



Austevoll Seafood ASA

Financial report Q2 and H1 2022



Austevoll Seafood ASA

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FINANCIAL REPORT Q2 AND H1 2022

- Strong Q2 profit performance for the Group
 - » Good underlying production, positive outlook
- Strong price development for Atlantic salmon, trout and whitefish
 - » Lower harvest volume for Atlantic salmon and trout compared with Q2 2021
 - » Pressure on earnings in industry and distribution
- Seasonally lower level of pelagic activity in the North Atlantic
 - » Positive outlook for the autumn
- Seasonally high level of pelagic activity in Chile and Peru
 - » The quota for anchoveta fished in Central/North Peru was set at 2.8 million tonnes, with start-up on 4 May
 - » Good fisheries and high production in the quarter
- Significant price growth for all input factors

KEY FIGURES, Q2 AND H1 2022

All figures in NOK 1,000	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Operating revenue	7 851 896	6 262 791	14 416 682	12 215 606	26 633 441
EBITDA**	1 763 569	1 262 036	3 207 693	2 357 023	4 810 014
EBITDA %	22%	20%	22%	19%	18%
EBIT**	1 349 957	867 170	2 352 276	1 573 518	3 217 603
EBIT*	1 139 137	867 170	2 141 456	1 573 518	3 217 603
Pre tax profit before biomass adj.**	1 327 037	828 826	2 370 655	1 511 219	3 255 095
Pre tax profit	2 223 324	1 489 372	3 589 467	2 590 215	4 375 529
Earnings per share (EPS) **	2,91	1,66	4,77	3,10	7,53
Earnings per share (EPS)	4,77	3,00	7,32	5,31	9,82
Total assets			47 748 083	41 323 094	43 780 675
Equity			26 798 022	23 728 148	25 186 977
Equity ratio			56%	57%	58%
NIBD ex. right-of-use assets liabilities ***			5 902 463	4 938 173	3 969 416
NIBD incl. right-of-use assets liabilities to tother than credit institurions ***			7 809 123	6 575 748	5 628 813

** Before fair value adjustments of biological assets and litigation cost related to settlement of total MNOK 211

* 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 FIVE QUARTERS

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

** Excluding fair value adjustment related to biological assets and legal/litigation/settlement costs

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



FINANCIAL REVIEW

PROFIT/LOSS Q2 2022

Prices for all seafood rose strongly again in the second quarter, but extraordinarily so for salmon and trout. This price development has boosted earnings from the Group's farming and fisheries operations, but in the short term has been extremely challenging for parts of the Group's other industrial activities.

Group operating revenue in Q2 2022 totalled NOK 7,852 million, compared with NOK 6,263 million in Q2 2021.

EBITDA excluding the settlement costs and fair value adjustment related to biological assets was NOK 1,764 million in Q2 2022, up 40% year on year.

EBIT before fair value adjustment related to biological assets and the settlement costs totalled NOK 1,350 million, compared with NOK 706 million in Q2 2021.

Fair value adjustment related to biological assets in Q2 2022 was NOK 1,053 million, compared with NOK 653 million in Q2 2021.

EBIT after fair value adjustment related to biological assets and the settlement costs totalled NOK 2,192 million, compared with NOK 1,520 million in Q2 2021.

In the wake of the EU Commission's ongoing investigations, several Norwegian-owned aquaculture companies, including companies in the Lerøy Seafood Group, have been sued by customers in the USA and Canada. As previously notified, the costs in connection with lawsuits in North America are significant. In the second quarter the Group expensed costs incurred and made provisions, totalling NOK 211 million, in connection with the civil actions in North America. The costs comprise substantial legal fees, other related expenses and the settlement. Please refer to the Group's annual report 2021.

The largest associates are Norskott Havbruk AS and Pelagia Holding AS. Income from associates in Q2 2022 totalled NOK 164 million (Q2 2021: NOK 62 million). The increase is partly explained by the positive fair value adjustment related to biological assets of NOK 54 million in the quarter. The corresponding adjustment in Q2 2021 was NOK 6 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 Q2 2022 totalled NOK -108 million (Q2 2021: NOK -72 million). Net other financial expenses

for the quarter were negative at NOK -25 million, compared with NOK -21 in the same period of 2021.

