Austevoll Seafood ASA

ANNUAL REPORT 2023

CONTENT

GLOSSARY

AUSS	Austevoll Seafood ASA
Austral	Austral Group S.A.A.
BFARM	Br. Birkeland Farming AS
BRBI	Br. Birkeland AS
FC	FoodCorp Chile S.A.
Havfisk	Lerøy Havfisk AS
IFRS	IFRS® Accounting Standards as adopted by the EU
LNWS	Lerøy Norway Seafoods AS
LSG	Lerøy Seafood Group ASA
Pelagia	Pelagia Holding AS
SOFP	Statement of financial position

KEY FIGURES

Amounts in MNOK	2023	2022	2021
Profit and loss account			
Operating income	33 774	31 150	26 633
Operating expenses	-28 647	-25 368	-21 823
EBITDA	**5 127**	**5 782**	**4 810**
Depreciation, amortisation, impairment and depreciation of excess value	-2 051	-1 731	-1 592
EBIT (before fair value adj.biological assets)	**3 076**	**4 051**	**3 218**
Fair value adjustment of biological assets	77	1 189	1 114
OPERATING PROFIT	**3 153**	**5 240**	**4 332**
Income from associated companies	285	494	393
Net financial items	-592	-307	-350
Profit before tax	**2 845**	**5 428**	**4 376**
Profit after tax	**344**	**4 285**	**3 436**
Profit to minority interests	52	1 795	1 455
Balance sheet			
Intangible assets	12 265	12 007	11 748
Vessels, other property, plant and equipment	14 141	13 480	12 344
Other non current assets	3 803	3 648	3 217
Current assets	22 780	18 928	16 471
Total assets	**52 990**	**48 062**	**43 781**
Equity	27 042	28 162	25 187
Long term liabilities	17 182	12 021	12 623
Short term liabilities	8 766	7 879	5 971
Total equity and liabilities	**52 990**	**48 062**	**43 781**
Net interest bearing debt	**6 715**	**5 140**	**3 970**
Net interest bearing debt incl. IFRS 16	**8 434**	**6 991**	**5 600**
Cash flow			
Net cash flow from operating activities	**3 202**	**3 195**	**4 635**
Key ratios			
Liquidity ratio 1)	2.60	2.40	2.76
Equity-to-asset ratio 2)	51 %	59 %	58 %
EBITDA margin 3)	15 %	19 %	18 %
Return on equity 4)	1.2%	16.1%	14.3%
Average no. of shares (NOK 1 000)*	**201 824**	**201 824**	**201 824**
Earnings per share (NOK) 5)	1.45	12.34	9.82
Paid out dividend (NOK)	5.50	4.50	3.50
Proposed dividend payout (NOK)	4.50		

1) Current assets/short term liabilities
2) Equity/total capital
3) Operating profit/loss before depreciation expressed as a percentage of operating income
4) Net profit after tax (incl. discontinued operations) expressed as a percentage of average equity
5) Net profit after tax (incl. discontinued operations)/average no. of shares
** Ex. own shares of 893 300*

ALTERNATIVE PERFORMANCE MEASURES

Austevoll Seafood Group's financial statements are prepared in accordance with international standards for financial reporting IFRS® Accounting Standards (IFRS) and interpretations established by the International Accounting Standards Board (IASB) and adopted by the EU. In addition from 2023, with 2022 for comparison, the Board and management have chosen to present certain alternative performance measures to aid understanding of the Group's development. The Board and management are of the opinion that these performance measures are sought and utilised by investors, analysts, credit institutions and other stakeholders. The alternative performance measures are derived from the performance measures defined in IFRS. The figures are defined below. They are calculated consistently and presented in addition to other performance measures, in line with the Guidelines for Alternative Performance Measures from the European Securities and Markets Authority (ESMA).

OPERATING EBITDA AND OPERATING EBIT

Operating EBITDA and operating EBIT are two alternative performance measures used by the Group that are commonly used within aquaculture. In order to provide the information required by management, investors and analysts regarding performance and industry comparability, the Group has now implemented the two specified alternative performance measures.

Operating EBITDA and operating EBIT exclude certain items, most significantly fair value adjustment of biological assets. This is excluded because it has nothing to do with the Group's operating performance. The change in fair value derives from changes in forward prices for salmon, published by Fish Pool. Another item excluded is provision for onerous contracts. This item is indirectly related to biological assets, as the loss is calculated based on the increased value of fish in the sea as a result of fair value adjustment. Production fees on the harvest volume of salmon and trout, which were introduced in 2021, are also excluded. This is because production fees are tax related and were introduced as an alternative to resource rent tax. Also excluded are one-off events not expected to happen again, such as settlement costs. These types of costs are not considered relevant to the current operating activity and hence not relevant to persons wanting to analyse operating profit in the period. Finally, unrealised internal gains associated with inventories are also excluded. Feedback from investors and analysts suggests that this accrual item has interfered with evaluation of operating profit for the period. Since this item is insignificant to profit for the period, it has been excluded from the two alternative performance measures.

The Group has investments in joint ventures and associates that are significant enterprises in their segments and represent substantial values for Austevoll Seafood ASA. Revenue from joint ventures and associates is therefore included in operating EBIT.

All figure in MNOK		2023	2022
Operating revenue and other income		**33 774**	**31 150**
Raw material and consumable used	-	18 739	16 294
Salaries and personnel expenses	-	4 857	4 519
Operating expenses	-	5 051	4 556
Production fee	+	129	74
Change in unrealised internal margin	+	-2	-3
Other non-operational items	+	15	209
Operational EBITDA		**5 269**	**6 061**
Depreciation and amortisation	-	1 909	1 698
Impairment		13	0
Income from joint ventures and associates	+	285	494
Fair value adj. biomasss in joint ventures and associates	-	6	12
Operational EBIT		**3 626**	**4 845**
Change in unrealised internal margin	-	-2	-3
Production fee	-	129	74
Fair value adjustment related to biological assets	+	77	1 189
Fair value adjustment related to biological assets in associates	+	6	12
Impairment	-	130	32
Other non-operational items (incl. litigation fee in 2022)	-	15	209
Operating profit and income from JV and associates (EBIT)		**3 438**	**5 735**
Net interest expenses	+	-527	-353
Net other financial items	+	-65	45
Profit before tax		**2 845**	**5 428**
Estimated corporate tax	+	-590	-1 142
Estimated resource rent tax (aquaculture)		-1 912	0
Net profit		**344**	**4 285**

Reconciliation between the new APM, operating EBITDA, and the previous A PM, EBITDA before fair value adjustments related to biological assets		
Operational EBITDA	5 269	6 061
EBITDA before fair value adjustment related to biological assets	5 127	5 782
Difference	**142**	**280**
Difference		
Change in unrealised internal margin	-2	-3
Production fee	129	74
Other non-operational items	15	209
Total	**142**	**280**

DEAR STAKEHOLDERS

ARNE MØGSTER
CEO
Austevoll Seafood ASA

In 2023, for the eleventh year in a row, Austevoll Seafood Group set a new record for revenue earned. With revenue close to NOK 40 billion – including our 50% share in Pelagia – and total assets close to NOK 53 billion, Austevoll Seafood ASA remains a solid and substantial company with a good track record on its investments within the salmon, whitefish and pelagic sectors. As an active industrial owner of independent operational companies, our ambition is to continue developing the seafood sector sustainably together with our 9 600 professional employees across 19 countries.

Harvest volume for the global salmon industry was down 2.3% in 2023, at approx. 2 796 million tonnes compared with 2 864 million tonnes in 2022. We continued to experience a strong average spot price of NOK 88 per kg, up from NOK 79 per kg in 2022, confirming our view that the market remains strong. Lerøy Seafood Group ASA (LSG) topped revenue of NOK 30 billion for the first time. Nevertheless, 2023 was challenging, with a lower total harvest volume than in 2022. Several projects and actions have been implemented to reduce mortality, increase growth rate and reach LSG's target harvest volume of 205 000 tonnes in 2025. Using new shielding technology and submerged solutions will enable better control of the fish and fish welfare.

It was a record year for whitefish in terms of catch volume, with a total catch of 76 000 tonnes compared with 72 000 tonnes in 2022. Falling cod quotas were compensated by a higher volume of redfish. Falling quotas for the main species – cod and haddock – mean increased raw material prices, challenging shore-based operations. In 2024, the quotas for key species such as cod and haddock will be reduced by 30% and 20% respectively, which might result in stronger prices.

2023 was also a challenging year for the Peruvian fishmeal industry. The weather phenomenon El Niño started with a coastal El Niño in Peru in March 2023. The first fishing season was cancelled after just a few days' trial fisheries, and a historically low quota was set for the second season. The loss of fisheries in the first season and lower volumes in the second season resulted in negative performance for the Peruvian operation. Austral's total volume of raw materials in 2023, comprising own catches and purchases from third parties, amounted to 184 000 tonnes. This represents a reduction of 57% in raw materials supplied to the company's factories, down from 424 000 tonnes in 2022. Sea temperatures are expected to recover during the first season of 2024, and the quota set for the first season is at historical level of 2.5 million tonnes.

The total quota recommended by SPRFMO for horse mackerel in the South Pacific in 2023 represented a further increase of 20%, reflecting the positive development in horse mackerel fisheries in recent years. FC's quota for horse mackerel in 2023 was 56 000 tonnes, up from 46 000 tonnes in 2022. In addition to catches under its own quotas, the company purchased quota from third parties, caught using FC's three fishing vessels. The quota for 2024 is up by another 15%, and we are aiming to catch over 100 000 tonnes with our own vessels this year, including purchase of third-party quota.

The establishment of Pelagia in 2014 was in line with our long-term strategy of forming strategic partnerships within the pelagic segment to optimise operations from raw material to end product. The total intake of raw material for Pelagia in 2023 was 1.4 million tonnes, an increase of 7.7% compared with 1.3 million tonnes in 2022. Pelagia is sustaining its positive development by means of successful operations, economies of scale, synergies through the value chain and favourable market conditions, particularly for fishmeal and fish oil.

AUSS's operations – fish farming, fisheries and processing areas across multiple geographies – are capital-intensive activities exposed to dynamic global challenges and require a long-term approach by actors from within both the industry and the respective authorities on a national level. It is vital that the seafood industry works closely with politicians to lay the foundations for the future of the global seafood industry. A framework based on an understanding of environmental, social and economic sustainability is vital to utilise the ocean as the future pantry for an increasing population. The Norwegian government's approval of the resource rent tax in 2023 is an irresponsible example of the precise opposite and constitutes, in our opinion, a significant risk to the industry's development and its ability to continue contributing to society.

As a leading company within the global seafood industry, we believe we can secure a sustainable future by creating value responsibly. Our employees are our greatest asset, and the quality of our active ownership is dependent on the quality, commitment and passion of the people working within the Austevoll Seafood Group. I am grateful to all our employees for all the work they have put in over the past year; their trust, loyalty, sacrifices and devotion have been, and will continue to be, key factors in our success.

Thank you.

DIRECTORS OF THE BOARD

HELGE SINGELSTAD (1963)

Chairman

Helge Singelstad has been member of the Board since 2008, and has been the Chairman of the Board since 2010. Mr. Singelstad is the CEO in Laco AS, the major shareholder in Austevoll Seafood ASA. 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 Chair 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. Ms. Solbakken holds board positions in Voss Veksel og Landmandsbank ASA, Helse Vest RHF and is the Deputy Chair 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 2023

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 operating segments 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 operator within whitefish fisheries, and here too has control of the entire value chain from catch to end product. AUSS's pelagic operations involve 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 the areas of finance, corporate governance, climate and the environment as well as social conditions. Knowledge-based, 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 fundamental and existential goal of Creating lasting values, the company's sustainability reporting highlights four main areas where it believes it can make the greatest positive difference: Protect our oceans, Improve our climate, Strengthen our communities and, not least, Empower our people.

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

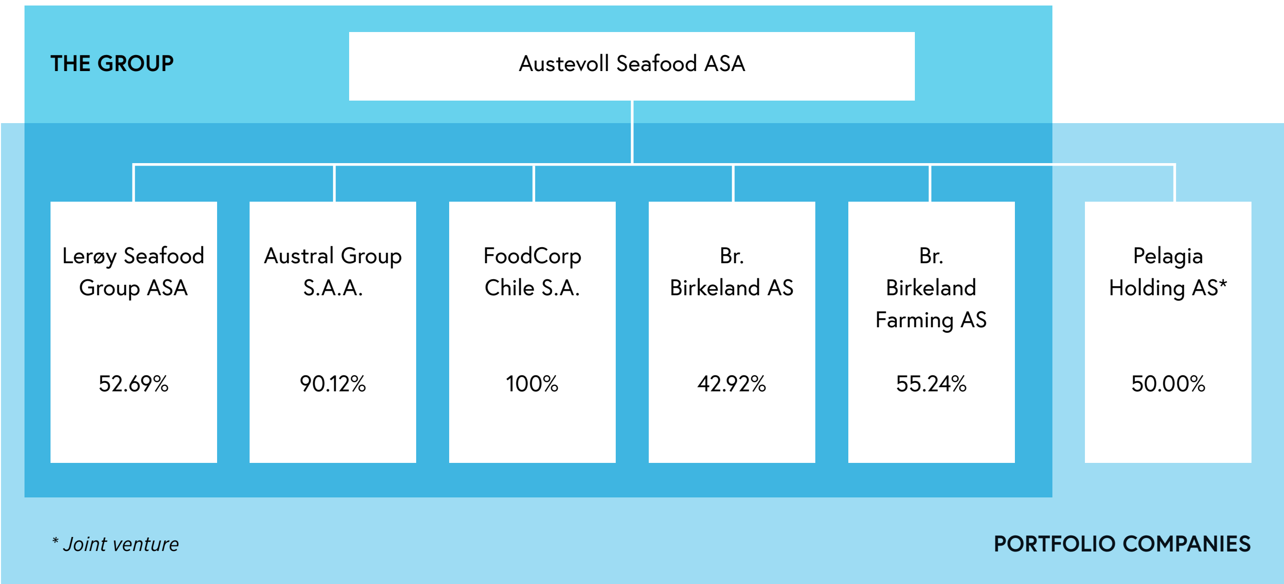
See also the “Corporate governance report” section in this report, and the Sustainability report 2023, which is available on the company’s website: www.auss.no.

THE GROUP'S ACTIVITIES IN 2023

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. The management and Group employees are doing what they can in their daily activities to ensure the Group fulfils its underlying social responsibility by keeping the respective value chains and hence food deliveries cost-effective and operational even 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 demand knowledge and predictability from the regulatory authorities. In turn, predictability of this kind requires businesses and, not least, national political leaders to pursue a responsible long-term business policy. The government’s proposal on so-called resource rent tax on Norwegian aquaculture, adopted by the Norwegian parliament on 31.05.2023, is an example of the precise opposite. Adoption of the tax constitutes a material risk to the further industrial development of aquaculture, including weakening its ability to continue contributing to society. Regrettably, the fact that the tax was adopted is an example of political risk of a kind we have not experienced in recent times in Norway.

The past year has been a challenging one for parts of the Group. The weather phenomenon El Niño started with a coastal El Niño in Peru in March 2023. The first fishing season was cancelled after just a few days’ trial fisheries, and a historically low quota was set for the second season. The loss of fisheries in the first season and lower volumes in the second season resulted in negative performance for the Peruvian operation. The farming companies were negatively affected by the detection of ILA at several sites, leading to forced harvesting. In the last part of the year, the Central Norway and Vestland regions were affected by string jellyfish, which also led to forced harvesting with significant consequences in terms of costs. In light of these events, we do not consider 2023 performance and results to be representative of the potential in the Group’s companies.



The Board would like to say a big thank-you to the management and employees of all the portfolio companies for their hard work through a challenging year of operations in 2023.

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.

This goal has required a long-term perspective, perseverance and hard work in the form of efforts to develop the business that have resulted in organic growth and a series of acquisitions since LSG's stock market listing on 03.06.2002. Today, the Group is one of the world's largest producers of Atlantic salmon and trout. The acquisitions of Lerøy Havfisk ASA and Lerøy Norway Seafood Group AS in 2016 made the Group the largest supplier of whitefish in Norway and a major global player within fishery and processing of whitefish. 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 enabled by investments throughout the value chain, system development and organisation building. The Group has a clear ambition to further develop the company's position in the years ahead.

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. As well as cost-efficiency, the value chain must deliver high levels of product quality, availability, service and traceability, as well as competitive climate and environmental solutions. We expect recent years' investments in downstream entities – including in new industrial facilities in Lerøy Midt and Lerøy Austevoll, a new factory in Stamsund and new factories in Spain, the Netherlands and Italy – to make a positive contribution going forward. Earnings from the Group's various downstream entities varied significantly in 2023, which also offers substantial potential for an overall improvement. In 2023 the Group launched initiatives and made investments that will gradually improve LSG's performance. Purposeful and structured work is being carried out to improve profitability and with it return on capital employed.

LSG reported revenue of MNOK 30 906 in 2023 (2022: MNOK 26 652).

EBITDA was MNOK 4 694 (2022: MNOK 4 521). Operating profit before biomass adjustment (EBIT) in 2023 amounted to MNOK 3 102, down from MNOK 3 195 in 2022. This is equivalent to an EBIT margin of 10%, down from 12% in 2022, see note 3 to the consolidated financial statements.. At year-end 2023, LSG had a balance sheet total of MNOK 41 419 (2022: MNOK 37 062). Net interest-bearing debt at year-end 2023 was MNOK 5 209 (2022: MNOK 4 346).

LSG's earnings in 2023 were negatively impacted by forced harvesting of fish and with it a significantly reduced harvest volume and high costs. There were several reasons for the forced harvesting, the most

important being the detection of ILA at multiple sites and two regions being severely affected by string jellyfish. Just under 160 000 tonnes of salmon and trout were harvested in 2023, considerably below the original estimate of 175 000 tonnes for the year, and down from 175 000 tonnes in 2022.

Prices realised in 2023 were higher for both salmon and trout than 2022, significantly impacted by the weaker Norwegian krone. The spot price for salmon increased from NOK 79 per kilo in 2022 to NOK 88 per kilo in 2023, with much higher prices in the first half than in the second, reflecting the normal seasonal pattern in harvest volume through the year. A number of factors influence the Group's prices realised compared with the spot price for whole salmon, including contract share, product type/ size, quality and time of harvest. The contracts are entered into long before the fish are harvested and therefore reflect forecasts for future market conditions. Substantial deviations in harvest volume relative to the outlook may have significant market ramifications that are difficult to absorb in the short term. The Group's contract prices were higher in 2023 than in 2022. In total, the Group's average prices realised were NOK 10 per kilo higher in 2023 than in 2022.

However, the weak Norwegian krone also affects costs. In line with developments nationally and globally, inflation is leading to significant cost increases for virtually all input factors. The main cost drivers are essentially higher feed prices than previously, combined with a lower harvest volume than expected because of the biological challenges already mentioned through the year. In total, the Group's costs per kilo for harvested salmon and trout were NOK 12 per kilo higher in 2023 than in 2022.

Havfisk's catch volume in 2023 was approximately 76 000 tonnes, up from 72 000 tonnes in 2022. Cod quotas for our fleet group were cut by 15% in 2023 compared with 2022, but the reduction in cod volumes was offset by higher catches of other species, particularly redfish. Prices realised are lower for redfish than for cod. After a period of strong price increases for most fish species, the end of 2023 saw a reduction in prices for the key species, including frozen shrimp.

The Group's focus on improving the competitiveness of the whitefish industry is a long-term project, which continues undiminished. Significant investments have been made in recent years to make operations more efficient and to expand the product range. This work is producing results, but the significant reduction in cod quotas makes operations extremely difficult.

Investigations by the EU competition authorities

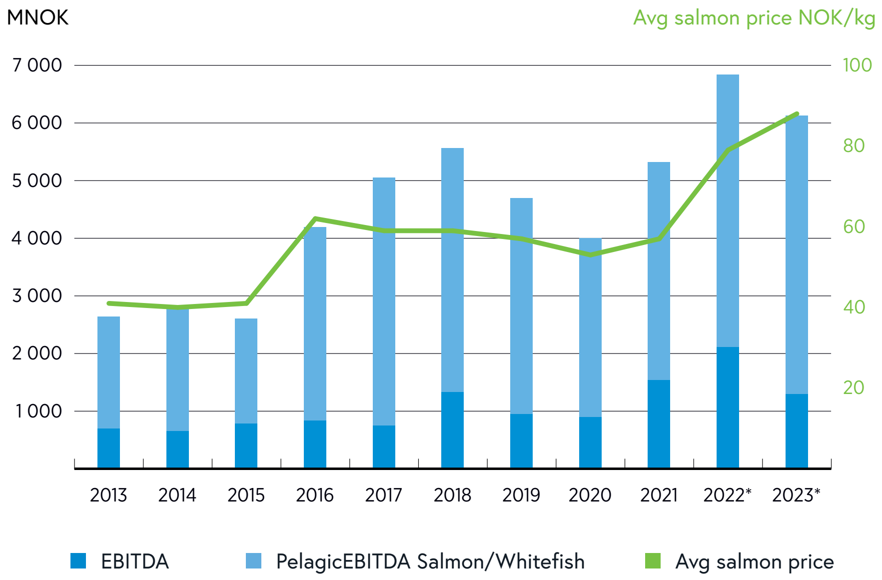
On 19.02.2019, the EU's competition authorities ("the Commission") initiated investigations into suspected collusion in the salmon market. On 25.01.2024, the Commission announced that it had sent Statements of Objections to several Norwegian operators, including LSG. The Statement of Objections sets out the Commission's preliminary assessment as to whether the operators may, in some cases, have exchanged commercially sensitive information in connection with the sale of whole Norwegian farmed salmon in the EU spot market between 2011 and 2019.

Lerøy Seafood Group strongly rejects the Commission's allegations. The Statement of Objections is not a final ruling, and is issued as a stage in the ordinary course of events in an investigation. The Commission's Statement of Objections merely provides a preliminary assessment. The company has the right to challenge the Statement of Objections and, after careful review, will submit its comments to the Commission. The company has assisted the Commission throughout the process, and will continue to co-operate in order to facilitate the Commission's further work, including clarifying the realities of the situation as the company sees them. It is usual for investigations of this kind to continue for several years. It is therefore too early to say whether the investigation will result in sanctions or other negative consequences for the Group, or when a final conclusion will be reached. In February 2024, a group of UK grocery chains started a civil action for compensation in the UK against several Norwegian-owned aquaculture companies, including companies in Lerøy Seafood Group. The Group strongly rejects the plaintiffs' claims and considers such actions by customers to be groundless. The Group believes that the civil action in the UK has been initiated at this stage to interrupt any statutory limitation period for possible claims under certain rules.

