



Austevoll Seafood ASA



ANNUAL REPORT 2022



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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	2022	2021	2020
Profit and loss account			
Operating income	31 150	26 633	22 447
Operating expenses	-25 368	-21 823	-18 772
EBITDA	5 782	4 810	3 675
Depreciation, amortisation, impairment and depreciation of excess value	-1 731	-1 592	-1 516
EBIT (before fair value adj. biological assets)	4 051	3 218	2 159
Fair value adjustment of biological assets	1 189	1 114	-954
OPERATING PROFIT	5 240	4 332	1 205
Income from associated companies	494	393	250
Net financial items	-307	-350	-427
Profit before tax	5 428	4 376	1 027
Profit after tax	4 285	3 436	823
Profit to minority interests	1 795	1 455	329
Balance sheet			
Intangible assets	12 007	11 748	11 526
Vessels, other property, plant and equipment	13 480	12 344	11 485
Other non current assets	3 648	3 217	2 732
Current assets	18 928	16 471	13 998
Total assets	48 062	43 781	39 741
Equity	28 162	25 187	22 991
Long term liabilities	12 021	12 623	11 130
Short term liabilities	7 879	5 971	5 620
Total equity and liabilities	48 062	43 781	39 741
Net interest bearing debt	5 140	3 970	4 650
Net interest bearing debt incl. IFRS 16	6 991	5 600	5 941
Cash flow			
Net cash flow from operating activities	3 195	4 635	2 944
Key ratios			
Liquidity ratio	2.40	2.76	2.49
Equity-to-asset ratio	59 %	58 %	58 %
EBITDA margin	19 %	18 %	16 %
Return on equity	16.1 %	14.3 %	3.6 %
Average no. of shares (thousands) *	201 824	201 824	201 824
Earnings per share	12.34	9.82	2.45
Dividend paid per share	4.50	3.50	2.50
Proposed dividend per share	5.50		

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. own shares of 893,300

DEAR STAKEHOLDERS

Over time Austevoll Seafood ASA (AUSS) has focused on building a strong organisation, ensuring that all participants in our group of companies (Group) have organisations well prepared to solve challenges and difficult and changing conditions. Following challenging years in 2020 and 2021 with many restrictions related to the covid 19 pandemic, restrictions were lifted during the first quarter of 2022. Special situations call for extraordinary efforts and put organisations to the test and we are proud of the effort, the flexibility and adaptability that our employees have shown during the challenging pandemic years.

2022 was a record year for the Group with an EBITDA in excess of NOK 6.8 billion including 50% of Pelagia. 70% of our result came from our salmon and whitefish activity in Lerøy Seafood Group ASA (LSG), and 30 % came from the remaining pelagic activity in the Group achieving for the first time an EBITDA in excess of NOK 2 billion. We are pleased with the financial performance of all our pelagic activities in both South America and the North Atlantic.

In 2022, the salmon industry harvest volumes decreased by 1% to approx. 2.86 million tonnes, compared with 2.89 million tonnes in 2021. Harvest volumes in Norway decreased by 2.6%, and the average spot prices for 2022 were up 38.5% (NOK 79 per kg) compared with 2021 prices (NOK 57 per kg). LSG earnings were stronger than in 2021. However, LSG experienced a setback in terms of volumes harvested. From a harvest volume of 187,000 tonnes in 2021, LSG's harvest volume of salmon and trout fell

6%, to 175,000 tonnes, in 2022. While LSG was able to reduce fish mortality in 2021 compared to 2020, this trend was reversed in 2022. Several projects and actions have been implemented to reduce mortality, increase growth speed, and reach LSG's targeted harvest volume of 205,000 tonnes in 2025.

For whitefish, the total volume caught was 71,700 tonnes in 2022 which is on par with 71,500 tonnes in 2021. Despite the positive development in delivery prices achieved by the fishing fleet, the high raw material cost remains a major challenge faced by the onshore processing industry, impacting our results for whitefish activity as a whole in 2022. Earnings from the whitefish activity increased slightly in 2022 compared with 2021. In 2023, the quota for the important species of cod will be further reduced, and less availability of raw material is a challenge for our onshore operations.

In the South America region, 2022 was a mixed year for the Peruvian fishmeal industry. The total quota set was on a higher level compared with 2021. However, the industry was only able to catch 84% of the total quota. The Austral Group decreased raw material intake from 569,000 tonnes in 2021 to 424,000 tonnes in 2022.

Total fish landings in Chile from our purse-seiner fleet were higher last year than in 2021 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 2%, from 105,000 tonnes in 2021 to 107,000 tonnes in 2022. The share of own catches also increased by 11%, from 72,000 tonnes in 2021 to 80,000 tonnes in 2022.

In respect of the pelagic operations in the North Atlantic region, since its inception in 2014 Pelagia has managed to add value to our raw material year by year – by utilising the fully integrated operational structure and expertise of the organisation. Total raw material intake for Pelagia in 2022 (excl. associates) was 1.2 million tonnes, in line with the 2021 level. Despite the level of raw material intake being on level with the previous year, gross revenues increased by 12% compared with 2021 and earnings were up by 67% due to better performance from all segments in the Pelagia Group.

Creating durable and lasting values and sustainable growth imposes stringent requirements on AUSS and the Group in respect of corporate governance, finance, climate and environmental and social issues. AUSS as a holding company has a limited footprint and our greatest opportunity to produce positive and reduce negative effects is through the participants in the Group. Our focus as a passionate owner of globally leading seafood companies is to be closely involved in the monitoring and business maintenance of our subsidiaries.

On 24 February 2022 we faced major geopolitical tensions with Russia's invasion of Ukraine. It is a heart-breaking war, and we are concerned above all about the humanitarian consequences. The

war has affected, and is continuously affecting the financial markets, currencies, logistics and availability and cost and flow of goods in every part of the Group's value chain.

Industrial developments and employment in capital-intensive activities exposed to global competition such as fish farming, fisheries and related industries, are challenging and require predictability. Achieving such predictability requires all businesses and national political leaders, to pursue responsible long-term policies. The government's proposal of 28 September 2022 concerning an excessive and debilitating tax related to use of natural resources on Norwegian aquaculture is an example of the irresponsible opposite and constitutes, in our opinion, a significant risk to the industry's development and its ability to continue contributing to society. The proposal is, unfortunately, an example of introduction of a kind of political risk that we have not seen in Norway in modern times. The seafood companies must, as we see it, be allowed and enabled to retain their capital resources in line with other export industries if they are not to lose ground in international competition. The Norwegian parliament is expected to reach a decision before the summer. This decision will be of crucial importance to the seafood industry development in Norway. At stake is its ability to maintain its unique position as a Norwegian regional industry that is globally competitive and has the potential to safeguard employment and living conditions along the coast, also considering that Norway's oil- and gas-related activities will eventually in the long run come to an end.

Finally, I want to thank all our employees for their hard work and sacrifices in 2022. The quality of our active ownership is dependent on the quality and commitment of the people working within the AUSS Group. Our strategy is to continue to grow and further develop our Group, together with our employees, within its current operating segments. I am grateful to all our employees for all their great and continued efforts over the years, and their trust, loyalty and devotion will continue to be the key factors in our success going forward.



ARNE MØGSTER
CEO
Austevoll Seafood ASA

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. 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 of the Group's companies and is also Chairman of the Board in Pelagia Holding AS. Mr. Singelstad has extensive experience from various types of businesses such as seafood sector, oil & gas.. 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. Ms. Bakken is Senior Advisor within strategy and management in Stella Polaris, Netherlands. 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 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. Ms. Bakken serves as member of the Board in Avramar S.L. and Biomega Group AS. Ms. Bakken has extensive experience within the Group's business areas, and previously served as a member of the boards of Lerøy Seafood Group ASA, Pronova Biopharma ASA and Pronova BioPharma Norge AS. Hege Charlotte Bakken is independent of the Company's major shareholders, the Company's management, and the Company's main business relations.



PETTER DRAGESUND (1964)

Member of the Board

Petter Dragesund has been member of the Board since 2022. He has been working as a private investor since 2021. Mr. Dragesund holds the degrees of Bachelor and Master of Science in Economics and Business Administration from the Norwegian School of Economics (NHH). Mr. Dragesund has almost 30 years' experience from Pareto Securities AS, where he worked from 1992 to 2021. From 2001 to 2014 he headed Pareto's Investment Banking division. Mr. Dragesund has broad experience of the seafood sector, based on more than 20 years of transactions within the sector. He holds board position in several companies within various sectors. Petter Dragesund is independent of the Company's major shareholders, the Company's management, and the Company's main business relations.



EIRIK DRØNEN MELINGEN (1988)

Member of the Board

Eirik Drønen Melingen has been member of the Board since 2017. He is Senior Charterer & Technical Advisor in DOF Management AS. 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.



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. Mr. Møgster has extensive experience from all aspects of the fisheries and aquaculture industry. 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.



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



SIREN MERETE GRØNHAUG (1965)

Member of the Board

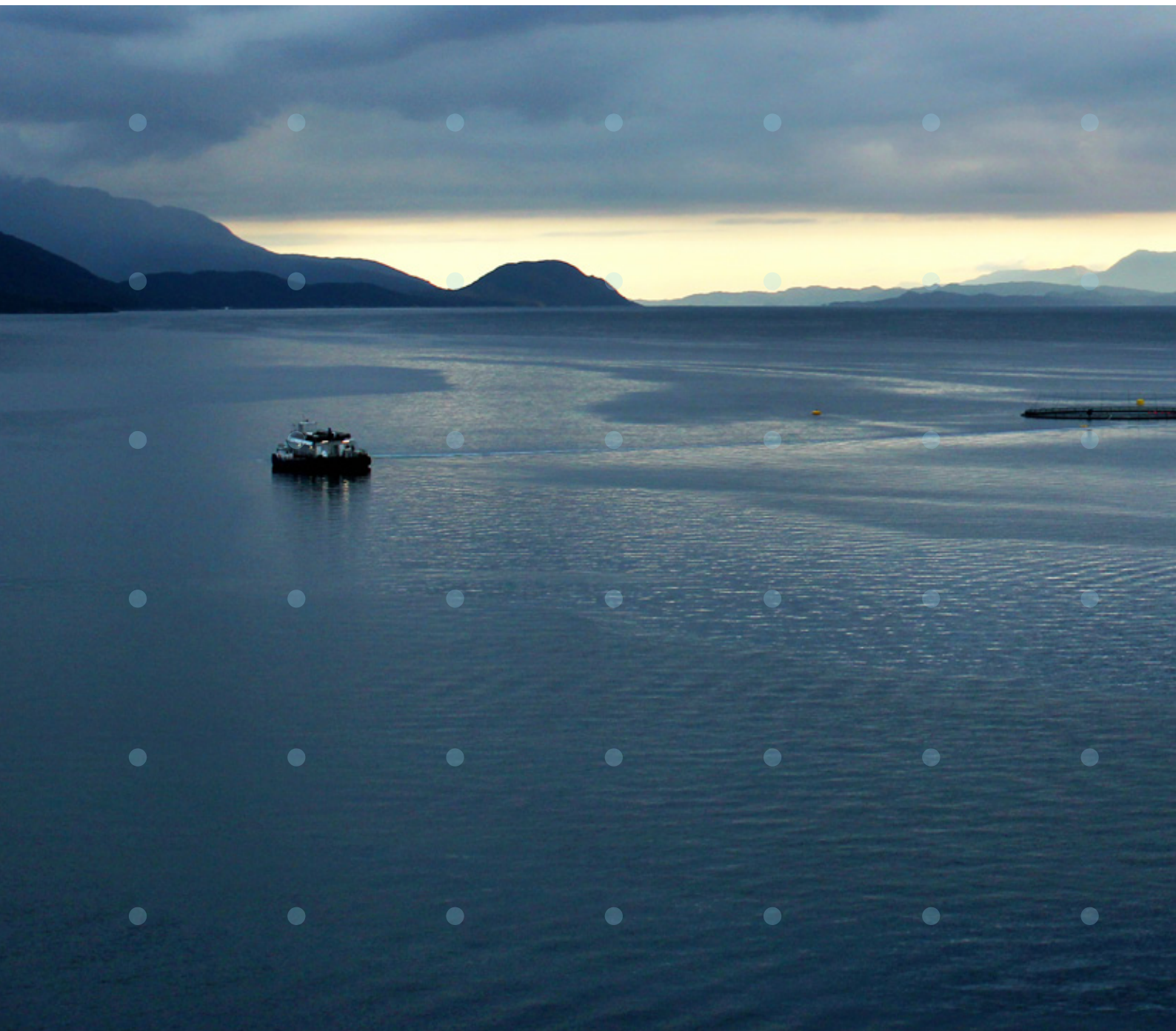
Siren Merete Grønhaug has been member of the Board since 2014. She is the Group director HR of Lerøy Seafood Group ASA, and was previously CFO of Lerøy Seafood AS. Ms. Grønhaug graduated as a Business Economist from the Norwegian School of Economics (NHH), and has additional training through the AFF Solstrand management development programme and at BI Norwegian Business School. She 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. Siren Grønhaug is independent of the Company's major shareholders, the Company's management, and the Company's main business relations.



HEGE SOLBAKKEN (1972)

Member of the Board

Hege Solbakken has been member of the Board since 2021. She is partner and Chairman of the Board at Bønes Virik AS. Ms. Solbakken holds an MSc degree in Comparative Politics from the University in Bergen 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. Ms. Solbakken has been leader of the Maritime Forum Norway, CEO in the Offshore Media Group, and CEO in Jefferson Wells Norway developing sustainability services. She also worked with Board and Executive selection in Visindi. Ms. Solbakken holds a board position in Voss Veksel og Landmandsbank ASA and is the Deputy Chairman of the Board in the green energy company Varanger Kraft AS. Hege Solbakken is independent of the Company's major shareholders, the Company's management and the Company's main business relations.





BOARD OF
DIRECTORS
REPORT

BOARD OF DIRECTORS' REPORT 2022

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"

The Group's activities are divided into operating segments that mirror the Group's 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).

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 business 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, and production of fishmeal and fish oil, protein concentrate 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 in 1981, AUSS has sought to remain loyal to its strategic foundation of "creating lasting values through sustainable and expert use of both freshwater resources and the ocean, in thriving communities".

VALUES

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

The entire value chain in AUSS's portfolio companies has its "source" in sustainable use of natural resources, including freshwater and the ocean. The Group's growth has been and must 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. Uniformly sustainable operations are a prerequisite for access to capital and vital to the Group's existence and continued development. Social sustainability is important for maintaining 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 focused on four additional main areas in its sustainability reporting where we can make the biggest positive difference: sustainable oceans, climate measures, thriving local communities and, not least, developing the Group's employees.

The Group's foundations were strengthened in 2022, and are manifest in the company's principles for sustainable management, control and reporting in the company's Annual report for 2022.

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

For the Corporate governance report, please refer to the Annual report for 2022 and the company's Sustainability report for 2022, both available on the company's website: www.auss.no.

TAX

AUSS will contribute to value creation in the local communities of which the parent company and the portfolio companies are a part. AUSS is committed to transparency and the requisite accuracy in its tax affairs. AUSS is to comply with relevant tax rules and pay tax 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 Norwegian

Ministry of Finance on 9 December 2016.

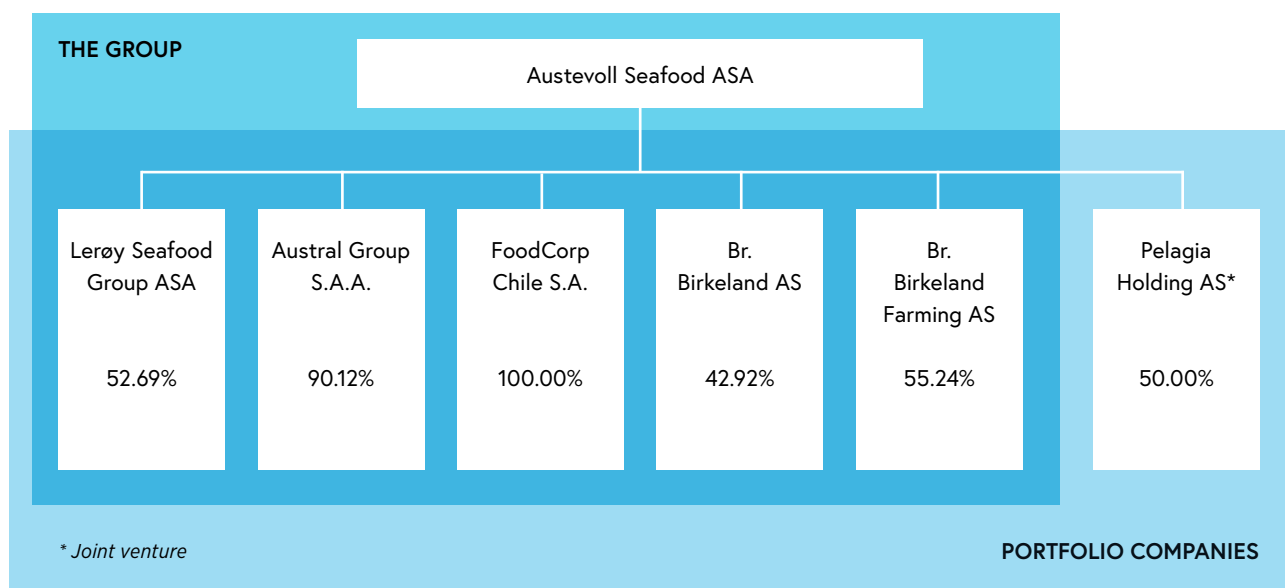
THE GROUP'S ACTIVITIES IN 2022

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. After two challenging years of severe restrictions related to the COVID-19 pandemic, the final restrictions were lifted in Q1 2022. Through 2020 and 2021 we saw how a pandemic, and its attendant restrictions and fear, can have a negative impact on demand and value chains. Challenging times test the mettle of organisations, and we are proud of the extraordinary contributions made and the creativity and willingness to change demonstrated by our employees in difficult circumstances over the last few years.

On 24 February 2022, the world bore witness to Russia's brutal invasion of Ukraine. The invasion has caused and is causing unimaginable human suffering for those directly involved in the conflict. The conflict in Europe has impacted and continues to impact financial markets, exchange rates, supply chains, and the supply and price of input factors.

The Group found its collaboration with public bodies to be mostly positive in the difficult situation we experienced in 2020 and 2021. This led us to hope, and believe, that we could further develop this interaction based on accountability and knowledge-based facts, focusing on employment and value creation in the decades ahead.

Unfortunately, this is not how things turned out. On 28 September 2022, the Norwegian government and Ministry of



Finance published their resource rent proposal, which is detrimental to the industry and lays bare a lack of insight into its value chain and value creation, and hence of the consequences the proposal will have. The government's Proposition to the Storting (Prop. 78 LS) concerning resource rent tax on aquaculture was published on 28 March 2023. We had trusted that the government would listen to the 400+ consultation responses submitted, but are forced to acknowledge that it has disregarded compelling input from industry experts. Based on the current composition of the Storting, the bill is expected to be passed before the summer. Should this happen, it will have significant negative repercussions for the industry's future development in Norway. Adoption of the bill will impair the country's ability to maintain its unique position as a world-leading food producer that is competitive from both a financial and an environmental/climate perspective.

Given the prevailing framework conditions, the Board of Directors is essentially satisfied with the Group's results for the 2022 financial year. The Board would like to say a big thank-you to the management and employees of all the portfolio companies for their hard work in 2022.

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.

LSG's goal is to create the world's most efficient and sustainable value chain for seafood.

It has worked systematically towards this goal by means of organic growth and a series of acquisitions since its IPO on 3 June 2002. Today, the Group is one of the world's largest producers of Atlantic salmon and trout. The acquisitions of Havfisk ASA (now Lerøy Havfisk AS) and Norway Seafood Group AS (now Lerøy Norway Seafood 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. LSG takes an active role in developing the seafood value chain, with ever greater global presence. Every day, LSG supplies Norwegian seafood corresponding to five million meals to more than 80 different markets. This growth has been achieved by means of investments throughout the value chain, system development, organisation building and access to venture capital. The Group has a clear ambition to further develop its position in the years to come.

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

LSG's Farming segment operates in three regions in Norway: Troms and Finnmark, Nordmøre and Trøndelag, and the county of Vestland. In addition, LSG owns the Scottish fish farming company Scottish Sea Farms Ltd via its 50% shareholding in Norskott Havbruk AS.

LSG's Wild Catch segment comprises the entities Lerøy Havfisk AS (Havfisk) and Lerøy Norway Seafood AS (LNWS). Havfisk's primary business is whitefish fisheries, and 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. Havfisk also owns several processing plants, which are mainly leased out to the associate LNWS on long-term contracts. Havfisk's fishing rights/trawler licences stipulate an operational obligation for these plants. LNWS's primary business is processing wild-caught whitefish. The company has use of 12 processing plants and purchasing stations in Norway, five of which are leased from Havfisk.

LSG's VAP, Sales & Distribution segment comprises the Group's downstream entities in Norway and worldwide. LSG works to develop an efficient and sustainable value chain for seafood. This not only provides cost-efficient solutions, but also quality, availability, a high level of service, traceability and competitive climate-related and environmental solutions. Investments – leading to good, full-year jobs – in downstream entities 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, are expected to make a positive contribution going forward.

