



Austevoll Seafood ASA



**Q2**  
**2023**

financial presentation

Arne Møgster  
CEO

Britt Kathrine Drivenes  
CFO

# Highlights

All figures in MNOK	Note	Q2 2023	Q2 2022	YTD 2023	YTD 2022	2022
<b>Operating revenue and other income</b>		<b>8 452</b>	<b>7 852</b>	<b>16 454</b>	<b>14 417</b>	<b>31 150</b>
Operational EBITDA	7	1 441	1 769	3 068	3 251	6 062
<b>Operational EBIT</b>	7	<b>982</b>	<b>1 465</b>	<b>2 231</b>	<b>2 563</b>	<b>4 845</b>
<b>Profit before tax and biomass adjustments</b>		<b>774</b>	<b>1 116</b>	<b>1 890</b>	<b>2 160</b>	<b>4 226</b>
Income tax expenses		-193	-471	-537	-784	-1 142
Implementation effects of resource tax (aquaculture)	9	-1 803	-	-1 803	-	-
<b>Net profit</b>		<b>-1 139</b>	<b>1 752</b>	<b>85</b>	<b>2 805</b>	<b>4 285</b>
<i>EPS adj. (NOK)</i>	*	-3,2	2,5	-0,8	4,3	9,9
Total assets				51 933	47 748	48 062
Net interest bearing debt				6 930	5 902	5 140
Equity ratio				52 %	56 %	59 %
<b>Group operational EBITDA incl. 50% of Pelagia</b>		<b>1 606</b>	<b>1 900</b>	<b>3 426</b>	<b>3 474</b>	<b>6 906</b>
<i>Operational EBITDA Salmon/whitefish</i>		<i>1 307</i>	<i>1 249</i>	<i>2 644</i>	<i>2 459</i>	<i>4 797</i>
<i>Operational EBITDA Pelagic incl. proportional Pelagia</i>		<i>299</i>	<i>651</i>	<i>782</i>	<i>1 015</i>	<i>2 109</i>

\* Before fair value adjustments related to biological assets

The Resource rent tax was adopted 31 May 2023. Effect of implementation of NOK 1.8 billion on tax expenses in Q2/23 and YTD 2023 figures. See note 9 in this presentation, and the Financial report for Q2 and H1/23, for more information.

# Operation overview

	PERU	CHILE	NORTH ATLANTIC	AUSTEVOLL SEAFOOD GROUP
PELAGIC FISHING	<b>7%</b> of Anchovy quota Centre-north <b>19</b> Fishing vessels	<b>8.6%</b> of Pelagic fishing quota <b>3</b> Fishing vessels	<b>4</b> Fishing vessels	<b>350,000 - 450,000</b> MT of pelagic fish caught annually (26 vessels)
PELAGIC PROCESSING	<b>5</b> Processing plants	<b>3</b> Processing plants	<b>25</b> Processing plants*	<b>1.6 – 2.0</b> Million MT of raw material annually <b>33</b> Processing plants
WHITEFISH			<b>11%</b> Whitefish quota (NO) <b>10</b> Fishing vessels <b>8</b> Processing plants	<b>90,000 - 110,000</b> MT of whitefish (10 vessels) <b>8</b> Processing plants
SALMON			Norway: Salmon licenses • Incl. salmon operation UK*	<b>200,000 - 220,000</b> MT of salmon
SALES	Integrated sales organisation	Integrated sales organisation	Integrated sales organisation	Wholesale with global sales & distribution

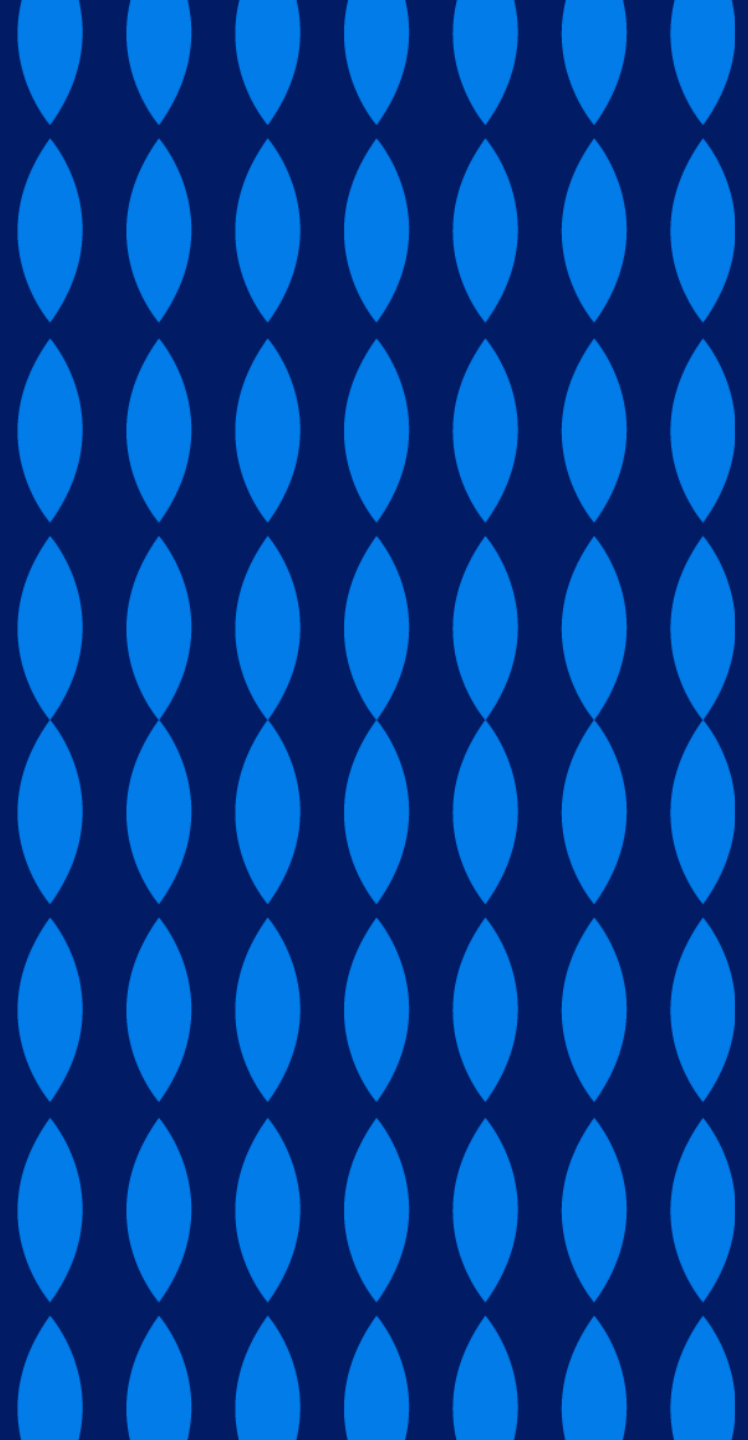
\*Associated companies



Austevoll Seafood ASA

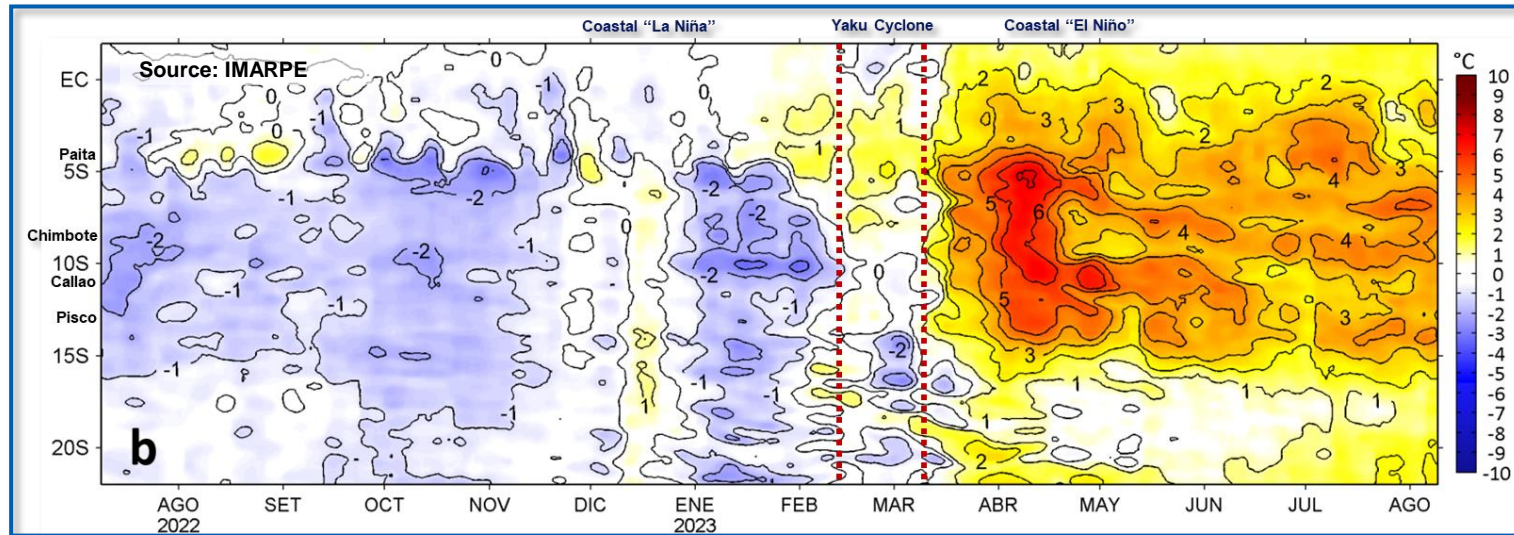
# Pelagic

Austral Group S.A.A.  
FoodCorp Chile S.A.  
Pelagia Holding AS (associated)



# Niño development Pacific Ocean

Sea Surface Temperature Anomaly



Magnitude of the event December 2023-March 2024		Probability of occurrence (%)
<b>La Niña</b>	<b>Strong</b>	<b>0</b>
<b>La Niña</b>	<b>Moderate</b>	<b>0</b>
<b>La Niña</b>	<b>Weak</b>	<b>1</b>
<b>Neutral</b>		<b>7</b>
<b>El Niño</b>	<b>Weak</b>	<b>38</b>
<b>El Niño</b>	<b>Moderate</b>	<b>40</b>
<b>El Niño</b>	<b>Strong</b>	<b>13</b>
<b>El Niño</b>	<b>Extraordinary</b>	<b>1</b>

Source: ENFEN

- The coastal El Niño (Niño 1+2 region) will continue until the summer of 2024; a consequence of the high probability of El Niño development in the central Pacific
- Strong warm conditions should remain until November 2023
- Projected probability of weak Niño 38% and moderate Niño 40% for December 2023 to March 2024
  - 2<sup>nd</sup> season quotas estimate between 0-1.5 million tonnes, subject to Imarpe's recommendation



# Operation in Peru

Austral Group S.A.A.

## Fishmeal/fish oil

### 1<sup>st</sup> season 2023

#### • Centre/North

- 1.09 million MT quota 20% caught vs. 2.79 million MT 84% caught same season in 2022
- 2 exploratory periods authorised 5 days in June and 10 days in August
- High levels of juveniles due to Coastal Niño from March, limited catch periods

#### • South

- 3<sup>rd</sup> party unload 12,601 MT (2022: 83,377 MT) to date
- Coastal Niño has seriously affected fishing with high levels of juveniles

## Direct Human Consumption

- Austral catch to date 17,653 MT vs. 9,026 MT same period 2022
- Includes catch in international waters 5,153 MT (2022: 0)
- Raw material purchases 3,236 MT (2022: 3,510 MT)

Volume '000 MT	Q2 2023	Q2 2022	YTD Q2 2023	YTD Q2 2022	2023E	2022
<b>Own catch</b>						
Anchoveta	1	138	36	139	44-146	238
Jackmackerel	2	-	11	8	11	8
Mackerel	1	-	3	1	3	1
<b>Purchase</b>						
Anchoveta	7	97	17	121	22-44	173
Mackerel	-	-	3	4	3	4
<b>Total ('000 MT)</b>	<b>11</b>	<b>235</b>	<b>70</b>	<b>273</b>	<b>83-208</b>	<b>424</b>



# Operation in Chile

FoodCorp Chile S.A.