Profit before tax and fair value adjustment related to biological assets for Q2 2022 amounted to NOK 1,116 million, compared with NOK 829 million in Q2 2021. Excluding settlement costs, profit before tax and fair value adjustment related to biological assets was NOK 1,327 million.

The Group reported profit before tax in the quarter of NOK 2,223 million (Q2 2021: NOK 1,489 million). The profit figure after tax was NOK 1,752 million (Q2 2021: NOK 1,159 million).

OPERATIONAL REVIEW OF SEGMENTS FOR Q2 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.

As in the first quarter, prices for all seafood rose very strongly again in the second quarter, but extraordinarily so for salmon and trout. This price development means higher earnings in the farming and fisheries operations, but is extremely challenging for LSG's other industrial activities in the short term.

In Q2 2022 LSG reported revenue of NOK 6,566 million (Q2 2021: NOK 5,349 million) and EBITDA before fair value adjustment related to biological assets and excluding the aforementioned settlement costs of NOK 1,244 million (Q2 2021: NOK 899 million).

As previously notified, the costs in connection with lawsuits in North America are significant. In the second quarter LSG expensed costs incurred and made provisions, totalling NOK 211 million, in connection with the civil actions in North America. The costs comprise substantial legal fees, other related expenses and the settlement. Please refer to the Group's annual report 2021.

KEY FIGURES (LSG):

(MNOK)	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Revenue	6 566	5 349	12 091	10 276	23 136
EBITDA*	1 244	899	2 417	1 658	3 778
EBIT*	923	583	1 775	1 038	2 519
Harvested volume (GWT)	33 083	36 756	65 140	78 906	186 635
EBIT/kg** ex. wildcatch (NOK)	24,9	13,8	22,5	10,4	11,7
Havfisk catch volume (MT)	18 649	16 345	43 765	42 066	71 521
EBIT wildcatch (MNOK)	93	65	330	250	340

* Before fair value adjustments related to biological assets and litigation cost related to settlement of MNOK 211

LSG's harvest volume for salmon and trout, gutted weight, was 33,083 tonnes in Q2 2022, compared with 36,756 tonnes in Q2 2021.

The rebound in demand following the reopening of society, and the HoReCa market in particular, came sooner and was stronger than had been expected in the autumn of 2021. High demand from good-paying markets combined with relatively low harvest volumes have led to extreme price developments. Accordingly, contracts entered into in 2021 have had a significant impact on prices realised in 2022.

The average price for salmon in Q2 2022, measured according to NSI (sales price FCA Oslo), was NOK 105.4/kg, compared with NOK 79.7/kg in Q1 2022 and NOK 62.5/kg in Q2 2021. This represents a price increase of NOK 26/kg on Q1 2022 and NOK 43/kg on Q2 2021. The volume of salmon exported from Norway in Q2 2022 was 9% lower than in Q2 2021. These figures are evidence of a strong market. The spot prices for trout have not developed as strongly as salmon prices in the quarter.

The Group's contract share for salmon in the quarter was 46%. The contract price realised was higher than in Q2 2021 but significantly lower than the spot price in the quarter.

Lerøy Aurora harvested only 11% of the expected annual volume in the second quarter. This translates to a high contract share and limited volumes sold in the spot market, which overall means that prices realised were significantly lower than the spot price in the quarter.

Lerøy Midt has a contract share roughly in line with the Group as a whole. For Lerøy Sjøtroll, 40% of the harvest volume in Q2 2022 was trout, so the company had slightly lower exposure to spot prices for salmon than the other two regions.

Higher costs for input factors are gradually manifesting themselves in the Group's costs. Feed costs per kilo harvest weight in Q2 2022 were approx. NOK 2/kg higher than in Q2 2021. Costs from the fish cage collar have increased by approx. NOK 2/kg year on year, driven by higher bunkering charges, energy prices and packaging costs. The harvesting cost has also been affected by a low harvest volume as well as low industrial capacity utilisation.

Lerøy Aurora's costs for Q2 2022 are higher than in Q1 2022, impacted by a low harvest volume, and are not representative for the year. Sea-based production at Lerøy Aurora is good, and release from stock costs are currently expected to be significantly lower in the second half of the year. Lerøy Aurora estimates a harvest volume in the region of 40,000 GWT for full-year 2022, with potential for growth in 2023.

