

Although the uncertainty may have a negative impact on the real economy in most markets, it is our opinion that AUSS's core business is founded on long-term sustainable assets within interesting segments of the global seafood industry.

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

At 31 December 2021, the Group had live fish on its statement of financial position worth NOK 6.2 billion. Biological risk has been and will remain a substantial risk factor in the Group's operations. Assessing and managing biological risk must therefore be a part of the Group's core expertise.

Changes in fishing patterns and quota adjustments mean fluctuations in catch volumes from quarter to quarter and year to year, and hence varying utilisation of the Group's production facilities. The seasonal fluctuations in catch volumes cause similar fluctuations in the Group's quarterly key figures.

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

The Group faces political risk linked to administration by the different authorities, including framework conditions for fish farming and licence terms related to fisheries legislation.

Industrial developments and employment in capital-intensive activities exposed to global competition, such as fish farming, fisheries and industry, are challenging and require a long-term perspective by businesses and politicians at a national level. The Group's strategy centres on a long-term perspective, irrespective of framework conditions, to ensure a globally competitive organisation, which can continue to safeguard industrial development in the numerous local communities where the Group has operations.

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

The majority of the Group's debt is at floating interest rates, but fixed-rate contracts have been entered into for approx. 24% of the Group's interest-bearing debt.

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

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

SHAREHOLDER INFORMATION

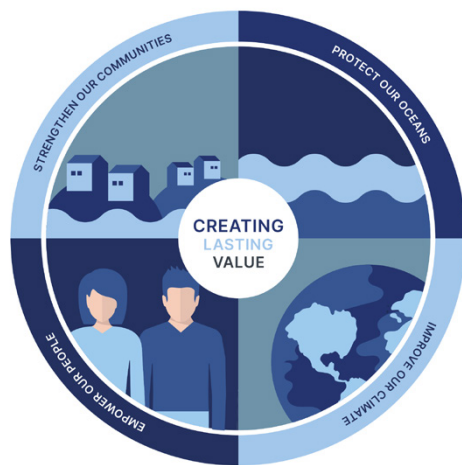
The company had 8,277 shareholders at the end of 2021. The number of shareholders at the start of Q4 2021 was 8,101.

The share price was NOK 103.70 at the start of Q4 2021 and NOK 106.40 at the end of the quarter.

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

The Board of Directors intends to recommend a dividend payment for 2021 of NOK 4.5 per share to the company's annual general meeting in May 2022. The dividend for financial year 2020 paid on 9 June 2021 was NOK 3.5 per share.

AUSTEVOLL SEAFOOD ASA'S FOCUS AREAS FOR SUSTAINABILITY



Since it was established in 1981, Austevoll Seafood ASA (AUSS) has remained loyal to its strategic foundations of “creating lasting values through healthy oceans and thriving communities”. The entire value chain in the Group’s portfolio companies has its “origins” in sustainable use of the sea, and the Group’s growth has been and shall continue to be sustainable both financially and in terms of the climate/environment. Sustainable growth places stringent requirements on the Group within finance, corporate governance, the climate and environment as well as social issues. Sustainability is essential for gaining access to capital, and is of decisive importance for the Group’s survival and continued development. We are therefore proud to confirm that the Group’s food production is globally competitive, according to the UN’s sustainability criteria. Social sustainability is important for 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 2020 on the website <https://ar2020.auss.no/>.

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

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

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

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

MARKET AND OUTLOOK

Production, sale and distribution of salmon, trout and whitefish

The Group’s production of red fish currently takes place mainly in Norway. Norwegian and global salmon and trout production are experiencing relatively modest growth, which – combined with a weaker Norwegian krone – has resulted in very high prices. This provides an incentive to start production of salmon in new areas and using new, alternative technologies. These incentives have been in place for a few years now but, for many reasons, Norwegian sea-based production has maintained its global dominance. The harvest volume from land-based production of salmon remains insignificant on the end markets. The market share for Norwegian Atlantic salmon may, in the long term, be affected by production of salmon and trout in new regions and locations. By means of business development, investments and a clear operational focus on competitiveness, the Group shall ensure that its value chain continues to stand strong in the face of competition in the years to come. As well as developing existing farming operations, the Group is accumulating knowledge and/or expertise within both land-based and offshore salmon production.

In recent years, Lerøy has made significant investments in several parts of the value chain, including the construction of facilities for smolt/post-smolt capacity in all the Group’s regions. At Lerøy Midt, the first smolt will be released into the new facility on schedule in Q1 2022. This facility represents the final stage of the extension of the plant. This will generate growth in Lerøy Midt’s harvest volumes from 2023. The investments were made to raise the quality of the company’s smolt, increase production by means of better licence utilisation and reduce costs. These investments in the Group’s smolt production were an important driver in the growth in the Group’s harvest volume in Norway from 158,000 tonnes in 2019 to 187,000 tonnes in 2021. At the same time, the new smolt facilities enable significant changes in our operations that we assess will help us realise improvements in the years ahead.