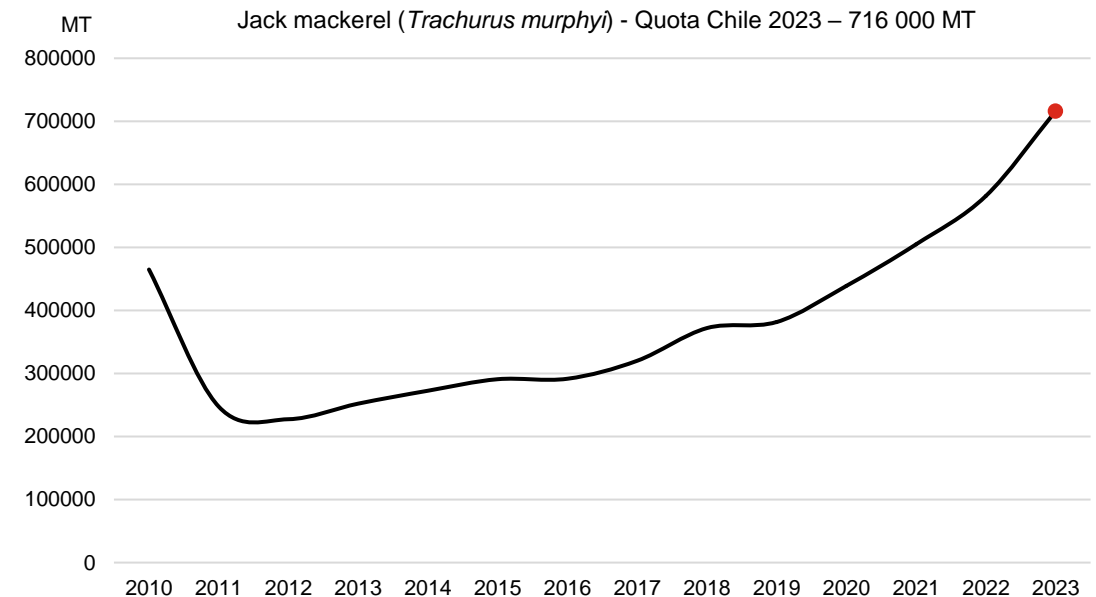
## Own catch: Jack mackerel

- Healthy biomass
  - Global quota increased by 20% to 1,080 KMT
  - Chile's share increased to 66.4% from 64.6%
  - FoodCorp's quota increased to 56 KMT (+23.5%)
- Q1 catch increased according to new quota
- Q2 catch decreased due to limited access to third party quota purchase
  - Own quota fully caught
  - Expecting lower volumes of 3<sup>rd</sup> party quota purchase in H2 2023

## Purchases:

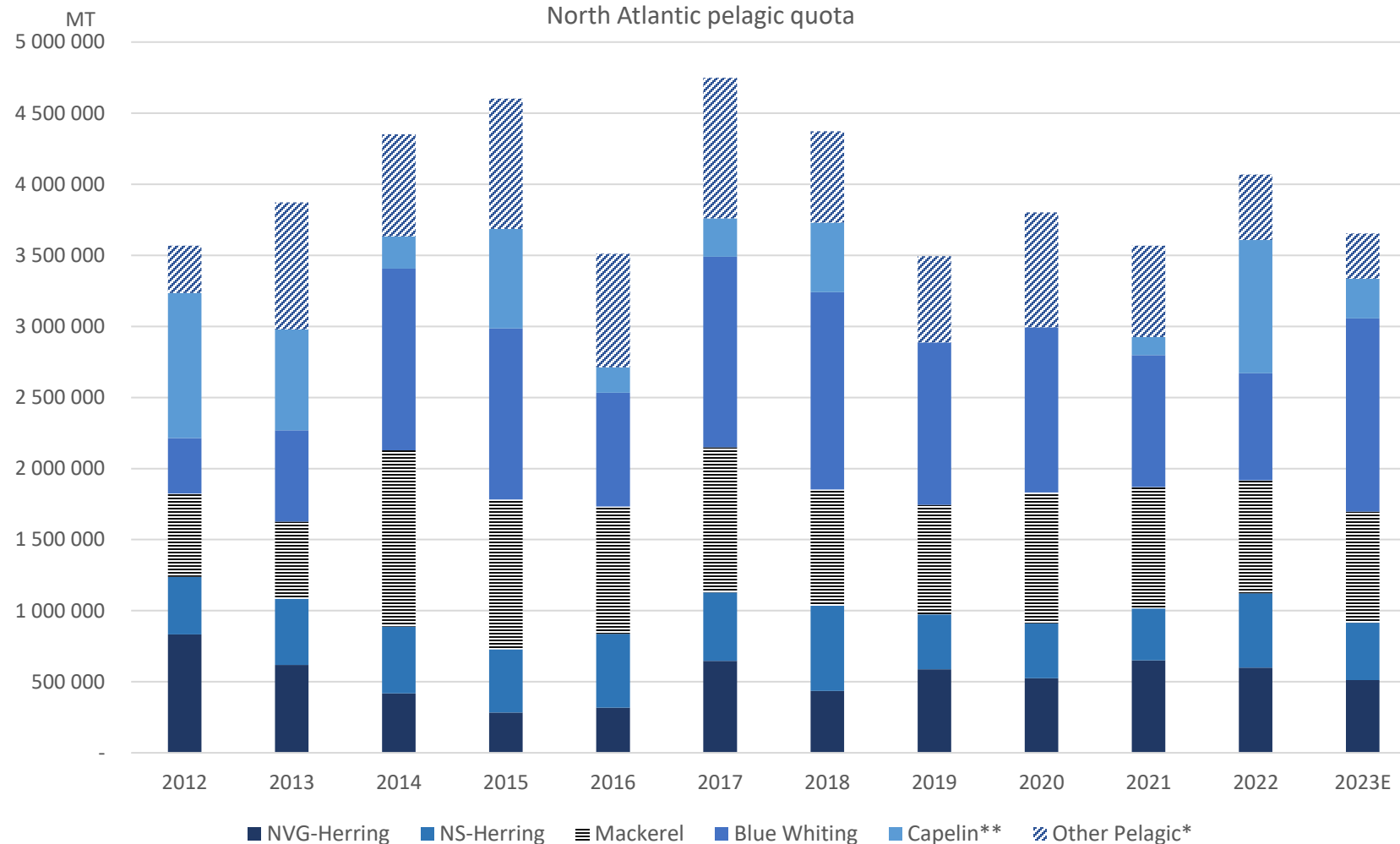
- Sardine/anchovy
  - Good start to season
  - Very good quality: high fat content
- Giant squid
  - Started up 3<sup>rd</sup> party purchase of giant squid produced in our factory

Volume '000 MT	Q2 2023	Q2 2022	H1 2023	H1 2022	2023E	2022
<b>Own catch:</b>						
Mackerel and other species	17	27	61	61	66	80
<b>Purchase:</b>						
Sardine/anchovy	16	8	35	24	40	26
G. squid/mackerel/others	1	1	2	1	3	1
<b>Total ('000 MT)</b>	<b>33</b>	<b>35</b>	<b>98</b>	<b>86</b>	<b>109</b>	<b>107</b>



# North Atlantic pelagic quotas

(2012-2023E)



\* incl. horse-mackerel, sand eel, Norway pout, and boar fish

## ICES recommendation for 2023

- Increased quota for:
  - Blue whiting +81%
- Decrease in quota for:
  - North Sea herring -23%
  - NVG herring -15%
  - Barents Sea capelin -11%
  - Icelandic capelin -75%
  - Mackerel -2%

Source: Norges Sildesalgslag, Havforskningsinstituttet, Estimates are based on data from the above sources, ICES recommendation.

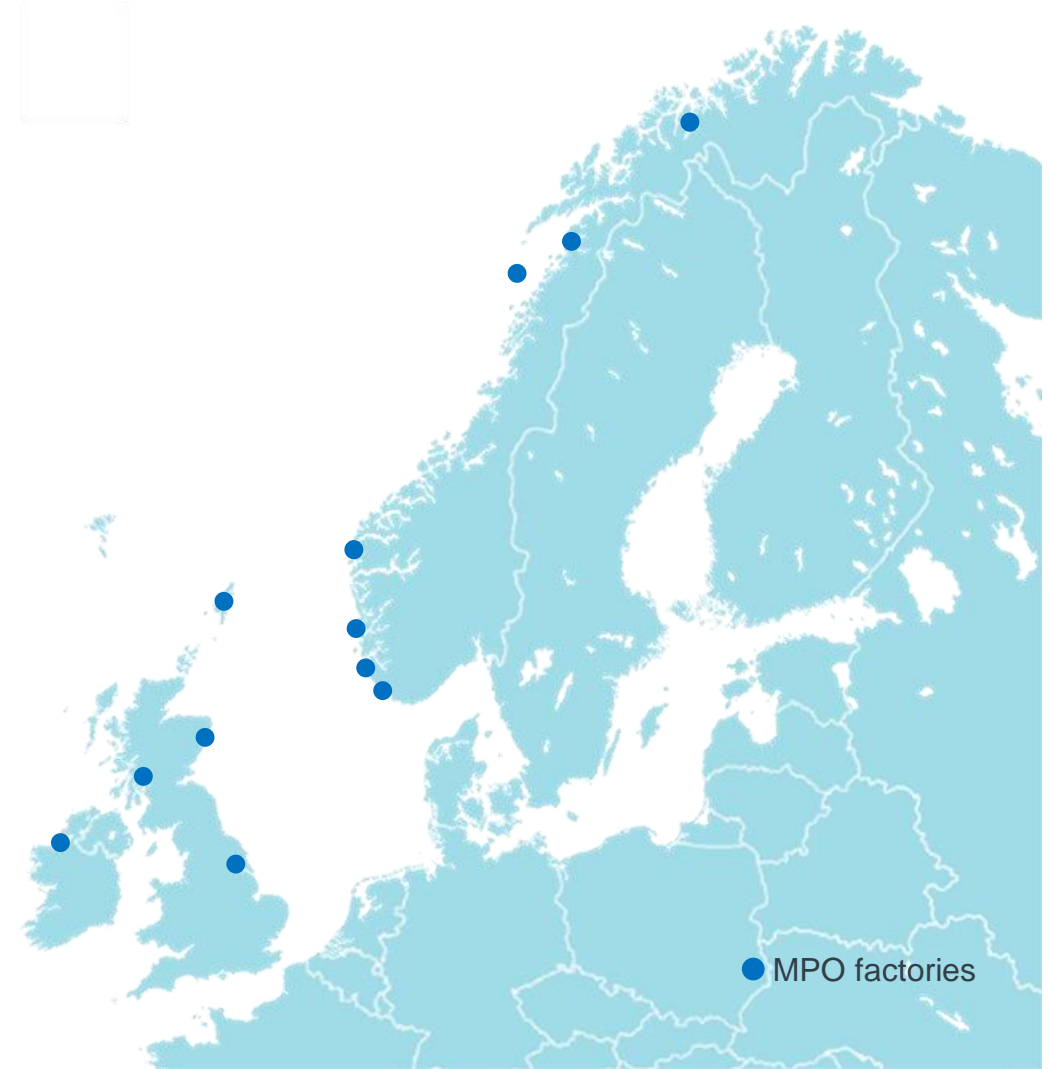


# Pelagia Holding AS

## Marine protein and oil (MPO)

Volume ('000 MT)	Q2 2023	Q2 2022	H1 2023	H1 2022	2023E	2022
Raw material intake for FM/FPC/Oil	275	231	628	487	966	880

- Good production in Q2 2023
  - Mainly from blue whiting and various trimmings
  - Lower sand eel landings. Only 25% of the quota caught
  - Salmon based raw material stable (protein concentrate/oil)
- Seasonal low production expected in Q3 for the segment
- Strong market for both marine protein and oil and good stock position



# Pelagia Holding AS

## Direct Human Consumption

Volume ('000 MT)	Q2 2023	Q2 2022	H1 2023	H1 2022	2023E	2022
Raw material intake	18	27	143	150	362	404

- Seasonal low production in Q2
  - Mainly North Sea herring at the end of the quarter
- Preparing for a busy Q3 and Q4
  - North Sea herring through Q3
  - Mackerel to start last part of Q3
  - Spring spawning herring from late Q3 or early Q4
- Market
  - Stable sales to most markets
  - Stock position seasonal low

