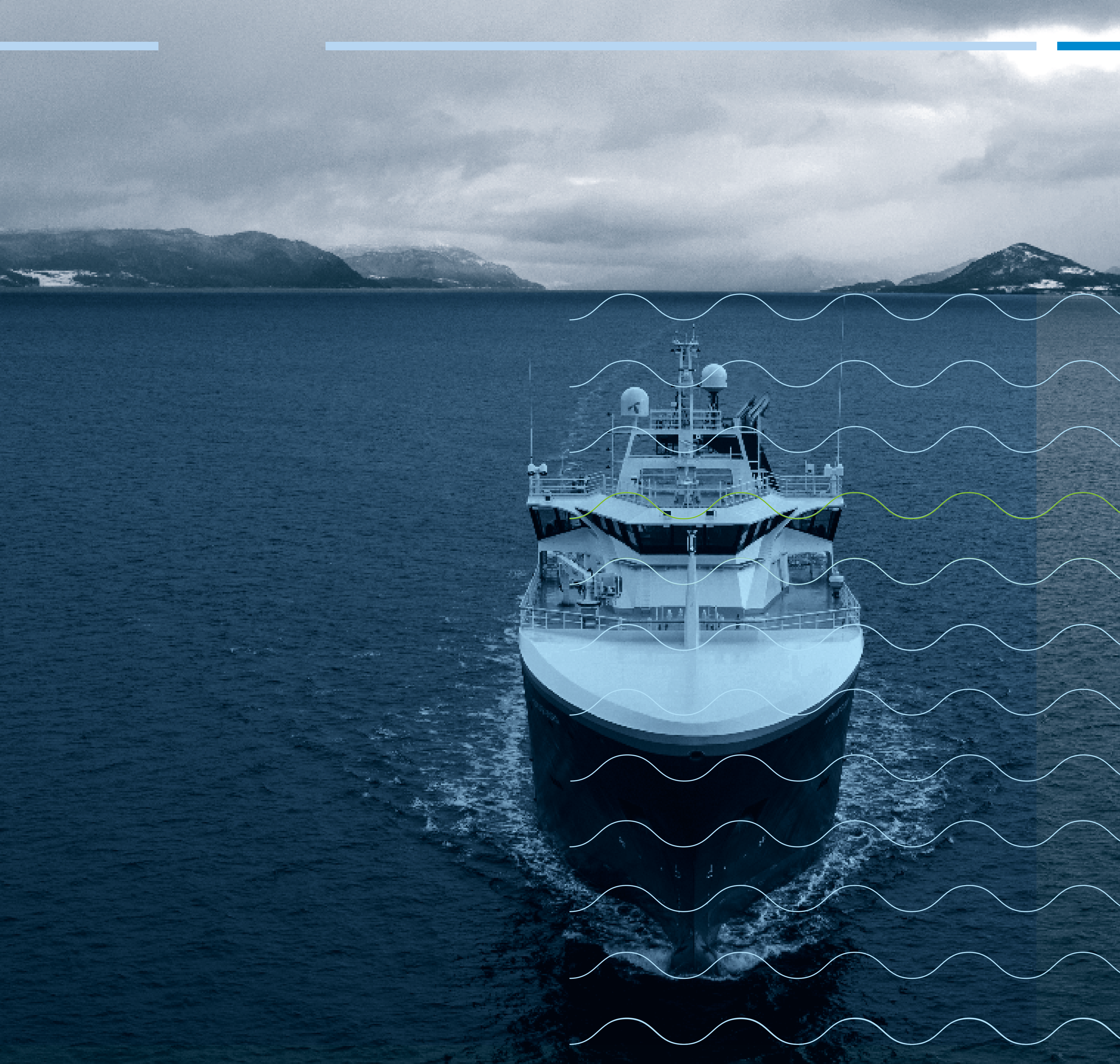
Austevoll Seafood ASA

ANNUAL REPORT 2021

CONTENT



GLOSSARY

AUSS	Austevoll Seafood ASA
Austral	Austral Group S.A.A.
BFARM	Br. Birkeland Farming AS
BRBI	Br. Birkeland AS
FC	FoodCorp Chile S.A.
Havfisk	Lerøy Havfisk AS
LNWS	Lerøy Norway Seafoods AS
LSG	Lerøy Seafood Group ASA
Pelagia	Pelagia Holding AS
SOFP	Statement of financial position

KEY FIGURES

Amounts in MNOK	2021	2020	2019
Profit and loss account			
Operating income	26,633	22,447	23,342
Operating expenses	-21,823	-18,772	-19,081
EBITDA	**4,810**	**3,675**	**4,260**
Depreciation, amortisation, impairment and depreciation of excess value	-1,592	-1,516	-1,337
EBIT (before fair value adj.biological assets)	**3,218**	**2,159**	**2,924**
Fair value adjustment of biological assets	1,114	-954	-306
Operating profit	**4,332**	**1,205**	**2,617**
Income from associated companies	393	250	451
Net financial items	-350	-427	-312
Profit before tax	**4,376**	**1,027**	**2,756**
Profit after tax	3,436	823	2,197
Net profit after discontinued operations	**3,436**	**823**	**2,197**
Profit to minority interests	1,455	329	942
Balance sheet			
Intangible assets	11,748	11,526	11,487
Vessels, other property, plant and equipment	12,344	11,485	10,954
Other non current assets	3,217	2,732	2,531
Current assets	16,471	13,998	14,859
Total assets	**43,781**	**39,741**	**39,831**
Equity	25,187	22,991	23,331
Long term liabilities	12,623	11,130	11,122
Short term liabilities	5,971	5,620	5,378
Total equity and liabilities	**43,781**	**39,741**	**39,831**
Net interest bearing debt	**3,970**	**4,650**	**4,073**
Net interest bearing debt incl. IFRS 16	**5,630**	**5,941**	**5,352**
Cash flow			
Net cash flow from operating activities	**4,635**	**2,944**	**3,172**
Key ratios			
Liquidity ratio[1)]	2.76	2.49	2.76
Equity-to-asset ratio[2)]	58 %	58 %	59 %
EBITDA margin[3)]	18 %	16 %	18 %
Return on equity[4)]	14 %	4 %	10 %
Average no. of shares (thousands) *	**201,824**	**201,824**	**201,824**
Earnings per share[5)]	9.82	2.45	6.22
Dividend paid per share	3.50	2.50	3.50
Proposed dividend per share	4.50	-	-

1) Current assets/short term liabilities
2) Equity/total capital
3) Operating profit/loss before depreciation expressed as a percentage of operating income
4) Net profit after tax (incl. discontinued operations) expressed as a percentage of average equity
5) Net profit after tax (incl. discontinued operations)/average no. of shares
** Ex. treasury shares (893,300) from July 2016, and AUSS shares owned through Br. Birkeland AS for the year 2012 to July 2016*

CEO LETTER

Dear stakeholders,
The financial results for 2021 show improved underlying performance in all the Group's segments, demonstrating that both our operations and markets have been resilient in a volatile market environment. We have reached several milestones in the Group in terms of operational performance in the salmon operations, and are also pleased with the financial performance of our pelagic activities in South America and the North Atlantic.

The pandemic continued to impact everyday life during 2021 and at the start of 2022. Our priority has been, and remains, to protect the health and safety of our employees and secure the flow of goods in every market where we are present. The cooperation between our employees and both national and international authorities has kept the food value chain open and supplies of the Group's products operational throughout this challenging period.

With the global pandemic continuing into 2021, the salmon industry increased harvest volumes by 6.7% to approx. 2.89 million tonnes, compared with 2.71 million tonnes in 2020. Harvest volumes in Norway increased by 13.1%, and the average spot prices for 2021 were up 7.5% (NOK 57 per kg) vs. 2020 prices (NOK 53 per kg). Lerøy Seafood Group ASA (LSG) delivered a stronger biological performance in 2021 with a volume of 202,800 tonnes, including the share from associates. Estimates for comparable harvest volume for LSG in 2022, including the share from associates, are in the region of 205,000 to 210,000 tonnes.

For whitefish, the total volume caught was up 4.5% at 71.5 tonnes in 2021 vs. 68.4 tonnes in 2020. Despite the higher volume caught and positive prices realised overall, the challenges faced by the onshore processing industry impacted our results for whitefish activity as a whole in 2021. However, earnings from the whitefish activity increased in 2021 compared with 2020. In 2022, the quota for important species such as cod and haddock will be reduced, and less availability of raw material is a challenge for our onshore operations.

In the South America region, 2021 was another good year for the Peruvian fishmeal industry, with 98% of the anchoveta quota of 4.56 million tonnes caught. Overall, the Austral Group handled the increase in raw material well. Compared with 2020, the production of fishmeal and fish oil increased by 60% and 15% respectively, supported by record production in our factory in the south of Peru.

Total fish landings in Chile from our purse-seiner fleet were higher than in 2020 due to the 15% increase in Total Allowable Catch (TAC), combined with additional high-seas quota being made available for purchase from operators within the South Pacific Fish Regional Organisation (SPRFMO). Total raw material intake by Foodcorp increased by 14%, from 92,000 tonnes in 2020 to 105,000 tonnes in 2021. The share of own catches also increased by 14%, from 63,000 tonnes in 2020 to 72,000 tonnes in 2021.

Since 2014 Pelagia has managed to add value to our raw material year on year – by utilising the fully integrated operational structure and expertise of the organisation. In June 2021 Pelagia acquired the remaining 50% share of Hordafor, expanding its activity into the production of salmon protein and oil. Total raw material intake for Pelagia in 2021 (excl. associates) was 1.2 million tonnes, down 9.5% from approx. 1.4 million tonnes in 2020. Despite this decrease, revenue increased by 13% vs. 2020 and earnings were up by 55% due to better prices realised in the market.

As an active owner of one of the leading groups within the global seafood industry, we must promote and support business practices that drive responsible long-term growth resulting in sustainable value creation. Austevoll Seafood became a member of the UN Global Compact in 2020, supporting its 10 principles regarding human rights, labour, the environment and anti-corruption. We are also committed to using the UN Sustainable Development Goals as a framework for developing our future business strategy, both in Austevoll and our subsidiaries. We remain focused on four main topics: "Protect

ARNE MØGSTER
CEO
Austevoll Seafood ASA

our Ocean", "Improve our Climate", "Empower our People" and "Strengthen our Communities".

The start of the year has been marked by new geopolitical tensions with Russia's invasion of Ukraine. It is a heartbreaking war, and we are concerned above all about the humanitarian consequences. The war is a serious setback for both democratic values and economic development, and is already exerting inflationary pressure due to increasing commodity prices. It is difficult to predict with any certainty how the war will play out for our group of companies, and we are monitoring the situation closely.

Finally, I want to thank all our employees for their hard work and sacrifices in 2021, abiding by the restrictions and procedures introduced in light of the pandemic. The quality of our active ownership is dependent on the quality and commitment of the people working within the Austevoll Seafood Group. Our strategy is to continue to grow and further develop the Group, together with our employees, within its current operating segments. I'm grateful to all of our employees for all the efforts they have put in over the years, and their trust, loyalty and devotion will continue to be the key factors in our success going forward.

Thank you.

DIRECTORS OF THE BOARD

HELGE SINGELSTAD (1963)
Chairman

Helge Singelstad has been member of the Board since 2008, and has been the Chairman of the Board since 2010. Mr. Singelstad is the CEO in Laco AS, the major shareholder in Austevoll Seafood ASA and DOF ASA. He holds a degree in Computer Engineering from Bergen University College (HiB), a degree in Business Administration from the Norwegian School of Economics (NHH) and a 1st degree of Law from the University of Bergen (UiB). He serves on numerous Boards of Directors, and is Chairman of the Board at Lerøy Seafood Group ASA and Pelagia Holding AS. Mr. Singelstad has extensive experience from various types of businesses such as oil & gas and seafood sector. Helge Singelstad owns 50,000 shares in Austevoll Seafood ASA.

HEGE CHARLOTTE BAKKEN (1973)
Deputy Chairman

Hege Charlotte Bakken has been member of the Board since 2018, and has been the Deputy Chairman of the Board since 2021. She holds an MSc degree from the Norwegian University of Life Sciences and an Executive MBA from ESCP Europe Business School in Paris. Ms. Bakken is Senior Advisor within strategy and management in Stella Polaris, Netherlands and Director in Marvesa Holding NV, a Dutch investment firm. She previously held positions as Senior Advisor at Hemingway Corporate Finance, Amsterdam, Chief Operating Officer of Marvesa Holding N.V. and Managing Director of Marvesa Rotterdam N.V. She previously fulfilled management roles in Pronova BioPharma Norge ASA, FishMarket International AS, Frionor AS and Norway Seafoods ASA. Ms. Bakken has served as a member of the boards of Lerøy Seafood Group ASA, Pronova Biopharma ASA and Pronova BioPharma Norge AS.

LILL MAREN MØGSTER (1984)
Member of the Board

Lill Maren Møgster has been member of the Board since 2012. Ms. Møgster is one of the main owners in Laco AS, the main shareholder of Austevoll Seafood ASA and DOF ASA. She is educated Bachelor of Management from the Norwegian Business School (BI) and holds a Master of Strategy and Management (NHH). Ms. Møgster is experienced within sales and finance after having worked in various subsidiaries of Laco AS since 2007. She holds board positions in several companies. Lill Maren Møgster owns shares in Austevoll Seafood ASA indirectly through Laco AS.

HELGE MØGSTER (1953)
Member of the Board

Helge Møgster has been member of the Board since the company was founded in April 1981, and served as Chairman of the Board until 2006. Mr. Møgster is one of the main owners in Laco AS, the main shareholder of Austevoll Seafood ASA and DOF ASA. Mr. Møgster has extensive experience from all aspects of the fisheries sector. Additionally he knows the offshore service sector very well. He is holding board positions in several companies. Helge Møgster owns shares in Austevoll Seafood ASA indirectly through Laco AS.

SIREN MERETE GRØNHAUG (1965)
Member of the Board

Siren Merete Grønhaug has been member of the Board since 2014. Ms. Grønhaug graduated as a Business Economist from the Norwegian School of Economics (NHH), and has additional training through the AFF Solstrand management development programme and at BI Norwegian Business School. She is the Group director HR of Lerøy Seafood Group ASA, and was previously CFO of Lerøy Seafood AS. She has broad knowledge in the seafood sector after many years of experience at executive levels in Lerøy. Ms. Grønhaug has extensive board experience from various companies in Lerøy Seafood Group ASA.

EIRIK DRØNEN MELINGEN (1988)
Member of the Board

Eirik Drønen Melingen has been member of the Board since 2017. Mr. Melingen has a bachelor degree in Marine technology from Bergen University College and a Masters Degree in Offshore Floating Systems from University of Strathclyde. Mr. Melingen has experience from offshore shipping companies with specialized vessels within Subsea, Marine Seismic, Offshore Supply and Seismic Support. Eirik Drønen Melingen owns shares in Austevoll Seafood ASA indirectly through Laco AS.

HEGE SOLBAKKEN (1972)
Member of the Board

Hege Solbakken has been member of the Board since May 2021. She holds an MSc degree in Comparative Politics from the University in Bergen (UiB), specializing in international politics and additional studies in Business & Human Rights (UiB) and Corporate Governance (BI). She has served as Chief of Staff and State Secretary in the Ministry of Transportation and the Ministry of Municipalities and Regions, as State Secretary in the Prime Minister's office, and as political adviser with the Ministry of Fisheries and Coastal Affairs. Ms. Solbakken has been leader of the Maritime Forum Norway and CEO in the Offshore Media Group, and has worked with Board and Executive selection in Visindi. She now heads Jefferson Wells Norway and holds board positions in Voss Veksel og Landmandsbank ASA, and in other organisations.

BOARD OF DIRECTORS REPORT

BOARD OF DIRECTORS' REPORT 2021 FOR AUSTEVOLL SEAFOOD ASA

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

"Passionate owner of globally leading seafood companies"

Through its portfolio companies, AUSS owns world-leading players in the production of Atlantic salmon and trout throughout the value chain, from roe to end products supplied to consumers. The Group is also a major player within whitefish fisheries, and here too has control of the entire value chain from catch to end product. AUSS is involved in pelagic operations within fisheries, production of fishmeal and fish oil, and frozen pelagic consumer products. In addition, the Group has sales operations in Norway, Europe, Asia, the USA and South America.

Since it was established, 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".

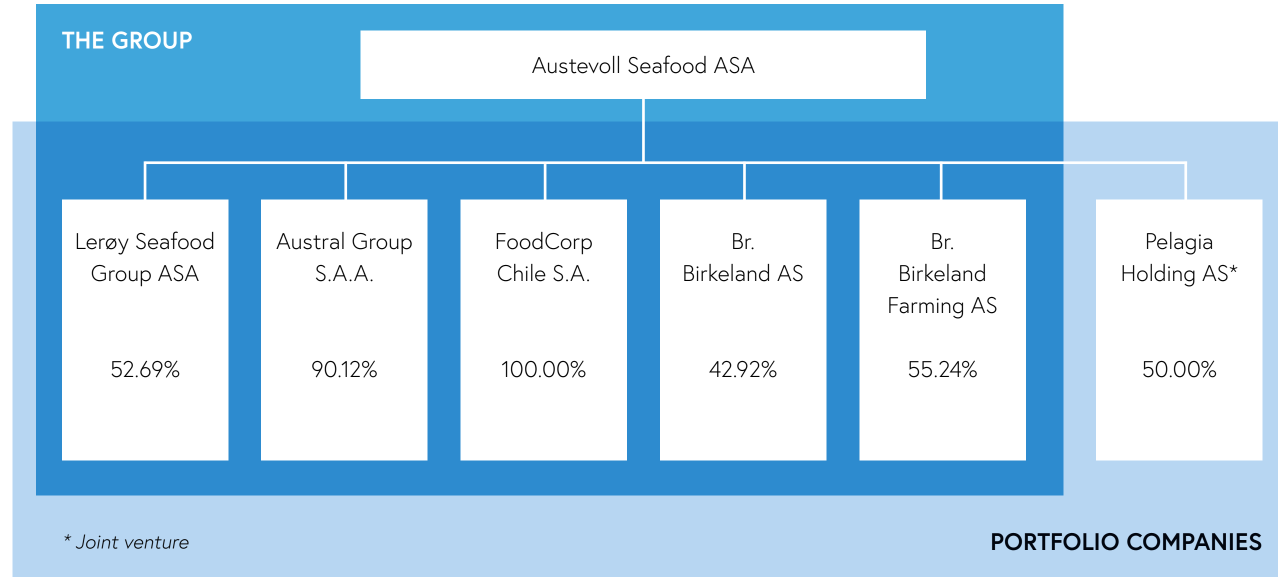
The entire value chain in AUSS's portfolio companies has its "origin" in sustainable use of the oceans. The Group's growth has been and shall continue to be sustainable, both financially and from a climate/environmental perspective. Sustainable growth places stringent requirements on the Group within finance, 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 to confirm that the Group's food production is globally competitive, according to the UN's sustainability criteria.

VALUES
- Look to the future
- Act with integrity
- Enhance knowledge
- Strive for excellence

Social sustainability is important for sustaining viable local communities and access to the Group's most important resource, people. As well as the strategic foundation of long-term sustainable value creation, the company has therefore emphasised four further main areas in its sustainability reporting where we can make the biggest positive difference: Protect our Ocean, Improve our Climate, Empower our People and Strengthen our Communities.

The Group's foundations were strengthened in 2021, and are manifest in the company's principles for sustainable management, control and reporting in the company's Annual report for 2021.

The company's head office is located on Storebø island, Austevoll municipality, Norway.



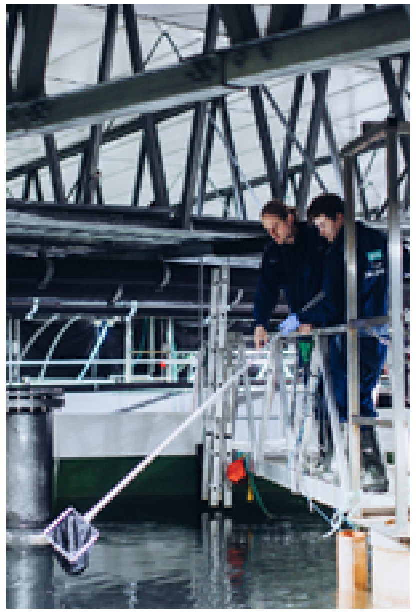
THE GROUP'S ACTIVITIES

The Group's activities are divided into operating segments and reflect its portfolio companies: 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).

2021 was another challenging year, with COVID-related restrictions continuing to impact business activity, working life and travel. As vaccination programmes were rolled out, summer 2021 saw some easing of the restrictions, both nationally and internationally. However, the emergence of the mutant Omicron variant in the late autumn led to the reintroduction of restrictions that had previously been lifted. As authorities world wide gained a better picture of the nature of the illness caused by Omicron, most of the restrictions were once again lifted during the first quarter of 2022. Through 2020 and 2021 we have seen how a pandemic, including the associated restrictions and fear, can have a negative impact on demand and value chains. 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 a gradual positive development in the HoReCa sector as pandemic-related restrictions eased.

Over time, the Board of Directors and management have focused on building a strong Group and ensuring that the portfolio companies have organisations that are ready to solve challenges in difficult and changing conditions. Once again in 2021, the Group's employees demonstrated their flexibility and adaptability, helping to fulfil the Group's underlying social responsibility by keeping the value chain and food supplies operational throughout a challenging year. This provides grounds for an optimistic outlook and our belief that the Group is well positioned to continue its positive long-term development.

Given the prevailing framework conditions, including temporary challenges relating to the COVID-19 pandemic, the Board of Directors is to all intents and purposes satisfied with the Group's results for the 2021 financial year. Special situations call for extraordinary efforts and put organisations to the test. The Board of Directors would like to sincerely thank all the portfolio companies and their employees for their hard work, creativity and flexibility in 2020 and 2021. They have been challenging years for everyone involved.



LERØY SEAFOOD GROUP ASA (EUROPE)

Lerøy Seafood Group ASA (LSG) is a leading fully integrated seafood corporation with a global reach, which controls the entire value chain for redfish and whitefish, from roe or catches to end products supplied to the consumer. Through organic growth and a series of acquisitions carried out since the stock-exchange listing on 3 June 2002, the Group is now one of the world's largest producers of Atlantic salmon and trout. The acquisitions of Havfisk ASA and Norway Seafood Group AS in 2016 made the Group the largest supplier of whitefish in Norway and a major global supplier. Furthermore, in recent years the Group has extended and consolidated its position as a key player in seafood distribution in Norway and other major international markets. The Group takes an active role in developing the seafood value chain, with ever greater global presence. LSG's goal is to create the world's most efficient and sustainable value chain for seafood. Dialogue with various authorities based on trust, collaboration with suppliers and strategic customers, and a focus on efficiency in its own value chain have made and continue to make it possible for LSG to create innovative and competitive solutions for the end customer that are financially and environmentally sustainable.

Every day, LSG supplies Norwegian seafood corresponding to five million meals to more than 80 different markets. This growth has been achieved through professionalisation, organisation building and access to venture capital. The Group has a clear ambition to further develop this position in the years to come.

LSG's operations are divided into three main areas: Farming, Wild Catch and VAP, Sales & Distribution.

LSG posted total revenue of NOK 23,136 million in 2021 (2020: NOK 19,966 million).

EBITDA was NOK 3,778 million (2020: NOK 3,109 million), and operating profit before fair value adjustment related to biological assets (EBIT) increased from NOK 1,950 million in 2020 to NOK 2,519 million in 2021.

LSG increased its earnings in 2021, with improvements in all operating segments. Good development in demand and higher prices realised, combined with operational improvements, were key factors in the higher earnings.

LSG has three farming regions in Norway: North Norway with Lerøy Aurora AS in Troms and Finnmark; Central Norway with Lerøy Midt AS in Nordmøre and Trøndelag; and West Norway with Lerøy Vest AS, Sjøtroll Havbruk AS, Lerøy Sjøtroll Kjærelva AS, Lerøy Årskog AS, Norsk Oppdrettsservice AS and Lerøy Ocean Harvest AS, known collectively as Lerøy Sjøtroll.

In addition, LSG owns the Scottish fish farming company Scottish Sea Farms Ltd via its 50% shareholding in Norskott Havbruk AS. Scottish Sea Farms Ltd harvested 32,300 tonnes of salmon in 2021 (2020: 24,000 tonnes).

In recent years, the Group has invested heavily in increased smolt capacity and implemented a number of improvement measures. It is therefore pleasing to see that these have produced a substantial increase in harvest volume. The harvest volume in 2021 was 187,000 tonnes, a significant increase from 171,000 tonnes in 2020 and 158,000 tonnes in 2019. This growth is in line with the Group's plans. All other things equal, the growth in harvest volume has reduced the Group's costs per kilo harvested. Other cost elements and/or input factors, including higher feed prices, have led to higher costs. The Board and management consider that the Group's relative competitiveness has improved over the past year. Over time, a number of improvement measures have been implemented to increase the Group's production and improve its competitiveness.

Demand for salmon and trout has been severely impacted in recent years by negative demand effects resulting from restrictions relating to the global COVID-19 pandemic. These effects gradually diminished in 2021, and we once again saw record demand for salmon and trout. In total, LSG's prices realised for salmon and trout in 2021 increased by approx. NOK 6 per kilo compared with 2020. The contract share for salmon was approx. 27%. The harvest volume for Farming comprised 13% trout. Prices realised for trout during 2021 were approx. NOK 4 per kg lower than for salmon. The negative price difference between salmon and trout is significantly less than the difference the Group has experienced in the years since 2014.

Lerøy Havfisk's primary business is wild catches of whitefish. The company has licence rights to catch 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 fishing rights/trawler licences stipulate an operational obligation for these plants. Lerøy Havfisk's catch volume in 2021 was approx. 72,000 tonnes, up from around 68,000 tonnes in 2020. The increase is attributed to higher quotas. In 2021, the authorities made it possible to transfer up to 15% of the cod quota to 2022, measured by vessel. Prices for haddock and saithe performed well, rising significantly towards the end of 2021. Lerøy Havfisk prioritised fisheries of these species at the end of the year. The company transferred around 5% of its cod quota from 2021 to 2022, amounting to approx. 1,350 tonnes. The coastal fleet also transferred parts of its quota from 2021 to 2022, which means that the decrease in catch volumes for cod in Norway in 2022 will be lower than the quota reduction.

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

Processing whitefish in Norway has been extremely challenging for several years. The onshore industry made a loss in 2021, but the figures showed a significant improvement on 2020. This was partly due to operational improvements but also substantially better access to raw materials compared with 2020. LSG's focus on improving the competitiveness of the whitefish industry is a long-term project and continues undiminished. All other things equal, however, the price level at the start of 2022 makes conditions more challenging for the onshore industry in the current year. 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 going forward.

Investigations by competition authorities in the EU and USA

On 20 February 2019, the EU's competition authorities ("the Commission") initiated investigations relating to suspected anticompetitive practices in 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 cited in these cases. In the wake of the European Commission's ongoing investigations, several Norwegian-owned aquaculture companies, including Lerøy Seafood Group, have been sued by customers in the USA and Canada.

Austral Group S.A.A. (Peru)

Austral Group S.A.A.'s (Austral) fully integrated value chain comprises activities within catches, production of fishmeal and oil, and production of consumer products. Austral holds just below 7% of the total quota for anchoveta in Central/North Peru, and just below 4% of the quota in South Peru. The company also purchases anchoveta from third parties for use in its production of fishmeal and oil. In addition, the company has fishing rights for horse mackerel and mackerel. Fishmeal and oil are produced in four factories, located in Coishco, Chancay, Pisco and Ilo. The company has two factories producing consumer products that share premises with the fishmeal and fish oil factories in Coishco and Pisco.

Anchoveta is used to produce fishmeal and oil, and horse mackerel/mackerel is used for consumer products. Anchoveta fisheries in Central and North Peru take place in two seasons: the first season from April to July and the second from November to January. Prior to each season, the Peruvian institute IMARPE carries out evaluation cruises to establish the size of the anchoveta biomass. Based on their findings, the Institute then issues a recommendation for the total quota for the upcoming season.

In 2021, the national fisheries quotas for anchoveta in Central/North Peru totalled 4.5 million tonnes, divided into 2.5 million tonnes in the first season and 2.0 million tonnes in the second season. Of the national quotas allocated, 98% of the quota for the first season had been caught by the end of the season and 99% of the quota for the second season had been caught by the end of the season in January 2022. The national quotas in 2020 totalled 5.2 million tonnes, divided into 2.4 million tonnes in the first season and 2.8 million tonnes in the second season. Of the national quotas allocated in 2020, 98% of the quota for the first season had been caught by the end of the season and 88% of the quota for the second season had been caught by the end of the season in January 2021. 2021 was also a good year for fisheries in South Peru. The company's factory in Ilo processed 111,000 tonnes in 2021, the majority of which was purchased from the coastal fleet. The factory in Ilo did not receive any raw materials in 2020.

The company's total volume of raw materials in 2021, comprising own catches and purchases from third parties, was 569,000 tonnes, up from 391,000 tonnes in 2020. The volume growth is mainly the result of productive fisheries in South Peru, as well as some of the quota of 2.8 million tonnes for the second season of 2020 being caught in January 2021.

In 2021, the company sold 128,000 tonnes of fishmeal and fish oil, compared with 69,000 tonnes in 2020. The low sales volumes in 2020 were impacted by a challenging second season in 2019, when fishing was stopped early in the season and only 36% of the national quota had been fished by the end of the season. This meant that the company started 2020 with unusually low inventories of fishmeal and fish oil. The company's prices realised for fishmeal were 11% higher in 2021 than in 2020. The company sells the majority of its fishmeal to Asia, with China the single largest market. The prices realised for fish oil were down 7% from 2020 to 2021.

The company had caught its entire quota for the second season of 2021 by the end of the year and entered 2022 with inventory of 48,000 tonnes of fishmeal and fish oil. The corresponding inventory at the start of 2021 was 38,000 tonnes.

Austral reported revenue of NOK 2,017 million in 2021 (2020: NOK 1,241 million), EBITDA of NOK 673 million (2020: NOK 338 million) and EBIT of NOK 506 million (2020: NOK 134 million).

The strong revenue and earnings improvement can be attributed to a combination of higher sales volumes and better prices realised for fishmeal in 2021 compared with 2020.

Stringent national restrictions were once again in place in 2021 as a result of the COVID-19 pandemic. The infection rate started falling from May 2021 but, like the rest of the world, Peru experienced a new wave of infections at the end of the year. The company has maintained 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, higher costs relating to input factors and compliance with statutory regulations, as well as significantly lower predictability than normal.

Foodcorp Chile S.A. (Chile)

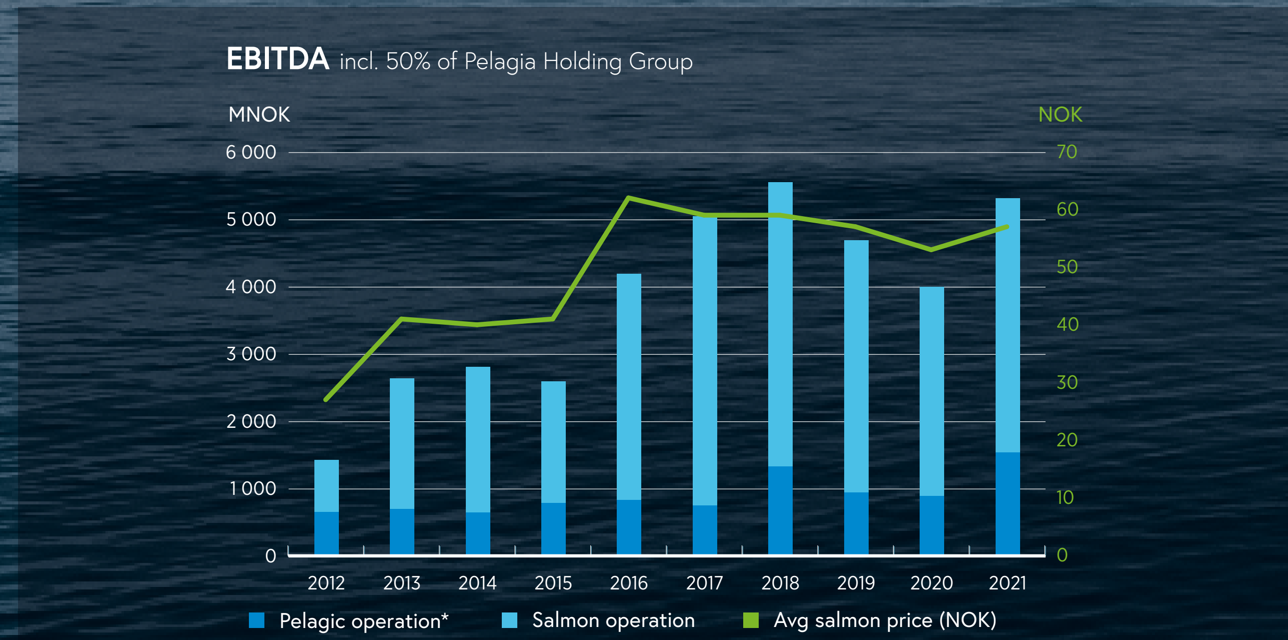
Foodcorp Chile S.A.'s (FC) fully integrated value chain comprises activities within fisheries, production of consumer products and production of fishmeal and fish oil. FC's quota is currently equivalent to 8.6% of the national quota for horse mackerel caught by the fleet group to which FC's vessels belong. FC also has a quota for sardine/anchoveta. All FC's onshore industrial activities share the same premises in Coronel.

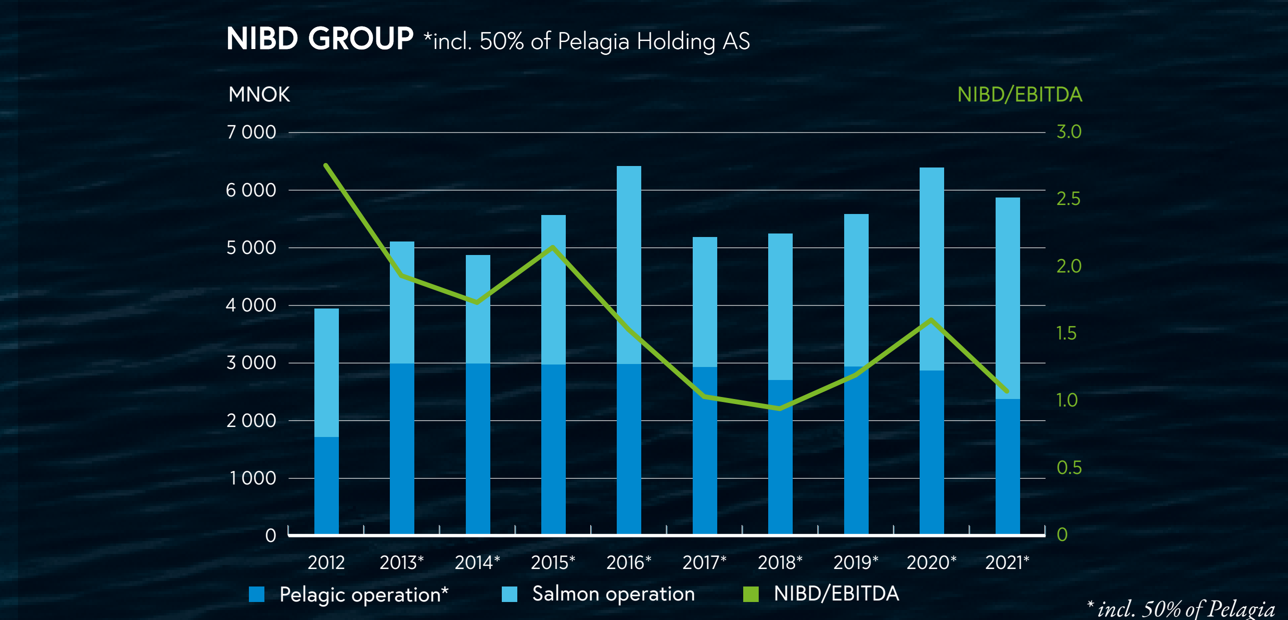
The main season for horse mackerel fishing is from December to July. The main season for sardine/anchoveta fishing is divided into two periods. The first season starts in March and lasts until July/August. The second season normally starts in October/November and continues through December.

This fishing pattern means that the company generates the majority of its earnings in the first half of the year.

The company's supply of raw materials has shown a positive development in recent years. In total, the company received 105,000 tonnes of raw materials in 2021, against 92,000

EBITDA AND NIBD GROUP





tonnes in 2020. In addition to the company's own horse mackerel quota of 39,800 tonnes, it also purchased quota of 31,800 tonnes from a third party. The total volume for 2021 was therefore 71,600 tonnes of horse mackerel, compared with 63,100 tonnes in 2020. The volume growth is a result of higher quotas, but the company is also increasing the volumes of third-party quotas that it buys and catches using its own vessels.

The company has also purchased raw materials from the coastal fleet. Raw materials from this fleet group in 2021 were mainly anchoveta and sardines.

The company reported revenue of NOK 716 million in 2021 (2020: NOK 638 million), EBITDA of NOK 192 million (2020: NOK 138 million) and EBIT of NOK 150 million (2020: NOK 101 million).

The increase in revenue and earnings is a result of higher sales volumes and better prices realised for frozen products compared with 2020.

Fishing for horse mackerel in Chile was subject to a sharp fall in 2008/2009. As a result, joint international management of fish stocks was introduced from 2011. Responsibility for the scheme rests with the South Pacific Regional Fisheries Management Organisation (SPRFMO). The quotas established in subsequent years saw only a minor increase, in order to build up the biomass. Thanks to SPRFMO's conservative management, it was able to report in the autumn of 2017 that the biomass had returned to a sustainable level, allowing the organisation to recommend a 17% increase in the quotas for 2018 and 3% for 2019. As of 2020 and up to and through 2022, the increase in quotas has been 15% every year.

The authorities in Chile still have national restrictions in place to combat the COVID-19 pandemic. Here, too, there was a new wave of infections at the end of 2021. The company has maintained 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, higher costs relating to input factors and compliance with statutory regulations, as well as significantly lower predictability than normal.

Br. Birkeland AS/Br. Birkeland Farming AS (Norway)

Br. Birkeland AS (BRBI) was demerged at the end of 2017, such that the farming operations were transferred to the new company Br. Birkeland Farming AS (BFARM), while fishery operations remained in Br. Birkeland AS. At year-end 2021, AUSS owned 55.2% of the shares in Br. Birkeland Farming AS and 42.9% of the shares in Br. Birkeland AS.

BRBI owns and operates two pelagic ring net vessels, each with a 681 basic tonne quota for ring nets and 1,425 basic tonne trawler quota for blue whiting. BRBI also had a vessel fishing for snow crab in 2021. In September 2021, BRBI purchased a second-hand fishing vessel to replace the "Northguider", which sank off Svalbard in December 2018. The vessel has been undergoing conversion/installation of factory, which was completed at the end of January 2022. The vessel started up snow crab fishing in mid-February.

The companies involved in pelagic fisheries have reported another good year in terms of operations and prices realised for all the fish species for which the company has quotas.

BRBI reported total revenue of NOK 306 million in 2021 (2020: NOK 249 million), EBITDA of NOK 111 million (2020: NOK 103 million) and EBIT of NOK 70 million (2020: NOK 59 million).

BFARM owns seven licences for farming Atlantic salmon in the county of Vestland. The company harvested 8,151 tonnes gutted weight of Atlantic salmon in 2021, up from 6,790 tonnes in 2020. An outbreak of ILA was confirmed at one of the company's localities in June. The fish concerned were 1-2 kg in size when they were slaughtered in the third quarter. The mandatory slaughter has severely impacted the company's earnings. The company sells all its fish in the spot market, and release from stock costs remain high.

BFARM posted total revenue for 2021 of NOK 432 million (2020: NOK 306 million), EBITDA of NOK 52 million (2020: NOK -30 million) and EBIT before fair value adjustment related to biological assets of NOK -12 million (2020: NOK -80 million).

National restrictions to combat the COVID-19 pandemic have had limited impact on pelagic fishery operations, and the seasons have been concluded almost as normal. BFARM's activities have been impacted to only a minor degree by the pandemic.

Pelagia Holding AS (Europe)

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

The company's operations comprise production of fishmeal and fish oil as well as production of frozen pelagic consumer products. Pelagia purchases all its raw materials from third parties. The company has production facilities in Norway, the UK and Ireland. In addition, the company owns Hordafor AS, a company that purchases raw materials from the fish farming industry, whitefish industry and pelagic fisheries for production of protein concentrate and oil. Through its subsidiary Epax, Pelagia is a leading manufacturer of Omega-3 products based on marine ingredients. These products are used in dietary supplements and pharmaceutical products.

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 transaction date. The comparative figures for 2020 have not been restated.

Pelagia processed approx. 1.2 million tonnes of raw materials in 2021. The corresponding volume in 2020 was approx. 1.4 million tonnes. The decline in volume is the result of reduced quotas for pelagic species in the North Atlantic in 2021 compared with 2020.

The company reported revenue of NOK 10,001 million in 2021, including a one-off gain of NOK 139 million (2020: NOK 8,814 million), EBITDA of NOK 1,018 million (2020: NOK 655 million) and EBIT of NOK 727 million (2020: NOK 409 million).