In common with the industry as a whole, the Group’s costs per kilo of salmon and trout produced have increased significantly

over the last 10 years. There are several reasons for this, but the global cost inflation the world is currently experiencing will not make things any easier. In these circumstances, operational efficiency is more important than ever, which is why it has top priority in the work under way within the Group's farming operations.

For its consolidated operations, LSG currently estimates a harvest volume of around 185,000 tonnes in 2022. The Group's share from associates is forecast to be 23,000 tonnes. This includes expected volume from Scottish Sea Farms Ltd's new acquisition, Grieg Seafood Hjaltdland UK. LSG's total harvest volume in 2022 is estimated to be in the region of 208,000 tonnes.

The Group has made significant investments in catching and processing whitefish recent years. One new vessel was added to the fleet in 2018 – Nordtind – and another in early 2020 – Kongsfjord. Further improvements to fish quality were priority design criteria for Kongsfjord. Consumers are making ever-increasing demands and expectations on quality. High quality and competitiveness are essential for success when competing for consumers' preferences. The Group's target of significantly reducing greenhouse gas emissions makes new demands of technology within the fleet. The Group is monitoring developments closely.

Developments in Whitefish in 2021 were positive. The development in demand gradually led to higher sales prices at the same time as we successfully implemented a number of operational improvements in the onshore industry. The prices for relevant whitefish species were significantly higher at the start of 2022 than a year ago. This is positive overall, but a challenging situation for the onshore industry. A substantial increase in raw material prices takes time to recoup in the market, so this factor will negatively impact earnings in the onshore industry for much of 2022. Efforts and investments to make the factories less seasonally dependent continue. Together with structured and meticulous improvement initiatives in each unit, this process is expected to generate results.

The quotas for cod and haddock will be slightly lower in 2022. Work to finalise statistics and transfers from 2021 means that quotas have not yet been set for individual vessels. A reduction in cod quotas of around 20% is expected for the trawler fleet compared with 2021. The reduction for haddock is around 23%, while no change is expected in the quota for saithe fished in the zone north of 62 degrees latitude. As well as the quota changes, Havfisk's catch volumes will be impacted by around 1,350 tonnes of the 2021 cod quota having been transferred to 2022. The fact that the coastal fleet, too, moved quota from 2021 to 2022 is also positive for the onshore industry.

LSG works to develop an efficient and sustainable value chain for seafood. This not only provides cost-efficient solutions, but also quality, availability, a high level of service, traceability and competitive climate-related and environmental solutions. Investments in recent years, e.g., in a new industrial facility for Lerøy Midt, a new factory in Stamsund and new factories in Spain, the Netherlands and Italy, close to being commissioned, will make a positive contribution in the years to come.

Norskott Havbruk's subsidiary Scottish Sea Farms (SSF) completed its notified acquisition of Grieg Seafood Hjaltdland UK in December 2021. The company operates in a region that SSF knows very well and, although it will take time, SSF is expected to realise significant synergies by integrating the two companies.

Fishmeal and fish oil

According to the IFFO*, fishmeal production from Regions Peru, Chile and the North Atlantic as of week 52 (week beginning 27 December 2021) was up 3.1% on the same period in 2020. The increase in production stems from Peru and Chile, at 15.3% and 6.5% respectively. There was a 26.9% reduction in production in the North Atlantic compared with the same period last year.

The quota for the second anchoveta season in Peru was 2.05 million tonnes, and the season started on 15 November. At the end of the season in mid-January 2022, 99% of the total quota had been caught. The main reason behind the lower production in the North Atlantic in 2021 compared with 2020 was the reduction in blue whiting and sand eel quotas from 2020 to 2021.

ICES' recommended quota for blue whiting in 2022 represents a reduction of 19% on the recommended quota for 2021. The quota for capelin off Iceland has been increased significantly in relation to 2021. The quota for 2022 is 904,000 tonnes, up from 127,000 tonnes in 2021.

**Source: IFFO, 52 week, 2021 (Regions Chile, Peru, Denmark/Norway, Iceland/North Atlantic)*

Consumer products (pelagic)

The Group's production of consumer products takes place in Europe and South America. In Europe, the fishing season for Norwegian spring-spawning herring is usually from January to April and the season for North Sea herring from May onwards. The main season for mackerel fishing is during the autumn and normally starts in September, not in early August as in 2021. Correspondingly, the remaining quotas for Norwegian spring-spawning herring are also caught during this period. The first half of the year is the season for horse mackerel in South America.