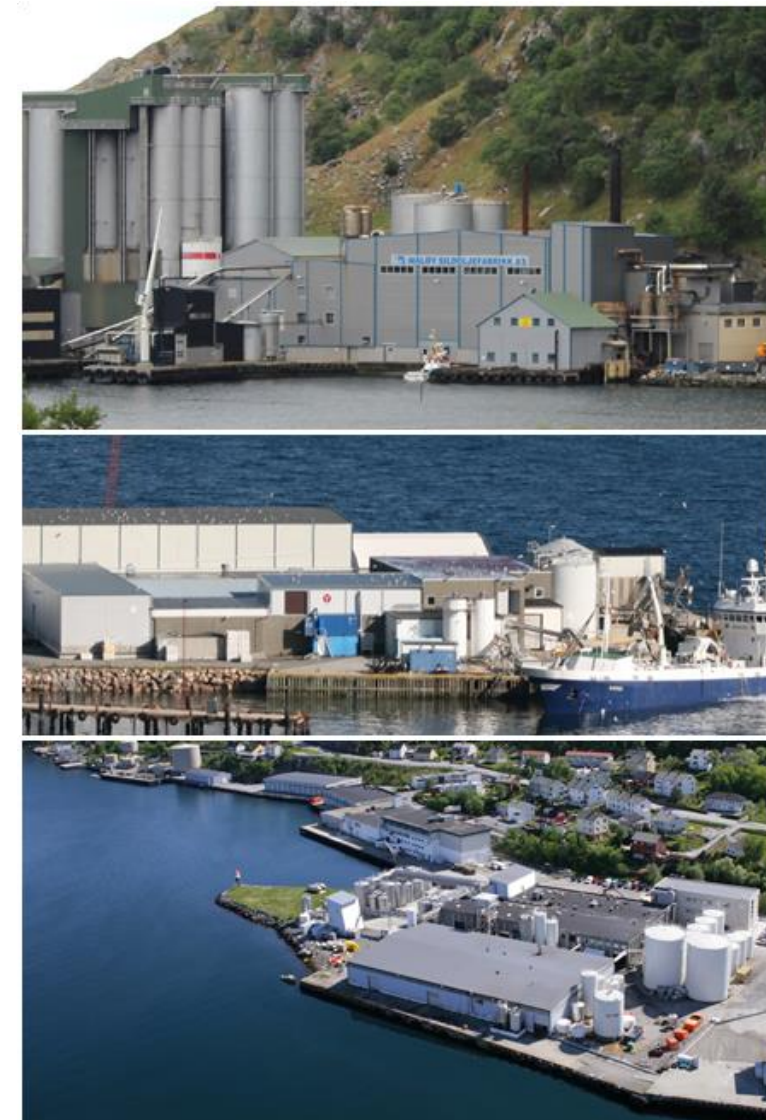


# Pelagia Holding AS

(100% figures)

(MNOK)	Q2 2023	Q2 2022	YTD 2023	YTD 2022	2022
Revenue and other income	2 514	2 270	5 557	4 489	11 282
Operational EBITDA	331	262	717	446	1 691
Operational EBIT	232	176	522	275	1 336
<i>Operational EBIT margin</i>	9 %	8 %	9 %	6 %	12 %
<b>Total assets</b>			<b>9 303</b>	<b>8 301</b>	<b>9 137</b>
Net interest bearing debt (NIBD)			4 160	3 756	4 036
<b>Sales volumes (MT)</b>					
Frozen (MT)	37 200	39 800	121 000	124 200	304 000
Fishmeal, FPC. Fish oil (MT)	92 800	91 400	165 200	150 400	336 000

Associated company, AUSS share = 50%





Austevoll Seafood ASA

# Salmon / Whitefish

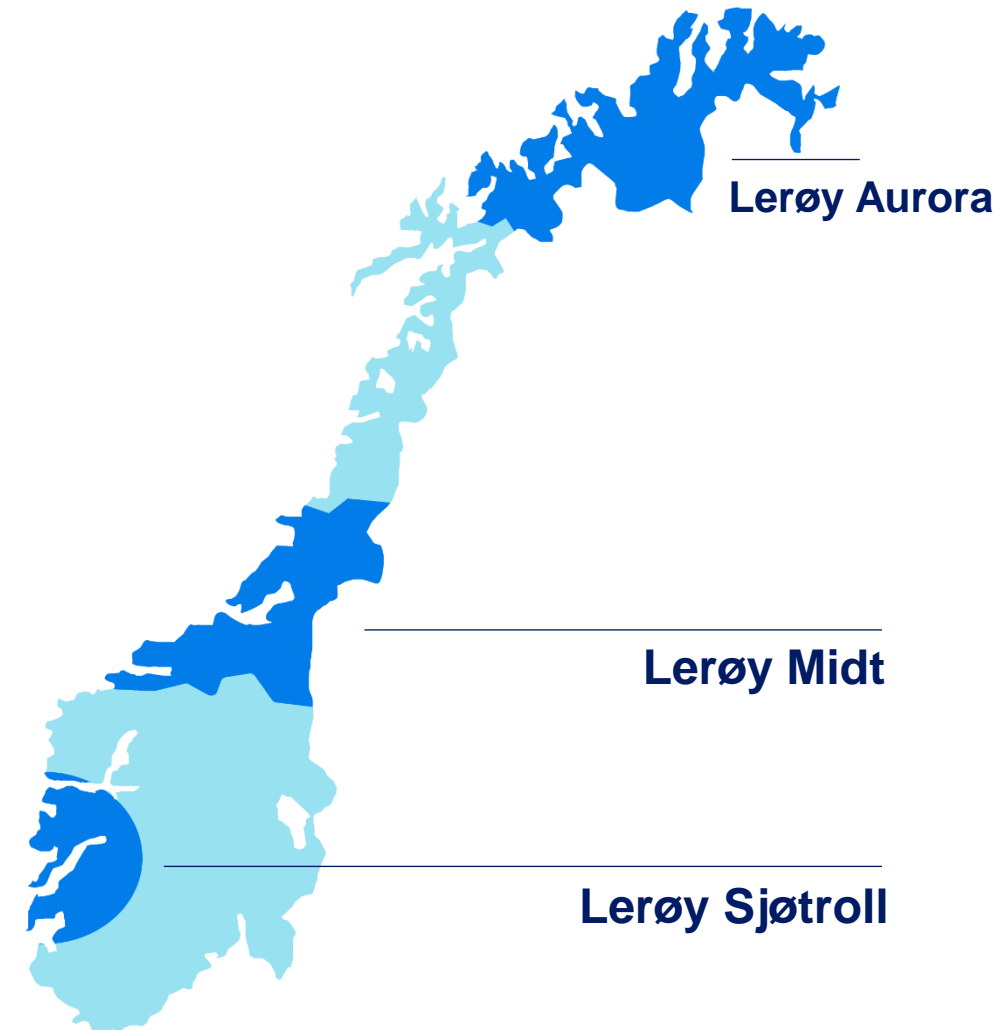
Lerøy Seafood Group ASA



# Lerøy Seafood Group ASA

Q2 2023

- Operational EBIT NOK 950 million (Q2/22: NOK 927 million)
  - Lerøy Havfisk & LNWS operational EBIT NOK 99 million (Q2/22: NOK 93 million)
- Slaughtered volume salmon and trout 29,659 GWT (Q2/22: 33,083 GWT)
- Spot prices up NOK 1/kg q-o-q and down NOK 1/kg y-o-y
- EBIT\*/kg all incl. (excl. EBIT Lerøy Havfisk & LNWS) of NOK 28.7 vs. Q2/22: NOK 25.2
- Contract share of 17% (Q2/22: 46%)
- NIBD NOK 5,992 million at end of Q2/23 (Q2/22: NOK 4,917 million)



# Lerøy Seafood Group ASA

## Salmon / trout farming volumes

	2017 GWT	2018 GWT	2019 GWT	2020 GWT	2021 GWT	2022 GWT	2023E GWT
Lerøy Aurora AS	39 200	36 800	32 800	35 000	44 000	~40 100	~47 000
Lerøy Midt AS	64 500	66 500	64 800	67 900	72 600	~68 800	~64 000
Lerøy Sjøtroll	54 000	58 800	60 600	68 000	70 000	~65 700	~57 000
<b>Total Norway</b>	<b>157 800</b>	<b>162 000</b>	<b>158 200</b>	<b>170 900</b>	<b>~186 600</b>	<b>~174 600</b>	<b>~168 000</b>
Norskott Havbruk (UK)	15 500	13 700	12 900	12 000	~16 200	~18 000	~13 500
<b>Total</b>	<b>173 300</b>	<b>175 800</b>	<b>171 100</b>	<b>182 900</b>	<b>~202 800</b>	<b>~192 600</b>	<b>~181 500</b>



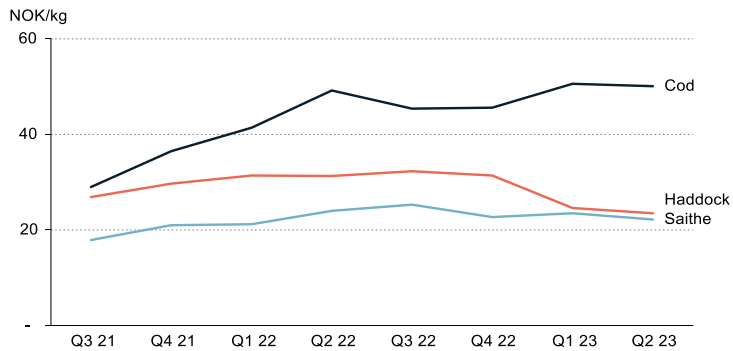
# Lerøy Seafood Group ASA - Wildcatch

Q2 2023

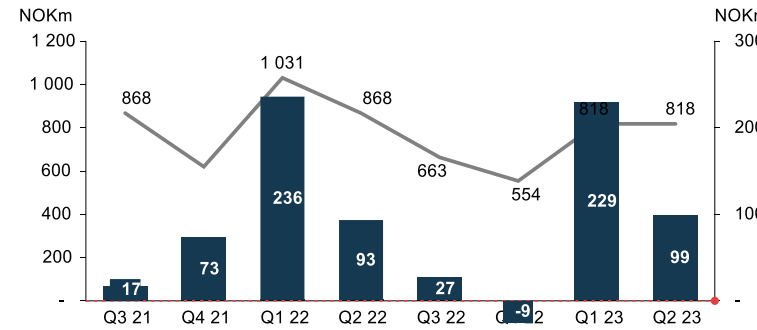
Catch volumes wild catch	Q2-23	Q2-22	2023	2022	Remaining quota 2023	Remaining quota 2022
Cod	3,1	3,8	11,1	13,9	8,7	10,1
Saithe	2,1	3,9	7,8	7,4	11,4	8,8
Haddock	2,3	1,3	9,6	8,8	1,1	1,1
Shrimps	4,6	6,2	4,6	6,2		
Other	11,6	3,4	16,0	7,5		
<b>Total</b>	<b>23,7</b>	<b>18,6</b>	<b>49,0</b>	<b>43,8</b>	<b>21,1</b>	<b>20,0</b>

- On basis of lower cod quota, a strong development in the quarter with catches of alternative species. High volume, on lower prices
- Seeing impact from implementing Lerøy Way in landbased industry. Y-o-y improvement in overall profitability is from improvement in landbased industry
- Lower fuel consumption from using fleeting trawl for more species

Price, key species (NOK pr kg)



Revenue and operational EBIT\* wild catch



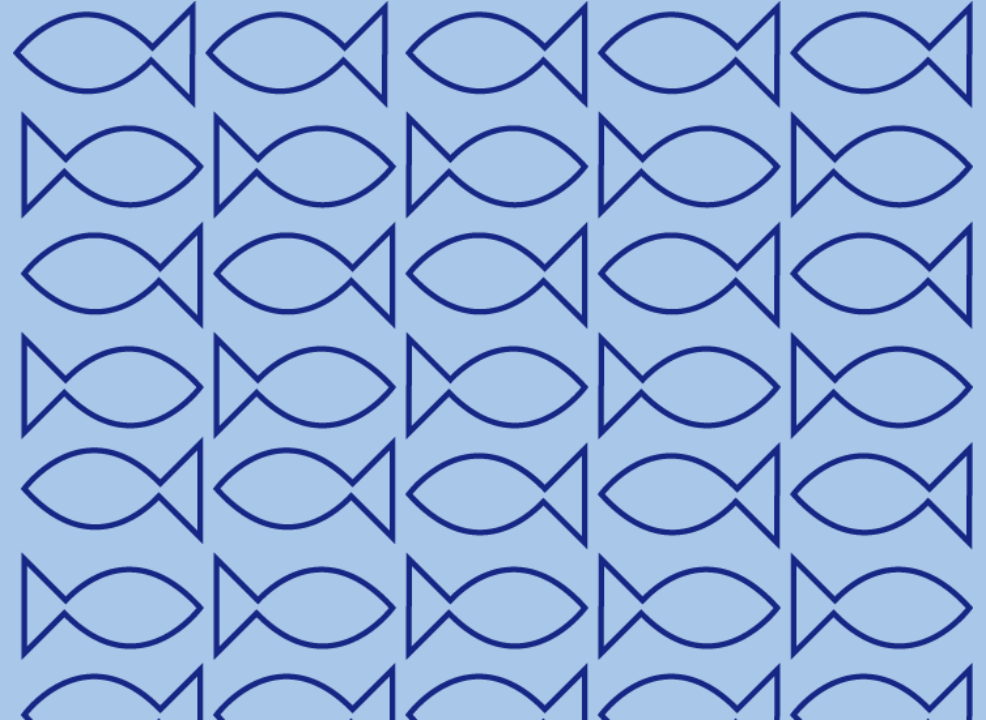
\* Equal to reported EBIT



Austevoll Seafood ASA

# Financials

**Q2 2023**



# Catch, purchase and farming

(100% volumes)