LSG reported revenue of NOK 26,652 million in 2022 (2021: NOK 23,136 million) and the Group reported EBITDA of NOK 4,521 million (2021: NOK 3,778 million). Operating profit before



fair value adjustment related to biological assets (EBIT) increased from NOK 2,519 million in 2021 to NOK 3,195 million in 2022, giving an EBIT margin of 12%. At year-end 2022, LSG had a balance sheet total of NOK 37,062 million (2021: NOK 34,194 million) and net interest-bearing debt of NOK 4,346 million (2021: NOK 3,297 million).

LSG's earnings were higher in 2022 than in 2021, driven by good demand for the Group's products and higher prices realised for its products.

The rebound in demand following the reopening of society combined with high contract shares and significant seasonal fluctuations in export volumes of salmon and trout led to extremely volatile developments in the spot prices for salmon and trout through 2022. The average price for salmon during the year, measured according to NSI (sales price FCA Oslo), was NOK 79/kg, up from NOK 57/kg in 2021. These prices are testimony to a strong underlying market. A number of factors influenced LSG's prices realised compared with the spot price for whole salmon, including contract share, quality and time of harvest. The contracts are entered into long before the fish are harvested, and LSG's contract share in 2022 was around 40%, with prices realised being significantly lower than the spot price. LSG harvested 175,000 tonnes in 2022, down from 187,000 tonnes in 2021. In recent years LSG has invested heavily in smolt production, which, combined with a number of improvement measures, had led to growth in harvest volumes. Unfortunately, 2022 saw a slight reversal in this trend. A number of measures have

been implemented to restore and continue the positive trend in production growth. LSG maintains its goal of harvesting 205,000 tonnes in 2025.

The weakness of the Norwegian krone and general inflation have had a positive impact on the Group's prices realised but have also been reflected in higher costs for all the input factors used in the Group's production. The Farming segment saw cost increases of approx. NOK 6.00 per kilo in 2022 compared with 2021. Feed accounts for the biggest share of the increase, but there were also significant increases for energy, well-boat costs, packaging and other transport.

Havfisk's catch volume in 2022 was around 72,000 tonnes, which is on par with 2021. Cod quotas were cut by 20% in 2022 relative to 2021, but the reduction in cod volumes was offset by higher catches of redfish. Prices realised are lower for redfish than for cod. Strong demand in the market has pushed up prices for all species and, despite higher volumes of redfish, average price realised increased by 26% overall compared with 2021. The trawler fleet's catch costs have risen dramatically, particularly as a result of higher bunker prices. Bunker prices were NOK 170 million higher than in 2021. Crew costs also increased, up NOK 130 million on 2021. Catch share systems base part of the crew's pay on the value of the catch.

The Group's focus on improving the competitiveness of the whitefish industry is a long-term project, which continues undiminished. Earnings had improved significantly in 2021, but 2022 showed a

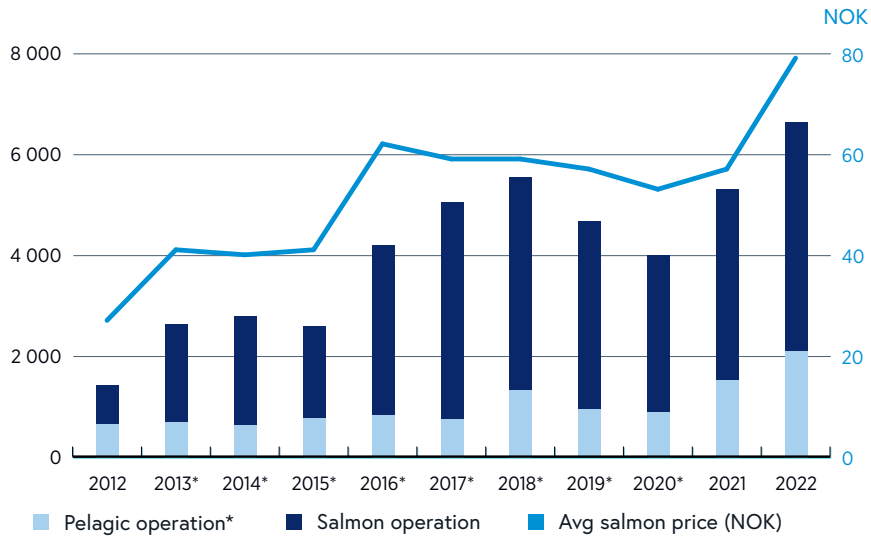
negative trend. Higher raw material prices for whitefish have been positive for the fishing fleet, but the prices for end products have not shown the same strong development as those for raw materials, resulting in significant pressure on margins in the onshore industry. The Group expects that higher raw material prices will gradually be reflected in the prices for the end products.

With its fully integrated, cost-efficient value chain for salmon, trout, whitefish and shellfish, LSG shall supply products that are best suited to the consumers' preferences. Proximity to key markets and knowledge of the customer's needs are therefore crucial if the Group is to develop demand for its main products. In the course of a calendar year, Lerøy distributes a wide range of seafood products from Norway to more than 80 different markets. LSG also processes and distributes a number of market-specific seafood products in their respective local markets where the Group has operations. LSG's value chain shall be further developed in order to satisfy and increase the consumers' total demand for seafood.

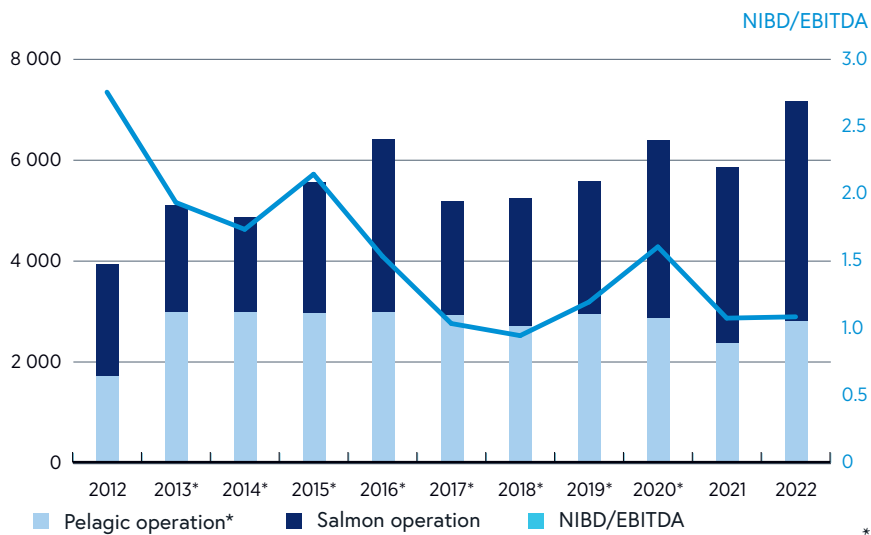
Volatile prices and extreme price movements in the spot market in 2022 brought changes in margins throughout the value chain. It has taken time for actors in different parts of the value chain to adapt to the new price level. Moreover, there have been price increases for almost all input factors, including transport costs, which negatively impacts the profitability of the VAP, Sales & Distribution segment, and situations such as this put the segment's earnings under pressure in the short term.

EBITDA AND NIBD GROUP

EBITDA incl. 50% of Pelagia Holding Group



NIBD GROUP *incl. 50% of Pelagia Holding AS



*incl. 50% of Pelagia

Investigations by competition authorities in the EU and USA

On 20 February 2019, the EU competition authorities ("the EU Commission") started an investigation into suspected anti-competitive practices in the salmon market. Lerøy Seafood Group ASA is one of the companies named in the case. It is unclear precisely what form the EU Commission believes any collusion may have taken, when it may have occurred and what negative consequences it may have had. Lerøy Seafood Group ASA is providing the authorities with every assistance in the case. It is as yet too early to say whether the case may lead to sanctions or other negative consequences for Lerøy Seafood Group. Given the time that has passed since the investigation started, further clarifications from the EU Commission should however be presumed to come within reasonable time. As regards the investigation opened by the US Department of Justice (DOJ) into the Norwegian salmon industry in November 2019, Lerøy Seafood Group ASA was informed in January 2023 that the investigation has been closed. In the wake of the EU Commission's ongoing investigations, several Norwegian-owned aquaculture companies, including companies in Lerøy Seafood Group, have been sued by customers in the USA and Canada. The Group believes these claims to be groundless, but due to factors such as significant litigation costs in the USA and commercial reasons, the Group chose to settle the two US class actions in 2022. The settlements in no way represent any admission of liability or wrongdoing. Reference is also made to stock exchange notice made on 25 May 2022 and the quarterly report for the second quarter

of 2022 for Lerøy Seafood Group ASA.

In 2022 PwC named LSG as one of Norway's 10 best companies in terms of environmental reporting in its Climate Index (Norway). This is an independent annual evaluation of how Norway's biggest companies conduct their sustainability initiatives and environmental reporting. The evaluation is based on information in the public domain from the companies' websites.

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 oil factories in Coishco and Pisco.

Anchoveta is used to produce fishmeal and oil, and horse mackerel/mackerel is used for consumer products. There are two seasons for anchoveta fisheries in Central and North Peru: the first from April to July and the second from November to January. Prior to each season, the Peruvian institute IMARPE carries out exploratory voyages 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. The Peruvian authorities set the final quota for the individual season.

In 2022, the national fisheries quotas for anchoveta in Central/North Peru totalled 5.1 million tonnes, divided into 2.8 million tonnes in the first season and 2.3 million tonnes in the second season. In all, 84% of the total national quotas was caught. The national quotas in 2021 totalled 4.5 million tonnes, divided into 2.5 million tonnes in the first season and 2.0 million tonnes in the second. Approx. 99% of the national quotas was caught in 2021. 2022 was another good year for fisheries in South Peru. The company's factory in Ilo processed 83,700 tonnes in 2022, the majority of which was purchased from the coastal fleet, compared with 111,000 tonnes in 2021.

The company's total volume of raw materials in 2022 – comprising own catches and purchases from third parties – amounted to 424,000 tonnes, down from 569,000 tonnes in 2021. Despite higher quotas, the company experienced a reduction in raw material volumes because of a lower share of the quota being caught in 2022. The company fished 85% of its total quota for the first season of 2022 and 68% of its total quota for the second season. The second season in 2022 was difficult, with a significant number of zones closed and fisheries being concentrated in North Peru. This was challenging given the locations of the company's factories and resulted in long voyages for the vessels and hence lower catch activity.



A total of 127,000 tonnes of fishmeal and oil were sold in 2022, on the same level as sales of 128,000 tonnes in 2021. The 2022 sales volumes were on a par with 2021, despite lower receipt of raw materials, because the company started 2022 with large stocks of finished goods. The prices realised for fishmeal were up 10% from 2021 to 2022. The company sells the majority of its fishmeal to Asia, with China as the single largest market. Prices realised for fish oil were up 76% on 2021, explained partly by increased demand and low oil yields from the second season in Peru.

The company started 2023 with an inventory of 20,800 tonnes of fishmeal and oil. The corresponding inventory at the start of 2022 was 48,000 tonnes.

For 2022 Austral reported revenue of NOK 2,562 million (2021: NOK 2,017 million), EBITDA of NOK 663 million (2021: NOK 673 million) and EBIT of NOK 468 million (2021: NOK 506 million), giving an EBIT margin of 18%, down from 25% in 2021. At year-end 2022, the company had a balance sheet total of NOK 2,845 million (2021: NOK 2,581 million) and net interest-bearing debt of NOK 553 million (2021: NOK 620 million).

The strong increase in revenue is the result of higher prices realised for the company's products. Earnings, however, were lower than in 2021, partly because of inflation, which has meant higher prices for input factors and lower production volumes compared with 2021. This is reflected in the reduction in the EBIT margin from 25% in 2021 to 18% in 2022.

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 are located in 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.

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). Thanks to SPRFMO's conservative management from 2011, 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. Since 2020, quotas have increased by 15% each year. SPRFMO's recommendation of a 20% increase for 2023 was adopted by the member states in February.

The company's supply of raw materials has therefore shown a positive development in recent years. In total, the company received 107,000 tonnes of raw materials in 2022, against 105,000 tonnes in 2021. As well as its own horse mackerel quota of 46,000 tonnes, it also purchased quota of 33,500 tonnes from a third party. The total volume for 2022 was therefore 79,500 tonnes of horse mackerel, compared with 71,800 tonnes in 2021. The quota increases combined with the growth in catches from third-party quotas have resulted in a much better basis of operations for the fleet and the factory in recent years.

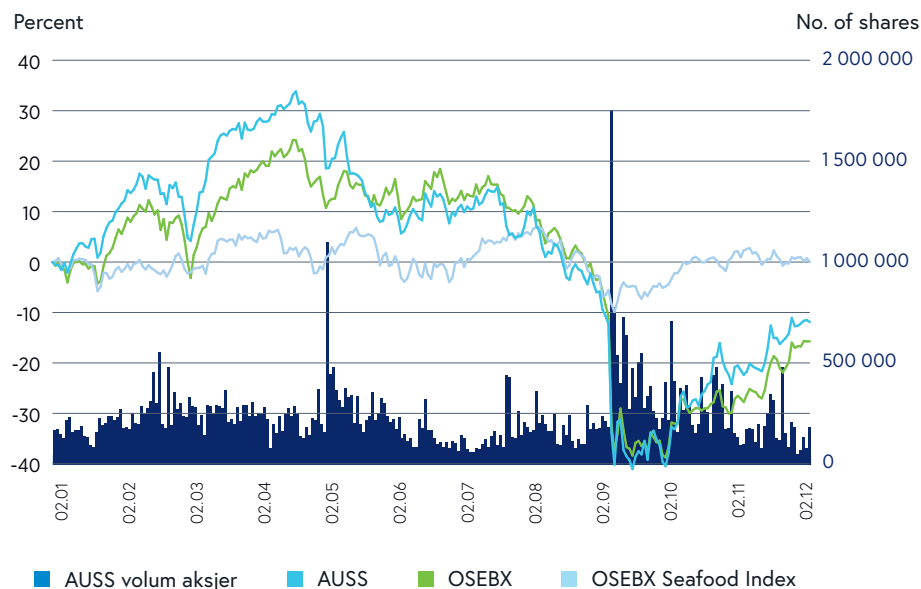
The company has also purchased raw materials from the coastal fleet. The raw materials purchased from the fleet group in 2022 were mainly anchoveta and sardines.

For 2022 the company reported revenue of NOK 821 million (2021: NOK 716 million), EBITDA of NOK 200 million (2021: NOK 192 million) and EBIT of NOK 128 million (2021: NOK 150 million), giving an EBIT margin of 16%, down from 21% in 2021. At year-end 2022, the company had a balance sheet total of NOK 1,311 million (2021: NOK 1,118 million) and net interest-bearing debt of NOK 213 million (2021: NOK 163 million).

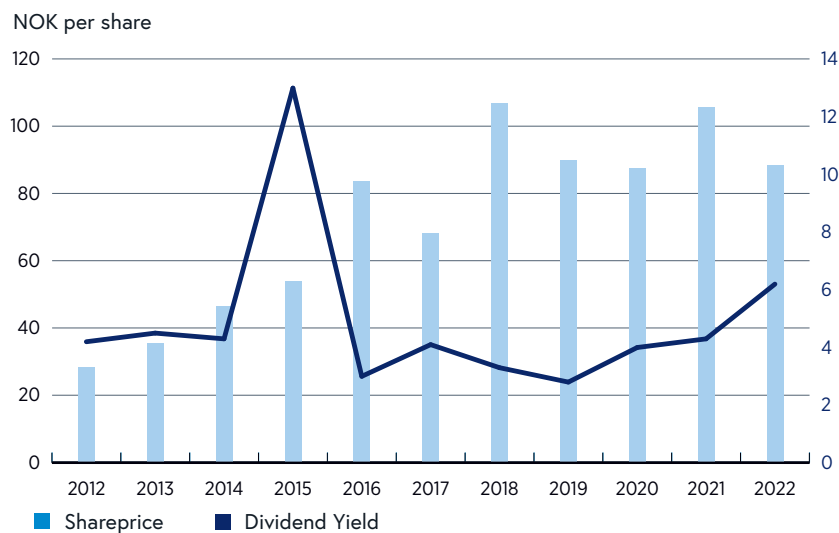
The company increased the percentage of its horse mackerel catch used for frozen products from 68% in 2021 to 76% in 2022. This adds value and has resulted in a year-on-year increase in revenue and earnings, despite prices realised for frozen products being approx. 10% lower. Inflation has meant higher costs, leading to a reduction in the EBIT margin compared with 2021.

INDEX AND SHAREPRICE

AUSTEVOLL SEAFOOD ASA VS. OSLO SEAFOOD INDEX AND OSEBX 2022



SHAREPRICE AND DIVIDEND YIELD PER SHARE



BR. BIRKELAND AS/BR. BIRKELAND FARMING AS (NORWAY)

At year-end 2022, AUSS owned 55.2% of the shares in the aquaculture company Br. Birkeland Farming AS and 42.9% of the shares in the fisheries company Br. Birkeland AS.

The fisheries company (BRBI) owns and operates two pelagic ring net vessels, each with a 681 basic tonne quota for ring nets and a 1,425 basic tonne trawler quota for blue whiting. BRBI also has two vessels that fish for snow crab.

It was another positive year of operations for pelagic fisheries, with good prices realised for all species. Snow crab fishing was problematic again in 2022, with challenging catch conditions. Complicated maintenance work was carried out on the vessels after the fishing season, which finished as early as 7 June. Taken together with challenging catch conditions, this had a severely detrimental impact on performance in 2022.

For 2022 BRBI reported total revenue of NOK 333 million (2021: NOK 306 million), EBITDA of NOK 37 million (2021: NOK 111 million) and negative EBIT of NOK -18 million (2021: NOK 70 million). At year-end 2022, the Group had a balance sheet total of NOK 701 million (2021: NOK 730 million) and net interest-bearing debt of NOK 41 million, compared with a net cash position of NOK 133 million at year-end 2021.

BFARM owns seven licences for farming Atlantic salmon in the county of Vestland. The company's harvest volume in 2022 was 8,631 tonnes (gutted weight), up from

8,151 tonnes in 2021. The company sells all its fish in the spot market, and the average price for salmon in 2022, measured according to NSI (sales price FCA Oslo), was NOK 79/kg, up from NOK 57/kg in 2021. The strong price performance, combined with the increase in harvest volume as a result of improved biological performance, is behind the growth in revenue and profit.

For 2022 BFARM reported total revenue of NOK 743 million (2021: NOK 432 million), EBITDA of NOK 367 million (2021: NOK 52 million) and EBIT before fair value adjustment related to biological assets of NOK 300 million (2021: NOK -12 million). At year-end 2022, the Group had a balance sheet total of NOK 1,296 million (2021: NOK 874 million) and net interest-bearing debt of NOK 13 million (2021: NOK 201 million).

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 oil, protein concentrate and frozen pelagic consumer products. Pelagia purchases all its pelagic raw materials from third parties, and also purchases residual raw materials from the aquaculture and whitefish industries. The company has production facilities in Norway, the UK and Ireland. Through its wholly owned 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 processed approx. 1.3 million tonnes of raw materials in 2022. The corresponding volume in 2021 was approx. 1.2 million tonnes.

For 2022 the company reported revenue of NOK 11,282 million (2021: NOK 10,002 million), EBITDA of NOK 1,691 million (2021: NOK 1,018 million) and EBIT of NOK 1,336 million (2021: NOK 727 million), giving an EBIT margin of 12%, up from 7% in 2021. At year-end 2022, the Group had a balance sheet total of NOK 9,137 million (2021: NOK 7,582 million) and net interest-bearing debt of NOK 4,119 million (2021: NOK 3,325 million).

All the Group's operating segments have experienced good levels of activity and improved earnings. The increase in revenue and earnings relates in particular to the fishmeal, protein concentrate and fish oil segment, as a result of rising prices for these products through 2022.

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

PEOPLE AND WORKING ENVIRONMENT

The COVID-19-related restrictions came to an end in Q1 2022. The way our portfolio companies focused on effective infection control measures and on taking care of their employees' health and safety through the pandemic is commendable.

The total number of full-time equivalents in the Group in 2022 was 7,235, of whom 1,829 were in South America. The corresponding figures for 2021 were 7,143



full-time equivalents with 1,916 in South America.

Sick leave in 2022 was 6.3% against 5.8% in 2021. The sick leave figure for 2022 reflects the tail end of the COVID pandemic in Q1 as well as the surge in normal infections through the year, which led to increased sick leave.

At year-end 2022, the Group had 8,487 employees in permanent and temporary positions. The gender distribution was 33% women and 67% men, compared with 31% women and 69% men at the end of 2021. The Board of Directors of Austevoll Seafood ASA comprises eight members with an even gender distribution.

We are working to achieve genuine gender equality in the Group's portfolio companies. All employees are to be assured equal opportunities irrespective of gender, and recruitment will focus on individual qualifications, performance and responsibility. The work to achieve equality is underpinned by the Group's various strategies, tools and guidelines.

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 various company health service providers. 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 208 (2021: 237) incidents resulting in sick leave during the year and 150 (2021: 182) not resulting in sick leave.