National and international restrictions in connection with the COVID-19 outbreak have affected Pelagia's operations. The company's employees have, however, done their utmost to keep the value chain operational at a challenging time, and, to date, operations have continued practically as normal, albeit with a slight increase in costs – particularly relating to the logistics chains.

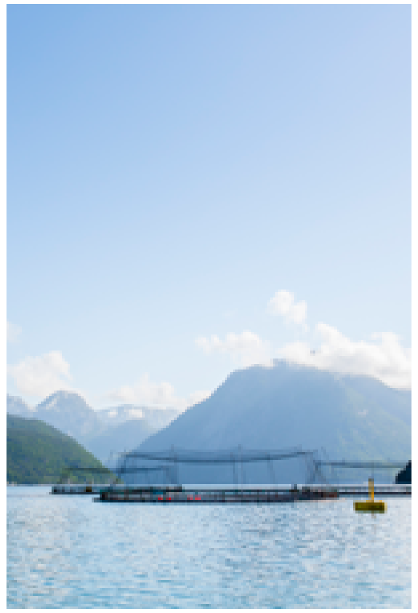
The company delivers good results, is a significant player in its segment and represents substantial values for AUSS.

SHAREHOLDERS

At year-end 2021, AUSS had 8,277 shareholders, compared with 7,294 at year-end 2020. The share price at 31 December 2021 was NOK 106.40 per share, compared with NOK 87.70 per share at 31 December 2020. The company's share capital at 31 December 2021 was NOK 101,358,687 divided into 202,717,374 shares, each with a nominal value of NOK 0.50. AUSS owned 893,300 treasury shares.

In the period leading up to the Annual General Meeting in 2022, the Board of Directors is authorised to increase the share capital by issuing 20,271,737 shares. The Board of Directors is further authorised, in the same period, to purchase up to 20,271,737 of AUSS's shares at a price ranging from NOK 20 to NOK 150. A proposal will be made to the company's Annual General Meeting in the spring of 2022 to renew these mandates.

AUSS aims to maximise value creation for the benefit of shareholders by delivering good results. Over time, the target is to pay out between 20% and 40% of the Group's annual profit (excluding the fair value adjustment related to biological assets) as dividends.



The Board of Directors will recommend that the Annual General Meeting approve a dividend payment of NOK 4.50 per share in 2022. The dividend payment for financial year 2020 was NOK 3.50 per share.

The Board of Directors' recommendation reflects the Group's dividend policy, financial strength, strong financial position and projected profit performance in the years ahead.

The total dividend payment for financial year 2021 recommended to the Annual General Meeting to be held on 24 May 2022 is thus NOK 912,228,183. Of this amount, NOK 4,019,850 is dividends payable on treasury shares. The dividend payment is scheduled for 9 June 2022, and the shares will be traded ex dividend from and including 25 May 2022.

The Board of Directors follows the Norwegian Code of Practice for Corporate Governance, issued by NUES, and the UN Global Compact's ten principles for responsible business. The Board of Directors is of the opinion that AUSS is appropriately organised and that its activities are carried out in compliance with relevant legislation and regulations and in accordance with the company's object and Articles of Association. Please refer to the separate chapter on corporate governance in the Annual report and to the company's Sustainability report.

Insurance policies have been taken out for members of the Board of Directors and senior executives to cover their personal liability for compensation for economic loss in connection with exercising their duties (Directors' and management liability). The policies have been taken out at market terms with a highly rated international insurance company.

RISK MANAGEMENT AND INTERNAL CONTROL

It is neither possible, nor wholly desirable, to eliminate all the risks related to the Group's activities. The Board of Directors does, however, strive to work systematically to identify risk areas and monitor defined risks within the Group's companies. The Board views risk management as part of the long-term value creation for the company's shareholders, employees and the wider community. Growth opportunities must always be viewed in the context of the Group's overall risk profile.

Identified risks are monitored on a regular basis to ensure that the Group's risk exposure is acceptable. The objective is to ensure that the Group, including each individual company that is part of the Group, is able to increase both its expertise in and awareness of risk identification over time. This requires each company to implement effective routines for risk management, thereby helping ensure that the Group achieves its overall goals. The level of systematic risk identification and risk management varies within the Group's companies.

The Group's diversified company structure and product range, including its geographical spread, will normally limit risk in terms of specific product volatility and business cycles. The Group's internal control and risk management related to the financial reporting process are described in the chapter on corporate governance in the company's Annual report. For the Corporate governance report, please refer to the Annual report for 2021 and the company's Sustainability report for 2021, both available on the company's website: www.auss.no.

EMPLOYEES

2021 was another challenging year, with COVID-related restrictions requiring changes to everyday working life for the Group's employees. Throughout this period, we have maintained a high focus on protecting our employees' health and safety, and the Group companies have worked extremely hard on infection control measures and providing information on remedial measures to prevent infection. For 2021, we must once again praise the effective infection control measures that our companies established to protect employees.

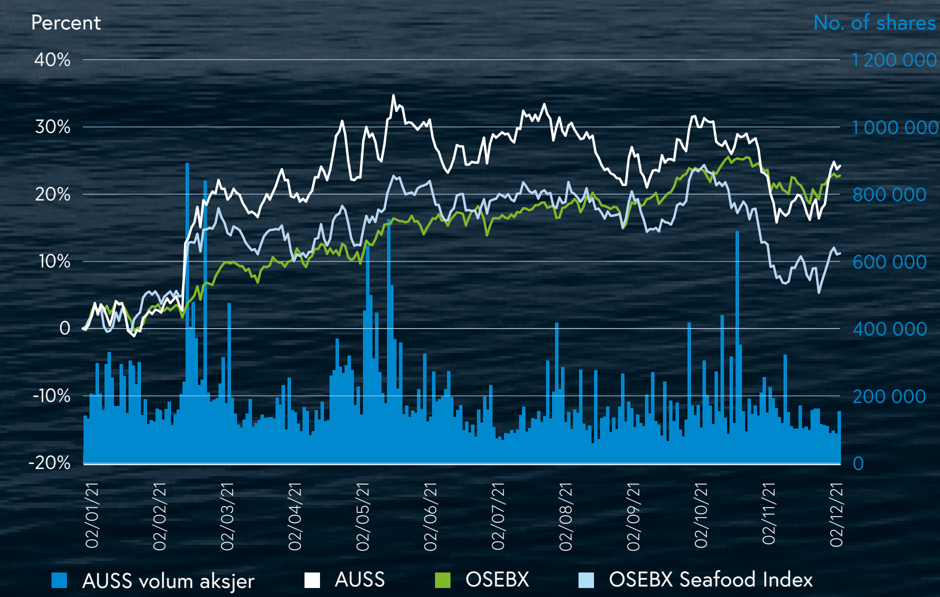
The total number of full-time equivalents in the Group in 2021 was 7,143, of whom 1,916 were in South America. The corresponding figures for 2020 were 6,342 full-time equivalents with 1,781 in South America.

Sick leave in 2021 was 5.8% against a comparative figure of 5.4% for 2020. This development must be seen in light of the global pandemic that affected much of 2021 too.

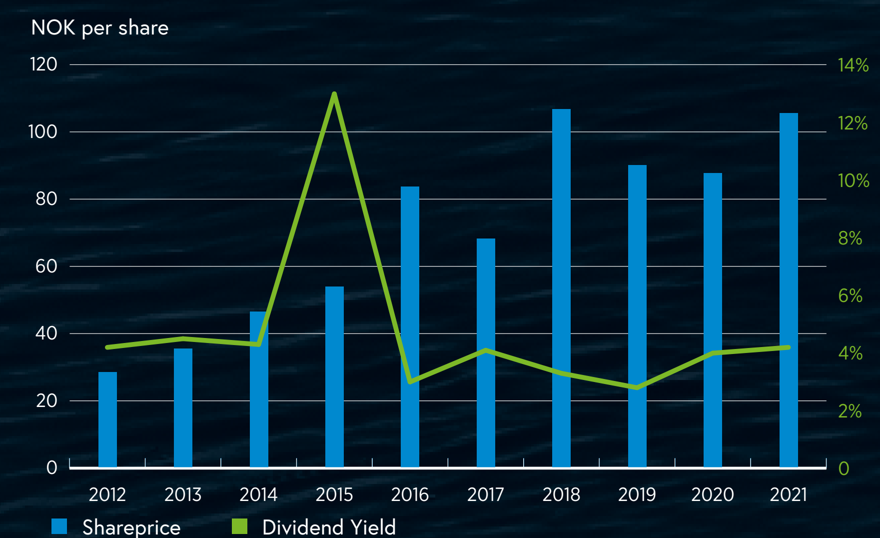
Female employees are under-represented in the Group's fishing activities and over-represented within processing. Recent years, however, have seen an increasing percentage of women in what have traditionally been predominantly male professions, for example within fisheries and farming. At the end of 2021, approx. 69% of the Group's employees were men and approx. 31% women. The equivalent figures for 2020 were 68% men and 32% women. There are four women on the company's Board of Directors out of a total of seven, equivalent to a female quota of 57%. In 2020, three of the seven members were women, giving a female quota of 43%.

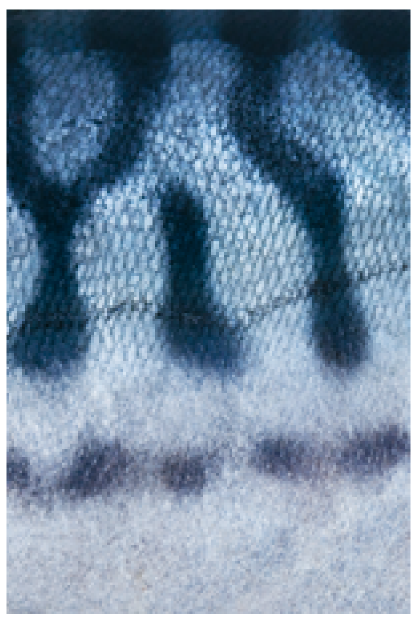
INDEX AND SHAREPRICE

AUSTEVOLL SEAFOOD ASA VS. OSLO SEAFOOD INDEX AND OSEBX 2021



SHAREPRICE AND DIVIDEND YIELD PER SHARE





The Group seeks at all times to ensure equal opportunities and rights for all employees, and to prevent discrimination based on national origin, ethnicity, colour, language, sexual orientation, functional diversity, religion or personal philosophy. The Group also aims to be an inclusive workplace where there is no discrimination on grounds of reduced working capacity. Moreover, the Group attaches importance to preventing harassment and has a zero-tolerance policy in place. The most important markers of harassment are that the behaviour is unwanted, unsolicited and one-way. Harassment can take many different forms, with bullying and sexual harassment the most common.

Additional information can also be found in AUSS's Sustainability report for 2021.

HEALTH, SAFETY AND THE ENVIRONMENT

The Group places great emphasis on managing and developing situations that can help increase expertise in and awareness of health, safety and the environment. The Group maintains a strong focus on procedures and compliance with these, as well as measures to safeguard all employees. This work is a perpetual process towards the Group's vision of zero injuries.

The Group's activities in Norway are affiliated with the local company health service. Unwanted events and near-accidents are registered on an ongoing basis in order to prevent future injuries. The focus on reporting and following up unwanted events will help create a safer workplace. There were 237 occupational accidents resulting in sick leave during the year (2020: 222) and 182 occupational accidents without sick leave (2020: 276). An occupational accident in the first quarter of 2021 resulted in an employee losing their life. This extremely tragic event was also discussed in the Group's Annual report for 2020, which was published in April 2021.

Please see also the company's Sustainability report for 2021 for further information on health, safety and the environment, and the company's health and safety guidelines.

Financial and technical resources are deployed to ensure that the Group's activities are conducted in accordance with guidelines established to promote the interests of the company and the environment. The planning and implementation of new technical concepts make vessels, offshore and onshore industry more efficient, easier to operate and more environmentally friendly, thus reducing the health and safety risk for employees.

The processing industry in Norway has implemented quality assurance systems in accordance with regulations issued by the Directorate of Fisheries. The Group's fishmeal and fish oil production in Norway is subject to licensing and is governed by regulations issued by the Norwegian Environment Agency (formerly the Norwegian Climate and Pollution Agency). All of the Group's Peruvian factories have ISO 14001 certification.

AUSS is committed to the sustainable management of fishery resources and actively monitors employee and management compliance with regulations and quota provisions, among other things to help ensure that resources are conserved for future generations. The Group's vessels are principally engaged in fisheries using "active fishing gear" in the form of ring nets and trawls. This means there is only a minimal risk of the Group contributing to the problem of ghost fishing. The Group has two vessels that use bow nets, and loss of this gear could give rise to ghost fishing. The Group's policy is to retrieve lost fishing gear.

Austral has achieved "Friend of the Sea" certification. This is awarded by an independent certification body with detailed knowledge of fishing, and focuses on anchoveta. The accolade is awarded to products that use anchoveta as a raw material and is subject to a rigorous certification process. The certification awarded to Austral covers fishmeal and fish oils, canned products and frozen goods based on Peruvian anchoveta. The certification confirms that the fish stocks are being harvested in accordance with criteria for sustainable fishing, and that the resources are not being overfished (www.friendofthesea.com).

The Marine Stewardship Council (MSC) is an independent, non-profit organisation that seeks to promote responsible fishing in order to ensure sustainable fish stocks. The MSC has developed an environmental standard for sustainable and well-controlled fisheries. The standard is based on three main principles: sustainable fish stocks, minimal impact of fisheries on the ecosystem of which the stocks are part, and effective management. Peru is currently working to gain MSC approval for anchoveta, in addition to "Friend of the Sea" certification.

The stock of horse mackerel is an important resource for the business in Chile and gained MSC certification in 2019. In the North Atlantic, important fish species such as Norwegian spring-spawning herring, North Sea herring, blue whiting, cod, haddock, saithe, shrimps, sand eel, Norway pout and ocean sprat have MSC certification. Unfortunately, disputes on joint quota agreements among the coastal nations that manage the stocks resulted in suspension of MSC certification for Norwegian spring-spawning herring and blue whiting from 2021. Haddock caught within 12 nautical miles lost its MSC certification in Norway from April 2021, and cod from August 2021. The reason behind the suspension of haddock and cod catches close to the coast is the high number of coastal cod being caught, which the authorities have established as being under pressure.

The Group's fish farming operations are closely linked to the conditions inherent in Norwegian and international waters. Based on a long-term and sustainable perspective, the Group seeks to protect and safeguard the environment in the areas where fish farming is carried out. Environmental aspects are one element of the Group's quality policy and an integral part of the internal control system in the Group's fish farming companies. This applies throughout the value chain from breeding via smolt and grow-out to harvesting, processing and distribution.

The Group's vessels are not considered to cause any pollution to the external environment over and above generally accepted and/or statutory levels. The Group's onshore facilities have purification systems linked to the production process, and operations are regulated by the requirements set for this type of activity. The Group focuses on reducing energy and water consumption, and the Board of Directors does not consider the Group's processing activities cause significant emissions to the external environment. The Group works continuously to minimise energy requirements per kilo of seafood produced in its processing plants. See also the separate chapter on sustainability reporting in the company's Annual report.

Additional information can be found in AUSS's Sustainability report for 2021.

CORPORATE SOCIAL RESPONSIBILITY

For many years, AUSS has worked actively to follow up its corporate social responsibility as part of daily operations. We therefore find it natural to include our account of this work in our Annual report. This section of the annual report should also be considered in light of the other parts of the Annual report.

The Board of Directors and management maintain a constant focus on corporate social responsibility and work to ensure that all the Group's employees, whatever their roles, are made aware of the need to exercise good social responsibility in their daily work, including that the Group's corporate social responsibility must be manifest in the local communities where AUSS's portfolio companies operate. For AUSS, corporate social responsibility is about achieving commercial profitability without compromising on fundamental ethical values and requirements for operating principles that are sustainable from an environmental and climate perspective.

The subsidiaries Foodcorp in Chile and Austral in Peru are members of the United Nations Global Compact and adhere to its ten principles. Austral also reports according to the Global Reporting Initiative (GRI). The subsidiary LSG has reported in accordance with GRI since 2013 and has prepared a separate Environmental Report that is available in full on the company's website www.leroy.no.

Austevoll Seafood ASA joined the UN's Global Compact initiative in 2020 and adheres to its ten principles. AUSS has also set up a committee for social responsibility and sustainability, made up of three of the board members.

AUSS has implemented a Code of Conduct setting out ethical guidelines for the company's portfolio companies and the conduct of the Group's employees.

All the operating segments report to Group management on a quarterly basis on factors such as health, safety and the environment, the Code of Conduct and whistle-blowing. Any reported non-compliance and/or suspected non-compliance is followed up by the management.

Human rights, labour rights and social conditions

Through its portfolio companies, AUSS is represented in a number of different locations around the world. The Board finds that the Group's operations have a substantially positive impact in the communities where we operate. Our business operations generate local taxes, and provide jobs and social activities. In 2021, the Group continued to actively support local and voluntary organisations in the local communities where it has operations, with a special focus on activities aimed at children and young people.

AUSS has zero tolerance of violations of fundamental human rights and social dumping. The management of the portfolio companies shall follow up to ensure that the companies, by means of their operations, offer the employees terms that, as a minimum, meet local minimum requirements. We also work actively with our business associates and partners to ensure this. AUSS refuses to work with third parties that violate workers' basic rights.

Via its portfolio companies, the Group is a leading producer of Atlantic salmon and trout, and products made from whitefish and pelagic fish. The Group makes a positive contribution to public health, both locally and globally, by producing food that is high in protein and rich in Omega-3, both of which are important elements of a balanced diet for the world's population. Within Atlantic salmon/trout and whitefish, the Group has worked systematically on product development for many years with a view to making its products readily available to consumers and easy to prepare.

The external environment

Please refer to the separate discussion in the Annual report concerning the impact of operations on the external environment, including the Group's work to mitigate any adverse effects and footprint from its operations.

Anti-corruption

The Code of Conduct, mentioned above, forbids any employee, directly or through intermediaries, to offer, make, invite or receive payments that contravene Norwegian or international law. Our Code of Conduct also requires an assessment of all the partners in Norway and overseas with which the companies enter into agreements. All the Group's employees are required to report any breach of the Code of Conduct to their line manager. If the matter concerns a superior or the employee cannot contact a superior, it should be reported to the general manager or chair of the board of the relevant company. It is a priority for AUSS that whistle-blowing does not have negative consequences for the person who reports a suspected wrongdoing. The whistle-blower shall be protected to ensure that the matter is investigated as thoroughly as possible. Any incoming reports of corruption will be followed up by the company concerned and/or Group management, which will initiate more detailed investigations. Each report received is routinely submitted to the Board as part of the quarterly compliance reporting. AUSS has zero tolerance for corruption and will continue to work actively vis-à-vis the Group's employees and partners to combat all forms of corruption. The Board expects the Code of Conduct's focus on combating corruption, combined with the ongoing monitoring of the respective operating segments, to have positive outcomes in terms of preventing corruption.

Tax

AUSS will contribute to value creation in the local communities of which the parent company and the portfolio companies are a part. AUSS strives for transparency and accuracy in its tax affairs, and to pay taxes where economic value is created. AUSS's country-by-country reporting is carried out by its ultimate parent company, Laco AS, in accordance with the Regulations on country-by-country reporting issued by the Ministry of Finance on 9 December 2016.

Additional information can be found in AUSS's Sustainability report for 2021.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS, as adopted by the EU.

Group revenue was NOK 26,633 million in 2021, compared with NOK 22,446 million in 2020. Of this figure, other gains and losses amounted to NOK 62 million in 2021, compared with NOK 11 million in 2020.

The Group's operating profit before depreciation and fair value adjustment related to biological assets (EBITDA) came to NOK 4,810 million in 2021, compared with NOK 3,675 million in 2020.

The Group's earnings in 2021 were significantly stronger than in 2020. Good development in demand and higher prices realised, combined with operational improvements, are key factors in the earnings growth.

Operating profit (EBIT) before fair value adjustment related to biological assets was NOK 3,218 million in 2021, against NOK 2,159 million in 2020.

Operating profit after fair value adjustment related to biological assets amounted to NOK 4,332 million in 2021, against NOK 1,205 million in 2020. In 2021, the fair value adjustment of biological assets was positive at NOK 1,114 million. In 2020, the fair value adjustment of biological assets was negative at NOK -954 million.

The largest associates are Pelagia and Norskott Havbruk AS (owner of the Scotland-based fish farming company Scottish Sea Farms Ltd). These companies have reported consistently good results over time and represent significant values for the Group. In 2021, profit from associates totalled NOK 394 million, compared with NOK 250 million in 2020. In 2020, the profit figure included a one-off gain of NOK 70 million.

Net financial expenses were NOK -350 million in 2021, against NOK -427 million in 2020. Profit after tax was NOK 3,437 million in 2021, compared with NOK 823 million in 2020.

The Group's net cash flow from operating activities was NOK 4,635 million in 2021, compared with NOK 2,944 million in 2020. Tax payments totalled NOK 447 million in 2021, compared with NOK 491 million in 2020.

Net cash flow from investing activities in 2021 was negative at NOK -1,650 million. In 2020 it was also negative at NOK -1,403 million. As previously described, in recent years the Group has invested substantial amounts in its core activities, with the biggest single investment in 2021 being the post-smolt facility in Lerøy Midt. The Group has also made acquisitions in Denmark and in the UK via its associate Norskott Havbruk AS. The Group received dividends from associates totalling NOK 114 million in 2021, compared with NOK 130 million in 2020.

Net cash flow from financing activities in 2021 was negative at NOK -2,128 million. The Group paid dividends of NOK 1,335 million in 2021, compared with NOK 983 million in 2020. Net cash flow from financing activities in 2020 was negative at NOK -1,326 million.

At year-end 2021 the Group had bank deposits of NOK 5,329 million, up from NOK 4,463 million at year-end 2020.

At year-end 2021, total assets amounted to NOK 43,781 million, against NOK 39,741 million at year-end 2020.

The Group is financially sound. Book equity at 31 December 2021 totalled NOK 25,187 million, equivalent to an equity ratio in the region of 58%. Equity at 31 December 2020 was NOK 22,991 million, also equivalent to an equity ratio of 58%.

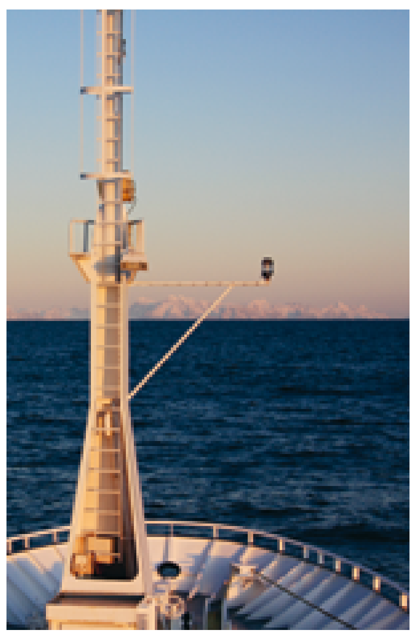
At year-end 2021, the Group had net interest-bearing debt of NOK 3,970 million, while the corresponding figure at year-end 2020 was NOK 4,650 million. Including lease liabilities other than to credit institutions of NOK 1,659 million, net interest-bearing debt at year-end 2021 was NOK 5,630 million. The corresponding figure for net interest-bearing debt at year-end 2020 was NOK 5,942 million. The Group has good access to external financing on good terms. Over several years, Austevoll Seafood ASA has gained the confidence of the market as an issuer of bond loans. The company aims to be an attractive choice, including for investors who prefer to invest in fixed-income securities.

KEY RISK FACTORS

AUSS is exposed to risk associated with the value of its investments in the portfolio companies in the event of price changes in the markets for raw materials and finished goods, in so far as these bring about changes in the companies' competitiveness and earnings potential over time. Other key parameters are operational conditions and developments in the Group's input factor prices. In the last

VALUES

- LOOK TO THE FUTURE
- ACT WITH INTEGRITY
- ENHANCE KNOWLEDGE
- STRIVE FOR EXCELLENCE



two years we have also observed how pandemics, and the restrictions introduced to combat them, can negatively impact demand and operations in the value chains.

The Group's activities are essentially global and will always be impacted to varying degrees by developments in the global economy. In February 2022 the world bore witness to Russia's invasion of Ukraine. The invasion is causing unimaginable human suffering for those directly involved in the conflict. The conflict we are now experiencing in Europe is also impacting financial markets, exchange rates, supply chains, and the supply and price of input factors. Although this unrest may have negative impacts on the real economy in most markets, it is our opinion that AUSS's core business is founded on assets that are sustainable from a climate, environmental and financial perspective in the long term within viable seafood industries.

The Norwegian seafood industry and the fish-processing industry in Norway and the EU have historically been exposed to the risk represented by the constant threat of long-term political trade barriers imposed by the European Commission. The political trade barriers currently blocking exports of Norwegian salmon and trout to Russia, and the continued complexity of trading with China, provide an illustration of political risk in practice. These barriers represent a short-term obstacle to the Group's marketing efforts and value creation. However, the market for high-quality seafood is global and is experiencing strong growth. Over time, this growth has largely compensated for political trade barriers, providing grounds for an optimistic outlook and our belief that the Group is well positioned to continue its positive long-term development.

Changes in fishing patterns and quota regulations result in fluctuating catch volumes from quarter to quarter and from year to year, and subsequently in variable utilisation of the Group's production facilities. The seasonal fluctuations in catch volumes create similar fluctuations in the interim key figures. At year-end 2021, the Group had live fish worth NOK 6.2 billion on its statement of financial position. Biological risk has been and will continue to be a substantial risk factor for the Group's operations. Assessing and managing biological risk must therefore be a part of the Group's core expertise.

The approval granted by the Norwegian Ministry of Trade, Industry and Fisheries links the Group's ownership of Havfisk and LNWS to the ownership structure approved when the application was submitted, thereby requiring approval of any changes in ownership not covered by the exemptions granted by the Ministry. The nationality requirement in section 5 of the Act relating to the right to participate in fishing and catches (Participant Act) must also be met. Following the acquisition of Havfisk and LNWS, the Group has substantial exposure in terms of catches of wild fish under Norwegian quotas. The Group faces political risk linked to decisions by the authorities, including framework conditions for fish farming and licence terms related to fisheries legislation in Norway and the other jurisdictions where the company carries out fisheries activity.

Exposure to risk as a result of changes in interest rate levels is identified and assessed on an ongoing basis, as the majority of the Group's debt is at floating interest rates.

Through its subsidiaries, the Group has fixed-rate agreements for parts of its interest-bearing debt. At year-end 2021, the Group had fixed-rate agreements for around 24% of its interest-bearing debt. The Group has always attached importance to long-term collaboration with financial partners. The Group has satisfactory financing in place, and we are of the opinion that the financial covenants fit well with the Group's operations.

The Group is exposed to changes in exchange rates against the Norwegian krone, particularly the Euro, US dollar, Chilean peso and Peruvian sol. Measures to reduce this risk include forward contracts and multi-currency credit facilities. Furthermore, parts of the long-term debt are matched to earnings in the same currency.

The Group seeks to reduce the risk of counterparties being unable to meet their financial obligations by taking out credit insurance where possible and by using guarantees and Letters of Credit, which essentially secure fulfilment of customer commitments. Historically, the Group has had a low level of bad debts, but this may naturally vary from year to year. Credit risk varies over time and between the different operating segments. Credit risk is closely interlinked with developments in the global economy. The Board of Directors is of the opinion that credit risk has increased in recent years.

The Board of Directors of AUSS considers the liquidity in the Group's portfolio companies to be satisfactory.

GOING CONCERN ASSUMPTION

The Group, including the parent company, has a satisfactory economic and financial position, providing a good foundation for continued operations and further development of the company. The consolidated and parent company financial statements have been prepared on a going concern basis.

COMPANY FINANCIAL STATEMENTS FOR AUSTEVOLL SEAFOOD ASA

Austevoll Seafood ASA is the holding company for the Group. At year-end 2021, the company had three employees and reported zero sick leave in both 2021 and 2020. The company's activities principally involve owning shares in underlying companies. The company's management is actively involved in the operations of the Group companies, taking part in business development, strategy processes, board work etc.

The parent company's financial statements have been prepared in accordance with simplified IFRS.

Revenue reported by the parent company was NOK 1.9 million in 2021, compared with NOK 2.1 million in 2020. The company reported an operating loss of NOK -33.2 million in 2021, compared with NOK -32.3 million in 2020.

Net financial items were positive at NOK 944 million in 2021. The corresponding figure for 2020 was also positive at NOK 760 million. Financial income is essentially dividends from subsidiaries and associates. Financial expenses are essentially interest on external financing.

Profit for the year amounted to NOK 911 million in 2021, compared with NOK 728 million in 2020.

Net cash flow from operating activities for the parent company amounted to NOK -26 million in 2021, compared with NOK -36 million in 2020. Net cash flow from investing activities mainly reflects dividends and Group contributions received, and was positive at NOK 989 million in 2021. Net cash flow from investing activities in 2020 was NOK 634 million.

In 2021, the parent company reported net cash flow from financing activities of NOK -1,349 million. As well as paying dividends of NOK 706 million, the company redeemed a bond loan of NOK 500 million. This was redeemed using parts of the company's cash and cash equivalents. In 2020, the parent company reported a negative net cash flow from financing activities of NOK -583 million, mainly comprising dividend payments of NOK 505 million and ordinary instalments on company debt.

At the start of 2021, the parent company had cash and cash equivalents of NOK 743 million. At year-end 2021, this figure was NOK 358 million.

The parent company has total assets of NOK 5,940 million (2020: NOK 6,292 million). Book equity is NOK 4,395 million (2020: NOK 4,392 million), representing an equity ratio of 74% (2020: 70%).

The parent company's external net interest-bearing debt at year-end 2021 was NOK 136 million (2020: NOK 359 million). The parent company had net interest-bearing receivables from subsidiaries at year-end 2021 amounting to NOK 7 million (2020: NOK 171 million).

The parent company's financial statements reflect a profit of NOK 911 million. The Board of Directors proposes that NOK 912 million be allocated to dividend payments (NOK 4.0 million of which as dividends on treasury shares) and NOK 1 million be transferred from other distributable equity.

The parent company has a satisfactory financial position that meets the requirements for a going concern and further development of the company.

OUTLOOK

Atlantic salmon and trout, and whitefish

The Group's production of redfish 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 producing 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, including in the long term. As well as developing existing farming operations, the Group is amassing knowledge and/or expertise within both land-based and sea-based salmon production.

In recent years, LSG has made significant investments in several parts of the value chain, including expanding facilities for smolt/post-smolt capacity in all the Group's regions. In 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 and will generate growth in Lerøy Midt's harvest volumes from 2023. These investments were made to raise the quality of the company's smolt, increase production by means of better licence utilisation and reduce costs. The investments in the Group's smolt production have been an important driver of the growth in the Group's harvest volume in Norway, which increased 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 will help us realise improvements in the years ahead.

As for 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. LSG's share from associates is forecast to be 23,000 tonnes. This includes the expected volume from Scottish Sea Farms Ltd's new acquisition, Grieg Seafood Hjaltland UK Ltd. LSG's total harvest volume in 2022 is therefore estimated to be in the region of 208,000 tonnes, compared with 203,000 tonnes in 2021.

The Group has made significant investments in catching and processing whitefish in recent years. One new vessel was added to the fleet in 2018 – Nordtind – and another in early 2020 – Kongsfjord. Further improvements to fish quality were priority design criteria for Kongsfjord. Consumers' quality expectations and requirements continue to increase. High quality and competitiveness are essential for success when competing for consumers' favour. LSG's target of significantly reducing greenhouse gas emissions makes new demands of technology within the fleet. The Group monitors developments closely and is of course aware of the time-related and technological challenges inherent in the shift from fossil fuels to more sustainable solutions. Developments in the whitefish segment in 2021 were positive. The development in demand has gradually led to higher sales prices at the same time as a number of operational improvements have been successfully implemented in the onshore industry. Prices for relevant whitefish species were significantly higher at the start of 2022 than a year ago. This is a positive development overall but, in the short term, represents 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, Lerøy 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, transferred quota from 2021 to 2022 is also positive for the onshore industry.

LSG works to consistently develop a more efficient and more sustainable value chain for seafood – a value chain that 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, including in a new industrial facility for Lerøy Midt, a new factory in Stamsund, and new factories in Spain, the Netherlands and Italy that are still in the running-in phase, will make a positive contribution in the years to come.

Norskott Havbruk AS's acquisition of Grieg Seafood Hjaltland UK Ltd, via Scottish Sea Farms, was completed in December 2021. The company operates in Shetland, 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 increased by 3.1% in 2021 compared with 2020. The increase in production stems from Peru and Chile, at 15.3% and 6.5% respectively, while there was a 26.9% reduction in production in the North Atlantic compared with 2020.

The quota for the second anchoveta season in Peru in 2021 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's 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 relative to 2021. The quota for 2022 is 904,000 tonnes, up from 127,000 tonnes in 2021.

**Source: IFFO, week 52, 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. 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's 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's recommended quota for North Sea herring in 2022 reflects a catch increase of a full 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, with the decision made to increase the quota by approx. 15% compared with 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 ready to solve challenges in difficult and changeable conditions. The management and Group employees are doing what they can every day to ensure that the Group fulfils its underlying social responsibility by keeping the value chain and food supplies 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 eased. 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.

Storebø, 22 April 2022
The Board of Directors of Austevoll Seafood ASA

Helge Singelstad Chairman of the Board	Helge Møgster Board member	Hege Charlotte Bakken Deputy Chairman of the Board
Siren M. Grønhaug Board member	Eirik Drønen Melingen Board member	Lill Maren Møgster Board member
Hege Solbakken Board member		Arne Møgster CEO

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Adopted by the Board of Directors on the 29th of August 2006 and updated with effect from 22nd of April 2022.

1. INTRODUCTION

1.1 Background

AUSTEVOLL SEAFOOD ASA (”AUSS” or the ”Company”), is a holding company and the parent company in AUSS' group of portfolio companies (”the Group”). It is established and registered in Norway and governed by Norwegian law. The Company's aim is to observe all relevant laws and regulations, and the Norwegian recommendation for corporate governance. This also applies for all other companies within the Group, and consequently this document applies to the extent reasonable for all companies therein.

In 2006 the Company adopted its first formal Corporate Governance Policy. The Board of Directors have later examined revised versions of the Norwegian Code of Practice for Corporate Governance (the “Code of Practice”), published by the Norwegian Corporate Governance Board (“NUES”), and has approved and adopted this as the Company's Corporate Governance Policy. The Company is obliged to act in compliance with laws and regulations as applicable from time to time in respect of handling and control of insider trading rules and information to the shareholders and the market. The latest revision to the Code of Practice was published by NUES on the 14th of October 2021 (www.nues.no), and the Company's current Corporate Governance Policy is effective as of that date. This fully reflects the Board's approval of the Code of Practice without reservations.

1.2 Objective

This governing document contains measures which have been and will be implemented to secure efficient management and control of the activities of the Company. The main objective is to establish and maintain systems for communication, surveillance and incentives which will increase and maximize the financial results of the Company, its long-term soundness and overall success, and investment return for its shareholders. The development and improvement of the Company's Corporate Governance is a continuous and important process, on which the Board of Directors and the Executive Management keep a keen focus.

1.3 Rules and regulations

The Company is a public limited company listed on the Oslo Stock Exchange.
In that respect the Company is subject to the corporate governance regulations contained in the Public Limited Companies Act 1997 (asal.), the Securities Trading Act 2007 (vphl.), the Market Abuse Regulation (MAR), the Issuer Rules for Oslo Børs (Issuer Rules) and other applicable legislation and regulations. The Company endorses the Code of Practice issued by NUES most recently revised on the 14th of October 2021.

1.4 Management of the Company

Management of and control over the Company is divided between the shareholders, represented through the general meeting of the shareholders, the Board of Directors and the Managing Director (CEO) in accordance with applicable legislation.

The Company has an external and independent auditor.

1.5 Implementation and reporting on Corporate Governance

The Board of Directors must ensure that the Company implements sound corporate governance.

The Board of Directors must provide a report on the Company's corporate governance in the directors' report or in a document that is referred to in the directors' report. The report on the Company's corporate governance must cover every section of the Code of Practice.

If the Company does not fully comply with the Code of Practice, the Company must provide an explanation of the reason for the deviation and what solution it has selected. The Board has decided to follow the Code of Practice from NUES and the Group has drawn up a separate policy for Corporate Governance. Any deviations from the Code of Practice are included in this corporate governance statement.

Deviation from the Code of Practice : None

2. BUSINESS

The Company's articles of association shall clearly describe the business that the Company shall operate.

The Board of Directors shall define clear objectives, strategies and risk profiles for the Company's business activities such that the Company creates value for shareholders in a sustainable manner. When carrying out this work, the Board of Directors shall therefore take into account financial, social and environmental considerations.

The Board of Directors shall evaluate these objectives, strategies and risk profiles at least yearly. The objective of the Company is to be engaged in production, trade and service industry, including fish farming, fishing operations and ship owning business and any business related thereto, including investments in other companies with similar objects.

These statements appear in § 3 of Austevoll Seafood ASA's articles of association.

The Company's vision is to be a “Passionate owner of globally leading seafood companies”, and the business strategy for the Company is long-term value creation via sustainable, competent use of freshwater resources and the oceans, in thriving local communities.

The value chain in the Company's portfolio companies “originates” from sustainable use of the sea, and the Group is a world leader within the production of Atlantic salmon and trout, and also whitefish, covering the entire value chain from egg and catches to final product to consumer. The Group's pelagic operations comprise fisheries, production of fishmeal and fish oil, and production of pelagic products for human consumption. The Group's growth has been and shall continue to be both financially and climate/environmentally sustainable. Sustainable growth places stringent requirements on the Company and the Group within finance, corporate governance, climate and environment, in addition to social issues. In its sustainability reports, the Board of Directors have identified and assessed the following focus areas of sustainability as relevant for AUSS and its portfolio companies:

Protect our Oceans
Improve our Climate
Strengthen our Communities
Empower our People

For further information: https://auss.no/sustainability/sustainability-report/

AUSS takes a very conscious approach to its responsibility for ethical conduct, society at large and the environment. The Company has prepared a set of ethical guidelines (Code of Conduct) that applies to AUSS and the portfolio companies (the Group) and all Group employees, aiming to establish common principles and regulations. The Code of Conduct are used as a basis when collaboration with suppliers and business partners are entered. The Company's Code of Conduct, annual risk assessment and follow up routines, will be part of the preparation to ensure Compliance with the Transparency Act. AUSS Code of Conduct reflect the values represented by the Company and guide the Group employees to make use of the correct principles for business conduct, impartiality, conflict of interest, political activity, entertaining customers, processing information and duty of confidentiality, relationships with business partners, corruption, whistle blowing, bribes etc. Each Group employee is individually responsible for practicing the ethical guidelines. The Company has prepared an Ethics Test for employees which will help them to make the right decisions whenever needed. In addition to the Code of Conduct AUSS has prepared a wide range of policies, which provide additional, and more detailed, guidance and requirements for expected business conduct related to the principles addressed herein. Such policies are applicable to all Group employees and also reflect standards that are expected to be implemented and adhered by all portfolio companies. The Company management is responsible for ensuring compliance with the regulations. To govern this the Company has established a Governance model.

Deviations from the Code of Practice: None

3. EQUITY AND DIVIDENDS

The Board of Directors shall ensure that the Company has a capital structure that is appropriate to the Company's objective, strategy and risk profile.

The Board of Directors shall establish and disclose a clear and predictable dividend policy.

The background to any proposal for the Board of Directors to be given a mandate to approve the distribution of dividends shall be explained.

Mandates granted to the Board of Directors to increase the Company's share capital or to purchase own shares shall be intended for a defined purpose. Such mandates shall be limited in time to no later than the date of the next annual general meeting.

Equity

The Company's need for financial strength is considered at any time in the light of its objective, strategy and risk profile. The Board of Directors considers consolidated equity to be satisfactory.

Dividend policy

The goal is, over time, to pay out 20% to 40% of the Group's net profit (ex. fair value adjustment of biological assets) as dividend.

Capital increase

The Board has the authority until the ordinary general meeting in 2022 to increase the share capital by issuing up to 20,271,737 shares.

Purchase of treasury shares

The Board has the authority, until the ordinary general meeting in 2022, to purchase treasury shares in Austevoll Seafood ASA limited to

10% of the Company's share capital. Shares may not be purchased for less than NOK 20 per share, and no more than NOK 150 per share.

At 31st of December 2021, AUSS directly owned 893,300 treasury shares.

Deviations from the Code of Practice: None

4. EQUAL TREATMENT OF SHAREHOLDERS

Any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital shall be justified. Where the Board of Directors resolves to carry out an increase in share capital and waive the pre-emption rights of existing shareholders on the basis of a mandate granted to the Board, the justification shall be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital.

Any transactions the Company carries out in its own shares shall be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way. If there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of all shareholders.

Trading in treasury shares

The Board's authorisation to acquire treasury shares is based on the assumption that the acquisition will take place in the open market. Acquired shares may be disposed in the market or used as payments for acquisitions.

Deviations from the Code of Practice: None

5. SHARES AND NEGOTIABILITY

The Company shall not limit any party's ability to own, trade or vote for shares in the Company.

The Company shall provide an account of any restrictions on owning, trading or voting for shares in the Company.

The articles of association place no restrictions on negotiability. The shares are freely negotiable.

