



Austevoll Seafood ASA

Financial report Q1 2022



Austevoll Seafood ASA

**Alfabygget
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NORWAY**

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Index

4	Key figures for Q1 2022
6	Profit/loss Q1 2022
6	Operational review of segments for Q1 2022
10	Joint venture
11	Cash flows for Q1 2022
11	Statement of financial position at 31 March 2022
11	Other issues
12	Shareholder information
13	Austevoll Seafood ASA's focus areas for sustainability
13	Market and outlook
16	Income statement
16	Condensed statement of comprehensive income
17	Statement of financial position
18	Condensed statement of changes in equity
18	Cash flow statement
19	Note 1 Accounting policies
19	Note 2 Related party transactions
19	Note 3 Biological assets
22	Note 4 Segments
23	Note 5 Associates
23	Note 6 List of the 20 largest shareholders
24	Note 7 Alternative performance measures
25	Note 8 Right-of-use assets

FINANCIAL REPORT Q1 2022

- Positive profit performance in Q1 2022
- Strong development in prices generates increased profit for Atlantic salmon and trout segment
 - » Lower harvest volume for Atlantic salmon and trout when compared with Q1 2021
- Seasonally high level of activity within pelagic segment in the North Atlantic and Chile
- Seasonally low level of activity within pelagic segment in Peru
 - » The quota for the second season in 2021 had mostly been caught by the end of 2021
- The Board of Directors has proposed to the annual general meeting a dividend payment of NOK 4.50 per share for 2021, compared with NOK 3.50 per share for 2020

KEY FIGURES FOR Q1 2022

All figures in NOK 1,000	Q1 2022	Q1 2021	2021
Operating revenue	6 564 786	5 952 815	26 633 441
EBITDA*	1 444 125	1 094 987	4 810 014
EBITDA %	22%	18%	18%
EBIT*	1 002 320	706 348	3 217 603
Pre tax profit before biomass adj.*	1 043 618	682 393	3 255 095
Pre tax profit	1 366 143	1 100 843	4 375 529
Earnings per share (EPS) *	1,85	1,47	7,53
Earnings per share (EPS)	2,55	2,34	9,82
Proposed dividend per share			4,50
Total assets	45 158 632	40 826 786	43 780 675
Equity	26 264 506	23 779 340	25 186 977
Equity ratio	58%	58%	58%
NIBD ex. right-of-use assets liabilities **	4 233 045	3 954 692	3 969 416
NIBD incl. right-of-use assets liabilities to tother than credit institurions **	6 194 685	5 658 242	5 628 813

* Before fair value adjustments of biological assets

** NIBD = Net interest bearing debt

AUSTEVOLL SEAFOOD ASA

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

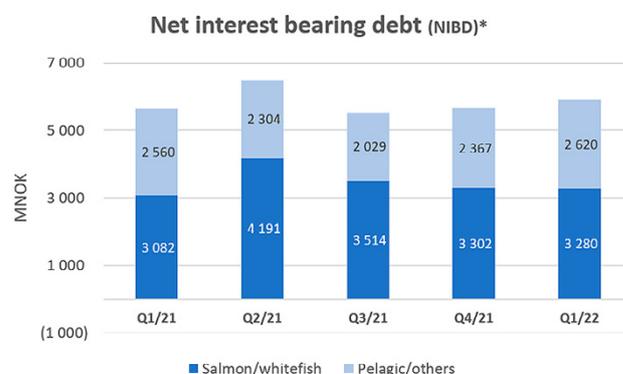
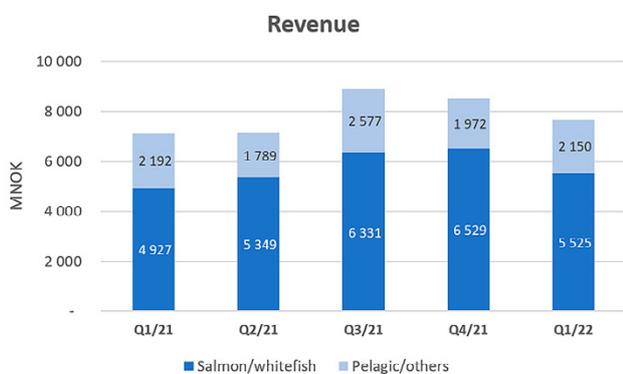
"Passionate owner of globally leading seafood companies"

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

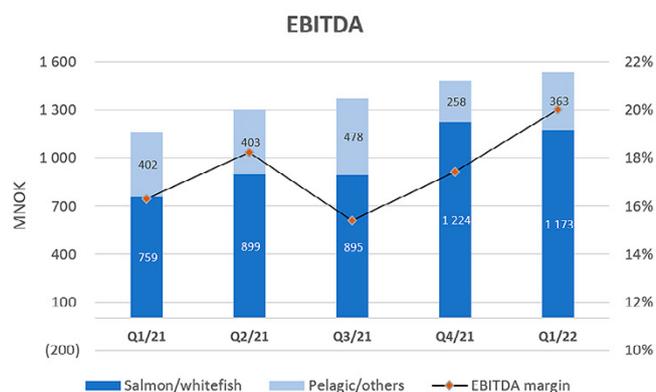
The company's values – Look to the Future, Act with Integrity, Enhance Knowledge and Strive for Excellence – shall lay the foundations for the company's ownership and be reflected in the activities of the company's portfolio companies.

DEVELOPMENTS OVER THE PAST FOUR QUARTERS

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



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



* before adjustment for fair value related to biological assets

EBITDA before adjustment for fair value related to biological assets

FINANCIAL REVIEW

PROFIT/LOSS Q1 2022

Group operating revenue in Q1 2022 totalled NOK 6,565 million, compared with NOK 5,953 million in Q1 2021.

Group EBITDA in Q1 2022 totalled NOK 1,444 million, compared with NOK 1,095 million in Q1 2021.

The first quarter saw a strong development in seafood prices, including salmon and trout. This boosted earnings from this segment and is the main factor behind the significantly higher earnings in the quarter when compared with the same quarter of 2021.

EBIT before fair value adjustment related to biological assets was NOK 1,002 million in Q1 2022, compared with NOK 706 million in Q1 2021.

Fair value adjustment related to biological assets in Q1 2022 was positive and totalled NOK 252 million. The corresponding figure in Q1 2021 was NOK 400 million.

EBIT after fair value adjustment related to biological assets in Q1 2022 was NOK 1,254 million, compared with NOK 1,106 million in Q1 2021.

The largest associates are Norskott Havbruk AS and Pelagia Holding AS. Income from associates in Q1 2022 totalled NOK 129 million (Q1 2021: NOK 75 million). The increase in income from associates is partly attributed to a positive fair value adjustment related to biological assets amounting to NOK 71 million in the quarter. The corresponding fair value adjustment in Q1 2021 was NOK 19 million. The Group's associates have generated good results over time, are significant enterprises in their segments and represent substantial values for Austevoll Seafood ASA. Please refer to note 5 for more detailed information on associates.