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.

EXTERNAL ENVIRONMENT

The processing industry in Norway has implemented quality assurance systems in accordance with regulations issued by the Norwegian Directorate of Fisheries. The Group's fishmeal and fish oil production in Norway is subject to licensing and governed by the regulations issued by the Norwegian Environment Agency. 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. All of the Group's factories in Peru 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 fisheries, and focuses on anchoveta. The certification is awarded to products that use anchoveta as a raw material and is subject to a rigorous appraisal process. Austral's certification 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.org).

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 horse mackerel stock is an important resource for the business in Chile and gained MSC certification in 2019. In the North Atlantic, important species such as North Sea herring, cod, 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 in 2021 for Norwegian spring-spawning herring, and for haddock and cod caught within 12 nautical miles of the Norwegian coast. Haddock and cod catches close to the coast were suspended because of the high number of coastal cod being caught, a species the authorities have established as being under pressure. Haddock and cod caught beyond 12 nautical miles of the Norwegian coast still has MSC certification. Blue whiting catches were also suspended in 2021, but the species was subsequently included in a “Fishery Improvement Project (FIP)”.

The Group’s fish farming operations are intrinsically 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 its 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.

As mentioned at the beginning of this report, the Group’s main drivers are its production of Atlantic salmon and trout, wild catches of pelagic and whitefish species using the Group’s own vessels, and raw materials purchased from third parties. The total volume of raw materials this provides forms the basis for the portfolio companies’ production of end products – whether for direct consumption or for fishmeal, protein concentrates or fish oil – at the companies’ factories. The Group’s total consumption of energy will vary from year to year depending on the level of fish quotas/catch volume for the Group’s vessels, volume of raw materials purchased from third parties, and the production of Atlantic salmon and trout. The Group works continuously to minimise energy requirements per kilo of seafood produced in its processing plants.

The Group’s total Scope 1 and 2 greenhouse gas emissions, converted to tCO₂e, were 286,962 in 2022 (2021: 283,353). This breaks down into 267,237 for Scope 1 (2021: 261,652) and 19,725 for Scope 2 (2021: 21,700). The Group’s fishing vessels account for the majority of the Scope 1 emissions, representing 59% of tCO₂e in 2022 (2021: 65%). The vessels’ propulsion systems run on fuel produced from fossil resources. There are currently no good alternative fuels for the Group’s seagoing vessels. Efforts are continuously made to reduce the vessels’ bunker

consumption, including making operations more efficient where possible. By way of example, photovoltaic cells have been fitted on one of the quayside warehouse buildings in Norway and the current produced is used as shore power for the vessels. Any surplus production is distributed to other consumers via existing power networks.

The Group’s factories accounts for 21% of the Scope 1 emissions, and the activities in Peru and Chile represents the majority of this volume. These factories have switched to using gas as an energy source in recent years, which produces lower CO₂ emissions than diesel.

See also the separate chapter on sustainability reporting in the company’s Annual report.

CORPORATE SOCIAL RESPONSIBILITY

As an active and engaged industrial owner, AUSS has worked actively for many years to follow up its corporate social responsibility as part of its daily operations and monitoring of its portfolio companies.

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 a question of achieving commercial profitability and creating secure jobs. This

is the basis for thriving local communities along Norway's extensive coastline, and in other places where the Group has operations. The Group shall conduct its operations and create value without compromising on fundamental ethical values and requirements for operating principles that are sustainable from an environmental and climate perspective.

Austevoll Seafood ASA joined the UN's Global Compact initiative in 2020 and adheres to its ten principles, and several of the portfolio companies also report on the same basis. AUSS has further established a committee for corporate social responsibility and sustainability comprising three board members, who have special responsibility for all areas within ESG being safeguarded and for reporting to the company's Board of Directors.

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 in areas such as health, safety and the environment, the Norwegian Transparency Act, 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 2022, 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 our products readily available to consumers and easy to prepare.

The company follows the provisions of the Norwegian Transparency Act. Reports and further information on this will be published on the company's website, www.auss.no.

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 employees in the Group 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. AUSS has established an external whistle-blowing channel that enables both employees and external parties also to notify matters anonymously: <https://auss.integrity.complylog.com/>



RISK MANAGEMENT AND INTERNAL CONTROL

It is neither possible, nor desirable, to eliminate all the risks related to the Group's activities. The Board of Directors has, however, focused on working systematically to identify risk areas and monitor defined risks within the Group's portfolio 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.

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. 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.

In common with society at large, the Group has stepped up its focus on climate risk. At an overarching level, the Group's risk assessment covers various scenarios involving geopolitical and market-related factors, etc. In recent years, the risk assessment has also encompassed climate-related risk to a greater extent. In general,

opportunities and risk are assessed on the basis of what are considered the most likely future scenarios. The Group is working to improve its risk management, to take even greater account of climate risk where possible. In 2022 AUSS launched a project to review risks and compile TCFD reports (Task Force on Climate-related Financial Disclosures) for the companies in the Group. This will form the basis for an overall report for AUSS, which we expect to have ready in the first six months of 2023. LSG published its first TCFD report in 2022.

KEY RISK FACTORS

The Group's activities are essentially global and will always be impacted to varying degrees by developments in the world economy. In light of the global economic turmoil of recent years, including trade barriers and geopolitical risk, the general consensus is that macroeconomic uncertainty is still greater than what was previously considered normal.

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 end products, 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.

The Group's risk profile includes pandemics, of which the COVID-19 outbreak is an example. The outbreak of COVID-19 led to national and global authorities introducing extensive restrictions in an attempt to prevent

uncontrolled spread of the infection. COVID-19 impacted global value chains in that, at a global level, the necessary measures taken by public authorities together with sickness and fear significantly affected how we live our lives. As a part of the global seafood industry, the Group has also been severely affected by the pandemic. Among other things, this has manifested in the form of changes in the pattern of demand for the Group's products, access to labour, both in the Group and externally, and other input factors, as well as increased credit risk.

In February 2022, the world bore witness to Russia's brutal invasion of Ukraine. The invasion has caused and 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.

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. 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 2022, the Group had live fish worth around NOK 8 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 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 relation to catches of wild fish according to Norwegian quotas. The Group faces political risk linked to decisions by the authorities, including framework conditions for fish farming and licence terms related to fisheries legislation in Norway and the other jurisdictions where the company carries out fisheries activity.

The Norwegian Ministry of Trade, Industry and Fisheries has submitted four memoranda on key themes in the new quota report, which the government has indicated it will submit to the Norwegian parliament for consultation. Among

other things, these concern allocation of structural profit from expired time limits in the structural quota scheme and quota allocation for North East Arctic cod. A new quota report is expected to be presented in the spring of 2023.

After many years of investments, the Group is a significant owner of farming licences and of whitefish and pelagic quotas. The Group faces political risk linked to decisions by the various authorities, including framework conditions for fish farming and licence terms related to fisheries legislation. Political risk, including a lack of predictability, could impair the industry's competitiveness and capacity for development and value creation. This risk was laid bare when the Norwegian government tabled a proposal to introduce resource rent taxation in the Norwegian aquaculture industry in September 2022 and subsequently published its Proposition to the Storting (Prop. 78 LS) concerning resource rent tax on aquaculture on 28 March 2023. The proposal involves a new tax of 35% on top of the standard 22% rate of corporation tax, resulting in a total tax rate of 57% if the proposal becomes law. The proposal is detrimental to the industry and will entail a substantially increased tax burden for the Group if it is adopted in its current form.

In 2021, the then government appointed the "Tax Committee", which published its report on 16 December 2022. The report's proposals include the introduction of a resource rent tax on fisheries. Since publication of the report, the current Norwegian government has been clear that it does not wish to introduce such a tax. It is worth pointing out that the parties

now in government went to the polls in 2021 saying they would not introduce a resource rent tax on Norwegian aquaculture. The level of political risk in Norway has increased significantly under the current government.

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 2022, the Group had fixed-rate agreements for around 20% 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.

SHAREHOLDERS

At year-end 2022, AUSS had 9,519 shareholders. By comparison, the company had 8,277 shareholders at the end of 2021. The share price at 31 December 2022 was NOK 88.45 per share. The share price at the end of 2021 was NOK 106.40 per share.

The company's share capital at 31 December 2022 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 2023, 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 200. A proposal will be made to the company's Annual General Meeting in the spring of 2023 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 5.50 per share for 2022. The dividend payment for financial year 2021 was NOK 4.50 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 2022 recommended to the Annual General Meeting to be held on 25 May 2023 is thus NOK 1,114,945,557. Of this amount, NOK 4,913,150 represents dividends payable on treasury shares. The payment date is 9 June 2023, and the shares will be traded ex dividend from and including 26 May 2023.

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.

CONSOLIDATED FINANCIAL STATEMENTS

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

Group revenue was NOK 31,149 million in 2022, compared with NOK 26,633 million in 2021. Other gains and losses represented NOK -20 million of this figure in 2022, compared with NOK 62 million in 2021. This gives a year-on-year increase in revenue of 17%.

The Group's operating profit before depreciation and fair value adjustment related to biological assets (EBITDA) amounted to NOK 5,782 million in 2022, compared with NOK 4,810 million in 2021.

Operating profit (EBIT) before fair value adjustment related to biological assets was NOK 4,051 million in 2022, against NOK 3,218 million in 2021.

The Group's earnings in 2022 were significantly stronger than in 2021. Good development in demand and higher prices realised played a part in this, but higher inflation and cost increases for almost all input factors have meant only a modest increase in the operating margin in 2022 compared with 2021. The operating margin for 2022 was 13%, up from 12% in 2021.

Operating profit after fair value adjustment related to biological assets amounted to NOK 5,240 million in 2022, against NOK 4,332 million in 2021. Fair value

adjustment related to biological assets was NOK 1,189 million in 2022, compared with NOK 1,114 million in 2021.

The largest associates are Pelagia Holding AS (Pelagia) and Norskott Havbruk AS (Norskott) (owner of the Scottish fish farming company Scottish Sea Farms Ltd.). These companies have reported consistently good results over time and represent substantial values for the Group. In 2022, profit from associates totalled NOK 494 million, compared with NOK 394 million in 2021. The improvement stems from Pelagia, thanks to strong operations, a good market for the company's products and associated price growth within marine protein. Norskott's operations faced a challenging biological situation, with results significantly down on 2021.

Net financial expenses were NOK 307 million in 2022, against NOK 350 million in 2021. The annual profit after tax in 2022 was NOK 4,285 million. The corresponding figure for 2021 was NOK 3,437 million.

The Group's net cash flow from operating activities was NOK 3,195 million in 2022, compared with NOK 4,635 million in 2021. Higher prices led to higher tied-up working capital in accounts receivable, biomass in the sea and stocks of finished goods. Tax payments totalled NOK 775 million in 2022, compared with NOK 447 million in 2021. As well as corporation taxes, the portfolio companies pay significant amounts in export duties and production fees within aquaculture as well as fisheries fees, property tax and employers' contributions.

Net cash flow from investing activities in

2022 was negative at NOK -1,675 million. In 2021 it was also negative at NOK -1,650 million. As previously described, the Group has invested substantial amounts in its core activities in recent years. Major investments in 2022 included a new processing plant in the county of Vestland, expected to be completed in Q2 2023. The Group received dividends from associates totalling NOK 131 million in 2022, compared with NOK 114 million in 2021.

Net cash flow from financing activities in 2022 was NOK -2,547 million. The Group paid dividends of NOK 1,752 million in 2022, compared with NOK 1,341 million in 2021. Net cash flow from financing activities in 2021 was NOK -2,128 million.

At year-end 2022 the Group had bank deposits of NOK 4,340 million, down from NOK 5,329 million at year-end 2021.

The Group's balance sheet total at year-end 2022 was NOK 48,062 million, compared with NOK 43,781 million at year-end 2021.

The Group is financially sound. Book equity at 31 December 2022 totalled NOK 28,162 million. This constitutes an equity ratio of 59%. Equity at 31 December 2021 was NOK 25,187 million, equivalent to an equity ratio of 58%.

At year-end 2022, the Group had net interest-bearing debt of NOK 5,140 million, while the corresponding figure at year-end 2021 was NOK 3,970 million. Including lease liabilities other than to credit institutions of NOK 1,851 million, net interest-bearing debt at year-end

2022 was NOK 6,991 million. The corresponding figure for net interest-bearing debt at year-end 2021 was NOK 5,630 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. Irrespective of short-term changes in borrowing requirements, the company will strive for continuity as an issuer.

FINANCIAL STATEMENTS FOR AUSTEVOLL SEAFOOD ASA

Austevoll Seafood ASA is the holding company for the Group. At year-end 2022, the company had three employees. No sick leave was recorded in either 2022 or 2021. The company's activities principally involve owning shares in underlying companies. The company's management is actively involved – primarily through the work of the Board of Directors – in the operations of the Group companies in areas such as business development and strategy processes.

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

Revenue reported by the parent company was NOK 2.2 million in 2022, compared with NOK 1.9 million in 2021. The company reported an operating loss of NOK -38.7 million in 2022, compared with NOK -33.2 million in 2021.

Financial income amounted to NOK 1,223 million in 2022, compared with



VALUES

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



NOK 977 million in 2021. Financial income is essentially dividends from subsidiaries and associates.

Profit for the year amounted to NOK 1,142 million in 2022, compared with NOK 911 million in 2021.

Net cash flow from operating activities for the parent company amounted to NOK -39.7 million in 2022, compared with NOK -26 million in 2021. Net cash flow from investing activities mainly reflects dividends and Group contributions received and amounted to NOK 802 million in 2022, compared with NOK 989 million in 2021. In 2022, the parent company reported net cash flow from financing activities of NOK -896 million, including dividend payments of NOK 908 million to the company's shareholders, compared with NOK -1,349 million in 2021. As well as paying dividends of NOK 706 million, the company redeemed a NOK 500 million bond loan in 2021. This was redeemed using parts of the company's cash and cash equivalents.

At 1 January 2022, the parent company had cash and cash equivalents of NOK 342 million. At 31 December 2022, this figure was NOK 208 million.

At year-end 2022, the parent company had a balance sheet total of NOK 6,395 million (2021: NOK 5,940 million). Book equity is NOK 4,427 million (2021: NOK 4,395 million) reflecting an equity ratio of 69% (2021: 74%).

The parent company's net interest-bearing cash position at year-end 2022 was NOK 68 million, compared with net interest-

bearing debt of NOK 127 million at year-end 2021. These amounts also include interest-bearing receivables and liabilities to Group companies. External net interest-bearing debt at year-end 2022 was NOK -127 million (2021: NOK -136 million).

The parent company's financial statements reflect a profit of NOK 1,142 million. The Board of Directors proposes that NOK 1,115 million be allocated to dividend payments (NOK 4.9 million of which as dividends on treasury shares) and NOK 32 million be transferred to 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

LSG works to develop an efficient and sustainable value chain for seafood. This not only provides cost-efficient solutions, but also quality, availability, a high level of service, traceability and competitive climate-related and environmental solutions.

The Group is not satisfied with the development in growth in the farming operations in the second half of 2022, and a raft of measures have been implemented throughout the segment's value chain. These measures are expected gradually to generate positive effects. At the same time, cost inflation for input factors will continue to manifest itself in 2023. Release from stock costs for the present year are therefore expected to be higher than in 2022. For its consolidated

operations, LSG currently estimates a harvest volume of around 175,000 tonnes in 2023. The Group's share from the joint venture is forecast to be approx. 18,500 tonnes. LSG's total harvest volume in 2023 is expected to be in the region of 193,500 tonnes.

The cod quota is down 15% and the haddock quota up 8% compared to 2022. For saithe caught north of 62 degrees, the quota has been increased by 11%, while the quota for saithe in the North Sea is up 19%. The quotas for other species such as redfish and Greenland halibut are unchanged from 2022.

Investments – leading to good, full-year jobs – in downstream entities 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, are expected to make a positive contribution going forward. Political risk for LSG's value chain has increased, but the Group has a clear ambition to grow operating profit in this segment in the years ahead.

This risk was laid bare on 28 September 2022 when the Norwegian government and Ministry of Finance tabled their resource rent proposal, which is detrimental to the industry. The Proposition to the Storting (Prop. 78 LS) concerning resource rent tax on aquaculture was published on 28 March 2023. Regrettably, the Proposition shows that the government has neither taken account of the compelling objections from industry experts nor taken on board the complexity of the industry's intricate value chain and its importance to the nation and Norway's coastal

communities. The 400+ consultation responses received included detailed descriptions and explanations of vitally important matters from industry experts. The Storting, the Norwegian parliament, is expected to reach a decision before the summer. This decision will be of crucial importance to how the industry develops in Norway, and the country's ability to maintain its unique position as a world-leading seafood nation, including as a food producer that is competitive from both a financial and an environmental/climate perspective. The government's behaviour is disappointing and testimony to a lack of understanding of the value chain, for example when the Proposition draws parallels with the extraction of oil and gas and claims that the aquaculture industry is not capital-intensive in the same way.

Fishmeal and fish oil

According to the IFFO*, fishmeal production from Regions Peru, Chile and North Atlantic decreased by 8.6% in 2022 compared with 2021.

This decrease can mainly be attributed to Peru, where production fell by 20.8%. The primary reason for this decrease is lower catches. In addition, the fishmeal and fish oil yield was lower in second season 2022 than in the same period in 2021, significantly so for fish oil.

A total quota of 337,000 tonnes has already been set for the first half of 2023 in South Peru. The exploratory voyage to measure biomass in Central/North Peru ahead of the first fishing season has been completed. A second exploratory voyage has been announced in the period 17-21

April, before the quota and start-up date for the first season are finalised.

ICES's recommended quota for blue whiting in the North Atlantic in 2023 represents an increase of 80% on the recommended quota for 2022. The quota for Icelandic capelin is down 75%. This quota is very important for Pelagia.

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 in Europe is in the autumn and, until 2021, started in September. Since 2021, the season has started as soon as early August, because of restricted access to UK waters for the Norwegian fleet.

The remaining quotas for Norwegian spring-spawning herring are also caught during this period. The first half of the year is the main season for horse mackerel in South America.

ICES's recommended quota for catches in the North Atlantic in 2023 reflects a small (2%) reduction for mackerel and a 15% reduction for Norwegian spring-spawning herring compared with the recommended quotas for 2022. However, there is no international consensus among the parties on the total quota for mackerel and Norwegian spring-spawning herring. ICES's recommended quota for North Sea herring in 2023 represents a reduction of 22% on the recommended quota for 2022. The quota recommended by ICES for capelin in the Barents Sea in 2023 is

62,000 tonnes, down from the 70,000 tonnes recommended for 2022.

The quota recommended by SPRFMO for horse mackerel in the South Pacific in 2023 implies further growth, as the quota has increased by 20%. SPRFMO's recommended quota reflects the positive development in horse mackerel fishery in recent years. This attests to continuing satisfactory developments in the Group's activities in Chile.

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.

SUMMARY

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

The Group's strategy going forward is to continue to grow and 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

* Source: IFFO, week 52, 2022 (Regions Chile, Peru, Denmark/Norway, Iceland/North Atlantic)

strong group of companies, which includes ensuring that the Group has organisations ready to solve challenges under difficult and changeable framework 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 hence food supplies cost-effective and operational in challenging times.

Industrial development and employment in capital-intensive activities exposed to global competition, such as fish farming, fisheries and related industry, are challenging and require predictability. Achieving such predictability requires businesses and, not least, national political leaders to pursue a responsible long-term business policy. The government's proposal concerning a resource rent tax on Norwegian aquaculture is an example of the precise opposite and constitutes a significant risk to the industry's development and ability to continue contributing to society. The proposition is, unfortunately, an example of the kind of political risk that we have not seen in Norway in recent times. It contradicts the government's own declaration, which states "The government will execute a predictable and responsible tax policy for business and industry." It is further

worth noting that the proposal and the proposition conflict with the governing parties' own party platforms from the 2021 election campaign.

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

It is difficult to find an industry, apart from the oil and gas sector, that already contributes more to the community, both locally and nationally. We would also point out the industry's potential and importance for the future of the coastal regions once the oil and gas adventure is over. The Storting, the Norwegian parliament, is expected to reach a decision before the summer. If the Storting passes the government's

proposition concerning resource rent tax on Norwegian aquaculture, a proposal detrimental to the industry, this will have significant negative repercussions for the industry's development in Norway. The industry's ability to maintain its unique position as a Norwegian regional industry that is globally competitive and has the potential to safeguard employment and settlement along the coast, including when Norway's oil- and gas-related activities come to an end, will be severely weakened.

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

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

Storebø, 28 April 2023

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

Hege Solbakken
Board member

Eirik Drønen Mølingen
Board member

Lill Maren Møgster
Board member

Siren M. Grønhaug
Board member

Petter Dragesund
Board member

Arne Møgster
CEO and President







CORPORATE
GOVERNANCE

CORPORATE GOVERNANCE

Adopted by the Board of Directors on the 29 August 2006 and updated with effect from 28 April 2023.

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 14 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 14 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:

Creating lasting Values
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 2023 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 2023, 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 200 per share.

At 31 December 2022, 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. Shareholders may also vote in a period prior to the general meeting. The Company will in this respect provide information in the notice on the procedure for advance voting.