The Coller FAIRR Protein Producer Index is a ranking of the world's 60 largest listed companies producing meat, fish and dairy products. They are assessed on

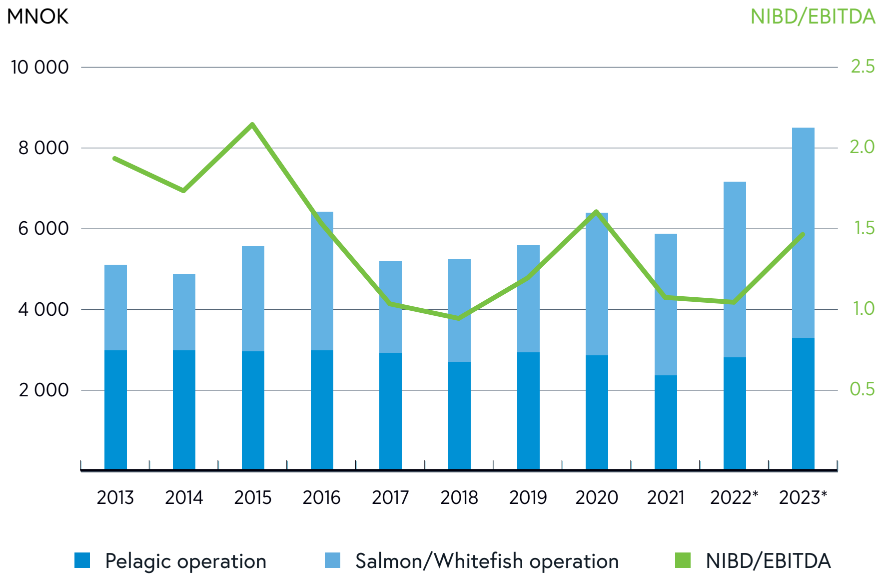
EBITDA AND NIBD GROUP

EBITDA - FARMING VS WILD CAUGHT (incl. 50% of Pelagia Holding Group)



** Operational EBITDA from year 2022, see page 6 for more information*

GROUP NIBD (incl. 50% of Pelagia Holding AS)



** Operational EBITDA, see page 6 for more information* sustainability, covering carbon footprint, environmental footprint, animal welfare, fresh water use, antibiotic use, social rights etc. The results are used to create the Coller FAIRR Index. The 2023 Index was announced in November and ranked LSG as the world's second most sustainable protein producer. The ranking provides objective external recognition of the Group's production and the substantial efforts it makes concerning the requirements for long-term sustainability in investments, projects and daily operations.

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.

The weather phenomenon El Niño affected fisheries in Peru in 2023. The first fishing season was cancelled in Central/North Peru after a few days' trial fisheries. The second fishing season started on 26 October with a total quota of 1 682 000 tonnes, significantly lower than what has been normal for this season historically. The second season in 2022 started on 23 November with a quota of 2 283 000 tonnes. The second season in 2023 was severely affected by zones being intermittently closed as a result of small fish interference. This meant higher catch expenses, partly because of increased sailing times for the vessels and the inefficiency of the fisheries. The season was halted on 12.01.2024, at which point the operators had caught approximately 76% of the total quota for the season. In the second season of 2022, the fleet had fished 84% of the quota by the end of season, which was in January 2023.

Fisheries in South Peru were also affected by high sea temperatures and difficult catch conditions, leading to limited activity for the company's factory in Ilo. In 2022 the Ilo factory processed 83 700 tonnes.

The company's total volume of raw materials in 2023, comprising own catches and purchases from third parties, amounted to 184 000 tonnes. This represents a dramatic fall of 57% in raw materials supplied to the company's factories. The equivalent volume of raw materials in 2022 was 424 000 tonnes.

A total of 38 000 tonnes of fishmeal and oil were sold in 2023, a substantial decline from 127 000 tonnes in 2022. Peru is usually the world's largest producer of fishmeal and fish oil, and production volumes in Peru therefore have a significant influence on global pricing for fishmeal and fish oil. The marked drop in production in Peru led to a sharp price increase for fishmeal and fish oil in 2023, particularly for fish oil.

The company started 2024 with an inventory of 16 400 tonnes of fishmeal and oil, compared with 20 800 tonnes at the start of 2023.

Austral reported revenue of MNOK 1 000 in 2023 (2022: MNOK 2 563), EBITDA of MNOK -184 (2022: MNOK 663) and operating profit of MNOK -417 (2022: MNOK 468); see note 3 to the consolidated financial statements. At year-end 2023, the company had a balance sheet total of MNOK 3 109 (2022: MNOK 2 845) and net interest-bearing debt of MNOK 1 245 (2022: MNOK 553).

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 basis of earnings in the first half of the year.

The total quota recommended by SPRFMO for horse mackerel in the South Pacific in 2023 represented a further increase of 20%. SPRFMO's recommendation reflects the positive development in horse mackerel fisheries in recent years. The company's quota for horse mackerel in 2023 was 56 500 tonnes, up from 46 000 tonnes in 2022. In addition to catches under its own quotas, the company purchased quota from third parties, caught using FC's three fishing vessels.

In Q4 2023, FC entered into an agreement on the conditional purchase of an additional 19 500 tonnes of horse mackerel to be caught before the end of the year. The company fished 17 700 tonnes of this volume. The majority of the volume caught in December was used to make fish meal and oil, and these products will be sold in 2024. The company also purchases raw materials from the coastal fleet. The raw materials purchased from the fleet group in 2023 were mainly anchoveta and sardines.

The total volume of raw material in 2023 was 120 000 tonnes, up from 107 000 tonnes in 2022.

For 2023 the company reported revenue of MNOK 966 (2022: MNOK 821), EBITDA of MNOK 225 (2022: MNOK 200) and operating profit of MNOK 170 (2022: MNOK 128), giving an EBIT margin of 17%, up from 16% in 2022; see note 3 to the consolidated financial statements. At year-end 2023, the company had a balance sheet total of MNOK 1 435 (2022: MNOK 1 311) and a net cash position of MNOK 51 (2022: MNOK 213).

SPRFMO has decided to increase the 2024 quotas for horse mackerel by 15%. In combination with previous years' quota increases, this supports a good, sustainable development in the biomass, sound management and hence a further strengthening of the company's future basis of operations. As a result of higher quotas and access to third-party quotas, the company entered into a contract in 2023 to purchase a second-hand fishing vessel. The vessel was delivered in Q4 2023 and is expected to go into use in Q2 2024. The company will then have a fleet of four fishing vessels well suited to the company's needs.

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

At year-end 2023, 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. The "Olympic" snow-crab fishery had finished by 3 April in 2023 because all the Norwegian quota had been caught. In 2022, fishing continued until 7 June. Prices realised for snow crab fell significantly through 2022, and this trend continued into 2023. Snow crab fishery is proving to be extremely challenging, and results over time have been negative.

For 2023 BRBI reported total revenue of MNOK 357 (2022: MNOK 333), EBITDA of MNOK 91 (2022: MNOK 37) and operating profit of MNOK 0 (2022: MNOK -18); see note 3 to the consolidated financial statements. A write-down of MNOK 28 was made on the company's snow crab vessels in 2023. At year-end 2023, the Group had a balance sheet total of MNOK 680 (2022: MNOK 701) and net interest-bearing debt of MNOK 24 (2022: MNOK 41).

BFARM owns seven licences for farming Atlantic salmon in the county of Vestland. The company harvested 7 416 GWT in 2023, down from 8 631 GWT in 2022. The company sells all its fish on the spot market.

For 2023 BFARM reported total revenue of MNOK 789 (2022: MNOK 743), EBITDA of MNOK 326 (2022: MNOK 367) and operating profit before fair value adjustment related to biological assets of MNOK 263 (2022: MNOK 300); see note 3 to the consolidated financial statements. At year-end 2023, the company had a balance sheet total of MNOK 1 413 (2022: MNOK 1 296) and a net cash position of MNOK 67 (2022: net interest-bearing debt of MNOK 13).

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, Denmark, the UK and Ireland. Through its wholly owned subsidiary Epax, Pelagia is a leading global manufacturer of Omega-3 products based on marine ingredients. These products are used in dietary supplements and pharmaceutical products.

The figures for Pelagia in this section reflect 100% of the company's financial and operational figures. Pelagia processed approximately 1.4 million tonnes of raw materials in 2023. The corresponding volume in 2022 was approximately 1.3 million tonnes.

The company reported revenue of MNOK 13 001 in 2023 (2022: MNOK 11 282), EBITDA of MNOK 1 720 (2022: MNOK 1 691) and operating profit of MNOK 1 261 (2022: MNOK 1 336). This gives an EBIT margin of 10%, down from 12% in 2022. At year-end 2023, the company had a balance sheet total of MNOK 10 042 (2022: MNOK 9 137) and net interest-bearing debt of MNOK 4 585 (2022: MNOK 4 119).

Pelagia is sustaining its positive development by means of successful operations, economies of scale, synergies through the value chain and favourable market conditions, particularly for fishmeal and fish oil.

The company is a significant global operator in its segment, generating good results in a challenging industry. Pelagia's development has been satisfactory, and the company represents significant values for AUSS.

PEOPLE AND WORKING ENVIRONMENT

The total number of full-time equivalents in the Group in 2023 was 7 022, of whom 1 667 were in South America. The corresponding figures for 2022 were 7 235 full-time equivalents with 1 829 in South America.

Sick leave in 2023 was 5.6% against 6.3% in 2022. The sick leave figure for 2022 reflected the tail end of the COVID pandemic in Q1 as well as the surge in normal infections through the year, leading to increased sick leave.

At year-end 2023, the Group had 8 456 employees in permanent and temporary positions. The gender distribution was 35% women and 65% men, compared with 33% women and 67% men at the end of 2022. 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, with the emphasis instead on individual qualifications, performance and responsibility ensuing from the individual's role. 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 developing good procedures and compliance with these, as well as other 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 aims to create a safer workplace. There were 240 (2022: 208) incidents resulting in sick leave during the year and 190 (2022: 150) 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 and offshore and onshore industry more efficient, easier to operate and greener, 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 dependent on sustainable management of fishery resources and actively monitors employee and management compliance with regulations and quota provisions. Follow-up of this kind is a key part of the Group's contribution to conserving resources 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; 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 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 safeguard 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 has been working to gain MSC approval for anchoveta, in addition to "Friend of the Sea" certification, but this was put on hold in 2023.

The horse mackerel stock is an important resource for the business in Chile and gained MSC certification in 2019. Important species in the North Atlantic such as North Sea herring, cod, saithe, shrimps, sand eel, Norway pout and ocean sprat also have MSC certification. Unfortunately, disputes on joint quota agreements among the coastal nations that manage the stocks resulted in suspension of MSC certification for Norwegian spring-spawning herring in 2021. The certification for haddock and cod caught within 12 nautical miles of the Norwegian coast was also suspended in 2021 but was reinstated by MSC on 15.11.2023. Haddock and cod caught beyond 12 nautical miles of the Norwegian coast both have 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. Taking 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 of the external environment over and above generally accepted, sustainable 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 products for direct consumption or fishmeal/protein concentrate or fish oil. The Group's total energy consumption will vary from year to year depending on the level of fish quotas/catch volumes for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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 consumption per kilo of seafood produced in its processing plants.

The Group's total Scope 1 and 2 greenhouse gas emissions, converted to tCO2e, were 266 209 in 2023 (2022: 286 962). This breaks down into 248,186 for Scope 1 (2022: 267 237) and 18 023 for Scope 2 (2022: 19 725). The Group's fishing vessels account for the majority of the Scope 1 emissions, representing 65% of TCO2e in 2023 (2022: 59%). 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 to reduce the vessels' bunker consumption are ongoing, 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 electricity 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 accounted for 12% of the Scope 1 emissions (2022: 21%), the majority of which came from activities in Peru and Chile. These factories have switched to using gas as an energy source in recent years, which produces lower CO_2 emissions than diesel. The reduction in energy consumption in 2023 mainly relates to operations in Peru, which had significantly lower access to raw materials and hence lower production of end products than in 2022.

See also "Sustainability reporting" in the company's Annual report.

CORPORATE SOCIAL RESPONSIBILITY

AUSS is a passionate and engaged industrial owner. For many years, AUSS has worked actively to follow up its corporate social responsibility as part of daily operations in the portfolio companies.

The Board of Directors and management maintain focus on the Group's corporate social responsibility and work to ensure that the Group's employees, in all stages of the value chain, are made aware of the need to demonstrate good corporate social responsibility in their daily work. The Group's corporate social responsibility is to be reflected in the local communities where AUSS's portfolio companies are based. For AUSS, corporate social responsibility is a question of achieving commercial profitability and creating secure jobs. This is how we create the basis for thriving local communities along Norway's extensive coastline, and globally, where the Group has operations. The Group is to conduct its operations and create value without compromising on fundamental ethical values and in line with requirements for operating principles that are sustainable from an environmental and climate perspective.

Austevoll Seafood ASA joined the UN Global Compact initiative in 2020 and endorses 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. The committee reports to the company's Board of Directors.

AUSS has implemented a Code of Conduct setting out ethical guidelines for its portfolio companies, including requirements for 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 has significant business operations in a number of locations around the world. The Board finds that the Group's activities have a lasting positive impact in the communities where it operates. Our business operations provide employment, stimulate development, generate local taxes, and contribute to social activities. In 2023, the Group continued to actively support local and voluntary organisations in the communities where it has operations, with a special focus on children and young people.

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

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

The company follows the provisions of the Norwegian Transparency Act. Reports and further information on this can be found 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 portfolio 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 is to 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/

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 necessary precision in line with current regulations within the area of tax and duties. 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", Laco AS, in accordance with the Regulations on country-by-country reporting issued by the Norwegian Ministry of Finance on 09.12.2016. See also the company's tax guidelines on www.auss.no

AUSS has implemented the EU taxonomy disclosure in accordance with the EU Taxonomy Regulation (2020/852) and the supplementing delegated acts. See also EU Taxonomy on page 165 in this report.

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 in 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 aspects 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. The process has taken longer than expected, but the work will form the basis for an overall report for AUSS, which we expect to have ready during 2024. 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.

In February 2022, the world bore witness to Russia's brutal invasion of Ukraine. The invasion has caused and continues to cause unimaginable human suffering for those directly involved in the conflict. The ongoing conflict between Israel and the Palestinians in Gaza is troubling, and the human suffering intolerable.
The conflicts we are seeing in Europe and the Middle East are 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 2023, the Group had live fish worth around NOK 8.8 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 subject 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.

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 so-called resource rent taxation in the Norwegian aquaculture industry in September 2022 and subsequently published its final Proposition to the Storting (Prop. 78 LS) concerning resource rent tax on aquaculture on 28.03.2023. The purpose of the tax, according to the government, is to "target" specific companies. It was implemented retroactively from 01.01.2023. The Storting approved the proposal by a one-vote majority on 31.05.2023. Adoption of the new tax entails a "tax wedge", in a complex value chain, of 25% on top of ordinary corporation tax.

In September 2023, the Ministry of Trade, Industry and Fisheries published the Official Norwegian Report, NOU 2023:23 "Comprehensive management of aquaculture for sustainable value creation". This is a very wide-ranging document, to which the Group's subsidiary LSG submitted its consultation response ahead of the January 2024 deadline. Industrial development and employment in capital-intensive activities exposed to global competition, such as fish farming, fisheries and related industry, are challenging and demand predictability where possible. Achieving predictability requires national political leaders to pursue a responsible long-term business policy. The government's proposal and the Storting's adoption of so-called resource rent taxation, including the process itself, is an example of an extremely irresponsible process and lack of predictability. Political behaviour of this kind constitutes a serious risk to the industry's opportunities to continue developing and contributing to the common good.

The Norwegian Ministry of Trade, Industry and Fisheries submitted the new quota report (Report to the Storting 7 (2023-2024)) on 12.01.2024. The title of the quota report can be translated into English as "People, fish and community – a quota report for predictability and fair distribution". Among other things, the report covers allocation of the structural quotas after expiry of the time limit in the structural quota scheme and allocation of quotas for Northeast Arctic cod. One of the government's proposals is that, after the time limit has expired, structural quotas should pass to the vessel group that implemented the structuring. The report also proposes reintroducing the "herring/trawl ladder" mechanism in the allocation of quotas for Norwegian spring-spawning herring and cod fisheries. The government has further proposed that quota be transferred from the "top" to the open group, which will lead to a decrease in quotas for the trawler fleet, including Havfisk's trawler fleet. If adopted, the government's proposal will result in lower volumes for the Group's industrial facilities in Nordland, Troms and Finnmark. The government's proposal is detrimental to the industry, entails lower volumes, and undermines the Group's industrial jobs and value creation. This is negative for the company's seagoing and onshore employees, and is a policy that undermines opportunities to safeguard product development, processing and employment in Havfisk and LNWS.

At the end of December 2023, the Chilean government submitted a proposal to replace the Fisheries Act of 1989. The proposal includes changing the allocation of quotas between the current LTP-A and LTP-B licences from 85%/15% to 50%/50%. In outline, the proposal means a reduction in the allocation of volume to "fixed" quotas (LTP-A) and a greater share of the quota being made available for auction to existing and new operators (LTP-B). The proposal is expected to pass through various phases of feedback and discussions, and it is therefore not possible at this stage to indicate a time scale for or the outcome of the proposal submitted by the Chilean 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 the parent company and its subsidiaries, the Group has fixed-rate agreements for parts of its interest-bearing debt. At year-end 2023, the Group had fixed-rate agreements for around 31% 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 believe 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 of course 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 2023, AUSS had 10 368 shareholders, compared with 9 519 shareholders at year-end 2022. The share price at 31.12.2023 was NOK 74.15 per share, compared with NOK 88.45 per share at year-end 2022.

The company's share capital at 31.12.2023 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 2024, 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 2024 to renew these mandates.

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

The Board of Directors will recommend that the Annual General Meeting approve a dividend payment of NOK 4.50 per share for 2023. The dividend payment for financial year 2022 was NOK 5.50 per share.

The Board's recommendation reflects the Group's dividend policy, financial strength and strong financial position.

The total dividend payment for financial year 2023 recommended to the Annual General Meeting to be held on 29.05.2024 is thus NOK 912 228 183. Of this amount, NOK 4 019 850 represents dividends payable on treasury shares. The payment date is around 12.06.2024, and the shares will be traded ex dividend from and including 30.05.2024.

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. See also "Corporate governance" in this report, and 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

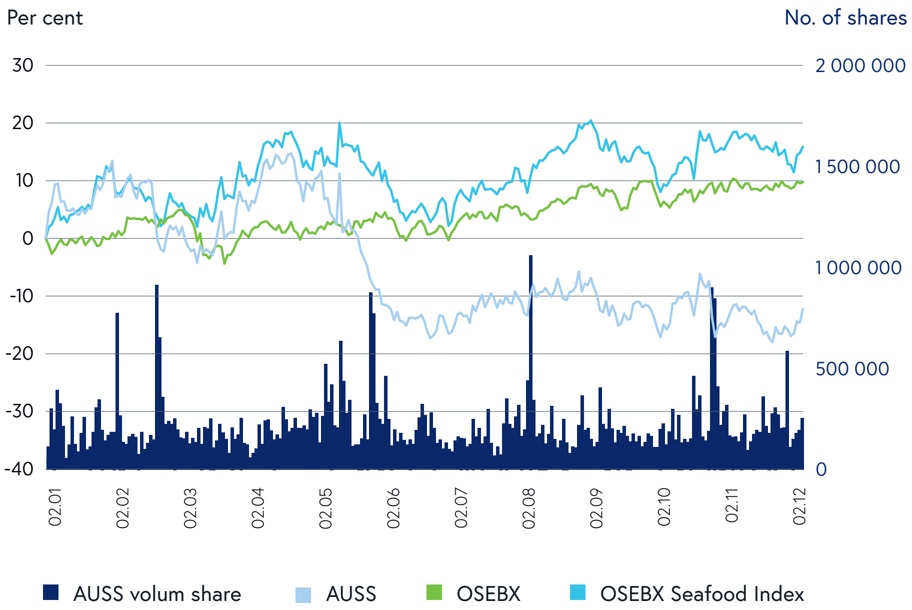
The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

Group revenue was MNOK 33 774 in 2023, compared with MNOK 31 150 in 2022. Other gains and losses represented MNOK 43 of this figure in 2023, compared with MNOK -20 in 2022. This gives a year-on-year increase in revenue of 8%.

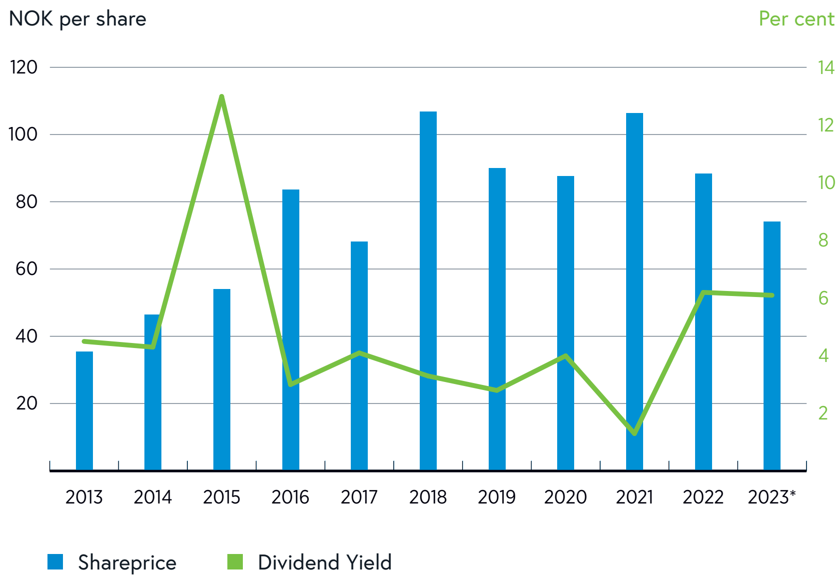
Operating profit before fair value adjustment related to biological assets (EBIT) was MNOK 3 076, against MNOK 4 051 in 2022. The decrease in EBIT mainly reflects cancellation of the first fishing season in Peru. The loss of these fisheries resulted in negative performance for the Peruvian operation in 2023. In addition, earnings were negatively affected by the significant reduction in harvest volume of salmon in 2023, partly because of the forced harvesting due to string jellyfish and the detection of ILA at Lerøy

INDEX AND SHAREPRICE

AUSTEVOLL SEAFOOD ASA VS OBSFX AND OSEBX 2023



SHAREPRICE AND DIVIDEND YIELD



** Proposed dividend based on profit figures for 2023*

Sjøtroll. Lerøy Sjøtroll had unusually high costs in financial year 2023. Inflation over the past year and the persistently weak Norwegian krone have meant higher prices for the Group's products, but also increased prices for practically all input factors. The EBIT margin was 9%, compared with 13% in 2022.

Income from associates in 2023 totalled MNOK 285 (2022: MNOK 494). Pelagia is sustaining its positive development through cost focus/efficiency improvements, business development/ growth and favourable market conditions, particularly for fish meal, protein concentrate and fish oil. Norskott Havbruk, which owns Scottish Sea Farms, faced extremely challenging operating conditions in 2023 and posted a significant loss. The company's many years of good results together with causal relationships, measures implemented and current status give us confidence that it will deliver significantly better results as soon as this year.

Operating profit after fair value adjustment of biological assets totalled MNOK 3 153 in 2023 (2022: MNOK 5 240). Fair value adjustment related to biological assets was MNOK 77, a significant decrease from MNOK 1 189 in 2022.

The Group's net interest expenses in 2023 totalled MNOK 527 (2022: MNOK 353). A rising interest rate level combined with high tied-up working capital has meant higher interest expenses for the Group. Net other financial expenses totalled MNOK 65, compared with net other financial income MNOK 45 in 2022.

Profit before tax in 2023 was MNOK 2 845 (2022: MNOK 5 428).

The government's Proposition to the Storting (78 LS) of 28.03.2023 concerning resource rent tax on aquaculture was adopted by the Storting on 31.05.2023. The Group's tax expense for 2023 has been severely impacted by implementation effects (non-recurring effect) of resource rent tax on biomass in the sea at 01.01.2023 and the estimated resource rent tax for the year. The estimated resource rent tax expense for 2023 is MNOK 1 911.

Net profit was MNOK 344, including the abovementioned implementation effects (2022: MNOK 4 285).

Cash flow from operating activities in 2023 was MNOK 3 202 (2022: MNOK 3 195). Tax paid in 2023 totalled MNOK 775 (2022: MNOK 775).