ICES' recommended quota for catches in the North Atlantic in 2022 implies reduced catches of mackerel and Norwegian spring-spawning herring compared with the recommended quota for 2021. The reduction for these two species is 7% and 8% respectively. However, ICES' recommended quota for North Sea herring in 2022 reflects a catch increase of 45% compared with the recommended quota for 2021. ICES has also recommended catches of up to 70,000 tonnes of capelin in the Barents Sea in 2022. For 2021, ICES recommended a ban on capelin fishing in the Barents Sea. The 2022 quota recommended by SPRFMO for horse mackerel catches in the South Pacific represents a continuation of the positive development in these fisheries seen in recent years, and the decision has been made to increase the quota by approx. 15% in comparison with the quota for 2021. The 2021 quota also increased by 15% relative to 2020.

The Group

The Group is financially sound, has shown positive development and is currently well positioned in several parts of the global seafood industry. The Group's products are healthy and delicious, and production is sustainable from a financial, climate and environmental perspective.

The Group's strategy going forward is to continue to grow and further develop within its current operating segments. The Group has and shall continue to have the financial flexibility

to support its strategy of further organic growth, carry out strategic acquisitions and sustain the company's dividend policy.

Over the years, the Board of Directors and management have focused on building a strong Group of companies, which includes ensuring that the Group has organisations well-prepared to solve challenges in difficult and changing conditions. The management and Group employees are doing what they can every day to ensure that the Group fulfils its underlying social responsibility by continuing to keep the value chain and food deliveries operational in challenging times.

The Board of Directors underlines that uncertainties related to assessments of future developments remain higher than normal. In the second half of 2021, demand for seafood returned to historically high levels, driven in particular by strong demand in the retail sector but also by the gradual positive development in the HoReCa sector as COVID-related restrictions were lifted. At the same time, the Group is experiencing rising prices for key input factors, which will impact cost developments in 2022. Nonetheless, the Board of Directors is confident that the Group is well positioned for the years ahead.

The Board of Directors would like to sincerely thank all the Group subsidiaries and their employees for their hard work in 2021.

Storebø, 16 February 2022

The Board of Directors of Austevoll Seafood ASA

Helge Singelstad
Chairman of the Board

Lill Maren Møgster
Board member

Hege Charlotte Bakken
Deputy Chairman of the Board

Eirik Drønen Melingen
Board member

Helge Møgster
Board member

Hege Solbakken
Board member

Siren M. Grønhaug
Board member

Arne Møgster
CEO

FINANCIAL REPORT Q4 2021

INCOME STATEMENT (unaudited)

All figures in NOK 1,000	Note	Q4 2021	Q4 2020	2021	(audited) 2020
Operating revenue	4	7 028 024	5 746 218	26 633 441	22 446 926
Raw material and consumables used		3 496 574	3 098 039	14 108 632	12 079 107
Salaries and personnel expenses		1 057 769	956 884	4 064 280	3 604 585
Other operating expenses		1 167 031	832 728	3 650 515	3 088 256
EBITDA before fair value adjustments *		1 306 650	858 567	4 810 014	3 674 978
Depreciation and amortisation		397 477	393 792	1 579 680	1 518 825
Impairment		6 130	1 253	12 731	-2 554
EBIT before fair value adjustment *		903 043	463 522	3 217 603	2 158 707
Fair value adjustment related to biological assets	3	246 307	-703 816	1 114 412	-954 044
Operating profit		1 149 350	-240 295	4 332 015	1 204 663
Income from associated companies	5	85 471	139 522	393 489	250 121
Net interest expenses		-70 522	-66 604	-283 736	-294 911
Net other financial items (incl. agio/disagio)		-10 015	7 047	-66 239	-132 447
Profit before tax and fair value adj.*	7	905 240	551 735	3 255 095	2 037 136
Profit before tax		1 154 284	-160 330	4 375 529	1 027 426
Income tax expenses		-244 893	52 485	-939 415	-204 575
Net profit		909 391	-107 845	3 436 114	822 851
Profit to non-controlling interest		445 790	-76 109	1 525 481	328 736
Profit to controlling interests		463 601	-31 736	1 910 633	494 115
Earnings per share (EPS) *		1,79	1,30	7,18	4,55
Earnings per share (EPS)		2,30	-0,16	9,47	2,45
Diluted EPS		2,30	-0,16	9,47	2,45

*) before adjustment related to biological assets (alternative performance measure)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