Figures in 1,000 tonnes	Q2 2023	Q2 2022	YTD 2023	YTD 2022	2023E*	2022
<b>Group companies:</b>						
Norway (whitefish)	24	19	49	44	72	72
Norway (pelagic)	8	5	22	20	34	32
Chile own catch	17	27	61	61	66	80
Chile purchase	16	9	38	25	43	27
Peru own catch	4	138	50	148	58-160	247
Peru purchase	7	97	20	124	25-48	177
<b>Total Group companies</b>	<b>75</b>	<b>294</b>	<b>240</b>	<b>422</b>	<b>298-423</b>	<b>634</b>
<b>Joint ventures:</b>						
Europe purchase (HC)	18	27	143	150	362	404
Europe purchase (FM/FPC/Oil)	275	223	628	479	966	880
<b>Total Joint venture:</b>	<b>293</b>	<b>251</b>	<b>771</b>	<b>629</b>	<b>1 328</b>	<b>1 284</b>
<b>Total wildcatch</b>	<b>368</b>	<b>544</b>	<b>1 011</b>	<b>1 051</b>	<b>1626-1751</b>	<b>1 919</b>
<b>Salmon/trout (GWT)*</b>	<b>34</b>	<b>41</b>	<b>68</b>	<b>78</b>	<b>190</b>	<b>201</b>
<b>Total Group</b>	<b>402</b>	<b>585</b>	<b>1 079</b>	<b>1 129</b>	<b>1816-1941</b>	<b>2 120</b>

\* Incl. 50% of the Scottish Sea Farms volumes

2023E\*: Peru 2<sup>nd</sup> season quotas estimate between 0-1.5 million tonnes, subject to Imarpe's recommendation

# Implementation of new Resource rent tax from 1 January 2023

**On 31 May 2023 the Norwegian Government decided to adopt a resource rent tax of 25% on earnings from the production of salmon and trout in sea. The law was given retroactively with effect from 1 January 2023.**

- The resource rent tax cost in 2023 will consist of two elements, first an implementation effect (one-off effect) and secondly a resource rent tax for the period.
- The implementation effect is estimated at NOK 1.8 billion for the Group
- The entire amount (NOK 1.8 billion) comes from increased deferred tax on the stock of fish in the sea at the beginning of the year.
- The resource rent tax calculation for the period shall be based on the earnings from the production of salmon and trout in the sea.
- Although the main principles have been defined through the Prop. 78 LS (2022-2023) from 28 March 2023, a lot of important details are still missing in order to carry out a reliable calculation.
- The main challenge is to segregate the aquaculture activity in sea, which are subjected to resource rent tax, from other activities not subject to basic rent tax.
- These are complex and comprehensive exercises in a fully integrated value chain
- Taking these elements into account, the group has therefore decided not to include any estimate of the resource rent tax for the period in the figures for the second quarter of 2023.
- Thus, the resource rent tax cost does only consist of the implementation effect



# Key financial figures Q2 2023

(MNOK)	Note	Q2 2023	Q2 2022	Δ%
Revenue		8 452	7 852	8 %
<b>Operational EBITDA**</b>	7	<b>1 441</b>	<b>1 769</b>	-19 %
Depreciation		473	414	
Income from joint ventures and associates		14	110	
<b>Operational EBIT**</b>	7	<b>982</b>	<b>1 465</b>	-33 %
Net finance		-135	-133	
<b>Profit before tax and fair value adj.</b>	*	<b>774</b>	<b>1 116</b>	
Income tax expenses		-193	-471	
Implementation effects of resource tax (aquaculture)		-1 803	-	
<b>Net profit</b>		<b>-1 139</b>	<b>1 752</b>	
Adjusted EPS (NOK)	*	-3,2	2,5	
EPS (NOK)		-3,0	4,8	

\* Before fair value adjustment related to biological assets

\*\* Information related to APM, see note 7 under appendix

	Q2 2023	Q2 2022
Biomass adj group company	76	1 053
Biomass adj group associated companies	6	54

The Resource rent tax was adopted 31 May 2023. Effect of implementation of NOK 1.8 billion on tax expenses in Q2 2023 figures. See note 9 in this presentation, and the Financial report for Q2 and H1/23, for more information.

# Key financial figures YTD 2023

(MNOK)	Note	YTD 2023	YTD 2022	Δ%
Revenue		16 454	14 417	14 %
<b>Operational EBITDA**</b>	7	<b>3 068</b>	<b>3 251</b>	-6 %
Depreciation		926	856	
Income from joint ventures and associates		88	169	
<b>Operational EBIT**</b>	7	<b>2 231</b>	<b>2 563</b>	-13 %
Net finance		-246	-150	
<b>Profit before tax and fair value adj.</b>	*	<b>1 890</b>	<b>2 160</b>	
Income tax expenses		-537	-784	
Implementation effects of resource tax (aquaculture)		-1 803	-	
<b>Net profit</b>		<b>85</b>	<b>2 805</b>	
Adjusted EPS (NOK)	*	-0,8	4,3	
EPS (NOK)		0,3	7,3	

\* Before fair value adjustment related to biological assets

\*\* Information related to APM, see note 7 under appendix

	YTD 2023	YTD 2022
Biomass adj group company	537	1 305
Biomass adj group associated companies	-2	125

The Resource rent tax was adopted 31 May 2023. Effect of implementation of NOK 1.8 billion on tax expenses in YTD 2023 figures. See note 9 in this presentation, and the Financial report for Q2 and H1/23, for more information.



# Income from joint ventures and associates

All figures in MNOK	Share of net profit	Q2 2023	Q2 2022	YTD 2023	YTD 2022	2022
Norskott Havbruk AS a)	50 %	-78	122	-95	219	41
Pelagia Holding AS b)	50 %	64	38	140	67	418
Others		34	3	41	8	35
<b>Income from JV and associates</b>		<b>20</b>	<b>164</b>	<b>86</b>	<b>294</b>	<b>494</b>
Fair value adj. related to biological assets		-6 -	54	2 -	125 -	12
<b>Income from JV and associates before fair value adj.</b>		<b>14</b>	<b>110</b>	<b>88</b>	<b>169</b>	<b>483</b>
Investment in JV and associates:						
Norskott Havbruk AS				1 232	1 372	1 184
Pelagia Holding AS				1 770	1 476	1 765
Others				472	407	434
<b>Total investment</b>				<b>3 474</b>	<b>3 254</b>	<b>3 382</b>

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

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

# Lerøy Seafood Group ASA

(MNOK)	Q2 2023	Q2 2022
Revenue and other income	7 671	6 566
Operational EBITDA	1 307	1 249
Operational EBIT	950	927
<i>Operational EBIT margin</i>	12 %	14 %
<b>Total assets</b>		
Slaughtered volume (GWT)	<b>29 659</b>	<b>33 083</b>
EBIT*/kg ex. wildcatch (NOK)	28,7	25,2
Havfisk catch volume (MT)	<b>23 709</b>	<b>18 649</b>
EBIT wildcatch (MNOK)	99	93

\* Operational EBIT

(MNOK)	YTD 2023	YTD 2022	2022
Revenue and other income	14 645	12 091	26 652
Operational EBITDA	2 644	2 459	4 797
Operational EBIT	1 939	1 816	3 471
<i>Operational EBIT margin</i>	13 %	15 %	13 %
<b>Total assets</b>	<b>40 124</b>	<b>36 679</b>	<b>37 062</b>
Slaughtered volume (GWT)	<b>58 261</b>	<b>65 140</b>	<b>174 629</b>
EBIT*/kg ex. wildcatch (NOK)	27,6	22,8	17,9
Havfisk catch volume (MT)	<b>48 978</b>	<b>43 765</b>	<b>71 726</b>
EBIT wildcatch (MNOK)	328	330	348

\* Operational EBIT

## Price achievement

- Spot prices in line with same quarter last year
- NSI Q2/23 NOK 104.8 (Q2/22: NOK 105.4)
  - Up NOK 1/kg q-o-q and down NOK 1/kg y-o-y
- Price realisation on contracts are up y-o-y, but below spot prices in the quarter
  - Contract share of 17%

## Cost (RFS)

- RFS cost up from Q2/22 and Q1/23
  - Inflationary trends brings y-o-y cost increase

## Wildcatch

- Catch volume up vs. same quarter last year
- Increased prices for cod vs. Q2/22, reduction in prices for haddock and shrimps vs. Q2/22
  - Cod +2%, haddock -25% and shrimps -14%
- Reduced fuel prices vs. Q2/22
  - -16% y-o-y
- Higher prices on raw material is a challenge for the processing-activity

**NIBD Q2/23 MNOK 5,992 (Q2/22 MNOK 4,917)**

# Austral Group S.A.A.

(MNOK)	Q2 2023	Q2 2022
Revenue and other income	238	531
Operational EBITDA	-157	169
Operational EBIT	-222	120
<i>Operational EBIT margin</i>	-93 %	23 %
<b>Total assets</b>		
<b>Raw material (MT)</b>	<b>10 375</b>	<b>234 657</b>
Sales volumes:		
Fishmeal (MT)	7 345	27 269
Fish oil (MT)	317	1 488
Frozen/fresh JM/M (MT)	9 682	1 963

## Raw material intake

- Low activity in Center/North
  - Only exploratory fisheries for 5 days in June

## Sales

- Low sales volume FM and oil y-o-y
  - Fishmeal prices up 2% y-o-y
  - Fish oil prices up 83% y-o-y

(MNOK)	YTD 2023	YTD 2022	2022
Revenue and other income	703	1 184	2 563
Operational EBITDA	-106	299	663
Operational EBIT	-231	205	466
<i>Operational EBIT margin</i>	-33 %	17 %	18 %
<b>Total assets</b>	<b>3 217</b>	<b>3 445</b>	<b>2 845</b>
<b>Raw material (MT)</b>	<b>70 562</b>	<b>271 231</b>	<b>423 824</b>
Sales volumes:			
Fishmeal (MT)	27 670	60 031	114 369
Fish oil (MT)	887	4 568	12 950
Frozen/fresh JM/M (MT)	16 323	12 277	12 277

## Inventory by end Q2/23:

- Fishmeal 2,900 MT (Q2/22: 40,900 MT)
- Fish oil 150 MT (Q2/22: 7,100 MT)

**NIBD Q2/23 MNOK 764 (Q2/22 MNOK 973)**

# FoodCorp Chile S.A.

(MNOK)	Q2 2023	Q2 2022
Revenue and other income	337	327
Operational EBITDA	138	125
Operational EBIT	126	116
<i>Operational EBIT margin</i>	37 %	35 %
<b>Total assets</b>		
<b>Raw material (MT)</b>	<b>33 564</b>	<b>35 234</b>
Sales volumes:		
Fishmeal (MT)	2 724	3 591
Fish oil (MT)	2 358	2 097
Frozen/fresh JM/M (MT)	15 693	21 755

(MNOK)	YTD 2023	YTD 2022	2022
Revenue and other income	620	515	821
Operational EBITDA	259	209	200
Operational EBIT	236	158	162
<i>Operational EBIT margin</i>	38 %	31 %	20 %
<b>Total assets</b>	<b>1 602</b>	<b>1 397</b>	<b>1 311</b>
<b>Raw material (MT)</b>	<b>98 474</b>	<b>86 360</b>	<b>106 600</b>
Sales volumes:			
Fishmeal (MT)	4 321	5 307	9 603
Fish oil (MT)	3 200	2 761	3 408
Frozen/fresh JM/M (MT)	37 075	36 801	57 682

## Raw material intake

- As normal seasonal high activity
  - Finished the horse mackerel quota in the quarter
  - Good raw material availability from 3<sup>rd</sup> party (anchoveta/sardine)

## Sales

- Lower sales volume frozen y-o-y
  - Price achievement down by 8% y-o-y
- Higher margins from FM and fish oil sales vs. same period last year

## Inventory by end Q2/23:

- Frozen 10,400 MT (Q2/22: 14,800 MT)