Cash flow from investing activities in 2023 was MNOK -1 520 (2022: MNOK -1 675).

Cash flow from financing activities in 2023 was MNOK -551 (2022: MNOK -2 547). The Group, represented by the parent company Austevoll Seafood ASA (AUSS) and LSG, issued new senior unsecured bond loans in 2023. AUSS issued two senior unsecured bond loans of MNOK 550 and MNOK 250 with maturity of 5 and 7 years respectively. The Group's margin-based bond loans use NIBOR (3 mth) as the benchmark rate. There is a margin of 2.00% p.a. on the 5-year loan and a fixed rate of 5.98% p.a. on the 7-year loan. AUSS used part of the proceeds to redeem an existing MNOK 500 bond loan that matured in June 2023. LSG issued three new senior unsecured green bond loans, each of MNOK 500, with maturity of 5, 7 and 10 years. The 5-year loan has a margin of +1.5% p.a. The loans with maturity of 7 and 10 years have fixed rates of 5.10% p.a. and 5.32% respectively.

Net change in cash for the Group in 2023 was MNOK 1 131 (2022: MNOK -1 027).

The Group's cash and cash equivalents at 31.12.2023 totalled MNOK 5 475, compared with MNOK 4 340 at 31.12.2022.

At year-end 2023, the balance sheet total amounted to MNOK 52 990, compared with MNOK 48 062 at year-end 2022.

The Group is financially sound. Book equity at 31 December 2023 totalled MNOK 27 042, giving an equity ratio of 51%. Equity at 31.12.2022 was MNOK 28 162, equivalent to an equity ratio of 59%.

At the end of 2023, the Group had net interest-bearing debt of MNOK 6 715, while the corresponding figure at year-end 2022 was MNOK 5 140. Including lease liabilities other than to credit institutions of MNOK 1 719, net interest-bearing debt at year-end 2023 was MNOK 8 434, compared with MNOK 6 991 at year-end 2022.

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 2023, the company had three employees. No sick leave was recorded in either 2023 or 2022. 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 MNOK 2.6 in 2023, compared with MNOK 2.2 in 2022. The parent company reported an operating loss of MNOK -43.5 in 2023, compared with MNOK -38.7 in 2022.

Financial income amounted to MNOK 1 210 in 2023, compared with MNOK 1 223 in 2022. Financial income is essentially dividends from subsidiaries and associates.

Profit for the year amounted to MNOK 1 101 in 2023, compared with MNOK 1 142 in 2022.

Net cash flow from operating activities for the parent company was MNOK -48.1 in 2023, compared with MNOK -39.7 in 2022. Net cash flow from investing activities mainly reflects dividends and Group contributions received and amounted to MNOK 1 233.8 in 2023, compared with MNOK 633.8 in 2022. In 2023, the parent company reported net cash flow from financing activities of MNOK -895.7, including dividend payments of MNOK -1,110 to the company's shareholders. In 2022, the parent company reported net cash flow from financing activities of MNOK -728.3, including dividend payments of MNOK -908.2 to the company's shareholders. In June 2023 AUSS issued two senior unsecured bond loans of MNOK 550 and MNOK 250 with maturity of 5 and 7 years respectively.

At 1 January 2023, the parent company had cash and cash equivalents of MNOK 207.7. At 31.12.2023, this figure was MNOK 497.7. Cash and cash equivalents comprise the parent company's cash and cash equivalents and drawings by the subsidiary Austevoll Eiendom AS on the cash pool for the parent company and Austevoll Eiendom AS.

At year-end 2023, the parent company had a balance sheet total of MNOK 6 444 (2022: MNOK 6 395). Book equity was MNOK 4 620 (2022: MNOK 4 427), giving an equity ratio of 72% (2022: 69%).

The parent company had a net interest-bearing cash position of MNOK 122 at year-end 2023, compared with MNOK 68 at year-end 2022. These amounts also include interest-bearing receivables and liabilities to Group companies. The net interest-bearing cash position excluding receivables and liabilities to Group companies at year-end 2023 was MNOK 143 (2022: MNOK -126). See note 14 to the parent company financial statements for further information.

The parent company's financial statements reflect a profit of MNOK 1 101. The Board of Directors proposes that MNOK 908 be allocated to dividend payments (MNOK 4.0 of which is dividends on treasury shares) and MNOK 193 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

Production of Atlantic salmon was lower than expected in 2023, and this affects the company's estimated harvest volume for 2024. LSG is confident that the measures and actions implemented will gradually lead to better future performance in line with the company's production capacity and infrastructure. Over the last decade, LSG has invested heavily in infrastructure, including in future-oriented facilities for producing high-quality smolt. There is still work to be done, and it will be some time before the full effects of these investments are seen. A number of measures have been taken within several areas, for example genetic selection, and changes in production processes, temperature control and filter capacities. Considering this is about biological production and that the work comprises a number of small and bigger measures, the effects will come gradually. We are confident that these effects will materialise and manifest in more

VALUES

- LOOK TO THE FUTURE
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- ENHANCE KNOWLEDGE
- STRIVE FOR EXCELLENCE

robust smolt thanks to higher growth rates and improved survival through 2024.

LSG has also made significant investments in new technology for the sea-based production phase. Submersible cages and new shielding technology are currently being used in both Lerøy Sjøtroll and Lerøy Midt. This type of innovative technology is not risk-free, but is expected to provide significant improvements in the shape of faster growth and improved survival. At year-end 2023, 12% of the Group's salmon volume was in facilities using shielding technology. This will gradually be increased to approximately 30% by the end of 2024. The largest fish in submersible cages are currently around 2.0 kg and are scheduled for harvesting from late summer/autumn 2024. It is very pleasing to confirm that the fish benefiting from such technology have to date not required treatment and demonstrate very good fish health. This gives us hope that the technology will help to substantially reduce the number of treatments, improve fish welfare and boost biological performance, supporting the company's production targets for 2025.

At the end of October 2023, the joint Russian–Norwegian working group for Arctic fisheries reached an agreement on cod and haddock quotas for the Barents Sea for 2024. For our fleet group, this represents reductions of 34% in the cod quota and 43% in the haddock quota compared with 2023. There is a reduction of 6% for saithe fished in the zone north of 62 degrees latitude and an increase of 20% for saithe fished in the zone south of 62 degrees latitude compared with 2023. Current indications are that there will be further reductions in cod quotas in 2025. Operations in LSG's Wild Catch segment are challenging, with decreasing quotas and hence a weakened basis for operations, but quotas have always varied. The Group maintains a consistent focus on improving operational efficiency both at sea and in the onshore industry, but the expected reduction in cod quotas will impact earnings from this part of the Group negatively in 2024 and 2025.

The Board of Directors, and management, continue to focus on making production increasingly sustainable – financially, environmentally and in climate terms. This entails management being evaluated on the basis of the important competitive advantage that sustainable operations entail. Like most forms of food production and other business activities, Norwegian aquaculture has the potential to improve, but it is important to remember that the starting point is extremely good. Norwegian aquaculture is something as rare as a globally competitive regional industry that scores well in terms of environmental, social and economic sustainability. The industry can be part of the global green shift, at the same time as safeguarding communities and interesting jobs along Norway's coastline, but this requires politicians to understand the industry, its opportunities and challenges. The so-called resource rent tax is an example of a tax that inhibits growth, is detrimental to the industry and constitutes a material risk to its further development, including weakening its ability to continue contributing to society, both nationally and globally. The Board of Directors can only hope that the current government will amend its own policy or that Norway will have a new government with pro-industry policies that underpin employment and value creation for the common good. Knowledge, venture capital and exercising regulatory wisdom are critically important conditions for the necessary industrial development to continue. This will require joined-up political understanding.

For 2024, LSG currently projects a harvest volume of 193 500 tonnes, including joint ventures.

Through 2023, demand for seafood in some market segments was negatively affected by general economic developments, but overarching demand for seafood remained strong. Historically, demand for seafood products has held up relatively well in economic downturns. The Group's products are healthy and tasty. Production is sustainable from an economic, social and environmental perspective.

Fishmeal and fish oil

According to the IFFO*, total fishmeal production from Regions Peru, Chile and North Atlantic decreased by 23.8% in 2023 compared with 2022. The absence of catches in the first fishing season in Peru is the main reason for the fall in production volume. Peru alone experienced a 51.4% decrease in production in 2023 compared with 2022. There has been an increase in production by operators in the North Atlantic.

The second fishing season in Peru in 2023 began with trial fisheries on 21 October and finally started up on 26 October. By the end of the season in January 2024, 76% of the total quota had been caught,

* *Source: IFFO, week 52, 2023 (Regions Chile, Peru, Denmark/Norway, Iceland/ North Atlantic)*

over 100 000 tonnes of which in January. By the end of the 2022 season, 84% of the total quota had been caught, including a significantly higher share – over 500 000 tonnes – in January 2023.

IMPARPE started its normal exploratory voyages, ahead of the first season in 2024, at the end of February, lasting for around a month. The results from IMARPE's exploratory voyages will, as usual, determine the authorities' quota-setting for the two seasons in 2024. The quota for the first season of 2024 has been set at 2 475 000 tonnes starting 16.04.2024.

The ICES quota recommendation for 2024 implies increases of 13% for capelin in the North Atlantic and 216% for blue whiting in the Barents Sea, compared with the recommendations for 2023. The Norwegian fishing fleet started fisheries for blue whiting and capelin from mid-January and February respectively.

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 usually runs 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 normally starts in September. However, the season has started in early August in recent years, as the Norwegian fleet has had reduced access to UK waters. The remaining quotas for Norwegian spring-spawning herring are caught in the second half of the year. The first half of the year is the main season for horse mackerel in South America.

ICES's recommended quotas for catches in the North Atlantic in 2024 reflect a small (5%) reduction for mackerel and a 24% reduction for Norwegian spring-spawning herring compared with the recommended quotas for 2023. However, there is no international consensus among the parties on the total quota for mackerel and Norwegian spring-spawning herring. ICES recommended an increase of 29% in the quota for North Sea herring in 2024 compared with the recommendation for 2023.

SPRFMO has decided to increase the 2024 quotas for horse mackerel in the South Pacific by 15% compared with 2023. This is in line with the increase in recent years, and confirms again that the biomass is sustainable and well managed.

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

Over the years, the Board of Directors and management have focused on building a strong group of companies and ensuring that the Group has organisations ready to solve operational challenges under difficult and changeable framework conditions.

Industrial development and employment in capital-intensive activities exposed to global competition, such as fish farming, fisheries and related industry, are challenging and demand knowledge and predictability from the regulatory authorities. In turn, predictability of this kind requires businesses and, not least, national political leaders to pursue a responsible long-term business policy. The government's proposal on so-called resource rent tax on Norwegian aquaculture, adopted by the Norwegian parliament on 31.05.2023, is an example of the precise opposite. Adoption of the tax constitutes a material risk to the further industrial development of aquaculture, including weakening its ability to continue contributing to society. Regrettably, the fact that the tax was adopted is an example of political risk of a kind we have not experienced in recent times in Norway.

The seafood companies need to retain capital in line with other comparable industries if they are not to lose ground in international competition. One distinctive feature of the capital-intensive 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, even before the introduction of so-called resource rent tax, was already contributing billions in production fees, export duties and tax on purchase of production capacity. Given that the aquaculture 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. The tax level is a direct threat to long-term sustainable development.

It is difficult to think of an industry, apart from the oil and gas sector, that already contributes more to the community, both locally and nationally. The Storting's resolution to implement the resource rent tax via a "tax wedge" on value creation in the sea is detrimental to the industry and 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. This was rendered visible through the trust demonstrated by well-regarded investors when the Group issued new bond loans in 2023. 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 underpins the Board's positive outlook for the Group's future development.

Storebø, 29.04.2024
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 Dragesund Board member	Arne Møgster CEO and President

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Adopted by the Board of Directors on the 29.08.2006 and updated with effect from 29.04.2024.

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 14.10.2021 (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 14.10.2021.

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 visit our website at www.auss.no

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 2024 to increase the share capital by issuing up to 20 271737 shares.

Purchase of treasury shares

The Board has the authority, until the ordinary general meeting in 2024, 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 31.12.2023, 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 2023 two out of the eight Board members attended the general meeting. In 2023 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 25.05.2023 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.

NILS PETTER HOLLEKIM

Mr. Hollekim has a degree in Business Administration. He has worked as a portfolio manager/analyst for 38 years, including Norwegian fund management companies until 2012. He spent 15 years working as a portfolio manager for ODIN Forvaltning AS. The last 13 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 29 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

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 8 Board meetings have been arranged during 2023.

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 16.02.2022. The instructions cover the following points: the Boards responsibly and obligations, the CEO's information obligations to the Board, and the procedures of the Board. The board instruction outline how the Board of Directors and executive management shall handle agreements with related parties. In the event of a not immaterial transaction the Board of Directors will arrange for a valuation to be obtained from an independent third party. Exceptions can be made for agreements entered as part of the Company's normal business and which is based on customary business terms and principles. The Board of Directors will present any such agreements in their annual directors' report.

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 10.12.2021.

Members: Hege Charlotte Bakken and Lill Maren Møgster.

In total the audit committee had 7 meetings in 2023.

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.

The meetings in the Committee for Social Responsibility and Sustainability are coordinated with the meetings in the Audit Committee, and 7 meetings have been held in 2023.

The Board's self-evaluation

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

Deviations from the Code of Practice: None, except for the Board`s self-evaluation which was postponed to April 2024.

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.

Members	Independent	Elected to the Board	Up for election	Number Board meetings
Helge Singelstad (Chairman)		2008	2024	8/8
Hege Charlotte Bakken (Deputy Chairman)	X	2018	2024	8/8
Helge Møgster		2010	2024	8/8
Lill Maren Møgster		2012	2024	8/8
Siren M. Grønhaug	X	2014	2025	8/8
Eirik Drønen Melingen		2017	2025	8/8
Hege Solbakken	X	2021	2025	8/8
Petter Dragesund	X	2022	2024	7/8

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 2022 of TNOK 4 177 includes Board remuneration of TNOK 375, and the total amount paid in 2023 of TNOK 3 920 includes Board remuneration of TNOK 425.

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 2023 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 2023: 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 11.12.2020. The Guidelines shall be submitted to the General Meeting for approval every four years. For each financial year, the Board of Directors shall ensure that a remuneration report is prepared in accordance with the provisions of the Public Limited Companies Act section 6-16 (b) and relevant regulations, providing a total overview of paid and outstanding salaries and remuneration covered by the Guidelines.

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

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

Deviations from the Code of Practice in 2023: 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 01.03.2021.

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

CONTENT PAGE

NOTES TO THE ACCOUNTS

THE GROUP

Income statement

Amounts in MNOK	Note	2023	2022
Revenue	3,25	33 731	31 169
Other gains and losses	3,21	43	-20
Cost of goods sold		-18 739	-16 294
Wages and salaries	20	-4 857	-4 519
Other operating expenses	20,23,25	-5 051	-4 556
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets	**2,3,28**	**5 127**	**5 782**
Depreciation of fixed assets	11	-1 215	-1 038
Depreciation of right-of-use assets	11,23	-646	-613
Amortisation of intangible assets	10	-48	-81
Impairment/reversal of impairment	10,11	-142	1
Operating profit before fair value adjustment of biological assets	**28**	**3 076**	**4 051**
Fair value adjustment of biological assets	7	77	1 189
Operating profit	**3,28**	**3 153**	**5 240**
Income from equity-accounted investments	4	285	494
Financial income	19	660	848
Financial expenses	19	-1 252	-1 155
Profit before tax	**28**	**2 845**	**5 428**
Tax	2,26	-2 501	-1 142
Profit for the year		**344**	**4 285**
Attributable to non-controlling interests	**3**	**52**	**1 795**
Attributable to shareholders in Austevoll Seafood ASA	**5**	**292**	**2 490**
Average no. of outstanding shares	5	201 824 074	201 824 074
Earnings per share/diluted earnings per share (NOK)	5	1.45	12.34
Proposed dividend per share (NOK)	5	4.50	5.50

Statement of comprehensive income

Amounts in MNOK	Note	2023	2022
Profit for the year		**344**	**4 285**
Items of OCI that may be reclassified to profit or loss			
Change in value of financial instruments (cash flow hedges)	12	24	16
Currency translation differences		428	422
Share of other comprehensive income of associates		0	15
Tax effect on items of OCI that may be reclassified to profit or loss		-5	-10
Total other comprehensive income after tax		**446**	**442**
Total comprehensive income for the year		**790**	**4 728**
Attributable to			
Non-controlling interests		175	1 869
Shareholders in Austevoll Seafood ASA		615	2 858
Total comprehensive income for the year		**790**	**4 728**

Statement of financial position

Amounts in MNOK	Note	2023	2022
Assets			
Goodwill	2,10	2 435	2 279
Deferred tax asset	26	263	160
Licences	2,10	9 517	9 518
Trademarks	10	50	50
Vessels	11	2 730	2 628
Land, buildings and equipment	11	8 368	7 629
Right-of-use assets	11,23	3 043	3 222
Investments in associates and joint ventures	3,4	3 572	3 382
Investments in other companies	12,24	40	43
Other non-current receivables	9	191	223
Total non-current assets		**30 209**	**29 134**
Inventories	2,8	3 089	2 956
Biological assets	2,7	8 775	7 972
Trade receivables	9,12	3 106	2 909
Other receivables	9,12	2 334	751
Cash & cash equivalents	12,14,17	5 475	4 340
Total current assets		**22 780**	**18 928**
Total assets	**3**	**52 990**	**48 062**
Equity and liabilities			
Share capital	16	101	101
Treasury shares		-18	-18
Share premium		3 714	3 714
Retained earnings		11 030	11 525
Non-controlling interests		12 215	12 841
Total equity		**27 042**	**28 162**
Deferred tax	26	5 970	3 581
Pension liabilities and other liabilities	17,20	4	13
Borrowings	12,17	8 850	5 968
Lease liabilities to credit institutions	23	939	903
Lease liabilities other than to credit institutions	23	1 381	1 527
Other long-term liabilities	17,25	38	30
Total non-current liabilities		**17 182**	**12 021**
Borrowings	12,17	2 123	2 263
Short-term lease liabilities to credit institutions	23	256	345
Short-term lease liabilities other than to credit institutions	23	337	323
Trade payables	12,25	2 678	2 380
Tax payable	26	599	1 023
Other current liabilities	22	2 773	1 543
Total current liabilities		**8 766**	**7 879**
Total liabilities	**3**	**25 948**	**19 900**
Total equity and liabilities		**52 990**	**48 062**

Storebø, 29.04.2024
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 01.01.2022		**101**	**-18**	**3 714**	**1 033**	**80**	**8 463**	**11 815**	**25 188**
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**	**1 534**	**1 025**	**2 975**
Equity at 31.12.2022		**101**	**-18**	**3 714**	**1 433**	**96**	**9 996**	**12 840**	**28 162**
Profit for the year		**0**	**0**	**0**	**0**	**0**	**292**	**52**	**344**
Other comprehensive income		0	0	0	406	24	-106	123	446
Total comprehensive income for the year		**0**	**0**	**0**	**406**	**24**	**186**	**175**	**790**
Transactions with shareholders									
Dividends	5	0	0	0	0	0	-1 110	-795	-1 905
Transactions with non-controlling interests	27	0	0	0	0	0	0	-6	-6
Total transactions with shareholders in the period		**0**	**0**	**0**	**0**	**0**	**-1 110**	**-801**	**-1 911**
Total change in equity in the period		**0**	**0**	**0**	**406**	**24**	**-924**	**-626**	**-1 121**
Equity at 31.12.2023		**101**	**-18**	**3 714**	**1 839**	**120**	**9 071**	**12 215**	**27 042**

Cash flow

Amounts in MNOK	Note	2023	2022
Profit before tax		2 845	5 428
Taxes paid		-775	-775
Depreciation and amortisation	10,11	1 909	1 732
Impairment/reversal of impairment	10,11	142	-1
Gain/loss on sale of land, buildings and equipment	21	-34	-8
Gain/loss on investments	21	-21	0
Unrealised foreign exchange gains/losses		9	-32
Share of profit from joint ventures and associates	4	-285	-494
Interest expense	19	716	431
Interest income	19	-188	-79
Fair value adjustment of biological assets	7	-77	-1 189
Change in inventories		-857	-1 634
Change in trade receivables and other receivables	9	-466	-623
Change in trade payables		281	459
Change in net pension liabilities		-9	2
Change in other accruals		12	-22
Net cash flow from operating activities		**3 202**	**3 195**
Proceeds from sale of fixed assets		67	54
Proceeds from sale of shares and other equity instruments		16	2
Purchase of intangible assets and fixed assets	10,11	-1 968	-1 834
Purchase of shares and holdings in other companies	6	-85	-59
Dividends received	4	228	131
Interest received		188	79
Change in other non-current receivables		32	-55
Exchange differences on invested capital		1	9
Net cash flow from investing activities		**-1 520**	**-1 675**
Proceeds from new long-term interest-bearing debt	17	3 948	292
Repayment of long-term interest-bearing debt	17	-2 147	-1 288
Change in short-term interest-bearing debt	17	314	570
Interest paid		-777	-441
Dividends paid	5	-1 110	-908
Dividend paid to non-controlling interests		-795	-844
Other financing activities - net		15	72
Net cash flow from financing activities		**-551**	**-2 547**
Change in cash and cash equivalents		**1 131**	**-1 027**
Liquid assets at 01.01.		**4 340**	**5 329**
Exchange rate changes on cash and cash equivalents		4	38
Liquid assets at 31.12.		**5 475**	**4 340**
Consists of			
Bank deposits etc.		5 475	4 340
Of which restricted cash deposits	14	151	187
Unutilised overdraft facility	17	3 715	3 193
Unutilised long term credit facility	17	1 224	734

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 29.04.2024.

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.

Norwegian resource rent tax scheme
Assumptions made concerning the basis for taxation in the Norwegian resource rent tax scheme is considered a significant accounting estimate. See note 26 for further information.

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 1.10% 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 2023. The rate applied in 2022 was also 4%. In the sensitivity analysis below, it is demonstrated how a change in discount rate would impact

NOTE 2 cont.
Critical accounting estimates and judgements

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.

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 in relation to weighted average price and projected optimal harvest weight

		Projected harvest weight per fish in kg gwe				
		3.5	3.8	4.0	4.3	4.5
		Change in projected harvest weight per kg gwe				
Average price per kg (NOK)	Change in price per kg (NOK)	-0.50	-0.25	-	0.25	0.50
80.3	-5.00	6 585	7 081	7 627	8 187	8 753
83.3	-2.00	6 961	7 477	8 043	8 624	9 226
84.3	-1.00	7 087	7 608	8 182	8 770	9 380
85.3	-	7 212	7 740	**8 321**	8 917	9 534
86.3	1.00	7 338	7 872	8 461	9 064	9 689
87.3	2.00	7 464	8 005	8 601	9 211	9 843
90.3	5.00	7 844	8 405	9 021	9 653	10 307

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 of weighted average price and discount rate applied

				Monthly discount rate (%)				
				2.0%	3.0%	4.0%	5.0%	6.0%
				Change in monthly discount rate (%)				
				-2.0%	-1.0%	0.0%	1.0%	2.0%
Average price per kg (NOK)	80.3	Change in price per kg (NOK)	-5.00	8 799	8 180	7 627	7 132	6 687
	83.3		-2.00	9 294	8 633	8 043	7 515	7 041
	84.3		-1.00	9 459	8 784	8 182	7 643	7 158
	85.3		-	9 624	8 935	**8 321**	7 770	7 277
	86.3		1.00	9 791	9 088	8 461	7 900	7 396
	87.3		2.00	9 957	9 240	8 601	8 029	7 515
	90.3		5.00	10 457	9 698	9 021	8 416	7 873

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 of weighted average price and number of fish in stock

				Number of fish in stock (million fish)				
				51.6	53.3	54.3	55.4	57.1
				Change in number of fish in stock				
				-5%	-2%	0%	2%	5%
Average price per kg (NOK)	80.3	Change in price per kg (NOK)	-5.00	7 069	7 404	7 627	7 851	8 186
	83.3		-2.00	7 464	7 811	8 043	8 275	8 623
	84.3		-1.00	7 595	7 947	8 182	8 416	8 768
	85.3		-	7 727	8 083	**8 321**	8 558	8 915
	86.3		1.00	7 859	8 220	8 461	8 701	9 062
	87.3		2.00	7 992	8 357	8 601	8 844	9 209
	90.3		5.00	8 392	8 769	9 021	9 273	9 651

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 balance sheet date. For the number of fish in stock, the table simulates a change of +/- 2% and +/- 5% in the number of fish per locality for all localities with fish in stock.