Deviations from the Code of Practice: None

6. GENERAL MEETINGS

The Board of Directors shall ensure that the Company's shareholders can participate in the general meeting.

The Board of Directors shall ensure that:
- the resolutions and supporting information distributed are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting
- any deadline for shareholders to give notice of their intention to attend the meeting is set as close to the date of the meeting as possible
- the members of the Board of Directors and the chairman of the nomination committee attend the general meeting
- the general meeting is able to elect an independent chairman for the general meeting

Shareholders shall be able to vote on each individual matter, including on each individual candidate nominated for election. Shareholders who cannot attend the meeting in person shall be given the opportunity to vote. The Company shall design the form for the appointment of a proxy to make voting on each individual matter possible and shall nominate a person who can act as a proxy for shareholders.

Notification

The annual general meeting is held each year no later than six months after the end of each financial year. Notification will be in accordance with the Public Companies Act and the General Meeting Regulations which stipulate deadlines for the notice calling a general meeting, the content of the notice and the availability of documents to be considered at the meeting. All relevant documentation is available on the Group's website at least 21 days prior to the general meeting. The Financial Calendar is published on the internet and through a notification to Oslo Stock Exchange.

How general meetings are held

The Public Companies Act allows the Board of Directors to choose whether to hold a general meeting as a physical meeting or as an electronic meeting.

Participation

It is possible to register by post or e-mail. Shareholders will be able to vote on each individual matter, including on each individual candidate nominated for election. Shareholders who cannot attend the meeting in person will be given the opportunity to vote through proxy. The Company will in this respect provide information on the procedure and design/prepare the form for the appointment of a proxy to make voting on each individual matter possible and should nominate a person who can act as a proxy for shareholders.

Attendance by the Board of Directors and chairman of the nomination committee

The chairman of the Board of Directors attends the general meetings. Other members of the board are entitled to attend. The chairman of the nomination committee should attend the annual general meeting in order to present the committee's recommendations and answer any questions.

Deviations from the Recommendations: In 2021 three out of the seven Board members attended the general meeting. In 2021 none of the members of the nomination committee attended the general meeting. By agreement with the chairman of the nomination committee, the Chairman of the board presented the committee's recommendation.

7. NOMINATION COMMITTEE

The Company shall have a nomination committee, and the nomination committee shall be laid down in the Company's articles of association.

The general meeting shall stipulate guidelines for the duties of the nomination committee, elect the chairperson and members of the nomination committee, and determine the committee's remuneration.

The nomination committee shall have contact with shareholders, the Board of Directors and the Company's executive personnel as part of its work on proposing candidates for election to the Board.

The members of the nomination committee shall be selected to take into account the interests of shareholders in general. The majority of the committee shall be independent of the Board of Directors and the executive personnel. The nomination committee shall not include any executive personnel or any member of the Company's Board of Directors.

The nomination committee's duties shall be to propose candidates for election to the Board of Directors and nomination committee and to propose the fees to be paid to members of these bodies.

The nomination committee shall justify why it is proposing each candidate separately.

The Company shall provide information on the membership of the committee and any deadlines for proposing candidates.

According to the Articles of Association § 6 the Company shall have a nomination committee. The nomination committee shall issue a proposal to the general meeting regarding the election of shareholder elected Board members. The nomination committee shall consist of three members. The members of the committee shall be elected by the Company's annual general meeting, which also appoints the committee's chairman. The members of the nomination committee are elected by the general meeting for terms of two years at a time. The general meeting determines the remuneration of the committee's members.

Composition

The current committee was elected on the AGM on 27th of May 2021 and consists of:

Hilde Drønen

Hilde Drønen holds a master degree from Business School of Management (BI) and a MBA from Norwegian School of Economics (NHH). She has been the CFO of DOF ASA since 2004. She held the position as CFO in Bergen Yards (Bergen Group ASA/Endur ASA) from 2002 to September 2004 and has before that held various senior positions in the Møgster Group. She has more than 30 years of experience in the oil service industry. In addition to several directorships in companies within the DOF Group, she has several directorships in external companies within the energy sector (Oil & Gas and Renewables).

Nils Petter Hollekim

Mr. Hollekim has a degree in Business Administration. He has worked as a portfolio manager/analyst for 36 years, including Norwegian fund management companies until 2012. He spent 15 years working as a portfolio manager for ODIN Forvaltning AS. The last 10 years Mr. Hollekim has been working as a portfolio manager in a family office.

Nina Sandnes

Nina Sandnes graduated with a Bachelor of Law degree from the University of Oslo, and has 25 years of experience within business law and core competencies within consultation and procedure associated with labour legislation. Her former work experience is as a lawyer and associate attorney in the local union for the financial industry and at Kluge Advokatfirma. She is currently a partner at Kluge. Nina Sandnes also has experience of board work from a number of companies, and is a partner-elected board member for Kluge.

The general meeting has not yet established specific guidelines for the nomination committee. However, the composition of the nomination committee is such that the interests of the shareholders in general are taken into account in that the majority within the committee is independent of the Board and other executive personnel. The nomination committee does not include any executive personnel or any member of the Company's Board of Directors.

Deviations from the Code of Practice: None

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

The composition of the Board of Directors shall ensure that the Board can attend to the common interests of all shareholders and meets the Company's need for expertise, capacity and diversity. Attention shall be paid to ensuring that the Board can function effectively as a collegiate body.

The composition of the Board of Directors shall ensure that it can operate independently of any special interests. The majority of the shareholder-elected members of the Board shall be independent of the Company's executive personnel and material business contacts. At least two of the members of the Board elected by shareholders shall be independent of the Company's main shareholder(s).

The Board of Directors shall not include executive personnel. If the Board does include executive personnel, the Company shall provide an explanation for this and implement consequential adjustments to the organisation of the work of the Board, including the use of Board committees to help ensure more independent preparation of matters for discussion by the Board, cf. Section 9 of the Code of Practice.

The general meeting shall elect the chairman of the Board of Directors.

The term of office for members of the Board of Directors shall not be longer than two years at a time.

The annual report shall provide information to illustrate the expertise of the members of the Board of Directors, and information on their record of attendance at board meetings. In addition, the annual report shall identify which members are considered to be independent.

Members of the Board of Directors shall be encouraged to own shares in the Company.

Composition of Board of Directors
According to the Articles of Association § 6 The Company's Board of Directors shall consist of 5–7 directors elected by the shareholders. Austevoll Seafood ASA has endeavoured to adapt directors' backgrounds, competence, capacity and affiliation to the Group's business activities and its need for diversity.

The Board of Directors consists of the following persons:

Helge Singelstad (1963), Chairman

Helge Singelstad has been member of the Board since 2008 and has been the Chairman of the Board since May 2010. Mr. Singelstad is the CEO in Laco AS, the major shareholder in Austevoll Seafood ASA and DOF ASA. He holds a degree in Computer Engineering from Bergen University College (HiB), a degree in Business Administration from the Norwegian School of Economics (NHH) and a 1st degree of Law from the University of Bergen (UiB). He serves on numerous Boards of Directors and is Chairman of the Board at Lerøy Seafood Group ASA and Pelagia Holding AS. Mr. Singelstad has extensive experience from various types of businesses such as oil & gas and seafood sector.

Hege Charlotte Bakken (1973), Deputy Chairman

Hege Charlotte Bakken has been member of the Board since 2018, and has been the Deputy Chairman of the Board since 2021. She holds an MSc degree from the Norwegian University of Life Sciences and an Executive MBA from ESCP Europe Business School in Paris. Ms. Bakken is Senior Advisor within strategy and management in Stella Polaris, Netherlands and Director in Marvesa Holding NV, a Dutch investment firm. She previously held positions as Senior Advisor at Hemingway Corporate Finance, Amsterdam, Chief Operating Officer of Marvesa Holding N.V. and Managing Director of Marvesa Rotterdam N.V. She previously fulfilled management roles in Pronova BioPharma Norge ASA, FishMarket International AS, Frionor AS and Norway Seafoods ASA. Ms. Bakken has served as a member of the boards of Lerøy Seafood Group ASA, Pronova Biopharma ASA and Pronova BioPharma Norge AS.

Lill Maren Møgster (1984), Member of the Board

Lill Maren Møgster has been member of the Board since 2012. Ms. Møgster is one of the main owners in Laco AS, the main shareholder of Austevoll Seafood ASA and DOF ASA. She is educated Bachelor of Management from the Norwegian Business School (BI) and holds a Master of Strategy and Management (NHH). Ms. Møgster is experienced within sales and finance after having worked in various subsidiaries of Laco AS since 2007. She holds board positions in several companies. Lill Maren Møgster owns shares in Austevoll Seafood ASA indirectly through Laco AS.

Helge Møgster (1953), Member of the Board

Helge Møgster has been member of the Board since the Company was founded in April 1981, and served as Chairman of the Board until May 2006. Mr. Møgster is one of the main owners in Laco AS, the main shareholder of Austevoll Seafood ASA and DOF ASA. Mr. Møgster has extensive experience from all aspects of the fisheries sector. Additionally, he knows the offshore service sector very well. He is holding board positions in several companies.

Siren Merete Grønhaug (1965), Member of the Board

Siren Merete Grønhaug has been member of the Board since 2014. Ms. Grønhaug graduated as a Business Economist from the Norwegian School of Economics (NHH) and has additional training through the AFF Solstrand management development programme and at BI Norwegian Business School. She is the Group director HR of Lerøy Seafood Group ASA, and was previously CFO of Lerøy Seafood AS. She has broad knowledge in the seafood sector after many years of experience at executive levels in Lerøy. Ms. Grønhaug has extensive board experience from various companies in Lerøy Seafood Group ASA.

Eirik Drønen Melingen (1988), Member of the Board

Eirik Drønen Melingen has been member of the Board since 2017. Mr. Melingen has a bachelor degree in Marine technology from Bergen University College and a Masters Degree in Offshore Floating Systems from University of Strathclyde. Mr. Melingen has experience from offshore shipping companies with specialized vessels within Subsea, Marine Seismic, Offshore Supply and Seismic Support.

Hege Solbakken (1972), Member of the Board

Hege Solbakken has been member of the Board since May 2021. She holds an MSc degree in Comparative Politics from the University in Bergen (UiB), specializing in international politics and additional studies in Business & Human Rights (UiB) and Corporate Governance (BI). She has served as Chief of Staff and State Secretary in the Ministry of Transportation and the Ministry of Municipalities and Regions, as State Secretary in the Prime Minister's office, and as political adviser with the Ministry of Fisheries and Coastal Affairs. Ms. Solbakken has been leader of the Maritime Forum Norway and CEO in the Offshore Media Group and has worked with Board and Executive selection in Visindi. She now heads Jefferson Wells Norway and holds board positions in Voss Veksel og Landmandsbank ASA, and in other organisations.

The Boards autonomy

Except for the Chairman Helge Singelstad, Lill Maren Møgster, Eirik Drønen Melingen and Helge Møgster, all members of the Board are independent of the Company's major shareholders, the Company's management and the Company's main business relations. There are no conflicts of interest between any duties to the Company of the members of the Board or the Company's management, and their private interests or other duties.

No members of Group management are Directors.

Directors' ownership of shares

- Helge Singelstad owns 50,000 shares in the Company.
- Helge Møgster owns shares indirectly through Laco AS.
- Lill Maren Møgster owns shares indirectly through Laco AS.
- Eirik Drønen Melingen owns shares indirectly through Laco AS.

Deviations from the Code of Practice: None

9. THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors shall issue instructions for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties.

These instructions shall state how the Board of Directors and executive management shall handle agreements with related parties, including whether an independent valuation must be obtained. The Board of Directors shall also present any such agreements in their annual directors' report.

The Board of Directors shall ensure that members of the Board of Directors and executive personnel make the Company aware of any material interests that they may have in items to be considered by the Board of Directors.

In order to ensure a more independent consideration of matters of a material character in which the chairman of the Board is, or has been, personally involved, the Board's consideration of such matters shall be chaired by some other member of the Board.

The Public Companies Act stipulates that the Company must have an audit committee. The entire Board of Directors shall not act as the Company's audit committee. In addition to the legal requirements on the composition of the audit committee etc., the majority of the members of the committee shall be independent of the Company.

The Board of Directors shall also consider appointing a remuneration committee in order to help ensure thorough and independent preparation of matters relating to compensation paid to the executive personnel. Membership of such a committee shall be restricted to members of the Board who are independent of the Company's Executive personnel.

The Board of Directors shall provide details in the annual report of any board committees appointed.

The Board of Directors shall evaluate its performance and expertise annually.

In total 6 Board meetings have been arranged during 2021.

Board responsibilities

Norwegian law lays down the tasks and responsibilities of the Board of Directors. These include overall management and supervision for the Company. Towards the end of each year the Board adopts a detailed plan for the following financial year. This plan covers the follow-up of the Company's operations, internal control, strategy development and other issues. The Company complies with the deadlines issued by Euronext Oslo Stock Exchange with regards to interim reports.

Instructions to the Board of Directors

The Board's instructions are extensive and were last revised on 16th of February 2022. The instructions cover the following points: the Boards responsibly and obligations, the CEO's information obligations to the Board, and the procedures of the Board. The board instruction outline how the Board of Directors and executive management shall handle agreements with related parties. In the event of a not immaterial transaction the Board of Directors will arrange for a valuation to be obtained from an independent third party. Exceptions can be made for agreements entered as part of the Company's normal business and which is based on customary business terms and principles. The Board of directors will present any such agreements in their annual directors' report.

Members	Elected to the Board	Up for election	Number Board meetings 2021
Helge Singelstad (Chairman)	2008	2022	6/6
Oddvar Skjegstad (Deputy Chairman until May 2021)*	2006		3/3
Hege Charlotte Bakken (Deputy Chairman from May 2021)*	2018	2022	6/6
Helge Møgster	2010	2022	6/6
Lill Maren Møgster	2012	2022	6/6
Siren M. Grønhaug*	2014	2023	6/6
Eirik Drønen Melingen	2017	2023	5/6
Hege Solbakken*	2021	2023	3/3

** Independent of the Company`s major shareholders*

Transactions between related parties

See note 25 for related party transactions.

Use of Board committees

The Nomination Committee is governed by the Articles of Association. The Board established an Audit Committee at the end of 2008. The Board established a Committee for Social Responsibility and Sustainability in 2020. The committees are solely responsible to the full corporate Board and their authority is limited to making recommendations to the Board, however the Nomination Committee makes recommendations for election of Board Members to the general meeting of shareholders.

Audit committee

The Audit committee has responsibilities related to financial reporting, the independent auditor and risk management and consists of two Board members. The independent auditor usually attends the meetings. The CEO and other directors are entitled to attend if the audit committee so desire. Instructions to the Audit committee are extensive and were last revised on 10th of December 2021.

Members: Hege Charlotte Bakken and Lill Maren Møgster.

In total the audit committee had 7 meetings in 2021.

Committee for Social Responsibility and Sustainability

The Committee for Social Responsibility and Sustainability has extended responsibility for the Company`s social responsibility and sustainability, and to pursue and monitor the development of this ambition further.

Members: Hege Charlotte Bakken, Lill Maren Møgster and Siren Grønhaug.

In total the committee for Social Responsibility and Sustainability had 2 meetings in 2021.

The Board's self-evaluation

Each year, a special Board meeting shall be organised on topics related to the Groups operations and the Board's duties and working methods.

Deviations from the Code of Practice: None

10. RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors must ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities.

The Board of Directors shall carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements.

Internal control and risk management

The Group's activities are varied, depending on each portfolio company's position in the value chain, and consequently require differentiated forms of management and follow-up.

Good internal management systems are essential for success, and these must be continuously developed in order to accommodate changing economic conditions. The internal control is based on daily and weekly reports that are summarized into monthly reports tailored to the individual Company, while at the same time providing satisfactory reporting at Group level. There is an emphasis on the importance of uniform reporting procedures and formats in order to ensure correct reporting from all companies and up to an aggregate level.

Review by the Board of Directors

A significant volume of the work of the Board of Directors is ensuring that the Company management is familiar with and understands the Group's risk areas and that risk is managed by means of appropriate internal control. Frequent valuations and assessments are conducted of both the management's and Board's understanding of risk and internal control. The audit committee plays an important role in these valuations and assessments.

Description of the main elements of risk management and internal control related to financial reports

Internal control within the Group is based on the recommendation from the "Committee of Sponsoring Organizations of the Treadway Commissions" (COSO), and covers control environment, risk assessment, control activities, information and communication, and monitoring. The content of these different elements is described in detail below.

Control environment

The core of an enterprise is the employees' individual skills, ethical values and competence, in addition to the environment in which they work.

Guidelines for financial reporting
On behalf of the CFO, the Chief Accountant for the Group provides guidelines to entities within the Group. These guidelines place requirements on both the content of and process for financial reporting.

Organisation and responsibility
The Chief Accountant for the Group reports to the CFO and is responsible for areas such as financial reporting, budgets and internal control of financial reporting within the Group. The Directors of the portfolio companies which issue the reports are responsible for continuous financial monitoring and reporting. The companies all have management groups and financial functions which are adapted to their organisations and business activities. The companies managers shall ensure implementation of an appropriate and efficient internal control and are responsible for compliance with requirements.

The audit committee shall monitor the process of financial reporting and ensure that the Group's internal control and risk management systems function efficiently. The audit committee shall also ensure that the Group has an independent and efficient external auditor.

The financial statements for all companies in the Group are audited by an external auditor, within the framework established in international standards for auditing and quality control.

Risk assessment
The Chief Accountant for the Group and the CFO identify, assess and monitor the risk of errors in the Group's financial reports, together with the managers of each company.

Control activities
The portfolio companies which issue reports are responsible for the implementation of sufficient control actions in order to prevent errors in the financial reports.

Processes and control measures have been established to ensure quality assurance of financial reports. These measures comprise mandates, division of work, reconciliation/documentation, IT controls, analyses, management reviews and Board representation within subsidiaries.

The Chief Accountant for the Group provides guidelines for financial reporting to the different Group entities.

The Chief Accountant for the Group ensures that reporting takes place in accordance with prevailing legislation, accounting standards, established accounting principles and the Board's guidelines.

The Chief Accountant and the CFO continuously assess the Group's and the segments' financial reports. Analyses are carried out in relation to previous periods, between different entities and in relation to other companies within the same industry.

Review by the Group management
The Group management reviews the financial reports on a monthly basis, with the review including the development in figures for profit/loss and balance sheet.

Reviews by the audit committee, Board and general meeting
The audit committee and Board review the Group's financial reports on a quarterly basis. During such reviews, the audit committee has discussions with the management and external auditor. At least once a year, the Board holds a meeting with the external auditor, without the presence of the administration.

The Board reviews the interim accounts per quarter and the proposal for the financial statements. The financial statements are adopted by the general meeting.

Information and communications
The Group strongly emphasises correct and open information to shareholders, potential shareholders and other interested parties. Ref. item 13 "Information and communications" for more detailed information.

MONITORING
Reporting from portfolio companies
Those persons responsible for reporting companies shall ensure appropriate and efficient internal control in accordance with requirements, and are responsible for compliance with such requirements.

Group level
The Chief Accountant and CFO review the financial reports issued by the companies and the Group, and assess any errors, omissions and required improvements.

External auditor
The external auditor shall provide the audit committee with a description of the main elements of the audit from the previous financial year, including and in particular significant weak points identified during internal control related to the process of financial reporting.

The Board of Directors
The Board, represented by the audit committee, monitors the process of financial reporting.

Deviations from the Code of Practice: None

11. REMUNERATION OF THE BOARD OF DIRECTORS
The remuneration of the Board of Directors shall reflect the Board's responsibility, expertise, time commitment and the complexity of the Company's activities.

The remuneration of the Board of Directors shall not be linked to the Company's performance. The Company shall not grant share options to members of its Board.

Members of the Board of Directors and/or companies with which they are associated shall not take on specific assignments for the Company in addition to their appointment as a member of the Board. If they do nonetheless take on such assignments this shall be disclosed to the full Board. The remuneration for such additional duties shall be approved by the Board.

Any remuneration in addition to normal directors' fees shall be specifically identified in the annual report.

For remuneration in addition to normal directors' fees see note 20.

The Directors fees are decided by the AGM. The Directors' fees are not linked to the Company's performance.

None of the Board members have during 2021 had assignments for the Company in addition to being members of the Board.

Deviations from the Code of Practice in 2021: None

12. SALARY AND OTHER REMUNERATION FOR EXECUTIVE PERSONNEL
The guidelines on the salary and other remuneration for executive personnel must be clear and easily understandable, and they must contribute to the Company's commercial strategy, long-term interests and financial viability.

The Company's arrangements in respect of salary and other remuneration shall help ensure the executive personnel and shareholders have convergent interests and shall be simple.

Performance-related remuneration shall be subject to an absolute limit.

The Company's guidelines for determining remunerations to the CEO and other executive personnel (the Guidelines) shall at all times support prevailing strategy and values in the Company. Remuneration to members of the Company's executive management is vital for harmonising the Company's interests with the interests of the leading personnel. The main purpose of the Guidelines is to allow shareholders to influence the parameters of the salary and other kinds of remuneration, creating a culture for remuneration that promotes the Company's long-term interests, business strategy while ensuring shareholders influence and the Company's financial sustainability. The Guidelines shall be in accordance with the provisions of the Public Limited Companies Act section 6-16 (a), supplemented by the Norwegian Regulation regarding guidelines and reporting on remuneration of executive management dated 11th of December 2020. The Guidelines shall be submitted to the General Meeting for approval every four years. For each financial year, the Board of Directors shall ensure that a remuneration report is prepared in accordance with the provisions of the Public Limited Companies Act section 6-16 (b) and relevant regulations, providing a total overview of paid and outstanding salaries and remuneration covered by the Guidelines.

The Guidelines have been prepared by the Board of Directors and approved by the annual general meeting in 2021. See note 20 for the Guidelines and webpage www.auss.no

A report on salary and other remuneration to the executive personnel will be prepared in accordance with the Public Limited Companies Act section 6-16 (b) and relevant regulations.

Deviations from the Code of Practice in 2021: None

13. INFORMATION AND COMMUNICATIONS
The Board of Directors shall establish guidelines for the Company's reporting of financial and other information based on openness and taking into account the requirement for equal treatment of all participants in the securities market.

The Board of Directors shall establish guidelines for the Company's contact with shareholders other than through general meetings.

The Company strongly emphasises correct and open information to shareholders, potential shareholders and other interested parties. The Company has presented quarterly reports with financial information since 2006.

The Company's most important medium for distributing information will be the Oslo Stock Exchange reporting system, but the Company also aims to present such information directly to investors and analysts.

The Company aims to keep its shareholders informed via annual reports, quarterly reports and at appropriate presentations. In addition, press releases will be sent out regarding important events.

Every year, the Company publishes the Company's financial calendar, showing the dates for presentation of the interim financial statements and the date of the annual general meeting.

The Company's website is updated constantly with information distributed to shareholders. The Company's website is at: **www.auss.no**.

Separate guidelines have been drawn up for handling of inside information, i.e. Instructions for handling of inside information and Instructions for primary insiders, in accordance with MAR entered into force in Norway on 1st March 2021.

Deviations from the Code of Practice: None

14. TAKE-OVERS

The Board of Directors shall establish guiding principles for how it will act in the event of a take-over bid.

In a bid situation, the Company's Board of Directors and management have an independent responsibility to help ensure that shareholders are treated equally, and that the Company's business activities are not disrupted unnecessarily. The Board has a particular responsibility to ensure that shareholders are given sufficient information and time to form view of the offer.

The Board of Directors shall not hinder or obstruct take-over bids for the Company's activities or shares.

Any agreement with the bidder that acts to limit the Company's ability to arrange other bids for the Company's shares shall only be entered into where it is self-evident that such an agreement is in the common interest of the Company and its shareholders. This provision shall also apply to any agreement on the payment of financial compensation to the bidder if the bid does not proceed. Any financial compensation shall be limited to the costs the bidder has incurred in making the bid.

Agreements entered into between the Company and the bidder that are material to the market's evaluation of the bid shall be publicly disclosed no later than at the same time as the announcement that the bid will be made is published.

In the event of a take-over bid for the Company's shares, the Company's Board of Directors shall not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting following announcement of the bid.

If an offer is made for a Company's shares, the Company's Board of Directors shall issue a statement making a recommendation as to whether shareholders shall or shall not accept the offer. The Board's statement on the offer shall make it clear whether the views expressed are unanimous, and if this is not the case it shall explain the basis on which specific members of the Board have excluded themselves from the Board's statement. The Board shall arrange a valuation from an independent expert. The valuation shall include an explanation, and shall be made public no later than at the time of the public disclosure of the Board's statement.

Any transaction that is in effect a disposal of the Company's activities shall be decided by a general meeting.

Austevoll Seafood ASA's Articles of Association contain no limitation with regard to share acquisition. The shares are freely transferable. Transparency and equal treatment of shareholders is a fundamental policy. Shall a bid be made for the Company, the Board of Directors will make a thorough evaluation of the bid.

Deviations from the Code of Practice : None

15. AUDITOR

The Board of Directors shall ensure that the auditor submits the main features of the plan for the audit of the Company to the Audit committee annually.

The Board of Directors shall invite the auditor to meetings that deal with the annual accounts. At these meetings the auditor shall report on any material changes in the Company's accounting principles and key aspects of the audit, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the executive management of the Company.

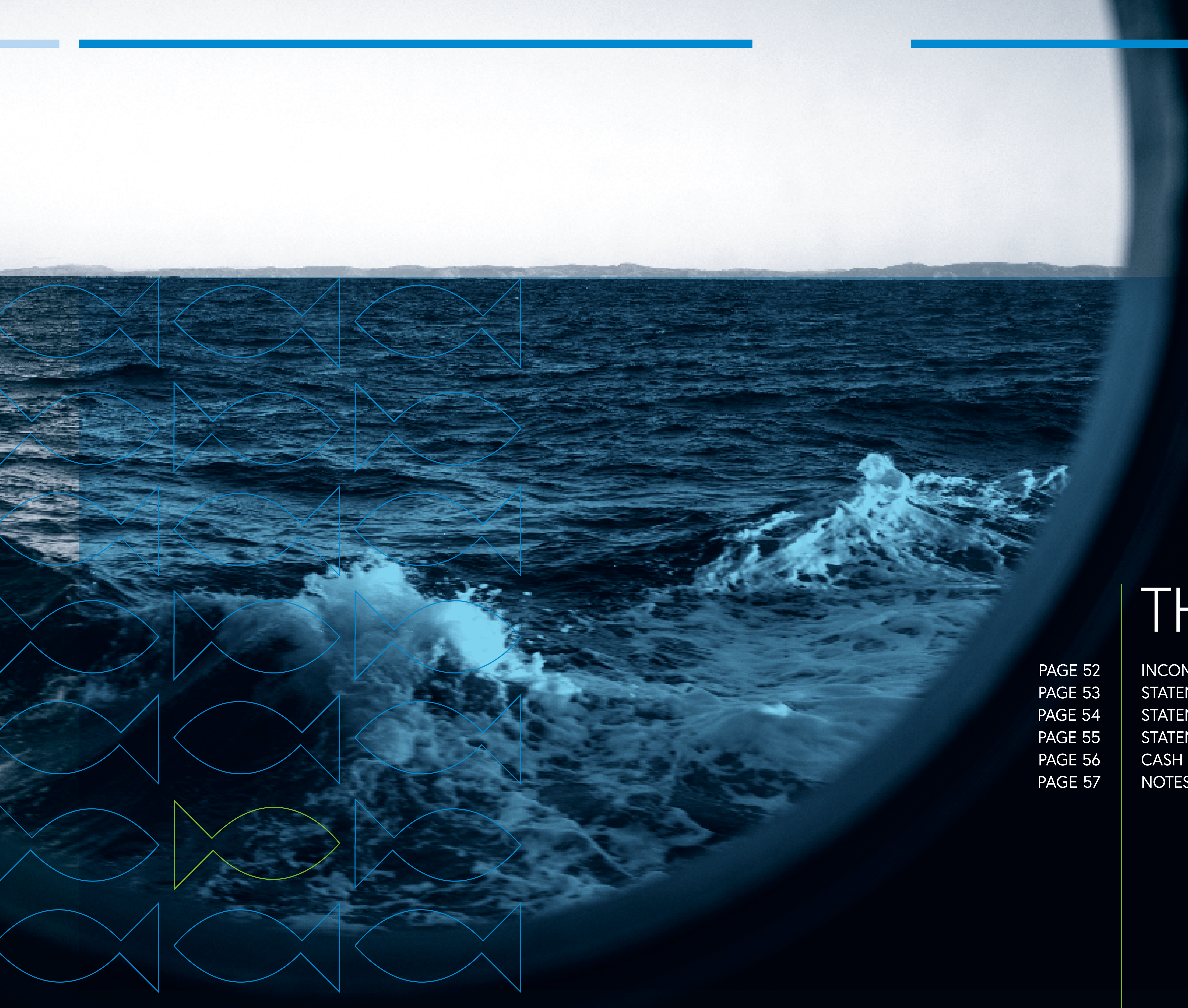
The Board of Directors shall at least once a year review the Company's internal control procedures with the auditor, including weaknesses identified by the auditor and proposals for improvement.

The Board of Directors shall establish guidelines in respect of the use of the auditor by the Company's executive management for services other than the audit.

In order to strengthen the Board's work on financial reporting and internal control, the auditor shall provide a report to the audit committee in which it declares its independence and explains the results of the statutory audit carried out by providing a range of information about the audit.

The Board of Directors has also established guidelines in respect of the use of the auditor by the management for services other than the audit.

Deviations from the Code of Practice: None



THE GROUP

CONTENT

Income statement

Amounts in MNOK	Note	2021	2020
Revenue	3,25	26,571	22,435
Other gains and losses	3,21	62	11
Cost of goods sold		-14,109	-13,079
Wages and salaries	20	-4,064	-3,605
Other operating expenses	20,23,25	-3,651	-2,088
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets	2,3,28	**4,810**	**3,675**
Depreciation of fixed assets	11	-968	-929
Depreciation of right-of-use assets	11,23	-566	-542
Amortisation of intangible assets	10	-45	-48
Impairment/reversal of impairment	10,11	-13	3
Operating profit before fair value adjustment of biological assets	28	**3,218**	**2,159**
Fair value adjustment of biological assets	7	1,114	-954
Operating profit	3,28	**4,332**	**1,205**
Income from equity-accounted investments	4	394	250
Financial income	19	394	290
Financial expenses	19	-744	-717
Profit before tax	28	**4,376**	**1,027**
Tax	2,26	-939	-205
Profit for the year		**3,437**	**823**
Attributable to non-controlling interests	3	**1,455**	**329**
Attributable to shareholders in Austevoll Seafood ASA	5	**1,982**	**494**
Average no. of outstanding shares	5	201,824,074	201,824,074
Earnings per share/diluted earnings per share (NOK)	5	9.82	2.45
Proposed dividend per share (NOK)	5	4.50	3.50

Statement of comprehensive income

Amounts in MNOK	Note	2021	2020
Profit for the year		**3,437**	**823**
Items of OCI that may be reclassified to profit or loss			
Change in value of financial instruments (cash flow hedges)	12	63	-34
Currency translation differences		-76	-139
Share of other comprehensive income of associates		-1	-5
Recycling of previous currency translation differences		0	0
Tax effect on items of OCI that may be reclassified to profit or loss		-2	4
Items of OCI that will not be reclassified to profit and loss			
Actuarial deviation on pension liabilities	20	0	0
Share of other comprehensive income of associates		0	0
Tax effect on items of OCI that will not be reclassified to profit and loss		0	0
Total other comprehensive income after tax		**-16**	**-174**
Total comprehensive income for the year		**3,420**	**648**
Attributable to:			
Non-controlling interests		1,450	312
Shareholders in Austevoll Seafood ASA		1,970	336
Total comprehensive income for the year		**3,420**	**648**

Statement of financial position

Amounts in MNOK	Note	2021	2020
Assets			
Goodwill	2,10	2,217	1,958
Deferred tax asset	26	69	58
Licences	2,10	9,412	9,460
Trademarks	10	50	50
Vessels	11	2,385	2,103
Land, buildings and equipment	11	6,896	6,275
Right-of-use assets	11,23	3,064	3,106
Investments in associates and joint ventures	3,4	3,002	2,527
Investments in other companies	12,24	47	42
Other non-current receivables	9	168	164
Total non-current assets		**27,310**	**25,743**
Inventories	2,8	1,932	1,569
Biological assets	2,7	6,173	5,166
Trade receivables	2,9,12,25	2,321	2,045
Other receivables	9,12	717	754
Liquid assets	12,14,17	5,329	4,463
Total current assets		**16,471**	**13,998**
Total assets	3	**43,781**	**39,741**
Equity and liabilities			
Share capital	16	101	101
Treasury shares		-18	-18
Share premium		3,714	3,714
Retained earnings		9,575	8,312
Non-controlling interests		11,815	10,882
Total equity		**25,187**	**22,991**
Deferred tax	26	3,512	3,261
Pension liabilities and other liabilities	12,17,20	11	43
Borrowings	12,17	6,663	5,651
Lease liabilities to credit institutions	12,17,23,27	1,025	1,094
Lease liabilities other than to credit institutions	17,23	1,382	1,056
Other long-term liabilities	17,25	30	26
Total non-current liabilities		**12,623**	**11,130**
Borrowings	12,17,	1,315	2,072
Short-term lease liabilities to credit institutions	12,17,23,27	265	271
Short-term lease liabilities other than to credit institutions	17,23	277	235
Trade payables	12,25	1,921	1,369
Tax payable	26	686	405
Other current liabilities	7,12,18,22	1,507	1,267
Total current liabilities		**5,971**	**5,620**
Total liabilities	3	**18,594**	**16,750**
Total equity and liabilities		**43,781**	**39,741**

Storebø, 22nd of April 2022
Board of Austevoll Seafood ASA

Helge Singelstad
Chairman

Helge Møgster
Board member

Hege Solbakken
Board member

Hege Charlotte Bakken
Deputy Chairman

Siren M. Grønhaug
Board member

Eirik Drønen Melingen
Board member

Lill Maren Møgster
Board member

Arne Møgster
CEO & President

Statement of changes in equity

Amounts in MNOK	Note	Share capital	Treasury shares	Share premium	Accumulated currency translation differences	Cash flow hedges	Retained earnings	Non-controlling interests	Total equity
Equity at 01.01.2020		101	-18	3,714	1,241	51	7,189	11,052	23,332
Profit for the year		0	0	0	0		494	329	823
Other comprehensive income		0	0	0	-129	-34	5	-17	-174
Total comprehensive income for the year		0	0	0	-129	-34	500	312	648
Transactions with shareholders									
Dividends	5	0	0	0	0	0	-507	-477	-983
Transactions with non-controlling interests	27	0	0	0	0	0	0	-6	-5
Total transactions with shareholders in the period		0	0	0	0	0	-506	-482	-989
Total change in equity in the period		0	0	0	-129	-34	-7	-170	-340
Equity at 31.12.2020		101	-18	3,714	1,112	17	7,183	10,882	22,991
Profit for the year		0	0	0	0	0	1,982	1,455	3,437
Other comprehensive income		0	0	0	-79	63	5	-5	-16
Total comprehensive income for the year		0	0	0	-79	63	1,987	1,450	3,420
Transactions with shareholders									
Dividends	5	0	0	0	0	0	-706	-628	-1,335
Transactions with non-controlling interests	27	0	0	0	0	0	0	111	111
Total transactions with shareholders in the period		0	0	0	0	0	-706	-517	-1,223
Total change in equity in the period		0	0	0	-79	63	1,279	933	2,196
Equity at 31.12.2021		101	-18	3,714	1,033	80	8,462	11,815	25,187

Cash flow

Amounts in MNOK	Note	2021	2020
Profit before tax		4,376	1,027
Taxes paid		-447	-491
Depreciation and amortisation	10,11	1,580	1,519
Impairment/reversal of impairment	10,11	13	-3
Gain/loss on sale of land, buildings and equipment	21	-62	-7
Unrealised foreign exchange gains/losses		-45	58
Share of profit from associates	4	-394	-250
Interest expense	19	322	341
Interest income	19	-39	-46
Fair value adjustment of biological assets	7	-1,114	954
Change in inventories		-87	-400
Change in trade receivables and other receivables	9	-15	630
Change in trade payables		443	-335
Change in net pension liabilities		2	1
Change in other accruals		95	15
Exchange differences		6	-70
Net cash flow from operating activities		**4,635**	**2,944**
Proceeds from sale of fixed assets		43	17
Purchase of intangible assets and fixed assets	10,11	-1,338	-1,529
Purchase of shares and holdings in other companies		-509	-37
Cash and cash equivalents from business combinations	6	4	0
Dividends received	4	114	130
Interest received		39	46
Change in other non-current receivables		-4	-28
Exchange differences on invested capital		0	-2
Net cash flow from investing activities		**-1,650**	**-1,403**
Proceeds from new long-term interest-bearing debt	17	2,394	2,111
Repayment of long-term interest-bearing debt	17	-2,467	-2,225
Change in short-term interest-bearing debt	17	-410	144
Interest paid		-326	-345
Dividends paid	5	-706	-507
Transactions with non-controlling interests		-634	-477
Exchange differences on financing activities		21	-29
Net cash flow from financing activities		**-2,128**	**-1,326**
Change in cash and cash equivalents		**856**	**215**
Liquid assets at 01.01.		**4,463**	**4,251**
Exchange rate changes on cash and cash equivalents		9	-3
Liquid assets at 31.12.		**5,329**	**4,463**
Consists of			
Bank deposits etc.		5,329	4,463
Of which restricted cash deposits	14	188	178
Unutilised overdraft facility	17	3,681	3,268
Unutilised long term credit facility	17	1,875	1,566

NOTE 1
General

Austevoll Seafood ASA is a public limited company registered in Norway. The Company's main office is located on Storebø in the municipality of Austevoll, Norway. Laco AS is the company's major shareholder and ultimate parent (see note 16).

The Company is listed on the Oslo Stock Exchange.

The annual, statutory accounts, based upon International Financial Reporting Standards (IFRS) as adopted by EU, were approved by the Board of Directors at April 22nd, 2022.

In the following "Group" is used to describe information related to Austevoll Seafood ASA Group whilst "Company" is used for the parent company itself.

All amounts in the notes are in NOK million (MNOK), if not specified differently

NOTE 2
Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

RECOVERABLE AMOUNT OF GOODWILL AND LICENCES

The Group tests annually whether goodwill and licences with indefinite lives have suffered any impairment, in accordance with the accounting policy stated in note 29. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations unless otherwise stated. These calculations require the use of estimates and are further described in note 10.

INCOME TAXES

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The utilisation of recognised tax assets will depend on future positive tax earnings in various jurisdictions, and may not be offset between various tax regimes. Valuation of impairment requirement for tax assets is therefore based on estimates of future tax earnings in some of the tax regimes.

INVENTORY

Finished goods of fish are measured at the lowest of cost and net realisable value. Material fluctuations in sales prices do occur for such inventory, and might rapidly outdate the assessments made by the Group at a given date.

VALUE ADJUSTMENT OF BIOLOGICAL ASSETS

Biological assets comprise the stock of roe, fry, juvenile fish, cleaner fish and fish in sea. Biological assets are measured at fair value less costs to sell. For a more detailed description of the accounting policies applied, please refer to the description provided under accounting policies and in the note on biological assets.

Valuation is based on a number of different premises, many of which are non-observable. The premises can be categorised in four different groups: (1) Price, (2) Cost, (3) Volume and (4) Discount rate.

For fish ready for harvest on the balance sheet date, uncertainty mainly involves realised prices and volume. For fish not ready for harvest, the level of uncertainty is higher. In addition to uncertainty

NOTE 2 cont.
Critical accounting estimates and judgements

related to price and volume, there will also be uncertainty related to remaining production costs, remaining biological transformation and remaining mortality up to harvesting date for this fish.

(1) Price

One important premise in the valuation of fish both ready for harvest and not yet ready for harvest is the projected market price. This is also the premise that historically shows the highest fluctuations. In order to estimate the projected price, the forward prices for superior Norwegian salmon weighing 3-6 kg gutted weight from Fish Pool are applied. In the Group's opinion, the use of observable prices makes price estimates more reliable and comparable. For fish ready for harvest the forward price for the following month is applied. For fish not ready for harvest, the forward price for the month when the fish is expected to achieve optimal weight for harvest is applied. If it is probable on the balance sheet date that the fish will be harvested before it reaches optimal harvest weight, for example due to biological challenges (that have emerged prior to the balance sheet date), an extra price adjustment is required. Such a price adjustment takes into account the fact that the market price per kilo for small fish is lower than for normal-size fish. The price is subsequently adjusted for exporter margins and clearing costs. This applies to fish both ready for harvest and not ready for harvest. Further adjustments are necessary for harvesting costs (well boat, harvesting and packaging services), transport costs to Oslo and quality differences. Adjustments are also made for price differences between salmon and trout, and any other price premium such as for ASC-certified fish. The adjustments for exporter margin and clearing costs are observable items estimated by Fish Pool. The adjustment for harvesting costs, transport costs and quality differences is based on the Group's historical costs per region and historical quality distribution, while the other adjustments are based on an assessment using historical data and the Group's view of future market developments.