All figures in NOK 1,000	Q4 2021	Q4 2020	2021	(audited) 2020
Net earnings in the period	909 391	-107 845	3 436 114	822 851
Other comprehensive income				
Currency translation differences	56 043	-408 771	-76 106	-138 724
Other comprehensive income from associated companies	-10	-1 255	-894	-4 947
Cash flow hedges	4 074	24 452	62 758	-34 429
Others incl. tax effect	927	12 915	-2 222	3 635
Total other comprehensive income	61 034	-372 659	-16 464	-174 465
Comprehensive income in the period	970 425	-480 504	3 419 650	648 386
Allocated to;				
Minority interests	444 594	-125 801	1 520 583	312 030
Majority interests	525 831	-354 703	1 899 067	336 356

STATEMENT OF FINANCIAL POSITION (unaudited)

All figures in NOK 1,000	Note	31.12.2021	31.12.2020
Assets			
Intangible assets		11 748 437	11 526 318
Vessels		2 384 742	2 103 409
Property, plant and equipment		6 895 770	6 275 401
Right-of-use assets	8	3 063 764	3 105 697
Investments in associated companies	5	3 002 403	2 526 775
Investments in other shares		46 777	41 720
Other long-term receivables		167 896	163 885
Total non-current assets		27 309 789	25 743 205
Inventories	3	8 104 557	6 735 346
Accounts receivable		2 321 067	2 045 398
Other current receivables		794 719	754 290
Cash and cash equivalents		5 250 543	4 462 765
Total current assets		16 470 886	13 997 799
Total assets		43 780 675	39 741 004
Equity and liabilities			
Share capital	6	101 359	101 359
Treasury shares		-18 312	-18 312
Share premium		3 713 549	3 713 549
Retained earnings and other reserves		9 504 576	8 311 893
Non-controlling interests		11 885 806	10 882 086
Total equity		25 186 977	22 990 574
Deferred tax liabilities		3 511 547	3 261 183
Pensions and other obligations		11 488	56 647
Borrowings		6 663 497	5 650 866
Lease liabilities to credit institutions		1 024 557	1 093 736
Lease liabilities other than to credit institutions		1 382 141	1 055 920
Other non-current interest bearing debt		889	-
Other long-term liabilities		28 712	25 992
Total non-current liabilities		12 622 831	11 144 344
Short term borrowings		732 743	1 022 626
Lease liabilities to credit institutions		265 243	270 899
Lease liabilities other than to credit institutions		262 256	235 287
Overdraft facilities		582 390	1 049 683
Account payable		1 915 261	1 363 866
Other current liabilities		2 212 974	1 663 725
Total current liabilities		5 970 867	5 606 086
Total liabilities		18 593 698	16 750 430
Total equity and liabilities		43 780 675	39 741 004
Net interest bearing debt (NIBD)		4 018 776	4 651 037
Lease liabilities other than to credit institutions		1 644 397	1 291 207
NIBD incl. right of use assets liabilities		5 663 173	5 942 244
Equity ratio		58%	58%

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

All figures in NOK 1,000	31.12.2021	31.12.2020
Equity at period start	22 990 574	23 331 034
Comprehensive income in the period	3 419 650	648 386
Dividends	-1 334 692	-983 421
Transactions with non-controlling interest	111 445	-5 425
Other	-	-
Total changes in equity in the period	2 196 403	-340 460
Equity at period end	25 186 977	22 990 574

CASH FLOW STATEMENT (unaudited)

All figures in NOK 1,000	Q4 2021	Q4 2020	2021	(audited) 2020
Cash flow from operating activities				
Profit before income taxes	1 154 284	-160 329	4 375 529	1 027 426
Fair value adjustment of biological assets	-246 306	703 816	-1 114 412	954 044
Taxes paid in the period	-165 033	-16 447	-446 555	-493 805
Depreciation and amortisation	397 478	393 792	1 579 680	1 518 825
Impairments	6 130	1 254	12 731	-2 554
Associated companies - net	-85 470	-139 523	-393 488	-250 122
Interest expense	90 821	80 101	322 298	341 027
Interest income	-20 298	-13 497	-38 562	-46 116
Change in inventories	-548 131	-191 355	-87 019	-400 415
Change in receivables	98 753	33 839	-93 116	629 946
Change in payables	1 972	-108 812	443 477	-334 538
Other operating cash flow incl currency exchange	159 601	123 107	-3 299	620
Net cash flow from operating activities	843 801	705 946	4 557 264	2 944 338
Cash flow from investing activities				
Purchase of intangible and fixed assets	-418 873	-293 869	-1 337 885	-1 529 323
Purchase of shares and equity investments	-300 987	-34 917	-508 691	-36 672
Proceeds from sale of fixed assets/equity investments	8 239	-	43 477	17 223
Cash inflow from business combinations	881	-	3 829	-
Dividend received	-	3 408	113 514	129 548
Interest income	20 298	13 497	38 562	46 116
Other investing activities - net	-3 729	3 391	-3 263	-29 716
Net cash flow from investing activities	-694 171	-308 490	-1 650 457	-1 402 824
Cash flow from financing activities				
Proceeds from new long term debt	22 892	165 017	2 393 905	2 111 463
Repayment of long term debt	-409 240	-422 986	-2 466 776	-2 224 573
Change in short term debt	235 551	335 458	-410 285	143 721
Interest paid	-97 154	-78 330	-325 510	-344 560
Dividends paid	-15 938	-	-1 334 692	-983 421
Other finance cash flow - net	-7 235	-92 091	15 182	-28 720
Net cash flow from financing activities	-271 124	-92 932	-2 128 176	-1 326 090
Net change in cash and cash equivalents	-121 494	304 524	778 631	215 424
Cash, and cash equivalents at start of period	5 372 037	4 172 639	4 462 765	4 251 100
Exchange gains/losses (-)	-	-14 398	9 147	-3 759
Cash and cash equivalents at period end	5 250 543	4 462 765	5 250 543	4 462 765