NOTE 3
Segment information

OPERATING SEGMENTS
The Board of Directors is the Group's chief operating 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 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.

Operating revenue

	2023	2022
Operating revenue		
Sale of goods and services	33 712	31 155
Lease income	0	7
Damages received	2	0
Other operating revenue	17	10
Total	**33 731**	**31 172**
Other gains and losses		
Gain(+)/loss(-) from disposal of fixed assets	21	-20
Gain(+)/loss(-) from termination of leases (disposal RoU-assets)	1	1
Gain(+)/loss(-) from changes in shares in associated companies	21	0
Total	**43**	**-19**
Gain(+)/loss(-) from changes in shares in associated companies		
Gain(+)/loss(-) from disposal of shares in associated companies	21	0
Total	**21**	**0**

2023	LSG	Austral Group	FoodCorp Chile	Br. Birkeland	Br. Birkeland Farming	Pelagia Holding 50%	Other/ elim.	Group
Other operating income	30 834	1 002	966	356	559	6 500	-6 490	33 731
Inter-segment sales	36	0	0	1	230	0	-271	0
Other gains and losses	36	-2	0	0	0	0	8	44
Total segment income	**30 906**	**1 000**	**966**	**357**	**789**	**6 500**	**-6 752**	**33 774**
Operating expenses	-26 212	-1 184	-741	-266	-462	-5 640	5 858	-28 647
Operating profit before depreciation, amortisation, impairment and fair value adjustment of biological assets	**4 694**	**-184**	**225**	**91**	**326**	**860**	**-894**	**5 126**
Depreciation and amortisation	-1 484	-234	-48	-63	-63	-209	192	-1 909
Impairment/reversal of impairment*	-108	1	-7	-28	0	-21	21	-142
Operating profit before fair value adjustment of biological assets	**3 102**	**-417**	**170**	**0**	**263**	**631**	**-681**	**3 076**
Fair value adjustment of biological assets	125	0	0	0	-48	0	0	77
Operating profit	**3 227**	**-417**	**170**	**0**	**215**	**631**	**-681**	**3 152**

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

2023	LSG	Austral Group	FoodCorp Chile	Br. Birkeland	Br. Birkeland Farming	Pelagia Holding 50%	Other/ elim.	Group
Income from associates	-143	0	0	1	40	0	388	285
Financial income	136	474	12	6	10	12	13	660
Financial expenses	-620	-524	-13	-14	-22	-132	71	-1 253
Profit before tax	**2 600**	**-467**	**169**	**-7**	**242**	**511**	**-209**	**2 845**
Tax	-2 390	121	-49	3	-196	-120	133	-2 501
Profit for the year	**210**	**-346**	**121**	**-5**	**46**	**392**	**-77**	**344**
Attributable to non-controlling interests	67	-33	0	-3	21	0	0	53
Attributable to shareholders in Austevoll Seafood ASA	**144**	**-313**	**121**	**-2**	**25**	**391**	**-77**	**291**
Share of dividend recognised in the parent company, Austevoll Seafood ASA	**785**	**8**	**20**	**0**	**32**	**225**	**49**	**1 119**

NOTE 3 cont.
Segment information

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**	**5 782**
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**

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

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	849
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**	**-32**	**2 490**
Share of dividend recognised in the parent company, Austevoll Seafood ASA	**785**	**160**	**18**	**29**	**36**	**125**	**0**	**1 153**

Segment	Non-current assets 2023	Non-current assets 2022	Total investments in non-current assets 2023	Total investments in non-current assets 2022
Lerøy Seafood Group ASA	19 132	18 539	1 326	912
Pelagia Holding AS	IA	IA	IA	IA
Br. Birkeland AS	1 051	1 080	27	114
Br. Birkeland Farming AS	599	591	31	10
Other	5 752	5 628	179	445
Total for Norway	**26 534**	**25 838**	**1 564**	**1 480**
Austral Group S.A.A. - Peru	2 563	2 424	166	268
FoodCorp Chile S.A. - Chile	850	712	237	87
Total	**29 946**	**28 974**	**1 968**	**1 835**

Segment	Associates and joint venture 2023	Associates and joint venture 2022	Total liabilities 2023	Total liabilities 2022
Lerøy Seafood Group ASA	1 397	1 456	21 615	16 351
Pelagia Holding AS	1 980	1 765	IA	IA
Br. Birkeland AS	48	47	430	421
Br. Birkeland Farming AS	145	106	812	694
Other	0	8	1 013	777
Total for Norway	**3 571**	**3 381**	**23 870**	**18 243**
Austral Group S.A.A. - Peru	2	1	1 612	1 407
FoodCorp Chile S.A. - Chile	0	0	302	251
Total	**3 572**	**3 382**	**25 784**	**19 901**

Revenue by geographic area	2023	%	2022	%
Norway	6 526	19	5 732	18
EU	16 983	50	14 858	48
UK	895	3	0	0
Eastern Europe	1 394	4	1 539	5
Africa	653	2	660	2
North America	1 515	4	1 324	4
Asia	5 022	15	6 275	20
South America	743	2	782	3
Total	**33 730**	**100**	**31 170**	**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:

	2023	2022
Associates	1 592	1 617
Joint venture	1 980	1 765
At 31.12.	**3 572**	**3 382**

Profit and loss recognised in the income statement:

	2023	2022
Associates	-103	76
Joint venture	388	418
At 31.12.	**285**	**494**

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
2023					
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
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

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

Company	**Norskott Havbruk AS Group***		**Seistar Holding AS Group**	
Year-end	**2023**	**2022**	**2023**	**2022**
Income statement				
Revenue	2 561	3 188	250	271
Profit before tax	-482	166	62	42
Of which fair value adjustment of biological assets	6	12	0	0
Profit after tax	**-335**	**83**	**61**	**41**
Other comprehensive income	-9	29	0	0
Statement of financial position				
Total current assets	2 540	1 824	173	124
Total current liabilities	-1 583	-840	-91	-44
Total non-current assets	3 592	3 403	741	711
Total non-current liabilities	-2 396	-2 081	-338	-367
Net assets	**2 152**	**2 306**	**486**	**425**
Carrying amount in AUSS	**1 107**	**1 184**	**261**	**234**

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	2023	2022
Assets		
Non-current assets	5 098	4 894
Cash and cash equivalents	171	129
Other current assets	4 773	4 114
Total assets	**10 042**	**9 137**
Non-current liabilities	3 639	2 963
Current liabilities	2 258	2 365
Total liabilities	**5 897**	**5 328**
Total equity	**4 145**	**3 809**
Total equity and liabilities	**10 042**	**9 137**
Revenue	**13 001**	**11 282**
Depreciation, amortisation and impairment	-459	-355
Operating expenses	-11 280	-9 578
Net interest expense	-247	-132
Other financial items	8	-44
Profit before tax	**1 023**	**1 173**
Tax	-240	-257
Profit after tax	**783**	**916**
Profit attributable to minority interests	-7	-79
Total income to shareholders	777	837

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

	Pelagia Holding AS Group	Norskott Havbruk AS Group*	Seistar Holding AS Group	Others	Total
2022					
At 01.01.	**1 473**	**1 126**	**219**	**184**	**3 002**
Share of profit/(loss)	418	41	21	14	494
Exchange differences	6	2	-6	0	2
Dividends	-125	0	0	0	-125
Other changes in equity	-8	15	0	1	8
Carrying amount at 31.12.	**1 764**	**1 184**	**234**	**199**	**3 381**
2023					
At 01.01.	**1 764**	**1 184**	**234**	**199**	**3 381**
Share of profit/(loss)	388	-168	30	34	285
Exchange differences	37	95	0	0	132
Dividends	-225	0	-3	0	-228
Other changes in equity	16	-4	0	-10	1
Carrying amount at 31.12.	**1 980**	**1 107**	**261**	**223**	**3 572**

** 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 2023.

NOTE 5
Earnings and dividend per share

Distributed dividend per share in 2023, based on profit figure for 2022 was NOK 5.50 per share. This amounted to a total of TNOK 1 114 946. Based on the profit figure for 2023, a dividend payment of NOK 4.50 per share is proposed for 2024. This will in total constitute TNOK 912 228. A final decision will be made by the ordinary shareholders' meeting on 29.05.2024.

Year	Share of profit after tax to shareholders in AUSS	No. of shares at 31.12.	Earnings per share	Proposed dividend	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
2023	292	202 717 374	1.44	912	4.50	321%	1 115	5.50
2022	292	202 717 374	12.34	1 115	5.50	33%	912	4.50
2021	1 982	202 717 374	9.82	912	4.50	36%	710	3.50
2020	494	202 717 374	2.45	710	3.50	45%	507	2.50
2019	1 256	202 717 374	6.22	507	2.50	21%	708	3.50
2018	2 299	202 717 374	11.39	710	3.50	20%	566	2.80
2017	1 009	202 717 374	5.00	568	2.80	18%	505	2.50
2016	1 645	202 717 374	8.17	507	2.50	20%	1 419	7.00
2015	722	202 717 374	3.59	1 419	7.00	129%	405	2.00
2014	555	202 717 374	2.76	405	2.00	32%	324	1.60
2013	699	202 717 374	3.48	324	1.60	32%	243	1.20
2006-2012	3 619	202 717 374	17.85	1 054	5.20	28%	806	4.00
Total	**14 863**			**9 143**	**45.10**		**8 220**	**40.60**

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).

NOTE 6
Acquisition of shares/business combinations

BUSINESS COMBINATIONS AND TRANSACTIONS WITH NON-CONTROLLING INTERESTS IN 2023

Mondo Mar Marine Foods ApS
The Group has acquired 100% of the shares in Mondo Mar Marine Foods ApS through the Danish subsidiary Lerøy Seafood Denmark A/S. The company is located in Hanstholm in Denmark, and has processing of whitefish as main activity. The company has been consolidated with effect from 01.01.2023. The company is allocated to the VAPS&D segment.

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 MNOK 49.

Considerations paid		**2023**	**2022**
Lerøy Vest Kraft AS (100%)	Business combination	0	10
Lerøy Seafood Denmark A/S (33.3%)	Business combination	0	49
Mondo Mar Marine Foods ApS	Business combination	85	0
Lerøy Seafood Denmark A/S (33.3%)	Business combination	14	0
Total cash flow out		**99**	**59**

Purchase price allocation and acquisition balance sheet	**Reported values of acquired entity**	**Identified added (or negative) value**	**Fair value at time of acquisition**	**Goodwill**	**Acquisition balance sheet**
Goodwill	0	0	0	64	64
Fixed assets	22	0	22	0	22
Inventories	3	0	3	0	3
Short-term receivables	44	0	44	0	44
Total assets	**69**	**0**	**69**	**64**	**133**
Equity	35	0	35	64	99
Deferred tax	1	0	1	0	1
Non-current liabilities	6	0	6	0	6
Current liabilities	27	0	27	0	27
Total equity and liabilities	**69**	**0**	**69**	**64**	**133**

Acquisition analysis	**100%**
Recognised equity in acquired entity	35
Net identified added value in the acquired entity	0
Identified value in the acquired entity	**35**

Calculation of goodwill	**100%**
Consideration paid to seller	85
Consideration in the form of long-term seller's credit	14
Total consideration	**99**
Identified value in the acquired entity	**35**
Goodwill	**64**

Non-controlling interests in Lerøy Nord AS has been redempted with effect from 01.01.2023. The shareholding is therefore increased from 51% to 100%. The consideration paid to non-controlling interests was MNOK 6. The amount is recognized as a reduction in equity.

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 2023 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	**2023**	**2022**
Fish in sea at historical cost*	5 576	4 870
Fry, brood, smolt and cleaner fish at cost*	455	477
Total biological assets before fair value adjustment	**6 030**	**5 346**
Fair value adjustment of biological assets	2 745	2 626
Total biological assets	**8 775**	**7 972**
Fair value of fish in sea	8 321	7 495
Fair value of fry, brood, smolt and cleaner fish	455	477
Total biological assets	**8 775**	**7 972**
** Historical cost minus expensed mortality*		
Carrying amount of loss-making contracts		
Total loss-making contracts in the SOFP at 31.12.	**56**	**14**
Recognised fair value adjustment related to biological assets		
Change in fair value adjustment of biological assets (fish in sea)	119	1 159
Change in fair value of loss-making contracts	-42	31
Total fair value adjustments related to biological assets	**77**	**1 189**
Reconciliation of carrying amount of fair value related to biological assets		
Fair value adjustment of biological assets at 01.01.	2 626	1 468
Change in fair value adjustment on fish in sea	119	1 159
Fair value adjustment of biological assets at 31.12.	**2 745**	**2 626**

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 31.12.2021	**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**
Changes in 2023				
Increase from biological transformation (released and net growth)	1 406	10 108	0	11 514
Reduction due to sale and own consumption (smolt and cleaner fish)	-1 411	0	0	-1 411
Reduction due to harvest	0	-8 902	0	-8 902
Reduction due to incident-based mortality	-17	-501	0	-518
Net change in fair value (fish in sea)	0	0	119	119
Biological assets at 31.12.2023	**454**	**5 575**	**2 744**	**8 775**

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

Reconciliation of volume (LWT) for stock of fish in sea	2023	2022
Live weight (LWT) of fish in sea at 01.01. (tonnes)	**102 708**	**111 622**
Changes through the year		
Increase from biological transformation (released and net growth)	212 680	218 348
Reduction due to harvest	-195 972	-214 741
Reduction due to incident-based mortality	-16 973	-12 518
Reduction due to accidental release	-1	-3
Live weight of fish in sea at 31.12. (tonnes)	**102 442**	**102 708**

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.	2023	2022
Fish in sea, 0-1 kg	10 964	11 041
Fish in sea, 1-2 kg	11 508	18 417
Fish in sea, 2-3 kg	34 313	20 597
Fish in sea, 3-4 kg	17 016	35 865
Fish in sea: salmon 4-4.65 kg, trout 4-4.76 kg	15 401	12 680
Fish in sea: salmon > 4.65 kg, trout > 4.76 kg (ready for harvest)	13 240	4 108
Fish in sea, total salmon and trout	**102 442**	**102 708**

NOTE 7 cont.
Biological assets

By species and main group	2023	2022
Fish ready for harvest	**13 240**	**4 108**
Salmon (fish of live weight > 4.65 kg)	13 240	4 108
Trout (fish of live weight > 4.76 kg)	0	0
Fish not ready for harvest	**89 203**	**98 600**
Salmon (fish of live weight < 4.65 kg)	74 454	86 068
Trout (fish of live weight < 4.76 kg)	14 748	12 532
Total volume	**102 442**	**102 708**
Salmon	87 694	90 176
Trout	14 748	12 532
Number of individuals		
Total number, all groups (in 1 000)	**54 723**	**55 945**

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

Price parameters 2023 - Estimated forward price through expected harvesting period	Forward price*	Exporter fee	Clearing cost	Net forward price
Q1 2024	108.90	-0.75	-0.34	107.81
Q2 2024	114.40	-0.75	-0.34	113.31
Q3 2024	84.65	-0.75	-0.34	83.56
Q4 2024	87.07	-0.75	-0.34	85.98
Q1 2025	101.83	-0.75	-0.34	100.74
Q2 2025	102.29	-0.75	-0.34	101.20

** Quarterly forward price is based on monthly forward prices sourced from Fish Pool at 30.12.*
Quarterly forward price is based on average analyst estimates for 2025, picked up on the balance sheet date.

Adjustments are also made for	2023	2022
Price premium (+/-) for trout	0.00	0.00
Price premium (+/-) for organic salmon	0.00	0.00
Price premium (+/-) for ASC certified salmon	0.10	0.09
Reduction for quality deviations, salmon	-1.27	-1.30
Reduction for quality deviations, trout	-1.60	-1.60
Reduction for size deviations, salmon	-0.24	-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.

	2023	2022
Calculated average net prices, all sizes (NOK/kg)	**86.33**	**74.40**
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	1.10%	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%

ACCIDENTAL RELEASE IN 2023

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 only one individual has escaped. The Group has not experienced any accidental release of economic significance in 2023. In total 15 030 individuals have escaped, from a total stock of approximately 55 million. The accidental release consists of five 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 2023 has been caused by sea lice treatment. However, some mortality has been caused by diseases, like gill disease, jellyfish and CMS, together with weakness from winter wounds.

Fish health, including minimising mortality, is the cornerstone of the Group's strategy. The positive number of sea lice treatments and related mortality, continued during first half of 2023. 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

	2023	2022
Raw materials	942	1 110
Work in progress	115	64
Finished goods	2 045	1 800
Impairment due to loss in value and obsolescence	-13	-17
Total	**3 089**	**2 956**
Impairment of inventories expensed during the year	1	-4

NOTE 9
Trade receivables and other receivables

	2023	2022
Trade receivables	3 130	2 945
Minus: provision for bad debts	-24	-36
Trade receivables – net	**3 106**	**2 909**

Other current receivables		
Prepayments	241	136
Receivables from related parties	0	0
Loans to related parties	2	2
Short-term loans provided	40	30
Public fees and taxes, credit balance	1 666	350
Currency forward contracts and assets recognised in the SOFP due to fair value hedging	127	23
Short-term loans	41	21
Receivables on sale of non-current assets	4	8
Other current assets	213	180
Total other current receivables	**2 334**	**751**
Total current receivables	**5 441**	**3 661**

Other non-current receivables		
Loans to related parties (cf. note 25)	15	42
Loans to third parties	118	112
Other non-current receivables	58	69
Total non-current receivables	**191**	**223**

Age distribution for trade receivables past due but not impaired		
0 to 3 months	2 997	591
3 to 6 months	39	32
Over 6 months	11	8
Total	**3 046**	**631**

Age distribution for trade receivables past due and impaired		
0 to 3 months	5	9
3 to 6 months	1	2
Over 6 months	18	24
Total	**24**	**36**

NOTE 9 cont.
Trade receivables and other receivables

The Group's trade receivables of MNOK 3 106 are partly covered by credit insurance and other types of security. Trade receivables per 31.12. were nominally MNOK 3 142 while provisions for bad debts were amounted to MNOK 24.

Trade receivables, past due but not impaired was MNOK 3 046 per 31.12. A major part of the trade receivables, past due but not impaired are related to the subsidiary LSG with MNOK 2 926 of the amount overdue. Per end of February 2024 more than 96.7% of the customer receivables related to LSG are paid.

Carrying amount of trade receivables and other short-term receivables per currency	**2023**	**2022**
USD	316	232
GBP	7	0
EUR	781	1 364
NOK	3 393	1 422
DKK	152	0
CLP	61	29
PEN	164	81
SEK	194	334
JPY	336	0
Others	37	199
Total	**5 441**	**3 660**

The change in provision for bad debts is as follows		
At 01.01.	-36	-24
Provision for bad debts for the year	12	-11
Exchange differences	-1	0
Reversed provisions for bad debts	0	0
At 31.12.	**-24**	**-36**

NOTE 10
Intangible assets

2022	Goodwill	Licences, fish farming, Norway	Licences, white fish and pelagic fisheries, Norway	Licences, pelagic fisheries, South America	Brands	Total
At 01.01.						
Acquisition cost	2 346	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 01.01.	**2 218**	**4 139**	**4 182**	**1 090**	**50**	**11 679**
Carrying amount at 01.01.	2 218	4 139	4 182	1 090	50	11 679
Exchange differences	62	0		179	0	243
Business combinations	0	6	0	0	0	7
Additions for the year	0	0	0	0	0	0
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**
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	4 117	3 797	1 239	50	11 483
- of which assets with definite lives	0	0	365	0	0	365

2023	Goodwill	Licences, fish farming, Norway	Licences, white fish and pelagic fisheries, Norway	Licences, pelagic fisheries, South America	Brands	Total
Carrying amount at 01.01.	2 279	4 117	4 162	1 239	50	11 847
Exchange differences	49	-3	0	51	0	100
Business combinations	107	0	0	0	0	107
Depreciation and amortisation	0	0	-50	-2	0	-52
Carrying amount at 31.12.	**2 436**	**4 115**	**4 113**	**1 290**	**50**	**12 002**
At 31.12.						
Acquisition cost	2 564	4 495	4 448	1 377	50	12 933
Accumulated depreciation and amortisation	0	-361	-338	-68	0	-767
Accumulated impairment	-128	-18	0	-21	0	-168
Carrying amount at 31.12.	**2 436**	**4 115**	**4 112**	**1 289**	**50**	**12 002**
- of which assets with indefinite lives	2 436	4 115	3 796	1 289	50	11 686
- of which assets with definite lives	0	0	315	0	0	315

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	1 938	7 491	50	9 480
Br. Birkeland AS	169	556	0	725
Br. Birkeland Farming AS	21	174	0	195
Austral Group S.A.A.	307	890	0	1 197
FoodCorp Chile S.A.	0	405	0	405
Total	**2 436**	**9 516**	**50**	**12 002**

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 below.) 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), 59.5 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 7.1%, 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 2023 and 2022. 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 8.0% and 22.0%. 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 2.0% 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 2023.

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 2023 (2022), 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 2023 (2022), one cod licence entitled the holder to fish for 979 (1 154) tonnes of cod, 504 (465) tonnes of haddock and 592 (531) tonnes of saithe in the zone north of 62 degrees latitude. When compared with the final licence volumes after re-allocations for 2023 (2022), this is a change of -15% (-18%) for cod, +8% (-20%) for haddock and +11% (+3%) 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 have a 681 basic tonne ring net licence and a 1 425 trawling licence. Two vessels catch snow crab, with onboard facilities for full processing. Impairment testing of licences related to pelagic fishing is based on broker estimates of revenue figures, and this indicates a good margin in relation to book values. At present, only vessels with a snow crab permit can catch snow crab, cf. Chapter 6 of the Norwegian Licence Regulation of 13.10.2006. However, the scheme remains open in the sense that new operators with vessels that meet the conditions set out in section 6-2 of the Licence Regulation may participate. Snow-crab catching is therefore currently

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an "Olympic" fishery, where vessels race to maximise their share of the catch quota. Based on broker estimates, the two vessels used to catch snow crab were written down by MNOK 28 in 2023.