(2) Cost

For fish not ready for harvest, an adjustment is also required for the costs necessary to grow the fish to optimal harvest weight. Estimates related to future costs are based on the Group's prognoses per locality. There is some uncertainty regarding both future feed prices, other costs and biological development (growth, feed factor and mortality). If the estimated costs are higher than expected by a normal enterprise on the market, for example due to long-term agreements previously signed with subcontractors resulting in costs that deviate substantially from the market price, the cost estimates shall be adjusted to reflect the costs expected by a rational enterprise on the market.

(3) Volume

Projected harvest volume is calculated on the basis of the estimated number of fish (individuals) on the balance sheet date minus estimated future mortality, multiplied by the estimated harvest weight (4.65 kg live weight for salmon and 4.76 kg live weight for trout). There is some uncertainty involving both the number of fish in the sea on the balance sheet date, remaining mortality and estimated harvest weight. The actual harvest volume may therefore differ from the estimated harvest volume either as a result of changes in biological developments or due to special events, such as abnormal mortality. The estimate for number of fish on the balance sheet date is based on the number of smolt released to sea. The number of smolt is adjusted to take into account uncertainties during counting and actual registered mortality related to release. The normal estimated harvest weight (optimal harvest weight) is assessed to be the live weight of fish that results in a gutted weight of 4 kg, unless specific conditions exist on the balance sheet date to indicate that the fish have to be harvested before they reach this weight. If this is the case, the estimated harvest weight is adjusted. Projected mortality during the period from the balance sheet date to the date when the fish reach harvest weight is estimated to be 0.5% to 1.25% of the number of incoming fish per month, depending on region.

(4) Discounting

Every time a fish is harvested and sold, this generates a positive cash flow. In order to simplify matters, all the remaining expenses are allocated to the same period as the income, so there is only one cash flow per locality. The cash flow is allocated to the month when harvest is estimated to take place. The sum of the cash flows from all the localities where the Group has fish in the sea will then be distributed over the entire period of time it takes to farm the fish in the sea on the balance sheet date. With the current size of the smolt released and the frequency of the smolt releases, this period of time may be up to 18 months. The estimated future cash flow is discounted monthly. The level of discount rate applied has a major impact on the estimate of fair value. The discount rate shall take into account a number of factors. The discount factor comprises three main elements: (1) Risk adjustment, (2) Licence lease and (3) Time value.

(4.1) Risk adjustment

The risk adjustment shall reflect the price discount a hypothetical buyer would demand as compensation for the risk assumed by investing in live fish rather than a different investment. The longer it takes to reach harvest date, the higher the risk that something may occur to affect cash flow. Three significant factors could have an impact on cash flow. Volume could change, costs could change and prices could change. The one thing all three factors have in common is that the sample space is unsymmetrical.

(4.2) Hypothetical licence lease

Salmon and trout farming is not a market with free competition and no barriers to entry. Due to limited access to licences for farming fish for consumers, such licences currently have a very high value. For a hypothetical buyer of live fish to take over and continue to farm the fish, he/she would need a licence, locality and other permits required for such production. At the time of writing, leasing of licences is not permitted. However, on a hypothetical market for the purchase and sale of live fish, it has to be assumed that this would be possible. In such a scenario, a hypothetical buyer would claim a significant discount in order to allocate a sufficient share of the returns to the buyer's own licences or to cover the lease costs for leased licences. It is difficult to create a model that would allow a hypothetical annual lease cost to be derived from prices for sold licences, as the curve in the model would be based on projections of future profit performance in the industry. Moreover, it is a complex process to derive a lease price per shorter unit of time and, in the last instance, per volume, when the licence limitations are measured at different levels (location, region and company).

(4.3) Time value

Finally, a discount must be made for the time value of the tied-up capital linked to the share of the present value of the cash flow allocated to the biomass. It has to be assumed that a hypothetical buyer would claim compensation for the alternative cost of investing funds in live fish rather than some other type of investment. The production cycle for salmon in the sea currently takes up to 18 months. The cash flow will therefore extend over a similar period. Assuming a constant sales price throughout the period, the cash flow would decrease for each month, as costs are incurred to farm the fish to harvest weight. The costs increase for every month the fish are in the sea. As such, the effect of deferred cash flow is lower than would be the case if the cash flow had been constant. This component is however deemed important due to the major values the stock of fish represents.

(4.4) Evaluation of discount rate

Principally, a monthly discount rate of 4% per month was applied in 2021. The rate applied in 2020 was 5%. Only one smaller company in the Group applied the discount rate of 5% in both 2020 and 2021. In the sensitivity analysis below, it is demonstrated how a change in discount rate would impact the value on fish in sea. The change is a result from a periodic review.

As mentioned above, the hypothetical license lease is one of the main elements when setting the discount rate. In the hypothetical license lease price the future expected margin is an important parameter. The margin is calculated as the difference between price and cost in future periods. Thus, the forward price on salmon together with expectations regarding future cost level have a significant impact on the future expected margin. The higher the expectations to the future margins are, the higher a hypothetical license lease price will be. This is explained with the fact that higher margins will increase the fair value on the licenses. If the expectations to the margins drops, this will over time lead to lower hypothetical lease rent, and fair value on the licenses.

How the change in the expectations regarding future margins occurs, has also significance. It is assumed that an unexpected lower (higher) price at date for measurement will not lead to a simultaneously reduction (increase) in hypothetical license lease price for fish in sea, but instead a step by step reduction (increase) in future lease price for new smolt releases. This is explained with the fact that it must be assumed that the lease price for the fish in sea is already negotiated for the period until harvest. When it comes to the production costs it is assumed that changes in expected future cost level will not impact the value of the biological assets directly, but indirectly as a consequence of the fact that the future hypothetical license lease price will be based on expectations on future margins.

In practice this means that changes in forward prices will impact the fair value on fish in sea directly through a change in the numerator in the cash flow, while changes in cost will not impact the fair value on fish in sea directly, since costs are not included in the numerator of the cash flow. But an assumed permanent shift in costs due to the newly implemented production fee and the cost inflation on the back of the pandemic, will negatively impact the expectations regarding future margin and the hypothetic license lease price. Thus, the cash flow is indirectly impacted through the discount rate in the denominator. This is the reason why the applied discount rate has been reduced from 5% to 4%.

SENSITIVITY ANALYSIS FOR FAIR VALUE OF FISH IN SEA

The Group considers that four components are key for valuation. These are:

(1) weighted average price,
(2) projected optimal harvest weight,
(3) monthly discount rate and
(4) estimated number of fish.

NOTE 2 cont.
Critical accounting estimates and judgements

The tables below show a simulated sensitivity to changes in fair value of the biological assets in the event of changes in these parameters:

SENSITIVITY ANALYSIS FOR FAIR VALUE OF BIOLOGICAL ASSETS

Sensitivity analysis in relation to weighted average price and projected optimal harvest weight

		Projected harvest weight per fish in kg gwe				
		3.5	**3.8**	**4.0**	**4.3**	**4.5**
		Change in projected harvest weight per kg gwe				
Average price per kg (NOK)	**Change in price per kg (NOK)**	**(0.50)**	**(0.25)**	**-**	**0.25**	**0.50**
51.1	-5.00	4,230	4,604	5,002	5,410	5,846
54.1	-2.00	4,633	5,033	5,457	5,913	6,341
55.1	-1.00	4,768	5,177	5,609	6,070	6,507
56.1	-	4,903	5,321	**5,787**	6,228	6,672
57.1	1.00	5,040	5,466	5,937	6,386	6,838
58.1	2.00	5,177	5,610	6,087	6,543	7,004
61.1	5.00	5,587	6,064	6,536	7,016	7,500

The table shows changes in estimated fair value (present value) before provision for loss-making contracts for the parameters price per kg and projected harvest weight per kg gutted weight. For projected harvest weight, the table shows changes in fair value when there is an increase in projected harvest weight of 250 and 500 grams respectively, and for a corresponding reduction. The projected total cost is held constant, such that an increase in projected harvest weight will bring about a reduction in cost per kg, while a reduction in projected harvest weight will bring about an increase in cost per kg. For price, the change is per NOK gutted weight. The above price is after deduction for harvesting costs, transport to Oslo, quality, size and exporter margin.

Sensitivity analysis of weighted average price and discount rate applied

		Monthly discount rate (%)				
		2.0%	**3.0%**	**4.0%**	**5.0%**	**6.0%**
		Change in monthly discount rate (%)				
Average price per kg (NOK)	**Change in price per kg (NOK)**	**-2.0%**	**-1.0%**	**0.0%**	**1.0%**	**2.0%**
51.1	-5.00	5,645	5,308	5,002	4,724	4,470
54.1	-2.00	6,171	5,797	5,457	5,148	4,867
55.1	-1.00	6,347	5,960	5,609	5,290	5,000
56.1	-	6,549	6,149	**5,787**	5,458	5,158
57.1	1.00	6,723	6,310	5,937	5,598	5,289
58.1	2.00	6,896	6,472	6,087	5,737	5,419
61.1	5.00	7,417	6,955	6,536	6,156	5,810

The table shows changes in estimated fair value (present value) before provision for loss-making contracts for the parameters price per kg and monthly discount rate. For the monthly discount rate, the table simulates an absolute change of +/- 1% and +/- 2% (100 and 200 points) respectively.

Sensitivity analysis in relation to weighted average price and number of fish in stock

		Number of fish in stock (million fish)				
		52.5	**54.1**	**55.2**	**56.3**	**58.0**
		Change in number of fish in stock				
Average price per kg (NOK)	**Change in price per kg (NOK)**	**-5%**	**-2%**	**0%**	**2%**	**5%**
51.1	-5.00	4,624	4,851	5,002	5,154	5,380
54.1	-2.00	5,056	5,297	5,457	5,618	5,858
55.1	-1.00	5,201	5,446	5,609	5,773	6,018
56.1	-	5,371	5,621	**5,787**	5,953	6,203
57.1	1.00	5,513	5,767	5,937	6,106	6,360
58.1	2.00	5,656	5,914	6,087	6,259	6,518
61.1	5.00	6,083	6,355	6,536	6,718	6,990

The table shows changes in estimated fair value (present value) before provision for loss-making contracts for the parameters price per kg and estimated number of fish in stock on the balance sheet date. For the number of fish in stock, the table simulates a change of +/- 2% and +/- 5% in the number of fish per locality for all localities with fish in stock.

NOTE 3
Segment information

OPERATING SEGMENTS

The Board of Directors is the Group's chief operating decisionmaker. Management has determined the operating segment based on the information reviewed by the Board of Directors. The Board of Directors considers the business from a company perspective. Several of the larger companies controlled by AUSS are separately listed companies, and as such naturally reviewed on a consolidated basis.

LERØY SEAFOOD GROUP ASA

Lerøy Seafood Group ASA (LSG) is a Norwegian public company listed on the Oslo Stock Exchange. LSG group is involved in fish farming (salmon and trout), fishery of whitefish and VAP of salmon, trout and whitefish, and sale and distribution of different fish species and processed fish products.

AUSTRAL GROUP S.A.A. - PERU

Austral Group S.A.A. (Austral) is a Peruvian public company listed on the Peru Stock Exchange. Austral is engaged in the production of fishmeal, fish oil, canned fish and frozen fish. From its fishing vessels to the finished products produced in the four fishmeal/oil factories in Coishco, Chancay, Pisco and Ilo respectively, Austral is a truly integrated system.

FOODCORP CHILE S.A. - CHILE

FoodCorp Chile S.A. (FC) is a Chilean private company within the pelagic sector. The company is located in Coronel and is a truly integrated system engaged in production of frozen fish, canned fish, fishmeal and fish oil. The company holds a fleet of three modern purse-seiner vessels.

BR. BIRKELAND AS

Br. Birkeland AS (BRBI) holds pelagic fishing licences utilised by two modern purse-seiner fishing vessels, in addition the company owns two vessels with permit to fish snow crab.

BR. BIRKELAND FARMING AS

Br. Birkeland Farming AS (BFARM) holds seven salmon farming licences in the Western Region of Norway.

NOTE 3 cont.
Segment information

PELAGIA HOLDING AS

Pelagia Holding AS (Pelagia) is a private company within the pelagic sector. Pelagia is engaged in production of fishmeal, fish oil, Omega-3 oil and frozen fish for direct human consumption. Pelagia has its production facilities in Norway, UK and Ireland. The company purchased the remaining 50% of the shares in Hordafor AS on 1st of July 2021. Once this transaction was completed, Pelagia owned 100% of the shares in Hordafor AS (HF), and HF has made the move from an associated company to a subsidiary, and is wholly consolidated in the Pelagia Group as of 1st of July 2021. HF is a major producer of protein concentrate and oil based on cuttings from the salmon industry, whitefish industry and pelagic cuttings. Pelagia is jointly owned with Kvefi AS, and is accounted for as a joint venture.

Other / Elimination

Austevoll Seafood ASA (parent company), Austevoll Eiendom AS, Austevoll Laksepakkeri AS, AUSS Laks AS and AUSS Shared Service AS are not included in any of the operating segments. Unrealised gains on sales between the operating segments, which are eliminated in the consolidated financial statements, are also presented as other/elimination.

2021	LSG	Austral Group	FoodCorp Chile	Br. Birkeland	Br. Birkeland Farming	Pelagia Holding 50%	Other/ elim.	Group
Other operating income	23,054	2,018	716	304	432	5,001	-4,953	26,571
Inter-segment sales	20	0	0	2	0	0	-22	0
Other gains and losses	63	-1	0	0	0	0	0	62
Total segment income	**23,136**	**2,017**	**716**	**306**	**432**	**5,001**	**-4,974**	**26,634**
Operating expenses	-19,359	-1,344	-524	-196	-380	-4,492	4,470	-21,823
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets	**3,778**	**673**	**192**	**111**	**52**	**509**	**-504**	**4,810**
Depreciation and amortisation	-1,252	-167	-35	-41	-65	-145	126	-1,579
Impairment/reversal of impairment *	-6	1	-7	0	0	0	0	-13
Operating profit before fair value adjustment of biological assets	**2,519**	**506**	**150**	**70**	**-12**	**363**	**-378**	**3,217**
Fair value adjustment of biological assets	1,085	0	0	0	29	0	0	1,114
Operating profit	**3,604**	**506**	**150**	**70**	**17**	**363**	**-378**	**4,332**

2021	LSG	Austral Group	FoodCorp Chile	Br. Birkeland	Br. Birkeland Farming	Pelagia Holding 50%	Other/ elim.	Group
Income from associates	122	0	0	-2	0	11	263	394
Financial income	73	318	2	1	0	2	-1	394
Financial expenses	-267	-418	-5	-5	-6	-51	7	-744
Profit before tax	**3,532**	**407**	**147**	**64**	**12**	**325**	**-109**	**4,376**
Tax	-751	-128	-40	-14	-2	-42	37	-939
Profit for the year	**2,781**	**279**	**107**	**50**	**9**	**282**	**-71**	**3,437**
Attributable to non-controlling interests	1,394	28	0	29	4	0	0	1,455
Attributable to shareholders in Austevoll Seafood ASA	**1,387**	**251**	**107**	**22**	**5**	**282**	**-71**	**1,982**
Share of dividend recognised in the parent company, Austevoll Seafood ASA	**785**	**0**	**11**	**33**	**0**	**100**	**0**	**929**

2020	LSG	Austral Group	FoodCorp Chile	Br. Birkeland	Br. Birkeland Farming	Pelagia Holding 50%	Other/ elim.	Group
Other operating income	19,958	1,241	638	246	301	4,407	-4,356	22,435
Inter-segment sales	2	0	0	3	0	0	-5	0
Other gains and losses	7	0	0	0	5	0	-1	11
Total segment income	**19,966**	**1,241**	**638**	**249**	**306**	**4,407**	**-4,361**	**22,447**
Operating expenses	-16,857	-904	-500	-146	-337	-4,080	4,052	-18,772
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets	**3,109**	**338**	**138**	**103**	**-30**	**327**	**-309**	**3,675**
Depreciation and amortisation	-1,158	-205	-40	-43	-50	-123	100	-1,519
Impairment/reversal of impairment *	-2	1	3	0	0	0	0	3
Operating profit before fair value adjustment of biological assets	**1,950**	**133**	**101**	**59**	**-80**	**204**	**-209**	**2,159**
Fair value adjustment of biological assets	-827	0	0	0	-127	0	0	-954
Operating profit	**1,123**	**133**	**101**	**59**	**-207**	**204**	**-209**	**1,205**

2020	LSG	Austral Group	FoodCorp Chile	Br. Birkeland	Br. Birkeland Farming	Pelagia Holding 50%	Other/ elim.	Group
Income from associates	105	0	0	7	9	14	113	250
Financial income	33	237	3	3	0	3	11	290
Financial expenses	-274	-386	-7	-7	-6	-64	27	-716
Profit before tax	**987**	**-16**	**97**	**62**	**-203**	**157**	**-58**	**1.027**
Tax	-197	-11	-24	-11	47	-30	22	-204
Profit for the year	**790**	**-27**	**73**	**51**	**-156**	**127**	**-36**	**823**
Attributable to non-controlling interests	370	0	0	29	-70	0	0	329
Attributable to shareholders in Austevoll Seafood ASA	**420**	**-26**	**73**	**22**	**-86**	**127**	**-36**	**494**
Share of dividend recognised in the parent company, Austevoll Seafood ASA	**628**	**0**	**0**	**17**	**0**	**100**	**0**	**745**

** For further information on impairment, see notes 10 and 11*

NOTE 3 cont.
Segment information

Segment	Non-current assets 2021	Non-current assets 2020	Total investments in non-current assets 2021	Total investments in non-current assets 2020
Lerøy Seafood Group ASA	18,041	16,756	1,019	1,377
Pelagia Holding AS	IA	IA	IA	IA
Br. Birkeland AS	1,025	888	176	6
Br. Birkeland Farming AS	543	525	5	37
Other	4,954	4,729	4	12
Total for Norway	**24,562**	**22,899**	**1,203**	**1,433**
Austral Group S.A.A. - Peru	2,080	2,200	132	92
FoodCorp Chile S.A. - Chile	599	586	3	4
Total	**27,241**	**25,685**	**1,338**	**1,529**

Segment	Associates and joint venture 2021	Associates and joint venture 2020	Total liabilities 2021	Total liabilities 2020
Lerøy Seafood Group ASA	1,379	1,086	15,179	12,856
Pelagia Holding AS	1,473	1,289	IA	IA
Br. Birkeland AS	45	46	391	405
Br. Birkeland Farming AS	98	99	663	578
Other	7	6	661	1,277
Total for Norway	**3,002**	**2,526**	**16,893**	**15,117**
Austral Group S.A.A. - Peru	1	1	1,476	1,440
FoodCorp Chile S.A. - Chile	0	0	223	194
Total	**3,002**	**2,527**	**18,593**	**16,750**

Revenue by geographic area	2021	%	2020	%
Norway	4,874	18%	4,634	21%
EU	12,697	48%	10,888	49%
UK	524	2%	I/A	N/A
Eastern Europe	997	4%	952	4%
Africa	462	2%	355	2%
North America	1,199	5%	894	4%
Asia	3,487	13%	4,232	19%
South America	509	2%	482	2%
Others	1,820	7%	0	0%
Total	**26,570**	**100%**	**22,436**	**100%**

Revenue is allocated based on the customer's country/destination for shipment of sold goods

NOTE 4
Associated companies and investments in joint ventures

The amounts recognised in the balance sheet

Amounts in MNOK	2021	2020
Associates	1,529	1,238
Joint venture	1,473	1,289
At 31.12.	**3,002**	**2,527**

Profit and loss recognised in the income statement

Amounts in MNOK	2021	2020
Associates	121	123
Joint venture	272	127
At 31.12.	**393**	**250**

Set out below are the major associates of the Group as of 31.12.2021. The shareholding in Seafood Danmark A/S increased from 33.33% to 77.59% in 2021, and is now reported as a subsidiary.

Company	Country of incorporation	Voting rights	Measurement method
2021			
Norskott Havbruk AS	Norway	50.00%	Equity method
Seistar Holding AS	Norway	50.00%	Equity method
Seafood Danmark A/S	Denmark	77.59%	Consolidated
2020			
Norskott Havbruk AS	Norway	50.00%	Equity method
Seistar Holding AS	Norway	50.00%	Equity method
Seafood Danmark A/S	Denmark	33.33%	Equity method

NOTE 4 cont.
Associated companies and investments in joint ventures

Set out below are the summarised financial information for the investments in associates considered material to the Group, and total amounts for associates considered to not be material.

Company	Seafood Danmark A/S Group **		Norskott Havbruk AS Group *		Seistar Holding AS Group	
Year-end	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Income statement						
Revenue	1,810	1,685	2,307	1,699	232	201
Profit before tax	94	98	242	143	39,617	43
Of which fair value adjustment of biological assets	0	0	6	-143	0	0
Profit after tax	**70**	**87**	**187**	**98**	**37**	**42**
Other comprehensive income	3	0	27	-7	0	0
Statement of financial position						
Total current assets	370	414	2,127	1,284	88	69
Total current liabilities	-263	-298	-798	-681	-40	-34
Total non-current assets	378	398	3,276	1,665	741	759
Total non-current liabilities	-60	-89	-2,415	-902	-399	-433
Net assets	**425**	**425**	**2,190**	**1,365**	**390**	**361**
Carrying amount in AUSS	**0**	**139**	**1,126**	**714**	**219**	**198**

The information above reflects the figures presented in the financial statements for the associates (not Austevoll Seafood ASA's share), adjusted for differences in accounting policies between the Group and the associates.

Reconciliation of summarised financial information:

Company	Seafood Danmark A/S Group **		Norskott Havbruk AS Group *		Seistar Holding AS Group	
Year-end	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
At 01.01.	**139**	**124**	**714**	**668**	**198**	**157**
Additions	0	0	306	0	0	0
Disposals	-125	0	0	0	0	0
Share of profit/(loss)	6	32	94	49	21	19
Exchange differences	-7	9	13	0	0	0
Dividends	-14	-24	0	0	0	-3
Other changes in equity	0	-1	0	-4	0	25
Carrying amount at 31.12.	**0**	**139**	**1.126**	**714**	**219**	**198**

** Norskott Havbruk Group operate their business through their subsidiary in Scotland. Exchange differences refer to translation of currency from GBP to NOK.*
*** Subsidiary from 2021. The profit/loss figures for 2021 are for the whole year. The statement of financial position shows the status at 31st of December 2021.*

	Others		Total	
Year-end	**2021**	**2020**	**2021**	**2020**
At 01.01.	**216**	**187**	**1,238**	**1,106**
Additions	0	61	306	61
Disposals	0	0	-125	0
Share of profit/(loss)	1	23	121	123
Exchange differences	0	0	7	9
Dividends	0	-3	-14	-30
Other changes in equity	-3	-52	-3	-32
Carrying amount at 31.12.	**213**	**216**	**1,529**	**1,238**

INFORMATION ON MATERIAL TRANSACTIONS

A capital increase amounting to NOK 611 million in Norskott Havbruk AS was completed in December 2021. At the same time Norskott Havbruk AS increased the capital in the fully owned subsidiary Scottish Seafarms Ltd (SSF) with GBP 50 million. The new capital in Scottish Seafarms Ltd was used as a part of the financing of the acquisition of Grieg Seafood Hjaltland, where Scottish Seafarms Ltd was the buyer. Total consideration paid for Grieg Seafood Hjaltland was GBP 172.6 million. After the acquisition the acquired company changed name to SSF Hjaltland. The acquired company is performing the same type of business as Scottish Seafarms Ltd, with production of smolt and salmon mainly on Shetland.

NOTE 4 cont.
Associated companies and investments in joint ventures

Investments in joint venture	Country of incorporation	Business	Voting rights	Measurement method
Pelagia Holding AS	Norway	Norway	50%	Equity method

The table below shows 100% share of assets and liabilities, income and profit/loss in Pelagia Holding AS (joint venture) recognised under the equity method.

	Pelagia Holding AS Group	
Assets	**2021**	**2020**
Non-current assets	4,213	3,387
Cash and cash equivalents	216	176
Other current assets	3,078	3,363
Total assets	**7,506**	**6,927**
Non-current liabilities	2,633	3,298
Current liabilities	1,779	924
Total liabilities	**4.412**	**4,222**
Total equity	**3,094**	**2,705**
Total equity and liabilities	**7,506**	**6,927**
Revenue	10,002	8,814
Depreciation, amortisation and impairment	-291	-246
Operating expenses	-8,984	-8,159
Net interest expense	-85	-60
Other financial items	8	-34
Profit before tax	**649**	**314**
Tax	-85	-59
Profit after tax	**565**	**255**
Other comprehensive income	0	0
Total comprehensive income	**565**	**255**

	Pelagia Holding AS Group	
Reconciliation of summarised financial information, 50% share	**2021**	**2020**
At 01.01.	**1,289**	**1,249**
Additions	0	0
Disposals	0	0
Share of profit/(loss)	272	127
Other income from total comprehensive income	0	0
Exchange differences	12	13
Dividends	-100	-100
Other changes in equity	0	0
Carrying amount at 31.12.	**1,473**	**1,289**

NOTE 5
Earnings and dividend per share

Distributed dividend per share in 2021, based on profit figure for 2020 was NOK 3.50 per share. This amounted to a total of TNOK 709,511. Based on the profit figure for 2021, a dividend payment of NOK 4.50 per share is proposed for 2022. This will in total constitute TNOK 912,228. A final decision will be made by the ordinary shareholders' meeting on 24th of May 2022.

Year	Share of profit after tax to shareholders in AUSS	No. of shares at 31.12.	Average no. of outstanding shares	Earnings per share	Proposed dividend
2021	1,982	202,717,374	201,824,074	9.82	912
2020	494	202,717,374	201,824,074	2.45	710
2019	1,256	202,717,374	201,824,407	6.22	507
2018	2,299	202,717,374	201,824,407	11.39	710
2017	1,009	202,717,374	201,824,074	5.00	568
2016	1,645	202,717,374	201,409,613	8.17	507
2015	722	202,717,374	200,995,151	3.59	1,419
2014	555	202,717,374	200,995,151	2.76	405
2013	699	202,717,374	200,995,151	3.48	324
2012	419	202,717,374	202,717,374	2.07	243
2011	369	202,717,374	202,717,374	1.82	203
2010	1,222	202,717,374	202,717,374	6.03	304
2009	723	202,717,374	188,917,000	3.83	243
2008	122	184,317,374	184,317,374	0.66	0
2007	499	184,317,374	183,302,000	2.72	55
2006	264	178,223,624	145,550,000	1.82	0
Total	**14,280**				**7,110**

Year	Proposed dividend per share	Proposed dividend as % of profit for the year excl. fair value adjustment of biological assets	Dividend paid in NOK million (from last year)	No. of shares eligible for dividend	Dividend paid per share
2021	4.50	36%	710	202,717,374	3.50
2020	3.50	45%	507	202,717,374	2.50
2019	2.50	21%	708	202,717,374	3.50
2018	3.50	20%	566	202,717,374	2.80
2017	2.80	18%	505	202,717,374	2.50
2016	2.50	20%	1,419	202,717,374	7.00
2015	7.00	129%	405	202,717,374	2.00
2014	2.00	32%	324	202,717,374	1.60
2013	1.60	32%	243	202,717,374	1.20
2012	1.20	59%	203	202,717,374	1.00
2011	1.00	21%	304	202,717,374	1.50
2010	1.50	20%	243	202,717,374	1.20
2009	1.20	26%	0	202,717,374	0.00
2008	0.00	0%	55	184,317,374	0.30
2007	0.30	12%	0	184,317,374	0.00
2006	0.00	0%	0	178,223,624	0.00
Total	**35.10**		**6,192**		**30.60**

NOTE 5 cont.
Earnings and dividend per share

AUSS aims to maximize value creation for the benefit of shareholders by constantly striving to achieve good results. Over time, the target is to pay out between 20% and 40% of the Group`s net profit as dividends (excluding the value adjustment of biological assets).

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

NOTE 6
Acquisition of shares/business combinations

TRANSACTIONS IN 2021

Business combinations and transactions with non-controlling interests in 2021:

Dragøy Grossist AS

The Group increased its ownership in Dragøy Grossist AS from 34% to 51% the 1st of January 2021. The acquisition is recognised as a step-by-step acquisition, with a new measurement and calculation of gain/losses on the shares that was previously acquired. Until transaction date the previously acquired shares have been recognised and booked as an associated company, following the equity method. The shares are held by Lerøy Nord AS. The acquired company is a wholesaler in Tromsø.

Sørøya Isanlegg AS

The Group increased its ownership in Sørøya Isanlegg AS from 33.3% to 100% the 1st of January 2021. The acquisition is recognised as a step-by-step acquisition, with a new measurement and calculation of gain/losses on the shares that was previously acquired. Until transaction date the previously acquired shares have been recognised and booked as an associated company, following the equity method. The shares are held by Lerøy Norway Seafoods AS. The acquired company is a service provider for the white fish industry. The company operates from Hasvik.

Lerøy Årskog AS

The Group acquired 100% of FMV Eiendom AS the 31st of March 2021. The name of the acquired company was changed to Lerøy Årskog AS. The acquisition was recognised at fair value. The company was purchased from the ultimate parent company of the group, Laco AS, and is therefore identified as a related party transaction. An external valuation of the company was required and used as the basis for the purchase price. The shares are held by Lerøy Seafood Group ASA. The acquired company owns land areas regulated and approved for production of smolt, salmon and trout on land, with a total maximum volume of 10 thousand MTB. The land area is in Fitjar. Groundwork related to buildings and installments has been started.

Seafood Danmark A/S

The Group increased its ownership in Seafood Danmark A/S from 33.3% to 77.6% the 1st of April 2021. The acquisition is recognised as a step-by-step acquisition, with a new measurement and calculation of gain/losses on the shares that was previously acquired. Accumulated currency exchange differences until date of business combination, previously recognised in other comprehensive income, is recycled over profit and loss, and included in the calculated gain. Until transaction date the previously acquired shares have been recognised and booked as an associated company, following the equity method. The shares are held by Lerøy Seafood Group ASA. The business in the acquired company is VAP, sales and distribution in Danmark. The company owns and operate several production facilities in Denmark.

Wannebo International AS

The non-controlling interests in the company named Wannebo International AS was redeemed the 1st of July 2021. As the company is a group company, owned through Seafood Danmark A/S, the redemption amount has been recognised as an equity transaction. The company`s business purpose is purchasing seafood in Norway and exporting it from Norway to Seafood Danmark A/S.

SSF Hjaltland UK Ltd

The Group has also participated indirectly in the acquisition of Grieg Seafood Hjaltland UK Ltd through the 50% owned associated company Norskott Havbruk AS. The acquiring legal entity was Scottish Seafarms Ltd, a fully owned subsidiary of Norskott Havbruk AS. The name of the acquired company was changed to SSF Hjaltland Ltd right after the date of control, the 15th of December 2021. This transaction is not included in business combinations of the Group, according to IFRS 3, which are summarized below. For this transaction, it is referred to the note on associated companies for further details.

Summary of business combinations	**Dragøy Grossist AS**	**Lerøy Årskog AS**	**Seafood Danmark A/S**	**Sørøya Isanlegg AS**	**Total**
Ownership until date of acquisition	34.0%	0.0%	33.3%	33.3%	
Increased ownership	17.0%	100.0%	44.3%	66.7%	
Ownership after date of acquisition	51.0%	100.0%	77.6%	100.0%	
Date of recognition (business combination)	01.01.2021	31.03.2021	01.04.2021	01.01.2021	
Total consideration	3	39	207	1	249
Hereby consideration paid in 2021	**3**	**39**	**158**	**1**	**200**
Herby unpaid as of 31.12.2021, accrued contingent consideration					**49**

Acquisition balance sheet incl. excess value and goodwill *	**Dragøy Grossist AS**	**Lerøy Årskog AS**	**Seafood Danmark A/S**	**Sørøya Isanlegg AS**	**Total**
Intangibles	14	5	285	0	304
Right-of-use assets	2	0	10	0	12
Fixed assets	1	59	194	4	257
Financial non-current assets	0	0	4	0	5
Inventory	1	0	156	0	157
Receivables	4	0	229	0	234
Bank deposits	3	0	0	1	4
Total assets	**25**	**64**	**879**	**5**	**972**
Equity including NCI	16	39	473	1	530
Long-term debt	3	11	74	3	91
Short-term debt	5	15	332	0	351
Total debt	**25**	**64**	**879**	**5**	**972**
Net interest bearing debt (NIBD)	-1	14	179	1	193

** On date of acquisition, and on 100% basis*
CI = Controlling interests (majority)
NCI = Non-controlling interests (minority)

NOTE 6 cont.
Acquisition of shares/business combinations

Total all business combinations	Acquired shares in 2021	Shares owned from before (as associated comp.) on date of step-by-step acquisition: Shares acquired earlier at cost	Change in value from equity method	Gain from new measurement of value	Total CI	Total NCI	Total Group
Consideration consists of							
Consideration paid	200	81	0	0	281	0	281
Contingent consideration accrued, to be paid in 2022	49	0	0	0	49	0	49
Calculated hypothetical consideration from new measurement	0	0	49	32	81	0	81
Calculated hypothetical consideration on NCI`s share	0	0	0	0	0	113	113
Total	**249**	**81**	**49**	**32**	**411**	**113**	**524**
Consideration exceeding acquired share of equity							
Acquired share of equity	169	127	0	0	296	86	383
Consideration including gain from new measurement	249	81	49	32	411	113	524
Total	**80**	**-46**	**49**	**32**	**115**	**26**	**141**
Identified added value							
Added value from customer portfolio (intangibles)	1	3	0	0	4	4	8
Added value from fixed assets	49	0	0	0	49	0	49
Deducted value from non recognised liabilities	-7	-6	0	0	-13	-4	-17
Deferred tax related to added and deducted value	-9	1	0	0	-9	0	-9
Goodwill recognised in the acquired equity	-76	-57	0	0	-133	-38	-171
Net added and deducted values	**-42**	**-59**	**0**	**0**	**-102**	**-38**	**-140**
Identified values							
Recognised equity in acquired companies	169	127	0	0	296	86	383
Net added and deducted values	-42	-59	0	0	-102	-38	-140
Total	**127**	**68**	**0**	**0**	**195**	**48**	**243**
Fair value, including NCI in acquired equity							
Consideration (fair value)	249	81	49	32	411	113	524
NCI in acquired equity	0	0	0	0	0	6	6
Total	**249**	**81**	**49**	**32**	**411**	**119**	**530**
Calculation of goodwill							
Consideration (fair value) excluding NCI in acquired equity	249	81	49	32	411	113	524
Identified values	127	68	0	0	195	48	243
Goodwill	**123**	**13**	**49**	**32**	**217**	**65**	**281**
Fair value consist of							
Recognised equity	169	127	0	0	296	86	383
Net added and deducted values	-42	-59	0	0	-102	-38	-140
Goodwill	123	13	49	32	217	65	281
Total	**249**	**81**	**49**	**32**	**411**	**113**	**524**
Cash flow effects							
Consideration paid related to business combinations	200	0	0	0	0	0	200
Redemption of NCI	0	0	0	0	0	6	6
Total	**200**	**0**	**0**	**0**	**0**	**6**	**206**

Description of material business combinations

The acquisition of Seafood Danmark A/S is a material business combination.

The Seafood Danmark A/S-group is consolidated with effect from 1st of April 2021. Thus, the consolidated profit and loss amounts consists of 9 out of 12 months.

Profit and loss figures for Seafood Danmark A/S group:	2021 Consolidated 2nd-4th quarter	2021 Not Consolidated 1st quarter	Total 2021	2020
Sales revenues	1,410	399	1,810	1,685
Other gains (+) and losses (-)	5	0	5	0
Operating profit (EBIT)	76	22	98	102
Pre-tax profit	73	21	94	98
Profit after tax	**54**	**16**	**70**	**87**
Items included as comprehensive income	2	1	3	-4

Acquisition analysis for Seafood Danmark A/S	Acquired shares in 2021 (44.25%)	Shares owned from before (as associated comp.) 33.3%: Shares acquired earlier at cost	Change in value from equity method	Gain from new measurement of value	Total CI (77.6%)	Total NCI (22.4%)	Total Group (100%)
Consideration consists of							
Consideration paid	158	77			235	0	235
Contingent consideration accrued, to be paid in 2022	49				49	0	49
Calculated hypothetical consideration from new measurement			48	30	79	0	79
Calculated hypothetical consideration on NCI`s share					0	105	105
Total	**207**	**77**	**48**	**30**	**363**	**105**	**467**
Consideration exceeding acquired share of equity							
Acquired share of equity	166	125			292	84	376
Consideration including gain from new measurement	207	77	48	30	363	105	467
Total	**40**	**-48**	**48**	**30**	**71**	**20**	**91**
Identified added value							
Deducted value from non recognised liabilities	-7	-5	0	0	-13	-4	-16
Deferred tax related to added and deducted value	2	1	0	0	3	1	4
Goodwill recognised in the acquired equity	-76	-57	0	0	-133	-38	-171
Net added and deducted values	**-81**	**-61**	**0**	**0**	**-143**	**-41**	**-184**
Identified values							
Recognised equity in acquired companies	166	125	0	0	292	84	376
Net added and deducted values	-81	-61	0	0	-143	-41	-184
Total	**85**	**64**	**0**	**0**	**149**	**43**	**192**
Fair value, including NCI in acquired equity							
Consideration (fair value)	207	77	48	30	363	105	467
NCI in acquired equity	0	0	0	0	0	6	6
Total	**207**	**77**	**48**	**30**	**363**	**111**	**473**

NOTE 6 cont.
Acquisition of shares/business combinations

Acquisition analysis for Seafood Danmark A/S	Acquired shares in 2021 (44.25%)	Shares owned from before (as associated comp.) 33.3% Shares acquired earlier at cost	Change in value from equity method	Gain from new measurement of value	Total CI (77.6%)	Total NCI (22.4%)	Total Group (100%)
Calculation of goodwill							
Consideration (fair value) excluding NCI in acquired equity	207	77	48	30	363	105	467
Identified values	85	64	0	0	149	43	192
Goodwill	**122**	**13**	**48**	**30**	**213**	**62**	**275**
Fair value consist of							
Recognised equity	166	125	0	0	292	84	376
Net added and deducted values	-81	-61	0	0	-143	-41	-184
Goodwill	122	13	48	30	213	62	275
Total	**207**	**77**	**48**	**30**	**363**	**105**	**467**
Cash flow effects							
Consideration paid related to business combinations	158						158
Redemption of NCI						6	6
Total	**158**					**6**	**164**

TRANSACTIONS IN 2020
In 2020, there have not been any significant business combinations, and there have been insignificant transactions with non-controlling interests.

NOTE 7
Biological assets

The group recognises and measures biological assets (fish in sea) at fair value. 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 provides the best estimate of fair value.

The fair value of fish in the sea is estimated as a function of the estimated biomass at the time of harvest, 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 optimal harvest weight. The cash flow is discounted monthly by a discount rate. Please refer to note 29 accounting policies for more detailed information.

Fair value adjustment recognised in the period related to biological assets comprises: (1) change in fair value adjustment of biological assets, (2) change in fair value (provision) of loss-making contracts and (3) change in unrealised gain/loss of financial sale and purchase contracts (derivatives) for fish in Fish Pool. The last mentioned adjustment does only include Fish Pool contracts included in the balance sheet at the beginning of the year. For new contracts entered into in 2021 the change in fair value are recognised as other comprehensive income (OCI) due to cash flow hedging.

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 fulfill 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 short-term debt. The Group also enters into Fish Pool contracts to hedge prices. The number of such contracts is limited. When utilised, the Fish Pool contracts are recorded as financial instruments on the balance sheet (derivatives), where unrealised gain is classified as other short-term receivables and unrealised loss as other short-term debt.

Carrying amount of biological assets	2021	2020
Fish in sea at historical cost *	4,320	4,497
Fry, brood, smolt and cleaner fish at cost *	386	362
Total biological assets before fair value adjustment	**4,705**	**4,859**
Fair value adjustment of biological assets	1,467	307
Total biological assets	**6,173**	**5,166**
Fair value of fish in sea	5,787	4,804
Fair value of fry, brood, smolt and cleaner fish	386	362
Total biological assets	**6,173**	**5,166**

** Historical cost minus expensed mortality*

Carrying amount of loss-making contracts	2021	2020
Total loss-making contracts in the SOFP at 31.12.	**44**	**0**
Recognised fair value adjustment related to biological assets		
Change in fair value adjustment of biological assets (fish in sea)	1,160	-981
Change in fair value of loss-making contracts	-44	26
Change in fair value of Fish Pool contracts	-2	0
Total fair value adjustments related to biological assets	**1,114**	**-954**
Reconciliation of carrying amount of fair value related to biological assets		
Fair value adjustment of biological assets at 01.01.	306	1,287
Change in fair value adjustment on fish in sea	1,160	-981
Fair value adjustment of biological assets at 31.12.	**1,467**	**306**

NOTE 7 cont.
Biological assets

The balance sheet item is included in biological assets. The accounting line is further specified below.