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 2022 four out of the seven Board members attended the general meeting. In 2022 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 24 May 2022 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 Group 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 37 years, including Norwegian fund management companies until 2012. He spent 15 years working as a portfolio manager for ODIN Forvaltning AS. The last 11 years Mr. Hollekim has been working as a portfolio manager in a family office.

NINA SANDNES

Nina Sandnes graduated with a Master of Law degree from the University of Oslo in 1995 and has 28 years of experience as an associate and a lawyer at the Norwegian Employers' Association for the Financial Sector and CMS Kluge, respectively. Sandnes is currently a partner in CMS Kluge. Sandnes works primarily with advisory work and

dispute resolution, covering all kinds of issues related to employment law. In 2022, Sandnes was appointed as a member of the Norwegian Bar Association Committee for employment law. Sandnes commenced this position in January 2023, where she together with the other members of the committee functions as a professional resource and reference point for the joint employment law community. Sandnes has also experience of board work from a number of companies. Sandnes has recently stepped down from the position as a partner-elected board member for CMS Kluge, which she held for 14 years. She is now an international member of the council in CMS.

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

Members	Independent	Elected to the Board	Up for election	Number Board meetings 2022
Helge Singelstad (Chairman)		2008	2024	6/6
Hege Charlotte Bakken (Deputy Chairman)	X	2018	2024	6/6
Helge Møgster		2010	2024	6/6
Lill Maren Møgster		2012	2024	6/6
Siren M. Grønhaug	X	2014	2023	6/6
Eirik Drønen Melingen		2017	2023	6/6
Hege Solbakken	X	2021	2023	6/6
Petter Dragesund	X	2022	2024	3/6

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 5–9 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, Chairman
Hege Charlotte Bakken, Deputy Chairman
Lill Maren Møgster, Member of the Board
Helge Møgster, Member of the Board
Siren Merete Grønhaug, Member of the Board
Eirik Drønen Melingen, Member of the Board
Hege Solbakken, Member of the Board
Petter Dragesund, Member of the Board

For information about the background and competence of the Board members, reference is made to information given in the annual report and on the company's website: www.auss.no

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 2022.

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 16 February 2022. The instructions cover the following points: the Board's responsibilities 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.

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 10 December 2021.

Members: Hege Charlotte Bakken and Lill Maren Møgster.

In total the audit committee had 8 meetings in 2022.

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 5 meetings in 2022.

The Board's self-evaluation

Each year, a special Board meeting shall be organised on topics related to the Group's 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.

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 the Group head entity Laco AS, with which the Chairman is employed. The total amount paid in 2021 of TNOK 3,406 includes Board remuneration of TNOK 375, and the total amount paid in 2022 of TNOK 4,177 includes Board remuneration of TNOK 375.

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 2022 had assignments for the Company in addition to being members of the Board unless the Chairman of the Board.

Deviations from the Code of Practice in 2022: 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 11 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/investor/governance/remuneration-guidelines.

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 2022: 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 1 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 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

Income statement

Amounts in MNOK	Note	2022	2021
Revenue	3,25	31 169	26 571
Other gains and losses	3,21	-20	62
Cost of goods sold		-16 294	-14 109
Wages and salaries	20	-4 519	-4 064
Other operating expenses	20,23,25	-4 556	-3 651
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets	2,3,28	5 782	4 810
Depreciation of fixed assets	11	-1 038	-968
Depreciation of right-of-use assets	11,23	-613	-566
Amortisation of intangible assets	10	-81	-45
Impairment/reversal of impairment	10,11	1	-13
Operating profit before fair value adjustment of biological assets	28	4 051	3 218
Fair value adjustment of biological assets	7	1 189	1 114
Operating profit	3,28	5 240	4 332
Income from equity-accounted investments	4	494	394
Financial income	19	848	394
Financial expenses	19	-1 155	-744
Profit before tax	28	5 428	4 376
Tax	2,26	-1 142	-939
Profit for the year		4 285	3 437
Attributable to non-controlling interests	3	1 795	1 455
Attributable to shareholders in Austevoll Seafood ASA	5	2 490	1 982
Average no. of outstanding shares	5	201 824 074	201 824 074
Earnings per share/diluted earnings per share (NOK)	5	12,34	9,82
Proposed dividend per share (NOK)	5	5,50	4,50

Statement of comprehensive income

Amounts in MNOK	Note	2022	2021
Profit for the year		4 285	3 437
Items of OCI that may be reclassified to profit or loss			
Change in value of financial instruments (cash flow hedges)	12	16	63
Currency translation differences		422	-76
Share of other comprehensive income of associates		15	-1
Tax effect on items of OCI that may be reclassified to profit or loss		-10	-2
Total other comprehensive income after tax		442	-16
Total comprehensive income for the year		4 728	3 420
Attributable to			
Non-controlling interests		1 869	1 450
Shareholders in Austevoll Seafood ASA		2 858	1 970
Total comprehensive income for the year		4 728	3 420

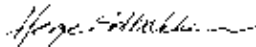
Statement of financial position

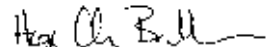
Amounts in MNOK	Note	2022	2021
Assets			
Goodwill	2,10	2 279	2 217
Deferred tax asset	26	160	69
Licences	2,10	9 518	9 412
Trademarks	10	50	50
Vessels	11	2 628	2 385
Land, buildings and equipment	11	7 629	6 896
Right-of-use assets	11,23	3 222	3 064
Investments in associates and joint ventures	3,4	3 382	3 002
Investments in other companies	12,24	43	47
Other non-current receivables	9	223	168
Total non-current assets		29 134	27 310
Inventories	2,8	2 956	1 932
Biological assets	2,7	7 972	6 173
Trade receivables	9,12	2 909	2 321
Other receivables	9,12	751	717
Cash & cash equivalents	12,14,17	4 340	5 329
Total current assets		18 928	16 471
Total assets	3	48 062	43 781
Equity and liabilities			
Share capital	16	101	101
Treasury shares		-18	-18
Share premium		3 714	3 714
Retained earnings		11 525	9 575
Non-controlling interests		12 841	11 815
Total equity		28 162	25 187
Deferred tax	26	3 581	3 512
Pension liabilities and other liabilities	17,20	13	11
Borrowings	12,17	5 968	6 663
Lease liabilities to credit institutions	23	903	1 025
Lease liabilities other than to credit institutions	23	1 527	1 382
Other long-term liabilities	17,25	30	30
Total non-current liabilities		12 021	12 623
Borrowings	12,17	2 263	1 315
Short-term lease liabilities to credit institutions	23	345	265
Short-term lease liabilities other than to credit institutions	23	323	277
Trade payables	12,25	2 380	1 921
Tax payable	26	1 023	686
Other current liabilities	22	1 543	1 507
Total current liabilities		7 879	5 971
Total liabilities	3	19 900	18 594
Total equity and liabilities		48 062	43 781

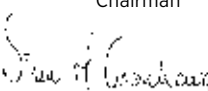
Storebø, 28 April 2023
Board of Austevoll Seafood ASA

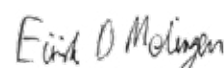

Helge Singelstad
Chairman

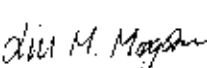

Helge Møgster
Board member

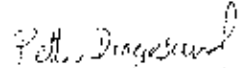

Hege Solbakken
Board member


Hege Charlotte Bakken
Deputy Chairman


Siren M. Grønhaug
Board member


Eirik Drønen Melingen
Board member


Lill Maren Møgster
Board member


Petter Dragesund
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 01.01.2021		101	-18	3 714	1 112	17	7 183	10 882	22 991
Profit for the year		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	1 280	933	2 196
Equity at 31.12.2021		101	-18	3 714	1 033	80	8 463	11 815	25 187
Profit for the year		0	0	0	0	0	2 490	1 795	4 285
Other comprehensive income		0	0	0	400	16	-48	74	442
Total comprehensive income for the year		0	0	0	400	16	2 442	1 869	4 728
Transactions with shareholders									
Dividends	5	0	0	0	0	0	-908	-844	-1 752
Total transactions with shareholders in the period		0	0	0	0	0	-908	-844	-1 752
Total change in equity in the period		0	0	0	400	16	1 533	1 025	2 975
Equity at 31.12.2022		101	-18	3 714	1 433	96	9 996	12 840	28 162

Cash flow

Amounts in MNOK	Note	2022	2021
Profit before tax		5 428	4 376
Taxes paid		-775	-447
Depreciation and amortisation	10,11	1 732	1 580
Impairment/reversal of impairment	10,11	-1	13
Gain/loss on sale of land, buildings and equipment	21	-8	-62
Unrealised foreign exchange gains/losses		-32	-45
Share of profit from joint ventures and associates	4	-494	-394
Interest expense	19	431	322
Interest income	19	-79	-39
Fair value adjustment of biological assets	7	-1 189	-1 114
Change in inventories		-1 634	-87
Change in trade receivables and other receivables	9	-623	-15
Change in trade payables		459	443
Change in net pension liabilities		2	2
Change in other accruals		-22	102
Net cash flow from operating activities		3 195	4 635
Proceeds from sale of fixed assets		54	43
Proceeds from sale of shares and other equity instruments		2	0
Purchase of intangible assets and fixed assets	10,11	-1 834	-1 338
Purchase of shares and holdings in other companies	6	-59	-505
Dividends received	4	131	114
Interest received		79	39
Change in other non-current receivables		-55	-4
Exchange differences on invested capital		9	0
Net cash flow from investing activities		-1 675	-1 650
Proceeds from new long-term interest-bearing debt	17	292	2 394
Repayment of long-term interest-bearing debt	17	-1 288	-2 467
Change in short-term interest-bearing debt	17	570	-410
Interest paid		-441	-326
Dividends paid	5	-908	-706
Dividend paid to non-controlling interests		-844	-634
Exchange differences on financing activities		72	21
Net cash flow from financing activities		-2 547	-2 128
Change in cash and cash equivalents		-1 027	856
Liquid assets at 01.01.		5 329	4 463
Exchange rate changes on cash and cash equivalents		38	9
Liquid assets at 31.12.		4 340	5 329
Consists of			
Bank deposits etc.		4 340	5 329
Of which restricted cash deposits	14	187	188
Unutilised overdraft facility	17	3 193	3 681
Unutilised long term credit facility	17	734	1 875

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 28 April 2023.

The Group has introduced ESEF reporting for the income statement, statement of financial position, statement of changes in equity, cash flow and notes. The ESEF report can be found on Austevoll

Seafood ASA's website, www.auss.no.

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. The cost of farmed fish is measured at fair value at harvest.

BR. BIRKELAND GROUP

The Group has a 42.92% stake in Br. Birkeland AS. Because the Group exercises de facto control by virtue of the composition of the Board of Directors, the Norwegian Financial Supervisory Authority has ordered the Group to treat the company as a group company. Continued consolidation of the Br. Birkeland Group is dependent on the composition of the company's Board of Directors.

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 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 0.45% to 2.5% 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

A monthly discount rate of 4% per month was applied in 2022. The rate applied in 2021 was also 4%. In the sensitivity analysis below, it is demonstrated how a

NOTE 2 cont.

Critical accounting estimates and judgements

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 hypothetical 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.

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 weighted average price and estimated 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				
			-0.50	-0.25	-	0.25	0.50
Average price per kg (NOK)	69.4	-5.00	5 779	6 264	6 776	7 293	7 812
	72.4	-2.00	6 165	6 672	7 207	7 748	8 289
	73.4	-1.00	6 294	6 809	7 351	7 899	8 449
	74.4	-	6 424	6 945	7 495	8 051	8 608
	75.4	1.00	6 553	7 082	7 639	8 202	8 767
	76.4	2.00	6 682	7 218	7 783	8 353	8 926
	79.4	5.00	7 070	7 627	8 215	8 808	9 403
Change in price per kg (NOK)	69.4	-5.00	5 779	6 264	6 776	7 293	7 812
	72.4	-2.00	6 165	6 672	7 207	7 748	8 289
	73.4	-1.00	6 294	6 809	7 351	7 899	8 449
	74.4	-	6 424	6 945	7 495	8 051	8 608
	75.4	1.00	6 553	7 082	7 639	8 202	8 767
	76.4	2.00	6 682	7 218	7 783	8 353	8 926
	79.4	5.00	7 070	7 627	8 215	8 808	9 403

The table shows total 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 for 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 (%)				
			-2.0 %	-1.0 %	0.0 %	1.0 %	2.0 %
Average price per kg (NOK)	Change in price per kg (NOK)	-5.00	7 867	7 291	6 776	6 315	5 899
		-2.00	8 380	7 761	7 207	6 711	6 265
		-1.00	8 552	7 918	7 351	6 844	6 387
		-	8 723	8 075	7 495	6 976	6 510
		1.00	8 895	8 232	7 639	7 109	6 632
		2.00	9 066	8 388	7 783	7 241	6 754
		5.00	9 580	8 859	8 215	7 639	7 121

The table shows total 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 for weighted average price and number of fish in stock

			Number of fish in stock (million fish)				
			52.2	54.2	55.3	56.4	58.0
			Change in number of fish in stock				
			-5 %	-2 %	0 %	2 %	5 %
Average price per kg (NOK)	Change in price per kg (NOK)	-5.00	6 289	6 581	6 776	6 971	7 264
		-2.00	6 698	7 003	7 207	7 411	7 717
		-1.00	6 834	7 145	7 351	7 558	7 868
		-	6 971	7 286	7 495	7 705	8 020
		1.00	7 108	7 427	7 639	7 852	8 171
		2.00	7 245	7 568	7 783	7 999	8 322
		5.00	7 655	7 991	8 215	8 439	8 775

The table shows total 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 date of the statement of financial position. 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 decision-maker. 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.

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, frozen fish for direct human consumption and protein concentrate and oil based on cuttings from the salmon industry, whitefish industry and pelagic cuttings in Norway, UK and Ireland. 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. Pelagia is proportionately consolidated in the segment reporting, whereas the equity method is used in the consolidated financial statements. The column Other/elimination therefore mainly comprises elimination of figures from Pelagia.

2022	LSG	Austral Group	FoodCorp Chile	Br. Birkeland	Br. Birkeland Farming	Pelagia Holding 50%	Other/elim.	Group
Other operating income	26 643	2 590	820	333	743	5 641	-5 601	31 169
Inter-segment sales	3	0	0	0	0	0	-2	0
Other gains and losses	6	-27	1	0	0	0	0	-19
Total segment income	26 652	2 563	821	333	743	5 641	-5 602	31 150
Operating expenses	-22 131	-1 900	-621	-296	-376	-4 789	4 746	-25 368
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets	4 521	663	200	37	367	852	-857	5 781
Depreciation and amortisation	-1 326	-196	-72	-55	-66	-177	160	-1 732
Impairment/reversal of impairment *	0	1	0	0	0	0	0	1
Operating profit before fair value adjustment of biological assets	3 195	468	128	-18	300	674	-696	4 051
Fair value adjustment of biological assets	1 088	0	0	0	101	0	0	1 189
Operating profit	4 283	468	128	-18	402	674	-696	5 240

2022	LSG	Austral Group	FoodCorp Chile	Br. Birkeland	Br. Birkeland Farming	Pelagia Holding 50%	Other/elim.	Group
Income from associates	66	0	0	2	7	0	419	494
Financial income	56	720	12	13	2	2	44	848
Financial expenses	-337	-745	-2	-18	-8	-90	45	-1 155
Profit before tax	4 067	443	139	-22	404	586	-188	5 428
Tax	-902	-138	-49	6	-87	-129	156	-1 143
Profit for the year	3 165	305	90	-16	317	458	-32	4 285
Attributable to non-controlling interests	1 635	30	0	-9	142	0	0	1 798
Attributable to shareholders in Austevoll Seafood ASA	1 530	275	90	-7	175	458	-65	2 454
Share of dividend recognised in the parent company, Austevoll Seafood ASA	785	160	18	29	36	125	0	1 153

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
<i>Impairment/reversal of impairment *</i>	-6	1	-7	0		0	0	-13
Operating profit before fair value adjustment of biological assets	2 519	505	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	505	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	395
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

* For further information on impairments, see notes 10 and 11.

NOTE 3 cont.

Segment information

Segment	Non-current assets		Total investments in non-current assets	
	2022	2021	2022	2021
Lerøy Seafood Group ASA	18 539	18 041	912	1 019
Pelagia Holding AS	IA	IA	IA	IA
Br. Birkeland AS	1 080	1 025	114	176
Br. Birkeland Farming AS	591	543	10	5
Other	5 628	4 954	445	4
Total for Norway	25 838	24 562	1 480	1 203
Austral Group S.A.A. - Peru	2 424	2 080	268	132
FoodCorp Chile S.A. - Chile	712	599	87	3
Total	28 974	27 241	1 835	1 338

Segment	Associates and joint venture		Total liabilities	
	2022	2021	2022	2021
Lerøy Seafood Group ASA	1 456	1 379	16 351	15 179
Pelagia Holding AS	1 765	1 473	IA	IA
Br. Birkeland AS	47	45	421	391
Br. Birkeland Farming AS	106	98	694	663
Other	8	7	777	661
Total for Norway	3 381	3 002	18 243	16 894
Austral Group S.A.A. - Peru	1	1	1 407	1 476
FoodCorp Chile S.A. - Chile	0	0	251	223
Total	3 382	3 002	19 901	18 593

Revenue by geographic area	2022	%	2021	%
Norway	5 732	18	4 874	18
EU	14 858	48	12 697	48
UK	0	0	524	2
Eastern Europe	1 539	5	997	4
Africa	660	2	462	2
North America	1 324	4	1 199	5
Asia	6 275	20	3 487	13
South America	782	3	509	2
Others	0	0	1 820	7
Total	31 170	100	26 570	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

	2022	2021
Associates	1 617	1 529
Joint venture	1 765	1 473
At 31.12.	3 382	3 002

Profit and loss recognised in the income statement

	2022	2021
Associates	76	121
Joint venture	418	272
At 31.12.	494	393

Set out below are the major joint venture and associates of the Group as of 31.12. In joint venture enterprises, two shareholders each own half of the shares, while in associated companies there are several shareholders owning shares.

Company	Ownership	Business	Country of incorporation	Voting rights	Measurement method
2022					
Pelagia Holding AS group	Joint venture	Pelagic	Norway	50.00 %	Equity method
Norskott Havbruk AS group	Associates	Harvest	Norway	50.00 %	Equity method
Seistar Holding AS group	Associates	Wellboat	Norway	50.00 %	Equity method
2021					
Pelagia Holding AS group	Joint venture	Pelagic	Norway	50.00 %	Equity method
Norskott Havbruk AS group	Associates	Harvest	Norway	50.00 %	Equity method
Seistar Holding AS group	Associates	Wellboat	Norway	50.00 %	Equity method

Set out below are the summarised financial information for the investments in associates considered material to the Group.

Company Year-end	Norskott Havbruk AS Group*		Seistar Holding AS Group	
	2022	2021	2022	2021
Income statement				
Revenue	3 188	2 307	271	232
Profit before tax	166	242	43	40
Of which fair value adjustment of biological assets	12	6	0	
Profit after tax	83	187	42	37
Other comprehensive income	29	27	0	0
Statement of financial position				
Total current assets	1 824	2 127	123	88
Total current liabilities	-840	-798	-41	-40
Total non-current assets	3 403	3 276	711	741
Total non-current liabilities	-2 081	-2 415	-367	-399
Net assets	2 306	2 190	426	390
Carrying amount in AUSS	1 184	1 126	234	219

NOTE 4 cont.

Associated companies and investments in joint ventures

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

Pelagia Holding AS Group	2022	2021
Assets		
Non-current assets	4 894	4 213
Cash and cash equivalents	129	216
Other current assets	4 114	3 078
Total assets	9 137	7 506
Non-current liabilities	2 963	2 633
Current liabilities	2 365	1 779
Total liabilities	5 328	4 412
Total equity	3 809	3 094
Total equity and liabilities	9 137	7 506
Revenue	11 282	10 002
Depreciation, amortisation and impairment	-355	-291
Operating expenses	-9 578	-8 984
Net interest expense	-132	-85
Other financial items	-44	8
Profit before tax	1 173	649
Tax	-257	-85
Profit after tax	916	565
Profit attributable to minority interests	-79	-20
Total income to shareholders	837	545

Reconciliation of summarised financial information of companies recognised under the equity method

	Pelagia Holding AS Group	Seafood Danmark AS Group	Norskott Havbruk AS Group*	Seistar Holding AS Group	Others	Total
2021						
At 01.01.	1 289	139	714	198	186	2 526
Additions	0		306	0	0	306
Disposals	0	-125	0		0	-125
Share of profit/(loss)	272	6	93	21	1	393
Exchange differences	0	-6	13	0	0	7
Dividends	12	-14	0	0	0	-1
Other changes in equity	-100	0	0	0	-3	-103
Carrying amount at 31.12.	1 473	0	1 126	219	184	3 003
2022						
At 01.01.	1 473	0	1 126	219	184	3 003
Share of profit/(loss)	418	0	41	21	14	494
Exchange differences	6	0	2	-6	0	2
Dividends	-125	0	0	0	0	-125
Other changes in equity	-8	0	15	0	1	8
Carrying amount at 31.12.	1 764	0	1 184	234	199	3 382

* Norskott Havbruk Group operate their business through their subsidiary in Scotland. Exchange differences refer to translation of currency from GBP to NOK.