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

A pre-tax discount rate (WACC) of 10.2%, insignificant growth in volume produced and a long-term growth rate of 1% are applied when testing for possible impairment of farming licences. BFARM's impairment tests, which incorporate risks and opportunities within environmental sustainability, did not give grounds for write-down of goodwill or intangible assets with an indefinite useful life in either 2023 and 2022. 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's anchoveta quota represents just under 7% of the total quota in Central/North Peru, and just under 4% of the quota in South Peru. Austral's product range comprises fishmeal and fish oil, and fresh and frozen consumer products. Austral's operations are based on wild-caught fish, and the company would not be able sustain the long-term values generated by its licences without sustainable management of resources. Moreover, natural weather phenomena (El Niño/La Niña) will have an impact on conditions at sea and may cause periodic, short-term fluctuations in biomass and quota levels 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 handled by Instituto del Mar de Peru (IMARPE). Prior to each fishing season, IMARPE undertakes exploratory voyages and recommends quota levels on the basis of its biomass measurements.

The tests for impairment apply cash flows after tax and an equivalent post-tax discount rate (WACC) of 8.3%, a nominal growth rate of 2.0% and estimated inflation of 2.0%. The model uses projected prices for the products, based on the OECD-FAO Agricultural Outlook 2023-2032 report. The model applies current cost levels, adjusted for growth. The model assumes a total anchoveta quota of 4.25 million tonnes in the terminal period: 4.0 million tonnes in Central/North Peru and 0.25 million tonnes in South Peru. 2023 was affected by the El Niño weather phenomenon, which started in March with a coastal El Niño, causing cancellation of the first fishing season of the year. Ahead of the second fishing season, IMARPE measured the biomass at just over 7 million tonnes, in line with the 2022 measurements for the second season. However, the quota was set at the lower end of the range, with a figure of 1.68 million tonnes for the second season compared with 2.28 million tonnes for the same season in 2022. El Niño is a regular occurrence, and the last time an entire season was cancelled was in 2014. From 2008 to 2022, the total volume caught in Central/North and South Peru averaged just over 4.3 million tonnes, ranging from an annual catch of 6.1 million tonnes (year) to 2.2 million tonnes (2014). The volume caught in 2023 was severely impacted by El Niño, coming in at just under 2.0 million tonnes. Estimates for raw materials in the model have therefore taken into account the natural weather phenomena that will occur at regular intervals by using the historical figures above. Austral's impairment tests, which incorporate risks and opportunities within environmental sustainability did not give grounds for write-down of goodwill or intangible assets with an indefinite useful life in either 2023 and 2022. Using WACC and best estimate for quota in the terminal period, the tests show that the value remains intact in the face of reasonable changes in prices realised for fishmeal and fish oil. The fishmeal price used for the terminal period in the model is USD 1,816. For comparison, the average price of fishmeal FOB Peru for all producers of fishmeal in Peru was USD 1 718 in 2023 and USD 1 641 in 2022 (*source: SUNAT*).

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 2023 the company held 8.6% of the horse mackerel quota for the fleet group in Chile to which the company's vessels belong. FC produces frozen consumer products, as well as fishmeal and fish oil. FC's operations are based on wild-caught fish, and 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 levels from year to year. Horse mackerel stocks in the southern Pacific have been heavily fished, and a common fish stock management scheme was not implemented until 2011. Fish stock management is now handled 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 historically extremely low levels. In order to build up the biomass, the quotas in the following years increased only slightly. Conservative management meant that in the autumn of 2017 SPRFMO was able to report that the biomass had reached a sustainable level, and that the organization could therefore recommend a 17% increase in the quotas for 2018. The quotas increased by 15% in both 2022 and 2023. Further confirmation of the positive biomass status came with a 20% increase in quotas for 2023. For 2024 the quota has been increased by 15%.

The tests for impairment apply cash flows after tax and an equivalent post-tax discount rate (WACC) of 9.5%, a nominal growth rate of 2.0% and estimated inflation of 2.0%. The model uses projected prices for the products, based on the OECD-FAO Agricultural Outlook 2023-2032 report. The model applies current cost levels, adjusted for growth. The figure for volume of raw materials used in the model is based on a further increase of 15% for 2025, annual increases of 5% in 2026 and 2027, and no increase in the terminal period. The model assumes a total horse mackerel quota for Chile in the region of 1 039 000 tonnes in the terminal period. FC's impairment tests, which incorporate risks and opportunities within environmental sustainability, did not give grounds for write-down of intangible assets with an indefinite useful life in either 2023 or 2022.

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

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

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

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

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

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

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

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

The parent fish licences are granted for 15 years at a time, and applications have to be submitted for their renewal – provided that the licence holder is still involved in production of brood stock for salmon or trout.
Parent fish production is an integral part of the Group's value chain (parent fish production takes place before production of roe and juvenile fish in the value chain), and is therefore closely linked to the breeding system for salmon and trout. The Group's applications for renewal of parent fish licences have always been approved, in line with the prevailing practice in the industry.

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

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

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

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

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

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

Assessment of economic life
According to past and present legislation and the general interpretation and practice in the industry, Norwegian fish farming

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

Grow-out licences and juvenile fish licences

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

(1) No time limitation on the licences

(2) Insignificant expenditure involved in maintaining the licences

(3) High threshold for revocation of licences; this has never happened in Norway

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

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

Parent fish licences

As mentioned above, these licences are granted for 15 years at a time, and applications can be submitted for renewal. In 2007, the duration of parent fish licences was amended from 10 years to 15 years (amendment to regulation dated 14.08.2007 no. 986). In the consultation document dated 07.06.2007, 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 fishing 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.

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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

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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.

The Norwegian Ministry of Trade, Industry and Fisheries submitted the new quota report (Report to the Storting 7 (2023-2024)) on 12.01.2024. The title of the quota report can be translated into English as *"People, fish and community – a quota report for predictability and fair distribution"*. Among other things, the report covers allocation of the structural quotas after the expiry of time limits in the structural quota scheme and allocation of quotas for Northeast Arctic cod. One of the government's proposals is that the structural gain that arises when the time-limited structural quotas expire should pass to the vessel group that implemented the structuring, and be allocated with full effect to basic quotas and with half effect to the remaining structural quotas (model X). The report also proposes reintroducing the "trawl ladder" mechanism in the allocation of the quota for cod in the zone north of 62 degrees and the "herring ladder" in the allocation of the quota for Norwegian spring-spawning herring. The government has further proposed that the quota for the open group for cod fisheries in the zone north of 62 degrees latitude be withdrawn from the "top" as a provision, before the quota is allocated between the trawler group and the conventional group. In reality, this means a reduction in the quotas for the trawler group.

The quota report is scheduled for debate in the Storting at the end of April 2024. Once the Storting has debated the quota report, the Ministry will make a decision on whether, and if so to what extent, it is necessary to amend the Participation Act and the Marine Resources Act or make other legal changes to align with the Storting's decision.

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-PRODUCE (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 repetition of severe penalties (maximum four infractions of the same type allowed in one year).

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 09.02.2013.

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" tradeable 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, 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 labour 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 new Fishing Act project was introduced by the Government into Congress by the end of December, 2023, intended to fully replace the current 1989 fishing Act. It promotes changes in the industrial/ artisanal allocations and the proportion between LTP-A and LTP-B from 85%/15% to 50%/50%. Long discussions expected in all stages of the process and uncertain results for now.

NOTE 11
Fixed assets

2022	Land	Projects in progress	Buildings/ real estate	Plant, equipment and other fixtures	Vessels	Total
At 01.01.						
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 01.01.	**542**	**761**	**4 112**	**3 380**	**3 547**	**12 344**
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**	**4 798**	**3 698**	**3 940**	**13 480**
Carrying amount of 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**

2023	Land	Projects in progress	Buildings/ real estate	Plant, equipment and other fixtures	Vessels	Total
Carrying amount at 01.01	620	423	4 798	3 698	3 940	13 480
Currency translation differences	10	5	64	67	44	189
Reclassification	15	-726	294	165	285	34
Acquisitions through business combinations	0	0	19	57	0	76
Additions	23	661	489	964	265	2 401
Disposals	-2	0	-116	-204	-138	-460
Depreciation and amortisation	0	0	-459	-789	-609	-1 857
Acc. depreciation on disposals	0	0	102	187	127	416
Impairment	0	-33	-57	-24	-28	-142
Reversal of impairment	0	0	1	0	0	1
Carrying amount at 31.12.	**666**	**330**	**5 135**	**4 122**	**3 887**	**14 141**

2023	Land	Projects in progress	Buildings/ real estate	Plant, equipment and other fixtures	Vessels	Total
At 31.12.						
Acquisition cost	692	364	7 957	11 803	8 538	29 354
Accumulated depreciation and amortisation	0	-1	-2 715	-7 645	-4 408	-14 769
Accumulated impairment	-26	-33	-106	-37	-243	-444
Carrying amount at 31.12.	**666**	**330**	**5 136**	**4 122**	**3 887**	**14 141**
Right-of-use assets included above	**0**	**0**	**541**	**1 344**	**1 157**	**3 043**
Depreciation of right-of-use assets included above	**0**	**0**	**72**	**285**	**288**	**645**

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 31.12.2023, 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 49 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 31.12.2023, 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 91 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 31.12.2023, the Group has a total profit of MNOK 28 (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 31 in 2023 and MNOK 22 in 2022 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 2023 and 2022, allowed for entered interest rate swaps.

Amount in MNOK	Increase/reduction in interest points	2023	2022
Impact on profit before tax	+/- 50	-/+ 31	-/+ 22

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.

31.12.2023	Less than 1 year	1-2 years	3-5 years	Over 5 years	Total
Loan debt	2 736	3 210	3 600	3 626	13 172
Lease liability for right-of-use assets to credit institutions	314	524	330	198	1 366
Lease liability for right-of-use assets other than to credit institutions	337	545	473	364	1 719
Trade payables and other liabilities (excl. statutory liabilities)	3 758	0	0	0	3 758
Total	**7 144**	**4 280**	**4 403**	**4 187**	**20 015**

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	**6 626**	**3 055**	**3 195**	**3 141**	**16 016**

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 31.12.2023 and 31.12.2022 were as follows:

	2023	2022
Total loans (note 17)	12 206	9 480
Minus liquid assets	5 475	4 340
Minus other interest-bearing assets	16	0
Net interest-bearing debt (cf. note 28)	**6 715**	**5 140**
Total equity	27 042	28 162
Total assets	**33 756**	**33 303**
Debt–equity ratio	**20%**	**15%**

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

31.12.2023 Assets	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total
Investment in shares	0	40	0	40
Derivatives (interest rate swaps)	0	0	12	12
Trade receivables and other receivables excl. prepayments*	5 163	0	0	5 163
Financial assets at fair value through profit or loss	0	117	0	117
Liquid assets	5 475	0	0	5 475
Total	**10 638**	**157**	**12**	**10 807**

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

31.12.2023 Liabilities	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total
Loans excl. lease liabilities to credit institutions	11 011	0	0	11 011
Lease liabilities to credit institutions	1 195	0	0	1 195
Lease liabilities other than to credit institutions	1 719	0	0	1 719
Derivatives (interest rate swaps)	0	0	0	0
Trade payables and other liabilities, excl. statutory liabilities	3 758	0	0	3 758
Total	**17 683**	**0**	**0**	**17 683**

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	0	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**

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 (NOK) 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 31.12.2023 the Group has currency forward contracts with a net positive fair value of MNOK 25 (MNOK 22.5 in 2022). The currency forward contracts are classified as other current receivables at 31.12.2023. MNOK 0 (MNOK 5.8 in 2022) 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 2023 is MNOK -2 (MNOK 23.8 in 2022), 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 31.12. As at 31.12.2023, a total unrealised profit of MNOK 24 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 31.12.2022	647	1.44%	-40	-9	30
Fair value adjustment 31.12.2023	609	1.44%	3	1	-2
Fair value at 31.12.2023			**-37**	**-8**	**28**

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. As well as directing attention to how the Group's activities 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, both for ensuring transparency, and increasing our understanding of how climate-related incidents may impact the Group and the action we can take to mitigate climate-related impacts. The process is ongoing, and the TCFD report will be published on AUSS's website in the course of 2024. Nonetheless, we wish to discuss key elements based on the process so far, and to discuss in more detail some important factors that will be central in the ongoing analysis; relating to the financial impact of climate change on the Group. 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, fish oil, protein concentrate and frozen consumer products. In addition, the Group has sales operations in Norway, Europe, Asia, the USA and South America.

FIXED ASSETS

Accordingly, the Group's fixed assets primarily comprise 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, fish oil, and protein concentrate. The aquaculture and fishery activities also require licences/rights in the various jurisdictions where the Group operates. The Group's fishery activities take place in the Barents Sea, the Norwegian Sea, the North Sea, and the Atlantic and Pacific Oceans. In 2023, 89.6% of the volume of raw materials from the Group's own wild catches, as well as raw materials purchased from third parties, was from certified fish species. Relevant certifications in 2023 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 2023 as a result of the impact of climate change.

In terms of the Group's fishery activities (wild catches), extreme weather is far and away the most significant physical risk. If the weather is too extreme, the fishing vessels may not be able to fish. Should such a 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. This would also have consequences for the onshore processing industry. Extreme weather would lead to an insufficient supply of raw materials for the onshore industry for the production of end products, which in turn would mean reduced earnings for both fishing vessels and processing facilities. Extreme weather in the form of strong winds, heavy precipitation, floods, droughts and fires may damage key infrastructure. Potentially, this could have both a major direct impact on the Group's operations and an indirect impact through our supplier chain, as efficient logistics are crucial for maintaining normal operations.

The weather phenomena El Niño and La Niña occur at regular intervals and may cause changes in fishing patterns in the form of lower quotas and challenging catch conditions for fisheries. In 2023, fisheries in Peru were affected by El Niño, which started with a coastal El Niño in March. The first fishing season (April – July) was cancelled after a few days' trial fishery, and the quota for the second season (October – January) was set lower than is normal for this season. This resulted in negative earnings in 2023 for the business in Peru. The last time an entire fishing season was cancelled in Peru was in 2014.

Apart from the negative impact for the business in Peru, the Group has not had any significant costs in 2023 resulting from incidents that may have been caused by extreme weather. No climate-related incidents were identified in 2023 that would indicate the need to reassess the working life or residual value of the Group's fixed assets. El Niño and La Niña occur at regular intervals. This is taken into account in the Group's impairment testing by using historical catch volumes.

ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Historically, the Group's bad debts 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.

NOTE 13 cont.
Climate and sustainability

INVENTORY
The Group's inventory mainly comprises 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, see Note 2, 7 and 29 to the consolidated financial statements . Biomass in the sea at 31.12 will mainly be harvested in the next 12-14 months, and relevant, up-to-date information is taken into account when estimating the production cost for live fish in the sea. Any permanent changes linked to climate risk will therefore be taken into account as part of this relevant, up-to-date information and reflected in production cost for live fish in the sea. Acute incidents, including algae bloom, acute disease outbreaks or other circumstances resulting in abnormal mortality, are expensed in the income statement on an ongoing basis. If monthly mortality at a site exceeds 1.5% of the opening number of fish at the site, this is considered an indication of possible abnormal mortality. Normal waste is considered part of the production cost. Salmon, trout and wild-caught fish have one of the lowest carbon footprints compared to other animal proteins. 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.

CO_2e EMISSIONS IN 2023
In 2023, the Group's total direct greenhouse gas emissions, Scope 1 and 2 converted to tCO_2e, were 266 209 (2022: 286 962). This breaks down into 248 186 for Scope 1 (2022: 267 237) and 18 023 for Scope 2 (2022: 19 725). The Group's fishing vessels account for the majority of the Scope 1 emissions, representing 65% of tCO_2e in 2023 (2022: 59%). The reason for the increase for the fishing fleet is higher quotas, more trips and longer voyages to unload for our vessels in Norway. There is also an increase for the vessels in Peru because of longer voyages to look for fish. The vessels' propulsion systems run on marine oil (MGO), and there are currently no effective alternative propulsion systems for the Group's seagoing vessels. Ongoing efforts are being made to reduce the vessels' bunker consumption, including making operations more efficient where possible.
Pelagic fish and cuttings from pelagic fish and whitefish are input factors in the production of fishmeal and fish oil. Fishmeal and fish oil are important input factors in the production of feed for farmed Atlantic salmon and trout. The Group's fishery activities and production of fishmeal and oil will therefore be included in its Scope 3 reporting for farming activities. A reduction in emissions linked to this area will result in a reduction in the Group's direct emissions but also in indirect emissions linked to the Group's farming activities.

In addition, the Group's factories accounted for 12% of Scope 1 emissions in 2023, the majority of which was from the factories in Peru and Chile (2022: 21%). This is because the factories' energy consumption is mainly based on fossil fuels. Where possible, in recent years these factories have switched to using gas instead of gas oil as an energy source, which produces lower CO_2 emissions than gas oil. The decrease in energy consumption by the Group's factories is a result of lower receipt of raw materials in Peru and hence lower emissions from the Group's factories there.
An overall CO_2 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 CO_2 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 CO_2 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 involving an unknown capital requirement. Based on current legislation, the Group has not identified any future costs that suggest the need for provisions for future liabilities 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

	2023	2022
Restricted deposits related to employee tax deduction	150	135
Other restricted deposits	0	51
Total	**151**	**187**

NOTE 15
Events after reporting period

INVESTIGATIONS INTO SUSPECTED COLLUSION IN THE SALMON MARKET
On 25.01.2024, the Commission announced that it had sent a Statement of Objections ("SO") to several exporters of Norwegian salmon, including to Lerøy Seafood Group. The SO sets out the Commission's preliminary assessment that the exporters, in some instances, may have exchanged commercially sensitive information in relation to spot market sale of whole Norwegian farmed salmon to the EU in the period 2011-2019.

Lerøy Seafood Group strongly rejects the Commission's allegations. The SO is not a final decision and has been issued in accordance with the Commission's ordinary procedures for such an investigation.

In February 2024 a group of British supermarkets issued claims for damages in the UK against several Norwegian-owned aquaculture companies, including companies in the Lerøy Seafood Group. The Group strongly rejects the claimants' allegations and considers such claims from customers to be baseless.

AGREEMENTS TO SELL 100% OF THE SHARES IN BR. BIRKELAND FISKEBÅTREDERI AS AND TALBOR AS
Br. Birkeland AS has in April 2024 entered into agreements for the sale of 100% of the shares in Br. Birkeland Fiskebåtrederi AS and Talbor AS, respectively. The two companies own the fishing vessels M/S Birkeland and M/S Talbor, with associated purse seine quotas and trawl quotas for blue whiting.

Subject to completion of the share sales this will give a cash effect for Br. Birkeland AS in the region of MNOK 1 960.

Final completion is subject to satisfaction of ordinary conditions for transactions of this type, hereunder approvals by relevant governmental authorities.

AUSS owns 42.9% of the shares in Br. Birkeland AS.

NOTE 16
Share capital and shareholders

SHARE CAPITAL

As of 31.12.2023, 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 - 2023	No changes			
31.12.2023		**0.50**	**101 358 687**	**202 717 374**

	2023		2022	
Overview of shareholders at 31.12.	**No. of shares**	**Share holding**	**No. of shares**	**Share holding**
Laco AS	112 605 876	55.55%	112 605 876	55.55%
State Street Bank and Trust Comp A/C Client Omnibus F, Ref: OM06	4 331 500	2.14%	5 165 858	2.55%
J.P. Morgan SE, Luxembourg Branch	3 929 178	1.94%	4 439 961	2.19%
Pareto Aksje Norge Verdipapirfond	3 730 805	1.84%	2 763 705	1.36%
OM Holding AS	3 005 636	1.48%	2 891 114	1.43%
Folketrygdfondet	2 948 377	1.45%	2 947 377	1.45%
SIX SIS AG	2 601 219	1.28%	2 648 818	1.31%
The Bank of New York Mellon SA/NV C/O BNYMSANVDUB RE 472	2 110 798	1.04%	1 939 129	0.96%
State Street Bank and Trust Comp	1 987 565	0.98%	2 440 699	1.20%
JPMorgan Chase Bank, N.A., London	1 797 025	0.89%	1 797 025	0.89%
The Northern Trust Comp, London Br	1 559 682	0.77%	1 437 719	0.71%
Clearstream Banking S.A.	1 462 426	0.72%	1 473 857	0.73%
Danske Invest Norske Instit. II.	1 336 963	0.66%	1 142 963	0.56%
J.P. Morgan SE, Luxembourg Branch	1 313 357	0.65%	1 212 623	0.60%
State Street Bank and Trust Comp A/C West non-treaty account	1 301 123	0.64%	1 382 867	0.68%
Verdipapirfondet Storebrand Norge	1 282 895	0.63%	967 421	0.48%
Verdipapirfondet Fondsfinans Norge	1 250 000	0.62%	800 000	0.39%
DNB Bank ASA	1 227 107	0.61%	1 914	0.00%
State Street Bank and Trust Comp	1 224 829	0.60%	971 952	0.48%
VPF Sparebank 1 Utbytte	1 140 000	0.56%	650 000	0.32%
Total, 20 largest shareholders	**152 146 361**	**75.05%**	**149 680 878**	**73.84%**
Other shareholders	50 571 013	24.95%	53 036 496	26.16%
Total, all shareholders	**202 717 374**	**100%**	**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

	2023	2022
Non-current liabilities		
Mortgages	5 060	4 467
Bond loans	3 790	1 501
Other loans	38	1
Lease liabilities to credit institutions	939	903
Total non-current liabilities	**9 827**	**6 872**
Current liabilities		
Overdraft facility	1 462	1 153
Mortgages	654	610
Bond loans	8	500
Lease liabilities to credit institutions	256	345
Total current liabilities	**2 379**	**2 609**
Total non-current and current liabilities	**12 206**	**9 480**
Net interest-bearing debt		
Liquid assets	5 475	4 339
Other non interest-bearing debt – non-current	16	0
Total net interest-bearing debt (cf. note 28)	**6 715**	**5 140**
Long term lease liabilities other than to credit institutions	1 381	1 528
Short term lease liabilities other than to credit institutions	337	323
Lease liabilities other than to credit institutions	**1 719**	**1 851**
Total non-current and current liabilities	**13 909**	**11 331**
Liquid assets	-5 475	-4 340
Net interest bearing debt incl. lease liabilities other than to credit institutions	**8 434**	**6 991**

The conditions for long-term loans other than bond loans mean that fair value is estimated to be equal to the carrying amount at 31.12.2023, 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	2024*	2025	2026	2027	2028	Subsequent	Total*
Mortgages*	1 139	1 203	544	758	995	1 580	6 221
Overdraft facility	976	0	0	0	0	0	976
Bond loans	8	0	500	500	500	2 290	3 798
Lease liabilities to credit institutions	256	238	212	176	121	192	1 195
Other non-current liabilities	0	2	2	2	2	7	15
Total	**2 379**	**1 444**	**1 258**	**1 436**	**1 619**	**4 070**	**12 206**
Repayment profile for long-term non-interest-bearing debt							
Lease liabilities other than to credit institutions	337	286	258	251	222	364	1 719
Total	**337**	**286**	**258**	**251**	**222**	**364**	**1 719**
Total	**2 716**	**1 730**	**1 517**	**1 687**	**1 841**	**4 433**	**13 925**

** Repayments of non-current liabilities which mature in 2024 are classified as current liabilities in the balance sheet.*

Liabilities secured by mortgage	2023	2022
Current liabilities	1 081	1 334
Non-current liabilities	5 340	4 634
Liabilities to credit institutions incl. finance lease agreements	**6 421**	**5 968**
Assets provided as security		
Operating assets	7 108	8 342
Licences*	1 431	1 430
Inventories	5	12
Biological assets	9 706	7 579
Shares	1 364	1 441
Trade receivables	1 091	1 192
Right-of-use assets leased from credit institutions	-1	52
Total assets provided as security	**20 704**	**20 048**

** 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 78.2. 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	2023	2022
6 months or less	10 097	8 333
1-5 years	609	647
Over 5 years	1 500	498
Total	**12 206**	**9 477**

Based on contractual terms the fair value of non-current borrowings (incl. bond loan) is estimated to be equal to book value as of 31.12.2023, 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 2028.