**NIBD Q2/23 MNOK -45, cash positive (Q2/22 MNOK -201, cash positive)**

# Br. Birkeland Farming AS

(MNOK)	Q2 2023	Q2 2022
Revenue and other income	233	303
Operational EBITDA	147	195
Operational EBIT	127	179
<i>Operational EBIT margin</i>	54 %	59 %
<b>Total assets</b>		
Slaughtered volume (GWT)	<b>1 988</b>	<b>2 776</b>
EBIT*/kg ex. wildcatch (NOK)	63,7	64,3

\* Operational EBIT

- **Harvested volume (GWT)**

- Harvested volume down 28% y-o-y
  - Spot prices in line with same period last year
- Cost inflation on all important input factors

- **Biomass at sea**

- End Q2/23 at 4,179 LWT (Q2/22: 3,892 LWT)

**NIBD Q2/23 MNOK -149 (cash positive) vs.(Q2/22 MNOK -36)**

(MNOK)	YTD 2023	YTD 2022	2022
Revenue and other income	477	425	743
Operational EBITDA	270	244	370
Operational EBIT	234	211	304
<i>Operational EBIT margin</i>	49 %	50 %	41 %
<b>Total assets</b>	<b>1 470</b>	<b>1 182</b>	<b>1 296</b>
Slaughtered volume (GWT)	<b>4 412</b>	<b>4 324</b>	<b>8 631</b>
EBIT*/kg ex. wildcatch (NOK)	53,0	48,8	35,2

\* Operational EBIT

# Br. Birkeland AS

(MNOK)	Q2 2023	Q2 2022
Revenue and other income	59	117
Operational EBITDA	-0	37
Operational EBIT	-17	23
<i>Operational EBIT margin</i>		20 %
<b>Total assets</b>		
<b>Catch volume pelagic fish (MT)</b>	<b>7 724</b>	<b>5 048</b>
<b>Catch snowcrab (MT)</b>	<b>-</b>	<b>436</b>

## Pelagic

- Both vessels in operation
  - Catch of blue-whiting and North Sea herring

## Snow crab

- The season finished early April
- No activity for the vessels in Q2/23 and H2/23
- Substantial lower prices achieved for snow crab y-o-y

(MNOK)	YTD 2023	YTD 2022	2022
Revenue and other income	149	185	333
Operational EBITDA	17	48	37
Operational EBIT	-15	23	-18
<i>Operational EBIT margin</i>		12 %	
<b>Total assets</b>	<b>634</b>	<b>730</b>	<b>701</b>
<b>Catch volume pelagic fish (MT)</b>	<b>22 215</b>	<b>20 288</b>	<b>32 008</b>
<b>Catch snowcrab (MT)</b>	<b>665</b>	<b>678</b>	<b>678</b>

## NIBD Q2/23 MNOK 106 (Q2/22 MNOK 13)



# Statement of financial position

(MNOK)	30.06.2023	30.06.2022	31.12.2022
Intangible assets	12 301	12 078	12 007
Tangible fixed assets	10 851	9 736	10 257
Right-of-use assets	3 282	3 229	3 222
Financial non-current assets	3 757	3 508	3 648
<b>Total non-current assets</b>	<b>30 191</b>	<b>28 550</b>	<b>29 134</b>
Biological assets at cost	5 991	5 235	5 328
Fair value adjustment of biomass	3 154	3 270	2 644
Other inventory	2 897	2 452	2 956
Receivables	4 348	3 892	3 660
Cash and cash equivalents	5 352	4 349	4 340
<b>Total current assets</b>	<b>21 742</b>	<b>19 198</b>	<b>18 928</b>
<b>Total assets</b>	<b>51 933</b>	<b>47 748</b>	<b>48 062</b>
<b>NIBD ex. right-of-use assets liabilities</b>	<b>6 930</b>	<b>5 902</b>	<b>5 140</b>
<b>NIBD incl. right-of-use assets liabilities</b>	<b>8 870</b>	<b>7 809</b>	<b>6 991</b>
<b>Equity</b>	<b>27 061</b>	<b>26 798</b>	<b>28 162</b>
Equity ratio	52 %	56 %	59 %

USD/NOK:

- 30.06.2023: 10.77
- 30.06.2022: 9.96
- 31.12.2022: 9.86

# Cash flow

(MNOK)	Q2 2023	Q2 2022	YTD 2023	YTD 2022	2022 (audited)
Pre tax profit	857	2 223	2 425	3 589	5 428
Biomass adjustment	- 76	1 053	- 537	1 305	- 1 189
Taxes paid	- 148	291	- 251	450	- 775
Depreciation and impairments	511	414	964	855	1 731
Associated companies	- 20	164	- 86	294	- 494
Interest (net)	142	108	258	178	353
Working capital	- 340	558	- 1 396	1 600	- 1 857
<b>Cash from operating activities</b>	<b>926</b>	<b>678</b>	<b>1 376</b>	<b>974</b>	<b>3 195</b>
Net investment in capex	- 440	550	- 911	890	- 1 834
Acquisitions and divestments	52	29	22	16	3
Dividends received	228	128	228	131	131
Others	17	17	42	26	32
<b>Cash from investing activities</b>	<b>- 143</b>	<b>410</b>	<b>- 663</b>	<b>801</b>	<b>- 1 675</b>
Change in long term loans	2 537	36	2 365	442	996
Change in short term loans	- 399	1 003	82	1 100	570
Dividends	- 1 881	1 742	- 1 903	1 750	- 1 752
Others	- 172	9	- 265	99	- 369
<b>Cash from financing activities</b>	<b>85</b>	<b>784</b>	<b>278</b>	<b>1 192</b>	<b>2 547</b>
Cash at the beginning of the period	4 484	4 822	4 340	5 329	5 329
Net change in cash (incl.exchange gain/losses)	868	473	1 012	980	989
<b>Cash at the end of the period</b>	<b>5 352</b>	<b>4 349</b>	<b>5 352</b>	<b>4 349</b>	<b>4 340</b>

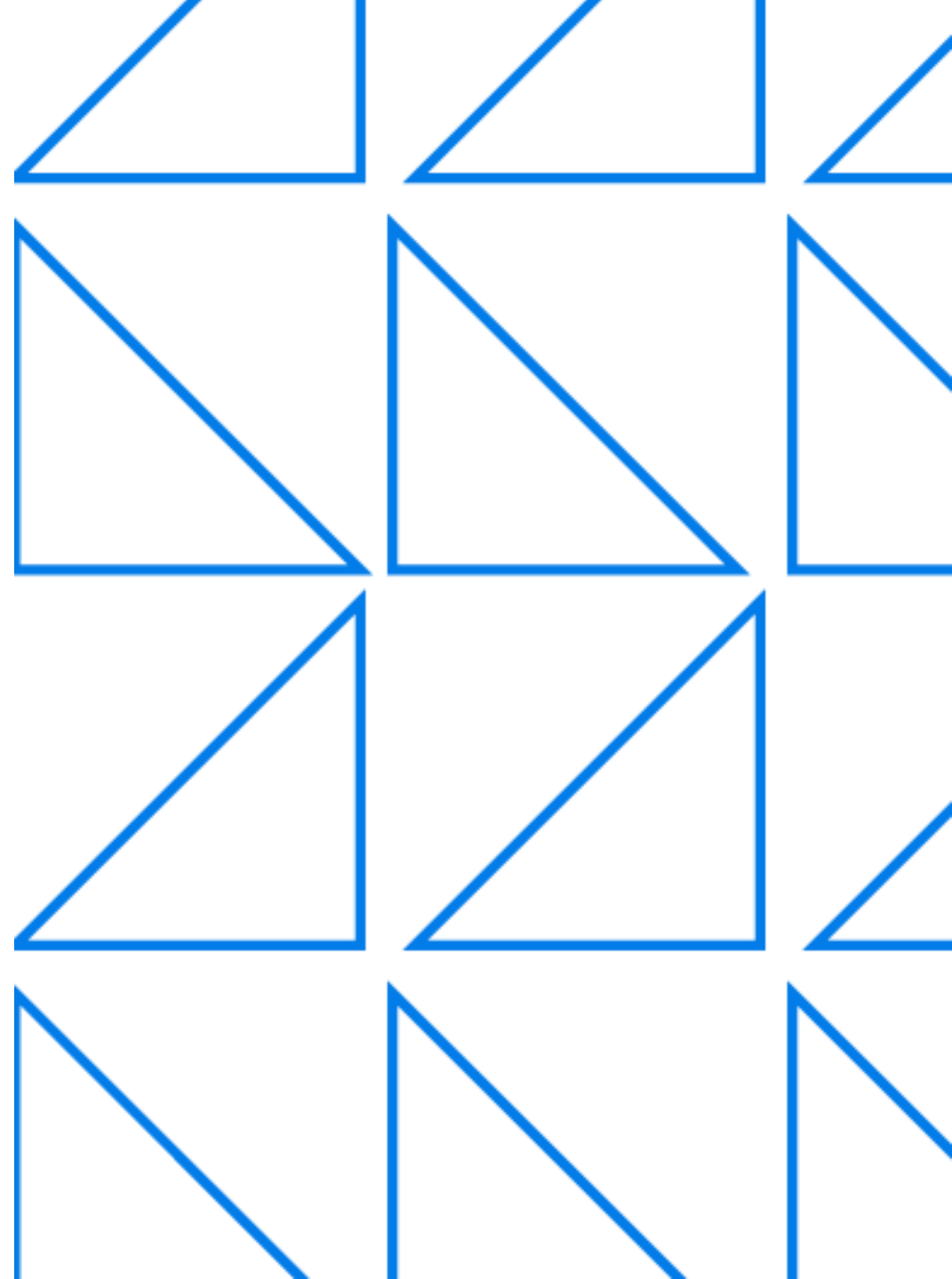
AUSS has issued two senior unsecured bonds, total MNOK 800, in Q2/23.

LSG has issued three green senior unsecured bonds, total MNOK 1,500, in Q2/23.



Austevoll Seafood ASA

# Outlook



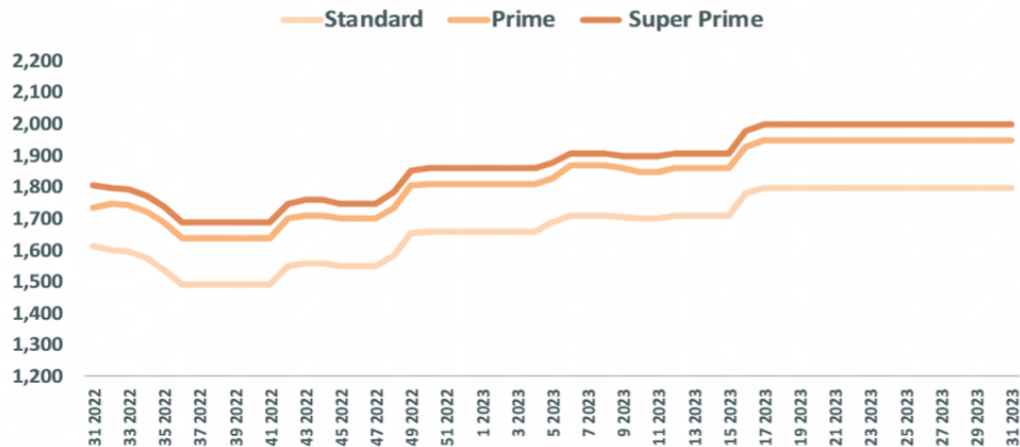
# Fishmeal

Fishmeal production - week 31 (cumulative)

Regions	2023	2022	Change %
Chile <sup>#</sup>	254 160	261 614	-2,8 %
Peru	163 404	636 430	-74,3 %
Danmark/Norway	179 326	131 003	36,9 %
Iceland/North Atlantic*	216 335	192 876	12,2 %
<b>Total</b>	<b>813 225</b>	<b>1 221 923</b>	<b>-33,4 %</b>

Source: IFFO All numbers are preliminary and subject to revision # Includes salmon-derived meal  
\*Includes U.K., Ireland and Faroe Islands

Weekly average Peruvian fishmeal FOB prices (US\$/MT)<sup>1</sup>



## Production

- IFFO Fishmeal production decreased 33.4% y-o-y, Peru 74.3% down vs. 2022
- Significant reduction in Peruvian catches due to El Niño phenomenon

## Prices

(FOB Peru)

- USD 1,800/MT for Standard (65%)<sup>1</sup>
- USD 2,000/MT for Super Prime (68%)<sup>1</sup>