As forecast, costs in Lerøy Midt were higher in the second quarter than in Q1 2022 and Q2 2021, with higher prices for input factors the main driver. Growth in the second quarter was good, but the start of the third quarter has been impacted by slightly more treatments than in the equivalent period last year. At today's date, the cost level in the second half of the year is expected to be roughly on par with the second quarter. The company estimates a harvest volume in the region of 68,000 GWT for full-year 2022.

Lerøy Sjøtroll reported higher release from stock costs in Q2 2022 than in Q2 2021. The key elements behind this increase are higher feed costs, logistics and harvesting costs. Inflation will lead to cost increases in the next few quarters, but current expectations are that other operational improvements offer significant potential to increase cost efficiency from the level seen in Q2 2022. Growth at the start of the third quarter has been slightly weaker than expected, and Lerøy Sjøtroll expects a harvest volume in the region of 72,000 GWT for full-year 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 Q2 2022. The catch volume in Q2 2022 totalled 18,649 tonnes, compared with 16,345 tonnes in Q2 2021. The company prioritised catches of haddock in the first half of 2022. The outstanding quotas at 30 June 2022 are lower than in 2021, but part of the cod quota was transferred to 2022 and a larger share of the haddock quota was not caught last year. Total catches of cod and haddock in 2021 were 26,582 tonnes and 10,878 tonnes respectively. Prices have been negatively impacted by COVID-19 restrictions for the past two years but rebounded significantly in the first half of 2022. The average price for all catches in Q2 2022 was up 42% year on year. Prices for cod were up 64%, while prices for haddock and saithe increased by 31% and 57% respectively. This price development is a clear indication of strong demand for seafood products, but the level of volatility presents big challenges for the Group's onshore industry, reflecting the complexity of the Group's daily operations.

Bigger catches and significantly higher prices realised have led to a higher catch value in Q2 2022 than in the same period of 2021. Profitability in sea-based operations is down due to higher costs, including crew and bunkering costs. Total fuel consumption was up slightly on Q2 2021, but fuel prices were around 100% higher. As a result, bunker costs were up by NOK 60 million year on year.

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. As discussed in the Group's report for Q4 2021, the price level for raw materials at the start of 2022 was to make things more challenging for the onshore industry. Prices for end products have not shown the same strong development as those for raw materials, resulting in significant pressure on margins in the onshore industry. The Group expects it to take time before the higher raw material prices will be fully reflected in the prices for end products.

Total earnings in Lerøy Havfisk/LNWS show a positive development with EBIT of NOK 93 million in Q2 2022, compared with NOK 65 million in the same period of 2021.

On 20 February 2019, the EU's competition authorities ("the Commission") initiated investigations relating to the suspicion of restrictive practices involving collaboration on 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 companies in the Lerøy Seafood Group, have been sued by customers in the USA and Canada. In the second quarter the Group expensed accrued costs and made provisions for expected costs in connection with the civil actions in North America, about which information has been provided previously.

For further information, please read LSG's report and presentation for Q2 2022.

KEY FIGURES (PERU):

(MNOK)	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Revenue	531	389	1 184	1 089	2 017
EBITDA	169	162	299	387	673
EBIT	121	120	205	302	506
Raw material (MT):	234 657	284 793	271 231	317 641	569 340
Sales volumes:					
Fishmeal (MT)	27 269	21 797	60 031	58 703	109 456
Fish oil (MT)	1 488	1 538	4 568	10 286	18 973
Frozen/fresh JM/M(MT)	1 963	4 406	12 277	13 639	13 639

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 fished for consumer products. In addition to its 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).

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 was set at 2.79 million tonnes, up from 2.5 million for the same season in 2021, which started on 23 April. The first season finished on 27 July, by when 84% of the total quota of 2.79 million tonnes had been caught. The season has been challenging, with several zones closed because of the large number of small fish. Weather conditions were also challenging at the end of the season. In the equivalent season in 2021, 98% of the total quota was caught.