The carrying amounts of the Group's loans are denominated in the following currencies	2023	2022
NOK	10 197	8 059
SEK	106	111
DKK	276	217
USD	1 372	735
EUR	247	348
Other currencies	7	7
Total	**12 206**	**9 477**

NOTE 17 cont.
Interest-bearing debt

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 2023, and is not in breach as of 31.12.2023.

Overdraft facility	**2023**	**2022**
Overdraft facility	1 509	1 153
Unutilised overdraft facility	3 715	3 193
Limit of overdraft facility	**5 254**	**4 346**
Unutilised long term credit facility	1 224	734

NOTE 18
Contingencies and provisions

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.

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 22 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 136 as of 31.12.2023 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 21 relating to these suits, which is considered to be the best estimate.

NOTE 19
Financial income and expenses

	2023	2022
Other interest income	188	79
Foreign exchange gains (realised and unrealised)	458	739
Other financial income	14	30
Total financial income	**660**	**848**
Interest expense	586	323
Interest expense on lease liabilities to credit institutions	56	41
Interest expense on lease liabilities to others	74	67
Foreign exchange losses (realised and unrealised)	465	705
Other financial expenses	71	19
Total financial expenses	**1 252**	**1 155**
Net financial expenses	**-592**	**-307**

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

	2023	2022
Salaries and holiday pay	3 640	3 399
Contract labour	354	293
Other remuneration	106	144
National insurance contributions	350	289
Pension costs (incl. national insurance contribution)	193	167
Remuneration to board members	3	2
Other payments	212	224
Total wages and salaries	**4 857**	**4 519**
No. of full-time equivalents	7 022	7 235

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 31.12.2023. Change in the benefit obligations as a result of actuarial gains and losses are booked as comprehensive income.

Pension costs	**2023**	**2022**
Pension costs, defined contribution plan	171	142
National insurance contributions, defined contribution plan	23	19
Net pension costs, defined contribution plan	**194**	**161**
Net pension costs, defined benefit plan	-1	6
Total pension costs	**193**	**167**
Pension liabilities and other liabilities		
Pension liabilities	4	13
Total	**4**	**13**

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

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 25.05.2023.

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

2023 – Remuneration to leading personnel (amounts in NOK 1 000)	**CEO**	**CFO**	**Chairman of the Board***	**Other board members**	**Total**
Salary	3 909	3 057	0	0	6 966
Bonus payment based on results for 2022	3 500	1 200	0	0	4 700
Pension costs	118	120	0	0	238
Other remuneration	229	195	0	0	424
Board fee/other remuneration	0	0	3 920	2 340	6 290
Total	**7 757**	**4 573**	**3 920**	**2 340**	**18 619**

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**

** 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 2022 of TNOK 4 177 includes Board remuneration of TNOK 425, and the total amount paid in 2023 of TNOK 3 920 includes Board remuneration of TNOK 425.*

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

No loans or securities have been issued in 2023 or 2022 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 31.12.2023, no on-going option program in the Group.

Specification of auditor's fee	**2023**	**2022**
Statutory audit	23	14
Audit fee, other auditors	2	2
Other certification services	3	1
Other certification services provided by other auditors	1	1
Technical assistance, taxation	1	1
Other non-audit services	13	8
Total	**44**	**28**

NOTE 21
Other gains and losses

	2023	2022
Gains and losses on sale of land, buildings and equipment	43	-20
Total other gains and losses	**43**	**-20**

NOTE 22
Other current liabilities

Specification of other current liabilities	2023	2022
Wages, salaries and other staff costs	487	558
Public taxes payable	1 637	399
Accrued expenses	432	383
Forward exchange contracts/liability recognised as a result of fair value hedging (cf. note 12)	0	6
Contingent liabilities from addition of Cormar (cf. note 18)	22	21
Contingent liabilities concerning ongoing legal disputes in Austral (cf. note 18)	21	15
Provisions and contingencies	0	2
Unrealised loss on Fish Pool contracts (cf. note 7)	56	14
Other current liabilities	118	145
Total other current liabilities	**2 773**	**1 543**

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 01.01.2022							
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 01.01.2022	**50**	**466**	**1 385**	**1 163**	**3 064**	**1 801**	**1 262**
Financial year 2022							
Carrying amount at 01.01.	50	466	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
Impairment for the year	0	0	0	0	0	0	0
Reclassification	0	0	1	13	15	0	15
Carrying amount at 31.12.2022	**34**	**497**	**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	-1 001	-1 208
Carrying amount at 31.12.2022	**34**	**498**	**1 380**	**1 312**	**3 222**	**1 806**	**1 416**
Of which secured by mortgage						1 806	
Financial year 2023							
Carrying amount at 01.01.2023	**34**	**498**	**1 380**	**1 312**	**3 222**	**1 806**	**1 416**
Currency translation differences	1	12	9	0	22	14	8
Addition of new right-of-use assets	4	69	245	133	451	186	266
Disposals	-1	-2	-2	0	-6	-3	-3
Depreciation and amortisation for the year	-5	-67	-286	-288	-646	-238	-408
Business combinations	0	0	-2	0	-2	-2	0
Reclassification	0	0	2	0	2	2	0
Carrying amount at 31.12.2023	**32**	**511**	**1 345**	**1 158**	**3 043**	**1 765**	**1 278**
At 31.12.2023							
Acquisition cost	51	817	2 734	2 292	5 895	3 004	2 894
Accumulated depreciation and amortisation	-19	-308	-1 389	-1 135	-2 852	-1 239	-1 616
Carrying amount at 31.12.2023	**32**	**510**	**1 345**	**1 158**	**3 043**	**1 765**	**1 278**
Of which secured by mortgage						1 765	

NOTE 23 cont.
Lease contracts

Lease liabilities right of use assets	01.01.2023	Changes in 2023	31.12.2023
Lease liabilities other than to credit institutions			
Long-term portion (cf note 17 and 23)	1 527	-146	1 381
Short-term portion (cf note 17 and 23)	323	14	337
Total	**1 850**	**-132**	**1 718**
Lease liabilities to credit institutions			
Long-term portion (cf. note 17 and 23)	903	36	939
Short-term portion (cf. 17 and 23)	345	-89	256
Total	**1 248**	**-53**	**1 195**
Total lease liabilities right of use assets			
Long-term portion (cf. note 17 and 23)	2 430	-110	2 320
Short-term portion (cf note 17 and 23)	668	-75	593
Total	**3 098**	**-185**	**2 913**

Interest expense on right-of-use assets	Note	2023	2022
Interest expense on lease liabilities to credit institutions	19	56	41
Interest expense on lease liabilities to others	19	74	67
Interest expenses on lease liabilities		**130**	**108**

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

NOTE 24
Investments in other shares

2023 Company	Registered office	Ownership/ voting share	Acquisition cost	Fair value
Euro-Terminal AS	Bergen, Norway	16.18%	22	26
Bulandet Eiendom AS	Bulandet, Norway	minor	1	1
DNB - Private Equity fund	Norway	minor	5	5
Other shares		minor	10	8
Total non-current assets			**38**	**40**

2022 Company	Registered office	Ownership/ voting share	Acquisition cost	Fair value
Euro-Terminal AS	Bergen, Norway	16.18%	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**

Reconciliation of the carrying amount of investments in other shares	2023	2022
At 01.01.	**43**	**47**
Additions/disposals	-3	-4
At 31.12.	**40**	**43**
Minus: share of non-current assets	-40	-43
Share of current assets	**0**	**0**

There were no impairment losses on investments in other shares in 2023 and 2022.

NOTE 25
Related parties

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

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

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

The following transactions were conducted with related parties:

Sales of goods and services	2023	2022
Sales		
- associates	194	78
Sale of services		
- ultimate parent and its subsidiaries	1	0
Total	**195**	**78**

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	2023	2022
Purchase		
- associates	783	747
Purchase of goods		
- ultimate parent and its subsidiaries	68	153
Total	**851**	**901**

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	2023	2022
Receivables from related parties		
- associates	53	40
- close family members of controlling owner	11	10
Debt to related parties		
- ultimate parent and its subsidiaries	13	5
- associates	46	61

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

NEW RESOURCE RENT TAX ON AQUACULTURE (IN THE SEA) FROM 01.01.2023
On 31.05.2023, the Storting voted to introduce resource rent tax of 25% on earnings from sea-based production of salmon and trout. The enactment was retroactive from 01.01.2023. The resource rent tax comes on top of ordinary tax of 22%, giving a total nominal tax rate of 47% for the activity concerned.

The resource rent tax expense in 2023 comprises two elements: an implementation effect (one-off effect) and the resource rent tax for the period.

The implementation effect has been estimated at NOK 1.9 billion. This figure relates entirely to increased deferred tax on the inventory of fish in the sea at the start of the year. The resource rent tax constitutes 25% of the difference between the carrying amount and tax base of the inventory. The deferred tax arises as a consequence of a lack of deduction in resource rent tax for expenses incurred on the fish up to the time of entry into force. This creates an asymmetry, where the income from the fish, which was in stock at the start of 2023, receives a total taxation of 47% (ordinary tax plus resource rent tax), while only a 22% ordinary tax deduction is given. It is specified that this asymmetry only applies to the stocks of fish in the sea that the affected companies had at the time of entry into force. Costs incurred from and including 2023 will result in a full tax deduction of 47%. The asymmetry makes this a controversial point. Historical practice dictates that deductions should be granted. But the government has stated that deductions will not be given. The group has therefore recognized the obligation as a deferred tax. Nevertheless, it is possible that the tax obligation may cease, if tax deduction is given.

The resource rent tax for the period comprises the two components: (1) resource rent tax payable and (2) change in deferred resource rent tax. Deferred resource rent tax on inventory will be payable as the inventory of fish in the sea is harvested and sold. Income from this fish will be included in the basis for calculation of resource rent tax payable. At the same time, the production cost for new fish added to the inventory will be included as an allowance when calculating the basis for resource rent tax payable. This implies that if the production cost for fish in the sea is higher on the date of the statement of financial position than at the start of the period, the change in inventory will represent a net allowance in the basis for resource rent tax payable. Conversely, if the production cost for fish in the sea is lower on the date of the statement of financial position than at the start of the period, the change in inventory will represent an increase in the basis for resource rent tax payable. The changes in inventory have no impact on the tax expense in total. However, the change in inventory does affect the timing of when tax is due for payment.

The ongoing resource rent tax for the period is to be calculated on earnings from production of salmon and trout in the sea. The main principles established via the Proposition to the Odelsting dated 31.05.2023 are founded on chapter 19 of the Norwegian Taxation Act – Special regulations relating to taxation of aquaculture operations. The Act describes how to carry out the technical calculation. The main challenge here, however, is to differentiate between activities in the sea that are liable to the resource rent tax and other aquaculture operations. This is particularly difficult with a fully-integrated value chain, where both sea-based and onshore activities have been carried out by one company.

Furthermore, the aquaculture companies make use of centralised resources from the Group's parent company, which also have to be split in relation to activities, in the sea and onshore. The Group has implemented company law agreements, where the services supplied between the Group companies are priced in line with the OECD's guidelines for transfer pricing. As this is a new tax, it is unknown how the tax authorities will assess the methods used and the assumptions made. Management is, therefore, not able to quantify any meaningful sensitivity, caused by a reasonable change in the assumptions applied. In addition to the difficulties with differentiation, the regional variation in conditions for earnings will also represent complications. Such variations will also affect the distribution of profit between the different activities. The variations in price level will, for example, have more impact on sea-based operations, which are covered by the resource rent regulations, than onshore activities that are not covered by the resource rent tax regime. It is therefore not expedient to estimate a percentage to represent the distribution between earnings that are liable and not liable to resource rent tax. Despite the fact that an estimate of the income liable to resource rent tax can be converted into a percentage share, it is not possible to carry out this process in reverse and obtain a correct basis by initially estimating a percentage.

NOTE 26 cont.
Tax

	2023	2022
Tax for the year is as follows		
Tax payable	206	1 239
Tax payable resource rent tax (32.1% of taxable resource rent income)	43	0
Change in deferred tax/tax asset	385	-100
Change in deferred resource rent tax (incl. implementation effect)	1 869	0
Correction, prior years	-2	3
Tax	**2 501**	**1 142**
Tax reconciliation		
Profit before tax	2 845	5 428
Tax calculated using the nominal tax rate	936	1 209
Income from associates	63	109
Tax-free profit from sale of shares	-33	0
Other differences	-372	-173
Deferred tax asset not recognised in the SOFP	-4	-3
Estimated resource rent tax	1 911	0
Tax	**2 501**	**1 142**
Weighted average tax rate	**87.9%**	**21.0%**

Change in gross book deferred tax	**2023**	**2022**
Carrying amount at 01.01.	3 421	3 443
Recognised in the period	385	-100
Recognised in other comprehensive income in the period	6	6
Exchange differences	26	71
Effect of business combinations	1	1
Reclassification	-3	0
Effect of resource rent	1 869	0
Net balance sheet value at 31.12.	**5 706**	**3 421**
Balance sheet value of deferred tax asset	-263	-160
Balance sheet value of deferred tax	4 101	3 581
Balance sheet value of deferred tax of resource rent (25%)	1 869	0
Net balance sheet value at 31.12.	**5 706**	**3 421**

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 01.01.2022	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**
Recognised in 2023	9	0	641	19	-98	-186	385
Recognised in other comprehensive income in the period	0	0	0	0	0	6	6
Exchange differences	24	0	-9	8	0	3	26
Reclassification	-3	0	0	0	0	0	-3
Effect of resource rent	0	0	1 869	0	0	0	1 869
Effect of business combinations	1	0	0	0	0	0	1
31.12.2023	**2 213**	**-4**	**3 867**	**-40**	**-206**	**-124**	**5 706**

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	2023	2022
Non-current assets	-45	-44
Loss carryforward	-840	-822
Interest deduction carryforward	-115	-94
Liabilities	7	3
Other differences	25	25
Total temporary differences not included in deferred tax	**-968**	**-932**
Including net deferred tax asset not recognised in the SOFP	-213	-205
Specification of loss carryforward		
Austevoll Seafood ASA	-473	-461
A-Fish AS	-182	-206
Gateport Overseas Ltd	-183	-153
Andean Opportunities Fund Ltd	-2	-2
Total	**-840**	**-822**

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 25%. Capitalised deferred tax liabilities derive mainly from Norwegian entities, where a rate of 22% has been applied.

Austevoll Seafood Group is within the scope of the OECD Pillar Two model rules, which came into effect from 01.01.2024. The Group is in scope of the enacted or substantively enacted legislation and is in the process of performing an assessment of the Group's potential exposure to Pillar Two Income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group.
Based on a preliminary assessment, the Group have identified a limited number of jurisdictions where the transitional safe harbour relief does not apply. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions. As provided in the amendments to IAS 12 issued May 2023, the Group applies the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes.

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%**
AUSS Laks AS	4	Norway	Lerøy Austevoll AS	100.00%
Dragøy Grossist AS	2	Norway	Lerøy Nord AS	51.00%
Eurosalmon SAS		France	SAS Lerøy Seafood France	100.00%
Finnmark Havfiske AS		Norway	Havfisk Båtsfjord AS	13.34%
Finnmark Havfiske AS		Norway	Havfisk Finnmark AS	78.45%
Finnmark Havfiske AS		Norway	Havfisk Nordkyn AS	5.84%
Fishcut SAS		France	SAS Lerøy Seafood France	100.00%
Hammerfest Industrifiske AS		Norway	Havfisk Finnmark AS	60.00%
Havfisk Båtsfjord AS		Norway	Havfisk Finnmark AS	100.00%
Havfisk Finnmark AS		Norway	Lerøy Havfisk AS	100.00%
Havfisk Management AS		Norway	Havfisk Finnmark AS	100.00%
Havfisk Melbu AS		Norway	Lerøy Havfisk AS	100.00%
Havfisk Nordkyn AS		Norway	Havfisk Finnmark AS	100.00%
Havfisk Stamsund AS		Norway	Lerøy Havfisk AS	100.00%
Leroy Canarias SL	3	Spain	Leroy Processing Spain S.L	100.00%
Leroy Processing Canarias SL		Spain	Leroy Processing Spain S.L.	100.00%
Leroy Processing Spain S.L.		Spain	Lerøy Seafood Group ASA	100.00%
Leroy Seafood Italy		Italy	Lerøy Seafood Group ASA	100.00%
Lerøy & Strudshavn AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Aurora Sjø AS	3	Norway	Lerøy Aurora AS	100.00%
Lerøy Aurora AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Austevoll AS	4	Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Bulandet AS		Norway	Lerøy Seafood AS	83.43%
Leröy Finland OY		Finland	Lerøy Seafood Group ASA	100.00%
Lerøy Fossen AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Germany GmbH		Germany	Lerøy Seafood Holding B.V.	100.00%
Lerøy Havfisk AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Midt Sjø AS		Norway	Lerøy Midt AS	100.00%
Lerøy Midt AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Nord AS		Norway	Lerøy Seafood Group ASA	100.00%
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	8	Denmark	Lerøy Seafood Danmark A/S	0.00%
Leröy 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.	8	Holland	Lerøy Seafood Holding B.V.	0.00%
Lerøy Seafood Convenience B.V.	8	Holland	Lerøy Seafood Holding B.V.	0.00%
Lerøy Seafood Danmark A/S		Denmark	Lerøy Seafood Group ASA	77.59%
Lerøy Seafood France SAS		France	Lerøy Seafood AS	100.00%
Lerøy Seafood Hirtshals A/S		Denmark	Lerøy Seafood Danmark A/S	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.		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 Kjærelva AS		Norway	Sjøtroll Havbruk AS	50.00%
Lerøy Sjøtroll Kjærelva AS		Norway	Lerøy Vest AS	50.00%
Lerøy Smögen Seafood AB		Sweden	Lerøy Sverige AB	100.00%
Lerøy Sverige AB		Sweden	Lerøy Seafood Group ASA	100.00%
Leröy Turkey Su Űrűnleri San. Ve Tic A.S.		Turkey	Lerøy Seafood Group ASA	100.00%
Lerøy Vest Sjø AS		Norway	Lerøy Vest AS	100.00%
Lerøy Vest AS		Norway	Lerøy Seafood Group ASA	100.00%
Lerøy Vest Kraft AS		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%
Mondo Mar Marine Foods ApS	3	Denmark	Lerøy Seafood Denmark A/S	100.00%
Nigra Fiskeeksport A/S	7	Denmark	Brdr. Schlie's Fiskeeksport A/S	0.00%
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%
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 Sjø 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 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. *		CaymanIslands	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		Panama	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 %
Farming Servicebåt AS	3	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

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	**2023**	**2022**
Operating profit	3 153	5 240
- Fair value adjustments	-77	-1 189
Operating profit before fair value adjustments	**3 076**	**4 051**

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	**2023**	**2022**
Operating profit	3 153	5 240
Depreciation and amortisation	2 051	1 731
Operating profit before depreciation and amortisation (EBITDA)	**5 204**	**6 971**
- Fair value adjustments	-77	-1 189
Operating profit before depreciation, amortisation and fair value adjustments	**5 127**	**5 782**

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	**2023**	**2022**
Profit before tax	2 845	5 428
- Fair value adjustments	-77	-1 189
- Fair value adj. incl. in share of profit from associates*	-6	-12
Profit before tax and fair value adjustments	**2 762**	**4 226**

** 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)	**2023**	**2022**
Loans from credit institutions*	9 512	7 077
+ Lease liabilities to credit institutions*	1 195	1 248
+ Other long-term loans*	21	1
+ Overdrafts and other short-term credits	1 462	1 153
- Liquid assets	-5 475	-4 339
Net interest-bearing debt (NIBD)**	**6 715**	**5 140**

** 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.
- Onerous contracts related to biological assets are 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 2023

In 2023, 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 2023. 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 acquire is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

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

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

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests in subsidiaries that do not result in loss of control are treated as equity transactions. In the event of further acquisitions, the difference between the consideration and the shares' proportional share of the carrying amount of net assets in the subsidiary is charged to shareholders' equity in the parent company. Gain or loss on the sale to non-controlling interests is correspondingly charged to equity.

Disposal of subsidiaries

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

Associates

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

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

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other

NOTE 29 cont. Accounting policies

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

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

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

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

Joint arrangements
The Group has applied IFRS 11 to all joint arrangements with restatement of comparatives. 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.

Operating revenues from contracts with customers as defined in IFRS 15 are recognised at a point in time when control is passed to the customer. Control is generally passed when delivered to the customer according to the agreed upon Incoterms (contractual terms).

Expected volume discounts are deducted from operating revenue and presented as current provisions. Taxes and duties are also deducted from operating revenue. The Group records provisions (sales reduction) for quality deviations and returns based on historical numbers and specific information regarding the respective deliveries. The Group delivers, to a large degree, fresh food and returns will therefore usually be registered shortly after the customer has received the goods.

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

NOTE 29 cont.
Accounting policies

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
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 in note 10.

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
Fixed assets and all leases shall be recognised in the statement of financial position. Leased operating assets are designated as "right-of-use assets". The Group has chosen to disclose right-of-use assets as a separate item 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 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 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.

NOTE 29 cont.
Accounting policies

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 shall be measured at fair value minus sales costs, unless fair value cannot be reliably measured.

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. 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. For more detailed information on the fair value hierarchy, please refer to the note on financial instruments. 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 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, 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, 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

NOTE 29 cont. Accounting policies

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.

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 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 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.

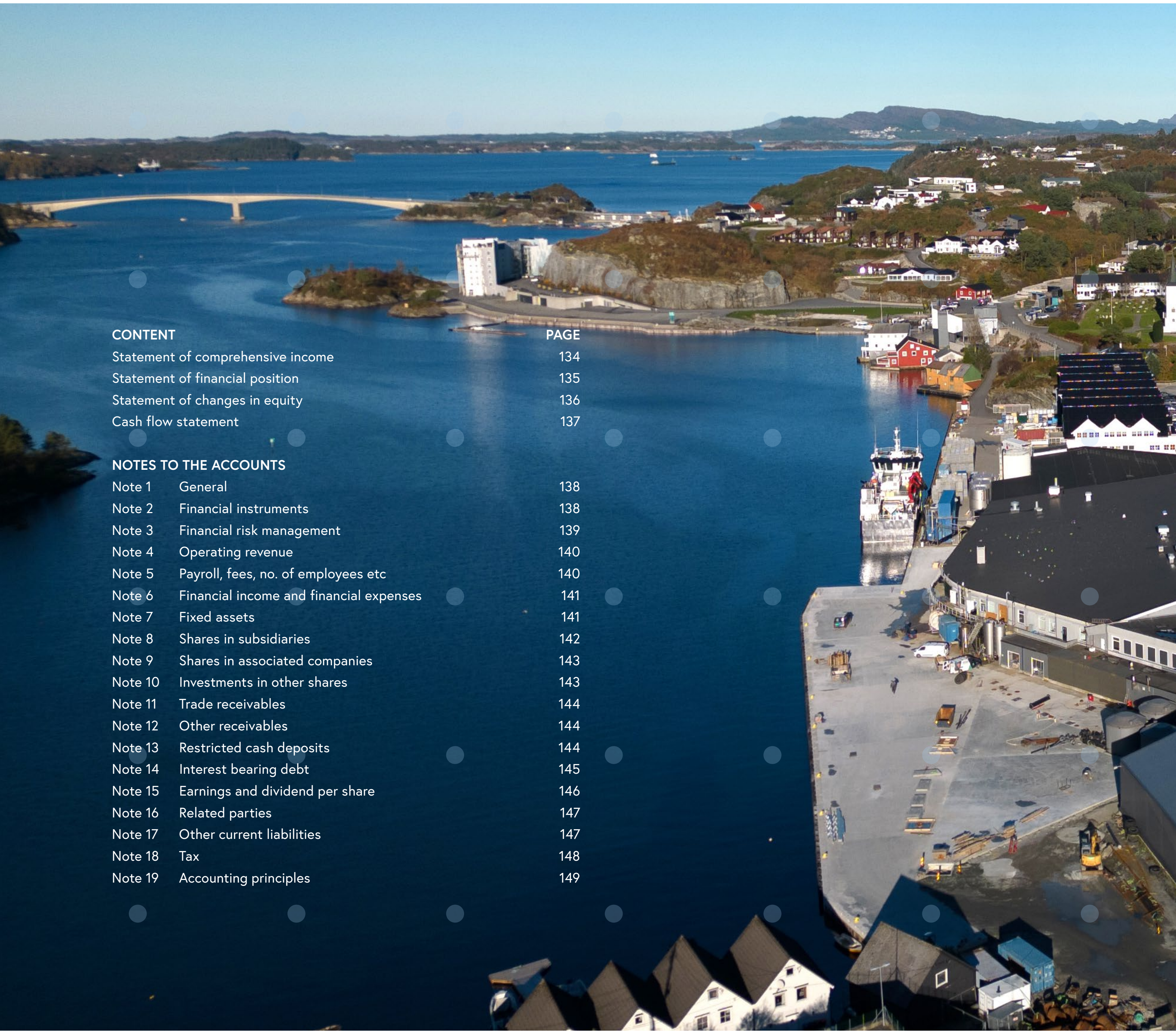
A contingent asset is not recognised in the financial statements, but is disclosed if there is a certain level of probability that a benefit will accrue to the Group.