## Demand

- Feed producers working to cover their demand till end of the year

## Supply

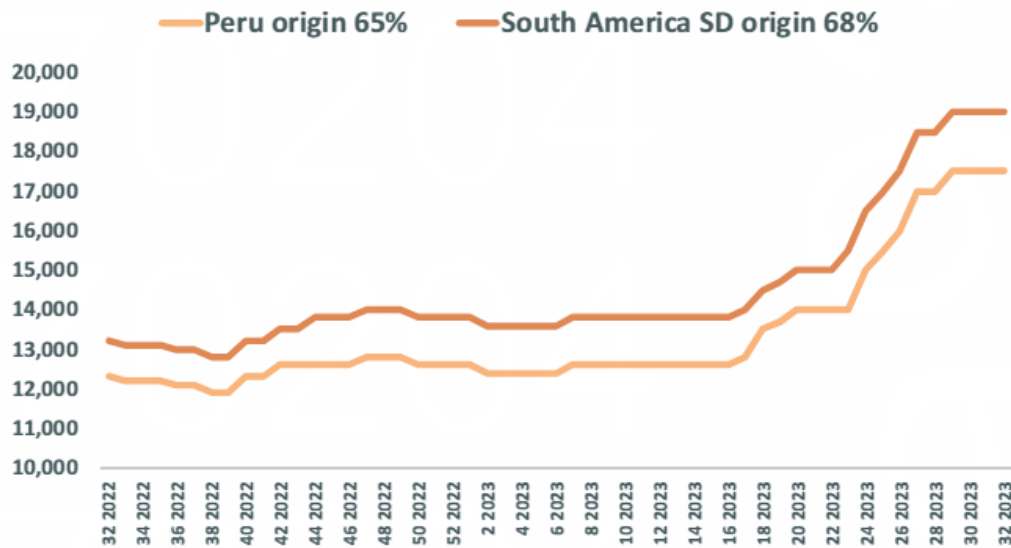
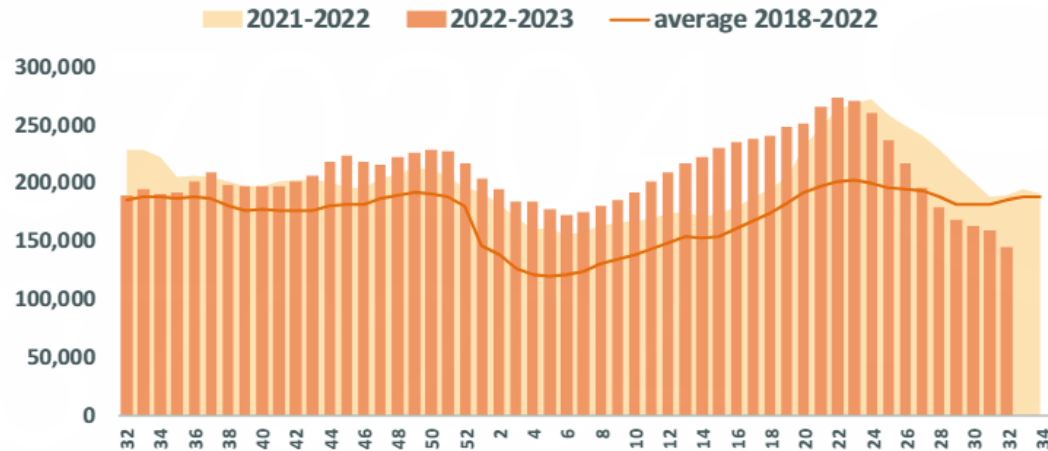
- Limited stock available for new offers

All prices and figures shown are only for statistical purposes and should not be taken as a reference

Source: IFFO, week 31<sup>1</sup>, 2023

# Fishmeal

Total weekly port stocks (mt)



## Main market – China

- Stock in China at ports according JCI:
  - 141,980 MT<sup>2</sup>, -26% vs. same period 2022
  - Stocks dropped 47% vs. two months ago due to:
    - Limited arrivals from Peru
    - Aquaculture higher offtakes
  - Off takes: 4,400 MT/day
- Current Chinese stock prices:
  - Quoted at RMB 19,000/MT equivalent super prime 68% USD 2,570/MT FOB Peru<sup>2</sup>
  - Price has increased by 36% since April
  - Yuan exchange rate: 7.24 RMB/USD (+5% vs. Jan 2023)
- Peru’s fishmeal supply will decline significantly in H2, leading to a supply gap in Chinese fishmeal market<sup>2</sup>

All prices and figures shown are only for statistical purposes and should not be taken as a reference

Source: IFFO, week 31<sup>1</sup>, 2023, JCI report<sup>2</sup> dated 11.08.2023

# Fish oil

Fish oil production - week 31 (cumulative)

Regions	2023	2022	Change %
Chile <sup>#</sup>	120,831	99,093	21.9 %
Peru	7,834	82,933	-90.6 %
Danmark/Norway	46,391	49,644	-6.6 %
Iceland/North Atlantic*	48,901	64,408	-24.1 %
Total	223,957	296,078	-24.4 %

Source: IFFO All numbers are preliminary and subject to revision # Includes salmon-derived meal

\*Includes U.K., Ireland and Faroe Islands

## Production

- IFFO Fish oil production decreased 24.4% y-o-y, Peru 90.6% down vs. 2022

## Prices

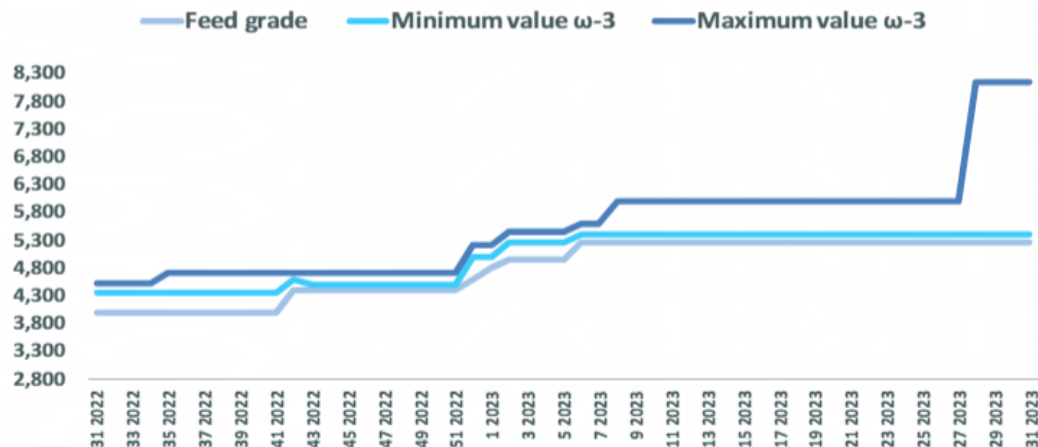
(FOB Peru)

- Feed grade: USD 5,250/MT<sup>1</sup>
- Omega-3 grade: USD 8,150/MT<sup>1</sup>

## Supply

- Limited stock available for new offers

Weekly average Peruvian fish oil FOB prices (US\$/MT)<sup>1</sup>



All prices and figures shown are only for statistical purposes and should not be taken as a reference

Source: IFFO, week 31<sup>1</sup>, 2023

# Atlantic salmon supply

(in tonnes WFE )

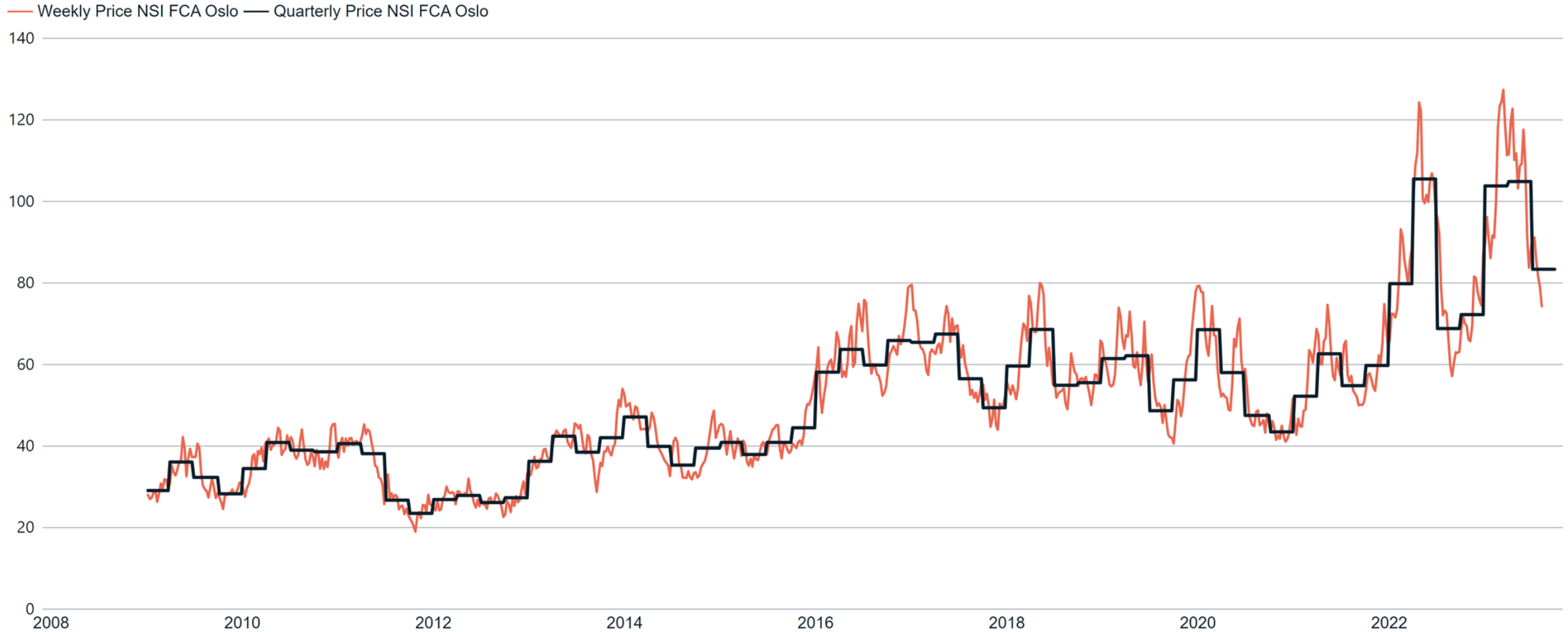
Year	2018		2019		2020		2021		2022		2023		2024	
Region	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change
<b>Europe</b>	<b>1 505 100</b>	<b>0,7 %</b>	<b>1 650 500</b>	<b>9,7 %</b>	<b>1 675 900</b>	<b>1,5 %</b>	<b>1 895 500</b>	<b>13,1 %</b>	<b>1 839 100</b>	<b>-3,0 %</b>	<b>1 865 800</b>	<b>1,5 %</b>	<b>1 969 700</b>	<b>5,6 %</b>
Norway	1 253 400	3,8 %	1 333 400	6,4 %	1 370 000	2,7 %	1 533 400	11,9 %	1 517 100	-1,1 %	1 536 200	1,3 %	1 606 300	4,6 %
United Kingdom	152 100	-14,2 %	190 500	25,2 %	178 300	-6,4 %	199 200	11,7 %	160 800	-19,3 %	172 900	7,5 %	183 700	6,2 %
Faroe Islands	71 700	-10,7 %	86 600	20,8 %	80 600	-6,9 %	105 500	30,9 %	99 600	-5,6 %	99 800	0,2 %	111 500	11,7 %
Iceland	13 600	17,2 %	24 500	80,1 %	31 200	27,3 %	41 500	33,0 %	42 900	3,4 %	40 400	-5,8 %	51 700	28,0 %
Ireland	14 300	-15,9 %	15 500	8,4 %	15 800	1,9 %	15 900	0,6 %	18 700	17,6 %	16 500	-11,8 %	16 500	0,0 %
<b>Americas</b>	<b>897 700</b>	<b>12,4 %</b>	<b>927 600</b>	<b>3,3 %</b>	<b>1 036 430</b>	<b>11,7 %</b>	<b>1 000 700</b>	<b>-3,4 %</b>	<b>1 022 800</b>	<b>2,2 %</b>	<b>1 013 100</b>	<b>-0,9 %</b>	<b>1 031 100</b>	<b>1,8 %</b>
Chile	660 100	17,0 %	690 300	4,6 %	778 500	12,8 %	718 300	-7,7 %	753 300	4,9 %	750 100	-0,4 %	746 900	-0,4 %
Canada	146 000	6,6 %	137 500	-5,8 %	136 800	-0,5 %	142 000	3,8 %	131 500	-7,4 %	119 100	-9,4 %	125 000	5,0 %
Australia	62 300	-1,3 %	60 900	-2,2 %	82 800	36,0 %	87 800	6,0 %	88 500	0,8 %	90 000	1,7 %	91 200	1,3 %
Others	10 300	-20,8 %	18 100	75,7 %	18 330	1,3 %	33 600	83,3 %	30 000	-10,7 %	35 000	16,7 %	51 000	45,7 %
USA	19 000	-12,4 %	20 800	9,5 %	20 000	-3,8 %	19 000	-5,0 %	19 500	2,6 %	18 900	-3,1 %	17 000	-10,1 %
<b>Totalt</b>	<b>2 402 800</b>	<b>4,8 %</b>	<b>2 578 100</b>	<b>7,3 %</b>	<b>2 712 330</b>	<b>5,2 %</b>	<b>2 896 200</b>	<b>6,8 %</b>	<b>2 861 900</b>	<b>-1,2 %</b>	<b>2 878 900</b>	<b>0,6 %</b>	<b>3 000 800</b>	<b>4,2 %</b>