The Group's net interest expense in Q1 2022 totalled NOK 70 million (Q1 2021: NOK 74 million). Net other financial items in the quarter were positive at NOK 53 million, compared with NOK -6 million in Q1 2021.

Profit before tax and fair value adjustment related to biological assets for Q1 2022 amounted to NOK 1,044 million, compared with NOK 682 million in Q1 2021.

The Group reported profit before tax in the quarter of NOK

1,366 million (Q1 2021: profit of NOK 1,101 million). The profit figure after tax was NOK 1,053 million (Q1 2021: NOK 852 million).

OPERATIONAL REVIEW OF SEGMENTS FOR Q1 2022

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

Lerøy Seafood Group ASA (LSG)

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

Key figures for the quarter:

(MNOK)	Q1 2022	Q1 2021	2021
Revenue	5 525	4 927	23 136
EBITDA*	1 173	759	3 778
EBIT*	852	455	2 519
Harvested volume (GWT)	32 057	42 150	186 635
EBIT/kg* ex. Wild Catch (NOK)	20,0	7,4	11,7
Havfisk catch volume (MT)	25 116	25 721	71 521
EBIT Wild Catch (MNOK)	236	185	340

* Before fair value adjustments related to biological assets

Seafood prices have seen a strong development in Q1 2022. This has generated a significant boost in earnings for farming and whitefish catches, but has presented major challenges for LSG's downstream operations.

In Q1 2022, LSG reported revenue of NOK 5,525 million (Q1 2021: NOK 4,927 million) and EBITDA before fair value adjustment related to biological assets of NOK 1,173 million (Q1 2021: NOK 759 million).

LSG's harvest volume for salmon and trout, gutted weight, was 32,057 tonnes in Q1 2022, compared with 42,150 tonnes in Q1 2021.

Over the past two years, demand for Norwegian salmon and trout and trading patterns have been significantly impacted by restrictions relating to COVID-19. The fourth quarter of 2021 saw a very positive development. The good development in demand continues in 2022, which, in combination with a substantial reduction in harvest volume in Q1 2022 compared with Q4 2021, has resulted in an extreme development in prices. The development in spot price is probably also impacted by the low volume available on the spot market.

The average price for salmon in Q1 2022, measured according to NSI (sales price FCA Oslo), was NOK 79.70/kg, compared with NOK 59.70/kg in Q4 2021 and NOK 52.10/kg in Q1 2021. This represents a price increase of NOK 20/kg on Q4 2021 and NOK 28/kg on Q1 2021. The volume of salmon exported from Norway was 3% lower in Q1 2022 than in Q1 2021. These figures are evidence of a strong market. Trout prices have not shown the same development as salmon prices, but are also significantly higher when compared with prices in Q1 2021. For Lerøy Sjøtroll, 27% of the harvest volume in Q1 2022 was trout.

LSG's prices realised in the quarter are considerably lower than the spot prices. Due to a low harvest volume in the quarter, LSG's contract share for salmon sales was 43%. Prices realised for contracts are somewhat higher than in Q1 2021.

Prices realised have also been slightly impacted by downgrades. In recent years, Lerøy Aurora has had to make significant quality downgrades due to winter ulcers. This problem has seen a significant improvement in 2022, with a much lower volume of downgraded fish for LSG than in the same quarter of last year. LSG's contract share will remain at the same level in the second quarter of 2022.

LSG's release from stock costs for Q1 2022 were higher than in Q4 2021 and Q1 2021.

LSG continues to make improvements to value chain operations but, as described in the Q4 2021 report, expected increased prices for key input factors to have a negative impact on costs. This cost inflation persists in 2022 and will continue to negatively affect costs. In comparison with Q1 2021, feed costs per kilo harvest weight are approx. NOK 2/kg higher, with costs for the quarter also affected by a low harvest volume and low industrial capacity utilisation.

For Lerøy Aurora, the costs relating to winter ulcers have seen a clear reduction. All other factors equal, this results in lower release from stock costs. Despite the increased prices for input factors and a very low harvest volume, the release from stock costs for Q1 2022 are marginally lower than those reported in Q1 2021. At the time of writing, the harvest volume for Q2 2022 is expected to be on a level with the figure reported in Q1 2022. Lerøy Aurora estimates a harvest volume in the region of 40,000 GWT in 2022.

Lerøy Midt saw a positive development, with lower release from stock costs in Q4 2021. This development has been sustained in Q1 2022, but the low harvest volume has resulted in higher industrial costs. In total, the costs are therefore marginally higher than in Q4 2021. At the time of writing, inflation is expected to result in a gradual increase in costs through 2022. The company estimates a harvest volume in the region of 71,000 GWT in 2022.

Lerøy Sjøtroll reported higher release from stock costs in Q1 2022, when compared with Q1 2021. The key elements behind this increase are higher feed costs, well boat costs and harvest costs. Inflation will result in cost increases in the next few quarters, but current expectations are that operational improvements will provide significant potential for an increase in cost efficiency from the level in Q1 2022. Lerøy Sjøtroll estimates a harvest volume in the region of 74,000 GWT in 2022.

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

Lerøy Havfisk had 10 trawlers in operation in Q1 2022. The catch volume in Q1 2022 totalled 25,116 tonnes, compared with 25,721 tonnes in Q1 2021. The company has prioritised haddock catches. Remaining quotas at the end of the first quarter are slightly lower than at the same time last year. Prices that have been negatively impacted by COVID-19 restrictions over the past two years improved significantly in Q1 2022. Prices for cod were up around 46% on Q1 2021, while prices for haddock and saithe increased by 24% and 37% respectively. This development in prices is a clear indication

of strong demand for seafood products, although the level of volatility is also challenging and evidence of the complexity of the Group's daily operations.

Significantly higher prices realised for the main species are the drivers behind the increase in catch value from Q1 2021 to Q1 2022. Profitability has been negatively impacted by higher costs, including increased costs for crew and bunkering. When compared with Q1 2021, total fuel consumption remained the same, but fuel prices were around 50% higher. As a result, bunker costs were up by NOK 27 million from Q1 2021 to Q1 2022.

LNWS's primary business is processing wild-caught whitefish. The company has use of 12 processing and purchasing stations in Norway, five of which are leased from Lerøy Havfisk. The Group's focus on improving the competitiveness of the whitefish industry is a long-term project and continues undiminished, with earnings improving significantly in 2021. However, as mentioned in the Group's report for Q4 2021, the price level for raw materials at the start of 2022 would present an increased challenge for the onshore industry. Throughout the first quarter of 2022, the prices for end products have not shown the same development as the prices for raw materials. This results in significant pressure on the margins for the onshore industry. The Group expects it to take time before the higher raw material prices will be fully reflected in the prices for end products.