SELECTED NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 ACCOUNTING POLICIES

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the related standard for interim financial reporting (IAS 34). All figures not included in the financial statements for 2020 are unaudited. The interim financial statements, including historical comparative amounts, are based on current IFRS standards and interpretations. Changes in the standards and interpretations may result in changes to the result. This interim report does not include all the information required by the International Financial Reporting Standards (IFRS) for a set of financial statements and should therefore be read in conjunction with the Group's financial statements for 2020.

Please refer to the Group's financial statements for 2020 for information on standards and interpretations applicable as of 1 January 2020.

NOTE 2 RELATED PARTY TRANSACTIONS

There were related party transactions in Q4 2021. Related party transactions take place on market terms, and the relevant types of transactions are described in more detail in the Annual Report 2020.

NOTE 3 BIOLOGICAL ASSETS

The Group recognises and measures biological assets at fair value according to IAS 41 and IFRS 13. For salmon and trout, including parent fish, a present value model is applied to estimate fair value. For roe, fry, smolt and cleaner fish, historical cost is assumed to be the best estimate of fair value. The value of fish in the sea is estimated as a function of the estimated biomass at the time of release from stock, multiplied by the estimated sales price. For fish not ready for harvest, a deduction is made to cover estimated residual costs to grow the fish to harvest weight. The cash flow is discounted monthly by a discount rate. The discount rate comprises three main components: (1) the risk of incidents that have an effect on cash flow, (2) hypothetical licence lease and (3) the time value of money.

Estimated biomass (volume) is based on the actual number of individuals in the sea on the date of the statement of financial position, adjusted to cover projected mortality up to harvest time and multiplied by the estimated harvest weight per individual at harvest time. The measurement unit is the individual fish. However, for practical reasons, these estimates are carried out per locality. The live weight of fish in the sea is translated to gutted weight in order to arrive at the same measurement unit as for pricing.

Pricing is based on the Fish Pool forward prices. The forward price for the month in which the fish is expected to be harvested is applied in order to estimate cash flow. The price stipulated by Fish Pool is adjusted to take into account export costs and clearing costs, and represents the reference price. This price is then adjusted to account for estimated harvesting cost (well boat, slaughter and boxing) and transport to Oslo. Adjustments are also made for any projected differences in size and quality. The adjustments to the reference price are made per locality. Joint regional parameters are applied, unless factors specific to an individual locality require otherwise.

Valuation and classification are based on the principle of highest and best use according to IFRS 13. The actual market price per kilo may vary in relation to fish weight. When estimating fair value, the optimal harvest weight, i.e., the weight when the fish is ready for harvest, is defined as the live weight that results in a gutted weight of 4 kg. This corresponds to a live weight of 4.7 kg for salmon and 4.8 kg for trout. The optimal harvest weight may, however, be lowered slightly if required by factors at an individual locality (biological challenges etc.). In terms of valuation, only fish that have achieved an optimal harvest weight are classified as fish ready for harvest.

The Group enters into contracts related to future deliveries of salmon and trout. As biological assets are recognised at fair value, the fair value adjustment of the biological assets will be included in the estimated expenses required to fulfil the contract. This implies that the Group may experience loss-making (onerous) contracts according to IAS 37 even if the contract price for physical delivery contracts is higher than the actual production cost for the products. In such a scenario, a provision is made for the estimated negative value. The provision is classified in the financial statements as other current liabilities.

The fair value adjustment related to biological assets recognised in the income statement for the period comprises (1) fair value adjustment related to biological assets, (2) change in fair value (provision) related to onerous contracts and (3) change in unrealised gain/loss related to financial sale and purchase contracts (derivatives) for fish in Fish Pool. Fish Pool contracts are treated as financial instruments on the statement of financial position, where unrealised gain is recognised as other current receivables and unrealised loss as other current liabilities.