Austral's quota for the first season was 195,000 tonnes, of which the company had fished 165,000 tonnes by the end of the season on 27 July, equivalent to 85%. Of the total volume fished, 138,000 tonnes were caught in May and June and 27,000 tonnes in July. For the same season in 2021, the company had a quota of 175,000 tonnes and caught 100% of its own quota: 143,500 tonnes in Q2 and 31,500 tonnes in July 2021. In addition, the company purchased 53,800 tonnes of anchoveta from third parties in Q2 2022 against 41,100 tonnes in the same period of last year.

The company's factory in South Peru (Ilo) received 42,700 tonnes of raw materials (anchoveta) in the quarter, compared with 38,000 tonnes in Q2 2021.

Operating revenue in Q2 2022 totalled NOK 531 million (Q2 2021: NOK 389 million) and EBITDA was NOK 169 million (Q2 2021: NOK 162 million).

Sales volumes for fishmeal and fish oil in the second quarter totalled 28,800 tonnes, up from 23,300 tonnes in the same quarter of 2021. The company's prices realised for fishmeal were up 4% year on year, while fish oil prices almost doubled. The company had a fishmeal and fish oil inventory of 48,100 tonnes at the end of Q2 2022, compared with 46,100 tonnes at the end of Q2 2021.

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.

KEY FIGURES (CHILE):

(MNOK)	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Revenue	327	322	515	479	716
EBITDA	125	127	209	193	192
EBIT	116	119	158	176	150
Raw material intake:	35 234	38 790	86 360	91 756	104 856
Sales volumes:					
Fishmeal (MT)	3 591	5 988	5 307	8 529	12 117
Fish oil (MT)	2 097	2 289	2 761	3 121	3 967
Frozen (MT)	21 755	19 472	36 801	30 062	45 597

Foodcorp Chile S.A. (Chile)

Foodcorp Chile S.A.'s (FC) integrated value chain comprises activities within fisheries, production of consumer products and production of fishmeal and fish 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 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.

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.

Of this volume, 26,600 tonnes were harvested in Q2 2022 compared with 27,600 tonnes in Q2 2021. In total the company caught 61,100 tonnes of horse mackerel in the first half of the year, equivalent to 82% of its total quota for 2022 (H1 2021 : 59,000 tonnes). The company also purchased 8,000 tonnes of anchoveta/sardines from the coastal fleet, down from 11,100 tonnes in the same period of 2021.

Operating revenue in Q2 2022 totalled NOK 327 million (Q2 2021: NOK 322 million), while EBITDA amounted to NOK 125 million (Q2 2021: NOK 127 million).

Sales of frozen products totalled 21,800 tonnes in Q2 2022, up from 19,500 tonnes in Q2 2021. The company's prices realised were down 9% year on year. At the end of Q2 2022 the company had an inventory of 14,800 tonnes of frozen products, compared with 8,900 tonnes at the end of Q2 2021. Logistics challenges continued in the second quarter, including limited access to containers. The company is experiencing good market conditions and good sales margins.

KEY FIGURES (BRBI):

(MNOK)	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Revenue	117	56	185	126	306
EBITDA	37	33	48	61	111
EBIT	23	22	23	40	70

KEY FIGURES (BFARM):

(MNOK)	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Revenue	303	139	425	226	432
EBITDA*	194	41	246	57	52
EBIT*	177	27	213	26	-12
Harvested volume (GWT)	2 776	2 217	4 324	4 048	8 151
EBIT/kg* all incl. (NOK)	63,9	12,4	49,1	6,3	-1,5

* Before fair value adjustments related to biological assets

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

Br. Birkeland AS (BRBI) was demerged at the end of 2017, so that the farming operations were transferred to the new company Br. Birkeland Farming AS (BFARM), while fishery operations remained in Br. Birkeland AS. At 30 June 2022, AUSS owned 55.2% in Br. Birkeland Farming AS and 42.9% in Br. Birkeland AS.

BRBI has had four vessels operating in the quarter. The two vessels used for pelagic fisheries caught the remaining quota of blue whiting and North Sea herring in the quarter. The two vessels used to fish for snow crab caught 436 tonnes in the second quarter, giving a total of 678 tonnes for the first half of the year. The vessel M/S Vima was purchased in September 2021 but then converted for crab fishing, so only became productive towards the end of February. Snow crab fishing was halted on 7 June because the total Norwegian quota had been caught. This means the snow crab vessels will not operate in the second half of 2022. As discussed in the previous report, fuel costs have increased significantly in 2022. This has impacted earnings, and will continue to do so in the coming quarters.