Total earnings for Lerøy Havfisk/LNWS are showing a very positive development, and the segment reported EBIT of NOK 236 million in Q1 2022, compared with NOK 185 million in the same period of 2021.

Investigations by competition authorities in the EU and USA

On 20 February 2019, the EU competition authorities ("the EU Commission") started an investigation into suspected anticompetitive practices in the salmon market. The US Department of Justice (DOJ) opened an investigation into the Norwegian salmon industry in November 2019. Lerøy Seafood Group ASA is one of the companies cited in these cases. In the wake of the EU Commission's ongoing investigations, several Norwegian-owned aquaculture companies, including the Lerøy Seafood Group, have been sued by customers in the USA and Canada. Please refer to the Group's latest annual report for more information.

For further information, please refer to LSG's report and presentation for Q1 2022.

Austral Group S.A.A. (Peru)

Austral Group S.A.A.'s (Austral) integrated value chain comprises fisheries, production of fishmeal and oil, and production of consumer products. Austral has fishing rights that correspond to 6.98% of the total quota for anchoveta fisheries in Central/North Peru, and just under 4% of the quota in South Peru. In addition, the company has fishing rights for horse mackerel and mackerel. Anchoveta is used to produce fishmeal and oil, while horse mackerel/mackerel is used for consumer products. In addition to raw materials from own catches, the company also purchases raw materials (anchoveta) from the coastal fleet for use in its production of fishmeal and oil. Fishmeal and fish oil are produced in four factories, located in Coishco, Chancay, Pisco and Ilo. The company also produces consumer products in facilities that share premises with the fishmeal and fish oil factories in Coishco and Pisco.

The main fishing seasons for anchoveta in Central/North Peru are from April to July (first season) and November to January (second season).

Key figures for the quarter:

(MNOK)	Q1 2022	Q1 2021	2021
Revenue	653	700	2 017
EBITDA	131	225	673
EBIT	85	182	506
Raw material (MT):	36 574	89 957	569 340
Sales volumes:			
Fishmeal (MT)	32 762	36 906	109 456
Fish oil (MT)	3 080	8 748	18 973
Frozen/fresh JM/M(MT)	10 314	9 233	13 639

The company experienced a seasonally low level of activity in Q1 2022. The company had caught 100% of its quota in Central/North Peru for the second season of 2021 by the end of the year. At the end of the corresponding season in 2020, the company had a residual quota of 41,400 tonnes, which was caught in January 2021, hence the year-on-year fall in catch volume. The company's factory in South Peru (Ilo) received

just over 25,000 tonnes of raw materials (anchoveta) in the quarter, down from just over 30,000 tonnes in Q1 2021. The company's own vessels caught 9,000 tonnes of horse mackerel/mackerel, compared with 12,600 tonnes in Q1 2021.

Operating revenue in Q1 2022 totalled NOK 653 million (Q1 2021: NOK 700 million) and EBITDA was NOK 131 million (Q1 2021: NOK 225 million).

Sales volumes for fishmeal and fish oil in the first quarter totalled 35,800 tonnes, down from 45,600 tonnes in the same quarter of 2021. Prices realised for fishmeal and fish oil in Q1 2022 were up 12% and 57% respectively on Q1 2021. The company had a fishmeal and fish oil inventory of 18,600 tonnes at the end of Q1 2022, compared with 12,200 tonnes at the end of Q1 2021.

As normal, the company carried out vessel and factory maintenance during the quarter, in preparation for the first fishing season of 2022. The first fishing season started on 4 May 2022, with so-called experimental fishing for a period of 15 days, continuing with ordinary fishing from 19 May. The total quota for the first season in 2022 was set at 2.79 million tonnes, up from the same season in 2021 when the quota was 2.5 million tonnes.

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

Foodcorp Chile S.A. (Chile)

FoodCorp Chile S.A. (FC) has an integrated value chain comprising fisheries, production of consumer products and production of fishmeal and oil. FC's fishing rights correspond to 8.6% of the horse mackerel quota established for the fleet to which FC's vessels belong. FC also has a quota for sardine/anchoveta. In addition to its own quota, the company also purchases raw materials (anchoveta/sardines) from the coastal fleet for use in its production of fishmeal and oil. 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 lasts until the end of December.

All FC's onshore industrial activities share the same premises in the coastal town of Coronel.

Key figures for the quarter:

(MNOK)	Q1 2022	Q1 2021	2021
Revenue	189	157	716
EBITDA	84	66	192
EBIT	41	58	150
Raw material (MT):	51 072	52 966	104 856
Sales volumes:			
Fishmeal (MT)	1 716	2 541	12 117
Fish oil (MT)	664	832	3 967
Frozen (MT)	15 046	10 590	45 597

The total horse mackerel quota was increased by 15% for 2022, a continuation of the same annual growth seen over the past three years. The company's own quota for 2022 totals 46,000 tonnes, up from 40,000 tonnes in 2021. The company has purchased an additional catch volume of 28,500 tonnes from third parties, which is caught by FC's own vessels. The volume purchased from third parties in 2021 was 31,800 tonnes. The total quota for 2022 is currently 74,500 tonnes, up from 71,800 tonnes in 2021.

The company caught 34,500 tonnes of horse mackerel in Q1 2022, up from 31,800 tonnes in Q1 2021. The company also purchased 16,400 tonnes of anchoveta/sardines from the coastal fleet, down from 19,900 tonnes purchased in the same period in 2021.

In Q1 2022, operating revenue was NOK 189 million (Q1 2021: NOK 157 million) and EBITDA was NOK 84 million (Q1 2021: NOK 66 million).

Sales of frozen products totalled 15,000 tonnes in Q1 2022, up from 10,600 tonnes in the same quarter of 2021. Prices realised in Q1 2022 have been higher than in Q1 2021. The company had an inventory of 14,100 tonnes of frozen products at the end of Q1 2022, compared with 8,800 tonnes at the end of Q1 2021. The company has faced and continues to face challenges related to logistics, including limited access to containers.

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

Br. Birkeland AS (BRBI) was demerged at the end of 2017, such that the farming operations were transferred to the new company Br. Birkeland Farming AS (BFARM), while fishery operations remained in Br. Birkeland AS. At the end of March 2022, AUSS owned 55.2% of the shares in Br. Birkeland Farming AS and 42.9% of the shares in Br. Birkeland AS.

Key figures for BRBI for the quarter:

(MNOK)	Q1 2022	Q1 2021	2021
Revenue	68	71	306
EBITDA	11	28	111
EBIT	-1	18	70

BRBI has had four vessels operating in the quarter. The snow crab vessel purchased in September 2021 has been undergoing conversion and only started operating in the middle of February. Earnings in the quarter have been impacted by start-up costs for this vessel, and difficult conditions with ice have also resulted in slightly lower catch rates than expected. Snow crab catches from the first quarter are not sold until the second quarter.