Information on material transactions

It has not been any material transactions with joint ventures or associates in 2022.

NOTE 5

Earnings and dividend per share

Distributed dividend per share in 2022, based on profit figure for 2021 was NOK 4.50 per share. This amounted to a total of TNOK 912,228. Based on the profit

figure for 2022, a dividend payment of NOK 5.50 per share is proposed for 2023. This will in total constitute TNOK 1,114,946. A final decision will be made by the

ordinary shareholders' meeting on 25 May 2023.

Year	Share of profit after tax to shareholders in AUSS	No. of shares at 31.12.	Earnings per share	Proposed dividend
2022	2 490	202 717 374	12.34	1 115
2021	1 982	202 717 374	9.82	912
2020	494	202 717 374	2.45	710
2019	1 256	202 717 374	6.22	507
2018	2 299	202 717 374	11.39	710
2017	1 009	202 717 374	5.00	568
2016	1 645	202 717 374	8.17	507
2015	722	202 717 374	3.59	1 419
2014	555	202 717 374	2.76	405
2013	699	202 717 374	3.48	324
2012	419	202 717 374	2.07	243
2006-2011	3 200	202 717 374	15.79	811
Total	16 736			8 230

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)	Dividend paid per share
2022	5.50	33 %	912	4.50
2021	4.50	36 %	710	3.50
2020	3.50	45 %	507	2.50
2019	2.50	21 %	708	3.50
2018	3.50	20 %	566	2.80
2017	2.80	18 %	505	2.50
2016	2.50	20 %	1 419	7.00
2015	7.00	129 %	405	2.00
2014	2.00	32 %	324	1.60
2013	1.60	32 %	243	1.20
2012	1.20	59 %	203	1.00
2006-2011	4.00	13 %	603	3.00
Total	40.60		7 105	35.10

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

BUSINESS COMBINATIONS AND TRANSACTIONS WITH NON-CONTROLLING INTERESTS IN 2022

Lerøy Vest Kraft AS

Lerøy Vest AS acquired 100% of the shares in a small local power plant on Fitjar, producing power from a local river. It was paid MNOK 10 for the shares. The

plant will contribute with own-produced electricity to the smolt facility owned by Lerøy Sjøtroll Kjærelva AS.

Lerøy Seafood Denmark A/S

In 2022 the Group settled the remaining part of the consideration agreed upon for the shares in Lerøy Seafood Denmark A/S

(previously named Seafood Danmark A/S) that the Group acquired in 2021. The consideration accrued for in the balance sheet last year. The paid amount was the same as accrued for, and totalled NOK 49 million.

Considerations paid		2022	2021
Lerøy Vest Kraft AS (100%)	Business combination	10	0
Lerøy Seafood Denmark A/S (33,3%)	Business combination	49	158
Lerøy Seafood Denmark A/S (Wannebo International AS)	Redemption of non-controlling interests in sub-group	0	6
Sørøya Isanlegg AS (33,3%)	Business combination	0	1
Dragøy Grossist AS (17%)	Business combination	0	3
Lerøy Årskog AS (100%)	Business combination	0	39
Total cash flow out		59	206

Purchase price allocation and acquisition balance sheet	Reported values of acquired entity	Identified added (or negative) value	Fair value at time for acquisition	Goodwill	Acquisition balance sheet
Other rights and permits	0	6	6	0	6
Fixed assets	0	6	6	0	6
Total assets	0	12	12	0	12
Equity	0	10	10	0	10
Deferred tax	0	3	3	0	3
Total equity and liabilities	0	12	12	0	12
NIBD (+)	0	0	0	0	0
Acquisition analysis					100 %
Recognised equity in acquired entity					0
Net identified added value in the acquired entity					10
Identified value in the acquired entity					10
Calculation of goodwill					100 %
Consideration paid to seller:					10
Identified value in the acquired entity					10
Goodwill					0

**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 1 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 1 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 whitefish industry. The company operates from Hasvik.

Lerøy Årskog AS

The Group acquired 100% of FMV Eiendom AS the 31 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 1 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 Denmark. 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 1 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 Hjalmland UK Ltd

The Group has also participated indirectly in the acquisition of Grieg Seafood Hjalmland 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 Hjalmland Ltd right after the date of control, the 15 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.

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 2022 the change in fair value is 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	2022	2021
Fish in sea at historical cost*	4 870	4 320
Fry, brood, smolt and cleaner fish at cost*	477	386
Total biological assets before fair value adjustment	5 346	4 705
Fair value adjustment of biological assets	2 626	1 467
Total biological assets	7 972	6 173
Fair value of fish in sea	7 495	5 787
Fair value of fry, brood, smolt and cleaner fish	477	386
Total biological assets	7 972	6 173
<i>* Historical cost minus expensed mortality</i>		
Carrying amount of loss-making contracts		
Total loss-making contracts in the SOFP at 31.12.	14	44
Recognised fair value adjustment related to biological assets		
Change in fair value adjustment of biological assets (fish in sea)	1 159	1 160
Change in fair value of loss-making contracts	31	-44
Change in fair value of Fish Pool contracts	0	-2
Total fair value adjustments related to biological assets	1 189	1 114
Reconciliation of carrying amount of fair value related to biological assets		
Fair value adjustment of biological assets at 01.01.	1 468	306
Change in fair value adjustment on fish in sea	1 159	1 160
Fair value adjustment of biological assets at 31.12.	2 626	1 467

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 31.12.2020	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
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

Changes in 2022				
Increase from biological transformation (released and net growth)	1 301	8 614	0	9 914
Reduction due to sale and own consumption (smolt and cleaner fish)	-1 192	0	0	-1 192
Reduction due to harvest	0	-7 717	0	-7 717
Reduction due to incident-based mortality	-18	-347	0	-365
Net change in fair value (fish in sea)	0	0	1 159	1 159
Biological assets at 31.12.2022	476	4 869	2 625	7 972

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

Reconciliation of volume (LWT) for stock of fish in sea	2022	2021
Live weight (LWT) of fish in sea at 01.01. (tonnes)	111 622	125 100
Changes through the year		
Increase from biological transformation (released and net growth)	218 348	225 972
Reduction due to harvest	-214 741	-228 058
Reduction due to incident-based mortality	-12 518	-11 393
Reduction due to accidental release	-3	0
Live weight of fish in sea at 31.12. (tonnes)	102 708	111 622

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.	2022	2021
Fish in sea, 0-1 kg	11 041	9 592
Fish in sea, 1-2 kg	18 417	20 262
Fish in sea, 2-3 kg	20 597	26 084
Fish in sea, 3-4 kg	35 865	32 921
Fish in sea: salmon 4-4.65 kg, trout 4-4.76 kg	12 680	17 399
Fish in sea: salmon > 4.65 kg, trout > 4.76 kg (ready for harvest)	4 108	5 363
Fish in sea, total salmon and trout	102 708	111 622

NOTE 7 cont.

Biological assets

By species and main group	2022	2021
Fish ready for harvest	4 108	5 363
Salmon (fish of live weight > 4.65 kg)	4 108	4 776
Trout (fish of live weight > 4.76 kg)	0	587
Fish not ready for harvest	98 600	106 258
Salmon (fish of live weight < 4.65 kg)	86 068	93 146
Trout (fish of live weight < 4.76 kg)	12 532	13 112
Total volume	102 708	111 622
Salmon	90 176	97 923
Trout	12 532	13 699
Number of individuals		
Total number, all groups (in 1,000)	55 945	55 214

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

Price parameters 2022 - Estimated forward price through expected harvesting period	Forward price*	Exporter fee	Clearing cost	Net forward price
Q1 2023	91.75	-0.75	-0.34	90.66
Q2 2023	95.55	-0.75	-0.34	94.46
Q3 2023	76.48	-0.75	-0.34	75.39
Q4 2023	78.22	-0.75	-0.34	77.13
Q1 2024	84.33	-0.75	-0.34	83.24
Q2 2024	87.50	-0.75	-0.34	86.41

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

Adjustments are also made for	2022	2021
Price premium (+/-) for trout	0.00	-2.00
Price premium (+/-) for organic salmon	0.00	15.00
Price premium (+/-) for ASC certified salmon	0.09	0.00
Reduction for quality deviations, salmon	-1.30	-1.30
Reduction for quality deviations, trout	-1.60	-1.68
Reduction for size deviations, salmon	-0.26	-0.26
Reduction for size deviations, trout	-0.80	-0.80

Deductions are also made for wellboat 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 described in the note on significant accounting estimates and assessments (note 2), 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.

	2022	2021
Calculated average net prices, all sizes (NOK/kg)	74.40	56.10
Other parameters		
Projected mortality in relation to number of individuals per month in North Norway	0.45 %	0.45 %
Projected mortality in relation to number of individuals per month in Central Norway	0.60 %	0.60 %
Projected mortality in relation to number of individuals per month in West Norway	2.50 %	1.10 %
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 %	4-5%

ACCIDENTAL RELEASE IN 2022

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 2022. In total only 10,544 individuals have escaped, from a total stock of approximately 53 million. The accidental release consists of six different incidents. Regardless of size, all incidents are described in the sustainability report, available at www.auss.no.

INCIDENT-BASED MORTALITY

The Group defines mortality as abnormal when more than a certain percentage of the total number of fish die in the space of one month. In region West this limit is 2.5% for salmon, and otherwise 1.5%. 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. As in 2022 most of the incident-based mortality in 2022 has been caused by sea lice treatment. However, some mortality has been caused by diseases, like gill disease and CMS, together with weakness from winter wounds.

Fish health, including minimising mortality, is the cornerstone of the Group's strategy. The number of sea lice treatments and related mortality, have continued also in the first half of 2022. In second half of the year, the number of sea lice treatments have increased, as well as the mortality following the treatments. The Group works continuously with actions and technology to solve this challenge.

NOTE 8

Inventories

	2022	2021
Raw materials	1 110	690
Work in progress	64	5
Finished goods	1 800	1 252
Impairment due to loss in value and obsolescence	-17	-15
Total	2 956	1 932
Impairment of inventories expensed during the year	-4	8

NOTE 9

Trade receivables and other receivables

	2022	2021
Trade receivables	2 945	2 345
Minus: provision for bad debts	-36	-24
Trade receivables - net	2 909	2 321

Other current receivables	2022	2021
Prepayments	136	95
Receivables from related parties	0	1
Loans to related parties	2	2
Short-term loans provided	30	30
Public fees and taxes, credit balance	350	358
Currency forward contracts and assets recognised in the SOFP due to fair value hedging	23	62
Short-term loans	21	18
Receivables on sale of non-current assets	8	0
Other current assets	180	151
Total other current receivables	751	717
Total current receivables	3 661	3 038

Other non-current receivables	2022	2021
Loans to related parties (cf. note 25)	42	31
Loans to third parties	112	92
Other non-current receivables	69	45
Total non-current receivables	223	168

Age distribution for trade receivables past due but not impaired	2022	2021
0 to 3 months	591	330
3 to 6 months	32	12
Over 6 months	8	5
Total	631	347

Age distribution for trade receivables past due and impaired	2022	2021
0 to 3 months	9	5
3 to 6 months	2	0
Over 6 months	24	14
Total	36	19

NOTE 9 cont.

Trade receivables and other receivables

The Group's trade receivables of MNOK 2,909 are partly covered by credit insurance and other types of security. Trade receivables per 31.12. were nominally MNOK 2,945 while provisions for bad

debts were amounted to MNOK 36.

Trade receivables, past due but not impaired was MNOK 631 per 31.12. A major part of the trade receivables, past

due but not impaired are related to the subsidiary LSG with MNOK 584 of the amount overdue. Per end of February 2023 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	2022	2021
USD	232	397
GBP	0	33
EUR	1 364	965
NOK	1 422	1 260
DKK	0	123
CLP	29	17
PEN	81	71
SEK	334	124
JPY	0	33
Others	199	15
Total	3 660	3 038

The change in provision for bad debts is as follows	2022	2021
At 01.01.	-24	-27
Provision for bad debts for the year	-11	1
Exchange differences	0	2
At 31.12.	-36	-24

NOTE 10

Intangible assets

2021	Goodwill	Licences, fish farming, Norway	Licences, white fish and pelagic fisheries, Norway	Licences, pelagic fisheries, South America	Brands	Total
At 01.01.						
Acquisition cost	2 086	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 01.01.	1 958	4 156	4 199	1 106	50	11 468
Carrying amount at 01.01.	1 958	4 156	4 199	1 106	50	11 467
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
Depreciation and amortisation		-21	-28	-2	0	-51
Carrying amount at 31.12.	2 218	4 139	4 182	1 090	50	11 679
At 31.12.						0
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	2 218	4 159	3 796	1 090	50	11 313
- of which assets with definite lives	0	-19	385	0	0	366
2022	Goodwill	Licences, fish farming, Norway	Licences, white fish and pelagic fisheries, Norway	Licences, pelagic fisheries, South America	Brands	Total
Carrying amount at 01.01.	2 218	4 139	4 182	1 090	50	11 679
Exchange differences	62	0	0	179	0	243
Business combinations	0	6	0	0	0	7
Depreciation and amortisation	0	-29	-21	-31	0-	-81
Carrying amount at 31.12.	2 279	4 117	4 162	1 239	50	11 847
						50
At 31.12.						
Acquisition cost	2 407	4 472	4 449	1 325	50	12 703
Accumulated depreciation and amortisation	0	-336	-288	-66	0	-690
Accumulated impairment	-128	-18	0	-21	0	-168
Carrying amount at 31.12.	2 279	4 117	4 162	1 239	50	11 847
- of which assets with indefinite lives	2 279	4 166	3 797	1 239	50	11 531
- of which assets with definite lives	0	-49	365	0	0	316

NOTE 10 cont.

Intangible assets

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

Cash-generating units (CGU)

Each operating segment 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	1 796	7 530	50	9 377
Br. Birkeland AS	169	572	0	741
Br. Birkeland Farming AS	21	174	0	195
Austral Group S.A.A	291	850	0	1 142
FoodCorp Chile S.A	0	393	0	393
Total	2 279	9 519	50	11 847

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 whitefish and processing to sales and distribution. Goodwill linked to LSG is measured at operating segment level, which is LSG as a whole. The impairment test for goodwill uses equivalent assumptions to the impairment tests for non-amortisable licences in the Farming segment and for whitefish licences. See also further discussion under **xx**. No reasonable changes in the assumptions would lead to write-down of goodwill. LSG has following fish farming licences; 30 licences in the North of Norway (incl. slaughter cage-, parent fish-, demonstration- and teaching licences), 58 licences (incl. slaughter cage, parent fish-, demonstration- and teaching licences) in Central Norway and 64 (incl. slaughter cage, parent fish-, green farming-, demonstration- and teaching licences) in West Norway. LSG group has also 18 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 6.6%, 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 2022 and 2021. The management's calculations, were risks and opportunities within environmental sustainability are included, show that this conclusion is robust in the face of reasonable changes in conditions in the future. The critical value for the required rate of return on total assets after tax is between 8.7% and 30.5%. 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 (vessel owning subsidiaries). The licences are governed by an obligation to supply products to the regions where the licences are located, i.e. Troms og 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. Lerøy Havfisk AS 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. Lerøy Havfisk AS 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 Lerøy Havfisk AS to sustain operations in the specified locations.

At the end of the financial year, the Lerøy 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.

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 2022 (2021), 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 1,154 (1,404) tonnes of cod, 465 (579) tonnes of haddock and 531 (514) tonnes of saithe in the zone north of 62 degrees latitude. When compared with the final licence volumes after re-allocations for 2022 (2021), this is a change of -18% (+17%) for cod, -20% (+17%) for haddock and +3% (+22%) 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 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.

Lerøy Havfisk AS – 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). Lerøy Havfisk AS 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 Lerøy Havfisk AS 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 Lerøy Havfisk AS, LSG and AUSS provided that LSG continues to own minimum 60% of the shares in Lerøy Havfisk AS 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. Lerøy Havfisk AS, 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 Lerøy Havfisk AS 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. Two vessels fish for snow crab and have onboard factories where the product is processed to completion.

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.

NOTE 10 cont.

Intangible assets

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 8%, insignificant growth in volume produced, and an inflation rate of 2%. BFARM's impairment tests, were risks and opportunities within environmental sustainability are included, did not produce grounds for write-down of goodwill or intangible assets with an indefinite useful life in 2022 and 2021. The management's calculations regarding farming licences are robust in the face of reasonable changes in conditions in the future.

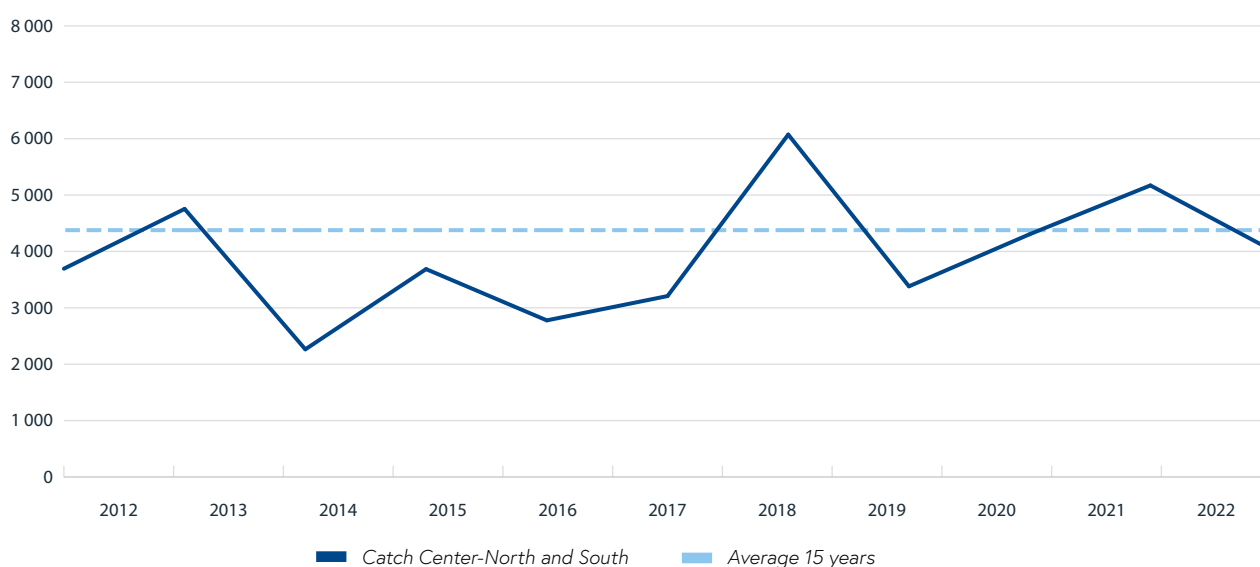
Austral Group S.A.A. (Austral)

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 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 2022-2031 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 0.25 million tonnes in South Peru – totaling 4.75 million tonnes, and in line with the average catch volumes the past 15 years (ref. graph). Austral's impairment tests, were risks and opportunities within environmental sustainability are included, did not produce grounds for write-down of goodwill or intangible assets with an indefinite useful life in 2022 and 2021. 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 in the model is USD 1,572, and significantly lower than the average price achieved by the company in 2022. For comparison, the average price of fishmeal FOB Peru for all producers of fishmeal in Peru was USD 1,641 in 2022 and USD 1,493 in 2021 (source: SUNAT).

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



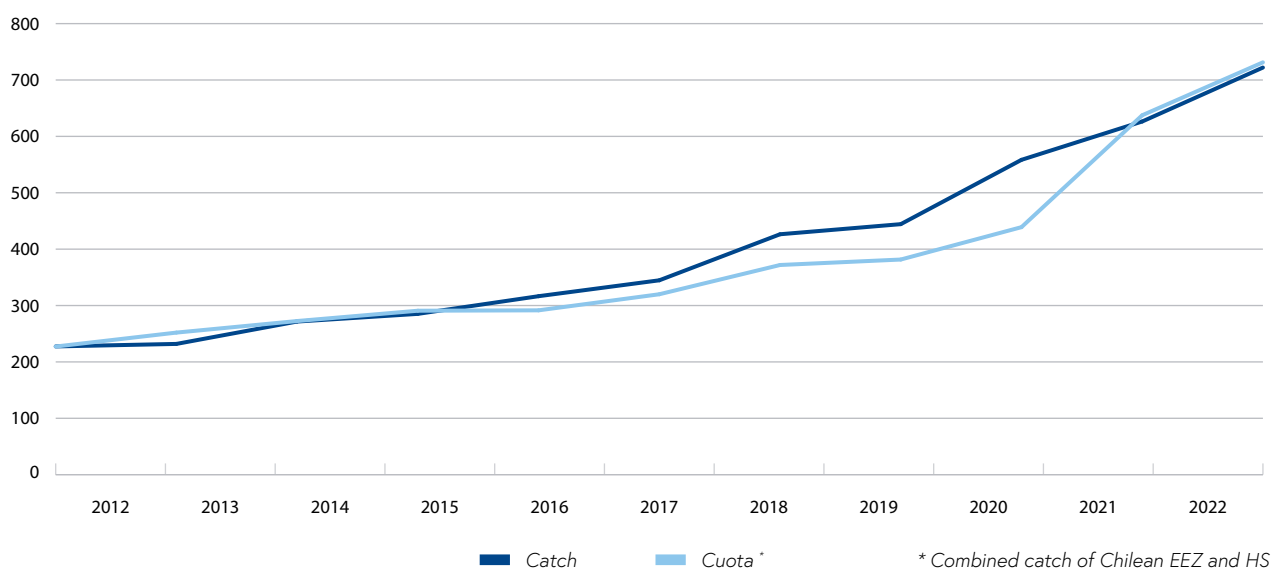
FoodCorp Chile S.A. (FC)

FC is a fully-integrated fishing company involved in catches, processing and sales. FC has fishing rights for horse mackerel, mackerel, sardines and anchoveta in Chile. In 2022 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 to 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 growth of 17% in the quota for 2018. The growth in quota for both 2021 and 2022 were 15%. It was further confirmed that the status of the biomass was good and the growth in quota for 2023 is 20%.