In Q2 2022, the BRBI segment reported operating revenue of NOK 117 million (Q2 2021: NOK 56 million). EBITDA amounted to NOK 37 million (Q2 2021: NOK 33 million).

The company's harvest volume amounted to 2,776 tonnes in Q2 2022, down from 2,217 tonnes in Q2 2021. The company sells all its salmon to independent export companies on the spot market. The average price for salmon in Q2 2022, measured according to NSI (sales price FCA Oslo), was NOK 105.4/kg, up from NOK 79.7/kg in Q1 2022 and NOK 62.5/kg in Q2 2021. This represents a price increase of NOK 26/kg on Q1 2022 and NOK 43/kg on Q2 2021. This strong price development in the quarter is the main factor in the substantial year-on-year earnings growth.

In Q2 2022, the BFARM segment reported operating revenue of NOK 303 million (Q2 2021: NOK 139 million). EBITDA before fair value adjustment related to biological assets was NOK 194 million (Q2 2021: NOK 41 million).

Price rises for key input factors continue in 2022 and will affect the company's production costs and tied-up working capital in the period ahead.

KEY FIGURES (PELAGIA):

(MNOK)	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Revenue	2 270	1 751	4 489	4 082	10 002
EBITDA	262	80	446	213	1 018
EBIT	176	19	275	91	727
Net interest bearing debt			3 755	3 045	3 303

The 2021 figures include a one-off gain of NOK 139 million.

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 Hordafør 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.

The volume of raw materials received for consumer products in Q2 2022 was 27,400 tonnes, compared with 31,300 tonnes in Q2 2021. As usual, the second quarter was affected by lower activity within consumer products. Most of the raw material received was North Sea herring. Total receipt of raw materials in Pelagia for fishmeal/FPC and fish oil production was 223,300 tonnes in Q2 2022, compared with 240,200 tonnes in Q2 2021. The raw materials received in the quarter were blue whiting, sand eel, North Sea herring and cuttings from the consumer product plants.

Revenue for Pelagia in the quarter was NOK 2,270 million (Q2 2021: NOK 1,751 million) and EBITDA was NOK 262 million (Q2 2021: NOK 80 million).

The sales volume for frozen products in Q2 2022 was 29,800 tonnes, down from 48,800 tonnes in the same quarter in 2021. Sales of fishmeal/FPC and fish oil in Q2 2022 totalled 101,600 tonnes, up from 52,100 tonnes in Q2 2021.

The company is well positioned for the important third quarter with high levels of activity within all operating segments.

CASH FLOW FOR Q2 2022

Cash flow from operating activities in Q2 2022 was NOK 678 million (Q2 2021: NOK 1,027 million). Cash flow from operating activities has been significantly impacted by higher tied-up capital as a result of inflation, primarily higher feed prices – which increase the value of fish in the sea – but also higher accounts receivable. Cash flow from investing activities for Q2 2022 was NOK -410 million (Q2 2021: NOK -355 million). Cash flow from financing activities in Q2 2022 was NOK -784 million (Q2 2021: NOK -1,751 million), of which NOK 1,742 million relates to payment of dividends from the parent company and Group companies (to minority) in the quarter. Dividends paid at 30 June 2021 were NOK 1,309 million.

The Group’s cash and cash equivalents are significant and totalled NOK 4,349 million at 30 June 2022, compared with NOK 3,694 million at 30 June 2021.

FINANCIAL INFORMATION H1 2022

The Group reported operating revenue of NOK 14,417 million for the first half of 2022 (H1 2021: NOK 12,216 million). EBITDA before fair value adjustment related to biological assets was NOK 2,997 million (H1 2021: NOK 2,357 million). As previously discussed, one-off costs totalling NOK 211 million in connection with the civil actions in North America were expensed in Q2 2022. Adjusted for this amount, EBITDA in H1 2022 was NOK 3,208 million, up 36% year on year.