Reconciliation of changes in carrying amount of biological assets	Roe, fry, smolt and cleaner fish *	Fish in sea (salmon and trout) *	Fair value adjustment	Total biological assets
Biological assets at 31.12.2019	**343**	**4,279**	**1,287**	**5,910**
Changes in 2020				
Increase from biological transformation (released and net growth)	840	6,931	0	7,770
Reduction due to sale and own consumption (smolt and cleaner fish)	-821	0	0	-821
Reduction due to harvest	0	-6,450	0	-6,450
Reduction due to incident-based mortality	0	-263	0	-263
Reduction due to accidental release	0	0	0	0
Net change in fair value (fish in sea)	0	0	-981	-981
Biological assets at 31.12.2020	**361**	**4,497**	**306**	**5,166**
Changes in 2021				
Increase from biological transformation (released and net growth)	1,120	7,613	0	8,734
Reduction due to sale and own consumption (smolt and cleaner fish)	-1,097	0	0	-1,097
Reduction due to harvest	0	-7,615	0	-7,615
Reduction due to incident-based mortality	0	-175	0	-175
Reduction due to accidental release	0	0	0	0
Net change in fair value (fish in sea)	0	0	1,160	1,160
Biological assets at 31.12.2021	**385**	**4,320**	**1,466**	**6,173**

** Carrying amount before fair value adjustment (historical cost minus charged mortality)*

Reconciliation of volume (LWT) for stock of fish in sea	2021	2020
Live weight (LWT) of fish in sea at 01.01. (tonnes)	**125,100**	**116,296**
Changes through the year		
Increase from biological transformation (released and net growth)	225,972	232,054
Reduction due to harvesting	-228,058	-209,442
Reduction due to incident-based mortality	-11,393	-13,807
Reduction due to accidental release	0	-2
Live weight of fish in sea at 31.12. (tonnes)	**111,622**	**125,100**

The table below shows the total volume of fish in sea, living weight measured in tonnes, distributed by weight:

Volume (LWT) - Overview of fish in sea at 31.12.	2021	2020
Fish in sea, 0-1 kg	9,592	10,766
Fish in sea, 1-2 kg	20,262	15,700
Fish in sea, 2-3 kg	26,084	36,427
Fish in sea, 3-4 kg	32,921	34,600
Fish in sea: salmon 4-4.65 kg, trout 4-4.76 kg	17,399	19,806
Fish in sea: salmon > 4.65 kg, trout > 4.76 kg (ready for harvest)	5,363	7,802
Fish in sea, total salmon and trout	**111,622**	**125,100**

By species and main group	2021	2020
Fish ready for harvest	**5,363**	**7,802**
Salmon (fish of live weight > 4.65 kg)	4,776	7,802
Trout (fish of live weight > 4.76 kg)	587	0
Fish not ready for harvest	**106,258**	**117,298**
Salmon (fish of live weight < 4.65 kg)	93,146	103,636
Trout (fish of live weight < 4.76 kg)	13,112	13,662
Total volume	**111,622**	**125,100**
Salmon	97,923	111,438
Trout	13,699	13,662
Number of individuals		
Total number, all groups (in 1,000)	55,214	58,051

Price parameters

2020 - Estimated forward price through expected harvesting period	Forward price *	Exporter fee	Clearing cost	Net forward price
Q1 2021	50.33	-0.75	-0.185	49.40
Q2 2021	56.77	-0.75	-0.185	55.83
Q3 2021	53.67	-0.75	-0.185	52.73
Q4 2021	55.83	-0.75	-0.185	54.90
Q1 2022	60.30	-0.75	-0.185	59.37
Q2 2022	63.40	-0.75	-0.185	62.47

Price parameters

2021 - Estimated forward price through expected harvesting period	Forward price *	Exporter fee	Clearing cost	Net forward price
Q1 2022	67.73	-0.75	-0.185	66.80
Q2 2022	67.30	-0.75	-0.185	66.37
Q3 2022	55.50	-0.75	-0.185	54.57
Q4 2022	61.33	-0.75	-0.185	60.40
Q1 2023	64.07	-0.75	-0.185	63.14
Q2 2023	64.57	-0.75	-0.185	63.64

** Quarterly forward price based on monthly forward prices sourced from Fish Pool at 30.12.*

Adjustments are also made for	2021	2020
Price premium (+/-) for trout	-2.00	-6.00
Price premium (+/-) for organic salmon	15.00	30.00
Reduction for quality deviations, salmon	-1.30	-0.79
Reduction for quality deviations, trout	-1.68	-1.68
Reduction for size deviations, salmon	-0.26	-0.21
Reduction for size deviations, trout	-0.80	-0.80

NOTE 7 cont.
Biological assets

Deductions are also made for well boat services, harvesting and packaging (primary processing), and transport to Oslo from the locality being measured.

Based on the above parameters, an estimated net price is calculated for each locality, and is then included in the cash flow calculation in relation to the assessment of fair value. In connection with the sensitivity analysis conducted in the note on significant accounting estimates and assessments, an estimated average net price is applied to all sizes. This is calculated by dividing the total estimated net sales revenue per locality by the total estimated volume (measured as harvest weight), based on projected weight on the date of harvest.

	2021	2020
Calculated average net prices, all sizes (NOK/kg)	**56.10**	**49.40**
Other parameters		
Projected mortality in relation to number of individuals per month in North Norway	0.45%	0.50%
Projected mortality in relation to number of individuals per month in Central Norway	0.60%	0.67%
Projected mortality in relation to number of individuals per month in West Norway	1.10%	1.25%
Factor used for gutting waste, salmon	14%	14%
Factor used for gutting waste, trout	16%	16%
Projected harvest weight, salmon	4.65 kg	4.65 kg
Projected harvest weight, trout	4.76 kg	4.76 kg
Discount rate (monthly) *	4-5%	5%

** One smaller company in the Group applied the discount of 5% in 2021*

ACCIDENTAL RELEASE IN 2021

For the Group, all accidental release is taken seriously, and the Group's target is zero accidental release. Accidental release may however occur randomly due to unforeseen incidents. All accidental releases are reported to the Directorate of Fisheries, irrespective of the scope of the accident. This applies even if the accident only involves one fish. The Group has not experienced any accidental release of economic significance in 2021. In total only 4 (four) individuals have escaped, from a total stock of approximately 53 million individuals. The accidental release consists of three different incidents. These incidents are further described in the annual report, available at www.auss.no.

INCIDENT-BASED MORTALITY

The Group defines mortality as abnormal when more than 1.5% of the total number of fish die in the space of one month. For more detailed information, see the note on biological assets (I).

Abnormal mortality is defined as incident-based mortality, and is charged to the income statement in the period in which it occurs. In 2021, incident-based mortality has predominantly been caused by the repercussions of lice treatments.

Fish health, including minimising mortality, is the cornerstone of the Group's strategy. The positive trend in the number of sea lice treatments and related mortality, have continued in 2022.

NOTE 8
Inventories

	2021	2020
Raw materials	690	444
Work in progress	5	50
Finished goods	1,252	1,102
Impairment due to loss in value and obsolescence	-15	-27
Total	**1,932**	**1,569**
Impairment of inventories expensed during the year	**8**	**4**

NOTE 9
Trade receivables and other receivables

	2021	2020
Trade receivables	2,345	2,073
Minus: provision for bad debts	-24	-27
Trade receivables – net	**2,321**	**2,045**

Other current receivables	**2021**	**2020**
Prepayments	95	112
Receivables from related parties	1	0
Loans to related parties	2	7
Short-term loans provided	30	31
Public fees and taxes, credit balance	358	291
Currency forward contracts and assets recognised in the SOFP due to fair value hedging	62	111
Insurance compensation receivable	0	37
Short-term loans	18	51
Other current receivables	151	115
Total other current receivables	**717**	**754**
Total current receivables	**3,038**	**2,799**

NOTE 9 cont.
Trade receivables and other receivables

Other non-current receivables	2021	2020
Loans to related parties	31	31
Loans to third parties	92	91
Other non-current receivables	45	41
Total non-current receivables	**168**	**164**

Age distribution for trade receivables past due but not impaired	2021	2020
0 to 3 months	330	332
3 to 6 months	12	69
Over 6 months	5	28
Total	**347**	**428**

Age distribution for trade receivables past due and impaired	2021	2020
0 to 3 months	5	4
3 to 6 months	0	2
Over 6 months	14	20
Total	**19**	**27**

The Group's trade receivables of MNOK 2,321 are partly covered by credit insurance and other types of security. Trade receivables per 31.12. were nominally MNOK 2,345 while provisions for bad debts were amounted to MNOK 24.

Trade receivables, past due but not impaired was MNOK 347 per 31.12. A major part of the trade receivables, past due but not impaired are related to the subsidiary LSG with MNOK 280 of the amount overdue. Per end of February 2022 more than 95.6% of the customer receivables related to LSG are paid.

Carrying amount of trade receivables and other short-term receivables per currency	2021	2020
USD	397	334
GBP	33	17
EUR	965	777
NOK	1,260	1,341
DKK	123	0
CLP	17	31
PEN	71	53
SEK	124	168
JPY	33	29
Others	15	49
Total	**3,038**	**2,799**

The change in provision for bad debts is as follows	2021	2020
At 01.01.	-27	-21
Change in provisions for the year	0	1
Provision for bad debts for the year	1	-8
Exchange differences	2	0
Reversed provisions for bad debts	0	0
At 31.12.	**-24**	**-27**

NOTE 10
Intangible assets

2020	Goodwill	Licences, fish farming, Norway	Licences, white fish and pelagic fisheries, Norway	Licences, pelagic fisheries, South America	Brands	Total
At 01.01.						
Acquisition cost	2,105	4,201	4,444	1,230	50	12,031
Accumulated depreciation and amortisation	0	-190	-212	-30	0	-433
Accumulated impairment	-128	-18	0	-21	0	-168
Carrying amount at 01.01.	**1,977**	**3,993**	**4,232**	**1,179**	**50**	**11,430**
Carrying amount at 01.01.	1,977	3,993	4,232	1,179	50	11,430
Exchange differences	-18		-5	-71	0	-92
Additions for the year	0	183	0	0	0	183
Disposals for the year	-2	0	0	0	0	-2
Depreciation and amortisation		-20	-28	-2	0	-50
Impairment/reversal of impairment	0	0	0	0	0	0
Carrying amount at 31.12.	**1,958**	**4,156**	**4,199**	**1,106**	**50**	**11,468**
At 31.12.						
Acquisition cost	2,086	4,410	4,439	1,159	50	12,144
Accumulated depreciation and amortisation	0	-236	-240	-33	0	-508
Accumulated impairment	-128	-18	0	-21	0	-168
Carrying amount at 31.12.	**1,958**	**4,156**	**4,199**	**1,106**	**50**	**11,468**
- of which assets with indefinite lives	1,958	4,154	3,785	1,106	50	11,053
- of which assets with definite lives	0	2	413	0	0	415
- remaining years for assets with definite useful lives (years)		10-12	9 -14			

NOTE 10 cont.
Intangible assets

2021	Goodwill	Licences, fish farming, Norway	Licences, white fish and pelagic fisheries, Norway	Licences, pelagic fisheries, South America	Brands	Total
Carrying amount at 01.01.	1,958	4,156	4,199	1,106	50	11,468
Exchange differences	-22		11	-15	0	-24
Business combinations	281	0	0	0	0	282
Additions for the year	0	3	0	0	0	4
Disposals for the year	0	0	0	0	0	0
Depreciation and amortisation	0	-21	-28	-2	0	-51
Impairment/reversal of impairment	0	0	0	0	0	0
Carrying amount at 31.12.	**2,218**	**4,139**	**4,182**	**1,090**	**50**	**11,679**
At 31.12.						
Acquisition cost	2,346	4,439	4,449	1,145	50	12,429
Accumulated depreciation and amortisation	0	-282	-267	-35	0	-584
Accumulated impairment	-128	-18	0	-21	0	-168
Carrying amount at 31.12.	**2,218**	**4,139**	**4,182**	**1,090**	**50**	**11,679**
- of which assets with indefinite lives		4,159	3,796	1,090	50	11,312
- of which assets with definite lives		-19	385	0	0	366
- remaining years for assets with definite useful lives (years)		10-12	8 -13			

Included in licences fishfarming above is a privilege for utilisation of waterfalls with definite useful lives.

CASH-GENERATING UNITS (CGU)

Every corporate subsidiary in the AUSS Group is classified as one group of CGUs in order to allow for the distribution of goodwill for impairment testing. Goodwill and intangible assets with an indefinite useful life are not amortised, but shall be tested for impairment at least once a year – or when there are indications of impairment – and written down if their value can no longer be justified. Useful life is utilised as a main rule when establishing recoverable amount. Useful life is estimated as the present value of future cash flows. The present value is compared with the book value per CGU or group of CGUs. The present value estimate is based on the budget for the next year and the estimated profit/loss over the next four years. A terminal value is estimated for the period following the next five years. The Gordon growth model is applied to estimate terminal value.

Goodwill and intangible assets with indefinite useful life (which is not depreciated) is distributed on the different groups as follows:

Carrying amount of intangible assets per CGU	Goodwill	Licences	Trademarks	Total
Lerøy Seafood Group ASA	1,773	7,555	50	9,379
Br. Birkeland AS	169	588	0	757
Br. Birkeland Farming AS	21	174	0	195
Austral Group S.A.A.	253	743	0	996
FoodCorp Chile S.A.	0	352	0	352
Total	**2,217**	**9,412**	**50**	**11,679**

LERØY SEAFOOD GROUP ASA (LSG)

LSG is a fully-integrated seafood company and comprises the entire value chain, from roe, fry, smolt, farming of Atlantic salmon and trout, catching white fish and processing to sales and distribution. LSG has following fish farming licences; 31 licences in the North of Norway (incl. slaughter cage-, parent fish-, demonstration- and teaching licences), 61 licences (incl. slaughter cage, parent fish-, demonstration- and teaching licences) in Central Norway and 63 (incl. slaughter cage, parent fish-, green farming-, demonstration- and teaching licences) in West Norway. LSG group has also 20 licences for juvenile fish and 6 licences for cleaner fish, and licences to cultivate seaweed in connection with localities for production of salmon. The following rates are applied for tests of possible impairment: discount rate (WACC after tax of 7.3%, and a nominal rate of 2.0%. LSG's impairment tests did not produce grounds for write-down of goodwill or intangible assets with an indefinite useful life in 2021 and 2020. The management's calculations are robust in the face of reasonable changes in conditions in the future, and a change of all essential elements with 10-15% will not cause requirement of write-down. Within aquaculture, historically up to 2012, the Group has experienced a significant production growth per license in Norway. Since 2012 and until today the growth has been low. The model is based on an assumption of 2% growth in volume produced.

The licences in this segment are owned by the sub-group, Lerøy Havfisk AS (Havfisk) (vessel owning subsidiaries). The licences are governed by an obligation to supply products to the regions where the licences are located, i.e. Finnmark and Nordland. This implies that buyers in those regions have priority over other buyers of fish. The details of the supply obligation are stipulated in the licence terms for the individual licence unit. This may be a region but could also be a specific buyer. The principle for pricing is the average price realised for the species of fish in question over the past two weeks, taking into account condition, size and quality. Havfisk is also subject to a so-called "industrial obligation" (obligation to keep the business going) in Stamsund, Melbu, Hammerfest, Båtsfjord, Honningsvåg and Kjøllefjord. This implies that the licence is linked to operation of the facilities in the respective locations. Havfisk has however leased out the facilities in these locations. The lessee is LNWS (group). The lessee is responsible for sustaining operations. If the lessee terminates operations, the licence terms oblige Havfisk to sustain operations in the specified locations.
At the end of the financial year, the Havfisk group owned 29.6 cod and haddock trawling licences, 31.9 saithe trawling licences, 8 shrimp trawling licences and 2 greater silver licences in Norway. These licences are owned via the subsidiaries Nordland Havfiske AS, Finnmark Havfiske AS and Hammerfest Industrifiske AS. It has not been acquired or sold quotas/licences in 2021. One trawling vessel has been sold from one company to another within Havfisk group in order to achieve maximum utilization of the quotas in the coming years.

A licence for cod, haddock and saithe is a licence that entitles the holder to trawl for whitefish in the zone north of 62 degrees latitude and in the North Sea at certain times of the year. Correspondingly, a licence for shrimp and greater silver entitles the holder to fish for shrimp and greater silver. In 2021 (2020), each vessel was permitted up to four (four) quota units, including the quota connected to the vessel. The volume of fish allowed per licence unit is stipulated annually by the Norwegian Ministry of Trade, Industry and Fisheries. Moreover, transfers may be made between the different groups of vessels throughout the year, in the event that one group of vessels is not able to fish its share of the quota. This is known as "re-allocation". In 2021 (2020), one cod licence entitled the holder to fish for 1,404 (1,196) tonnes of cod, 578 (474) tonnes of haddock and 514 (440) tonnes of saithe in the zone north of 62 degrees latitude. When compared with the final licence volumes after re-allocations for 2021 (2020), this is a change of +17% (+8%) for cod, +17% (+10%) for haddock and +22% (+16%) for saithe. During the year, the quota for both haddock and saithe was increased and some quotas were re-allocated for these species. The shrimp and greater silver licences have no limit in terms of volume.

In order to improve profitability for fisheries and reduce the number of vessels in operation, the fisheries authorities have implemented schemes allowing for companies to merge several quota units per vessel in return for the permanent removal of vessels that have handed over their quotas from the registry of fisheries. Each vessel has one cod trawling permit, a so-called basic quota. Vessels can also have structural quotas for cod trawling. In total, one vessel cannot have more than four quotas per fish species. The structural quotas have a limited duration according to the scheme in place when the quota was structured. In principle, there are two schemes for structural quotas, comprising 20 and 25 years' duration. The new scheme for structural quotas was introduced in 2007. Structural quotas allocated before 2007 have a duration of 25 years starting in 2008, while quotas allocated after 2007 have a duration of 20 years.

The main purpose of the structure schemes is to reduce the number of vessels participating in individual fisheries, thereby facilitating improved profitability for the remaining vessels – i.e. improving efficiency within a regulated framework. Moreover, the schemes are intended to adapt fleet capacity to the basic resources. At

NOTE 10 cont.
Intangible assets

the end of the duration of 20 and 25 years respectively, the structural quotas are no longer valid and the total quotas will be distributed among all parties in the regulation group in question, as basic quotas. Basic quotas do not have any time limits.

Havfisk – and LNWS to a limited extent – is involved in fishing in Norway pursuant to the provisions in inter alia the Act relating to the right to participate in fishing and catches (Participant Act). Havfisk has been given an exemption from the requirement stating that the controlling interest must be an active fisherman. The Participant Act and supporting legislation stipulate inter alia that any changes to ownership of a company that directly or indirectly owns fishing vessels requires approval by the relevant authorities. The Ministry of Trade, Industry and Fisheries' approval of LSG's acquisition of the majority shareholding in Havfisk was granted on the basis of LSG's ownership on the date of the approval. The approval also states that no new applications are required for future changes in ownership of Havfisk, LSG and AUSS provided that LSG continues to own minimum 60% of the shares in Havfisk and that AUSS continues to own minimum 50% of the shares in LSG. However, the approval does not allow for changes in ownership that result in Laco AS directly owning less than 55.55% of the shares in AUSS. Any significant changes in ownership in Laco AS also require approval. The approval also requires continuation of the prevailing terms related to permits for the vessels and structural quotas, in addition to compliance with the nationality requirement in section 5 of the Participant Act. Pursuant to the nationality requirement in section 5 of the Participant Act, operating permits can only be granted to parties that are Norwegian citizens or have status that equals Norwegian citizenship. According to the second paragraph letra a) of the provision, limited companies, public limited companies and other companies with limited liability have equal status to Norwegian citizens when the company's head office and Board of Directors are located in Norway, when the majority of the Board members, including the Chairman of the Board, are Norwegian citizens resident in Norway and who have lived in Norway for the last two years, and when Norwegian citizens own shares or stocks corresponding to minimum 6/10 of the company's capital and have voting rights in the company with minimum 6/10 of the votes. Havfisk, LSG and AUSS are obliged to submit an overview twice a year detailing the company's shareholders, including specification of the shares held by foreign shareholders. Ultimately, a breach of the above-mentioned licence provisions could result in Havfisk losing its licence rights.

BR. BIRKELAND AS (BRBI)
BRBI owns four fishing vessels, two of which are pelagic ring net/trawlers. The pelagic vessels each had a 681 basic ton ring net licence and a 1,425 trawling licence. One vessel fish for snow crab and have an onboard factory where the product is processed to completion. 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 started up snow crab fishing at the end of February 2022.

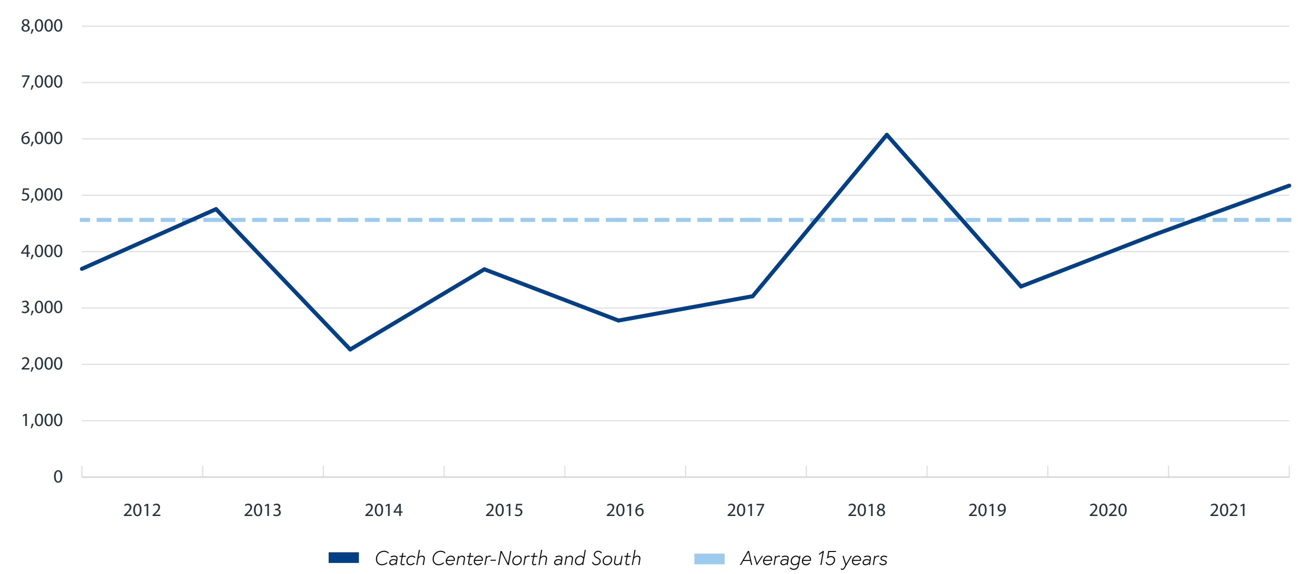
For licences related to pelagic fishing, the last known turnover figure has been applied for impairment tests, and this indicates a sound margin in relation to book values.

BR. BIRKELAND FARMING AS (BFARM)
BFARM group owns seven licences for farming Atlantic salmon in West Norway.

The following rates are applied for tests of possible impairment for farming licences: discount rate (WACC) after tax of 7.3%, insignificant growth in volume produced, and an inflation rate of 2%. BFARM's impairment tests did not produce grounds for write-down of goodwill or intangible assets with an indefinite useful life in 2021 and 2020. The management's calculations regarding farming licences are robust in the face of reasonable changes in conditions in the future.

AUSTRAL GROUP S.A.A. (AUSTRAL)
Austral is a fully-integrated fishing company involved in catches, processing and sales. Austral has fishing rights for anchoveta and horse mackerel/mackerel in Peru. The company has a total anchoveta quota that represents 6.98% of the total quota for Central/North Peru, and just less than 4% of the quota in South Peru. Austral's product range comprises fishmeal and fish oil, in addition to canned and frozen products directly for the consumer market. Austral's business is reliant on fish caught in the wild. The company would not be able sustain the long-term values generated by its licences without sustainable management of resources. Moreover, natural weather phenomena will have an impact on conditions at sea and may cause periodic, short-term fluctuations in biomass and quota sizes from year to year. There are two main seasons for anchoveta – the first from April to July and the second from November to January. Resource management is carried out by Instituto del Mar de Peru (IMARPE). Prior to each fishing season, IMARPE carries out a measurement of biomass and recommends quota sizes on the basis of their finds. Cash flows after tax and an equivalent discount rate (WACC) after tax of 7.2%, nominal rate of growth of 2.0% and estimated inflation of 2.0% are used to test for possible impairment. This model is based on projected prices for the products, based on the OECD-FAO Agricultural Outlook 2021-2030 report. The model makes use of current cost levels, adapted to take into account growth. The model also estimates a total anchoveta quota in the terminal element in Central/North Peru of 4.5 million tonnes and 0.20 million tonnes in South Peru – totaling 4.70 million tonnes, and in line with the average catch volumes the past 15 years (ref. graph). Austral's impairment tests did not produce grounds for write-down of goodwill or intangible assets with an indefinite useful life in 2021 and 2020. With the implemented WACC and best estimate for the terminal element, the tests show that this value is also intact in the face of reasonable changes in price attainment for fishmeal and -oil. The critical price in the terminal element for fishmeal is USD 1,435. For comparison, the average price of fishmeal FOB Peru was USD 1,493 in 2021 and USD 1,369 in 2020 (source: SUNAT).

Anchoveta catch in Center-North and South Peru (figures i 1,000 tonnes)



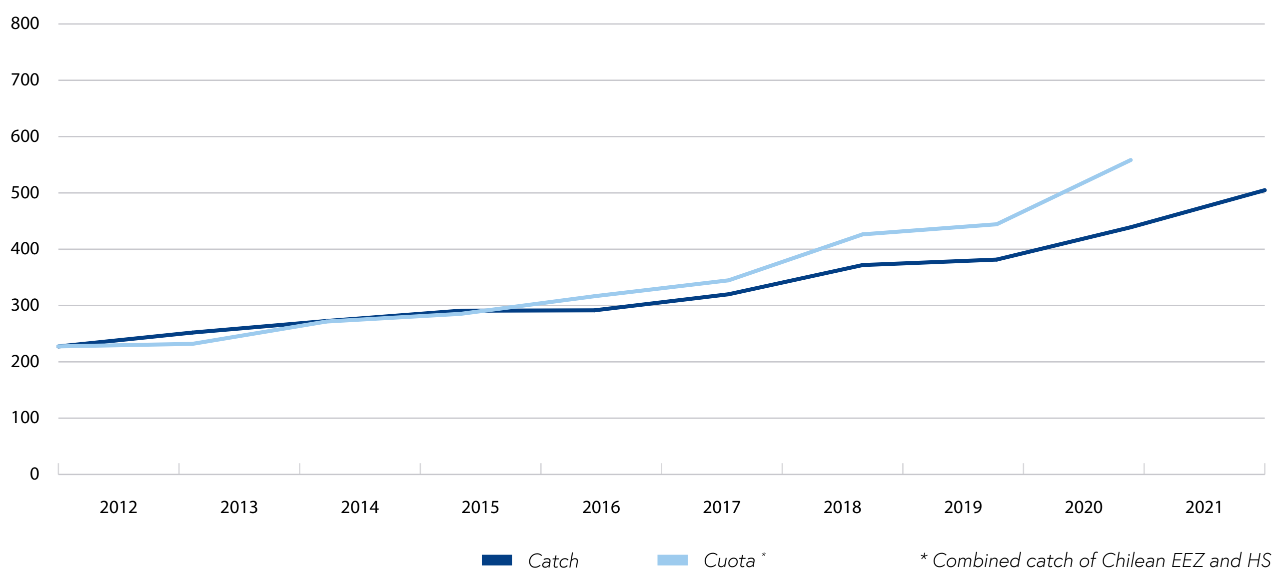
FOODCORP CHILE S.A. (FC)
FC is a fully-integrated fishing company involved in catches, processing and sales. FC has fishing rights for horse mackerel, mackerel, squid, sardines and anchoveta in Chile. In 2021 the company had 8.6% of the quota for horse mackerel that applies to the fleet group in Chile to which the company's vessels belong. FC supplies frozen products and canned products for consumers, and fishmeal and fish oil. FC's business is reliant on fish caught in the wild. The company would not be able sustain the long-term values generated by its licences without sustainable management of resources. Moreover, natural weather phenomena will have an impact on conditions at sea and may cause periodic, short-term fluctuations in biomass and, as a result, quota sizes from year to year. The stock of horse mackerel in the southern Pacific has been subject to significant harvesting over the past decade, and a common fish stock management scheme was not implemented until 2011. Fish stock management is now provided by the South Pacific Regional Fisheries Management Organisation (SPRFMO). Their work involves measurements and estimates of stock sizes that in turn provide the basis for specification of total quotas from year to year. Total quotas (TAC) were set for the first time in 2012, and at extremely low levels historically. In order to ensure the development of biomass, quotas in the following years have only had a slight increase. The conservative management meant that SPRFMO, in the autumn of 2017, could report that the biomass had reached a sustainable level and could therefore recommend a

NOTE 10 cont.
Intangible assets

growth of 17% in the quota for 2018. The growth in quota for both 2020 and 2021 were 15%. For 2022 the growth in quota is also 15%.

Cash flows after tax and an equivalent discount rate (WACC) after tax of 8.4%, nominal rate of growth of 2.0% and estimated inflation of 2.0% are used to test for possible impairment. This model is based on projected prices for the products, based on the OECD-FAO Agricultural Outlook 2021-2030 report. The model makes use of current cost levels, adapted to take into account growth. The figure for volume of raw materials applied in the model is based on SPRFMO's models. After that, a gradual increase has been added. The critical total quota for Chile on horse mackerel in the terminal element is estimated at 774,000 tonnes. FC's impairment tests did not produce grounds for write-down of intangible assets with an indefinite useful life in 2021.

Horse mackerel quotas and catch in Chile (figures in 1,000 metric tonnes)



** Combined catch of Chilean EEZ and HS*

NOTE 11
Fixed assets

2020	Land	Projects in progress	Buildings/ real estate	Plant, equipment and other fixtures	Vessels	Total
At 01.01.						
Acquisition cost	425	497	4,822	9,154	4,776	19,674
Accumulated depreciation and amortisation	0	-7	-1,249	-4,671	-2,496	-8,424
Accumulated impairment	-18	0	-51	-15	-213	-296
Carrying amount at 01.01.	**407**	**490**	**3,521**	**4,468**	**2,068**	**10,954**
Currency translation differences	-7	-13	-17	-15	-45	-97
Reclassification	3	-515	740	-1,163	935	0
Additions	24	435	257	762	624	2,102
Disposals	-1	0	-3	-18	-9	-31
Depreciation and amortisation	0	0	-347	-712	-410	-1,469
Acc. depreciation on disposals	0	0	10	7	3	20
Reclassification of divested business	0	6	-6	0	0	0
Impairment	0	0	0	0	0	0
Reversal of impairment	0	0	1	0	0	1
Reversal of impairment in connection with sale/demerger	0	0	0	0	5	5
Carrying amount at 31.12.	**426**	**403**	**4,156**	**3,329**	**3,170**	**11,485**

2020	Land	Projects in progress	Buildings/ real estate	Plant, equipment and other fixtures	Vessels	Total
At 31.12.						
Acquisition cost	443	404	5,784	8,596	6,130	21,356
Accumulated depreciation and amortisation	0	-1	-1,579	-5,252	-2,754	-9,585
Accumulated impairment	-16	0	-48	-15	-207	-286
Carrying amount at 31.12.	**426**	**403**	**4,155**	**3,329**	**3,170**	**11,485**
Carrying amount of right-of-use assets included above	**0**	**0**	**629**	**1,411**	**1,066**	**3,106**
Depreciation of right-of-use assets included above	**0**	**0**	**62**	**290**	**189**	**542**

NOTE 11 cont.
Fixed assets

2021	Land	Projects in progress	Buildings/ real estate	Plant, equipment and other fixtures	Vessels	Total
Carrying amount at 01.01.	**426**	**403**	**4,155**	**3,329**	**3,170**	**11,485**
Currency translation differences	-6	-5	-29	-33	-8	-81
Reclassification	0	-228	74	225	57	128
Acquisitions through business combinations	59	1	107	121	0	287
Additions	78	591	239	627	869	2,403
Disposals	-8	0	-109	-55	-115	-287
Depreciation and amortisation	0	0	-362	-733	-433	-1,529
Acc. depreciation on disposals	0	0	57	45	7	109
Reclassification of divested business	0	0	-20	-139	0	-159
Impairment	-6	0	0	-6	0	-13
Reversal of impairment	0	0	1	0	0	1
Reversal of impairment in connection with sale/demerger	0	0	0	0	0	0
Carrying amount at 31.12.	**542**	**761**	**4,112**	**3,380**	**3,547**	**12,344**

2021	Land	Projects in progress	Buildings/ real estate	Plant, equipment and other fixtures	Vessels	Total
At 31.12.						
Acquisition cost	564	762	6,059	9,414	6,893	23,692
Accumulated depreciation and amortisation	0	-1	-1,899	-6,014	-3,138	-11,050
Accumulated impairment	-22	0	-47	-21	-208	-297
Carrying amount at 31.12.	**542**	**761**	**4,113**	**3,380**	**3,547**	**12,344**
Right-of-use assets included above	**0**	**0**	**516**	**1,385**	**1,162**	**3,064**
Depreciation of right-of-use assets included above	**0**	**0**	**63**	**290**	**213**	**566**

NOTE 12
Financial instruments

FINANCIAL RISK FACTORS
The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group' focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses to some degree derivative financial instruments to reduce certain risk exposures.

MARKET RISK
(i) Foreign currency risk
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, EUR, CLP and PEN. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

To manage their foreign exchange risk arising, entities in the Group use forward contracts in addition to withdrawals and deposits on multicurrency accounts.

Changes in exchange rates that affects accounts receivable, other receivables, and liabilities nominated in other currencies than the entities functional currency will have a direct effect on the Groups income statement as per year end.

At 31.12.2021, if NOK had weakened/strengthened by 10% against the USD with all other variables held constant, before-tax profit for the year would have been MNOK 13 higher/lower. The sensitivity is calculated based on foreign exchange gains/losses on translation of USD denominated trade receivables and other receivables, trade payables, cash in bank and interest bearing debt.

At 31.12.2021, if NOK had weakened/strengthened by 10% against the EUR with all other variables held constant, before-tax profit for the year would have been MNOK 71 higher/lower. The sensitivity is calculated based on foreign exchange gains/losses on translation of EUR denominated trade receivables and other receivables, trade payables, cash in bank and interest bearing debt.

Corresponding changes in exchange rates at year end of other currencies are not considered to have any material effect on the post-tax profit for the Group.

(ii) Price risk
Through the subsidiary LSG, the Group has a substantial exposure to the price risk of the fluctuating marked prices on salmon, trout and whitefish. To reduce this risk, LSG aims to have a certain part of the sales on fixed price contracts.

The Group is also exposed to changes in the prices of other products sold, mainly fishmeal, fish oil and human consumption products. Local management reviews before selling whether price levels are consistent with the target profitability. The group is also exposed to changes in prices of pelagic raw material purchase. Price risk identified here is not hedged by any derivative financial instruments.

(iii) Interest rate risk
The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group search to reduce interest rate risk by using interest rate swaps (floating-to-fixed) for part of the borrowings. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

As at 31.12.2021, the Group has a total unrealised profit of MNOK 25 (after tax) attached to interest rate swaps.

If the interest rate level had been 0.5% higher (lower) throughout the year, all other variables held constant, profit before income taxes would have decreased (increased) by MNOK 14 in 2021 and MNOK 15 in 2020 through the impact of floating rate borrowings and deposits. The sensitivity analysis is based on the level of net interest bearing debt (NIBD) by year end 2021 and 2020, allowed for entered interest rate swaps.

Amounts in MNOK	Increase/reduction in interest points	2021	2020
Impact on profit before tax	-/+ 50	-/+ 14	-/+ 15

NOTE 12 cont.
Financial instruments

CREDIT RISK
Credit risk occurs in transactions involving derivatives, deposits with banks and financial institutions in addition to transactions with wholesalers and customers, including outstanding receivables and fixed agreements. As virtually all the Group's sales to end customers are credit sales, procedures have been established to ensure that the Group companies only sell products to customers with satisfactory credit rating. A credit assessment is performed based on the customer's financial position, history and any other factors of relevance. Individual limits are set for risk exposure, based on internal and external assessments of creditworthiness and guidelines from the Board of Directors. The Group's compliance on these procedures is regularly monitored. For the business in Europe, almost all of the Group's trade receivables are covered by credit insurance securing about 90% of nominal amounts. For the business in South America, credit and prepayment are largely used. The counterparties to derivative contracts and financial placements may only be financial institutions with a high credit rating and other parties who can provide reliable security. See note on receivables for further information on credit risk.

LIQUIDITY RISK
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group.

The table below specifies the Group's financial covenants that are not derivatives, classified in relation to downpayment schedule. The figures in the table are non-discounted contractual cash flows, in other words instalments and estimated interest during the contractual period are assigned to loan debt.

31.12.2021	Less than 1 year	1-2 years	3-5 years	Over 5 years
Loan debt	1,505	2,368	1,972	3,010
Lease liability for right-of-use assets to credit institutions	290	641	271	160
Lease liability for right-of-use assets other than to credit institutions	557	877	703	1,081
Trade payables and other liabilities (excl. statutory liabilities)	3	0	0	0

31.12.2020	Less than 1 year	1-2 years	3-5 years	Over 5 years
Loan debt	2,272	2,387	1,444	2,410
Lease liability for right-of-use assets to credit institutions	302	565	390	210
Lease liability for right-of-use assets other than to credit institutions	282	523	301	393
Trade payables and other liabilities (excl. statutory liabilities)	2,328	0	0	0

CAPITAL MANAGEMENT
The Group`s objectives when managing capital are to safeguard the Group`s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

For further information on the dividend policy, see note 5.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net interest bearing debt divided by capital employed. Net interest bearing debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less interest bearing assets and cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31.12.2021 and 31.12.2020 were as follows:

Amounts in MNOK	2021	2020
Total loans (note 17)	9,298	9,113
Minus liquid assets	5,329	4,463
Minus other interest-bearing assets	0	0
Net interest-bearing debt (cf. note 28)	**3,970**	**4,650**
Total equity	25,187	22,991
Total assets	**29,157**	**27,640**
Debt–equity ratio	**14%**	**17%**

FAIR VALUE ESTIMATION
The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. None of the shares categorized as available for sale are traded in active markets.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by the use of valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Other techniques, such as estimated discounted cash flows, are also used in certain cases. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Financial instruments by category

31.12.2021 Assets	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total
Investment in shares	0	47	0	47
Derivatives (interest rate swaps)	0	0	12	12
Trade receivables and other receivables excl. prepayments *	2,933	0	0	2,933
Financial assets at fair value through profit or loss	0	58	0	58
Liquid assets	5,329	0	0	5,329
Total	**8,262**	**105**	**12**	**8,379**

** Prepayments are excluded from the receivables line in the statement of financial position, as this analysis is only required for financial instruments.*

NOTE 12 cont.
Financial instruments

31.12.2021 Liabilities	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total
Loans excl. lease liabilities to credit institutions	8,008	0	0	8,008
Lease liabilities to credit institutions	1,290	0	0	1,290
Lease liabilities other than to credit institutions	1,660	0	0	1,660
Derivatives (interest rate swaps)	0	0	1	1
Trade payables and other liabilities, excl. statutory liabilities	2,985	0	0	2,985
Total	**13,944**	**0**	**1**	**13,944**

31.12.2020 Assets	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total
Investment in shares	0	42	0	42
Derivatives (interest rate swaps)	0	0	0	0
Trade receivables and other receivables excl. prepayments *	2,688	0	0	2,688
Financial assets at fair value through profit or loss	0	111	0	111
Liquid assets	4,463	0	0	4,463
Total	**7,150**	**152**	**0**	**7,303**

** Prepayments are excluded from the receivables line in the statement of financial position, as this analysis is only required for financial instruments.*

31.12.2020 Liabilities	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total
Loans excl. lease liabilities to credit institutions	7,749	0	0	7,749
Lease liabilities to credit institutions	1,364	0	0	1,364
Lease liabilities other than to credit institutions	1,292	0	0	1,292
Derivatives (interest rate swaps)	0	0	48	48
Trade payables and other liabilities, excl. statutory liabilities	2,329	0	18	2,347
Total	**12,733**	**0**	**66**	**12,799**

FINANCIAL INSTRUMENTS BY VALUATION METHOD

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The following table presents the Group's financial assets and liabilities measured at fair value at 31.12.2021.

Assets measured at fair value through profit and loss	Level 1	Level 2	Level 3
Financial assets available for sale			
– Investment in shares	0	0	47
Derivatives used for hedging			
– Fair value hedging – fair value through P&L	0	58	0
– Cash flow hedging – fair value through OCI	0	0	0
Total assets	**0**	**58**	**47**

Liabilities measured at fair value through profit and loss	Level 1	Level 2	Level 3
Derivatives used for hedging			
– Fair value hedging – fair value through P&L	0	0	0
– Cash flow hedging – fair value through OCI	0	1	0
Total liabilities	**0**	**1**	**0**

The following table presents the Group's financial assets and liabilities measured at fair value at 31.12.2020.

Assets measured at fair value through profit and loss	Level 1	Level 2	Level 3
Financial assets available for sale			
– Investment in shares	0	0	42
Derivatives used for hedging			
– Fair value hedging – fair value through P&L	0	111	0
– Cash flow hedging – fair value through OCI	0	0	0
Total assets	**0**	**111**	**42**

Liabilities measured at fair value through profit and loss	Level 1	Level 2	Level 3
Derivatives used for hedging			
– Fair value hedging – fair value through P&L	0	0	0
– Cash flow hedging – fair value through OCI	0	66	0
Total liabilities	**0**	**66**	**0**

There were no transfers between level 1 and 2 during the year.