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.



CONTENT

NOTES TO THE ACCOUNTS

PARENT COMPANY

Statement of Comprehensive Income

Amounts in TNOK	Note	2023	2022
Operating revenue	4,16	2 586	2 160
Total income		**2 586**	**2 160**
Wages and salaries	5,17	-24 823	-22 110
Other operating expenses	5,16	-21 311	-18 775
Operating expenses		**-46 133**	**-40 885**
Depreciation	7	0	-6
Operating profit		**-43 547**	**-38 730**
Financial income	6	1 210 237	1 222 959
Financial expenses	6	-65 856	-41 894
Profit before tax		**1 100 834**	**1 142 335**
Tax	18	0	0
Profit for the year		**1 100 834**	**1 142 335**
Average no. of outstanding shares		201 824 074	201 824 074
Earnings per share/diluted earnings per share (NOK)		5.45	5.66
Proposed dividend per share (NOK)		4.50	5.50

Statement of financial position

Amounts in TNOK	Note	31.12.2023	31.12.2022
Assets			
Shares in subsidiaries	8,14	3 818 708	3 818 808
Investments in associates	9	748 715	752 718
Investments in other companies	10	25 736	25 736
Long-term receivables on Group companies	12,16	827	264 431
Other long-term receivables	12	2 500	0
Total non-current assets		**4 596 486**	**4 861 692**
Trade receivables	11,14,16	309	114
Short-term receivables on Group companies	14,16	1 330 778	1 307 782
Other receivables	12	1 706	2 184
Marked-based financial instruments	2	16 725	15 954
Liquid assets	13,14	497 740	207 743
Total current assets		**1 847 258**	**1 533 777**
Total assets		**6 443 744**	**6 395 469**
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		1 371 144	1 178 518
Total equity		**4 619 657**	**4 427 030**
Borrowings	14,16	892 845	74 535
Total non-current liabilities		**892 845**	**74 535**
Bond loan	14	0	490 000
Liabilities to credit institutions	14	0	116 128
Trade payables	16	6 222	7 553
Accrued salary and public duties payable		4 868	4 220
Provision for dividends	15	908 208	1 110 032
Other current liabilities	16,17	11 943	1 801
Current liabilities to Group companies	16	0	164 170
Total current liabilities		**931 242**	**1 893 903**
Total liabilities		**1 824 087**	**1 968 438**
Total equity and liabilities		**6 443 744**	**6 395 469**

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

Storebø, 29.04.2024
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 TNOK	Note	Share capital	Treasury shares	Share premium	Retained earnings	Total equity
Equity at 01.01.2022		**101 359**	**-447**	**3 147 600**	**1 146 215**	**4 394 727**
Profit for the year		**0**	**0**	**0**	**1 142 335**	**1 142 335**
Provision for dividends	15	0	0	0	-1 114 946	-1 114 946
Reversed dividends payable on treasury shares		0	0	0	4 913	4 913
Total equity to/from shareholders in the period		**0**	**0**	**0**	**-1 110 032**	**-1 110 032**
Total change in equity		**0**	**0**	**0**	**32 303**	**32 303**
Equity at 31.12.2022		**101 359**	**-447**	**3 147 600**	**1 178 518**	**4 427 030**
Profit for the year		**0**	**0**	**0**	**1 100 834**	**1 100 834**
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**	**192 626**	**192 626**
Equity at 31.12.2023		**101 359**	**-447**	**3 147 600**	**1 371 144**	**4 619 657**

Cash flow statement

Amounts in TNOK	Note	2023	2022
Profit before tax		1 100 834	1 142 335
Depreciation and amortisation	7	0	6
Dividends and Group contributions	6	-1 128 621	-1 198 757
Gain on sale of shares	6	-32 815	0
Change in trade receivables		-195	-53
Change in trade payables		-1 331	2 175
Change in other accruals		459	-126
Items classified as investing or financing activities		-771	-236
Unrealised foreign exchange gains/losses		0	-661
Interest expense		61 299	38 708
Interest income		-46 988	-23 083
Net cash flow from operating activities		**-48 128**	**-39 693**
Sale/(purchase) of shares and equity investments		34 417	0
Change in intercompany receivables		67 990	-355 874
Dividends and Group contributions received		1 084 416	972 641
Interest received		46 988	17 032
Net cash flow from investing activities		**1 233 811**	**633 798**
Movement in short-term loans		-47 878	47 878
Net change in long-term interest bearing debt		861 970	-3 250
Net change in short-term interest bearing debt		-558 250	167 748
Interest paid		-41 496	-32 442
Dividends paid	15	-1 110 032	-908 208
Net cash flow from financing activities		**-895 686**	**-728 274**
Change in cash and cash equivalents		**289 997**	**-134 169**
Liquid assets at 01.01.		**207 743**	**341 912**
Liquid assets at 31.12.		**497 740**	**207 743**
Consists of			
Bank deposits etc.		497 740	207 743
Of which restricted cash deposits		3 398	3 174
Unutilised long term credit facility		1 071 750	592 122

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

2023 Financial instruments	Acquisition cost	Market value	Carrying amount	Change in value recognised in the period
Money market unit trust	13 374	16 725	16 725	771
Total financial instruments	**13 374**	**16 725**	**16 725**	**771**

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.

	2023	2022
Total borrowings (note 14)	899 906	847 562
Minus liquid assets and interest-bearing assets	1 021 829	915 348
Net interest-bearing debt	-121 923	-67 786
Total equity	4 619 657	4 427 030
Capital employed	**4 497 734**	**4 359 244**
Gearing ratio	**-3%**	**-2%**

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

	2023	2022
Administrative services	2 586	2 160
Total operating revenue	**2 586**	**2 160**
Revenue by geographic area		
Norway	247	50
Peru	2 250	2 110
Chile	90	0
Total	**2 586**	**2 160**

NOTE 5
Payroll, fees, no. of employees etc.

	2023	2022
Salaries and holiday pay	16 935	15 019
Contract labour	3 920	4 177
National insurance contribution	3 128	2 252
Pension costs	485	508
Other payments	356	154
Total wages and salaries	**24 823**	**22 110**
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 2023 or 2022 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	2023	2022
Statutory audit	2 971	2 186
Other services excl. audit	681	1 501
Other non-audit services	255	135
Total	**3 907**	**3 821**

NOTE 6
Financial income and financial expenses

	2023	2022
Interest income from Group companies	5 862	6 051
Other interest income	41 898	17 268
Recognised dividends and Group contributions	1 128 621	1 198 757
Other financial income	32 815	0
Foreign exchange gains	1 042	883
Total financial income	**1 210 237**	**1 222 959**
Interest expenses from Group companies	7 044	10 931
Other interest expenses	54 255	27 777
Foreign exchange losses	936	115
Other financial expenses	3 620	3 070
Total financial expenses	**65 855**	**41 894**
Net financial items	**1 144 382**	**1 181 065**

NOTE 7
Fixed assets

2022	Office equipment	Total
At 01.01.		
Acquisition cost	2 321	2 321
Accumulated depreciation	-2 315	-2 315
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**

2023	Office equipment	Total
Carrying amount at 01.01.	0	0
Additions	0	0
Disposals	0	0
Depreciation	0	0
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.

2023 - Subsidiaries Company	Voting share	Group	Main business	Gross numbers (100%) Net profit	 Equity	Carrying value
Lerøy Seafood Group ASA	52.69%	x	Farming, Wildcatch, VAP, sales and distribution	210 553	19 896 545	2 783 350
Austevoll Pacific AS	100.00%		Ownership in Austral Group S.A.A.	41 852	238 831	25 336
A-Fish AS	100.00%		Ownership in FoodCorp Chile S.A.	57 234	161 690	660 100
FoodCorp Chile S.A.*	26.39%		Fishery/processing	121 349	1 226 197	58 709
Br. Birkeland Farming AS	55.24%	x	Farming (Atlantic salmon)	104 602	581 816	123 101
Br. Birkeland AS	42.92%	x	Pelagic wild catch operation	5 411	368 551	110 475
Austevoll Eiendom AS	100.00%		Property, plant, offices	-11 095	19 980	56 627
AUSS Shared Service AS	100.00%		Service company	998	2 492	1 010
Total						**3 818 708**

2022 - Subsidiaries Company	Voting share	Group	Main business	Gross numbers (100%) Net profit	 Equity	Carrying value
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	20 967	368 551	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**

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

NOTE 9
Shares in associated companies

2023 Company name	Classification of investment	Gross numbers (100%) Net profit	Gross numbers (100%) Equity	Registered office	Carrying value	Voting share
Pelagia Holding group	Joint venture	783 209	4 145 434	Bergen	748 715	50.00%
Total					**748 715**	

2022 Company name	Classification of investment	Gross numbers (100%) Net profit	Gross numbers (100%) Equity	Registered office	Carrying value	Voting share
Marin IT AS	Associate	4 881	32 709	Storebø	4 003	25.00%
Pelagia Holding group	Joint venture	915 953	3 808 592	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

2023 Company name	Registered office	Number of shares	Owner/voting share	Acquisition cost
Euro-Terminal AS	Bergen	4 897 290	16.18%	25 711
Other shares				25
Total				**25 736**

2022 Company name	Registered office	Number of shares	Owner/voting share	Acquisition cost
Euro-Terminal AS	Bergen	4 897 290	16.18%	25 711
Other shares				25
Total				**25 736**

NOTE 11
Trade receivables

	2023	2022
Trade receivables	309	114
Accounts receivables at 31.12.	**309**	**114**
Age distribution of trade receivables		
0 to 3 months	309	53
Over 6 months	0	61
Total	**309**	**114**
Carrying amounts of trade receivables		
Currency		
NOK	309	114
USD	0	0
Total	**309**	**114**

NOTE 12
Other receivables

Non-current receivables	2023	2022
Intragroup non-current receivables	827	264 431
Other long-term receivables	2 500	0
Total non-current receivables at 31.12.	**3 327**	**264 431**
Impairment of non-current receivables	0	0
Other current receivables		
Prepayments	390	620
Public fees receivable	1 316	1 564
Other current receivables at 31.12.	**1 706**	**2 184**

NOTE 13
Restricted cash deposits

	2023	2022
Restricted deposits related to employee tax deduction	3 398	3 174
Total	**3 398**	**3 174**

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	2023	2022
Liabilities to credit institutions - non-current*	78 250	10 000
Bond loans - non-current*	800 000	0
Other interest-bearing liabilities - non-current	21 656	67 264
Bond loan	0	490 000
Other interest-bearing liabilities - current	0	164 170
Current share of non-current liabilities	0	68 250
Overdraft facility	0	47 878
Total interest-bearing debt	**899 906**	**847 562**
Money market unit trust	16 725	15 954
Liquid assets	497 740	207 743
Cash pool receivables	506 537	265 912
Other interest-bearing assets non current	827	264 431
Other interest-bearing assets current	0	161 308
Total interest-bearing asset	**1 021 829**	**915 348**
Net interest-bearing debt	**-121 923**	**-67 786**
Limit overdraft facility	50 000	50 000
Average interest bond loans	5.94%	3.99%
Interim interest regulations on bond loans		

Repayment profile debt	2024	2025	2026	2027	2028	Subsequent	Total*
Debt to credit institutions	0	10 000	0	0	68 250	0	78 250
Bond loans	0	0	0	0	550 000	250 000	800 000
Other interest-bearing liabilities - non-current	0	0	0	0	0	21 656	21 656
Other interest-bearing liabilities - current	0	0	0	0	0	0	0
Total	**0**	**10 000**	**0**	**0**	**618 250**	**271 656**	**899 906**

** Non-current liabilities are reduced with provision paid with loan rising. The provision is accrued between the term of loans, and is per 31.12.2023 TNOK 7 061*

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 31.12.2023 was 51% and per 31.12.2022 it was 59%.

NOTE 14 cont.
Interest bearing debt

Liabilities secured by mortgage	2023	2022
Current liabilities	0	116 128
Non-current liabilities	68 250	0
Liabilities to credit institutions incl. leasing liab.	**68 250**	**116 128**
Assets provided as security		
Shares in Br. Birkeland AS and Br. Birkeland Farming AS	233 576	233 576
Total assets provided as security	**233 576**	**233 576**

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 31.12.2023.
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	2023	2022
Profit for the year	1 100 834	1 142 335
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)	**5.43**	**5.64**
Earnings per share/diluted earnings per share (NOK)	**5.45**	**5.66**
Proposed dividend per share (NOK)	**4.50**	**5.50**

NOTE 16
Related parties

	Operating revenue		Operating expenses	
Relationship	**2023**	**2022**	**2023**	**2022**
Subsidiaries	2 576	2 160	5 625	4 763
Associates	11	0	0	565
Joint ventures	0	0	0	0
Owners and their related parties	0	0	6 281	6 688
Total	**2 587**	**2 160**	**11 907**	**12 016**

	Trade receivables		Trade payables	
Relationship	**2023**	**2022**	**2023**	**2022**
Subsidiaries	295	114	-916	-644
Associates	14	0	0	0
Joint ventures	0	0	0	0
Owners and their related parties	0	0	-5 082	-6 009
Total	**309**	**114**	**-5 997**	**-6 653**

	Other current receivables		Non-current receivables	
Relationship	**2023**	**2022**	**2023**	**2022**
Subsidiaries	1 330 778	1 307 782	827	264 431
Total	**1 330 778**	**1 307 782**	**827**	**264 431**

	Other current liabilities		Non-current liabilities	
Relationship	**2023**	**2022**	**2023**	**2022**
Subsidiaries	0	164 170	21 656	67 264
Total	**0**	**164 170**	**21 656**	**67 264**

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.

In 2023 the company paid TNOK 5 625 (2022: TNOK 4 763) to subsidiaries mainly for administrative services.

NOTE 17
Other current liabilities

Specification of other current liabilities	**2023**	**2022**
Wages and salaries	1 121	933
Interest payments due	10 811	865
Other current liabilities	11	3
Total other current liabilities	**11 943**	**1 801**

NOTE 18
Tax

	2023	2022
Tax for the year is as follows:		
Change in deferred tax/tax asset	-4 442	2 129
Deferred tax asset not recognised in the SOFP	4 442	-2 129
Change in deferred tax asset, prior years	0	0
Tax	**0**	**0**
Tax reconciliation		
Profit before tax	1 100 835	1 142 335
Tax calculated using the nominal tax rate	242 184	251 314
Other differences - including dividends	-246 626	-248 225
Effect of change in tax rate	0	0
Tax OCI items	0	0
Change in deferred tax asset not recognised in the SOFP	4 442	-2 129
Change in deferred tax asset, prior years	0	-959
Tax expense	**0**	**0**
Effective tax rate	**0%**	**0%**
Change in deferred tax		
Carrying amount at 01.01.	0	0
Change for the year	-4 442	2 129
Other changes	0	0
Reversal change for the year	4 442	-2 129
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
2022						
Carrying amount at 01.01.	0	0	0	0	0	0
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**
2023						
Recognised in the period	-40	0	0	-5 257	854	-4 442
At 31.12. (tax rate 22%)	**-40**	**0**	**0**	**-5 257**	**854**	**-4 442**
Deferred tax asset not recognised in the SOFP	40	0	0	5 257	-854	4 442
At 31.12.	**0**	**0**	**0**	**0**	**0**	**0**

Specification of temporary differences	2023	2022	Changes
Non-current assets	734	915	-181
Shares	24 789	25 237	-448
Liabilities	7 061	2 729	4 332
Loss carried forward	-473 327	-449 431	-23 896
Total temporary differences	**-440 743**	**-420 551**	**-20 192**
Deferred tax asset not recognised in the SOFP	-96 963	-92 521	-4 442

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 21.01.2008 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 29.04.2024. 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, and default or delinquency in payments

NOTE 19 cont.
Accounting principles

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

15.05.2024	Report Q1
29.05.2024	Annual general meeting
21.08.2024	Report Q2
14.11.2024	Report Q3
28.02.2025	Preliminary annual results

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 2023 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, 29.04.2024
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 Dragesund 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 2023, 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 2023, the income statement, statement of comprehensive income, statement of changes in equity and cash flow for the year then ended, and notes to the financial statements, including material accounting policy information.

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 2023, 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 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting 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.

With the exception of preparation of financial statements for three non-significant group subsidiaries for financial years 2020, 2021 and 2022, 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 28 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.

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The Group's business activities are largely unchanged compared to last year. *Measurement of the quantity of biological assets* and V*aluation of biological assets* has the same characteristics and risks as in the prior year and continues to be in our focus. The Norwegian Government enacted a new resource rent tax on aquaculture in 2023. As such, *Resource rent tax on aquaculture* was identified as a new key audit matter this year.

Key Audit Matter	How our audit addressed Key Audit Matter
Measurement of the quantity 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 8 775, of which MNOK 6 030 is historical cost and MNOK 2 745 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 at fair value, biological assets constitute approximately 17% of the Group's total assets on 31 December 2023. We focused on measurement of biological assets (biomass), emphasising live fish held for harvesting purposes, because it constitutes a significant 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 29 Accounting policies and note 7 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 the 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 the number of smolt stocked. To test the accuracy of the number of fish registered in the biomass system, we tested a 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 consumption 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 2023. We found the deviations overall to be limited and in accordance with expectations.

We assessed and found that the disclosures in relevant notes were in accordance with the requirements in the accounting standards.

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. The Group 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 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 29 Accounting policies, note 2 and note 7 to the consolidated financial statements.

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 mathematical 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 and found that the disclosures in the notes appropriately explained the methods for valuation of biological assets, and that the information was in accordance with the requirements in the accounting standards.

Resource rent tax on aquaculture

The introduction of a new, and to some extent, complex taxation model for aquaculture effective from 1 January 2023 resulted in an increased risk of errors in the financial statement. The risk was related to the basis for taxation in an integrated value chain. The regulation requires the tax to be derived based on an estimate of how much of the value creation occurs at sea, as the resource rent tax is a special tax on the value creation that occurs in the sea phase of the production cycle. This means that management, to a greater extent than before, must decompose the value creation from the production process in the phases: before sea, in sea, and post sea. Even though the estimate, as any other estimate, is dependent on the use of a considerable amount of judgement, it differs

We gained an understanding of management's processes related to the calculation and accounting of resource rent tax, including management's processes to estimate value creation in the sea.

We assessed management's selection and application of method, the key assumptions and the data applied by management in preparing the estimate that forms the basis for the resource rent tax. Among other, we assessed the choice of method, assumptions, judgements and underlying data that substantiate management's judgement and choice of assumptions. In addition, we assessed whether key assumptions that the estimate is based on were consistent with each other and with those applied in other accounting estimates, for example those related to the valuation and measurement from other estimates by being a new area of taxation, where the rules have not yet been tested. Consequently, management's judgement is more challenging to substantiate.

See note 26 where management explains how the resource rent tax is derived, and the judgements and estimates this is based on.

of biological assets, or with related assumptions applied in other areas of the Group's business activities.

We tested the mathematical accuracy of the calculated resource rent tax and underlying estimates.

We assessed and found that the note disclosures appropriately explained how the resource rent tax for 2023 was derived, as well as the underlying application of judgement.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable 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 of the Company 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 of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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, actions taken to eliminate threats or safeguards applied.

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 5967007LIEEXZXFFDC03-2023-12-31-en.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, 29 April 2024

PricewaterhouseCoopers AS

Sturle Døsen

State Authorised Public Accountant

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GHG EMISSIONS (SCOPE 1 AND 2)

Climate change has become one of the most pressing challenges today, the evidence on marine ecosystems is increasing. The ocean is the largest carbon sink, absorbing over a quarter of the CO_2 that is put into the atmosphere (1). Yet, global warming may in the long-term lead to increased sea temperatures, ocean acidification and changes in ocean currents and sea levels, which will have consequences for fisheries and aquaculture activities (2).

Regulatory and market-driven trends favouring low-carbon food production create a significant opportunity for seafood companies that can reduce their climate and environmental footprints. Increased consumption of fish can contribute positively to reducing global GHG emissions as the production of fish has a lower GHG impact than other animal protein sources (3). At the same time, we must ensure that our GHG emissions and environmental impact are as low as possible as the Paris agreement will require a transition toward a low-carbon economy.

Our subsidiary companies shall, at a minimum, comply with prevailing environmental regulations, guidelines, and principles. AUSS encourages our subsidiary companies to follow best practice for work on climate and energy related matters. In order to identify concrete measures to reduce the energy consumption and corresponding GHG emissions, AUSS considers it vital to increase insight of our impact and make this information accessible to others.

1. US National Oceanic and Atmospheric Administration https://sos.noaa.gov/datasets/oceanatmosphere-co2-exchange/
2. FAO (2018). Fisheries and Aquaculture Technical Paper No. 627. Rome, FAO
3. Scarborough et al. (2014). Dietary greenhouse gas emissions of meat-eaters, fish-eaters, vegetarians and vegans in the UK. https://link.springer.com/article/10.1007/s10584-014-1169-1

EMISSION METHODOLOGY

AUSS and our subsidiary companies calculates our emissions based on the GHG protocol Corporate Accounting and reporting standard. Climate account statements are consolidated in the same manner as financial statements showing aggregated results for the Group's subsidiary companies.

The consolidation of GHG emissions is based on the operational control approach, meaning emissions from operations over which we have operational control are included in scope 1 and 2.

Operational boundaries

Scope 1

The subsidiary companies account for their use of fossil fuels, refrigerants, electricity and district heating/cooling where they have operational control, including leased assets or equipment falling in under IFRS 16.

Scope 2

Indirect emissions from the use of electricity/heating/cooling consumed at our operational sites, including leased assets falling in under IFRS 16. Emissions are accounted for based on the electricity consumption in each location.

Emission factors

Emissions data for Scope 1 and 2 covers reporting of the following greenhouse gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). The Group has not identified any biogenic CO_2 emissions in Scope 1 in 2023.