Figures as per 16.08.2023 - Source: Kontali

# SPOT prices, fresh Atlantic salmon

- cross-section, FCA Oslo (Superior quality) as of week 32-2023

Quarter	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Q1	29	34	40	27	36	47	41	58	65	60	61	68	52	80	104
Q2	36	41	38	28	42	40	38	64	67	68	62	58	63	105	105
Q3	32	39	27	26	38	35	41	60	56	55	49	47	55	69	83
Q4	28	38	23	27	42	39	44	66	49	55	56	43	60	72	
<b>Total</b>	<b>31</b>	<b>38</b>	<b>32</b>	<b>27</b>	<b>41</b>	<b>40</b>	<b>41</b>	<b>62</b>	<b>59</b>	<b>59</b>	<b>57</b>	<b>53</b>	<b>57</b>	<b>79</b>	<b>99</b>

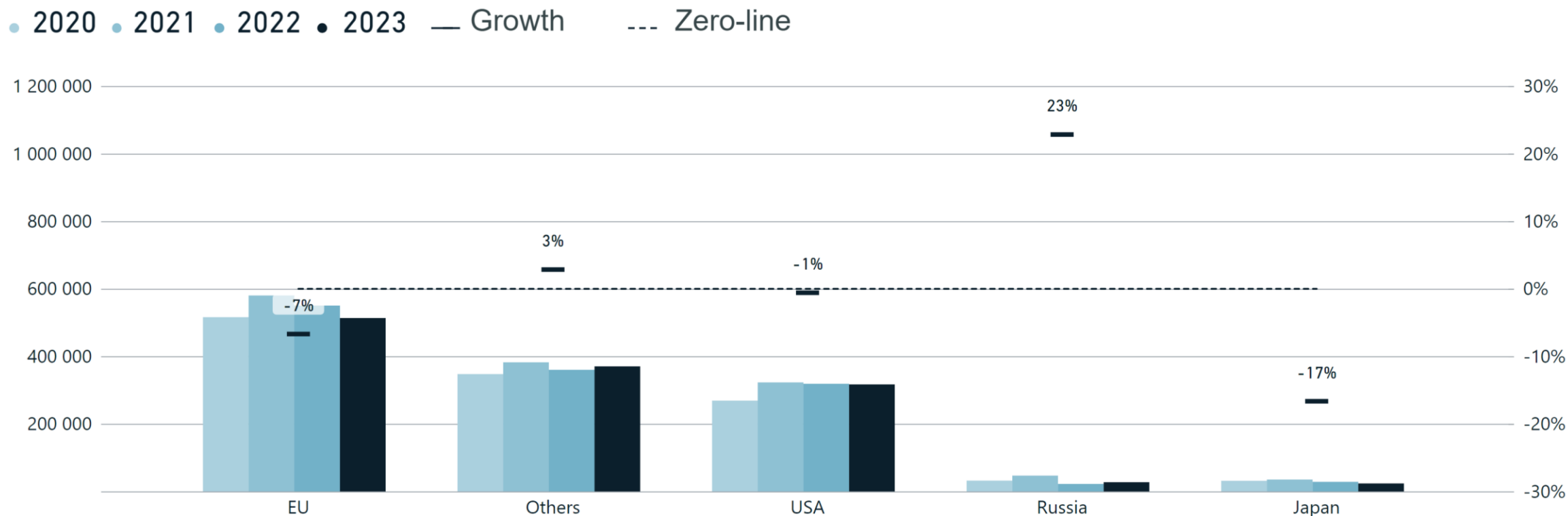




# Atlantic salmon consumption

H1 2023

Market	2020	2021	2022	2023	Growth	Growth %
EU	515 883	580 138	550 245	513 354	-36,891	-6.7 %
Others	347 482	382 347	360 076	370 320	10,244	2.8 %
USA	268 879	322 845	318 775	316 904	-1,870	-0.6 %
Russia	32 070	46 902	22 318	27 414	5,096	22.8 %
Japan	31 558	35 293	28 507	23 760	-4,747	-16.7 %
<b>Total</b>	<b>1 195 871</b>	<b>1 367 524</b>	<b>1 279 921</b>	<b>1 251 752</b>	<b>-28,169</b>	<b>-2.2 %</b>



Figures as per 16.08.2023 - Source: Kontali

# Conclusion

## Salmon / Whitefish

### Salmon

- Resource tax adopted by the Norwegian Storting in May 2023
- Strong biological development in Lerøy Aurora and Lerøy Midt, while challenging in Lerøy Sjøtroll
  - Two sites confirmed with ISA at Lerøy Sjøtroll. Will have significant impact on cost and price realisation in Q3/23 and harvest volume FY 2023
- Expect harvest volumes incl. share of associate of around 181,500 GWT in 2023

### Whitefish

- On basis of lower cod quota, a strong development in the quarter with catches of alternative species.
  - High volume on lower prices
- Likely development in 2024 quotas based on ICES recommendation from June:
  - Cod down 20%
  - Haddock down 25%
  - Saithe north of 62 degrees: no recommendation at date
  - Saithe south of 62 degrees: +25%

# Conclusion

## Pelagic

- General inflation impact cost also for the pelagic operation

## South America

- Limited 1<sup>st</sup> season in Peru
  - Only 15 days exploratory fisheries (5 days in Q2)
  - High levels of juveniles due to Coastal Niño
  - Acoustic research expected to start 2<sup>nd</sup> half of September
- As normal seasonal high activity in Chile 2<sup>nd</sup> quarter
  - 23% increase in horse mackerel quota for 2023 vs. 2022
    - ✓ The biomass in a healthy status
    - ✓ Low activity expected H2 2023

# Conclusion

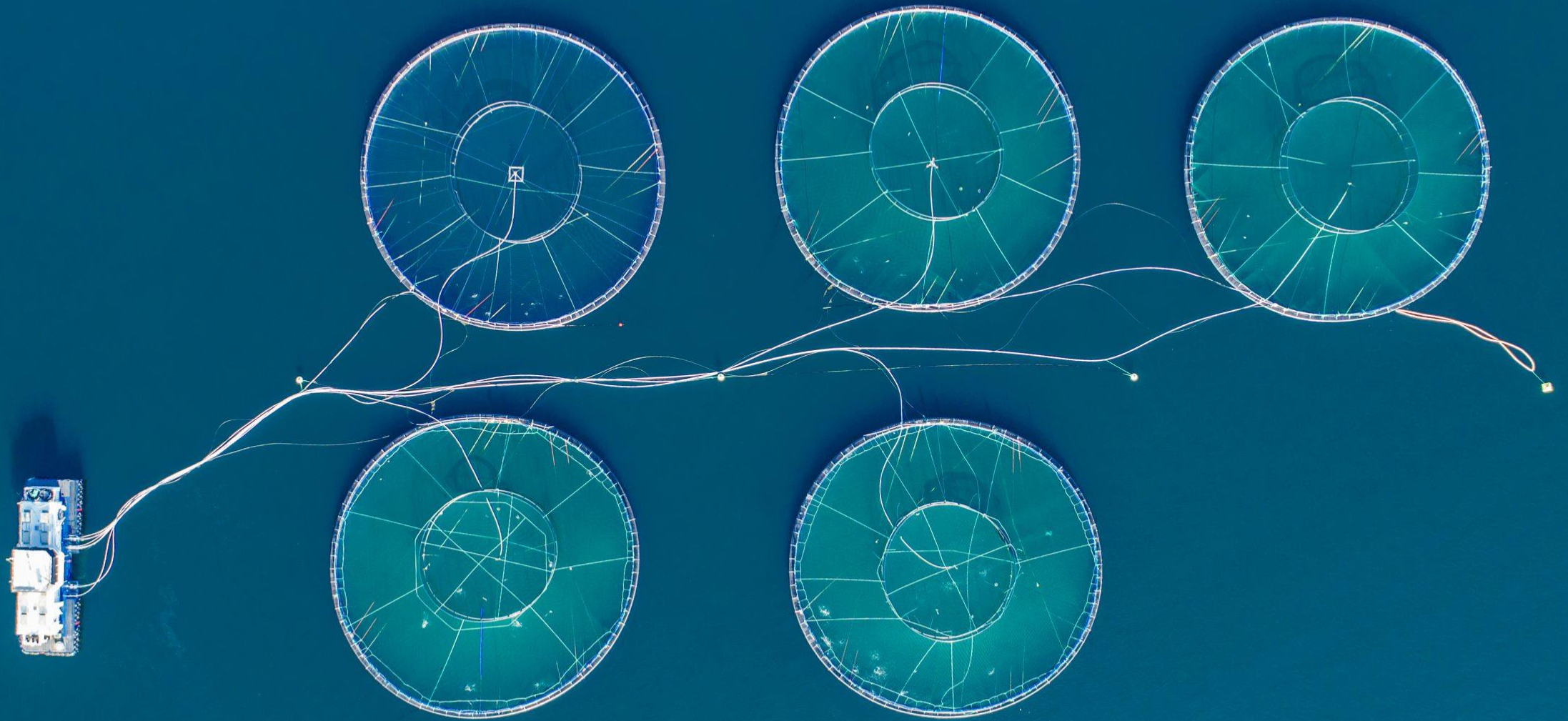
## Pelagic

### **North Atlantic (*Pelagia Holding AS, an associated company*)**

- Seasonal high activity in the quarter for the Feed segment
  - High sales volumes and increased prices for marine protein and oils in Q2/23 vs. Q2/22
  - Active H2 in food segment due to mackerel and herring season
- ICES recommendation for 2024 expected to be published in October