NOTE 12 cont.
Financial instruments

(a) Financial instruments in level 1
The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price.

(b) Financial instruments in level 2
The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:
- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Other long-term receivables, trade receivables and other short-term receivables are measured at level 3.

Currency forward contracts
The value of the Norwegian krone is one of many parameters that have an effect on the Group's competitiveness. The Group has at all times a substantial biomass in the sea that represents future sales. A significant share of the Group's revenue is generated in currencies other than NOK. Revenue by currency is presented in the note on operating segments, and trade receivables by currency is presented in the note on receivables.

In order to minimise the currency risk the Group uses currency forward contracts to hedge both net receivables and signed sales contracts in foreign currency. Thus the Group recognises the currency forward contracts as fair value hedging, also for the signed sales contracts, which are off-balance items.

At 31.12.2021 the Group has currency forward contracts with a net positive fair value of NOK 61.5 million (NOK 110.6 million in 2020). The currency forward contracts are classified as other current receivables at 31.12.2021. NOK 0.6 million (NOK 72.3 million in 2020) of the net positive value is offset against the off-balance item signed sales contracts, and is classified as current debt.

The net currency loss in 2021 is NOK 44 million (NOK 122 million in 2020), which is recognised in cost of materials in the income statement, as it relates to the inventory cycle.

Interest rate swaps
Contracts with expiration within one year:
- Contract from 2012: MNOK 500, start date on time of contract, duration 10 years, closing date 16.01.2022, interest 3.29%, LSG

Contracts with expiration later than one year:
- Contract from 2020: MNOK 361, start date: 15.04.2020, duration 7 years, closing date 15.04.2027, interest 1.438%, Havfisk (replace previous contract)
- Contract from 2020: MNOK 361, start date: 15.04.2020, duration 7 years, closing date 15.04.2027, interest 1.440%, Havfisk (replace previous contract)

The fair value of the swap agreements has been estimated using market inputs per 31st of December. As at 31.12.2021, a total unrealised profit of MNOK 25 was included in equity.

Interest rate swaps	Nominal value	Interest rate/ average interest rate	Gross liability recognised	Corresponding deferred tax	Equity impact
Fair value at 31.12.2020	1,722	2.59%	24	5	-19
Fair value adjustment 31.12.2021	1,184	2.22%	-57	-12	44
Fair value at 31.12.2021			**-33**	**-7**	**25**

Fair value of the interest rate swaps (gross liability) is recognised as "other long-term liabilities". The effective part of the fair value adjustment is recognised in other comprehensive income (cash flow hedge). The deferred tax effect is also recognised in other comprehensive income, and is thus not part of current tax income in profit and loss.

NOTE 13
Guarantee obligations

	2021	2020
Guarantee provided by subsidiary	534	519
Guarantee extended to joint venture and associates	0	0
Guarantee extended to other company	9	9
Total	**543**	**528**

The guarantees provided by subsidiaries includes tax deductions issued, guarantees for Norges Råfisklag and other external suppliers.

NOTE 14
Restricted cash deposits

	2021	2020
Restricted deposits related to employee tax deduction	157	111
Other restricted deposits	31	67
Total	**188**	**178**

NOTE 15
Events after reporting period

War in Ukraine

In February 2022 Russia attacked Ukraine in an escalation of the ongoing conflict that started in 2014. The war has a number of indirect and direct consequences for the Group. The direct consequences are that the Group's sales to Belarus have been halted, and sales to Ukraine are not possible. Sales to Belarus and Ukraine in 2021 amounted to approx. NOK 316 million and NOK 493 million respectively. The Group has no outstanding receivables in Belarus and its exposure to Ukraine is less than NOK 5 million.

The Group's joint venture, Pelagia Holding AS, had sales to Ukraine of approx. NOK 77 million, with total sales to the region comprising Ukraine, Belarus, Moldova and Georgia representing approx. 3% of the joint venture's revenue in 2021.
There are many indirect consequences, with the most important likely to be the increased price of input factors for the Group's production, including fuel and raw materials for feed.

NOTE 16
Share capital and shareholders

SHARE CAPITAL

As of 31.12.2021, the Company has 202,717,374 shares at nominal value of NOK 0.50 per share, of which 893,300 treasury shares.

Date of registration	Type of change	Nominal value per share (NOK)	Total share capital	No. of ordinary shares
01.01.2008/30.09.2009	Capital increase	0.50	101,358,687	202,717,374
2010 - 2021	No changes			
31.12.2021		**0.50**	**101,358,687**	**202,717,374**

	2021		2020	
Overview of shareholders at 31.12.	**No. of shares**	**Share holding**	**No. of shares**	**Share holding**
Laco AS	112,605,876	55.55%	112,605,876	55.55%
State Street Bank and Trust Comp A/C Client Fund Number: OM80	7,375,219	3.64%	6,594,450	3.25%
State Street Bank and Trust Comp A/C Client Omnibus F, Ref: OM06	4,505,171	2.22%	5,099,287	2.52%
J.P. Morgan SE, Luxembourg Branch	4,370,989	2.16%	0	0.00%
Folketrygdfondet	2,980,544	1.47%	3,120,241	1.54%
SIX SIS AG	2,665,170	1.31%	2,904,861	1.43%
OM Holding AS	2,411,308	1.19%	1,701,661	0.84%
Pareto Aksje Norge Verdipapirfond	2,092,555	1.03%	2,110,655	1.04%
The Bank of New York Mellon SA/NV	1,708,419	0.84%	1,516,304	0.75%
JPMorgan Chase Bank, N.A., London	1,618,572	0.80%	0	0.00%
The Northern Trust Comp, London Br	1,428,566	0.70%	0	0.00%
State Street Bank and Trust Comp A/C West Non-Treaty Account	1,355,913	0.67%	1,159,530	0.57%
J.P. Morgan SE, Luxembourg Branch	1,269,384	0.63%	0	0.00%
Danske Invest Norske Instit. II.	1,168,163	0.58%	1,500,363	0.74%
J.P. Morgan SE, Luxembourg Branch	1,149,991	0.57%	0	0.00%
Verdipapirfondet Alfred Berg Norge	1,128,015	0.56%	784,827	0.39%
Clearstream Banking S.A.	1,077,941	0.53%	1,381,630	0.68%
Pareto Invest AS	953,500	0.47%	744,169	0.37%
Storebrand Norge i Verdipapirfond	946,750	0.47%	980,223	0.48%
State Street Bank and Trust Comp A/C Client Omnibus F, Ref: OM01	894,320	0.44%	1,008,450	0.50%
Austevoll Seafood ASA	893,300	0.44%	893,300	0.44%
J.P. Morgan Bank Luxembourg S.A.	0	0.00%	4,878,741	2.41%
Mitsui and Co., Ltd	0	0.00%	1,782,236	0.88%
JPMorgan Chase Bank, N.A., London	0	0.00%	1,496,849	0.74%
Verdipapirfondet Nordea Kapital	0	0.00%	796,636	0.39%
Total, 20 largest shareholders	**154,599,666**	**76.26%**	**153,060,289**	**75.50%**
Other shareholders	48,117,708	23.74%	49,657,085	24.50%
Total, all shareholders	**202,717,374**	**100.00%**	**202,717,374**	**100.00%**

SHARES CONTROLLED BY BOARD MEMBERS AND MANAGEMENT

Directors' ownership of shares

Helge Singelstad owns 50,000 shares in the company.
Helge Møgster owns shares indirectly through Laco AS.
Lill Maren Møgster owns shares indirectly through Laco AS.
Eirik Drønen Melingen owns shares indirectly through Laco AS.

Managements' ownership of shares

Arne Møgster owns shares indirectly through Laco AS.
Britt Kathrine Drivenes owns, through Lerkehaug AS, 50,367 shares in the company.

NOTE 17
Interest-bearing debt

Non-current liabilities	2021	2020
Mortgages	4,674	5,145
Bond loans	1,990	507
Other loans	30	25
Lease liabilities to credit institutions	1,025	1,093
Lease liabilities other than to credit institutions		
Total non-current liabilities	**7,718**	**6,770**

Current liabilities	2021	2020
Overdraft facility	583	1,050
Mortgages	732	523
Bond loans	-	500
Lease liabilities to credit institutions	265	271
Total current liabilities	**1,580**	**2,343**
Total non-current and current liabilities	**9,298**	**9,113**
Net interest-bearing debt		
Liquid assets	5,329	4,463
Other interest-bearing assets – non-current	0	0
Total net interest-bearing debt (cf. note 28)	**3,970**	**4,650**
Long term lease liabilities other than to credit institutions	1,382	1056
Short term lease liabilities other than to credit institutions	277	235
Lease liabilities other than to credit institutions	**1,660**	**1,292**
Total non-current and current liabilities	**10,958**	**10,404**
Liquid assets	-5,329	-4,463
Net interest bearing debt incl. lease liabilities other than to credit institutions	**5,630**	**5,942**

Repayment profile for interest-bearing debt	2022*	2023	2024	2025	2026	Subsequent	Total*
Mortgages *	732	518	1,039	837	434	1,846	5,406
Overdraft facility	583	0	0	0	0	0	583
Bond loans	0	490	7	0	498	995	1,990
Lease liabilities to credit institutions	265	314	296	164	95	155	1,289
Other non-current liabilities	0	5	6	0	0	18	30
Total	**1,581**	**1,328**	**1,348**	**1,002**	**1,027**	**3,014**	**9,298**
Repayment profile for long-term non-interest-bearing debt							
Lease liabilities other than to credit institutions	277	244	198	192	174	575	1,660
Total	**277**	**244**	**198**	**192**	**174**	**575**	**1,660**
Total	**1,858**	**1,572**	**1,546**	**1,193**	**1,201**	**3,589**	**10,958**

** Repayments of non-current liabilities which mature in 2022 are classified as current liabilities in the balance sheet.*

Liabilities secured by mortgage	2021	2020
Current liabilities	745	1,188
Non-current liabilities	6,013	6,744
Liabilities to credit institutions incl. finance lease agreements	**6,758**	**7,932**
Assets provided as security		
Operating assets	6,000	6,882
Licences *	1,643	1,462
Inventories	845	616
Biological assets	6,137	5,019
Shares	1,380	884
Trade receivables	1,360	1,501
Right-of-use assets leased from credit institutions	1,070	1,830
Total assets provided as security	**18,435**	**18,193**

** Licence value ex. price purchase allocation.*

AUSS has pledged as security the shares in BRBI and BFARM for the bank loans of AUSS of MNOK 84.5. Assets owned by LSG, BRBI and BFARM are also placed as security directly to their separate and individual loans, and are included in the figures presented above.

The Group is exposed to interest rate changes on the loans, based on the following repricing structure	2021	2020
6 months or less	2,293	2,397
6-12 months	0	525
1-5 years	0	698
Over 5 years	1,182	728
Total	**3,474**	**4,348**

NOTE 17 cont.
Interest-bearing debt

The carrying amount and fair value of the long-term loans are as follows	Carrying amount 2021	Carrying amount 2020	Fair value 2021	Fair value 2020
Mortgages	4,674	5,145	4,641	5,193
Bond loans	1,990	507	1,995	502
Lease liabilities to credit institutions	1,025	1,093	1,025	1,093
Lease liabilities other than to credit institutions	0	1,056	0	1,056
Other non-current liabilities	30	25	30	25
Total	**7,718**	**7,826**	**7,691**	**7,869**

Based on contractual terms the fair value of non-current borrowings (excl. bond loan) are estimated to be equal to book value as of 31.12.2021, adjusted for fair value of interest rate swaps.
Three of the new bonds established in 2021 are so called green bonds. This implies that the group have established a green financing framework which covers how the proceeds from the bond loans can be used.

The bond loans are listed on Oslo Stock Exchange, and fair value is calculated using the last traded rates in 2021 for the bonds. The carrying amounts of short-term borrowings approximate their fair value. Next repayment of bond loan is in June 2023.

The carrying amounts of the Group's loans are denominated in the following currencies	2021	2020
NOK	8,018	7,894
SEK	109	127
DKK	137	0
USD	766	780
GBP	0	0
EUR	258	246
Other currencies	11	66
Total	**9,298**	**9,113**

FINANCIAL "COVENANTS"

There are several financial covenant requirements for the companies in the Group. The Group has not been in breach of any covenants during the financial year 2021, and is not in breach as of 31.12.2021.

Overdraft facility	2021	2020
Overdraft facility	583	1,050
Unutilised overdraft facility	3,681	3,268
Limit of overdraft facility	**4,263**	**4,318**
Unutilised long term credit facility	1,875	1,566

The following tables sets out an analysis of net debt and the movements in net debt for 2021 and 2020.

Net interest-bearing debt	2021	2020
Cash and cash equivalents	5,329	4,463
Current liabilities	-1,580	-2,343
Non-current liabilities	-7,718	-6,770
Net interest-bearing debt (cf. note 28)	**-3,970**	**-4,650**
Cash and liquid investments	5,329	4,463
Gross debt – fixed interest rates	-1,184	-1,722
Gross debt – variable interest rates	-8,114	-7,391
Net interest-bearing debt (cf. note 28)	**-3,970**	**-4,650**

	Other assets		Current liabilities		Non-current liabilities incl. first year's repayments			
	Cash and bank	Liquid investments	Bank overdraft	Factoring liabilities	Bank loans	Lease liabilities, credit institutions	Other liabilities	Total
Net debt at 01.01.2020	4,251	0	-824	-16	-6,209	-1,246	-29	-4,073
Change in bank deposits	236	0	0	0	0	0	0	236
Cash flow	0	0	-357	0	-79	339	0	-97
Addition of leases from credit institutions and lease incentives	0	0	0	0	0	-22	0	-22
Currency translation differences	-24	0	132	16	-464	130	0	-210
Other non-cash movements	0	0	0	0	80	-565	0	-484
Net debt at 31.12.2020	**4,463**	**0**	**-1,049**	**0**	**-6,672**	**-1,364**	**-29**	**-4,650**
Change in bank deposits	862	0	0	0	0	0	0	862
Cash flow	0	0	410	0	-885	-891	0	-1,366
Addition of leases from credit institutions and lease incentives	0	0	0	0	0	966	0	966
Currency translation differences	8	0	-1	0	-23	0	0	-16
Other non-cash movements	-4	0	56	0	184	-1	-1	234
Net debt at 31.12.2021	**5,329**	**0**	**-583**	**0**	**-7,396**	**-1,290**	**-30**	**-3,970**

NOTE 18
Contingencies and provisions

CORMAR
The Group has recognised a provision related to the acquisition of Cormar in 2007. The Group will have reimbursement rights for some of the liabilities, if the liabilities materialises. A provision of MNOK 18 has been recorded for this contingent liability, ref note 22.

AUSTRAL
The subsidiary Austral (Peru) has certain court actions pending resolution for a total of MNOK 71 as of 31.12.2021 mainly related to its business activities. It is considered unlikely that the prosecutor will succeed with the claims in full. Based on specific assessments of each case, a provision of MNOK 12 relating to these suits, which is considered to be the best estimate.

NOTE 19
Financial income and expenses

	2021	2020
Other interest income	39	46
Foreign exchange gains (realised and unrealised)	351	235
Other financial income	5	9
Total financial income	**394**	**290**
Interest expense	238	260
Interest expense on lease liabilities to credit institutions	29	33
Interest expense on lease liabilities to others	55	48
Foreign exchange losses (realised and unrealised)	395	357
Other financial expenses	27	19
Total financial expenses	**744**	**717**
Net financial expenses	**-350**	**-427**

NOTE 20
Payroll, fees, no. of employees etc.

	2021	2020
Salaries and holiday pay	3,070	2,782
Contract labour	258	222
Other remuneration	135	92
National insurance contributions	256	240
Pension costs (incl. national insurance contribution)	154	121
Remuneration to board members	2	2
Other payments	189	146
Total wages and salaries	**4,064**	**3,605**
No. of full-time equivalents	7,143	6,342

The Norwegian companies in the Group satisfy the requirements in the Act relating to mandatory occupational pensions (Norwegian: OTP).

The schemes are in the main established as defined contribution pension schemes, with external life insurance companies.

Some few of the subsidiaries have Contractual Early Retirement schemes (Norwegian: AFP) for their employees. The new AFP scheme which came into effect on 1st of January 2011, is to be considered as a defined contribution scheme until reliable and sufficient information has been provided so that the Group can book its proportionate share of the pension cost, pension liability and pension funds in the scheme. However, a provision has been carried to cover the estimated payments related to undercoverage in the former AFP scheme.

Moreover, a limited part of the Group companies have defined benefit schemes with life insurance companies, with pension funds placed in a portfolio of investments by insurance companies. The insurance company administers all transactions related to the pension scheme. Estimated return on pension funds is based on marked prices on balance sheet date and projected development during the period in which the pension scheme is valid. The calculation of pension liabilities is based on assumptions in line with the recommendations of Norsk Regnskapsstiftelse (NRS) per 31.12.2021. Change in the benefit obligations as a result of actuarial gains and losses are booked as comprehensive income.

Pension costs	2021	2020
Pension costs, defined contribution plan	131	95
National insurance contributions, defined contribution plan	18	10
Net pension costs, defined contribution plan	**149**	**105**
Net pension costs, defined benefit plan	6	16
Total pension costs	**154**	**121**
Pension liabilities and other liabilities		
Pension liabilities	8	8
Fair value of interest rate swaps (cf. note 12)	-33	48
Other liabilities	36	-14
Total	**11**	**43**

NOTE 20 cont.
Payroll, fees, no. of employees etc.

GUIDELINES FOR REMUNERATION TO EXECUTIVE MANAGEMENT
The main principles of the remuneration policy to executive management are based on the policy that the members of executive management shall have a competitive pay program, with respect to salary, bonuses, pensions and other remuneration. AUSS shall offer a total remuneration to its executive management that is on level with comparable companies. However, the Company's need for well qualified personnel should always be considered.

For further information see the declaration from the Board of Directors on salaries and other remuneration to executive personnel submitted at the Ordinary General Meeting 27th of May 2021.

Remuneration to executives and members of the parent Company's Board are reported exclusive employer's contribution and in amounts TNOK and were:

2021 – Remuneration to senior executives (amounts in NOK 1,000)	CEO	CFO	Chairman of the Board *	Other board members	Total
Salary	3,543	2,733	0	0	6,276
Bonus payment based on results for 2020	3,200	1,000	0	0	4,200
Pension costs	134	123			257
Other remuneration	165	166		0	331
Board fee/other remuneration	0	0	3,406	1,852	5,258
Total	**7,044**	**4,022**	**3,406**	**1,852**	**16,323**

2020 – Remuneration to senior executives (amounts in NOK 1,000)	CEO	CFO	Chairman of the Board *	Other board members	Total
Salary	3,543	2,733	0	0	6,276
Bonus payment based on results for 2019	3,000	1,000	0	0	4,000
Pension costs	156	163			320
Other remuneration	155	159		0	314
Board fee/other remuneration	0	0	3,726	2,287	6,014
Total	**6,854**	**4,055**	**3,726**	**2,287**	**16,923**

** The annual Directors' Fee to the Chairman of the Board is not paid as taxable remuneration. AUSS is invoiced for the Chairman's services and for consultancy fees by Group head entity Laco AS, with which company the Chairman is employed. The total amount paid in 2021 and 2020 includes board remuneration of TNOK 375 in 2021 and TNOK 375 in 2020*

The Group management takes part in the Groups collective pension schemes.

No loans or securities have been issued in 2021 or 2020 to the CEO, board members, members of the corporate management or other employees or closely related parties.

The CEO has a term of notice of 3 months. On resignation, the CEO has no right to extra compensation. Pension age is 70 years, and the CEO takes part in the defined contribution scheme.

OPTIONS
There are as of 31.12.2021, no on-going option program in the Group.

Specification of auditor's fee	2021	2020
Statutory audit	12	11
Audit fee, other auditors	2	1
Other certification services	0	1
Technical assistance, taxation	2	3
Other non-audit services	4	3
Total	**21**	**19**

NOTE 21
Other gains and losses

	2021	2020
Gains and losses on sale of land, buildings and equipment	62	11
Other gains and losses	0	0
Total other gains and losses	**62**	**11**

NOTE 22
Other current liabilities

Specification of other current liabilities	2021	2020
Wages, salaries and other staff costs	474	392
Public taxes payable	397	275
Accrued expenses	380	333
Forward exchange contracts/ liability recognised as a result of fair value hedging	1	32
Contingent liabilities from addition of Cormar (cf. note 18)	18	19
Contingent liabilities concerning ongoing legal disputes in Austral (cf. note 18)	12	7
Provisions and contingencies	50	35
Unrealised loss on Fish Pool contracts	44	0
Other current liabilities	131	174
Total other current liabilities	**1,507**	**1,267**

NOTE 23
Lease contracts

The Group implemented IFRS 16 Leases from 1st of January 2019. This new standard requires carrying of practically all lease agreements, as operating and financial lease agreements for the lessee are no longer to be differentiated. According to the new standard, the asset (right of use) and the obligation to pay lease are recognised in the financial statements.

The Group has applied the modified, retrospective method for implementation on 1st of January 2019. This implies no changes to historic comparative figures and that the value of the lease liability and the right of use are the same at the time of implementation. The new right-of-use assets and lease liabilities are valued at the current value of the future lease payments. The lease payments are discounted by the Group's estimated marginal average interest rate on loans (4%). This is deemed as representative of all leases in the Group, as the majority are in NOK, and the Group principally makes use of the same credit institutions, which provide relatively similar terms. For leases previously classified as financial leasing according to IAS 17, the carried book value of the right-of-use assets and lease liabilities are retained on the implementation date for IFRS 16 (1st of January 2019).

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

NOTE 23 cont.
Lease contracts

the right-of-use asset or the end of the lease period, whatever comes first. Any extension options that may, with reasonable certainty, be exercised, are included.

The lease payments are divided into two parts: instalment and interest. 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).

In the statement of financial position, the Group has chosen to present the right-of-use assets on a separate line. The lease liabilities are classified as long-term and short-term. In addition, the lease liabilities are divided into (1) lease liabilities to credit institutions and (2) lease liabilities to others. Only the lease liabilities to credit institutions are included in the calculation of the alternative performance measurements for net interest-bearing debt (NIBD). The long-term share of the lease liabilities is shown on separate lines in the statement of financial position. The short-term share of the lease liabilities is included in the first-year instalment on long-term liabilities and shown on a separate line in the statement of financial position. The short-term share of long-term liabilities is specified in more detail in the note on long-term liabilities. The interest expense related to the liability is presented under net financial expense. This is specified in more detail in the note on combined items in the financial statements.

Lease costs that were previously presented as commodities and other operating expenses are now presented in the income statement as depreciation and interest expense.

In the statement of cash flows, cash payments for the lease liability's principal (instalment) and cash payments for the lease liability's interest are presented under financing activities. The transaction related to signing new leases has no initial effect on cash.

Right-of-use assets	Land	Buildings/ real estate	Plant, equipment and other fixtures	Vessels	Total right-of-use assets	Of which from credit institutions	Of which from others
At 01.01.2020							
Acquisition cos	50	622	1,560	1,190	3,422	1,889	1,534
Accumulated depreciation and amortisation	-4	-62	-253	-168	-487	-239	-248
Carrying amount at 01.01.2020	**46**	**560**	**1,307**	**1,022**	**2,935**	**1,650**	**1,285**
Financial year 2020							
Carrying amount at 01.01.	46	560	1,307	1,022	2,935	1,650	1,285
Currency translation differences	0	-20	6	-29	-43	-44	1
Addition of new right-of-use assets	-1	107	383	262	751	490	261
Disposals	0		-1		-1	-1	-
Depreciation and amortisation for the year	-4	-59	-290	-189	-542	-290	-252
Impairment for the year					0		
Reclassification		0	6	0	6	25	-20
Carrying amount at 31.12.2020	**41**	**589**	**1,411**	**1,066**	**3,106**	**1,830**	**1,276**
At 31.12.2020							
Acquisition cost	45	710	1,954	1,423	4,132	2,359	1,776
Accumulated depreciation and amortisation	-4	-122	-543	-357	-1,026	-529	-500
Carrying amount at 31.12.2020	**41**	**589**	**1,411**	**1,066**	**3,106**	**1,830**	**1,276**
Of which secured by mortgage						1,830	

Right-of-use assets	Land	Buildings/ real estate	Plant, equipment and other fixtures	Vessels	Total right-of-use assets	Of which from credit institutions	Of which from others
Financial year 2021							
Carrying amount at 01.01.2021	**41**	**589**	**1,411**	**1,066**	**3,106**	**1,830**	**1,276**
Currency translation differences	0	-6	-3	0	-10	-8	-2
Addition of new right-of-use assets	14	33	341	655	1,043	246	796
Disposals	0	-44	-6	-108	-158	-39	-119
Depreciation and amortisation for the year	-4	-58	-290	-213	-566	-240	-326
Impairment for the year	0	0	12	0	12	12	0
Reclassification	0	-46	-80	-237	-363	0	-363
Carrying amount at 31.12.2021	**50**	**467**	**1,385**	**1,163**	**3,064**	**1,801**	**1,262**
At 31.12.2021							
Acquisition cost	59	646	2,218	1,733	4,656	2,570	2,089
Accumulated depreciation and amortisation	-8	-180	-833	-570	-1,592	-769	-826
Carrying amount at 31.12.2021	**50**	**466**	**1,385**	**1,163**	**3,064**	**1,801**	**1,262**
Of which secured by mortgage						1,801	

Lease liabilities	01.01.2021	Changes in 2021	31.12.2021
Lease liabilities other than to credit institutions			
Long-term portion	1,056	326	1,382
Short-term portion	235	42	277
Total	**1,291**	**368**	**1,659**
Lease liabilities to credit institutions			
Long-term portion	1,094	-69	1,025
Short-term portion	271	-6	265
Total	**1,365**	**-75**	**1,290**
Total lease liabilities			
Long-term portion	2,150	257	2,407
Short-term portion	506	36	542
Total	**2,656**	**293**	**2,949**

Leased assets booked as finance lease is specified in note 11 and note 23, whilst maturities and balances of financial leases are specified in note 17.

NOTE 23 cont.
Lease contracts

Depreciation right-of-use assets	Note	2021	2020
Depreciation, fixed assets	11	963	929
Depreciation, right-of-use assets leased from credit institutions	11	247	252
Depreciation, right-of-use assets leased from others	11	320	290
Amortisation, intangible assets	10	51	48
Total depreciation and amortisation		**1,580**	**1,519**
Accelerated depreciation related to IFRS 16		**320**	**290**

Interest expense on right-of-use assets	Note	2021	2020
Interest expense on lease liabilities to credit institutions	19	29	33
Interest expense on lease liabilities to others	19	55	48
Interest expenses on lease liabilities		**84**	**81**
Other interest expense	19	238	260
Total interest expense, cf. note 19	19	**322**	**341**
Additional interest expense related to IFRS 16		**55**	**48**

NOTE 24
Investments in other shares

2021 Company	Registered office	Ownership/voting share	Acquisition cost	Fair value
Euro-Terminal AS	Bergen, Norway	16.70%	22	26
Bulandet Eiendom AS	Bulandet, Norway	minor	1	1
DNB - Private Equity fund	Norway	minor	5	5
Other shares		minor	10	15
Total non-current assets			**38**	**47**

2020 Company	Registered office	Ownership/voting share	Acquisition cost	Fair value
Euro-Terminal AS	Bergen, Norway	16.70%	22	26
Bulandet Eiendom AS	Bulandet, Norway	minor	1	1
DNB - Private Equity fund	Norway	minor	5	5
Other shares		minor	10	10
Total non-current assets			**38**	**42**

Reconciliation of the carrying amount of investments in other shares	2021	2020
At 01.01.	**42**	**40**
Additions through business combinations	5	0
Additions/disposals	0	2
At 31.12.	**47**	**42**
Minus: share of non-current assets	-47	-42
Share of current assets	**0**	**0**

There were no impairment losses on investments in other shares in 2021 and 2020.

NOTE 25
Related parties

The Group is controlled by Laco AS which owns 55.55% of the company's shares. The remaining 44.45% of the shares are widely held. The ultimate parent of the Group is Laco AS.

The majority of transactions with related parties are carried out through;
- LSG sale and purchase of goods to/from LSG associated companies.

In addition, the Group had some minor transactions with related parties such as the associated companies Pelagia and Marin IT AS (ownership directly by parent Company).

Lerøy Seafood Group ASA acquired Lerøy Årskog AS from Laco AS, the ultimate parent company, for NOK 38.9 million. The transaction was carried out after arm length principle. Please see note 6 for further information.

The following transactions were conducted with related parties:

a) Sales of goods and services	2021	2020
Sales		
- associates	84	103
- ultimate parent and its subsidiaries	1	9
- close family members of controlling owner	0	0
Total	**86**	**112**

Group companies have sold services as harvesting, filleting and storage of salmon to associated companies. The Group has also sold administrative services to associated companies.

b) Purchase of goods and services	2021	2020
Purchase		
- associates	642	640
- close family members of controlling owner	0	0
- ultimate parent and its subsidiaries	131	76
Total	**773**	**717**

NOTE 25 cont.
Related parties

All goods and services are bought based on the market price and terms that would be available for third parties.

The Group has bought fish and fish products, and renting wellboats from associated companies. The Group has bought administrative services such as IT, reception, catering, accounting and secretary- and financial from associated companies.

c) SOFP items arising from purchase and sale of goods and services	2021	2020
Receivables from related parties		
- ultimate parent and its subsidiaries	0	1
- associates	39	52
- close family members of controlling owner	0	0
Debt to related parties		
- ultimate parent and its subsidiaries	10	14
- associates	41	51

The receivables from related parties arise mainly from sale transactions and are due one month after date of sale. The receivables are unsecured in nature and bear no interest.

The payable to related parties arise mainly from purchase transactions and are due one month after the date of purchase. The payable bear no interest.

NOTE 26
Tax

	2021	2020
Tax for the year is as follows:		
Tax payable	743	413
Change in deferred tax/tax asset	195	-210
Correction, prior years	1	1
Tax	**939**	**204**
Tax reconciliation		
Profit before tax	4,376	1,027
Tax calculated using the nominal tax rate	1,003	235
Income from associates	-74	-46
Other differences	13	10
Deferred tax asset not recognised in the SOFP	-3	5
Tax	**939**	**204**
Weighted average tax rate	**21.5 %**	**19.9 %**

Change in gross book deferred tax	2021	2020
Carrying amount at 01.01.	3,203	3,443
Recognised in the period	195	-225
Recognised in other comprehensive income in the period	18	-10
Exchange differences	8	-5
Effect of business combinations	19	-
Net balance sheet value at 31.12.	**3,443**	**3,203**
Balance sheet value of deferred tax asset	-69	-58
Balance sheet value of deferred tax	3,512	3,261
Net balance sheet value at 31.12.	**3,443**	**3,203**

The movement in deferred income tax assets and liabilities during the year:

Change in book value of deferred tax	Non-current assets	Current assets	Inventories and biological assets	Liabilities	Loss carry forward	Other differences	Total
Carrying amount at 01.01.2020	**2,214**	**-6**	**1,268**	**-37**	**-46**	**51**	**3,443**
Recognised in 2020	-31	-5	-154	3	-26	-11	-225
Recognised in other comprehensive income in the period	-	-	-	-	-	-10	-10
Exchange differences	-6	-	1	1	-	0	-5
31.12.2020	**2,176**	**-12**	**1,114**	**-33**	**-73**	**30**	**3,203**
Recognised in 2021	-10	8	209	1	41	-54	195
Recognised in other comprehensive income in the period	18	-	-	-	-	-	18
Exchange differences	10	-	-	-1	-	-	8
Effect of business combinations	19	-	-	-	-	-	19
31.12.2021	**2,212**	**-4**	**1,322**	**-33**	**-31**	**-23**	**3,443**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Specification of temporary differences not included in deferred tax	2021	2020
Non-current assets	-44	-44
Loss carryforward	-833	-806
Interest deduction carryforward	-94	-94
Liabilities	-103	-92
Other differences	24	113
Total temporary differences not included in deferred tax	**-1,049**	**-922**
Including net deferred tax asset not recognised in the SOFP	-231	-203

NOTE 27
Group companies

The consolidated financial statements include AUSS and the following subsidiaries:

Company	Comments on change	Country	Parent company	Ownership %
Lerøy Seafood Group ASA		**Norway**	**Austevoll Seafood ASA**	**52.69%**
Brdr. Schlie's Fiskeeksport A/S	2)	Denmark	Seafoods Danmark A/S	100.00%
Dragøy Grossist AS	2)	Norway	Lerøy Nord AS	51.00%
Eurosalmon SAS		France	SAS Lerøy Seafood France	100.00%
Finnmark Havfiske AS		Norway	Havfisk Båtsfjord AS	13.34%
Finnmark Havfiske AS		Norway	Havfisk Finnmark AS	78.45%
Finnmark Havfiske AS		Norway	Havfisk Nordkyn AS	5.84%
Fishcut SAS		France	SAS Lerøy Seafood France	100.00%
Hammerfest Industrifiske AS		Norway	Havfisk Finnmark AS	60.00%
Havfisk Båtsfjord AS		Norway	Havfisk Finnmark AS	100.00%
Havfisk Finnmark AS		Norway	Lerøy Havfisk AS	100.00%
Havfisk Management AS		Norway	Havfisk Finnmark AS	100.00%
Havfisk Melbu AS		Norway	Lerøy Havfisk AS	100.00%
Havfisk Nordkyn AS		Norway	Havfisk Finnmark AS	100.00%
Havfisk Stamsund AS		Norway	Lerøy Havfisk AS	100.00%
Laks- & Vildtcentralen AS		Norway	Lerøy Seafood Group ASA	100.00%
Laksefjord AS		Norway	Lerøy Aurora AS	0.00%
Leroy Processing Canarias SL		Spain	Leroy Processing Spain S.L.	100.00%
Leroy Processing Spain S.L.		Spain	Lerøy Seafood Group ASA	100.00%
Leroy Seafood Italy		Italy	Lerøy Seafood Group ASA	100.00%
Lerøy & Strudshavn AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Alfheim AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Aurora AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Bulandet AS		Norway	Lerøy Seafood AS	83.43%
Lerøy Culinar B.V.	9)	Holland	Rodè Retail B.V.	0.00%
Lerøy Delico AS		Norway	Lerøy Seafood Group ASA	100.00%
Leröy Finland OY		Finland	Lerøy Seafood Group ASA	100.00%
Lerøy Fossen AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Germany GmbH		Germany	Lerøy Seafood Holding B.V.	100.00%
Lerøy Havfisk AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Midt AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Nord AS		Norway	Lerøy Seafood Group ASA	51.00%
Lerøy Norway Seafoods AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Ocean Harvest AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Portugal Lda		Portugal	Lerøy Seafood Group ASA	100.00%
Lerøy Quality Group AS		Norway	Lerøy Seafood AS	100.00%
Lerøy Schile A/S	2)	Denmark	Seafood Danmark A/S	100.00%
Leröy Seafood AB		Sweden	Lerøy Sverige AB	100.00%
Lerøy Seafood AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Seafood Center B.V.		Holland	Lerøy Seafood Holding B.V.	100.00%
Lerøy Seafood Convenience B.V.		Holland	Lerøy Seafood Holding B.V.	100.00%
Lerøy Seafood France SAS		France	Lerøy Seafood AS	100.00%
Lerøy Seafood Holding B.V.		Holland	Lerøy Seafood Group ASA	100.00%
Lerøy Seafood Netherlands B.V.		Holland	Lerøy Seafood Holding B.V.	100.00%
Lerøy Seafood Real Estate B.V.		Holland	Lerøy Seafood Holding B.V.	100.00%
Lerøy Seafood USA Inc		USA	Lerøy Seafood AS	100.00%
Lerøy Sjømatgruppen AS		Norway	Lerøy Trondheim AS	7.50%
Lerøy Sjømatgruppen AS		Norway	Lerøy Nord AS	2.50%
Lerøy Sjømatgruppen AS		Norway	Laks- & Vildtcentralen AS	25.00%
Lerøy Sjømatgruppen AS		Norway	Lerøy Delico AS	17.50%
Lerøy Sjømatgruppen AS		Norway	Lerøy Alfheim AS	23.75%
Lerøy Sjøtroll Kjærelva AS		Norway	Sjøtroll Havbruk AS	50.00%
Lerøy Sjøtroll Kjærelva AS		Norway	Lerøy Vest AS	50.00%
Lerøy Smögen Seafood AB		Sweden	Lerøy Sverige AB	100.00%
Lerøy Sverige AB		Sweden	Lerøy Seafood Group ASA	100.00%
Lerøy Trondheim AS		Norway	Lerøy Seafood Group ASA	100.00%
Leröy Turkey Su Űűleri San. Ve Tic A.S.		Turkey	Lerøy Seafood Group ASA	100.00%
Lerøy Vest AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Årskog AS	1)	Norway	Lerøy Seafood Group ASA	100.00%
Melbu Fryselager AS		Norway	Lerøy Norway Seafoods AS	100.00%
Nigra Fiskeeksport A/S	2)	Denmark	Brdr. Schlie's Fiskeeksport A/S	100.00%
Nordland Havfiske AS		Norway	Havfisk Melbu AS	47.07%
Nordland Havfiske AS		Norway	Havfisk Stamsund AS	52.93%
Norsk Oppdrettservice AS		Norway	Lerøy Seafood Group ASA	51.00%
Norway Seafoods S.A.S.		France	Lerøy Norway Seafoods AS	100.00%
Ove Johnsen Fisk en Gros ApS	2)	Denmark	Seafood Danmark A/S	100.00%
P. Tabbel & Co A/S	2)	Denmark	Seafood Danmark A/S	100.00%
Preline Fishfarming System AS		Norway	Lerøy Seafood Group ASA	96.00%
Rodè Vis International AS	9)	Norway	Lerøy Seafood Holding B.V.	0.00%
Scan Fish Danmark A/S	2)	Denmark	Seafood Danmark A/S	100.00%
Seafood Danmark A/S	2)	Denmark	Lerøy Seafood Group ASA	77.59%
Senja Akvakultur Senter AS	8)	Norway	Lerøy Aurora AS	0.00%
Sirevaag AS		Norway	Lerøy Delico AS	100.00%
Sjømathuset AS		Norway	Lerøy Seafood Group ASA	100.00%
Sjøtroll Havbruk AS		Norway	Lerøy Seafood Group ASA	50.71%
Sørvær Kystfiskeinvest AS		Norway	Lerøy Norway Seafoods AS	51.00%
Thorfisk A/S	2)	Denmark	Seafood Danmark A/S	100.00%
Wannebo International AS	2)	Denmark	Brdr. Schlie's Fiskeeksport A/S	100.00%

NOTE 27 cont.
Group companies

Company	Comments on change	Country	Parent company	Ownership %
AUSS Shared Service AS		**Norway**	**Austevoll Seafood ASA**	**100.00%**
Austevoll Laksepakkeri AS		**Norway**	**Austevoll Seafood ASA**	**100.00%**
AUSS Laks AS		Norway	Austevoll Laksepakkeri AS	100.00%
Austevoll Eiendom AS		**Norway**	**Austevoll Seafood ASA**	**100.00%**
Austevoll Pacific AS		**Norway**	**Austevoll Seafood ASA**	**100.00%**
Gateport Overseas Inc. *		Panama	Austevoll Pacific AS	100.00%
Andean Oportunities Fund Ltd. *		Cayman Islands	Gateport Overseas Inc.	100.00%
Dordogne Holdings Ltd. *		Panama	Gateport Overseas Inc.	66.67%
Dordogne Holdings Ltd. *		Panama	Andean Oportunities Fund Ltd.	33.33%
Austral Group S.A.A.		Peru	Dordogne Holdings Ltd.	90.12%
Alumrock Overseas S.A		Peru	Austral Group S.A.A.	98.27%
A-Fish AS		**Norway**	**Austevoll Seafood ASA**	**100.00%**
Beechwood Ltd. **	9)	Panama	A-Fish AS	0.00%
FoodCorp Chile S.A.		Chile	A-Fish AS	73.61%
FoodCorp Chile S.A.		Chile	Austevoll Seafood ASA	26.39%
FoodCorp Peru S.A.		Peru	FoodCorp Chile S.A.	99.99%
Br. Birkeland AS		**Norway**	**Austevoll Seafood ASA**	**42.92%**
Br. Birkeland Drift AS		Norway	Br. Birkeland AS	50.00%
Br. Birkeland Fiskebåtrederi AS		Norway	Br. Birkeland AS	100.00%
Opilio AS		Norway	Br. Birkeland AS	100.00%
Talbor AS		Norway	Br. Birkeland AS	100.00%
Br. Birkeland Farming AS		**Norway**	**Austevoll Seafood ASA**	**55.24%**
Br. Birkeland Drift AS		Norway	Br. Birkeland Farming AS	50.00%
Kobbevik og Furuholmen Oppdrett AS		Norway	Br. Birkeland Farming AS	100.00%

** The company are Norwegian object of taxation*
*** Beechwood Ltd. was dissolved in May 2021*

COMMENTS ON CHANGES
1) Business combination
2) Transactions with non-controlling interests
3) Foundation of a new company
4) Intragroup purchase/sale of company/shareholding
5) Sale of shares to external
6) Private placement (with change in shareholding)
7) Parent - subsidiary business combination
8) Merger between associated companies
9) The company is dissolved

2021
The changes in ownership in the subsidiaries have been significant in 2021, and are commented in note 6.

2020
The changes in ownership in the subsidiaries have been insignificant in 2020, and are not commented further.

NOTE 28
Alternative performance targets

The 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 (APMs) to make the Group's developments simpler to understand. The Board and management are of the opinion that these performance measures are in demand and utilised by investors, analysts, credit institutions and other stakeholders. The alternative performance measures are derived from the performance measures defined in IFRS. The figures are defined below. They are consistently calculated and presented in addition to other performance measures, in line with the Guidelines on Alternative Performance Measures from the European Securities and Markets Authority (ESMA).