Cash flows after tax and an equivalent discount rate (WACC) after tax of 10.7%, 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 2022-2031 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 931,000 tonnes. FC's impairment tests, which risks and opportunities within environmental sustainability are included, did not produce grounds for write-down of intangible assets with an indefinite useful life in 2022.

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



NOTE 11

Fixed assets

2021	Land	Projects in progress	Buildings/ real estate	Plant, equipment and other fixtures	Vessels	Total
At 01.01.						
Acquisition cost	443	404	5 784	8 596	6 130	21 356
Accumulated depreciation and amortisation	0	-1	-1 579	-5 252	-2 754	-9 586
Accumulated impairment	-16	0	-48	-15	-207	-286
Carrying amount at 01.01.	426	403	4 155	3 329	3 170	11 484
Carrying amount at 01.01.	426	403	4 155	3 329	3 170	11 484
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
Carrying amount at 31.12.	542	761	4 112	3 380	3 547	12 344
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	4 112	3 380	3 547	12 344
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

2022	Land	Projects in progress	Buildings/ real estate	Plant, equipment and other fixtures	Vessels	Total
Carrying amount at 01.01	542	761	4 112	3 380	3 547	12 344
Currency translation differences	17	10	65	64	98	255
Reclassification	39	-1 060	666	146	223	15
Acquisitions through business combinations	0	0	6	0	0	6
Additions	21	711	383	859	661	2 634
Disposals	0	0	-36	-126	-177	-339
Depreciation and amortisation	0	0	-420	-711	-520	-1 651
Acc. depreciation on disposals	0	0	22	85	107	214
Reversal of impairment	0	0	1	0	0	1
Carrying amount at 31.12.	620	423	4 798	3 698	3 940	13 480

2022	Land	Projects in progress	Buildings/ real estate	Plant, equipment and other fixtures	Vessels	Total
At 31.12.						
Acquisition cost	645	424	7 206	10 623	7 975	26 874
Accumulated depreciation and amortisation	0	-1	-2 358	-6 912	-3 822	-13 091
Accumulated impairment	-25	0	-50	-13	-213	-301
Carrying amount at 31.12.	620	423	4 799	3 698	3 940	13 480
Right-of-use assets included above	0	0	530	1 380	1 312	3 222
Depreciation of right-of-use assets included above	0	0	67	270	276	613

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 31.12.2022, 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 29 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 31.12.2022, 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 82 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 31.12.2022, the Group has a total loss of MNOK 12 (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 20 in 2022 and MNOK 14 in 2021 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 2022 and 2021, allowed for entered interest rate swaps.

Amounts in MNOK	Increase/reduction in interest points	2022	2021
Impact on profit before tax	+/- 50	-/+ 22	-/+ 14

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 liabilities that are not derivatives, classified in relation to downpayment schedule. The figures in the table are non-discounted contractual cash flows, and includes both repayment of principal and future interest payments.

31.12.2022	Less than 1 year	1-2 years	3-5 years	Over 5 years	Total
Loan debt	2 360	2 028	2 362	2 292	9 042
Lease liability for right-of-use assets to credit institutions	380	423	310	252	1 365
Lease liability for right-of-use assets other than to credit institutions	379	605	523	597	2 104
Trade payables and other liabilities (excl. statutory liabilities)	3 505	0	0	0	3 505
Total	6 624	3 056	3 195	3 141	16 016

31.12.2021	Less than 1 year	1-2 years	3-5 years	Over 5 years	Total
Loan debt	1 505	2 368	1 972	3 010	8 856
Lease liability for right-of-use assets to credit institutions	290	641	271	160	1 362
Lease liability for right-of-use assets other than to credit institutions	326	514	412	644	1 896
Trade payables and other liabilities (excl. statutory liabilities)	2 985	0	0	0	2 985
Total	5 107	3 523	2 655	3 814	15 099

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 31.12.2022 and 31.12.2021 were as follows:

	2022	2021
Total loans (note 17)	9 480	9 298
Minus liquid assets	4 340	5 329
Net interest-bearing debt (cf. note 28)	5 140	3 970
Total equity	28 117	25 187
Total assets	33 257	29 157
Debt-equity ratio	15 %	14 %

NOTE 12 cont.

Financial instruments

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.

Fair value for all the Group's assets and liabilities recognised at amortised cost is considered to approximate the carrying amount.

FINANCIAL INSTRUMENTS BY CATEGORY

31.12.2022 Assets	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total
Investment in shares	0	43	0	43
Derivatives (interest rate swaps)	0	0	12	12
Trade receivables and other receivables excl. prepayments *	3 485	0	0	3 485
Financial assets at fair value through profit or loss		23	0	23
Liquid assets	4 340	0	0	4 340
Total	7 825	65	12	7 902

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

31.12.2022 Liabilities	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total
Loans excl. lease liabilities to credit institutions	8 232	0	0	8 232
Lease liabilities to credit institutions	1 248	0	0	1 248
Lease liabilities other than to credit institutions	1 851	0	0	1 851
Trade payables and other liabilities, excl. statutory liabilities	3 505	0	6	3 511
Total	14 836	0	6	14 842

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.

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

FINANCIAL INSTRUMENTS BY VALUATION METHOD

The Group does not have material financial instruments measured at fair value so there are no further disclosures in this note.

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 31.12.2022 the Group has currency forward contracts with a net positive fair value of NOK 22.5 million (NOK 61.5 million in 2021). The currency forward contracts are classified as other current receivables at 31.12.2022. NOK 5.8 million (NOK 0.6 million in 2021) 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 2022 is NOK 23.8 million (NOK 44 million in 2021), 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:

- There are no agreements with expiration within one year.

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%, Lerøy Havfisk AS (replace previous contract)
- Contract from 2020: MNOK 361, start date: 15.04.2020, duration 7 years, closing date 15.04.2027, interest 1.440%, Lerøy Havfisk AS (replace previous contract)

The fair value of the swap agreements has been estimated using market inputs per 31 December. As at 31.12.2022, a total unrealised profit of MNOK 30 was included in equity.

NOTE 12 cont.

Financial instruments

Interest rate swaps	Nominal value	Interest rate/ average interest rate	Gross liability recognised	Corresponding deferred tax	Equity impact
Fair value at 31.12.2021	1 184	2,22 %	-9	-3	7
Fair value adjustment 31.12.2022	647	1,44 %	-31	-7	24
Fair value at 31.12.2022			-40	-9	30

Fair value of the interest rate swaps (gross liability) is recognised as "other non-current receivables". 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

Climate and sustainability

CLIMATE RISK

A substantial amount of work has been carried out on climate risk in recent years. In addition to directing attention to how the Group's undertakings impact the climate, it is also important for AUSS to understand how climate change may affect the Group's operations, including the financial impact on the Group's earnings, costs and investments. In 2019, we conducted a project at group-level to map relevant physical and transition risks related to climate change. In 2021, we further developed the project and started the process of assessing the significance of risks and opportunities related to climate change. In 2022, we initiated a climate risk analysis in accordance with the TCFD framework (Task Force on Climate-Related Financial Disclosures) for the companies that represent the Group's operating segments. This is an important process for ensuring transparency, but also to increase our understanding of how climate-related incidents may impact the Group, and the action we can take to mitigate climate-related impacts. This process is still ongoing, and the TCFD report will be published on AUSS's website during the course of 2023. Nonetheless, we wish to discuss key elements based on the process so far, and to discuss in detail some important factors that will be central in the ongoing analysis; related to climate change and its financial impact on the Group as well. AUSS has reported the Group's greenhouse gas emissions to the CDP (Carbon Disclosure Project) since 2019.

FINANCIAL IMPACT OF CLIMATE CHANGE ON THE GROUP'S ASSETS

Through its portfolio company, AUSS owns companies involved in the production of Atlantic salmon and trout throughout the value chain, from roe to end products delivered to consumers. The Group is also a major business 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,

protein concentrate and frozen pelagic consumer products. In addition, the Group has sales operations in Norway, Europe, Asia, the USA and South America.

FIXED ASSETS

As a result of this, the Group's fixed assets primarily consist of fishing vessels, service vessels for the aquaculture industry, feed barges, sea cages, buildings for the production of spawn and smolt, processing facilities for the receipt and slaughter of salmon, factories for the further processing of salmon, trout and whitefish, and factories for the production of fishmeal and oil, and protein concentrate. The aquaculture and fishery activities also require licences/rights in the various jurisdictions where the Group performs its activities. The Group's fishery activities take place in the Barents Sea, the Norwegian Sea, the North Sea, and the Atlantic and Pacific Oceans. In 2022, 94.6% of the volume of raw materials from the Group's own wild catches, and raw materials purchased from third parties, was from certified fish species. Relevant certifications in 2022 were MSC Certification, Marine Trust 2.0, Friend of the Sea and Fishery Improvement Project (FIP). There were no grounds for writing down the company's intangible assets related to aquaculture and fishery rights in 2022 as a result of the impact of climate change. In terms of the Group's fishery activities (wild catches), extreme weather is first and foremost the most significant physical risk. If the weather is too extreme, the fishing vessels may not be able to fish. Should this type of situation arise during high season for the fishery concerned, the vessels may not be able to fish their quotas for individual fish species within the quota year. Such a situation would also have consequences for the processing industry onshore. With extreme weather, the onshore industry would suffer due to an insufficient supply of raw materials for the production of end products, which in turn would reduce the earnings of fishing vessels and processing facilities alike. Extreme weather in the form of strong winds, heavy precipitation, floods,

droughts and fire may damage key infrastructure. Potentially, this may have a major impact on the Group's operations both directly and indirectly through our supplier chain, as efficient logistics are crucial for maintaining normal operations. The Group has not had any significant costs in 2022 resulting from incidents that may have been caused by extreme weather. No climate-related incidents were identified in 2022 that would indicate the need to reassess the working life or residual value of the Group's fixed assets.

ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Historically, the Group's losses on accounts receivable and other receivables have been low. Accounts receivable are measured at fair value on the transaction date, which will usually correspond to the nominal value of the receivable. Provisions for loss are recognised when there are objective indications that the Group will not receive settlement in accordance with the original terms. Based on the Group's business activities and customer base, it has been assessed that climate change does not impact the Group's estimated provision for bad debt beyond what is stated in Note 9.

INVENTORY

The Group's inventory mainly consists of biomass in the sea (Atlantic salmon and trout), end products in the form of fishmeal and oil, and frozen fish for direct consumption. For more information about how biological assets are valued reference is made to Note 7 in the annual accounts. Compared to other animal proteins, salmon, trout and wild-caught fish have one of the lowest carbon footprints. This is positive for the Group, as it is expected that consumers will increasingly demand food with a lower carbon footprint in the future. The value of the inventory has not been changed based on climate-related incidents.

NOTE 13 cont.

Climate and sustainability

CO2 EMISSIONS IN 2022

In 2022, the Group's total direct greenhouse gas emissions, Scope 1 and 2 converted to tCO₂e, were 286,962 (2021: 283,353). This breaks down into 267,237 for Scope 1 (2021: 261,652) and 19,725 for Scope 2 (2021: 21,700). The Group's fishing vessels account for the majority of the Scope 1 emissions, representing 59% of tCO₂e in 2022 (2021: 65%). The vessels' propulsion systems run on marine oil (MGO). There are currently no effective alternative propulsion systems for the Group's seagoing vessels. Efforts are continuously made to reduce the vessels' bunker consumption, including making operations more efficient where possible. In addition, the Group's factories accounted for 21% of Scope 1 emissions in 2022, the majority of which from the factories in Peru and Chile (2021: 23%).

This is because the factories' energy consumption is mainly based on fossil fuels. Where possible, these factories have switched to using gas instead of gas oil as an energy source in recent years, which produces lower CO₂ emissions than gas oil.

An overall CO₂ emissions reduction target has not yet been set for the Group as a whole. Lerøy Seafood Group ASA, as one of the largest portfolio companies, has set a target of reducing its total CO₂ emissions by 46% by 2030, compared with a 2019 baseline.

As previously mentioned, the fishing vessels represent the largest share of the Group's direct CO₂ emissions, and there are currently no effective alternatives to the existing propulsion systems. Reducing emissions linked to the fishing fleet will require the development of currently

unknown technology and therefore an unknown amount of capital as well. Based on current legislation, the Group has not identified any future costs that suggest the need for provisions for future obligations under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Costs related to climate risk have not been found to have impacted the Group's impairment tests or sensitivity analyses.

It is hereby confirmed that climate-related risks do not significantly affect the Group's going concern assumption.

NOTE 14

Restricted cash deposits

	2022	2021
Restricted deposits related to employee tax deduction	135	157
Other restricted deposits	51	31
Total	187	188

NOTE 15

Events after reporting period

PROPOSED RESOURCE RENT TAXATION ON AQUACULTURE IN NORWAY

On 28 September 2022 the Norwegian government published a consultation draft concerning the introduction of resource rent tax on Norway's aquaculture industry. Among the companies in the Group, Lerøy Seafood Group submitted its consultation response ahead of the deadline on 4 January. Approx. 400 stakeholders submitted consultation responses, a significant majority of which took a negative view of the proposal. The government showed little inclination to listen to the responses and on 28 March 2023 published Proposition to

the Storting 78 LS – Resource rent tax on aquaculture, which proposes introducing a resource rent tax of 35%. This would be in addition to ordinary corporation tax of 22% and would apply to the offshore part of Norwegian aquaculture operations. The government's resource rent tax proposal is expected to be passed by the Storting by July 2023. It is difficult to comment on a proposal that is the subject of political negotiations and has not yet been finally adopted. If the proposal is passed, it will affect the Group's profit after tax and cash flow for 2023. Lower cash flow will impair the Group's investment capacity and long-term development potential.

GREEN BOND ISSUES IN 2023

The 19 April 2023 Lerøy Seafood Group ASA completed 3 new senior unsecured green bond issues. The three bonds, each of NOK 500 million, has tenors of 5, 7 and 10 years, respectively. The bonds have coupons of 3m NIBOR + 1.50% p.a. for the 5 year tranche, fixed rate of 5.10% p.a. for the 7 year tranche and a fixed rate of 5.315% p.a. for the 10 year tranche.

NOTE 16

Share capital and shareholders

SHARE CAPITAL

As of 31.12.2022, 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 - 2022	No changes			
31.12.2022		0.50	101 358 687	202 717 374

Overview of shareholders at 31.12.	2022		2021	
	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 Omnibus f, ref: OM06	5 165 858	2.55 %	4 505 171	2.22 %
J.P. Morgan SE, Luxembourg Branch	4 439 961	2.19 %	4 370 989	2.16 %
Folketrygdfondet	2 947 377	1.45 %	2 980 544	1.47 %
OM Holding AS	2 891 114	1.43 %	2 411 308	1.19 %
Pareto Aksje Norge Verdipapirfond	2 763 705	1.36 %	2 092 555	1.03 %
Six Sis AG	2 648 818	1.31 %	2 665 170	1.31 %
State Street Bank and Trust Comp a/c Client Fund number: OM80	2 440 699	1.20 %	7 375 219	3.64 %
The Bank of New York Mellon SA/NV	1 939 129	0.96 %	1 708 419	0.84 %
JPMorgan Chase Bank, N.A., London	1 797 025	0.89 %	1 618 572	0.80 %
J.P. Morgan Se, Luxembourg Branch	1 670 571	0.82 %	1 149 991	0.57 %
Clearstream Banking S.A.	1 473 857	0.73 %	1 077 941	0.53 %
The Northern Trust Comp, London Br	1 437 719	0.71 %	1 428 566	0.70 %
State Street Bank and Trust Comp a/c West non-treaty account	1 382 867	0.68 %	1 355 913	0.67 %
J.P. Morgan SE, Luxembourg Branch	1 212 623	0.60 %	1 269 384	0.63 %
Danske Invest Norske Instit. II.	1 142 963	0.56 %	1 168 163	0.58 %
Verdipapirfondet Alfred Berg Gamba	1 004 358	0.50 %	1 128 015	0.56 %
Pareto Invest Norge AS	982 217	0.48 %	953 500	0.47 %
State Street Bank and Trust Comp, a/ Client Omnibus A, Ref: OM01	971 952	0.48 %	894 320	0.44 %
Verdipapirfondet Storebrand Norge	967 421	0.48 %	946 750	0.47 %
Austevoll Seafood ASA	893 300	0.44 %	893 300	0.44 %
Total, 20 largest shareholders	152 779 410	75.37 %	154 599 666	76.26 %
Other shareholders	49 937 964	24.63 %	48 117 708	23.74 %
Total, all shareholders	202 717 374	100.00 %	202 717 374	100 %

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	2022	2021
Mortgages	4 467	4 674
Bond loans	1 501	1 990
Other loans	1	30
Lease liabilities to credit institutions	903	1 025
Total non-current liabilities	6 872	7 718
Current liabilities	2022	2021
Overdraft facility	1 153	583
Mortgages	610	732
Bond loans	500	0
Lease liabilities to credit institutions	345	265
Total current liabilities	2 609	1 580
Total non-current and current liabilities	9 480	9 298
Net interest-bearing debt		
Liquid assets	4 339	5 329
Total net interest-bearing debt (cf. note 28)	5 140	3 969
Long term lease liabilities other than to credit institutions	1 528	1382
Short term lease liabilities other than to credit institutions	323	277
Lease liabilities other than to credit institutions	1 851	1 660
Total non-current and current liabilities	11 331	10 958
Liquid assets	-4 340	-5 329
Net interest bearing debt incl. lease liabilities other than to credit institutions	6 991	5 630

The conditions for long-term loans other than bond loans mean that fair value is estimated to be equal to the carrying

amount at 31.12.2022, adjusted for fair value of interest rate swaps. Three of the bond loans are so-called green bonds.

This means that the Group has established a green framework stipulating how the proceeds from the loans can be used.

Repayment profile for interest-bearing debt	2023*	2024	2025	2026	2027	Subsequent	Total*
Mortgages*	610	599	1 181	355	611	1 721	5 077
Overdraft facility	1 153	0	0	0	0	0	1 153
Bond loans	500	8	0	500	500	494	2 002
Lease liabilities to credit institutions	345	211	167	157	130	238	1 248
Other non-current liabilities	0	9	2	2	2	-15	0
Total	2 609	826	1 349	1 014	1 243	2 438	9 480
Repayment profile for long-term non-interest-bearing debt							
Lease liabilities other than to credit institutions	323	264	257	236	235	536	1 851
Total	323	264	257	236	235	536	1 851
Total	2 932	1 090	1 606	1 250	1 478	2 974	11 331

* Repayments of non-current liabilities which mature in 2023 are classified as current liabilities in the balance sheet.

NOTE 17 cont. Interest-bearing debt

Liabilities secured by mortgage	2022	2021
Current liabilities	1 334	745
Non-current liabilities	4 634	6 013
Liabilities to credit institutions incl. finance lease agreements	5 968	6 758
Assets provided as security		
Operating assets	8 342	6 000
Licences *	1 430	1 643
Inventories	12	845
Biological assets	7 579	6 137
Shares	1 441	1 380
Trade receivables	1 192	1 360
Right-of-use assets leased from credit institutions	52	1 070
Total assets provided as security	20 048	18 435

* 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 68.2. 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	2022	2021
6 months or less	8 333	8 111
6-12 months	0	0
1-5 years	647	0
Over 5 years	498	1 182
Total	9 477	9 293

Based on contractual terms the fair value of non-current borrowings (incl. bond loan) is estimated to be equal to book value as of 31.12.2022, 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 to booked value. 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	2022	2021
NOK	8 059	8 018
SEK	111	109
DKK	217	137
USD	735	766
EUR	348	258
Other currencies	7	11
Total	9 477	9 298

FINANCIAL "COVENANTS"

Financing is handled by the individual subsidiaries, and they have their own covenants. The Group has not been in breach of any covenants during the financial year 2021, and is not in breach as of 31.12.2022.

Overdraft facility	2022	2021
Overdraft facility	1 153	583
Unutilised overdraft facility	3 193	3 681
Limit of overdraft facility	4 346	4 263
Unutilised long term credit facility	734	1 875

NOTE 18

Contingencies and provisions

CORMAR

The Group has recognised a provision related to the acquisition of Cormar in Austral in 2007. The Group will have reimbursement rights for some of the liabilities, if the liabilities materialises. A provision of MNOK 21 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 84 as of 31.12.2022 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 15 relating to these suits, which is considered to be the best estimate.