NOTE 3 BIOLOGICAL ASSETS (cont.)

Conversion to live weight:

The figures for harvested volume and net growth in the tables below have been estimated on the basis of gutted weight (GWT) and converted to live weight (LWT). The gutting loss ratios applied in this conversion are 14% for salmon and 16% for trout. The table for Lerøy Seafood Group ASA includes salmon and trout. The table for Br. Birkeland Farming AS only includes salmon.

LWT = live weight measured in tonnes

GWT = gutted weight measured in tonnes

Lerøy Seafood Group ASA

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

Fair value adjustments over profit and loss	Q4 2021	Q4 2020	2021	2020
Change FV adj. of biological assets	273 416	-686 554	1 131 092	-853 236
Change in FV of onerous contracts	-35 527	2 023	-44 226	26 485
Change in FV of fishpool contracts	10	0	-1 561	0
Total FV adjustments over profit and loss	237 899	-684 531	1 085 304	-826 751

Fair value adjustments over OCI

Change in FV of fishpool contracts *	328	-1 857	5 408	-3 183
Total FV adjustments over OCI	328	-1 857	5 408	-3 183

* Included in change in FV financial instruments (hedges) in statement of comprehensive income

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS

Positive amounts are assets and negative amounts are liabilities

Carrying amount on biological assets	31/12/2021	31/12/2020
Cost on stock for fish in sea	4 118 913	4 231 901
Cost on stock for fry, brood, smolt and cleaning fish	385 542	362 065
Total cost on stock for biological assets *	4 504 454	4 593 966
FV adj. of fish in sea	1 450 638	319 546
FV adj. of fry, brood, smolt and cleaning fish	0	0
Total FV adj. of biological assets	1 450 638	319 546
Monthly discount rate applied	4%	5%
FV of fish in sea	5 569 551	4 551 447
FV of fry, brood, smolt and cleaning fish	385 542	362 065
Carrying amount of biological assets	5 955 092	4 913 512

Carrying amount on onerous contracts (liability)

Carrying amount of onerous contracts	-44 259	-32
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Carrying amount on fishpool contracts

Carrying amount of Fish Pool contracts	1 836	-2 939
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* Cost on stock is historic costs after expensed mortality

NOTE 3 BIOLOGICAL ASSETS (cont.)

HARVESTED VOLUME:

Volume in gutted weight (GWT)	Q4 2021	Q4 2020	2021	2020
Salmon	43 336	41 147	161 542	142 841
Trout	7 996	7 202	25 093	28 007
Total harvested volume	51 332	48 349	186 635	170 849

VOLUME

Volume of fish in sea (LWT)	Q4 2021	Q4 2020	2021	2020
Volume at beginning of period	112 668	112 504	119 407	111 263
Net growth during the period	54 484	63 322	205 547	210 396
Harvested volume during the period	-59 910	-56 419	-217 712	-202 252
Volume at end of period (LWT)	107 242	119 407	107 242	119 407

Specification of fish in sea (LWT)	31/12/2021	31/12/2020
Salmon	93 543	105 745
Trout	13 699	13 662
Total	107 242	119 407
Salmon > 4,7 kg (live weight) *	4 376	7 802
Trout > 4,8 kg (live weight) *	587	0

* Defined as mature biological assets

Br. Birkeland Farming AS

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

Fair value adjustment over profit and loss	Q4 2021	Q4 2020	2021	2020
Change FV adj. biological assets	8 408	-19 285	29 108	-127 293
FV adj. related to biological assets	8 408	-19 285	29 108	-127 293

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS

Positive amounts are assets and negative amounts are liabilities

Carrying amount of biological assets	2021	2020
Cost on stock for fish in sea	200 915	265 042
Fair value adjustment fish in sea	16 526	-12 582
Fair value fish in sea	217 441	252 460
Fry, brood and smolt	-	-
Carrying amount of biological assets	217 441	252 460

HARVESTED VOLUME

Harvested volume in gutted weight (GWT)	Q4 2021	Q4 2020	2021	2020
Total volume	1 774	1 542	8 151	6 790
- Salmon	1 774	1 542	8 151	6 790

VOLUME

Volume of fish in sea (LWT)	Q4 2021	Q4 2020	2021	2020
Volume at beginning of period	4 088	5 213	5 693	5 033
Net growth during the period	2 442	3 708	8 589	9 291
Harvested volume during the period	-2 151	-3 228	-9 903	-8 631
Volume at end of period (LWT)	4 379	5 693	4 379	5 693
Fish > 4,8 kg (live weight)	987	-	987	-