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

Operating profit before fair value adjustments	**2021**	**2020**
Operating profit	4,332	1,205
- Fair value adjustments	-1,114	954
Operating profit before fair value adjustments	**3,218**	**2,159**

Fair value adjustments comprises:
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 on biological assets for further details*

EBITDA BEFORE FAIR VALUE ADJUSTMENTS
EBITDA before fair value adjustments is an APM. Calculation is identical as the calculation of "EBIT before fair value adjustments" (above).

Operating profit before depreciation, amortisation and fair value adjustments	**2021**	**2020**
Operating profit	4,332	1,205
Depreciation and amortisation	1,592	1,516
Operating profit before depreciation and amortisation (EBITDA)	**5,924**	**2,721**
- Fair value adjustments	-1,114	954
Operating profit before depreciation, amortisation and fair value adjustments	**4,810**	**3,675**

NOTE 28 cont.
Alternative performance targets

EBITDA BEFORE TAX AND FAIR VALUE ADJUSTMENTS
Profit before tax and fair value adjustments is an APM 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). The APM demonstrates how the result would have been if IAS 41 not had been applied. This implies that the FV adjustment on fish in sea are reversed (eliminated). This includes both the group`s own FV adjustment and also the FV adjustments included in the income from associated companies (AC) also applying IAS 41, following the equity method. The components included are:

Profit before tax and fair value adjustments	2021	2020
Profit before tax	4,376	1,027
- Fair value adjustments	-1,114	954
- Fair value adj. incl. in share of profit from associates *	-6	56
Profit before tax and fair value adjustments	**3,256**	**2,037**

** See note on biological assets for details.*

NET INTEREST BEARING DEBT (NIBD)
NIBD is an APM utilised by the Group. The figure shows how much capital the Group employs and is an important key figure for stakeholders who are planning to grant financing to the Group and for stakeholders who want to value the company. The Group therefore defines NIBD as interest-bearing commitments, both short-term and long-term, to persons or institutions with the main purpose of providing financing and/or credit, minus interest-bearing cash or cash equivalents. This implies that long-term interest-bearing receivables (assets) and other lease commitments with the exception of leasing debt to credit institutions (liability) are not included. The latter component comprises most of the new lease commitments carried in connection with implementation of IFRS 16. The following components from the statement of financial position are included:

Net interest-bearing debt (NIBD)	2021	2020
Loans from credit institutions *	7,396	6,675
+ Lease liabilities to credit institutions *	1,290	1,364
+ Other long-term loans *	30	25
+ Overdrafts and other short-term credits	583	1,050
- Liquid assets	-5,329	-4,463
Net interest-bearing debt (NIBD) **	**3,970**	**4,650**

** Both long-term and short-term*
*** See note on Net interest bearing debt for an overview of changes during the period*

NOTE 29
Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION
The consolidated financial statements of Austevoll Seafood Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The consolidated financial statements have been prepared under the historical cost convention, as modified by:
- Biological assets, onerous contracts related to biological assets are estimated at fair value through profit and loss in accordance with IAS 41. Reference is made to further description in this note.
- Fish Pool contacts, financial assets and financial liabilities (including derivative instruments) are estimated at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 2.

(a) New and amended standards implemented in 2021
In 2021, the IASB and EU have not adopted any new standards for obligatory application in the current financial year.

(b) New standards where the Group has not chosen early adoption
The Group has chosen not to early adopt some of the new standards and interpretations that were published in the accounting period under review and that were not mandatory for 2021. The new standards and interpretations are not expected to have a material impact on the financial statements for either the period under review or for future periods and expected transactions.

CONSOLIDATION
Subsidiaries
Subsidiaries are all entities over which the Group has control. Control is defined as when the parent company has ownership interests that directly or indirectly convey more than half of the voting rights in a company, unless it can clearly be demonstrated that ownership does not grant control.

Control can also be based on agreements with other shareholders, irrespective of whether ownership exists as mentioned above.

Control also exists when the parent company has ownership interests that convey half or less of the voting rights in a company, but where the parent company also has:
- more than half of the voting rights via agreements with other shareholders,
- the right to appoint or remove the majority of the board members, or
- the majority of votes on the Board of Directors.

Control may also exist when a company owns a large minority interest with voting rights and no other owner or group of owners has control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method is applied to acquisition of businesses. Identifiable assets, debt and contingent liabilities are recognised at fair value on the date of acquisition.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer`s previously held equity interest in the acquire is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

The contingent consideration is measured at fair value on the date of acquisition. Subsequent changes in fair value of the contingent consideration are recognised, unless this is an equity instrument. Contingent considerations classified as equity are not remeasured, and subsequent settlements are charged to equity.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests in subsidiaries that do not result in loss of control are treated as equity transactions. In the event of further acquisitions, the difference between the

NOTE 29 cont.
Accounting policies

consideration and the shares' proportional share of the carrying amount of net assets in the subsidiary is charged to shareholders' equity in the parent company. Gain or loss on the sale to non-controlling interests is correspondingly charged to equity.

Disposal of subsidiaries
When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Associates
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor`s share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and it's carrying value and recognise the amount adjacent to 'share of profit/(loss) of an associate' in the income statement.

Profit and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group`s financial statement only to the extent of unrelated investor`s interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

Joint arrangements
The Group has applied IFRS 11 to all joint arrangements with restatement of comparatives. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The investments in Pelagia should be considered as joint ventures. Joint ventures are accounted for using the equity method, whereas the joint operation is accounted for by proportional consolidation.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

SEGMENT REPORTING
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

FOREIGN CURRENCY TRANSLATION
Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian Kroner (NOK), which is the parent company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'Other (losses)/gains – net'.

Group companies
The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. assets and liabilities for each balance sheet date presented are translated at the closing rate at the date of that balance sheet;
ii. income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
iii. all resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is disposed of, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at closing rate. Exchange differences arising are recognised in other comprehensive income.

REVENUE RECOGNITION
Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminated sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sales of goods
Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the goods and when the risks and rewards related to the goods have been transferred to the customer.

Dividend income
Dividend income is recognised when the right to receive payment is established.

CURRENT AND DEFERRED INCOME TAX
The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income.

NOTE 29 cont.
Accounting policies

The management continuously assesses the statements made in the tax return in situations where prevailing tax legislation is subject to interpretation. Based on the management's assessment, provisions are made for expected tax payments when deemed necessary.

Deferred income tax is provided in full at nominal values, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is calculated on temporary differences from investments in subsidiaries, associated companies and jointly controlled operations, with the exception of situations where the Group has control over the timing of the reversal of the temporary differences and it is probable that these differences will not be reversed in the foreseeable future. The Group is not normally able to gain control over the reversal of temporary differences for associated companies. This would only be the case if an agreement had been signed enabling the Group to control reversal of temporary differences.

Deferred tax is recognised for temporary differences related to the actual investment in subsidiaries, associated companies and jointly controlled operations when it is no longer probable that the difference will not be reversed at a later date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

GOODWILL

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or Groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or Group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

LICENCES/QUOTAS

Below is a detailed description of the Group's assessments in situations where the Group has established that an asset has an indefinite useful life, cf. IAS 38.122. Intangible assets with an indefinite useful life are not amortised, but tested for impairment once a year as a minimum. Reference is made to the Note 11 on intangible assets for information on impairment tests. All licenses are distributed to the Group companies by the Government, and as such the licenses are at all-time subject to each country's fishing and fish farming quota regulations.

Licences related to farming are not amortised. Licences are carried at cost price less any accumulated write-downs. Licences are tested annually for impairment. An overview of the different licenses involved in this operating segment, in terms of type, number and volume, is provided in the note 10. A more detailed explanation supporting the assessment that the assets have an indefinite useful life is provided below.

Licence scheme in Norway

The licence scheme for production of salmon and trout in Norway has been implemented by the Storting (the Norwegian Parliament) and adopted in the Norwegian Act relating to aquaculture (Aquaculture Act). The Ministry of Trade, Industry and Fisheries is responsible for allocation of aquaculture permits (licences). All activities involving aquaculture require a licence. It is prohibited to farm salmon/trout without a licence from the authorities, cf. section 4 of the Aquaculture Act. All licences are governed by the same regulations (current Aquaculture Act with provisions) irrespective of when the licence was allocated.

The aquaculture permit entitles the Group to produce salmon and trout in delimited geographic areas (localities), according to the prevailing limitations established at any given time regarding the scope of the permit. The Ministry may prescribe detailed provisions relating to the content of the aquaculture licences by administrative decision or regulations.

The Aquaculture Act is administered centrally by the Ministry of Trade, Industry and Fisheries, and the Directorate of Fisheries is the supervisory authority. Regionally, there are a number of sector authorities that together represent a complete administrative and supervisory authority within the area governed by the Aquaculture Act. The individual county is the regional administrative body, and the Directorate of Fisheries is the appellate body for issues involving localities and licences.

Principal terms for different types of licences

Since January 2005, the limitations on production established for aquaculture licences for salmon and trout have been governed according to a scheme known as Maximum Allowable Biomass (MAB). This specifies the maximum biomass in the sea that a licence holder can have at any given time. The Group has a sufficient number of localities (locality MAB) in the different regions to achieve a satisfactory exploitation of the Group's total MAB. All commercial licenses are currently operational.

The following regulations regarding production limitations apply to the different types of licences held by the Group:

Farming licences are limited in number, i.e. the enterprises are only granted new licences or more production volume subsequent to politically adopted allocation rounds. The maximum allowable biomass (MAB) has previously been 780 tonnes of salmon or trout per licence. The maximum allowable biomass (MAB) for the counties of Troms and Finnmark (North Norway) has previously been 945 tonnes of salmon or trout per licence. Following the political decision taken in 2017 that it should be possible to allocate percentage growth per licence based on various conditions, a fixed maximum allowable biomass per licence is no longer specified. The system has been named the "traffic light system". The traffic light system is meant as a permanent framework for mitigating growth in Norwegian aquaculture. In this system the Norwegian coastline was divided into 13 different production areas. With a frequency of 2 years, the different areas are colored red, yellow, or green, based on certain criteria. In areas colored red the maximum production volumes are reduced. In yellow areas there is no change. In green areas, it is opened for growth. A certain portion of the growth are offered to the farmers at a fixed price, while the remaining portion are offered at auction. The farmers are free to choose to purchase the offered growth or not.

Green farming licences are licences that were awarded in 2015 via a dedicated licensing round. Special conditions were attached to these licences, mainly concerning environmental improvement measures. The licences were awarded via open auctions or competitively, based on environmentally focused technology and operating concepts.

Demonstration licences are licences defined as for special purposes. Demonstration licences are granted to enterprises in order to spread knowledge of the aquaculture industry. Such licences are often operated in cooperation with a non-commercial entity.

Teaching licences are another kind of special-purpose licence and are allocated to disseminate knowledge of the fish farming industry. The licences are linked to specific educational institutions and are thus regulated by the county.

Research and development licences are licences awarded in connection with research and development projects in the industry, where dedicated licences are required to carry out the R&D activity.

Harvest cage licences are allocated for the use of sea cages for live fish ready for harvest. These licences are attached to a specific location, which is the Group's harvesting plant for salmon and trout.

Brood stock licences are also licences defined as for special purposes. Brood stock licences are granted for the production of salmon roe utilised to produce juvenile fish.

Juvenile fish licences are licences to produce juvenile salmon and trout in fresh water that in total authorise the licence holder to

NOTE 29 cont.
Accounting policies

produce a specific number of juvenile salmon and trout. There are certain limitations on the size of juvenile fish produced according to the individual licence. Licences are granted on the basis of a discharge permit for a certain number of fish/biomass with a maximum allowable feed consumption per year. In situations where the water source is owned by a third party, an agreement is also required governing the right to utilise the water source.

Duration and renewal

Section 5, second paragraph of the Aquaculture Act reads: "The Ministry may prescribe detailed provisions relating to the content of the aquaculture licences, including the scope, time limitations, etc., by administrative decision or regulations."

In the legislative background to the Aquaculture Act, White Paper no. 61 2004-2005, the following statement can be found on page 59: "It will remain the case that licences are normally allocated without any specific time limitation. Implementation of such limitations should be reserved for those issues where a time limitation, based on the specific situation, provides for a more complete fulfilment of the Act than if the licence were to be allocated without a time limitation."

The duration of licences is also specified by the Aquaculture Act, which in its most recent revision underlined ownership of licences by allowing the licences to be mortgaged to the benefit of the lender.

There are no time limitations specified in the Group's terms for grow out and juvenile licences, and they are therefore deemed to be time-indefinite production rights according to the prevailing regulations. This also applies for green farming licences.

As the licences are not bound by a time-limited period, there is no need to apply for their renewal. The licences are deemed to be valid pursuant to the Aquaculture Act, unless they are revoked in accordance with the Act. Section 9 of the Aquaculture Act describes the grounds for revocation of a licence. Section 9 states that licences may be revoked due to gross contravention of the provisions of the Act. We can confirm that no operative licences for salmon and trout have been revoked in Norway.

Research and development licences are time-limited, and in principle are valid for the duration of the project. They are often linked to the lifecycle of the salmon, i.e. three years. Applications may be made to renew R&D licences operated in close collaboration with research environments for a further three-year period after the end of the project.

The parent fish licences are granted for 15 years at a time, and applications have to be submitted for their renewal – provided that the licence holder is still involved in production of brood stock for salmon or trout.

Parent fish production is an integral part of the Group's value chain (parent fish production takes place before production of roe and juvenile fish in the value chain), and is therefore closely linked to the breeding system for salmon and trout. The Group's applications for renewal of parent fish licences have always been approved, in line with the prevailing practice in the industry.

The licences for harvest cages are allocated for 10 years at a time. Applications can be submitted for renewal of such licences provided that they are attached to an approved harvesting plant and only utilised to keep fish ready for harvest in immediate proximity to the harvesting plant.

The Group's demonstration licences are granted with a duration of 10 years. Applications can be submitted for renewal of demonstration licences provided that the terms for the licence are met pursuant to the Aquaculture Act.

The Group's teaching licences have been allocated for 10 years. Applications can be submitted for renewal of teaching licences provided that the terms for the licence are met pursuant to the Aquaculture Act.

Regulations relating to right of use: transfer, lease, moving etc.

All licences can be transferred pursuant to section 19 of the Aquaculture Act, and can be mortgaged pursuant to section 20 of the Act. An aquaculture register is kept of all aquaculture licences where transfers and mortgaging are registered. The leasing of aquaculture licences or licence capacity is not permitted. Grow-out licences and parent fish licences can be linked to different locations, but there are certain limitations on moving of licences between the regions defined by the Directorate of Fisheries. In practice, this means that licences cannot be moved between defined regions, which typically follow county borders. Juvenile fish licences are attached to one locality – the locality for which the licence applies.

Costs related to licences

Payment has been required for new licences granted during more recent allocation rounds. The amount of the payment depends on the allocation criteria, including for example a fixed price versus the auction principle. Given that there is no requirement to apply for renewal of licences, then there are no costs involved in licence renewal.

The costs of maintaining aquaculture licences in Norway are insignificant. There are no annual fees or other types of duties linked to the actual licence. However, there are certain fees to be paid for inspection and control of the licences. Fees also have to be paid to establish new localities and/ or to extend/amend localities. As a main rule, an amount of NOK 12,000 is paid per licence covered by an application for amendment at locality level, cf. section 2 of the Regulation relating to fees and duties for aquaculture activities. All fees and costs are immediately recognised as an operating expense.

Assessment of economic life

According to past and present legislation and the general interpretation and practice in the industry, Norwegian fish farming licences are not a time-limited right, and licences should therefore not be subject to amortisation. Where time-limited R&D licences, demonstration licences and educational licences are concerned, these are awarded free of charge so amortisation is normally not relevant. However, in cases where related acquiring or renewing costs are capitalized, they will be subjected to depreciation over the economic life.

Grow-out licences and juvenile fish licences

The following factors played a key role in the assessment of whether licences have an indefinite useful life, with reference to the description of the licence types above:

(1) No time limitation on the licences
(2) Insignificant expenditure involved in maintaining the licences
(3) High threshold for revocation of licences; this has never happened in Norway

It has also been noted that the licences are registered in the public aquaculture register as being without time limitation.

On this basis, the economic life is assessed to be indefinite for the grow-out licences and juvenile fish licences, in accordance with IAS 38.90.

Parent fish licences

As mentioned above, these licences are granted for 15 years at a time, and applications can be submitted for renewal. In 2007, the duration of parent fish licences was amended from 10 years to 15 years (amendment to regulation dated 14th of August 2007 no. 986). In the consultation document dated 7th of June 2007, the Ministry stated the following regarding time limitation for parent fish licences in item 3.3: "The recommendation implies that the licences shall be time-limited for a period (...) with clearly defined predictability for extension of new periods. Time-limited licences may however result in less predictability for the entities than licences without time limitations. Predictability is key as breeding and parent fish production is a time-consuming and resource-intensive activity, but this is provided for by (...) a fixed-term period with clearly defined predictability for extension."

IAS 38.94 states that if the contractual or legal rights are assigned for a limited period of time that can be renewed, the useful life of the intangible asset should include the renewal period(s) only if there is documented evidence to support that the cost of the renewal for the entity is not significant. IAS 38.96 provides guidelines describing factors that can be included in this assessment. The following factors have been central to LSG's assessment of indefinite useful life for the parent fish licences:

a. The entity's licences have always been renewed. Renewal does not require third-party consent, but is based on factors that are under the control of the entity, i.e. the terms of the licence are met and an application for renewal has been submitted before the expiry of the 15-year period. The main condition for renewal is that parent fish production is carried out in connection with a breeding system. Parent fish production will continue to be an integral part of LSG's value chain, and as such this requirement will be met.
b. The entity can document fulfilment of the licence conditions,
c. The cost to the entity for renewal is not significant, when compared with the future economic benefits expected to flow to the entity from renewal.

Demonstration licences

The Group's demonstration licences are allocated for a period of 10 years. Applications can be submitted for renewal of demonstration licences provided that the terms for the licence are met pursuant to the Aquaculture Act. As with parent fish licences, this type of licence is defined as being for special purposes. Both parent fish and demonstration licences are a type of activity without any clear time limitation. In principle, the same factors as for parent fish licences will apply to demonstration licences.

Teaching licences

With one exception, the Group's teaching licences have been allocated for 10 years. Applications can be submitted for renewal

NOTE 29 cont.
Accounting policies

of teaching licences provided that the terms for the licence are met pursuant to the Aquaculture Act. The Group has also taken over one teaching licence pursuant to an open-ended agreement with an educational institution. Since the agreement has a limited undefined useful life, its duration has been estimated at one year.

The licence scheme for fishing rights in Norway

The licence scheme for fishing rights in Norway has been implemented by the Storting (the Norwegian Parliament) and adopted in the Norwegian Act relating to the right to participate in fishing and catches (Participation Act) dated 26th of March 1999, no. 15 and related Regulations. The Ministry of Trade, Industry and Fisheries is responsible for allocation of the right to participate in Norwegian fisheries.

Section 2 of the Participation Act describes the scope of the Act; *"The Act governs entitlement to take part in commercial fishing and catches and other harvesting of wild live marine resources by utilising vessels that are Norwegian pursuant to the provisions in sections 1 and 4 of the Norwegian Maritime Code and vessels that are owned by a foreign national who is resident in Norway, when the overall length of the vessel is less than 15 metres. However, vessels that are Norwegian pursuant to section 1 third paragraph of the Norwegian Maritime Code are not governed by the Act, unless the vessel is owned by a person resident in Norway and the overall length of the vessel is less than 15 metres. This Act defines vessels that are governed by the first and second paragraphs as Norwegian vessels. The Act does not however cover harvesting of anadromous salmon fish as defined in the Act dated 15th May 1992 no. 47 relating to Salmonids and Fresh-Water Fish etc. section 5 letra a. The Ministry is entitled to issue regulations stipulating that all or parts of the Act shall not apply to harvesting of one or more species that are not fish, crustaceous animals, molluscs or sea mammals."*

The term "commercial fishing and catches" from section 3 of the Participation Act covers all harvesting of wild live marine resources when this is the professional party's livelihood alone or in cooperation with another business and where the activity requires use of a vessel. More detailed provisions regarding the definition of commercial fishing and catches, including regulations on the requirement for earned income, can be found in the Regulation dated 07.12.2012 no. 1144 concerning commercial permits, registration and marking of fishing boats etc. (commercial permit regulations).

The main conditions for entitlement to fishing rights pursuant to the Participation Act are as follows:

Section 4 of the Participation Act places the following requirements on commercial permits:

- A vessel cannot be utilised for commercial fishing or catches unless it has been allocated a commercial permit by the Ministry of Trade, Industry and Fisheries. Such commercial permits may be subject to conditions.
- Commercial permits are awarded to the vessel's owner for a specific vessel. The permit does not entitle the holder to use a different vessel. The permit only allows the physical or legal person who has been granted the permit to carry out fishing or catches with the vessel, and not any other persons who do not have their own permit.
- A commercial permit only entitles the holder to carry out fishing or catches in accordance with the provisions that apply at any given time in or pursuant to the Act relating to the management of wild living marine resources (Marine Resources Act) or the Participation Act.
- The Participation Act lists the following main conditions for allocation of commercial permits in §§ 5-8 and related regulations:
  - Nationality requirement
  - Residential requirement
  - Activity requirement
  - Requirement for a basis for operations
  - Requirement on vessels

Change of vessel or transfer of shares, shareholdings etc.

If the permit holder replaces one vessel with another, a new application is required for a new professional permit so that the fishing rights are transferred to the new vessel. Such transfer is normally granted provided that the requirements specified in the Participation Act are fulfilled.

Shares or holdings in a company or merger that directly or indirectly owns vessels registered by mark must not be transferred to a different owner without the advance permission by the Ministry for a change of ownership composition.

The King may issue a resolution to lay down regulations regarding a duty to notify changes in ownership. When such a duty is in force, the prohibition against transfer does not apply until a permit has been issued. The regulations governing duty of notification may however contain a prohibition against transfer until a certain deadline has been reached after the notification has been sent.

Lapse of commercial permit for Participation Act § 10

A commercial permit is annulled when the owner loses the right of ownership to a vessel, whether by compulsory sale, condemnation, shipwreck etc.

A commercial permit shall be retracted pursuant to section 11 first paragraph of the Participation Act when the vessel owner

a. no longer fulfils the requirements in section 5 of the Participation Act (nationality requirement),
b. has not been involved in commercial fishing or catches for at least three of the past five years on or with a Norwegian vessel, and has no association with the fishing industry (Activity requirement).

A commercial permit may be retracted pursuant to section 11 second paragraph of the Participation Act when

a. the vessel has not been utilised for commercial fishing or catches for a specific period of time stipulated by the Ministry in a Regulation or in the commercial permit,
b. the vessel or ship owner no longer fulfils the conditions specified in or pursuant to the Participation Act,
c. there are significant amendments to the conditions upon which the permit is based,
d. the ship owner has, against better judgement, provided incorrect information or has concealed information of significance for the resolution to grant such a permit,
e. the ship owner or other party involved in operating the vessel is guilty of a serious or repetitive breach of the provisions laid down in or pursuant to the Participation Act or other fisheries legislation, or
f. the entitlement to retract the permit exists pursuant to general regulations within administrative legislation.

If such incidents are of a less serious nature, the Ministry may decide to retract the commercial permit for a specific period of time. The King may impose supplementary regulations on the retraction of permits.

Special permits pursuant to sections 12 of the Participation Act

In order to participate in most types of fisheries, a permit or participation entitlement is required, if the party involved does not intend to participate in an open group, cf. section 12 of the Participation Act relating to the requirement for a special permit, cf. also the regulation of 13th October 2006 no. 1157 (the Licence regulation) and regulation of 13th of December 2018 no. 1911 (the Participation regulation). The licence scheme currently comprises vessels commonly known as the oceangoing fishing fleet. An oceangoing fishing vessel is a vessel that exceeds the general size limit for coastal fishing vessels as defined at any time in the Participation regulation.

These licences have no predetermined time limit. Although licences do not have a predetermined time limit, section 18 of the Participation Act stipulates that they shall be retracted or are annulled if the commercial permit for the vessel is annulled or retracted. Sections 10 and 11 of the Participation Act apply correspondingly to special permits. The Licence regulation Act stipulates that special permits may be retracted pursuant to the provisions of the Act if, in the space of one calendar year and the two previous years, no deliveries of catches have been registered from the vessel in accordance with the permit.

The Group's vessels have special permits (licences) within pelagic fisheries and whitefish.

Fisheries permits within pelagic fisheries

The fishing permits (licenses) are valued at cost less any accumulated depreciation and impairment losses. There are no predetermined time limitations specified in the Group's conditions for licences that apply to basic quotas within pelagic fishery, and they are therefore deemed to be time-indefinite rights according to the prevailing regulations.

As the fishing rights are not bound by a time-limited period, there is no need to apply for their renewal. The fishing rights are deemed to be valid pursuant to the Participation Act, and pursuant regulations, unless they are annulled or retracted in accordance with the Participation Act.

The Group also holds fishing rights within pelagic fishery that have a time limit – so-called structural quotas – and these are amortised over the lifetime of the individual structural quota. Please also read below about structural quotas as an intangible asset and the redistribution of structural gains at the expiry of the time limit.

Fisheries permit within whitefish

The fisheries licences within whitefish comprise basic quotas with no time limit and structural quotas with a time limit of 20 and 25 years respectively. The structural quotas have a definite useful life and are amortised over the length of the structural period. The basic quotas have an indefinite useful life and are not amortised, but are tested annually for impairment. The structural quotas, which are amortised, meet the definition of intangible assets in accordance with IAS 38, as a structural quota is a legal right, is identifiable and generates economic yield that the company can control. As these are time-limited rights, the structural quotas shall be amortised over the remaining life of the quota until the value is zero, as there is no active market for the rights or any commitment from a third party to acquire the right once its useful

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life is over. In the Storting's resolution III dated 7th of May 2020, relating to processing of the Quota Report, "A quota system for increased value creation. A forward-looking fisheries industry" (White Paper 32 (2018–2019)), it was decided that at the expiry of the time limit for structural quotas, the structural gains would be distributed among the group of vessels to which the vessel belonged when the time limit started, and distribution shall be proportionate to the basic quota. Moreover, when the structural quotas are established, the structural gains that accumulate on deduction will be distributed to the group of vessels to which the vessel belongs, and shall be distributed proportionately to the basic quota. For the group of purse seine vessels and pelagic trawlers, the structural gain is distributed when the time limit starts according to the current group to which such vessels belong. This implies that if a vessel has structures that are in accordance with the average for the group of vessels, a vessel will be able to maintain practically the same catch volume once the period for the structural quotas has expired. More detailed information on licences/fishing rights is provided in note 10.

Pursuant to the "Act relating to changes in the Participation Act and the Marine Resources Act (changes in the quota system)", LOV-2021-03-05-7, a number of changes to the Participation Act and Marine Resources Act have been adopted. The key changes, however, have not come into effect. The report below is based on the current legislation and does not therefore take into account changes that will be made when the amendments fully or partly come into effect.

Licence scheme for fishing rights in Peru

The fishing license is granted by the Production Ministry (Ministerio de la Producción) for the extraction of hydrobiological resources, subject to Fishing Regulations as stipulated by General Law of Fisheries (Decreto Ley N° 25977) and the Regulations for the General Law of Fisheries (Decreto Supremo N° 012-2001-PE).

The Article 44 of the General Law of Fisheries (Decreto Ley N° 25977) says:
"Article 44:
Concessions, authorizations and licenses mean specific rights that the Production Ministry grants for an established term for the development of fisheries activities, pursuant to the provisions of this Law and under the conditions determined by its Regulations"

Also, the Article 33 of the Regulation for the General Law of Fisheries (Decreto Supremo N° 012-2001-PE) and its modifications establish:

"Article 33: Term of Fishing Licenses

33.1 In accordance with Article 44 of the Fisheries Law, the determinate term of fishing licenses for large-scale fishing vessels with national flag, applies since the time that such rights are granted until its expiration in accordance with this regulation.

33.2 To keep in force the term and content of the fishing licenses, the fishing vessel owners must prove to the General Directorate of Fish Harvesting and Fish Processing, not to have increased storage capacity authorized in the fishing license and accredit the vessel operation; also will be required to have made fish harvesting activity in the previous year and paid the corresponding fishing rights.

It means that fishing license only expires in case the legal owner breach the requirements established in the mentioned article 33 of the Regulation for the General Law of Fisheries, otherwise, the fishing license keep in force unlimited.

The Supreme Decree N° 017-2017 (Regulations of control and sanction of fisheries and aquaculture activities) establish the limitations that fleet must fulfil during its operations.

Following, we list the main restrictions that the industry have:
- Catch or process hydrobiological resources without license or percentage assigned, operation license or without assignation of maximum limit of catch per vessel. (Cod. 5)
- Catch restricted to authorized fishing seasons as announced by the Production Ministry (Cod. 7)
- Catch, process or sell hydrobiological resources with smaller sizes as established (anchoveta 12 cm, mackerel 29 cm, jack mackerel 31 cm) (Cod. 11)
- Catch hydrobiological resources in larger volumes to the hold capacity authorized in the fishing license (Cod. 29)
- Execute more than one fishing trip in a term of 24 hours (Cod. 31)
- Catch exceeding the season assigned quota (Cod. 33)
- Exceed the maximum limit of catch per vessel (Cod. 32)
- By catch is limited to 5%

The indeterminate life of fishing license is also subject to lack of severe penalties (maximum four allowed in one year). The main severe penalties are:
- Block the labour of the inspectors.
- Catch or process hydrobiological resources without license or percentage assigned, operation license or without assignation of maximum limit of catch per vessel.
- Catch resources out of the authorized fishing seasons as announced by the Production Ministry or in unauthorized zones.
- Exceed the maximum limit of catch per vessel.
- Not to have the satellite tracking system or have it in inoperative state.

Licence scheme for fishing rights in Chile

Fishing and aquaculture activities are ruled by the "General Fishing and Aquaculture Act N° 18.892 of 1989" ("Ley General de Pesca y Acuicultura" or LGPA), which has received several modifications during its life, being the latest in Law N° 20.657 of 9th February 2013. This modification made important amendments to the fishing system in Chile, with the main objective of ensuring the sustainability of fish resources, introducing an ecosystemic view of the marine environment and by improving the fish management, such as adding transferability to the existing individual quota system for industrial fleet and creating a mandatory scientifically supported quota management system.

The management of fisheries is performed by the Undersecretary of Fisheries ("Subsecretaria de Pesca"), a vice-ministry office that reports to the Minister of Economics.

The control of fishing activities of all kind (industrial, artisanal and sport) is under the National Fishing Service ("Servicio Nacional de Pesca" or Sernapesca).

Until the introduction of 2013 fishing law modifications, fishing licenses were linked to a fishing vessel and could not be divided or independently transferred. These types of fishing license ("Permiso de Pesca") still exist for those species out of the list of tradable fishing licenses ("Licencia Transable de Pesca" or LTP), such as giant squid and mackerel, as well as for the artisanal shipowners.

However, main commercial species caught by the industrial fleet moved under the LTP system, which was granted using the same individual quota set by the previous modification established by the fishing law Nª 19.713 of 2001 (due for modification after 12 years in 2013), which was based on 50/50 allocation of historical catches between the years 1997 to 2000 and by vessel hold capacity. This new license system grants industrial shipowner a "LTP-A" fishing license type, which is automatically renewed every 20 years, provided that owner has had a good behaviour in environmental and labour regulations.

These LTPs are divided by fish species and macro-regions (grouped according to the geographical administrative area division of the country - regions). The Fishing Act of 2013 also establishes that 15% of the LTPs will be auctioned when the fisheries reaches 90% of the Maximum Sustainable Yield ("MSY"or "RMS" in Spanish) or after 3 years after the Law came into full effect, in 5% annual allocations. The new quotas will be deducted from the LTP-A, creating a "LTP-B" license valid for 20 years for each of the auctioned lots. After this period, a new auction process is required.

The LTPs are transferable, permanently or temporarily and are also subject to be used as guarantees to financial institutions, something impossible with previous regulation.

Fishing permits for the non-LTP species remain linked to a physical fishing vessel are permanent. Fishing licenses for the LTP-A are granted for 20 years with automatic renewal for same period of time, provided that the license holder has complied with labour and environmental regulations, therefore are considered a permanent license system. LTP-B is a 20-year non-renewable fishing license.

Fishing rights can be lost or reduced (partial loss), if a Company:
- Catches in excess over 10% of its quota during 2 years in a row.
- Does not perform fishing activities during 2 years or 12 consecutive months, unless is a case of force majeure, which must be approved by Undersecretary of Fisheries.
- If during a 5-year period, offloading of the 3 highest years are below 70% of the industry average. In this case, is a partial loss, applying a quota reduction equivalent to the difference between this average and the company actual landings.
- Repeatedly not submitting the statistical information required by law.
- Not paying fishing or specific fishing taxes. Gives a 30 days grace period after due dates.
- If court sentences company for spillage of chemical or other harmful substances into water portions.
- If sentenced repeatedly of illegal or unauthorized modifications, alterations or changes to fishing vessels.
- If Company has been sentenced 3 or more times within a 2-year period of infractions to anti-union labor law related only to workers on board vessels. This is a partial loss, equivalent to 10% of the main specie that the vessel was operating at infraction time.

A modification to the 2013 Fishing Act is under discussion in Congress, regarding the automatic renewal of current fishing licenses for industrial fisheries every 20 years. The President's initiative is under evaluation in the fishing and financial commissions of the Senate, without any mandatory time limit for the evaluation.

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BRAND/TRADEMARKS

Brands acquired, separately, or as part of a business combination are capitalised as a brand if it meets the definition of an intangible asset and the recognition criteria are satisfied. Brand acquired as part of a business combination are valued at fair value based on valuation done by external valuation experts. Brands assessed to have an indefinite useful life are not amortized but reviewed for impairment not less than annually frequently if events or changes in circumstances indicate that the carrying amount may have decreased.

PROPERTY, PLANT, EQUIPMENT AND RIGHT-OF-USE ASSETS

Until 1st of January 2019, property, plant and equipment comprised both the Group's own operating assets and assets held under finance leases. IFRS 16, the new lease accounting standard implemented on 1st January 2019, removes the distinction between operating and finance leases for the lessee. The new standard stipulates that all leases shall be recognised in the statement of financial position. Leased operating assets are designated as "right-of-use assets" in the new standard. The Group has chosen to disclose right-of-use assets as a separate item in the statement of financial position.

As a result, all leases previously recognised in the statement of financial position (finance leases) have been transferred from the items *"Vessels"* and *"Property, plant and other operating assets"* to the new item *"Right-of-use assets"*. In addition, the operating leases, previously only disclosed in a note, have been recognised in the statement of financial position.

Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and any impairment loss. The same applies to right-of-use assets. Cost may also include transfers from equity for any gains or losses on cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset when it is likely that future economic benefits associated with the cost will flow to the Group and the cost can be measured reliably. Other repair and maintenance costs are charged to the income statement in the period in which they are incurred.

Depreciation linked to property, plant and equipment is allocated on a straight-line basis over the expected useful life (depreciation period). Material parts of assets that have different depreciation periods are broken down into components and depreciated separately (component depreciation). Depreciation linked to right-of-use assets is allocated on a straight-line basis over the lease term. Any extension options likely to be exercised are included in the lease term.

Land is not depreciated. Buildings mainly comprise factories and offices.

The expected average useful life of property, plant and equipment, taking component depreciation into account, is estimated at:

Detail	Sector	Depreciation-period
Vehicles	Wild catch and harvest	3-10 years
Furniture and other equipment	Wild catch and harvest	3-25 years
Buildings	Wild catch and harvest	12-50 years
Fishing vessels and fishing equipment	Wild catch	8-30 years
Machinery and other equipment - Fishmeal	Wild catch	10-50 years
Machinery and other equipment - Consumption	Wild catch	7-30 years
Other production equipment	Wild catch	3-30 years
Feeding vessels - Fish farming	Harvest	10-15 years
Vessels - Fish farming	Harvest	10-15 years
Utilities (components) on vessels	Harvest	5-10 years
Other production equipment (on sea) - Fish farming	Harvest	5-15 years
Production equipment (on land) - Fish farming	Harvest	5-15 years
Components related to production equipment on land	Harvest	10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement as other gains and losses.

Right-of-use assets

The Group adopted IFRS 16 Leases from 1st of January 2019 using the modified retrospective approach. As a result, the historic comparable figures were not restated. For leases which had previously been classified as operating leases under the principles of IAS 17, the lease liability upon adoption of IFRS 16 is measured as the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1st of January 2019. Extension periods are included in the leasing calculation when they are reasonably certain to be exercised. The associated right-of use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The right-of-use asset is depreciated linearly from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. For leases that were previously classified as financial leasing under IAS 17, the book value of the right-of-use asset and lease liability is brought forward at the date of implementation of IFRS 16 (1st January 2019). Accumulated depreciations on leased assets as of implementation date (depreciations according to IAS 17) were not transferred to the new group with right-of-use assets.

For contracts containing both lease and non-lease components, the Group allocates the consideration in the contract to the lease and the non-lease components based on their relative stand-alone prices. This mainly applies to the Group's time charter rental agreements of wellboats, where the service element of the contracts is a significant non-lease component. The non-lease component is excluded from the lease accounting and expensed directly in the income statement.

The Group has applied the lease recognition exemptions for short term lease contracts and low-value assets. Short terms leases represent lease agreements shorter than 12 months from the date of the contract. Low value assets represent lease agreements that are lower than NOK 50,000 each. Rent paid on non-recognised leases are presented in the note 23.

The group distinct between leases with credit institutions and leases with others. The distinction is shown in note on leases. Acquisition of right-of-use assets from leases with credit institutions is considered to be investments in new assets, while acquisition of right-of-use assets from others than credit institutions is not. This distinction is also applied on the debt side, and in the definition of NIBD. See note 23 for further information.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that have been impaired are reviewed for possible reversal of the impairment at each reporting date.

FINANCIAL ASSETS

Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading (see section 'Derivative financial instruments and hedging activities'). Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and cash and

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cash equivalents in the balance sheet (note 9).

(c) Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Recognition and measurement
Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available for sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other financial income. Dividends on available-for sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a Group of financial assets is impaired.

For debt securities, if any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

INVENTORIES
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

BIOLOGICAL ASSETS, LOSS-MAKING CONTRACTS AND MORTALITY EXPENSES
The Group's biological assets comprise live fish, mainly salmon and trout, at all stages of the life cycle. The fish are divided into two main groups, depending on the stage of the life cycle. At the earliest stage of the life cycle, the fish are classified in group (1) roe, fry and juvenile fish. During this stage, the fish are kept on shore. When the fish are large enough for release to sea, they are classified in group (2) consumer products. The group for consumer products also comprises the subgroup for parent fish, utilised to produce roe. As this subgroup is immaterial, it is dealt with in the same way as other consumer products ready for harvest.

The stock of fish, in addition to salmon and trout, also comprises cleaner fish. This species of fish is utilised during production of salmon and trout as a means of eliminating salmon lice. Despite the significant volume of cleaner fish produced by the Group, both the volume and value of this species are relatively low and are immaterial for the consolidated financial statements. In order to simplify accounting, this species is therefore grouped with roe, fry and juvenile fish.

Biological assets are governed by IAS 41 Agriculture. The main rule is that biological assets shall be measured at fair value minus sales costs, unless fair value cannot be reliably measured. Measurement of fair value is regulated by IFRS 13. 'Fair value' refers to the price that would have been achieved on sale of the asset in an orderly transaction between market participants at the measurement date under the prevailing market conditions.

For roe, fry and juvenile fish, in addition to cleaner fish, historical cost is deemed a reasonable approach to fair value, as there is little biological transformation (IAS 41.24). This assessment must be seen in light of the fact that smolt are currently released to sea at a stage when their weight is still relatively low. At the same time, this group comprises a limited share of the Group's biological assets measured in terms of both volume and value. If changes emerge in the future implying that the smolt produced are significantly larger when released to sea, a new assessment will be required.

For consumer products, the fair value is calculated by applying a present value model at level three in the fair value hierarchy in IFRS 13. For more detailed information on the fair value hierarchy, please refer to the note on financial instruments. In line with IFRS 13, the highest and best use of the biological assets is applied for the valuation. In accordance with the principle for highest and best use, the Group considers that the fish have optimal harvest weight when they have a live weight corresponding to 4 kg gutted weight. This corresponds to a live weight of 4.65 kg for salmon and 4.76 kg for trout. Fish with a live weight of that stated above or more are classified as ready for harvest (mature fish), while fish that have still not achieved this weight are classified as not ready for harvest (immature fish). For fish ready for harvest, the highest and best use is defined as harvesting and selling the fish as quickly as possible in the month following the balance sheet date. For fish not yet ready for harvest, the highest and best use is in principle defined as growing the fish to harvest weight, then harvesting and selling the fish. The harvest date applied in the valuation may however be brought forward if required by situations at a specific locality. Such situations may involve biological challenges (disease, salmon lice infestation etc.).