The two pelagic fishing vessels have caught spring-spawning herring, capelin and blue whiting in the quarter. In 2022, a recommendation has been made to allow capelin fishing in the Barents Sea, where it has been banned since 2018.

Fuel costs saw a significant increase in the quarter. This has impacted earnings, and will continue to do so in the coming quarters.

In Q1 2022, the BRBI segment reported operating revenue of NOK 68 million (Q1 2021: NOK 71 million). EBITDA amounted to NOK 11 million (Q1 2021: NOK 28 million).

Key figures for BFARM for the quarter:

(MNOK)	Q1 2022	Q1 2021	2021
Revenue	121	87	432
EBITDA*	52	16	52
EBIT*	35	-2	-12
Harvested volume (GWT)	1 548	1 831	8 151
EBIT/kg* all incl. (NOK)	22,6	-1,0	-1,5

* Before fair value adjustments related to biological assets

The company's harvest volume was 1,548 tonnes in Q1 2022, down from 1,831 tonnes in Q1 2021. The company sells all its salmon to independent export companies on the spot market. The average price for salmon in Q1 2022, measured according to NSI (sales price FCA Oslo), was up NOK 20/kg on Q4 2021 and up NOK 28/kg on Q1 2021. This strong price development in the first quarter is the main factor behind the substantial growth in earnings when compared with Q1 2021.

In Q1 2022, the BFARM segment reported operating revenue of NOK 121 million (Q1 2021: NOK 87 million). EBITDA before fair value adjustment related to biological assets in Q1 2022 was NOK 52 million (Q1 2021: NOK 16 million).

Cost-push inflation on key input factors has continued in 2022 and will affect the company's production costs in the period ahead.

JOINT VENTURE

Pelagia Holding AS (Pelagia)

In the consolidated financial statements, Pelagia Holding AS (Pelagia) is defined as a joint venture and accounted for by the equity method. In note 4 Segments, Pelagia is consolidated using the so-called "proportionate consolidation method", in accordance with AUSS's 50% shareholding.

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

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

Key figures for the quarter:

(MNOK)	Q1 2022	Q1 2021	2021
Revenue	2 219	2 332	10 002
EBITDA	184	133	1 018
EBIT	99	73	727
Net interest bearing debt	3 333	3 373	3 303

The 2021 figures includes a gain from one-off effect of MNOK 139

The volume of raw materials received for consumer products in the quarter was 122,500 tonnes, compared with 128,200 tonnes in Q1 2021. Most of the raw material received has been spring-spawning herring, but the company has also received mackerel and capelin. Total receipt of raw materials in Pelagia for fishmeal/FPC and fish oil production was 255,700 tonnes in Q1 2022, compared with 227,000 tonnes in Q1 2021. Most of this raw material has been cuttings from the consumer industry, in addition to capelin and blue whiting.

Revenue for Pelagia in the quarter was NOK 2,219 million (Q1 2021: NOK 2,332 million) and EBITDA was NOK 184 million (Q1 2021: NOK 133 million).

The sales volume for frozen products in the quarter was 84,400 tonnes, down from 94,900 tonnes in the same quarter in 2021. Sales of fishmeal/FPC and fish oil in the quarter totalled 59,000 tonnes, up from 45,600 tonnes in Q1 2021.

The company has operations in Ukraine via the company Pelagia Ukraina LLC. In 2021, sales to Ukraine totalled NOK 85 million, less than 1% of the company's revenue for the year. At the end of the quarter, the company had not recorded any significant loss due to the ongoing war in Ukraine.

CASH FLOWS FOR Q1 2022

Cash flow from operating activities for Q1 2022 was NOK 296 million (Q1 2021: NOK 1,134 million). Cash flow from operating activities was affected by tied-up working capital in several of the Group's segments, partly due to higher feed costs. Cash flow from investing activities in Q1 2022 was NOK -392 million, compared with NOK -258 million in Q1 2021. Cash flow from financing activities for Q1 2022 was NOK -408 million (Q1 2021: NOK -566 million).

The Group's cash and cash equivalents are significant and totalled NOK 4,822 million at the end of Q1 2022, compared with NOK 4,772 million at the end of Q1 2021.

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2022

The Group's statement of financial position at 31 March 2022 showed a total of NOK 45,159 million, compared with NOK 40,827 million at 31 March 2021. The Group's inventory increased by NOK 2,000 million. Some Group companies

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

The Group is financially sound with book equity at 31 March 2022 of NOK 26,265 million, equivalent to an equity ratio of 58%. At 31 March 2021, the book equity for the Group was NOK 23,779 million, also equivalent to an equity ratio of 58%.

At 31 March 2022, the Group had net interest-bearing debt excluding right-of-use liabilities other than to credit institutions totalling NOK 4,233 million, compared with NOK 3,955 million at 31 March 2021. The Group's net interest-bearing debt including right-of-use liabilities other than to credit institutions was NOK 6,195 million at 31 March 2022, compared with NOK 5,658 million at 31 March 2021.

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

At 31 March 2022, the parent company Austevoll Seafood ASA had cash and cash equivalents of NOK 370 million and net interest-bearing debt of NOK 202 million. The parent company has a long-term credit facility of NOK 600 million, of which NOK 590 million remained unutilised at 31 March 2022.

OTHER ISSUES

Risks and uncertainties

The Group's risk exposure is described in the Annual Report 2021. 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 turmoil in the global economy in recent years, including trade barriers and geopolitical risk, the general consensus is that macroeconomic uncertainty is still greater than what was previously considered normal.

The Group's risk profile covers pandemics, of which the COVID-19 outbreak is an example. As a result of the outbreak, national and global authorities introduced extensive restrictions in an attempt to prevent uncontrolled spread of the infection. COVID-19 impacted

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

In February 2022, the world bore witness to Russia's invasion of Ukraine. The invasion is causing unimaginable human suffering for those directly involved in the conflict. The conflict we are now experiencing in Europe is also impacting financial markets, exchange rates, supply chains, and the supply and price of input factors.

The Group's results will continue to be affected by developments in the relationship between supply and demand in the future.

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

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

At the end of Q1 2022, the Group had live fish on its statement of financial position worth NOK 6.8 billion. Biological risk has been and will remain a substantial risk factor in the Group's operations. Assessing and managing biological risk must therefore be a part of the Group's core expertise.

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

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

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

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

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

The majority of the Group's debt is at floating interest rates, but fixed-rate contracts have been entered into for approx. 21% of the Group's interest-bearing debt.

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

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

SHAREHOLDER INFORMATION

The company had 8,278 shareholders at the end of Q1 2022. The number of shareholders at the start of Q1 2022 was 8,277.

The share price was NOK 106.40 at the start of Q1 2022 and NOK 136.70 at the end of the quarter.