Scope 1

Sources for Scope 1 emission factors

- DEFRA (Department for Environmental Food and Rural Affairs, UK Government), 2023
- National Standard Emission Factors (Norwegian Environment Agency), 24th February 2015
- Linde Gas (Industrial gasses) 2023
- A-gas Product information guide, product information summary-refrigeration Library - refrigerants - A-gas product information guide, 2023.

Scope 2

There are two methodologies for calculating Scope 2 emissions: location-based and market-based. Location-based Scope 2 emissions are calculated based on the average emissions factor for the grid region where the organization consumes electricity. Marked-based Scope 2 emissions take into account the specific contractual instruments that an organization has in place to purchase renewable energy certificates or power purchase agreements.

The source for location-based Scope 2 emission factors:

- The International Energy Agency (IEA), 2023
- AIB (2023)
- NVE (2023)

The Group has purchased Guarantees of Origin (GOs) in 2023. Information regarding companies which have purchased GOs as well as the percentage share that covers the consumption is reported in Cemasys (the Group's internal reporting system for GHG emissions accounting).

Regarding market-based emissions – the choice of emission factor using this method is determined by whether the subsidiary company acquires GOs or not. For electricity without the GOs, the emission factor is based on the remaining electricity production after all GOs for renewable energy are sold. This is residual mix, which is normally substantially higher than the location-based factor. If the residual mix is not available, location-based factors are used.

Calculation

AUSS is reporting our GHG emissions as tonnes CO2e. Calculation for Scope 1 and 2 emissions including the conversion factors are done automatically in CEMAsys, licensed from Cemasys.com AS. Our subsidiary companies report directly in the system, adhering to internal control processes established by our subsidiary companies and AUSS. Our Norwegian based companies reports on a monthly basis whereas our companies in South America reports quarterly. The reporting period is 01.01.2023 to 31.12.2023, which will serve as our base year moving forward.

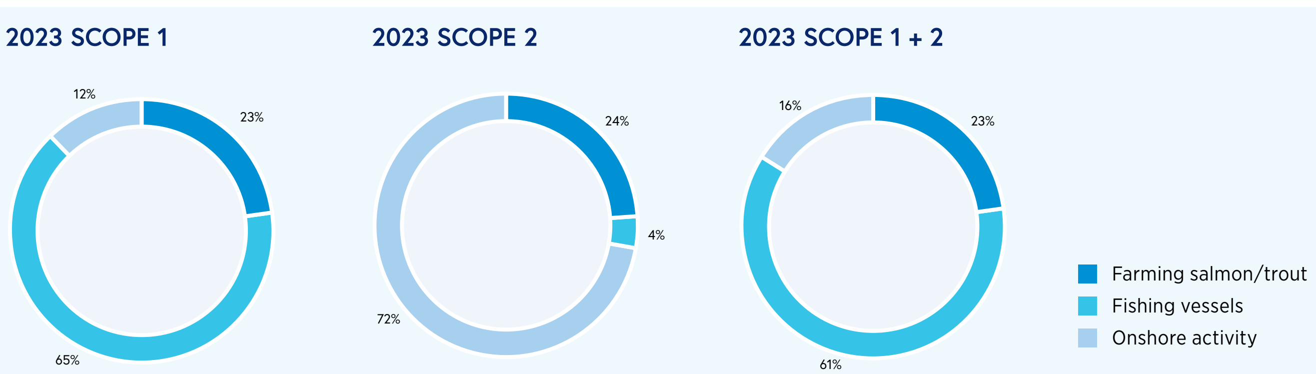
OUR PERFORMANCE

AUSS absolute Scope 1 and 2 emissions were 266 209 tonnes CO_2e in 2023, see table 1. 67% of our emissions stems from Lerøy, and the biggest source of emissions is the use of fossil fuels for our fishing vessels in Scope 1, and primary processing facilities for Scope 2 in Peru and Chile.

TABLE 1 GHG EMISSIONS (SCOPE 1 AND SCOPE 2 LOCATION-BASED)

Company	Scope	2023
Lerøy Seafood Group ASA	Scope 1	168 064
	Scope 2 location based	9 759
	Scope 2 market based	58 233
	Total scope 1 + 2 (location based)	**177 815**
Austral Group S.A.A	Scope 1	46 352
	Scope 2 location based	2 473
	Scope 2 market based	2 473
	Total scope 1 + 2 (location based)	**48 825**
FoodCorp Chile S.A.	Scope 1	17 974
	Scope 2 location based	5 744
	Scope 2 market based	23
	Total scope 1 + 2 (location based)	**23 719**
Br. Birkeland AS	Scope 1	13 110
	Scope 2 location based	19
	Scope 2 market based	506
	Total scope 1 + 2 (location based)	**13 128**
Br. Birkeland Farming AS	Scope 1	2 685
	Scope 2 location based	29
	Scope 2 market based	782
	Total scope 1 + 2 (location based)	**2 714**
Austevoll Seafood Group	**Scope 1**	**248 186**
	Scope 2 location based	**18 023**
	Scope 2 market based	**62 016**
	Total scope 1 + 2 (location based)	**266 209**

2023 SCOPE 1 · 2023 SCOPE 2 · 2023 SCOPE 1 + 2



More information regarding our historical figures and other KPI can be found in our sustainability report.

To the Board of Directors of Austevoll Seafood ASA

Independent Practitioner's Assurance Report regarding Austevoll Seafood ASA's 2023 Scope 1 and Scope 2 emissions

We have undertaken a limited assurance engagement in respect of Austevoll Seafood ASA's (Austevoll Seafood) Scope 1 and Scope 2 (location and market based) emissions for the period 1 January 2023 - 31 December 2023, and the explanatory notes in the Emission Methodology section, as presented in Austevoll Seafood's Annual Report 2023, chapter "GHG Emissions (Scope 1 and 2)" (the Subject Matter).

The applicable criteria against which the Subject Matter has been evaluated is the Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard (2004) (the Criteria), applied as explained in the Emission Methodology section. The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard, is available at https://ghgprotocol.org/corporate-standard

Management's Responsibility

Management is responsible for the preparation of the Subject Matter Information in accordance with the applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Inherent limitations

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions to different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply the International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly, maintain a comprehensive system of quality control including documented policies and

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procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to express a conclusion on the Subject Matter Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3410 revised – «Assurance Engagements on Greenhouse Gas Statements», issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement in accordance with ISAE 3410 involves assessing the suitability in the circumstances of management's use of the Criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement of the Subject Matter Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Through inquiries, obtained an understanding of Austevoll Seafood's control environment and information systems relevant to emissions quantification and reporting, though we did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.

- Assessed whether the conversion factors used to calculate the Scope 1 and Scope 2 emissions are in accordance with the criteria and from sources accepted by the GHG Protocol.

- Performed analytical procedures and inquiries to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to Austevoll Seafood’s operations, and on sample basis tested underlying documentation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the Criteria.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information for the period 1 January 2023 - 31 December 2023 is not prepared, in all material respects, in accordance with the applicable Criteria.

Bergen, 29 April 2024

PricewaterhouseCoopers AS

Hanne Sælemyr Johansen

State Authorised Public Accountant

EU TAXONOMY

AUSS has implemented the EU taxonomy disclosure in accordance with the EU Taxonomy Regulation (2020/852) and the supplementing delegated acts.

AUSS core activities through our subsidiary companies are within fishery, farming, primary and secondary processing of fish. Our activities are not yet covered by the EU taxonomy, which results in relatively low share of taxonomy-eligible and taxonomy-aligned economic activities. Hence, our KPIs might not completely reflect the sustainable performance of our operations, read more about AUSS's ESG performance and ambitions in the sustainability report 2023.

THE EU TAXONOMY PROCESS

Interpretation of regulations and content of the criteria have been an important part of implementing the EU taxonomy in the Group. We assessed all the relevant economic activities in order to build competence and knowledge related to the EU taxonomy reporting, even if the KPI was very small or not significant.

To comply with the EU taxonomy, we have adhered to a systematic process. Initially, all our subsidiary companies conducted screenings of EU taxonomy activities in a step-by-step process:

STEP 1
Mapping eligible activities

Performed per subsidiary company
- Reviewing the company`s value chain
- Identifying turnover (revenue), CapEx, and OpEx per activity
- Ensure coverage of activity in 2023

STEP 2
Determining alignment

Performed per subsidiary company and requires involvement from different department in each company
- Review of technical specification and collecting documentation
- Assessment of substantial contribution to one objective
- Assessment of Do No Significant Harm (DNSH) criteria

STEP 3
Linking activities to financial KPI

Performed per subsidiary company
- Identifying EU taxonomy turnover (revenue), investment (CapEx) and costs (OpEx) per activity identified in step 1 and 2.
- Assessment of items in the accounts to be included in the numerator and denominator for the three KPIs.

Group level
- all identified activities and financial information were aggregate on Group level

STEP 4
Prepare taxonomy report

Qualitative part of the taxonomy report, detailing the underlying assumptions of the analysis and ensuring compliance with the formal requirements outlined in the delegated act on reporting requirements.

TAXONOMY ELIGIBILITY AND TAXONOMY ALIGNED ECONOMIC ACTIVITIES.

AUSS has evaluated alignment with environmental objectives climate change mitigation (CCM), climate change adaption (CCA) and circular economy (CE). We have not found any activities that contribute to multiple objectives simultaneously, thus double counting is not applicable for the reporting year 2023.

Energy sector

Eligible activities in the energy sector are relevant for the fish farming in Norway, and primary and secondary processing in Peru. In Norway the activities are related to upgrading of the grid for better capacity, installation of battery pack in feeding barge and installation of electric heat pumps in different locations. For Peru the activity is related to installation of heat pumps and recovering of residual heat from operation. The eligible activities are: *"Transmission and distribution of electricity (CCM 4.9)", "Storage of electricity (CCM 4.10)", "District heating/cooling distribution (CCM 4.15), "Installation and operation of electric heat pumps (CCM 4.16)"* and *"Production of heat/cool using waste heat (CCM 4.25)".*

"Storage of electricity (CCM 4.10)" and *"installation and operation of electric heat pumps (CCM 4.16)"* are assessed as aligned for our subsidiary in Norway as they meet the technical criteria for the given activities.

CCM 4.9, CCM 4.15 and CCM 4.25 do not meet the criteria for alignment.

Sale of second-hand goods

One eligible activity within the circular economy has been identified: *"Sale of second-hand goods (CE 5.4)".* This activity is related to the sale of a second-use vessel in Peru. Only eligibility has been assessed for the reporting year 2023.

Transport sector

Within the transport sector there are identified 3 eligible activities for our subsidiaries in Norway: *"Transport by motorbikes, passenger cars and light commercial vehicles (CCM 6.5)", "Freight transport services by road (CCM 6.6)"* and *"Sea and coastal freight water transport, vessels for port operations and auxiliary activities (CCM 6.10)".*

Most of the vehicles and trucks use fossil fuel and will therefore not be align, but some of the electric cars for personnel transport are aligned. Our vessels do not meet the technical criteria and is therefore not aligned.

Construction and real estate sector

Several activities have been identified in the sector construction and real estate for most of our subsidiaries. The activities are: *"Construction of new buildings (CCM 7.1)", "Renovation of existing buildings (CCM 7.2)", "Installation, maintenance and repair of energy efficiency equipment (CCM 7.3)", "Installation, maintenance and repair of charging stations for electric vehicles in buildings (CCM 7.4)", "Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (CCM 7.5)", "Installation, maintenance and repair of renewable energy technologies (CCM 7.6)",* and *"Acquisition and ownership of buildings (CCM 7.7)".*

CCM 7.3, CCM 7.4, CCM 7.5 and CCM 7.6 is assessed to be aligned, and are related to installation of led lights, electric chargers for cars and trucks, installation of steam mass meters, and installation of heat pumps and solar panels. The alignment has been evaluated based on documentation from suppliers of equipment.

Information and communication sector

Two activities within the sector information and communication have been identified in Peru: *"Data processing, hosting and related activities (CCM 8.1)"* and *"Data-driven solutions for GHG emissions reduction (CCM 8.2)".* CCM 8.1 is assessed to be aligned and is related to a plant automation project in Peru.

Other sectors

In Peru, two eligible activities for climate change adaptation, along with two activities eligible for the circular economy, have been identified: *"Engineering activities and related technical consultancy dedicated to adaptation to climate change (CCA 9.1)", "Flood risk prevention and protection infrastructure (CCA 14.2)", "Treatment of hazardous waste (CE 2.4)"* and *"Demolition and wreaking of buildings and other structures (CE 3.3)".*

CCA 9.1 is assessed to be aligned and is related to bathymetry study for climate change adaptation.

COMPLIANCE WITH MINIMUM SAFEGUARDS

The minimum safeguards are divided into four different areas: human rights, tax, corruption and bribery and fair competition. As a global holding company, AUSS is committed to respect and protect the rights of stakeholders that may be impacted by our company. AUSS support the United Nations Global Compact, the United Nations Guiding Principles (UNGP) on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, and the core conventions of the International Labor Organization. We are committed to conducting human rights due diligence in line with the Norwegian Transparency Act which build on the OECD and UNGP guidelines.

AUSS activities are carried out in compliance with the minimum safeguard.

Further information on our minimum safeguards and policies can be found at our website: auss.no/investor/governance/policies/

KPIS AND ACCOUNTING POLICIES

The EU taxonomy has three performance indicators (KPIs). This include the turnover KPI, the capital expenditure (CapEx) KPI and the operating expenditure (OpEx) KPI. During the mapping process of eligible activities, if a CapEx or OpEx was deemed relevant to multiple economic activities, a distribution was conducted to prevent any double counting in the allocation of turnover, CapEx, and OpEx KPIs among these activities.

The consolidated accounting policies in AUSS are presented in its entirety in note 29 Accounting policies.

Turnover (revenue)

The turnover gives an overview of the current situation and gives the amount of AUSS`s turnover derived from eligible and aligned activities. Operating income is defined by IAS 1.82(a).

Total turnover consists of total revenue from sale of goods, as defined under IFRS. The Turnover KPI is defined as taxonomy-eligible and taxonomy-aligned turnover divided by total Turnover.

Capital expenditure (CapEx)

CapEx gives the amount of the Group's investments. Total CapEx consists of additions to fixed assets (including financial lease) and intangible assets. Additions resulting from business combinations are also included. This is further described in note 10 Intangible assets, note 11 Fixed assets and note 23 Leases. Goodwill is not included in CapEx as it is not defined as an intangible asset in accordance with IAS 38. The CapEx KPI is defined as taxonomy-eligible and taxonomy-aligned CapEx divided by total CapEx.

Construction of new build and renovation of existing building makes of most of our numerator of the CapEx KPI. Since this is measured against total CapEx in the group, this results in a high percentage of "non-eligible" and a low percentage of "eligible" activities.

Operating expenditure (OpEx)

OpEx gives an overview of the operation. Total OpEx consists of direct non-capitalised costs that relate to research and development, building renovation, short-term lease, maintenance and repair and any other direct expenditures relating to the day-to-day servicing of property, plant and equipment assets.

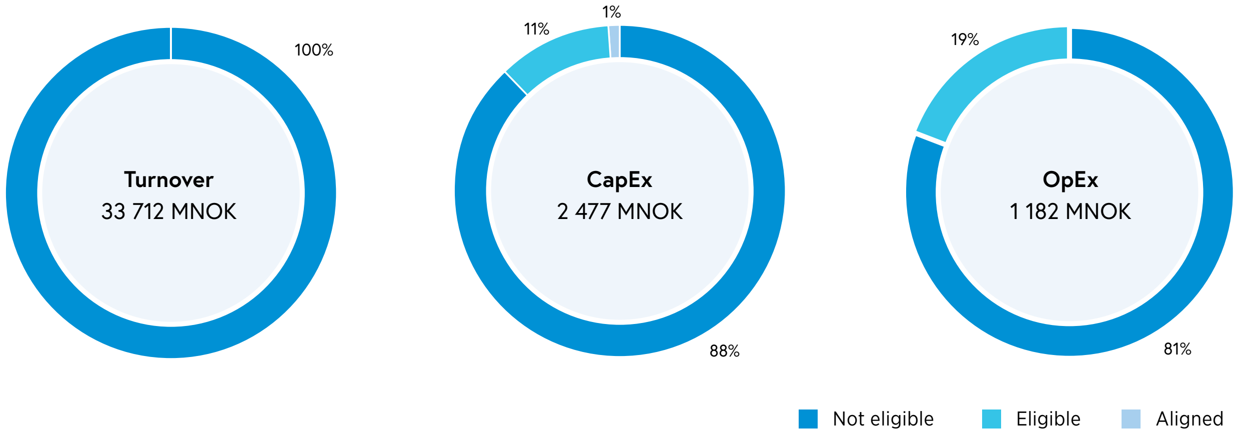
Research and development costs cover projects that do not meet the specific criteria for capitalization as intangible assets.

Short-term leases and leases for low value assets are described in note 23 Leases.

Repair and maintenance cost consist of expenses not qualifying for capitalisation as part of the relevant asset. The costs specially stated in the EU taxonomy are categorized by function. Therefore, these expenses are only partly visible in our financial reporting, as AUSS presents its operating expenses by nature of expenses and not by function. Repair and maintenance activities consist of different cost categories by nature, as payroll expenses in addition to consumables, spare parts, and various services included in other operating costs. The total expense related to these activities has been based on both actual costs from some reporting units, and on estimates from other reporting units. This means that the total cost reported is not necessarily fully consistent.

The OpEx KPIs are defined as taxonomy-eligible and taxonomy-aligned OpEx divided by total OpEx.

Short-term hire of well boats makes up the majority of our nominators.



NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Disclosure requirement for AUSS's exposure to nuclear and fossil gas related activities is given in the table below.

Row	NUCLEAR ENERGY RELATED ACTIVITIES	Yes/No
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	FOSSIL GAS RELATED ACTIVITIES	No
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

KPI TURNOVER

FINANCIAL YEAR	2023			SUBSTANTIAL CONTRIBUTION CRITERIA					
Economic activities	**Codes**	**Turnover**	**Proportion of Turnover, year 2023**	**Climate mitigation**	**Climate adaptation**	**Water**	**Circular economy**	**Pollution prevention**	**Biodiversity**
		MNOK	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.00%**						
Of which Enabling		0	0.00%						
Of which Transitional		0	0.00%						
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Sale of second-hand goods	CE 5.4	20	0.06%						
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		20	0.06%						
A. Turnover of Taxonomy eligible activities (A.1 + A.2)		20	0.06%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities (B)		33 692	99.94%						
TOTAL (A + B)		**33 712**	**100.00%**						

DNSH CRITERIA									
Climate mitigation	**Climate adaptation**	**Water**	**Circular economy**	**Pollution prevention**	**Biodiversity**	**Minimum safeguards**	**Proportion of Taxonomy aligned (A.1) or eligible (A.2) Turnover, year N-1**	**Category enabling activity**	**Category transitional activity**
Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	%	E	T

KPI CAPEX

FINANCIAL YEAR	2023			SUBSTANTIAL CONTRIBUTION CRITERIA					
Economic activities	**Codes**	**CapEx**	**Proportion of CapEx, year 2023**	**Climate mitigation**	**Climate adaptation**	**Water**	**Circular economy**	**Pollution prevention**	**Biodiversity**
		MNOK	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Storage of electricity	CCM 4.10	2	0.09%	Y	N	N/EL	N/EL	N/EL	N/EL
Installation and operation of electric heat pump	CCM 4.16	4	0.14%	Y	N	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passsenger cars and light commercial vehicles	CCM 6.5	2	0.08%	Y	N	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	7	0.26%	Y	N	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0	0.01%	Y	N	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0	0.00%	Y	N	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	5	0.21%	Y	N	N/EL	N/EL	N/EL	N/EL
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**20**	**0.79%**						
Of which Enabling		**14**	**0.57%**						
Of which Transitional		**2**	**0.08%**						
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Treatment of hazardous waste	CE 2.4	1	0.05%						
Transmission and distribution of electricity	CCM 4.9	0	0.01%						
District heating/cooling distribution	CCM 4.15	3	0.10%						
Installation and operation of electric heat pump	CCM 4.16	2	0.09%						
Transport by motorbikes, passsenger cars and light commercial vehicles	CCM 6.5	1	0.04%						
Freight transport services by road	CCM 6.6	3	0.13%						
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	25	1.01%						
Construction of new buildings	CCM 7.1	97	3.92%						
Renovation of existing buildings	CCM 7.2	120	4.86%						
Acquisition and ownership of buildings	CCM 7.7	5	0.19%						
Data driven solution for GHG emission reduction	CCM 8.2	0	0.00%						
Flood risk prevention and protection infrastructure	CCA 14.2	4	0.16%						
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**262**	**10.56%**						
A. CapEx of Taxonomy eligible activities (A.1 + A.2)		**281**	**11.35%**						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy-non-eligible activities (B)		**2 176**	**87.86%**						
TOTAL (A + B)		**2 477**	**100.00%**						

DNSH CRITERIA									
Climate mitigation	**Climate adaptation**	**Water**	**Circular economy**	**Pollution prevention**	**Biodiversity**	**Minimum safeguards**	**Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year N-1**	**Category enabling activity**	**Category transitional activity**
Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	%	E	T
	Y	Y	Y	Y	Y	Y	0	E	
	Y	Y	Y	Y	Y	Y	0		
	Y	Y	Y	Y	Y	Y	0		T
	Y	Y	Y	Y	Y	Y	0	E	
	Y	Y	Y	Y	Y	Y	0	E	
	Y	Y	Y	Y	Y	Y	0	E	
	Y	Y	Y	Y	Y	Y	0	E	

KPI OPEX

FINANCIAL YEAR N	2023			SUBSTANTIAL CONTRIBUTION CRITERIA					
Economic activities	Codes	OpEx	Proportion of OpEx, year 2023	Climate mitigation	Climate adaptation	Water	Circular economy	Pollution prevention	Biodiversity
		MNOK	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Installation and operation of electric heat pump	CCM 4.16	0	0.02%	Y	N	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0	0.01%	Y	N	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	CCM 8.1	1	0.06%	Y	N	N/EL	N/EL	N/EL	N/EL
Engineering activities and related technical consultancy dedicated to adaptation to climate change	CCA 9.1	0	0.02%	N	Y	N/EL	N/EL	N/EL	N/EL
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1	0.11%						
Of which Enabling		**0**	**0.02%**						
Of which Transitional		**1**	**0.06%**						
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Demolition and wrecking of buildings and other structures	CE 3.3	1	0.05%						
District heating/cooling distribution	CCM 4.15	0	0.01%						
Production of heat/cool using waste heat	CCM 4.25	0	0.02%						
Transport by motorbikes, passsenger cars and light commercial vehicles	CCM 6.5	5	0.38%						
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	211	17.88%						
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	4	0.36%						
Data driven solution for GHG emission reduction	CCA 8.2	0	0.02%						
Flood risk prevention and protection infrastructure	CCA 14.2	0	0.02%						
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		221	18.74%						
A. OpEx of Taxonomy eligible activities (A.1 + A.2)		223	18.85%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of Taxonomy-non-eligible activities (B)		958	81.04%						
TOTAL (A + B)		**1 182**	**100.00%**						

DNSH CRITERIA									
Climate mitigation	**Climate adaptation**	**Water**	**Circular economy**	**Pollution prevention**	**Biodiversity**	**Minimum safeguards**	**Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year N-1**	**Category enabling activity**	**Category transitional activity**
Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	%	E	T
	Y	Y	Y	Y	Y	Y	0		
	Y	Y	Y	Y	Y	Y	0	E	
	Y	Y	Y	Y	Y	Y	0		T
	Y	Y	Y	Y	Y	Y	0	E	

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