The cash flow-based present value model, is independent of historical and company-specific factors. On a hypothetical market with perfect competition, a hypothetical buyer of live fish would be willing to pay as a maximum the present value of the estimated future profit from the sale of the fish when it is ready for harvest. The estimated future profit, taking into account all price adjustments and payable fees until completion, constitutes the cash flow. No deductions are made for sales expenses, as these are not observable on the market. Such expenses are also deemed immaterial.

Incoming cash flow is calculated as a function of estimated volume multiplied by estimated 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. Please refer to the note on significant accounting estimates and assessments for more detailed information on discounts, and sensitivity analysis.

Estimated biomass (volume) is based on the actual number of individuals in the sea on the balance sheet date, adjusted to cover projected mortality up to harvest date and multiplied by the estimated harvest weight per individual at the time of harvest. 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.

NOTE 29 cont.
Accounting policies

Pricing is based on the Fish Pool forward prices. The reason for this is that there are no effective markets for the sale of live fish. Fish Pool is a market place for financial purchase and sale agreements for superior Norwegian salmon, size 3-6 kg gutted weight. Updated forward prices are published daily for harvested salmon on Fish Pool. The volume on Fish Pool is however limited. This market is therefore assessed to be insufficiently active and effective. Despite this, the Group is of the opinion that the observable forward prices must be seen as the best approach to a hypothetical price for the sale of salmon. The volume of trout sales in Norway is significantly lower, and there are no corresponding observable market prices. Historically, however, trout prices have been closely correlated to salmon prices. The forward prices for salmon are therefore applied as a starting point for estimates of the fair value of trout. 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, harvesting and boxing) and transport to Oslo. Adjustments are also made for any estimated 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.

Changes to estimated fair value for biological assets, according to IAS 41, are recorded through profit or loss and presented on the line for fair value adjustments related to biological assets. The accounting line for fair value adjustments related to biological assets in the income statement comprises three elements; (1) change in fair value adjustment of stock of fish in sea, (2) change in fair value of onerous contracts and (3) change in fair value of unrealised gain/loss related to financial purchase and sale contracts for fish in Fish Pool.

Onerous contracts are contracts where the expenses of fulfilling the contracts are higher than the economic yield the company expects to gain by fulfilling the contracts. 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. As a result, physical delivery contracts where the contractual price is lower than the price on which fair value estimation of the biological assets was based will be defined as onerous contracts according to IAS 37, even if the contractual price is higher than the production costs for the products. At the end of the period, the management will evaluate whether contracts are onerous contracts by estimating the value of the commitment per contract. This evaluation is based on a number of premises and estimates. The estimate includes all contracts involving the sale of salmon and trout, where the fish have been produced by the Group. For contracts where the product to be delivered has a higher degree of processing than gutted fish, the contractual price is converted to a price per kilo gutted weight based on estimated yield for the different product types and normal processing costs in accordance with the Group's calculations. All contractual prices are translated to Norwegian kroner. For contracts that contain different product types, a weighted price is estimated. The weighted price per contract is then compared with an estimated benchmark price per month. This price corresponds to the price applied as a starting point for valuation of the biological assets, and is based on forward prices from Fish Pool, adjusted for export margin and transport from fish farm to Oslo. A provision is recognised on the balance sheet. The provision is classified as other short-term debt.

As the financial statements also present production costs for the stock of live fish, the reporting of mortality is of significance. Costs related to abnormal mortality are immediately recognised through profit or loss and presented on the line for changes in inventory, while normal waste is classified as part of production costs. Fair value of biological assets is not affected by the principle for reporting mortality costs. The extent to which mortality is normal or abnormal requires assessment. The Group makes use of a common indicator and threshold for all farming units. If in one month mortality at a locality exceeds 1.5% of the incoming number of fish at the locality, this is classified as an indication of abnormal mortality. A more detailed assessment is then carried out to establish whether mortality is abnormal. These assessments take into account the cause of mortality and the size of the fish. Please refer to the note on biological assets for a more detailed description of mortality costs and incidents that have caused abnormal mortality.

ACCOUNTS RECEIVABLE

Accounts receivable are measured at fair value on the transaction date, and will usually correspond to the nominal value of the receivable. On subsequent measurement, accounts receivable are valued at nominal value minus provisions for loss. Provisions for loss are recognised when there are objective indications that the Group will not receive settlement in accordance with the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the account receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement within 'other operating expenses'. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

EMPLOYEE BENEFITS

Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The schemes are either a defined benefit plan or a defined contribution plan.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting period date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

LIABILITIES TO CREDIT INSTITUTIONS AND OTHER BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

NOTE 29 cont.
Accounting policies

PROVISIONS

Provisions (for e.g. environmental improvements, restructuring and legal claims) are recognised when:

- a legal or self-imposed liability exists as a result of previous events;
- it is more likely than not that the liability will be settled in the form of a transfer of economic resources;
- the size of the liability can be estimated with a sufficient level of reliability.

Provisions for restructuring costs comprise termination fees for lease contracts and severance pay for employees. No provisions are made for future operating losses.

If several liabilities of the same character exist, the probability of settlement being made is determined for the liabilities as a group. Provisions for the group of liabilities are recognised even if the probability of settlement related to the individual liabilities in the group may be low.

Provisions are measured as the current value of expected payments required to clear the liability. A discount rate is applied before tax that reflects the current market situation and the specific risk for the liability. Any increase in a liability caused by a change in time value is recognised as a financial expense.

DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements when the dividends are approved by the Company's shareholders.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivative financial instruments are registered in the balance sheet at fair value at the time of contract and are subsequently adjusted to current fair values. Registration of associated gains/losses depends on whether the derivative is regarded as a hedging instrument, and if so, what type of hedging. The Group classifies derivatives as either a) hedges of fair value of recognised assets or liabilities of a firm commitment (fair value hedge); or b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on the ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair values of derivative instruments used for hedging are disclosed in Note 12. Fair value of a hedging derivative is classified as fixed assets or long-term liability if the hedging object matures in more than 12 months, and as current assets or short-term liabilities if the hedging object matures in less than 12 months.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group only applies fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the income statement within 'finance costs'. The gain or loss relating to the ineffective portion is recognised in the income statement within 'other gains/(losses) – net'. Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognised in the income statement within 'finance costs'.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within 'other gains/(losses) – net'.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'finance income/cost'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within 'other gains/(losses) – net'.

CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities are defined as

i. possible obligations resulting from past events whose existence depends on future events
ii. obligations that are not recognised because it is not probable that they will lead to an outflow of resources
iii. obligations that cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the annual financial statements apart from contingent liabilities which are acquired through the acquisition of an entity. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the probability of the liability occurring is remote.

Contingent liabilities acquired upon the purchase of operations are recognised at fair value even if the liability is not probable. The assessment of probability and fair value is subject to constant review. Changes in the fair value are recognised in the income statement.

A contingent asset is not recognised in the financial statements, but is disclosed if there is a certain level of probability that a benefit will accrue to the Group.

CASH FLOW STATEMENT

The Group's cash flow statement shows the overall cash flow broken down to operating, investing and financing activities. The cash flow is reported on the basis of the indirect method. The cash flow statement illustrates the effect of the various activities on cash and cash equivalents. Cash flows resulting from the disposal of operations are presented under investing activities.

EVENTS AFTER THE REPORTING PERIOD

New information after the reporting period concerning the Group's financial position at the reporting date is considered in the financial statements. An event after the reporting period that does not affect the Group's financial position on the reporting date, but will affect the Group's financial position in the future is reported where material.

EARNINGS PER SHARE

Earnings per share is calculated by the profit attributable to equity holders of the company of the result for the period being divided by a time-weighted average of ordinary shares for the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

PARENT COMPANY

CONTENT

Statement of comprehensive income

Amounts in NOK 1,000	Note	2021	2020
Operating revenue	3,16	1,884	2,052
Total income		**1,884**	**2,052**
Wages and salaries	4,15	-20,791	-20,107
Other operating expenses	4,16	-14,240	-14,218
Operating expenses		**-35,031**	**-34,325**
Depreciation	6	-4	-4
Operating profit		**-33,151**	**-32,277**
Financial income	5	976,563	810,024
Financial expenses	5	-32,683	-50,188
Profit before tax		**910,729**	**727,558**
Tax	13	0	0
Profit for the year		**910,729**	**727,558**
Average no. of outstanding shares		201,824,074	201,824,074
Earnings per share/diluted earnings per share (NOK)		**4.51**	**3.60**
Proposed dividend per share (NOK)		4.50	3.50

Statement of financial position

Amounts in NOK 1,000	Note	31.12.2021	31.12.2020
Assets			
Fixed assets	6	6	10
Shares in subsidiaries	7,14	3,818,808	3,818,808
Investments in associates	8	752,718	752,718
Investments in other companies	9	25,736	25,736
Long-term receivables on Group companies	10,16	64,134	171,481
Total non-current assets		**4,661,402**	**4,768,752**
Trade receivables	11,14,16	61	756
Short-term receivables on Group companies	14,16	919,375	777,510
Other receivables	10	1,593	1,509
Liquid assets	12,14	357,629	743,462
Total current assets		**1,278,659**	**1,523,236**
Total assets		**5,940,060**	**6,291,988**
Equity and liabilities			
Share capital	16 CFS*	101,359	101,359
Treasury shares		-447	-447
Share premium		3,147,600	3,147,600
Retained earnings		1,146,216	1,143,695
Total equity		**4,394,728**	**4,392,207**
Borrowings	14,16	553,645	666,558
Total non-current liabilities		**553,645**	**666,558**
Liabilities to credit institutions	14	71,500	513,016
Trade payables	16	5,378	6,013
Accrued salary and public duties payable		3,849	3,523
Provision for dividends	17	908,208	706,384
Other current liabilities	15,16	2,751	4,286
Total current liabilities		**991,687**	**1,233,223**
Total liabilities		**1,545,332**	**1,899,781**
Total equity and liabilities		**5,940,060**	**6,291,988**

If note reference contains the characters CFS, it refers to notes in the consolidated financial statement.

Storebø, 22nd of April 2022
Board of Austevoll Seafood ASA

Helge Singelstad
Chairman

Helge Møgster
Board member

Hege Charlotte Bakken
Deputy Chairman

Hege Solbakken
Board member

Eirik Drønen Melingen
Board member

Lill Maren Møgster
Board member

Siren M. Grønhaug
Board member

Arne Møgster
CEO & President

Statement of changes in equity

Amounts in NOK 1,000	Note	Share capital	Treasury shares	Share premium	Retained earnings	Total equity
Equity at 01.01.2020		101,359	-447	3,147,600	1,120,287	4,368,799
Profit for the year		0	0	0	727,558	727,558
Total comprehensive income		0	0	0	0	0
Total comprehensive income for the year		0	0	0	727,558	727,558
Provision for dividends	17	0	0	0	-706,384	-706,384
Reversed dividends payable on treasury shares		0	0	0	2,233	2,233
Total equity to/from shareholders in the period		0	0	0	-704,151	-704,151
Total change in equity		0	0	0	23,407	23,407
Equity at 31.12.2020		101,359	-447	3,147,600	1,143,694	4,392,207
Changes charged to equity		0	0	0	0	0
Profit for the year		0	0	0	910,729	910,729
Total comprehensive income		0	0	0	0	0
Total comprehensive income for the year		0	0	0	910,729	910,729
Provision for dividends	17	0	0	0	-912,228	-912,228
Reversed dividends payable on treasury shares		0	0	0	4,020	4,020
Total equity to/from shareholders in the period		0	0	0	-908,208	-908,208
Total change in equity		0	0	0	2,521	2,521
Equity at 31.12.2021		101,359	-447	3,147,600	1,146,216	4,394,728

Cash flow statement

Amounts in NOK 1,000	Note	2021	2020
Profit before tax		910,729	727,558
Depreciation and amortisation	6	4	4
Dividends and Group contributions	5	-956,240	-793,883
Change in trade receivables		694	239
Change in trade payables		-635	362
Change in other accruals		-124	-1,843
Net interest income/expenses recognised		19,999	31,235
Net cash flow from operating activities		**-25,573**	**-36,328**
Change in intercompany receivables		209,169	-61,110
Dividends and Group contributions received		769,970	681,827
Interest received		9,419	13,146
Net cash flow from investing activities		**988,559**	**633,863**
Net change in long-term interest bearing debt		-613,000	-33,762
Net change in short-term interest bearing debt		-16	-136
Interest paid		-29,418	-44,381
Dividends paid	17	-706,384	-504,560
Net cash flow from financing activities		**-1,348,818**	**-582,839**
Change in cash and cash equivalents		**-385,833**	**14,696**
Liquid assets at 01.01.		**743,462**	**728,766**
Liquid assets at 31.12.		**357,629**	**743,462**
Consists of			
Bank deposits etc.		357,629	743,462
Of which restricted cash deposits		2,879	2,621
Unutilised long term credit facility		590,000	490,000

NOTE 1
General

The separate financial statements of Austevoll Seafood ASA (parent company) have been prepared in accordance with simplified IFRS. Preparation of separate financial statements is required by law.

The company is a subsidiary of Laco AS (Austevoll municipality), and is consolidated in Laco AS' consolidated financial statements, which are available from Laco AS.

All amounts are in NOK thousands (TNOK), if not specified differently.

NOTE 2
Financial risk management

FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk, cash flow and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses to some degree derivative financial instruments to reduce certain risk exposures.

Market risk

(i) Price risk

The Company is exposed to price risk because of investments held by the Company and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. The company do not use financial instruments to manage its financial risk for non-current liabilities.

(ii) Cash flow and fair value interest rate risk

The Company's interest rate risk mainly arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Management monitors rolling forecasts of the Company's liquidity reserve (comprises undrawn borrowing facility) and cash and cash equivalents on the basis of expected cash flow.

For information of the Company`s financial liabilities see note 14.

Capital risk management

The Company`s objectives when managing capital are to safeguard the Company`s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

	2021	2020
Total borrowings (note 14)	628,919	1,184,516
Minus liquid assets and interest-bearing assets	499,835	997,130
Net loans	129,084	187,387
Total equity	4,394,728	4,392,207
Capital employed	**4,523,812**	**4,579,594**
Gearing ratio	**3%**	**4%**

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

NOTE 3
Income

	2021	2020
Administrative services	1,884	2,052
Total operating revenue	**1,884**	**2,052**
Revenue by geographic area		
Norway	75	53
Peru	1,809	1,948
Chile	0	51
Total	**1,884**	**2,052**

NOTE 4
Payroll, fees, no. of employees etc.

	2021	2020
Salaries and holiday pay	14,585	13,818
Contract labour	3,406	3,726
National insurance contribution	2,178	1,975
Pension costs	512	490
Other payments	110	98
Total wages and salaries	**20,791**	**20,107**
Average number of full-time equivalents	3	3

All employees have a defined contribution pension scheme.

Accumulated expenses for wages, pension premiums and other remuneration to CEO, other executives and members of the parent company's board is presented in the consolidated financial statements.

The annual Director's fee to the Chairman of the Board is not paid as taxable remuneration. AUSS is invoiced for the Chairman's services and for consultancy fees by Group head entity, Laco AS, where the company's Chairman is employed.

NOTE 4 cont.
Payroll, fees, no. of employees etc.

No loans or securities have been issued in 2021 or 2020 to the CEO, board members, members of the corporate management or other employees or closely related parties.

The CEO has a term of notice of 3 months. On resignation, the CEO has no right to extra compensation. Pension age is 70, and the CEO takes part in the defined contribution scheme.

See note 20 in Group notes for guidelines to executive management and remunerations to the company`s officers.

	2021	2020
Specification of auditor's fee		
Statutory audit	1,374	1,535
Other services excl. audit	929	756
Technical assistance, taxation	302	0
Total	**2,604**	**2,291**

NOTE 5
Financial income and financial expenses

	2021	2020
Interest income from Group companies	3,632	4,020
Other interest income	5,787	9,126
Recognised dividends and Group contributions	956,240	793,883
Other financial income	0	625
Foreign exchange gains	10,904	2,370
Total financial income	**976,563**	**810,024**
Interest expenses from Group companies	1,725	1,257
Other interest expenses	27,693	43,125
Foreign exchange losses	266	2,624
Other financial expenses	2,999	3,183
Total financial expenses	**32,683**	**50,188**
Net financial items	**943,880**	**759,835**

NOTE 6
Fixed assets

2020	Office equipment	Total
At 01.01.		
Acquisition cost	2,321	2,321
Accumulated depreciation	-2,307	-2,307
Carrying amount at 01.01.	**14**	**14**
Depreciation	-4	-4
Carrying amount at 31.12.	**10**	**10**
At 31.12.		
Acquisition cost	2,321	2,321
Accumulated depreciation	-2,311	-2,311
Carrying amount at 31.12.	**10**	**10**

2021	Office equipment	Total
Carrying amount at 01.01.	10	10
Depreciation	-4	-4
Carrying amount at 31.12.	**6**	**6**
At 31.12.		
Acquisition cost	2,321	2,321
Accumulated depreciation	-2,315	-2,315
Carrying amount at 31.12.	**6**	**6**

NOTE 7
Shares in subsidiaries

2021 - Subsidiaries				Gross numbers (100%)		
Company	Voting share	Group	Main business	Net profit	Equity	Carrying value
Lerøy Seafood Group ASA	52.69%	x	Farming, Wildcatch, VAP, sales and distribution	2,781,096	19,323,102	2,783,350
Austevoll Pacific AS	100.00%		Ownership in Austral Group S.A.A.	15,549	371,616	25,336
A-Fish AS	100.00%		Ownership in Foodcorp Chile SA	30,337	109,983	660,100
Foodcorp Chile S.A. *	26.39%		Processing plant	107,067	974,380	58,709
Br. Birkeland Farming AS	55.24%	x	Farming (Atlantic salmon)	-13,739	310,107	123,101
Br. Birkeland AS	42.92%	x	Pelagic wild catch operation	60,431	392,391	110,475
Austevoll Eiendom AS	100.00%		Property, plant, offices	5,659	9,458	56,627
Austevoll Laksepakkeri AS	100.00%		Processing plant	4,139	8,010	100
AUSS Shared Service AS	100.00%		Service company	862	2,462	1,010
Total						**3,818,808**

2020 - Subsidiaries				Gross numbers (100%)		
Company	Voting share	Group	Main business	Net profit	Equity	Carrying value
Lerøy Seafood Group ASA	52.69%	x	Farming, Wildcatch, VAP, sales and distribution	790,209	17,632,768	2,783,350
Austevoll Pacific AS	100.00%		Ownership in Austral Group S.A.A.	-1,833	365,178	25,336
A-Fish AS	100.00%		Ownership in Foodcorp Chile SA	-1,658	79,647	660,100
Foodcorp Chile S.A. *	26.39%		Processing plant	69,184	884,870	58,709
Br. Birkeland Farming AS	55.24%	x	Farming (Atlantic salmon)	-56,877	334,242	123,101
Br. Birkeland AS	42.92%	x	Pelagic wild catch operation	53,480	441,847	110,475
Austevoll Eiendom AS	100.00%		Property, plant, offices	4,551	9,370	56,627
Austevoll Laksepakkeri AS	100.00%		Processing plant	12,007	8,167	100
AUSS Shared Service AS	100.00%		Service company	728	2,415	1,010
Total						**3,818,808**

** AUSS owns 100% of Foodcorp Chile S.A., 26.39 % directly and 73.61% via A-Fish AS.*

All subsidiaries follow the same accounting year as AUSS.

NOTE 8
Shares in associated companies

2021		Gross numbers (100%)				
Company	Classification of investment	Net profit	Equity	Registered office	Carrying value	Voting share
Marin IT AS	Associate	4,166	26,167	Storebø	4,003	25.00 %
Pelagia Holding konsern	Joint venture	564,622	3,167,918	Bergen	748,715	50.00 %
Total					**752,718**	

2020		Gross numbers (100%)				
Company	Classification of investment	Net profit	Equity	Registered office	Carrying value	Voting share
Marin IT AS	Associate	2,598	22,367	Storebø	4,003	25.00 %
Pelagia Holding konsern	Joint venture	254,960	2,729,608	Bergen	748,715	50.00 %
Total					**752,718**	

Shares in associated companies and joint ventures are estimated to original cost price in Parent company. In the Group these shares are estimated to equity method.

NOTE 9
Investments in other shares

2021				
Company	Registered office	Number of shares	Owner/voting shares	Fair value
Euro-Terminal AS	Bergen	4,897,290	16.7%	25,711
Other shares				25
Total				**25,736**

2020				
Company	Registered office	Number of shares	Owner/voting shares	Fair value
Euro-Terminal AS	Bergen	4,897,290	16.7%	25,711
Other shares				25
Total				**25,736**

NOTE 10
Other receivables

	2021	2020
Non-current receivables		
Intragroup non-current receivables	64,134	171,481
Total non-current receivables at 31.12.	**64,134**	**171,481**
Other current receivables		
Prepayments	405	349
Public fees receivable	1,188	1,160
Other current receivables at 31.12.	**1,593**	**1,509**

NOTE 11
Trade receivables

	2021	2020
Trade receivables	61	756
Accounts receivables at 31.12.	**61**	**756**
Age distribution of trade receivables		
0 to 3 months	61	756
Total	**61**	**756**
Carrying amounts of trade receivables		
Currency		
NOK	61	756
Total	**61**	**756**

NOTE 12
Restricted cash deposits

	2021	2020
Restricted deposits related to employee tax deduction	2,879	2,621
Total	**2,879**	**2,621**

NOTE 13
Tax

	2021	2020
Tax for the year is as follows		
Change in deferred tax/tax asset	-18,854	723
Deferred tax asset not recognised in the SOFP	18,854	-723
Change in deferred tax asset, prior years	0	0
Tax	**0**	**0**
Tax reconciliation		
Profit before tax	910,729	727,558
Tax calculated using the nominal tax rate	200,360	160,063
Other differences - including dividends	-219,215	-159,340
Change in deferred tax asset not recognised in the SOFP	18,854	-723
Change in deferred tax asset, prior years	0	0
Tax expense	**0**	**0**
Effective tax rate	**0%**	**0%**

	2021	2020
Change in deferred tax		
Carrying amount at 01.01.	0	0
Change for the year	-18,854	723
Reversal change for the year	18,854	-723
Carrying amount at 31.12.	**0**	**0**

NOTE 13 cont.
Tax

	Non-current assets	Liabilities	Pensions	Loss carried forward	Other differences	Total
Change in deferred tax						
2020						
Carrying amount at 01.01.	0	0	0	0	0	0
Recognised in the period	-77	0	0	-404	1,204	723
At 31.12. (tax rate 22%)	**-77**	**0**	**0**	**-404**	**1,204**	**723**
Deferred tax asset not recognised in the SOFP	77	0	0	404	-1,204	-723
At 31.12.	**0**	**0**	**0**	**0**	**0**	**0**
2021						
Recognised in the period	-62	0	0	977	-19,769	-18,854
At 31.12. (tax rate 22%)	**-62**	**0**	**0**	**977**	**-19,769**	**-18,854**
Deferred tax asset not recognised in the SOFP	62	0	0	-977	19,769	18,854
At 31.12.	**0**	**0**	**0**	**0**	**0**	**0**

	2021	2020	Changes
Specification of temporary differences			
Non-current assets	1,146	1,428	-283
Shares	24,408	113,101	-88,693
Liabilities	3,774	4,942	-1,168
Loss carried forward	-463,915	-468,356	4,442
Total temporary differences	**-434,588**	**-348,886**	**-85,702**
Deferred tax asset not recognised in the SOFP	-95,609	-76,755	-18,854

NOTE 14
Interest bearing debt

Austevoll Seafood ASA and Austevoll Eiendom AS have joint and several liability for short-term credit facilities.

	2021	2020
Net interest-bearing debt		
Liabilities to credit institutions - non-current	10,000	181,500
Bond loans - non-current *	490,000	490,000
Other interest-bearing liabilities - non-current	57,419	0
Current share of non-current liabilities	71,500	513,000
Overdraft facility	0	16
Total interest-bearing debt	**628,919**	**1,184,516**
Liquid assets	357,629	743,462
Cash pool receivables	78,072	82,187
Other interest-bearing assets	64,134	171,481
Net interest-bearing assets/debt (-)	**-129,084**	**-187,387**
Limit overdraft facility	50,000	50,000
Average interest bond loans	2.80 %	4.06 %
Interim interest regulations on bond loans		

	2022	2023	2024	2025	2026	Subsequent	Total *
Repayment profile							
Debt to credit institutions	71,500	0	0	10,000	0	0	81,500
Bond loans	0	490,000	0	0	0	0	490,000
Total	**71,500**	**490,000**	**0**	**10,000**	**0**	**0**	**571,500**

** Non-current liabilities are reduced with provision paid with loan rising. The provision is accrued between the term of loans, and was per 31.12.2021 TNOK 3,774.*

FINANCIAL "COVENANTS"

Financial covenant requirements for AUSS (the parent company) are measured on the Group`s consolidated level, and requires a minimum book equity ratio of 30% and a debt service ratio not less than 1.05. The book equity ratio in the Group per 31.12.2021 was 58% and per 31.12.2020 it was 58%.

	2021	2020
Liabilities secured by mortgage		
Current liabilities	71,500	13,016
Non-current liabilities	0	71,500
Liabilities to credit institutions incl. leasing liab.	**71,500**	**84,516**
Assets provided as security		
Shares in Br. Birkeland AS and Br. Birkeland Farming AS	233,576	233,576
Trade receivables and other receivables	61	756
Total assets provided as security	**233,637**	**234,332**

FAIR VALUE OF NON-CURRENT LIABILITIES

Based on contractual terms of non-current borrowings (excl. bond loan), the fair value of the loans is estimated to be equal to book value as of 31.12.2021. For further information about the bond loan, please refer to note 17 in the consolidated financial statement.

NOTE 15
Other current liabilities

	2021	2020
Specification of other current liabilities		
Wages and salaries	887	883
Interest payments due	1,778	3,346
Other current liabilities	86	56
Total other current liabilities	**2,751**	**4,286**

NOTE 16
Related parties

	Operating revenue		Operating expenses	
	2021	2020	2021	2020
Relationship				
Subsidiaries	1,874	1,999	4,245	4,570
Associates	0	0	634	583
Owners and their related parties	5	0	5,310	5,836
Total	**1,879**	**1,999**	**10,189**	**10,988**

	Trade receivables		Trade payables	
	2021	2020	2021	2020
Relationship				
Subsidiaries	56	51	-394	-294
Owners and their related parties	5	0	-4,258	-5,325
Total	**61**	**51**	**-4,652**	**-5,619**

	Other current receivables		Non-current receivables	
	2021	2020	2021	2020
Relationship				
Subsidiaries	919,375	777,510	64,134	171,481
Total	**919,375**	**777,510**	**64,134**	**171,481**

	Other current liabilities		Non-current liabilities	
	2021	2020	2021	2020
Relationship				
Subsidiaries	0	0	57,419	0
Total	**0**	**0**	**57,419**	**0**

Møgster Management AS is owned by the company's major shareholder, Laco AS, and delivers administrative services (legal advice, catering, secretary, accounting) to the company. Marin IT AS delivers IT services, and is owned 25% by AUSS.

In 2021 the company paid TNOK 4,245 (2020: TNOK 4,570) to subsidiaries mainly for administrative services.

NOTE 17
Earnings and dividend per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares issued during the year.

	2021	2020
Calculation of earnings per share		
Profit for the year	910,729	727,558
No. of shares at 31.12. (1,000)	202,717	202,717
Average no. of shares less treasury shares (1,000)	201,824	201,824
Earnings per share - all shares (NOK)	**4.49**	**3.59**
Earnings per share/diluted earnings per share (NOK)	**4.51**	**3.60**
Proposed dividend per share (NOK)	**4.50**	**3.50**

NOTE 18
Accounting principles

The principal accounting policies applied in the preparation of the separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION

The statutory accounts have been prepared in accordance to the Regulations of 21st of January 2008 regarding "simplified" IFRS as determined by the Ministry of Finance. The separate financial statements of AUSS (Company) were approved by the board of Directors of AUSS 22nd of April 2022. Preparation of separate financial statements for the parent company is required by law.

The separate financial statements have been prepared under the historical cost convention, with the following modification below:

The preparation of financial statements in conformity with simplified IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in note 2 in the consolidated financial statements.

For a description of new standards and interpretations and amendments to existing standards, please refer to note 28 in the consolidated financial statements.

INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

Investment in subsidiaries, joint ventures and associates are accounted for at cost.

The fair value of the company's investments in subsidiaries, joint ventures and associated companies may vary over time, and is therefore reviewed for potential impairment. Fair value assessment will be affected by many factors, such as expectations of future earnings, specific branch conditions, owner shares, shareholder structure, but also macro conditions which are not directly related to the individual company. For quoted investments, current bid prices will be considered as one of several objective criteria in the fair value assessment. If the impairment test indicates that fair value is significantly lower than carrying amount and the situation is expected to persist, an impairment loss is recognised for the amount the carrying value exceeds the recoverable amount. Impairments may be reversed at a later reporting date.

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The separate financial statements are presented in Norwegian Kroner (NOK), which is the functional and presentation currency of AUSS.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of fixed assets is calculated using the straight-line method to allocate cost less residual value over estimated useful lives.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount.

FINANCIAL ASSETS

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'other receivables' in the balance sheet (note 10).

ACCOUNT RECEIVABLES

Account receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of account receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the account receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement within 'other operating expenses'.
When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred.
Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

CURRENT AND DEFERRED INCOME TAX

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided in full at nominal values, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

PENSION OBLIGATIONS

All employees have a defined contribution pension scheme.

PROVISIONS

Provisions (e.g. environmental restoration, restructuring costs and legal claims) are recognised when:

- the Company has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation;
- and the amount has been reliably estimated

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

REVENUE RECOGNITION

The company's revenue consists of sale of administrative services to related parties. These services are based on accrued time.

Revenues comprise the fair value of the consideration received or receivable net of value-added tax, returns, rebates and discounts.

The services are recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for

NOTE 18 cont.
Accounting principles

each of the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Company uses the right to derogate from the regulations in IAS 10 no. 12 and 13 in simplified IFRS, according to which dividend may be recognised as income in accordance with Norwegian Accounting Act. Dividends from subsidiaries are recognised in the period they relate to. Dividends from other companies are recognised when the right to receive payment is established.

BORROWING COSTS

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities are defined as

(i) possible obligations resulting from past events whose existence depends on future events
(ii) obligations that are not recognised because it is not probable that they will lead to an outflow of resources
(iii) obligations that cannot be measured with sufficient reliability

Contingent liabilities are not recognised in the annual financial statements apart from contingent liabilities which are acquired through the acquisition of an entity. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the probability of the liability occurring is remote.

Contingent liabilities acquired upon the purchase of operations are recognised at fair value even if the liability is not probable. The assessment of probability and fair value is subject to constant review. Changes in the fair value are recognised in the income statement.

A contingent asset is not recognised in the financial statements, but is disclosed if there is a certain level of probability that a benefit will accrue to the Company.

CASH FLOW STATEMENT

The Company must apply IAS 7 even though the financial statements are prepared according to simplified IFRS. The Company's cash flow statement shows the overall cash flow broken down to operating, investing and financing activities. The cash flow statement illustrates the effect of the various activities on cash and cash equivalents.

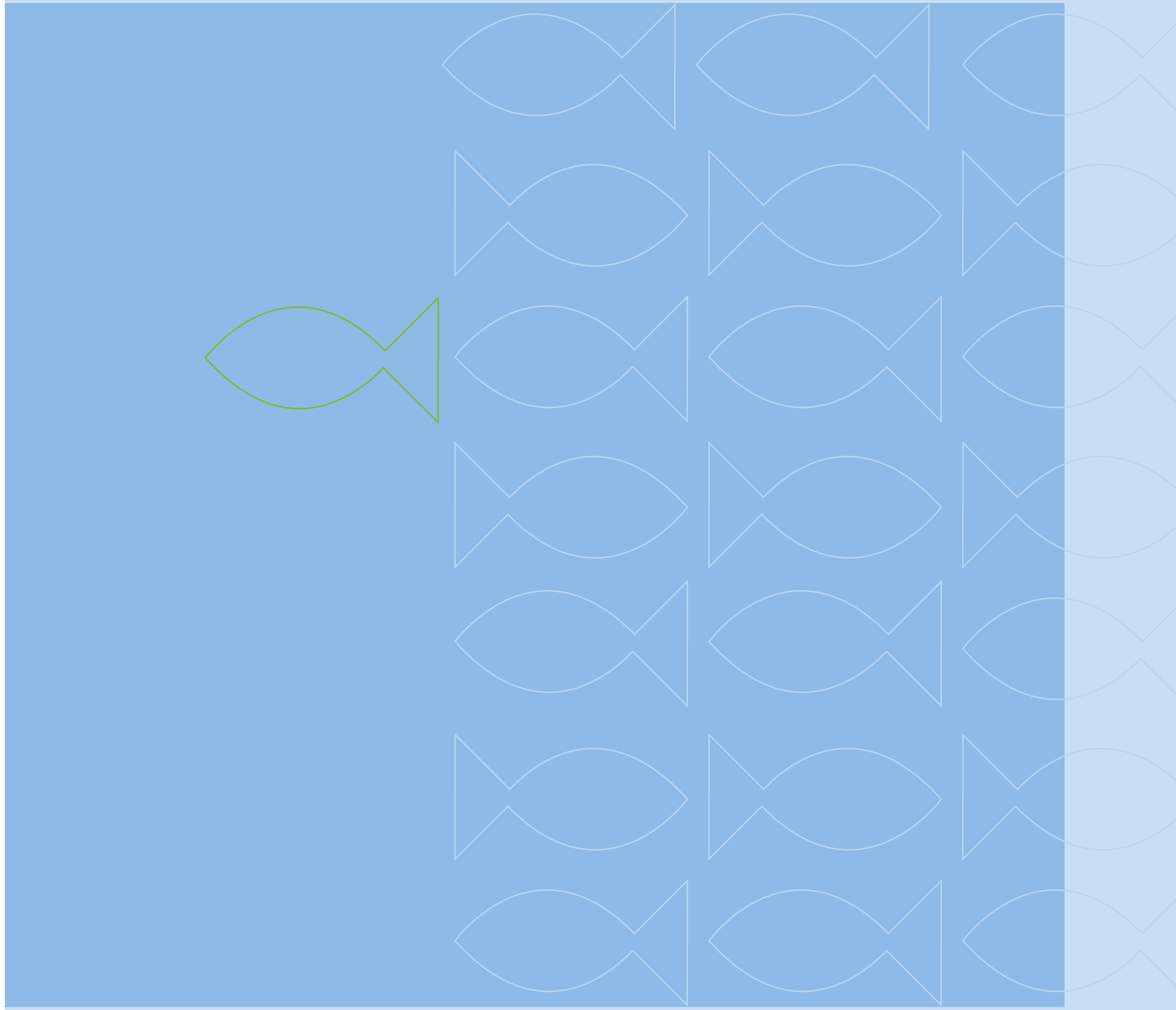
EVENTS AFTER THE BALANCE SHEET DATE

New information after the balance sheet date concerning the Company's financial position at the balance sheet date is considered in the financial statements. An event after the balance sheet date that does not affect the Company's financial position on the balance sheet date, but will affect the company's financial position in the future is reported where material.

EARNINGS PER SHARE

The Company must apply IAS 33 even though the financial statements are prepared according to simplified IFRS. Earnings per share are calculated by the profit attributable to equity holders of the company of the result for the period being divided by a time-weighted average of ordinary shares for the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.



FINANCIAL CALENDAR 2022

13.05.2022	REPORT Q1 2022
24.05.2022	ANNUAL GENERAL MEETING
24.08.2022	REPORT Q2 2022
15.11.2022	REPORT Q3 2022
21.02.2023	PRELIMINARY ANNUAL RESULTS 2022

Please note that the dates might be subject to changes.

Responsibility statement

We confirm, to the best of our knowledge, that the financial statements for the period 1st of January to 31st of December 2021 have been prepared in accordance with current applicable account standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the group taken as a whole. We also confirm that the management report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Storebø, 22nd of April 2022
Board of Directors in Austevoll Seafood ASA

Helge Singelstad *Chairman*	Helge Møgster *Board member*	Hege Charlotte Bakken *Deputy Chairman*
Hege Solbakken *Board member*	Eirik Drønen Melingen *Board member*	Lill Maren Møgster *Board member*
Siren M. Grønhaug *Board member*		Arne Møgster *CEO & President*

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To the General Meeting of Austevoll Seafood ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Austevoll Seafood ASA, which comprise:

- The financial statements of the parent company Austevoll Seafood ASA (the Company), which comprise the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Austevoll Seafood ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2021, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 26 years from the election by the general meeting of the shareholders on 24 May 1996 for the accounting year 1996.

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The Groups business activities are largely unchanged compared to last year. Measurement and valuation of biological assets contain approximately the same complexity and risks as previous year and have been in focus for the audit also this year.

Key Audit Matter	How our audit addressed the Key Audit Matter
Measurement of biological assets	
As described in the financial statements Austevoll Seafood ASA values biological assets to their fair value according to IAS 41. At the balance sheet date, the fair value of biological assets was MNOK 6 173, of which MNOK 4 706 is historical cost and MNOK 1 467 is adjustment to fair value. Biological assets comprise inventory of ova (eggs), juveniles, cleaner fish, brood stock and fish held for harvesting purposes (on growing stage). Measured in fair value biological assets constitute approximately 14 % of the balance sheet as at 31 December 2021. Due to the nature and location of the inventory, it is impracticable to attend the physical inventory counting. Consequently, we have performed alternative audit procedures to obtain sufficient appropriate audit evidence regarding the existence and condition of the inventory. The group has established control procedures for measurement of both number of fish and biomass. However, a certain inherent risk of deviations exists in the measurement. We have therefore focused on measurement of the inventory of biological assets (number and biomass) in the audit, with emphasis on fish for harvesting purposes, which constitutes the main part of the Group's biological assets.	The Group's biomass system includes information about number of fish, average weight and biomass per site. We reconciled the movement in the inventory of fish held for harvesting purposes (in number and biomass) for the farming units in the period. The movement in number of fish is the total of smolt stocked, mortality, other loss and harvested fish whereas the movement in biomass is the total of stocked biomass, net growth in the period and harvested biomass. We focused particularly on number of smolt stocked and net growth in kilo. This has the most significant impact on the measuring at the balance sheet date. We reviewed the Group's routines connected to recording of number of smolt stocked. In order to assure the accuracy of the number of fish registered in the biomass system we tested if a selection of recorded smolt stocked from the production system agreed to the number of fish according to supporting documentation. Supporting documentation may for instance be invoice from smolt supplier, vaccination report or well boat count. We also reviewed and tested the Group's routines for continuous registration of mortality. The period's net growth corresponds to the feed used in the period divided by the feed conversion rate. The feed consumption is again closely related to the purchase of feed in the period. In order to estimate the feed consumption and the feed purchase in the period, we reviewed the Group's routines for reconciliation of feed inventory and tested a sample of feed purchase throughout the year against incoming invoice from the feed suppliers. Furthermore, we compared the accumulated feed conversion rate of the inventory against our expectation based on historic figures for the individual region. Where the feed conversion rate was significantly higher or lower than expected, we obtained further documentation and explanations. Our work substantiated that the net growth had been reasonably assessed. In order to challenge the historical accuracy of the Group's biomass estimates, we reviewed the harvest deviation for the period. Harvest deviation is defined as the difference between harvested biomass (in kilos and numbers) and estimated biomass according to the Group's biomass systems. We also reviewed harvest deviation after the balance sheet date to verify the correctness of fish ready to be harvested as at 31 December 2021. We found the deviations to be relatively limited overall and in accordance with expectations.

Valuation of biological assets	
The fluctuations in fair value estimate that arise for instance due to change in market prices may have a significant impact on the operating result for the period. Austevoll Seafood ASA therefore presents the effect of value adjustments connected to biological assets as a separate line item before the operating result. We focused on the valuation of biological assets due to the size of the amount, the complexity and the judgement involved in the calculation and the impact of the value adjustment on the result for the year. See the description of the measurement and valuation of biological assets in note 2 about critical accounting estimates and judgements, note 7 about biological assets, and note 29 about accounting policies.	We reviewed the Group's structuring of calculation model for valuation by comparing it against the criteria in IAS 41 and IFRS 13 and found no obvious deviations. Furthermore, we examined whether the biomass and number of fish used in the Group's model for calculation of fair value of biological assets corresponded with the Group's biomass systems and tested if the model made mathematic calculations as intended. After having tested if these basic elements were in place, we assessed whether the assumptions used by the Group in the model, were reasonable. We did this by discussing the assumptions with the Group and comparing them to among other things, historical data, available industry data and observable prices. We found the assumptions to be reasonable. We assessed whether the disclosures in the notes appropriately explained the methods for measurement and valuation, and if the information was in accordance with the requirements in the accounting standards.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting

Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name 5967007LIEEXZXFFDC03-2021-12-31-no.zip have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).
In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Bergen, 28 April 2022
PricewaterhouseCoopers AS

Hallvard Aarø
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

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