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

The Board of Directors has recommended a dividend payment of NOK 4.50 per share for 2021 to the company's annual general meeting, which will be held on 24 May 2022. If this dividend is adopted by the annual general meeting, it will be paid on 9 June 2022. The dividend for financial year 2020 paid on 9 June 2021 was NOK 3.50 per share.

AUSTEVOLL SEAFOOD ASA'S FOCUS AREAS FOR SUSTAINABILITY

Since it was established in 1981, Austevoll Seafood ASA (AUSS) has remained loyal to its strategic foundations of "creating lasting values through sustainable, expert use of freshwater resources and the ocean, in thriving communities". The entire value chain in the Group's portfolio companies has its "origins" in sustainable use of the sea, and the Group's growth has been and shall continue to be sustainable both financially and in terms of the climate/environment. Sustainable growth places stringent requirements on the Group within finance, corporate governance, climate and the environment as well as social conditions. Sustainability is a prerequisite for gaining access to capital and is vital to the Group's existence and continued development. We are therefore proud to confirm that the Group's food production is globally competitive, according to the UN's sustainability criteria. Social sustainability is important for maintaining viable local communities and access to the Group's most important resource: the people who make up the organisations. For more detailed information, please read the company's sustainability report for 2021 on the website https://auss.no/media/1428/auss-esg-2021_f.pdf.

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

<https://www.leroyseafood.com/en/sustainability/sustainability-library-2021/>

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

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

MARKET AND OUTLOOK

Production, sale and distribution of salmon, trout and whitefish

The start of 2022 has been affected by significant price increases for the Group's main products but also for virtually all its input factors. Continued inflationary pressure and increased uncertainties in global politics make it more difficult than normal to assess future outlook.

Over the past 30 years, LSG has built a vertically integrated value chain for seafood. This value chain is now strong and well positioned for further development, with the potential to gain market shares during turbulent times. In the short term, higher prices for seafood generate higher earnings for the Group's farming operations and whitefish catches, but put pressure on margins for the Group's downstream operations. This situation will, in our assessment, prevail for the second quarter of 2022.

The cost inflation will gradually result in increased bunker prices and energy costs, and not least in higher feed costs. The uncertainty concerning future cost levels for the Group's input factors is high, but the Group currently expects, for example, feed prices to continue to increase in the coming quarters. Rising prices will with time have an impact on release from stock costs for the Group's farming operations. It is likely that the feed cost per kilogram harvested fish will increase by approx. NOK 3-4 per kg in 2022 when compared with 2021. The prices of other input factors are also increasing, and this inflationary pressure is a clear indication of the importance of operational improvements.

In May 2022, the spot price for salmon is at an historic high, partly due to good demand but also the small volume available on the spot market. LSG's harvest profile in 2022 implies a high contract share again in the second quarter. The so-called forward prices have seen a substantial increase at the start of 2022 as a whole, including for the second half of 2022.

In recent years, LSG has made significant investments in several parts of the value chain, including expanding facilities for smolt/post-smolt capacity in all the Group's regions. These investments in the Group's smolt production have been an important driver of the growth in the Group's harvest volume in Norway, which increased from 158,000 tonnes in 2019 to 187,000 tonnes in 2021. At the same time, the new smolt facilities enable significant changes in our operations that we assess will help us realise improvements in the years ahead.

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

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

Within the whitefish segment, the increase in raw material prices generates higher earnings from catches, but is challenging for the onshore industry. A substantial increase in raw material prices takes time to recoup in the market, so this factor will negatively impact earnings in the onshore industry for much of 2022. Efforts and investments to make the factories less seasonally dependent continue. Together with structured and meticulous improvement initiatives in each unit, we believe that this process will generate results.

The quotas for cod and haddock are lower in 2022. The cod quota is down 18% and the haddock quota down 20% compared with 2021. For saithe caught north of 62 degrees, the quota has been increased by 3%, while the quota for saithe in the North Sea is down 13%. As well as the quota changes, Lerøy Havfisk's catch volumes will be impacted by around 1,350 tonnes of the 2021 cod quota having been transferred to 2022. The fact that the coastal fleet, too, transferred quota from 2021 to 2022 is also positive for the onshore industry.

LSG works to develop an efficient and sustainable value chain for seafood – a value chain that not only provides cost-efficient solutions, but also quality, availability, a high level of service, traceability and competitive climate-related and environmental solutions. Investments in recent years, including in a new industrial facility for Lerøy Midt, a new factory in Stamsund and new factories in Spain, the Netherlands and Italy that are close to being commissioned, will make a positive contribution in the years to come. Earnings in this part of the value chain are under pressure at the start of 2022, but

the Group has a clear ambition for earnings in this segment to continue to grow in the years to come.

LSG's products are healthy and delicious. Production is sustainable from a financial, climate and environmental perspective. The sustained strong development in demand for seafood gives grounds for an optimistic outlook for LSG's activities and lasting value creation.

Fishmeal and fish oil

According to the IFFO*, fishmeal production in Peru, Chile and the North Atlantic as of week 16 2022 (week beginning 18 April 2022) was down 14.5% on the same period in 2021. The fall in production stems from Peru and Chile, where production was down 14.3% and 70.7% respectively. The fall in Chile is explained by the later start-up of the anchoveta/sardine fishing season. The fall in Peru is due to the fact that the majority of the total quota for the second season in 2021 had been caught by the end of Q4 2021, while a substantial volume for the same season in 2020 was caught in January 2021.

The North Atlantic has seen an increase in production, mainly due to the substantial increase in the capelin quota in Iceland from 2021 to 2022.

The anchoveta quota for the first season of 2022 in Peru was 2.79 million tonnes. The season started on 4 May with experimental fishing for a period of 15 days and expected continuation of the season on 19 May. The quota for the same season in 2021 was 2.5 million tonnes, with start-up on 23 April 2021.

**Source: IFFO, week 16, 2022 (Regions Chile, Peru, Denmark/Norway, Iceland/North Atlantic)*

Consumer products (pelagic)

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

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

The Group

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

The Group's strategy going forward is to continue to grow and further develop within its current operating segments. The Group has and shall continue to have the financial flexibility to support its strategy of further organic growth, carry out strategic acquisitions and sustain the company's dividend policy.

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

The Board of Directors underlines that uncertainties related to assessments of future developments remain higher than normal. The management and Board of Directors expect good underlying growth in demand in the years ahead. At the same time, the Group is experiencing rising prices for key input factors, and inflation will impact cost developments in 2022. Nonetheless, the Board of Directors is confident that the Group is well positioned for the years ahead.