NOTE 19

Financial income and expenses

	2022	2021
Other interest income	79	39
Foreign exchange gains (realised and unrealised)	739	351
Other financial income	30	5
Total financial income	848	394
Interest expense	323	238
Interest expense on lease liabilities to credit institutions	41	29
Interest expense on lease liabilities to others	67	55
Foreign exchange losses (realised and unrealised)	705	395
Other financial expenses	19	27
Total financial expenses	1 155	744
Net financial expenses	-307	-350

NOTE 20

Payroll, fees, no. of employees etc.

	2022	2021
Salaries and holiday pay	3 399	3 070
Contract labour	293	258
Other remuneration	144	135
National insurance contributions	289	256
Pension costs (incl. national insurance contribution)	167	154
Remuneration to board members	2	2
Other payments	224	189
Total wages and salaries	4 519	4 064
No. of full-time equivalents	7 235	7 143

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.

The Group participates in an overarching pension scheme for employees, where it

is not possible to measure the individual entity's share of the obligation.

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 31.12.2022. Change in the benefit obligations as a result of actuarial gains and losses are booked as comprehensive income.

Pension costs	2022	2021
Pension costs, defined contribution plan	142	131
National insurance contributions, defined contribution plan	19	18
Net pension costs, defined contribution plan	161	149
Net pension costs, defined benefit plan	6	6
Total pension costs	167	154

Pension liabilities and other liabilities	2022	2021
Pension liabilities	13	9
Other liabilities	0	2
Total	13	11

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 24 May 2022.

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

2022 - Remuneration to leading personnel (amounts in NOK 1,000)	CEO	CFO	Chairman of the Board*	Other board members	Total
Salary	3 543	3 008	0	0	6 551
Bonus payment based on results for 2021	3 520	1 000	0	0	4 520
Pension costs	175	178	0	0	353
Other remuneration	215	195	0	0	410
Board fee/other remuneration	0	0	4 177	2 030	6 207
Total	7 454	4 382	4 177	2 030	18 041

2021- Remuneration to leading personnel (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	0	0	257
Other remuneration	165	166	0	0	331
Board fee/other remuneration	0	0	3 406	1 852	5 258
Total	7 043	4 022	3 406	1 852	16 323

* 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 of TNOK 3,406 includes Board remuneration of TNOK 375, and the total amount paid in 2022 of TNOK 4,177 includes Board remuneration of TNOK 375.

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

No loans or securities have been issued in 2022 or 2021 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.

Additional disclosures are provided in the Remuneration report, which is available on the Group's website, www.auss.no

OPTIONS

There are as of 31 December 2022, no on-going option program in the Group.

Specification of auditor's fee	2022	2021
Statutory audit	14	12
Audit fee, other auditors	2	2
Other certification services	1	0
Other certification services provided by other auditors	1	0
Technical assistance, taxation	1	2
Other non-audit services	8	4
Total	28	21

NOTE 21

Other gains and losses

	2022	2021
Gains and losses on sale of land, buildings and equipment	-20	62
Total other gains and losses	-20	62

NOTE 22

Other current liabilities

Specification of other current liabilities	2022	2021
Wages, salaries and other staff costs	558	474
Public taxes payable	399	397
Accrued expenses	383	380
Forward exchange contracts/ liability recognised as a result of fair value hedging (cf. note 12)	6	1
Contingent liabilities from addition of Cormar (cf. note 18)	21	18
Contingent liabilities concerning ongoing legal disputes in Austral (cf. note 18)	15	12
Provisions and contingencies	2	50
Unrealised loss on Fish Pool contracts (cf. note 7)	14	44
Other current liabilities	145	131
Total other current liabilities	1 543	1 507

NOTE 23

Lease contracts

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 01.01.2021							
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 01.01.2021	41	588	1 411	1 066	3 106	1 830	1 276
Financial year 2021							
Carrying amount at 01.01.	41	588	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	91	466	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	467	1 385	1 163	3 064	1 801	1 262
Of which secured by mortgage						1 801	
Financial year 2022							
Carrying amount at 01.01.2022	50	467	1 385	1 163	3 064	1 801	1 262
Currency translation differences	0	5	6	0	11	9	2
Addition of new right-of-use assets	2	87	271	443	803	230	572
Disposals	-13	0	-14	-31	-57	-2	-54
Depreciation and amortisation for the year	-6	-61	-270	-276	-613	-231	-382
Reclassification	0	0	1	13	15	0	15
Carrying amount at 31.12.2022	34	498	1 379	1 312	3 222	1 806	1 416
At 31.12.2022							
Acquisition cost	48	738	2 483	2 159	5 428	2 807	2 624
Accumulated depreciation and amortisation	-14	-241	-1 103	-847	-2 206	-1 000	-1 208
Carrying amount at 31.12.2022	34	497	1 379	1 312	3 222	1 806	1 416
Of which secured by mortgage						1 806	

Lease liabilities right of use assets	01.01.2022	Changes in 2022	31.12.2022
Lease liabilities other than to credit institutions			
Long-term portion (cf note 17 and 23)	1 382	145	1 527
Short-term portion (cf note 17 and 23)	277	46	323
Total	1 659	191	1 850
Lease liabilities to credit institutions			
Long-term portion (cf. note 17 and 23)	1 025	-122	903
Short-term portion (cf. 17 and 23)	265	80	345
Total	1 290	-42	1 248
Total lease liabilities right of use assets			
Long-term portion (cf. note 17 and 23)	2 407	23	2 430
Short-term portion (cf note 17 and 23)	542	126	668
Total	2 949	149	3 098
Interest expense on right-of-use assets			
	Note	2022	2021
Interest expense on lease liabilities to credit institutions	19	41	29
Interest expense on lease liabilities to others	19	67	55
Interest expenses on lease liabilities		108	84

Leased assets booked as lease is specified in note 11 and note 23.

NOTE 24

Investments in other shares

2022 Company	Registered office	Ownership/ voting share	Acquisition cost	Fair value
Euro-Terminal AS	Bergen, Norway	15.96 %	22	26
Bulandet Eiendom AS	Bulandet, Norway	minor	1	1
DNB - Private Equity fund	Norway	minor	5	5
Other shares		minor	10	11
Total non-current assets			38	43

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

Reconciliation of the carrying amount of investments in other shares	2022	2021
At 01.01.	47	42
Additions through business combinations	0	5
Additions/disposals	-4	0
Net gains/losses	0	0
At 31.12.	43	47
Minus: share of non-current assets	-43	-47
Share of current assets	0	0

There were no impairment losses on investments in other shares in 2022 and 2021.

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.

the associated companies Pelagia and Marin IT AS (ownership directly by parent Company).

In addition, the Group had some minor transactions with related parties such as

The following transactions were conducted with related parties:

Sales of goods and services	2022	2021
Sales		
- associates	78	84
- ultimate parent and its subsidiaries	0	1
- close family members of controlling owner	0	0
Total	78	86

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.

Purchase of goods and services	2022	2021
Purchase		
- associates	747	642
- ultimate parent and its subsidiaries	153	131
Total	901	773

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.

SOFP items arising from purchase and sale of goods and services	2022	2021
Receivables from related parties		
- associates	40	39
- close family members of controlling owner	10	0
Debt to related parties		
- ultimate parent and its subsidiaries	5	10
- associates	61	41

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

	2022	2021
Tax for the year is as follows		
Tax payable	1 239	743
Change in deferred tax/tax asset	-100	195
Correction, prior years	3	1
Tax	1 142	939
Tax reconciliation		
Profit before tax	5 428	4 376
Tax calculated using the nominal tax rate	1 209	1 003
Income from associates	109	-74
Other differences	-173	13
Deferred tax asset not recognised in the SOFP	-3	-3
Tax	1 142	939
Weighted average tax rate	21.0 %	21.5 %
Change in gross book deferred tax		
Carrying amount at 01.01.	3 443	3 203
Recognised in the period	-100	195
Recognised in other comprehensive income in the period	6	18
Exchange differences	71	8
Effect of business combinations	1	19
Net balance sheet value at 31.12.	3 421	3 443
Balance sheet value of deferred tax asset	-160	-69
Balance sheet value of deferred tax	3 581	3 512
Net balance sheet value at 31.12.	3 421	3 443

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 01.01.2021	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	0	0	0	0	0	18
Exchange differences	10	0	0	-1	0	0	8
Effect of business combinations	19	0	0	0	0	0	19
31.12.2021	2 212	-4	1 322	-33	-31	-23	3 443
Recognised in 2022	-108	0	46	-31	-76	70	-100
Recognised in other comprehensive income in the period	0	0	0	0	0	6	6
Exchange differences	76	0	-2	-3	0	0	71
Effect of business combinations	1	0	0	0	0	0	1
31.12.2022	2 181	-4	1 367	-67	-108	52	3 421

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	2022	2021
Non-current assets	-44	-44
Loss carryforward	-822	-833
Interest deduction carryforward	-94	-94
Liabilities	3	-103
Other differences	25	24
Total temporary differences not included in deferred tax	-932	-1 049
Including net deferred tax asset not recognised in the SOFP	-205	-231
Specification of loss carryforward		
Austevoll Seafood ASA	-461	-464
A-Fish AS	-206	-209
Gateport Overseas Ltd	-153	-158
Andean Opportunities Fund Ltd	-2	-2
Total	-822	-833

Capitalised deferred tax assets derive mainly from loss carryforwards in foreign entities where the loss is expected to be able to be utilised within a reasonable time. The applicable tax rates vary from 21% to 44%. Capitalised deferred tax liabilities derive mainly from Norwegian entities, where a rate of 22% has been applied.

The Norwegian government has proposed introducing a resource rent tax of 35%, on top of ordinary tax, on the offshore part of Norwegian aquaculture operations. As of today's date, the proposal has not been passed. It is expected to be passed before the summer, but the final rules are unclear.

The final rules could affect the allocation between deferred tax and tax payable per 31 December 2022 for the Group's tax subjects in Norway.

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		Denmark	Lerøy Seafood Danmark A/S	100.00 %
Dragøy Grossist AS	2	Norway	Lerøy Nord AS	51.00 %
Eurosalmøn 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 %
Lerøy Processing Canarias SL		Spain	Lerøy Processing Spain S.L.	100.00 %
Lerøy Processing Spain S.L.		Spain	Lerøy Seafood Group ASA	100.00 %
Lerøy Seafood Italy		Italy	Lerøy Seafood Group ASA	100.00 %
Lerøy & Strudshavn AS		Norway	Lerøy Seafood Group ASA	100.00 %
Lerøy Alfheim AS	8	Norway	Lerøy Seafood Group ASA	0.00 %
Lerøy Aurora 2 AS	3	Norway	Lerøy Aurora AS	100.00 %
Lerøy Aurora AS		Norway	Lerøy Seafood Group ASA	100.00 %
Lerøy Bulandet AS		Norway	Lerøy Seafood AS	83.43 %
Lerøy Delico AS	8	Norway	Lerøy Seafood Group ASA	0.00 %
Lerøy 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 2 AS	3	Norway	Lerøy Midt AS	100.00 %
Lerøy Midt AS		Norway	Lerøy Seafood Group ASA	100.00 %
Lerøy Nord AS		Norway	Lerøy Seafood Group ASA	51.00 %
Lerøy Norge AS		Norway	Lerøy Seafood Group ASA	100.00 %
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		Denmark	Lerøy Seafood Danmark A/S	100.00 %
Lerøy Seafood AB		Sweden	Lerøy Sverige AB	100.00 %
Lerøy Seafood AS		Norway	Lerøy Seafood Group ASA	100.00 %

Company	Comments on change	Country	Parent company	Ownership %
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 Danmark A/S		Denmark	Lerøy Seafood Group ASA	77.59 %
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 UK Ltd.	3	UK	Lerøy Seafood Group ASA	100.00 %
Lerøy Seafood USA Inc		USA	Lerøy Seafood AS	100.00 %
Lerøy Sjømatgruppen AS		Norway	Lerøy Norge AS	73.75 %
Lerøy Sjømatgruppen AS		Norway	Lerøy Nord AS	2.50 %
Lerøy Sjøtroll Kjærvelva AS		Norway	Sjøtroll Havbruk AS	50.00 %
Lerøy Sjøtroll Kjærvelva 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	8	Norway	Lerøy Seafood Group ASA	0.00 %
Lerøy Turkey Su Ürünleri San. Ve Tic A.S.		Turkey	Lerøy Seafood Group ASA	100.00 %
Lerøy Vest 2 AS	3	Norway	Lerøy Vest AS	100.00 %
Lerøy Vest AS		Norway	Lerøy Seafood Group ASA	100.00 %
Lerøy Vest Kraft AS	3	Norway	Lerøy Vest AS	100.00 %
Lerøy Årskog AS		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.	8,9	France	Lerøy Norway Seafoods AS	0.00 %
Ove Johnsen Fisk en Gros ApS		Denmark	Lerøy Seafood Danmark A/S	100.00 %
P. Tabbel & Co A/S	2	Denmark	Lerøy Seafood Danmark A/S	100.00 %
Preline Fishfarming System AS		Norway	Lerøy Seafood Group ASA	96.00 %
Scan Fish Danmark A/S	2	Denmark	Lerøy Seafood Danmark A/S	100.00 %
Sirevaag AS		Norway	Lerøy Norge AS	100.00 %
Sjømathuset AS		Norway	Lerøy Seafood Group ASA	100.00 %
Sjøtroll Havbruk 2 AS		Norway	Sjøtroll Havbruk AS	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	Lerøy 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 %
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

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

The changes in ownership in the subsidiaries are commented in note 6.

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	2022	2021
Operating profit	5 240	4 332
- Fair value adjustments	-1 189	-1 114
Operating profit before fair value adjustments	4 051	3 218

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	2022	2021
Operating profit	5 240	4 332
Depreciation and amortisation	1 731	1 592
Operating profit before depreciation and amortisation (EBITDA)	6 971	5 924
- Fair value adjustments	-1 189	-1 114
Operating profit before depreciation, amortisation and fair value adjustments	5 782	4 810

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	2022	2021
Profit before tax	5 428	4 376
- Fair value adjustments	-1 189	-1 114
- Fair value adj. incl. in share of profit from associates *	-6	-6
Profit before tax and fair value adjustments	4 232	3 256

* 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)	2022	2021
Loans from credit institutions *	7 077	7 396
+ Lease liabilities to credit institutions *	1 248	1 290
+ Other long-term loans *	1	30
+ Overdrafts and other short-term credits	1 153	583
- Liquid assets	-4 339	-5 329
Net interest-bearing debt (NIBD) **	5 140	3 970

* 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, are estimated at fair value through profit and loss in accordance with IAS 41. Reference is made to further description in this note.
- Onerous contracts related to biological assets are recognised in accordance with IAS 37 and measured at the lower of settlement amount and the amount needed to fulfil the contract.
- 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 2022

In 2022, 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 2022. 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 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 acquiree 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

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

NOTE 29 cont.

Accounting policies

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 its 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.

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.

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

NOTE 29 cont.

Accounting policies

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 10 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.

Parent fish licences are also licences defined as for special purposes. Parent fish 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 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.

NOTE 29 cont.

Accounting policies

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 14 August 2007 no. 986). In the consultation document dated 7 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 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 Norwegian fishery licence scheme

The Participation Act (the Act relating to the right to participate in fishery and catches) and the Marine Resources Act (the Act relating to the management of wild living marine resources) constitute the legal framework for allocation and management of fishery licences and quotas in Norway.

The freedom to carry out commercial fishery is regulated in or pursuant to the Participation Act.

The Participation Act establishes that a fishing vessel cannot be used for commercial fishery or catches unless it has a commercial licence issued by the Ministry. A commercial licence is issued to the owner of the vessel for a specific vessel. Among other things, the Participation Act sets out criteria for the vessel's construction and conditions governing activity, nationality and residence in order for the vessel owner to be issued with a commercial licence.

A commercial licence only confers the right to carry out fishery or catches in accordance with the provisions set out

in or pursuant to the Marine Resources Act at all times.

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.

In the event of transfer of a share or holding in the company/association of undertakings that directly or indirectly owns the vessel, advance approval of a change of ownership composition is required from the Ministry.

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 licence shall and can be revoked if the vessel owner does not fulfil the conditions set out in the Participation Act.

If such incidents are of a less serious nature, the Ministry may decide to retract the commercial permit for a specific period of time.

Special permits pursuant to sections 12 of the Participation Act

Most economically important fisheries also require either a special licence or annual permit to participate in a closed group. Essentially, the sea fishing fleet has licence schemes, while the coastal fishing fleet is regulated by means of annual limits on access.

The Group's vessels have special licences for pelagic fisheries and whitefish.

Fisheries permits within pelagic fisheries and whitefish

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 whitefish,, 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 and whitefish that have a time limit – so-called structural quotas. These are amortised over the lifetime of the individual structural quota.

The fisheries licences within pelagic fishery and 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 fishing permits meet the definition of intangible assets in accordance with IAS 38, as these are legal rights, are identifiable and generates economic yield that the company can control.

Discussion of the quota report (Report to the St. 32 (2018–2019)) in May 2020 failed to provide the necessary clarification of key framework conditions for the fleet. This applied, for example, to the Storting's decision on how structural profit is to be allocated on expiry of the time limit of 20/25 years specified in the structural quota scheme. In its resolution following the discussion of the quota report, the Storting also asked the government to conduct an impact assessment of factors not adequately addressed in the report.

Based on this, key themes that will form the basis for a new quota notification 2.0 have been sent out for consultation. The government has indicated it will submit a new quota notification to the

Storting, including proposal for allocation of structural profit from expiry time limit in the structural quota scheme. The deadline for submissions has passed, but the matter is still under discussion. 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).

A 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 (not increase authorized storage capacity, accredit vessel operation and paid of the corresponding fishing rights), 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.

The indeterminate life of fishing license is also subject to lack of severe penalties (maximum four allowed in one year).

NOTE 29 cont.

Accounting policies

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 9 February 2013.

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.

The fishing law of 2013 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.

This was done for horse mackerel in 2017. 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 project to the Fishing Act of 2013 has been announced by the Government, to be sent for Congress discussion during 2023. No details have been disclosed yet.

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 1 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 1 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:

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

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

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

NOTE 29 cont.

Accounting policies

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 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.

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

NOTE 29 cont.

Accounting policies

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 (wellboat, 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

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.

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

NOTE 29 cont.

Accounting policies

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

Statement of Comprehensive Income

Amounts in TNOK	Note	2022	2021
Operating revenue	4,16	2 160	1 884
Total income		2 160	1 884
Wages and salaries	5,17	-22 110	-20 791
Other operating expenses	5,16	-18 775	-14 240
Operating expenses		-40 885	-35 031
Depreciation	7	-6	-4
Operating profit		-38 730	-33 151
Financial income	6	1 222 959	976 563
Financial expenses	6	-41 894	-32 683
Profit before tax		1 142 335	910 729
Tax	18	0	0
Profit for the year		1 142 335	910 729
Average no. of outstanding shares		201 824 074	201 824 074
Earnings per share/diluted earnings per share (NOK)		5.66	4.51
Proposed dividend per share (NOK)		5.50	4.50

Statement of financial position

Amounts in TNOK	Note	31.12.2022	31.12.2021
Assets			
Fixed assets	7	0	6
Shares in subsidiaries	8,14	3 818 808	3 818 808
Investments in associates	9	752 718	752 718
Investments in other companies	10	25 736	25 736
Long-term receivables on Group companies	12,16	264 431	64 134
Total non-current assets		4 861 692	4 661 402
Trade receivables	11,14,16	114	61
Short-term receivables on Group companies	14,16	1 307 782	919 375
Other receivables	12	2 184	1 593
Marked-based financial instruments	2	15 954	15 718
Liquid assets	13,14	207 743	341 912
Total current assets		1 533 777	1 278 659
Total assets		6 395 469	5 940 060
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		1 178 518	1 146 216
Total equity		4 427 030	4 394 728
Borrowings	14,16	74 535	553 645
Total non-current liabilities		74 535	553 645
Bond loan	14	490 000	0
Liabilities to credit institutions	14	116 128	71 500
Trade payables	16	7 553	5 378
Accrued salary and public duties payable		4 220	3 849
Provision for dividends	15	1 110 032	908 208
Other current liabilities	16,17	1 801	2 751
Current liabilities to Group companies	16	164 170	0
Total current liabilities		1 893 903	991 687
Total liabilities		1 968 438	1 545 332
Total equity and liabilities		6 395 469	5 940 060

* If note reference contains the characters CFS, it refers to notes in the consolidated financial statement

Storebø, 28 April 2023
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


Petter Dragesund
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 01.01.2021		101 359	-447	3 147 600	1 143 694	4 392 206
Profit for the year		0	0	0	910 729	910 729
Provision for dividends	15	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	1 146 215	4 394 728
Profit for the year		0	0	0	1 142 335	1 142 335
Provision for dividends	15	0	0	0	-1 114 052	-1 114 052
Reversed dividends payable on treasury shares		0	0	0	4 020	4 020
Total equity to/from shareholders in the period		0	0	0	-1 110 032	-1 110 032
Total change in equity		0	0	0	32 302	32 302
Equity at 31.12.2022		101 359	-447	3 147 600	1 178 518	4 427 030

Cash flow statement

Amounts in NOK 1 000	Note	2022	2021
Profit before tax		1 142 335	910 729
Depreciation and amortisation	7	6	4
Dividends and Group contributions	6	-1 198 757	-956 240
Change in trade receivables		-53	694
Change in trade payables		2 175	-635
Change in other accruals		-126	-124
Items classified as investing or financing activities		-236	-96
Unrealised foreign exchange gains/losses		-661	0
Interest expense		38 708	0
Interest income		-23 083	19 999
Net cash flow from operating activities		-39 693	-25 669
Change in intercompany receivables		-355 874	209 169
Dividends and Group contributions received		972 641	769 970
Interest received		17 032	9 419
Net cash flow from investing activities		633 798	988 559
Movement in short-term loans		47 878	-16
Net change in long-term interest bearing debt		-3 250	-613 000
Net change in short-term interest bearing debt		167 748	0
Interest paid		-32 442	-29 418
Dividends paid	15	-908 208	-706 384
Net cash flow from financing activities		-728 274	-1 348 802
Change in cash and cash equivalents		-134 169	-385 912
Liquid assets at 01.01.		341 912	727 824
Liquid assets at 31.12.		207 743	341 912
Consists of			
Bank deposits etc.		207 743	341 912
Of which restricted cash deposits		3 174	2 879
Unutilised long term credit facility		592 122	640 000

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 instruments

2022				Change in value recognised in the period
Other financial instruments	Acquisition cost	Market value	Carrying amount	
Money market unit trust	15 718	15 954	15 954	236
Total other financial instruments	15 718	15 954	15 954	236

NOTE 3

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 related to changes in market interest rates.