Austevoll Seafood ASA





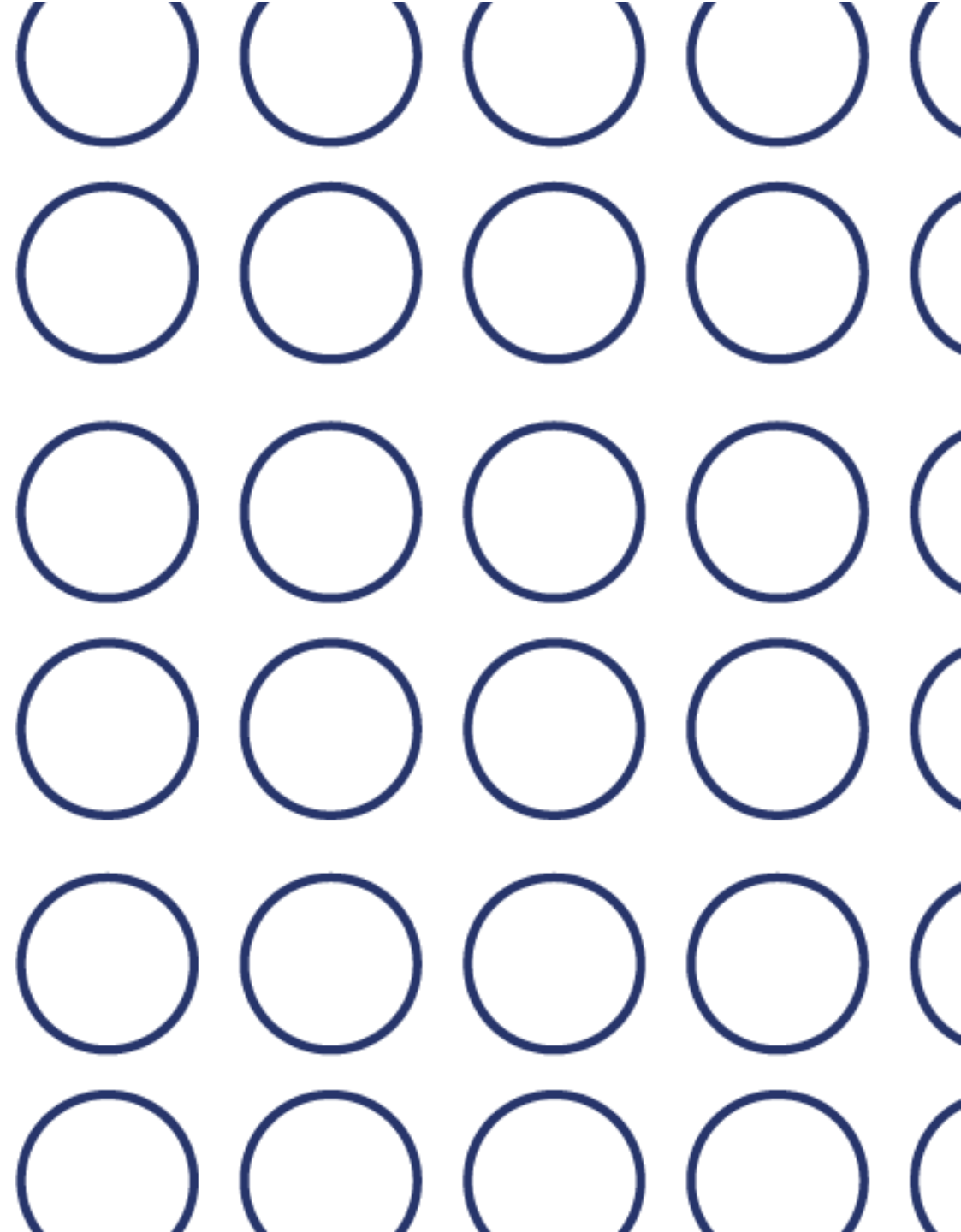
# Disclaimer

- This Presentation has been produced by Austevoll Seafood ASA (the “Company” or “Austevoll”) solely for use at the presentation to the market held in connection with the announcement of second quarter results for 2023.
- This document contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. Neither The Company or any of their respective group of companies or any such person’s officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results.
- An investment in the company involves risk, and several factors could cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in this presentation, including, among others, risks or uncertainties associated with the company’s business, segments, development, growth management, financing, market acceptance and relations with customers, and, more generally, general economic and business conditions, changes in domestic and foreign laws and regulations, taxes, changes in competition and pricing environments, fluctuations in currency exchange rates and interest rates and other factors.
- Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this presentation. The company does not intend, and does not assume any obligation, to update or correct the information included in this presentation.
- No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, none of the Company or any of their group companies or any such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.
- By attending the quarterly presentation or upon reading the Presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business.
- This Presentation is dated 23.08.2023. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.



Austevoll Seafood ASA

# Appendix





# Associated companies

Pelagia Holding AS (100% figures)

AUSS`s share = 50%

(MNOK)	Q2 2023	Q2 2022	YTD 2023	YTD 2022	2022
Revenue and other income	2 514	2 270	5 557	4 489	11 282
Operational EBITDA	331	262	717	446	1 691
Operational EBIT	232	176	522	275	1 336
<i>Operational EBIT margin</i>	9 %	8 %	9 %	6 %	12 %
<b>Total assets</b>			<b>9 303</b>	<b>8 301</b>	<b>9 137</b>
Net interest bearing debt (NIBD)			4 160	3 756	4 036
<b>Sales volumes (MT)</b>					
Frozen (MT)	37 200	39 800	121 000	124 200	304 000
Fishmeal, FPC. Fish oil (MT)	92 800	91 400	165 200	150 400	336 000

# Associated companies

Norskott Havbruk AS (100% figures)

LSG's share = 50%

(MNOK)	Q2 2023	Q2 2022	YTD 2023	YTD 2022	2022
Revenue and other income	692	884	1 197	1 523	3 188
Operational EBITDA	-94	235	-38	383	454
Operational EBIT	-144	190	-135	295	214
<i>Operational EBIT margin</i>		21 %		19 %	7 %
<b>Net interest bearing debt</b>			<b>2 647</b>	<b>2 067</b>	<b>2 037</b>
Slaughtered volume (GWT)	<b>6 325</b>	<b>9 489</b>	<b>11 495</b>	<b>17 329</b>	<b>35 936</b>
EBIT*/kg ex. wildcatch (NOK)	-22,8	20,0	-11,8	17,0	6,0

\* Operational EBIT

- Low harvest volumes, harvesting from biologically challenged sites affecting average harvest size, cost and price achievement
- High cost base affected by sites with challenges in H2/22 and continued in 2023
- Incident based mortality in the quarter of £ 13.2m or £ 2.09/kg
- Q3 still biological challenges but improvements in fish size and cost base
- Guidance for 2023 revised to 27,000 GWT

# Note 7 Alternative Performance Measures (APMs)

All figure in MNOK

	Q2 2023	Q2 2022	YTD 2023	YTD 2022	2022
<b>Operating revenue and other income</b>	<b>8 452</b>	<b>7 852</b>	<b>16 454</b>	<b>14 417</b>	<b>31 150</b>
Raw material and consumable used	- 4 720	3 959	8 692	6 997	16 294
Salaries and personnel expenses	- 1 112	1 038	2 406	2 216	4 519
Operating expenses	- 1 214	1 302	2 345	2 207	4 556
Production fee	+ 18	14	35	28	74
Change in unrealised internal margin	+ 2	9	6	15	3
Other non-operational items	+ 15	211	15	211	209
<b>Operational EBITDA</b>	<b>1 441</b>	<b>1 769</b>	<b>3 067</b>	<b>3 251</b>	<b>6 061</b>
Depreciation and amortisation	- 473	414	926	856	1 699
Income from joint ventures and associates	+ 20	164	86	294	494
Fair value adj. biomass in joint ventures and associates	- 6	54	-2	125	12
<b>Operational EBIT</b>	<b>981</b>	<b>1 465</b>	<b>2 230</b>	<b>2 563</b>	<b>4 845</b>
Change in unrealised internal margin	- 2	9	6	15	3
Production fee	- 18	14	35	28	74
Fair value adjustment related to biological assets	+ 76	1 053	537	1 305	1 189
Fair value adjustment related to biological assets in associates	+ 6	54	-2	125	12
Impairment	- 38	0	38	1	32
Other non-operational items (incl. litigation fee in 2022)	- 15	211	15	211	209
<b>Operating profit and income from JV and associates (EBIT)</b>	<b>992</b>	<b>2 356</b>	<b>2 670</b>	<b>3 740</b>	<b>5 734</b>
Net interest expenses	+ -142	108	-258	178	353
Net other financial items	+ 7	25	12	28	45
<b>Profit before tax</b>	<b>857</b>	<b>2 223</b>	<b>2 424</b>	<b>3 589</b>	<b>5 427</b>
Income tax expenses	+ -193	471	-537	784	1 142
Implementation effects resource tax (aquaculture)	+ -1 803	-	-1 803	-	-
<b>Net profit</b>	<b>-1 139</b>	<b>1 752</b>	<b>84</b>	<b>2 805</b>	<b>4 285</b>

Reconciliation between the new APM, operating EBITDA, and the previous APM, EBITDA before fair value adjustments related to biological assets

Operational EBITDA	1 441	1 769	3 067	3 251	6 061
EBITDA before fair value adjustment related to biological assets	1 406	1 553	3 011	2 997	5 782
<b>Difference</b>	<b>34</b>	<b>216</b>	<b>56</b>	<b>254</b>	<b>280</b>

<b>Difference</b>					
Change in unralised internal margin	2	-9	6	15	-3
Production fee	18	14	35	28	74
Other non-operational items	15	211	15	211	209
<b>Total</b>	<b>34</b>	<b>216</b>	<b>56</b>	<b>254</b>	<b>280</b>

Operational EBIT and operational EBITDA are 2 APMs utilised by the Group, which are commonly used in the farming industry. In order to meet management's, investor's and analysts need of information in terms of performance and comparability between peers, these APMs have now been adopted by the group. They replace the previously used APMs EBIT before fair value adjustments related to biological assets and EBITDA before fair value adjustments related to biological assets.

In operational EBIT and operational EBITDA some items are excluded. The main item excluded is **fair value adjustment on biological assets**. The reason for exclusion is because this adjustment has nothing to do with the Group's operational performance. The change in fair value arises from changes in forward prices on salmon at Fishpool. Another item to be excluded is **onerous contract provision**. This item is indirectly related to biological assets, since loss on onerous contracts is calculated based on the increased value on fish in sea from the fair value adjustment. In addition, the **production fee**, implemented from 2021, on slaughtered volume of salmon and trout, has also been excluded. This is explained with the fact that the production fee is tax related. It was adopted as an alternative to ground rent tax. Further on, isolated events not expected to reoccur, such as **litigation costs**, are excluded. This type of cost is not considered relevant for the current operation, and thus not relevant when analysing the current operation. Finally, change in **unrealized internal margin** on stock, has been excluded. Feedback from investors and analysts have been that this item is perceived as confusing when evaluating the operational performance of the period. Since it is a non-significant part of the result of the period, it has been excluded from the APMs.

The Group's joint ventures and associated companies are significant enterprises in their segments and represents substantial values for the Group. Income from joint ventures and associates are therefore part of the operational EBIT.

# Note 9 New Resource rent tax on Aquaculture from 1 January 2023

On 31 May 2023 the Norwegian Government decided to adopt a resource rent tax of 25% on earnings from the production of salmon and trout in sea. The law was given retroactively with effect from 1 January 2023. The resource rent tax comes on top of standard corporate tax of 22%, so that the total tax rate for the affected activity is 47%.

The resource rent tax cost in 2023 will consist of two elements, first an implementation effect (one-off effect) and secondly resource rent tax for the period.

The implementation effect is estimated at NOK 1.8 billion, and recognized in the second quarter of 2023, the same quarter as the law was adopted. The entire amount comes from increased deferred tax on the stock of fish in the sea at the beginning of the year. The resource rent tax is calculated as 25% of the difference between the accounting value and the tax value. One reason why the implementation effect is significant, is because the majority of the Norwegian Storting members seem to agree on the fact that no deduction should be given in resource rent tax for costs on stock incurred on the fish up to the time of entry into force. This creates an asymmetry, where the income from the fish that was in stock at the beginning of 2023 receives a total taxation of 47%, standard corporate tax plus resource tax rent tax, while only a 22% tax deduction is given. Therefore, this is a controversial and disputed point, which also deviates from historical political practice. However, this asymmetry only applies to the stock of fish in the sea that the affected companies had at the time of entry into force. New costs incurred from 1 of January 2023 will obtain a full tax deduction of 47%.

Deferred tax on stocks will become payable tax as the stock of fish in the sea is harvested and sold. The income from this fish will be included in the basis of calculation of payable resource rent tax. At the same time, cost on stock on new fish added to the stock, will be deducted in the basis of calculation of payable resource rent tax. This means that if cost on stock of fish in the sea is higher on the balance sheet date than it was at the start of the period, the change in stock will represent a net reduction in the basis for calculation of payable ground rent tax. In the opposite case, if the cost on stock of fish in the sea is lower on the balance sheet date than it was at the beginning of the period, the change in stock will represent an increase in the basis for calculation of payable ground rent tax. The inventory changes have no impact on the tax cost overall. But the change affects the time when the tax is due for payment.

The resource rent tax calculation for the period shall be based on the earnings from the production of salmon and trout in the sea. Although the main principles have been defined through the Prop. 78 LS (2022-2023) from 28<sup>th</sup> of March 2023, a lot of important details are still missing in order to carry out a reliable calculation. There remain several regulatory clarifications from the Ministry of Finance. Among other things, the Ministry of Finance has through a public hearing proposed to establish a price council for aquaculture and rules for the determination of gross income in resource rent tax, with a deadline of 4<sup>th</sup> of September 2023 for responses. In addition, the calculation of resource rent tax in accordance with chapter 19 of the Tax Act, requires a number of analyzes and clarifications relating to tax-related transfer pricing in accordance with Section 13-1 of the Tax Act and the OECD guidelines for transfer pricing. The main challenge is to segregate the aquaculture activity in sea, which are subjected to resource rent tax, from other activities not subject to basic rent tax. These are complex and comprehensive exercises in a fully integrated value chain, where both land and sea activities have traditionally been carried out by one and the same company and accounting measurement has been arranged accordingly. In addition, the differences in profitability between the regions is a complicating element. The group's transfer pricing work is ongoing.

Taking these elements into account, the group has therefore decided not to include any estimate of the resource rent tax for the period in the figures for the second quarter of 2023. Thus, the resource rent tax cost does only consist of the implementation effect. Consequently, the resource rent tax cost is not reduced either with the standardized deduction amount nor the production fee paid. The group considers it very likely that the deductions can be utilized in 2023. If these deductions cannot be utilized in the income year, the right to deduct will lapse. They cannot be carried forward. As of 30 June 2023, an effective standardized deduction amount for the first half of the year, as well as a deduction for paid production fee, would represent a deduction in payable resource rent tax cost of NOK 42 million.