NOTE 4 SEGMENTS

All figures in NOK 1,000	Lerøy Seafood Group ASA	Austral Group S.A.A	Foodcorp Chile S.A	Br. Birkeland AS	Br. Birkeland Farming AS	Other/ elimina- tions	Total Group	Pelagia (50% of figures and volumes)	Total Group incl. Pelagia (50%)
Q4 2021									
Operating revenue	6 529 211	270 213	75 394	60 611	96 562	-3 967	7 028 024	1 441 020	8 469 044
EBITDA*	1 223 759	100 954	-34 801	9 210	8 683	-1 156	1 306 649	175 026	1 481 675
EBITDA%	19%	37%	-46%	15%			19%	12%	17%
EBIT*	901 605	60 148	-43 737	-1 051	-8 081	-5 843	903 041	128 391	1 031 432
Volumes sold:									
Salmon (GWT tonnes)	51 332				1 774		53 106		53 106
Fishmeal/oil/FPC (tonnes)		15 778	2 463				18 241	17 800	36 041
Frozen/fresh fish (tonnes)		-	3 276				3 276	54 800	58 076
Q4 2020									
Operating revenue	5 170 998	259 363	69 051	125 707	110 080	11 019	5 746 218	1 568 199	7 314 417
EBITDA*	750 051	115 095	-40 831	69 270	-33 200	-1 818	858 567	135 647	994 214
EBITDA%	15%	44%	-59%	55%	-30%		15%	9%	14%
EBIT*	441 433	69 543	-49 408	58 328	-48 532	-7 842	463 522	103 830	567 352
Volumes sold:									
Salmon (GWT tonnes)	48 349				2 568		50 917		50 917
Fishmeal/oil/FPC (tonnes)		11 129	3 156				14 285	27 800	42 085
Frozen fish (tonnes)		570	533				1 103	61 600	62 703
2021									
Operating revenue	23 136 094	2 016 837	715 895	306 484	432 228	25 903	26 633 441	5 000 786	31 634 227
EBITDA*	3 777 516	672 736	192 321	110 977	52 436	4 028	4 810 014	508 837	5 318 851
EBITDA%	16%	33%	27%	36%	12%		18%	10%	17%
EBIT*	2 518 782	506 444	150 258	69 726	-12 346	-15 261	3 217 603	363 419	3 581 022
Volumes sold:									
Salmon (GWT tonnes)	186 635				8 151		194 786		194 786
Fishmeal/oil/FPC (tonnes)		128 429	16 084				144 513	131 600	276 113
Frozen/fresh fish (tonnes)		13 639	45 597				59 236	166 800	226 036
2020									
Operating revenue	19 966 221	1 240 525	637 911	248 827	306 404	47 038	22 446 926	4 406 951	26 853 877
EBITDA*	3 108 795	337 944	137 834	102 657	-30 291	18 039	3 674 978	327 387	4 002 365
EBITDA%	16%	27%	22%	41%			16%	7%	15%
EBIT*	1 949 655	133 956	100 934	59 400	-79 814	-5 424	2 158 707	204 201	2 362 908
Volumes sold:									
Salmon (GWT tonnes)	170 849				6 790		177 639		177 639
Fishmeal/oil/FPC (tonnes)		69 498	17 722				87 220	90 400	177 620
Frozen fish (tonnes)		17 222	36 987				54 209	157 200	211 409

* Before fair value adjustments related to biological assets

NOTE 5 ASSOCIATES

		Q4 2021	Q4 2020	2021	2020
Norskott Havbruk AS* a)	50,0%	-10 709	21 731	93 577	48 986
Pelagia Holding AS b)	50,0%	94 732	76 356	272 361	127 312
Others		1 448	41 436	27 551	73 823
Income from associates		85 471	139 523	393 489	250 121
* Fair value adjustment biological assets		2 737	-8 247	6 022	-55 666
Income from associates before FV adj.		82 734	147 770	387 467	305 787

Investment in associates:

Norskott Havbruk				1 125 883	713 502
Pelagia Holding AS				1 473 289	1 288 903
Others				403 231	524 370
Total investment		-	-	3 002 403	2 526 775

Dividend received

Norskott Havbruk				-	-
Pelagia Holding AS				100 000	100 000
Others				3 408	29 548
Total dividend received from associates		-	3 408	113 514	129 548