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.

	2022	2021
Total borrowings (note 14)	847 562	628 919
Minus liquid assets and interest-bearing assets	915 348	501 972
Net interest-bearing debt	-67 786	126 947
Total equity	4 427 030	4 394 728
Capital employed	4 359 244	4 521 675
Gearing ratio	-2 %	3 %

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 4

Operating revenue

	2022	2021
Administrative services	2 160	1 884
Total operating revenue	2 160	1 884
Revenue by geographic area:		
Norway	50	75
Peru	2 110	1 809
Total	2 160	1 884

NOTE 5

Payroll, fees, no. of employees etc.

	2022	2021
Salaries and holiday pay	15 019	14 585
Contract labour	4 177	3 406
National insurance contribution	2 252	2 178
Pension costs	508	512
Other payments	154	110
Total wages and salaries	22 110	20 791
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.

No loans or securities have been issued in 2022 or 2021 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.

Specification of auditor's fee	2022	2021
Statutory audit	2 186	1 374
Other services excl. audit	1 501	929
Other non-audit services	135	302
Total	3 821	2 604

NOTE 6

Financial income and financial expenses

	2022	2021
Interest income from Group companies	6 051	3 632
Other interest income	17 268	5 787
Recognised dividends and Group contributions	1 198 757	956 240
Foreign exchange gains	883	10 904
Total financial income	1 222 959	976 563
Interest expenses from Group companies	10 931	1 725
Other interest expenses	27 777	27 693
Foreign exchange losses	115	266
Other financial expenses	3 070	2 999
Total financial expenses	41 894	32 683
Net financial items	1 181 065	943 880

NOTE 7

Fixed assets

2021	Office equipment	Total
At 01.01.		
Acquisition cost	2 321	2 321
Accumulated depreciation	-2 311	-2 311
Carrying amount at 01.01.	10	10
Additions	0	0
Disposals	0	0
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
2022	Office equipment	Total
Carrying amount at 01.01.	6	6
Additions	0	0
Disposals	0	0
Depreciation	-6	-6
Carrying amount at 31.12.	0	0
At 31.12.		
Acquisition cost	2 321	2 321
Accumulated depreciation	-2 321	-2 321
Carrying amount at 31.12.	0	0

NOTE 8

Shares in subsidiaries

All subsidiaries follow the same accounting year as AUSS.

2022 Company	Voting share	Group	Main business	Gross numbers (100%)		Carrying value
				Net profit	Equity	
Lerøy Seafood Group ASA	52.69 %	x	Farming, Wildcatch, VAP, sales and distribution	3 165 122	21 023 693	2 783 350
Austevoll Pacific AS	100.00 %		Ownership in Austral Group S.A.A.	52 985	244 218	25 336
A-Fish AS	100.00 %		Ownership in FoodCorp Chile S.A.	50 604	160 588	660 100
FoodCorp Chile S.A.*	26.39 %		Fishery/processing	123 839	1 149 370	58 709
Br. Birkeland Farming AS	55.24 %	x	Farming (Atlantic salmon)	237 713	526 640	123 101
Br. Birkeland AS	42.92 %	x	Pelagic wild catch operation	-5 543	386 848	110 475
Austevoll Eiendom AS	100.00 %		Property, plant, offices	868	9 370	56 627
Austevoll Laksepakkeri AS	100.00 %		Processing plant	1 264	9 076	100
AUSS Shared Service AS	100.00 %		Service company	639	2 454	1 010
Total						3 818 808

2021 Company	Voting share	Group	Main business	Gross numbers (100%)		Carrying value
				Net profit	Equity	
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 S.A.	30 337	109 983	660 100
FoodCorp Chile S.A.*	26.39 %		Fishery/processing	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

* AUSS owns 100% of FoodCorp Chile S.A., 26.39 % directly and 73.61% via A-Fish AS.

NOTE 9

Shares in associated companies

2022 Company	Classification of investment	Gross numbers (100%)		Registered office	Carrying value	Voting share
		Net profit	Equity			
Marin IT AS	Associate	4 881	32 709	Storebø	4 003	25.00 %
Pelagia Holding group	Joint venture	915 953	3 821 424	Bergen	748 715	50.00 %
Total					752 718	

2021 Company	Classification of investment	Gross numbers (100%)		Registered office	Carrying value	Voting share
		Net profit	Equity			
Marin IT AS	Associate	4 166	26 167	Storebø	4 003	25.00 %
Pelagia Holding group	Joint venture	564 622	3 167 918	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 10

Investments in other shares

2022 Company	Registered office	Number of shares	Owner/voting share	Fair value
Euro-Terminal AS	Bergen	4 897 290	15.96 %	25 711
Other shares				25
Total				25 736

2021 Company	Registered office	Number of shares	Owner/voting share	Fair value
Euro-Terminal AS	Bergen	4 897 290	15.96 %	25 711
Other shares				25
Total				25 736

NOTE 11

Trade receivables

	2022	2021
Trade receivables	114	61
Accounts receivables at 31.12.	114	61
Age distribution of trade receivables		
0 to 3 months	53	61
Over 6 months	61	0
Total	114	61
Carrying amounts of trade receivables		
Currency		
NOK	114	61
Total	114	61

NOTE 12

Other receivables

Non-current receivables	2022	2021
Intragroup non-current receivables	264 431	64 134
Total non-current receivables at 31.12.	264 431	64 134
Impairment of non-current receivables	0	0
Other current receivables		
Prepayments	620	405
Public fees receivable	1 564	1 188
Other current receivables at 31.12.	2 184	1 593
Impairment current receivables	0	0

NOTE 13

Restricted cash deposits

	2022	2021
Restricted deposits related to employee tax deduction	3 174	2 879
Total	3 174	2 879

NOTE 14

Interest bearing debt

Austevoll Seafood ASA and Austevoll Eiendom AS have joint and several liability for short-term credit facilities.

Net interest-bearing debt	2022	2021
Liabilities to credit institutions - non-current	10 000	10 000
Bond loans - non-current*	0	490 000
Other interest-bearing liabilities - non-current	67 264	57 419
Bond loan	490 000	0
Other interest-bearing liabilities - current	164 170	0
Current share of non-current liabilities	68 250	71 500
Overdraft facility	47 878	0
Total interest-bearing debt	847 562	628 919
Money market unit trust	15 954	15 718
Liquid assets	207 743	341 912
Cash pool receivables	265 912	78 072
Other interest-bearing assets non current	264 431	64 134
Other interest-bearing assets current	161 308	2 137
Total interest-bearing asset	915 348	501 973
Net interest-bearing debt	-67 786	126 947
Limit overdraft facility	50 000	50 000
Average interest bond loans	3.99 %	2.80 %

Interim interest regulations on bond loans

Repayment profile	2023	2024	2025	2026	2027	Subsequent	Total*
Debt to credit institutions	116 128	0	10 000	0	0	0	126 128
Bond loans	490 000	0	0	0	0	0	490 000
Other interest-bearing liabilities - non-current	0	0	0	0	0	67 264	67 264
Other interest-bearing liabilities - current	164 170	0	0	0	0	0	164 170
Total	770 298	0	10 000	0	0	67 264	847 562

* Non-current liabilities are reduced with provision paid with loan rising. The provision is accrued between the term of loans, and is per 31.12.2022 TNOK 2,729.

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 31.12.2022 was 59% and per 31.12.2021 it was 58%.

Liabilities secured by mortgage	2022	2021
Current liabilities	116 128	71 500
Non-current liabilities	0	0
Liabilities to credit institutions incl. leasing liab.	116 128	71 500
Assets provided as security		
Shares in Br. Birkeland AS and Br. Birkeland Farming AS	233 576	233 576
Trade receivables and other receivables	114	61
Total assets provided as security	233 690	233 637

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 31.12.2022.

For further information about the bond loan, please refer to note 17 in the consolidated financial statement.

NOTE 15

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.

Calculation of earnings per share	2022	2021
Profit for the year	1 142 335	910 729
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)	5.64	4.49
Earnings per share/diluted earnings per share (NOK)	5.66	4.51
Proposed dividend per share (NOK)	5.50	4.50

NOTE 16

Related parties

Relationship	Operating revenue		Operating expenses	
	2022	2021	2022	2021
Subsidiaries	2 160	1 874	4 763	4 245
Associates	0	0	565	634
Owners and their related parties	0	5	6 688	5 310
Total	2 160	1 879	12 016	10 189

Relationship	Trade receivables		Trade payables	
	2022	2021	2022	2021
Subsidiaries	114	56	-644	-394
Owners and their related parties	0	5	-6 009	-4 258
Total	114	61	-6 653	-4 652

Relationship	Other current receivables		Non-current receivables	
	2022	2021	2022	2021
Subsidiaries	1 307 782	919 375	264 431	64 134
Total	1 307 782	919 375	264 431	64 134

Relationship	Other current liabilities		Non-current liabilities	
	2022	2021	2022	2021
Subsidiaries	164 170	0	67 264	57 419
Total	164 170	0	67 264	57 419

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 2022 the company paid TNOK 4,763 (2021: TNOK 4,245) to subsidiaries mainly for administrative services.

NOTE 17

Other current liabilities

Specification of other current liabilities	2022	2021
Wages and salaries	933	887
Interest payments due	865	1 778
Other current liabilities	3	86
Total other current liabilities	1 801	2 751

NOTE 18

Tax

	2022	2021
Tax for the year is as follows		
Change in deferred tax/tax asset	2 129	-18 854
Deferred tax asset not recognised in the SOFP	-2 129	18 854
Change in deferred tax asset, prior years	0	0
Tax	0	0
Tax reconciliation		
Profit before tax	1 142 335	910 729
Tax calculated using the nominal tax rate	251 314	200 360
Other differences - including dividends	-248 225	-219 215
Effect of change in tax rate	0	0
Tax OCI items	0	0
Change in deferred tax asset not recognised in the SOFP	-2 129	18 854
Change in deferred tax asset, prior years	-959	0
Tax expense	0	0
Effective tax rate	0 %	0 %
Change in deferred tax		
Carrying amount at 01.01.	0	0
Change for the year	2 129	-18 854
Other changes	0	0
Reversal change for the year	-2 129	18 854
Change in deferred tax asset, prior years	0	0
Carrying amount at 31.12.	0	0

Change in deferred tax	Non-current assets	Liabilities	Pensions	Loss carried forward	Other differences	Total
2021						
Carrying amount at 01.01.	0	0	0	0	0	0
Recognised in the period	-62	0	0	977	-19 611	-18 695
At 31.12. (tax rate 22%)	-62	0	0	977	-19 611	-18 695
Deferred tax asset not recognised in the SOFP	62	0	0	-977	19 611	18 695
At 31.12.	0	0	0	0	0	0
2022						
Recognised in the period	-51	0	0	2 227	-48	2 129
At 31.12. (tax rate 22%)	-51	0	0	2 227	-48	2 129
Deferred tax asset not recognised in the SOFP	51	0	0	-2 227	48	-2 129
At 31.12.	0	0	0	0	0	0

Specification of temporary differences	2022	2021	Changes
Non-current assets	915	1 146	-231
Shares	25 237	24 408	829
Liabilities	2 729	3 774	-1 045
Loss carried forward	-449 431	-459 555	10 124
Total temporary differences	-420 551	-430 228	9 677
Deferred tax asset not recognised in the SOFP	-92 521	-94 650	2 129

NOTE 19

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 21 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 28 April 2023. 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 29 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 12).

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,

NOTE 19 cont.

Accounting principles

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 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.

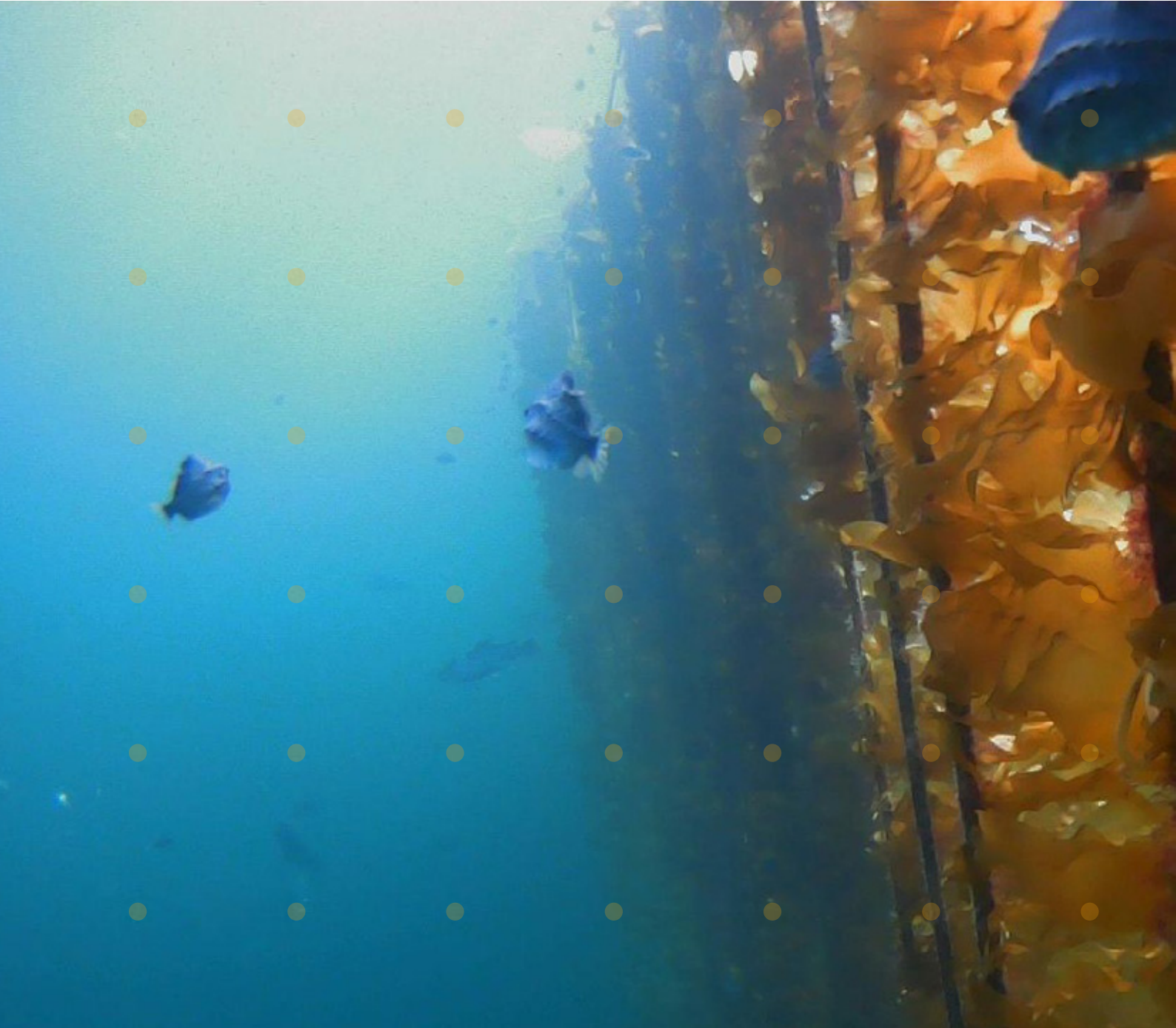
EVENTS AFTER THE BALANCE SHEET DATE

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 2023

16.05.2023	REPORT Q1 2023
25.05.2023	ANNUAL GENERAL MEETING
23.08.2023	REPORT Q2 2023
15.11.2023	REPORT Q3 2023
21.02.2024	PRELIMINARY ANNUAL RESULTS 2023

Please note that the dates might be subject to changes.

RESPONSIBILITY STATEMENT

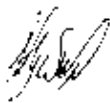
We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2022 have been prepared in accordance with current applicable account standards, and give a true and fair view

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, 28 April 2023

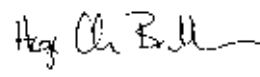
The Board of Directors of Austevoll Seafood ASA



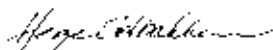
Helge Singelstad
Chairman of the Board



Helge Møgster
Board member



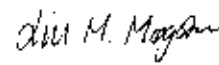
Hege Charlotte Bakken
Deputy Chairman of the Board



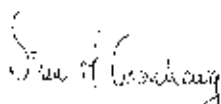
Hege Solbakken
Board member



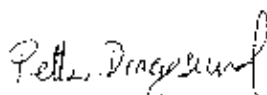
Eirik Drønen Melingen
Board member



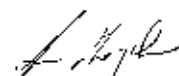
Lill Maren Møgster
Board member



Siren M. Grønhaug
Board member



Petter Drågesund
Board member



Arne Møgster
CEO and President



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 2022, 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 2022, 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 2022, 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, 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 relevant laws and regulations in Norway 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 27 years from the election by the general meeting of the shareholders on 24 May 1996 for the accounting year 1996.

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 Group's business activities are largely unchanged compared to last year. *Measurement of the amount 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.

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen

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Key Audit Matters

How our audit addressed the Key Audit Matter

Measurement of the amount of biological assets

As described in the financial statement, Austevoll Seafood ASA measures biological assets to their fair value according to IAS 41. At the balance sheet date, the fair value of biological assets was MNOK 7 972, of which MNOK 5 346 is historical cost and MNOK 2 626 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 17% of the balance sheet on 31 December 2022.

We focused on measurement of biological assets (biomass), emphasizing live fish held for harvesting purposes, because it constitutes a major part of the Group's biological assets. Furthermore, there is an inherent risk of error in the measurement of both number of fish and biomass, as the biological assets, by nature, are difficult to count, observe and measure due to lack of sufficiently accurate measuring techniques that at the same time do not affect fish health. As a result, there is some uncertainty related to the number of fish and biomass in the sea. The group has established control procedures for measurement of both number of fish and biomass.

See note 7 about biological assets and note 29 about accounting policies to the consolidated financial statement for further information on measurement of biological assets.

For audit of significant inventories, the International Audit Standards (ISAs) require that we participate at inventory counts, provided that it is practicable. Due to the nature of the biological assets and the described difficulty related to counting, observing, and measuring the fish and the biomass, we have performed alternative audit procedures to obtain sufficient appropriate audit evidence regarding the inventory's existence and condition.

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 as this has the most significant impact on the measurement at the balance sheet date.

We reviewed the Group's routines related to recording of number of smolt stocked. To assure the accuracy of the number of fish registered in the biomass system, we tested selection of recorded smolt stocked against the number of fish according to supporting documentation. Examples of supporting documentation were 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 closely related to the purchase of feed in the period. To assess 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 purchases throughout the year against incoming invoices from feed suppliers. We also assessed 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.

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 assess the correctness of fish ready to be harvested on 31 December 2022. We found the deviations overall to be limited and in accordance with expectations.

We read the notes and found that they satisfied the accounting requirements.

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 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 further information on valuation of biological assets in note 2 about critical accounting estimates and judgements, note 7 about biological assets and note 29 about accounting policies to the consolidated financial statement.

We reviewed the Group's calculation model for valuation of biological assets by comparing it against the criteria in IAS 41 and IFRS 13 and found no obvious deviations.

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 management in the model, were reasonable. We did this by discussing the assumptions with management 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 valuation of biological assets, 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 appear 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 statutory 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 and 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's 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 Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Austevoll Seafood ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 5967007LIEEXZXFDC03-2022-12-31-no.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

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 2023

PricewaterhouseCoopers AS

Hallvard Aarø
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.





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