Storebø, 12 May 2022

The Board of Directors of Austevoll Seafood ASA

Helge Singelstad
Chairman of the Board

Lill Maren Møgster
Board member

Hege Charlotte Bakken
Deputy Chairman of the Board

Eirik Drønen Melingen
Board member

Helge Møgster
Board member

Hege Solbakken
Board member

Siren M. Grønhaug
Board member

Arne Møgster
CEO

FINANCIAL REPORT Q1 2022

INCOME STATEMENT (unaudited)

All figures in NOK 1,000	Note	Q1 2022	Q1 2021	(audited) 2021
Operating revenue	4	6 564 786	5 952 815	26 633 441
Raw material and consumables used		3 038 385	3 052 740	14 108 632
Salaries and personnel expenses		1 177 784	1 045 390	4 064 280
Other operating expenses		904 492	759 698	3 650 515
EBITDA before fair value adjustments *		1 444 125	1 094 987	4 810 014
Depreciation and amortisation		442 096	388 926	1 579 680
Impairment		-291	-287	12 731
EBIT before fair value adjustment *	7	1 002 320	706 348	3 217 603
Fair value adjustment related to biological assets	3	251 648	399 942	1 114 412
Operating profit		1 253 968	1 106 290	4 332 015
Income from associated companies	5	129 413	74 803	393 489
Net interest expenses		-70 349	-74 304	-283 736
Net other financial items (incl. agio/disagio)		53 111	-5 946	-66 239
Profit before tax and fair value adj.*	7	1 043 618	682 393	3 255 095
Profit before tax		1 366 143	1 100 843	4 375 529
Income tax expenses		-312 959	-249 337	-939 415
Net profit		1 053 184	851 506	3 436 114
Profit to non-controlling interest		537 543	379 666	1 454 927
Profit to controlling interests		515 641	471 840	1 981 187
Earnings per share (EPS) *		1,85	1,47	7,53
Earnings per share (EPS)		2,55	2,34	9,82
Diluted EPS		2,55	2,34	9,82

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

All figures in NOK 1,000	Q1 2022	Q1 2021	(audited) 2021
Net earnings in the period	1 053 184	851 506	3 436 114
Other comprehensive income			
Currency translation differences	1 439	-93 715	-76 106
Other comprehensive income from associated companies	-	-3 857	-894
Cash flow hedges	16 599	31 202	62 758
Others incl. tax effect	-670	-4 442	-2 222
Total other comprehensive income	17 368	-70 812	-16 464
Comprehensive income in the period	1 070 552	780 694	3 419 650
Allocated to:			
Minority interests	504 323	365 985	1 450 028
Majority interests	566 229	414 709	1 969 622

STATEMENT OF FINANCIAL POSITION (unaudited)

All figures in NOK 1,000	Note	31.03.2022	31.03.2021	31.12.2021
Assets				
Intangible assets		11 752 182	11 489 848	11 748 437
Vessels		2 397 385	2 048 353	2 384 742
Property, plant and equipment		6 972 486	6 316 488	6 895 770
Right-of-use assets	8	3 318 455	3 496 588	3 063 764
Investments in associated companies	5	3 099 251	2 593 298	3 002 403
Investments in other shares		46 613	41 735	46 777
Other long-term receivables		190 718	167 826	167 896
Total non-current assets		27 777 090	26 154 136	27 309 789
Inventories	3	8 843 501	6 854 954	8 104 557
Accounts receivable		2 629 428	2 179 307	2 321 067
Other current receivables		1 086 220	866 255	716 647
Cash and cash equivalents		4 822 393	4 772 134	5 328 615
Total current assets		17 381 542	14 672 650	16 470 886
Total assets		45 158 632	40 826 786	43 780 675
Equity and liabilities				
Share capital	6	101 359	101 359	101 359
Treasury shares		-18 312	-18 312	-18 312
Share premium		3 713 549	3 713 549	3 713 549
Retained earnings and other reserves		10 157 123	8 726 181	9 575 130
Non-controlling interests		12 310 788	11 256 564	11 815 252
Total equity		26 264 506	23 779 340	25 186 977
Deferred tax liabilities		3 629 577	3 369 896	3 511 547
Pensions and other obligations		12 103	12 269	11 488
Borrowings		6 574 255	5 748 866	6 663 497
Lease liabilities to credit institutions		980 781	1 073 998	1 024 557
Lease liabilities other than to credit institutions		1 662 910	1 412 187	1 382 141
Other non-current interest bearing debt		787	-	889
Other long-term liabilities		28 935	25 335	28 712
Total non-current liabilities		12 889 348	11 642 551	12 622 831
Short term borrowings		571 713	1 035 206	732 743
Lease liabilities to credit institutions		252 368	269 805	265 243
Lease liabilities other than to credit institutions		298 730	291 363	277 256
Overdraft facilities		675 534	573 616	582 390
Account payable		1 957 577	1 455 384	1 920 972
Other current liabilities		2 248 856	1 779 521	2 192 263
Total current liabilities		6 004 778	5 404 895	5 970 867
Total liabilities		18 894 126	17 047 446	18 593 698
Total equity and liabilities		45 158 632	40 826 786	43 780 675
Net interest bearing debt (NIBD)		4 233 045	3 954 692	3 969 416
Lease liabilities other than to credit institutions		1 961 640	1 703 550	1 659 397
NIBD incl. right of use assets liabilities		6 194 685	5 658 242	5 628 813
Equity ratio		58%	58%	58%

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

All figures in NOK 1,000	31.03.2022	31.03.2021	31.12.2021
Equity at period start	25 186 977	22 990 574	22 990 574
Comprehensive income in the period	1 070 552	780 694	3 419 650
Dividends	-8 787	-	-1 334 692
Transactions with non-controlling interest	15 764	8 072	111 445
Other	-	-	-
Total changes in equity in the period	1 077 529	788 766	2 196 403
Equity at period end	26 264 506	23 779 340	25 186 977

CASH FLOW STATEMENT (unaudited)

All figures in NOK 1,000	Q1 2022	Q1 2021	(audited) 2021
Cash flow from operating activities			
Profit before income taxes	1 366 143	1 100 843	4 375 529
Fair value adjustment of biological assets	-251 648	-399 942	-1 114 412
Taxes paid in the period	-158 724	-126 238	-446 555
Depreciation and amortisation	442 096	388 926	1 579 680
Impairments	-291	-287	12 731
Associated companies - net	-129 413	-74 803	-393 488
Interest expense	84 676	79 747	322 298
Interest income	-14 327	-5 443	-38 562
Change in inventories	-487 296	280 335	-97 645
Change in receivables	-677 934	-245 875	-4 418
Change in payables	37 314	85 976	443 477
Other operating cash flow incl currency exchange	85 589	50 358	-3 299
Net cash flow from operating activities	296 185	1 133 597	4 635 336
Cash flow from investing activities			
Purchase of intangible and fixed assets	-340 317	-220 024	-1 337 885
Purchase of shares and equity investments	-49 117	-41 668	-508 691
Proceeds from sale of fixed assets/equity investments	3 380	2 117	43 477
Cash inflow from business combinations	-	-	3 829
Dividend received	3 000	-	113 514
Interest income	14 327	5 443	38 562
Other investing activities - net	-22 904	-3 932	-3 263
Net cash flow from investing activities	-391 631	-258 064	-1 650 457
Cash flow from financing activities			
Proceeds from new long term debt	80 000	650 841	2 393 905
Repayment of long term debt	-485 773	-660 381	-2 466 776
Change in short term debt	97 121	-475 863	-410 285
Interest paid	-85 453	-79 752	-325 510
Dividends paid	-8 787	-	-1 334 692
Other finance cash flow - net	-4 844	-780	15 182
Net cash flow from financing activities	-407 736	-565 935	-2 128 176
Net change in cash and cash equivalents	-503 182	309 598	856 703
Cash, and cash equivalents at start of period	5 328 615	4 462 765	4 462 765
Exchange gains/losses (-)	-3 040	-229	9 147
Cash and cash equivalents at period end	4 822 393	4 772 134	5 328 615