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

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

NOTE 6 LIST OF THE 20 LARGEST SHAREHOLDERS AT 31 DECEMBER 2021

Investor	Number of shares	% of top 20	% of total
LACO AS	112 605 876	73.26	55.55
STATE STREET BANK AND TRUST COMP	7 375 219	4.80	3.64
STATE STREET BANK AND TRUST COMP	4 505 171	2.93	2.22
J.P. MORGAN BANK LUXEMBOURG S.A.	4 370 989	2.84	2.16
FOLKETRYGDFONDET	2 980 544	1.94	1.47
SIX SIS AG	2 665 170	1.73	1.31
OM HOLDING AS	2 411 308	1.57	1.19
PARETO AKSJE NORGE VERDIPAPIRFOND	2 092 555	1.36	1.03
THE BANK OF NEW YORK MELLON SA/NV	1 708 419	1.11	0.84
JPMORGAN CHASE BANK, N.A., LONDON	1 618 572	1.05	0.80
THE NORTHERN TRUST COMP, LONDON BR	1 428 566	0.93	0.70
STATE STREET BANK AND TRUST COMP	1 355 913	0.88	0.67
J.P. MORGAN BANK LUXEMBOURG S.A.	1 269 384	0.83	0.63
DANSKE INVEST NORSKE INSTIT. II.	1 168 163	0.76	0.58
J.P. MORGAN BANK LUXEMBOURG S.A.	1 149 991	0.75	0.57
VERDIPAPIRFONDET ALFRED BERG NORGE	1 128 015	0.73	0.56
CLEARSTREAM BANKING S.A.	1 077 941	0.70	0.53
PARETO INVEST AS	953 500	0.62	0.47
VERDIPAPIRFONDET STOREBRAND NORGE	946 750	0.62	0.47
STATE STREET BANK AND TRUST COMP	894 320	0.58	0.44
Total number owned by top 20	153 706 366	100%	75.82%
Total number of shares	202 717 374		100%

NOTE 7 ALTERNATIVE PERFORMANCE MEASURES

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

Operating profit/loss before fair value adjustments

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

	Q4 2021	Q4 2020
Operating profit (EBIT)	1 149 350	-240 295
- Fair value adjustments	246 307	-703 816
= EBIT before fair value adjustments	903 043	463 522

Fair value adjustments consists of:

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

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

Operating profit/loss before depreciation and fair value adjustments

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

Profit/loss before tax and fair value adjustments

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

	Q4 2021	Q4 2020
Profit before tax	1 154 284	-160 330
- Fair value adjustments	246 307	-703 816
- Fair value adjustments in associated comp.	2 737	-8 247
= Profit before tax and fair value adjustments	905 240	551 734

NOTE 7 ALTERNATIVE PERFORMANCE MEASURES (cont.)

Net interest-bearing debt (NIBD)

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

	31/12/2021	31/12/2020
Loans from credit institutions *		
+ Lease liabilities to credit institutions *	1 289 800	1 364 635
+ Other long term loans *	7 397 129	6 699 484
+ Overdrafts/other short term loans	582 390	1 049 683
- Cash and cash equivalents	-5 250 543	-4 462 765
= Netto rentebærende gjeld (NIBD)	4 018 776	4 651 037

* Both long-term and short-term portion

NOTE 8 RIGHT-OF-USE ASSETS

The Group implemented IFRS 16 Leases on 1 January 2019. This new standard requires practically all leases to be capitalised, as there is no longer a distinction, for the lessee, between operating and finance leases. Under the new standard, the asset (right of use) and the liability to pay rent are recognised in the financial statements. Exemptions are made for short-term leases and low-value leases.

The lease liabilities (previously operating leases) are recognised at the present value of the future lease payments. The lease payments are discounted by the Group's estimated marginal average interest rate on loans (4%). The interest on the lease liability in each accounting period of the lease period shall be the amount that provides a constant periodic interest rate for the remaining balance of the lease liability (annuity principle). The interest expense related to the liability is presented as a financial expense. Lease costs that were previously included in cost of goods sold and other operating expenses are now presented in the income statement as depreciation and interest expense.

The right-of-use assets are depreciated on a straight-line basis from the date of commissioning until the end of the useful life of the right-of-use asset or the end of the lease period, whichever comes first. In the statement of cash flows, cash payments for the lease liability's principal (instalment component) are presented under financing activities. The same applies to cash payments for the interest component of the lease liability.

The table shows the breakdown of right-of-use assets by asset group.

Right-of-use assets	Land	Buildings	Plant, equipment and other fixtures	Vessels	Total
Carrying value 01.01.	40 272	588 398	1 411 464	1 065 562	3 105 696
Foreign currency translation differences	-	-6 459	-3 221	85	-9 595
Right-of-use assets acquired	13 824	33 004	341 422	654 697	1 042 947
Disposal		-44 205	-5 860	-107 861	-157 926
Depreciation	-4 411	-58 203	-290 138	-213 482	-566 234
Business combinations	-	-	11 638	-	11 638
Reclassification	-	-46 294	-79 965	-236 503	-362 762
Carrying value 31.12.2021	49 685	466 241	1 385 340	1 162 498	3 063 764