SELECTED NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 ACCOUNTING POLICIES

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the related standard for interim financial reporting (IAS 34). All figures not included in the financial statements for 2021 are unaudited. The interim financial statements, including historical comparative amounts, are based on current IFRS standards and interpretations. Changes in the standards and interpretations may result in changes to the result. This interim report does not include all the information required by the International Financial Reporting Standards (IFRS) for a set of financial statements and should therefore be read in conjunction with the Group's financial statements for 2021.

Please refer to the Group's financial statements for 2021 for information on standards and interpretations applicable as of 1 January 2021.

NOTE 2 RELATED PARTY TRANSACTIONS

There were related party transactions in Q1 2022. Related party transactions take place on market terms, and the relevant types of transactions are described in more detail in the Annual Report 2021.

NOTE 3 BIOLOGICAL ASSETS

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

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

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

Valuation and classification are based on the principle of highest and best use according to IFRS 13. The actual market price per kilo may vary in relation to fish weight. When estimating fair value, the optimal harvest weight, i.e., the weight when the fish is ready for harvest, is defined as the live weight that results in a gutted weight of 4 kg. This corresponds to a live weight of 4.65 kg for salmon and 4.76 kg for trout. The optimal harvest weight may, however, be lowered slightly if required by factors at an individual locality (biological challenges etc.). In terms of valuation, only fish that have achieved an optimal harvest weight are classified as fish ready for harvest.

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

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

NOTE 3 BIOLOGICAL ASSETS (cont.)

Conversion to live weight:

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

LWT = live weight measured in tonnes

GWT = gutted weight measured in tonnes

Lerøy Seafood Group ASA

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

FV adjustments over profit and loss	Q1 2022	Q1 2021	2021
Change FV adj. of biological assets	407 029	368 481	1 131 092
Change in FV of onerous contracts	-191 519	-3 730	-44 226
Change in FV of fishpool contracts	0	-1 577	-1 561
Total FV adjustments over profit and loss	215 510	363 175	1 085 304

Fair value adjustments over OCI

Change in FV of fishpool contracts *	-1 836	2 736	5 408
Total FV adjustments over OCI	-1 836	2 736	5 408

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

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS

Positive amounts are assets and negative amounts are liabilities

Biological assets	31/03/2022	31/03/2021	31/12/2021
Cost on stock for fish in sea	4 282 054	3 954 381	4 118 913
Cost on stock for fry, brood, smolt and cleaning fish	433 219	412 054	385 542
Total cost on stock for biological assets *	4 715 273	4 366 435	4 504 454
FV adj. of fish in sea	1 857 667	688 027	1 450 638
FV adj. of fry, brood, smolt and cleaning fish	0	0	0
Total FV adj. of biological assets	1 857 667	688 027	1 450 638
Monthly discount rate applied	4%	5%	4%
FV of fish in sea	6 139 721	4 642 408	5 569 551
FV of fry, brood, smolt and cleaning fish	433 219	412 054	385 542
Carrying amount of biological assets	6 572 940	5 054 462	5 955 092

Onerous contracts (liability)

Carrying amount of onerous contracts	-235 778	-3 762	-44 259
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Fish Pool contracts

Carrying amount of Fish Pool contracts	0	-1 347	1 836
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* Cost on stock is historic costs after expensed mortality

NOTE 3 BIOLOGICAL ASSETS (cont.)

HARVESTED VOLUME:

Volume in gutted weight (GWT)	Q1 2022	Q1 2021	2021
Salmon	27 912	37 943	161 542
Trout	4 145	4 207	25 093
Total harvested volume	32 057	42 150	186 635

VOLUME

Volume of fish in sea (LWT)	Q1 2022	Q1 2021	2021
Volume at beginning of period	107 242	119 407	119 407
Net growth during the period	33 664	33 699	205 547
Harvested volume during the period	-37 390	-49 128	-217 712
Volume at end of period (LWT)	103 516	103 978	107 242

Specification of fish in sea (LWT)	31/03/2022	31/03/2021	31/12/2021
Salmon	90 146	91 054	93 543
Trout	13 370	12 924	13 699
Total	103 516	103 978	107 242
Salmon > 4.65 kg (live weight) *	5 724	4 885	4 376
Trout > 4.76 kg (live weight) *	2 052	240	587

* Defined as mature biological assets

Br. Birkeland Farming AS

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

Fair value adjustment over profit and loss	Q1 2022	Q1 2021	2021
Change FV adj. biological assets	36 138	36 767	29 108
FV adj. related to biological assets	36 138	36 767	29 108

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS

Positive amounts are assets and negative amounts are liabilities

Biological assets	Q1 2022	Q1 2021	2021
Cost on stock for fish in sea	200 511	228 701	200 915
Fair value adjustment fish in sea	52 664	24 185	16 526
Fair value fish in sea	253 175	252 886	217 441
Fry, brood and smolt	-	-	-
Carrying amount of biological assets	253 175	252 886	217 441

HARVESTED VOLUME

Harvested volume in gutted weight (GWT)	Q1 2022	Q1 2021	2021
Total volume	1 548	1 832	8 151
- Salmon	1 548	1 832	8 151

VOLUME

Volume of fish in sea (LWT)	Q1 2022	Q1 2021	2021
Volume at beginning of period	4 379	5 693	5 693
Net growth during the period	2 168	1 631	8 589
Harvested volume during the period	-1 865	-2 245	-9 903
Volume at end of period (LWT)	4 682	5 079	4 379
Fish > 4.65 kg (live weight)		-	987

NOTE 4 SEGMENTS

All figures in NOK 1,000	Lerøy Seafood Group ASA	Austral Group S.A.A	Foodcorp Chile S.A	Br. Birkeland AS	Br. Birkeland Farming AS	Other/ elimina- tions	Total Group	Pelagia (50% of figures and volumes)	Total Group incl. Pelagia (50%)
Q1 2022									
Operating revenue	5 524 679	653 064	188 726	68 156	121 341	8 820	6 564 786	1 109 563	7 674 349
EBITDA*	1 172 853	130 555	83 863	11 451	51 630	-6 227	1 444 125	91 949	1 536 074
EBITDA%	21%	20%	44%	17%	43%		22%	8%	20%
EBIT*	851 817	84 965	41 428	-516	35 043	-10 418	1 002 319	49 278	1 051 597
Volumes sold:									
Salmon (GWT tonnes)	32 057				1 548		33 605		33 605
Fishmeal/oil/FPC (tonnes)		35 842	2 380				38 222	29 500	67 722
Frozen/fresh fish (tonnes)		10 314	15 046				25 360	42 200	67 560
Q1 2021									
Operating revenue	4 926 881	699 940	157 184	70 876	86 947	10 987	5 952 815	1 165 844	7 118 659
EBITDA*	759 317	225 114	66 442	27 900	15 656	558	1 094 987	66 672	1 161 659
EBITDA%	15%	32%	42%	39%	18%		18%	6%	16%
EBIT*	455 432	181 567	57 665	17 646	-1 752	-4 210	706 348	36 301	742 649
Volumes sold:									
Salmon (GWT tonnes)	42 150				1 831		43 981		43 981
Fishmeal/oil/FPC (tonnes)		45 654	3 373				49 027	22 800	71 827
Frozen fish (tonnes)		9 233	10 590				19 823	47 450	67 273
2021									
Operating revenue	23 136 094	2 016 837	715 895	306 484	432 228	25 903	26 633 441	5 000 786	31 634 227
EBITDA*	3 777 516	672 736	192 321	110 977	52 436	4 028	4 810 014	508 837	5 318 851
EBITDA%	16%	33%	27%	36%	12%		18%	10%	17%
EBIT*	2 518 782	506 444	150 258	69 726	-12 346	-15 261	3 217 603	363 419	3 581 022
Volumes sold:									
Salmon (GWT tonnes)	186 635				8 151		194 786		194 786
Fishmeal/oil/FPC (tonnes)		128 429	16 084				144 513	131 600	276 113
Frozen/fresh fish (tonnes)		13 639	45 597				59 236	166 800	226 036

* Before fair value adjustments related to biological assets

NOTE 5 ASSOCIATES

		Q1 2022	Q1 2021	2021
Norskott Havbruk AS* a)	50,0%	96 294	45 910	93 577
Pelagia Holding AS b)	50,0%	28 285	19 680	272 361
Others		4 834	9 213	27 551
Income from associates		129 413	74 803	393 489
* Fair value adjustment biological assets		70 877	18 508	6 022
Income from associates before FV adj.		58 536	56 295	387 467

Investment in associates:

Norskott Havbruk		1 169 697	760 541	1 125 883
Pelagia Holding AS		1 523 416	1 305 174	1 473 289
Others		406 138	527 583	403 231
Total investment		3 099 251	2 593 298	3 002 403

Dividend received

Norskott Havbruk			-	
Pelagia Holding AS			-	100 000
Others		3 000	-	13 514
Total dividend received from associates		3 000	-	113 514

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

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

NOTE 6 LIST OF THE 20 LARGEST SHAREHOLDERS AT 31 MARCH 2022

Investor	Number of shares	% of top 20	% of total
LACO AS	112 605 876	73,53	55,55
STATE STREET BANK AND TRUST COMP	7 412 990	4,84	3,66
STATE STREET BANK AND TRUST COMP	4 967 752	3,24	2,45
J.P. MORGAN SE	3 865 089	2,52	1,91
FOLKETRYGDFONDET	3 133 184	2,05	1,55
OM HOLDING AS	2 396 308	1,56	1,18
PARETO AKSJE NORGE VERDIPAPIRFOND	2 116 555	1,38	1,04
SIX SIS AG	1 919 004	1,25	0,95
JPMORGAN CHASE BANK, N.A., LONDON	1 693 353	1,11	0,84
THE NORTHERN TRUST COMP, LONDON BR	1 569 997	1,03	0,77
THE BANK OF NEW YORK MELLON SA/NV	1 512 588	0,99	0,75
J.P. MORGAN SE	1 460 194	0,95	0,72
STATE STREET BANK AND TRUST COMP	1 398 056	0,91	0,69
J.P. MORGAN SE	1 213 010	0,79	0,60
CLEARSTREAM BANKING S.A.	1 069 293	0,70	0,53
DANSKE INVEST NORSKE INSTIT. II.	1 038 363	0,68	0,51
VERDIPAPIRFONDET ALFRED BERG GAMBA	1 004 358	0,66	0,50
PARETO INVEST AS	953 500	0,62	0,47
VERDIPAPIRFONDET STOREBRAND NORGE	910 893	0,59	0,45
STATE STREET BANK AND TRUST COMP	895 367	0,58	0,44
Total number owned by top 20	153 135 730	100%	75,54%
Total number of shares	202 717 374		

NOTE 7 ALTERNATIVE PERFORMANCE MEASURES

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

Operating profit/loss before fair value adjustments

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

	Q1 2022	Q1 2021
Operating profit (EBIT)	1 253 968	1 106 290
- Fair value adjustments	251 648	399 942
= EBIT before fair value adjustments	1 002 320	706 348

Fair value adjustments consists of:

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

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

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).

Profit 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 also applying IAS 41, following the equity method. The components included are:

	Q1 2022	Q1 2021
Profit before tax	1 366 143	1 100 843
- Fair value adjustments	251 648	399 942
- Fair value adjustments in associated comp.	70 877	18 508
= Profit before tax and fair value adjustments	1 043 618	682 393

NOTE 7 ALTERNATIVE PERFORMANCE MEASURES (cont.)

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:

	31/03/2022	31/03/2021	31/12/2021
Loans from credit institutions *			
+ Lease liabilities to credit institutions *	1 233 149	1 343 803	1 289 800
+ Other long term loans *	7 146 755	6 809 407	7 425 841
+ Overdrafts/other short term loans	675 534	573 616	582 390
- Cash and cash equivalents	-4 822 393	-4 772 134	-5 328 615
= Net-interest-bearing debt (NIBD)	4 233 045	3 954 692	3 969 416

* Both long-term and short-term portion

NOTE 8 RIGHT-OF-USE ASSETS

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

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

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

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

Right-of-use assets	Land	Buildings	Plant, equipment and other fixtures	Vessels	Total
Carrying value 01.01.	49 685	466 241	1 385 340	1 162 498	3 063 764
Foreign currency translation differences	-245	-3 326	-3 274	-5	-6 850
Right-of-use assets acquired	-	2 066	53 925	394 755	450 746
Disposal	-	-	-11 414	-30 759	-42 173
Depreciation	-1 888	-14 515	-66 563	-64 066	-147 032
Business combinations	-	-	-	-	-
Reclassification	-	-	1 570	-1 570	-
Carrying value 31.03.2022	47 552	450 466	1 359 584	1 460 853	3 318 455



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