EBIT before fair value adjustment related to biological assets and costs linked to the civil actions was NOK 2,352 million in the first half of 2022 (H1 2021: NOK 1,574 million). The fair value adjustment related to biological assets in H1 2022 was NOK 1,305 million, compared with NOK 1,053 million for the same period in 2021.

EBIT after fair value adjustment related to biological assets and the one-off costs discussed was NOK 3,446 million in H1 2022 (H1 2021: NOK 2,626 million).

Income from associates for H1 2022 totalled NOK 294 million (H1 2021: NOK 136 million). The Group's net interest expense in H1 2022 totalled NOK -178 million (H1 2021: NOK -146 million).

Profit before tax excluding fair value adjustment related to biological assets for H1 2022 was NOK 2,160 million, compared with NOK 1,511 million in H1 2021. Adjusted for one-off costs, profit before tax and fair value adjustment related to biological assets was NOK 2,371 million.

Profit after tax for H1 2022 totalled NOK 2,805 million (H1 2021: NOK 2,010 million).

CASH FLOWS H1 2022

Cash flow from operating activities for H1 2022 was NOK 974 million (H1 2021: NOK 2,160 million). Cash flow from operating activities has been significantly impacted by higher tied-up capital as a result of inflation, primarily higher feed prices – which increase the value of fish in the sea – but also higher accounts receivable. Tax payments in H1 2022 totalled NOK 450 million (H1 2021: NOK 265 million). Cash flow from investing activities for H1 2022 was NOK -801 million (H1 2021: NOK -613 million). Cash flow from financing activities in H1 2022 was NOK -1,192 million (H1 2021: NOK -2,317 million), of which NOK 1,750 million relates to payment of dividends from the parent company and Group companies (to minority) in the period. Dividends paid at 30 June 2021 were NOK 1,309 million.

Net change in cash for the Group in H1 2022 was NOK -1,019 million (H1 2021: NOK -770 million).

The Group's cash and cash equivalents at 30 June 2022 totalled NOK 4,349 million, compared with NOK 3,694 million at 30 June 2021.

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022

The Group's statement of financial position at 30 June 2022 showed a total of NOK 47,748 million, compared with NOK

41,323 million at 30 June 2021. 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 30 June 2022 of NOK 26,798 million, equivalent to an equity ratio of 56%. Book equity for the Group at 30 June 2021 was NOK 23,728 million, representing an equity ratio of 57%.

At 30 June 2022, the Group had net interest-bearing debt excluding debt relating to right-of-use liabilities other than to credit institutions totalling NOK 5,902 million, compared with NOK 4,938 million at 30 June 2021. The Group's net interest-bearing debt including debt relating to right-of-use liabilities other than to credit institutions was NOK 7,809 million at 30 June 2022, compared with NOK 6,576 million at 30 June 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 30 June 2022, the parent company Austevoll Seafood ASA had cash and cash equivalents of NOK 436 million and net interest-bearing debt of NOK 132 million. The parent company has a long-term credit facility of NOK 600 million, of which NOK 590 million remained unutilised at 30 June 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 30 June 2022, the Group had live fish on its statement of financial position worth NOK 8.5 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. 14% 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.

In common with society at large, 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 aims to improve its risk management, to take even greater account of climate risk where possible. The Board of Directors in the company has established an ESG committee comprising three of the Board members.

SHAREHOLDER INFORMATION

The company had 8,386 shareholders at 30 June 2022. The number of shareholders at the start of Q2 2022 was 8,278.

The share price at the start of Q2 2022 was NOK 136.70 and NOK 115.30 at the end.

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

On 24 May 2022 the company's annual general meeting approved a dividend payment of NOK 4.50 per share for 2021. The dividend was 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 first half of 2022 has been marked by significant price increases for input factors/inflationary pressure, global political instability – most tragically with respect to the war in Ukraine – and greater uncertainty than normal as to the outlook.

Over the past 30 years, the Group has built a vertically integrated value chain for seafood. This value chain is strong and well positioned for further development, including the potential to take market shares in turbulent times. In the short term, higher prices for seafood are generating higher earnings for the Group’s farming operations and whitefish fisheries, while putting pressure on margins in the Group’s downstream operations.

Cost inflation is making its presence felt in a number of input factors, most significantly feed costs. The cost increase has an immediate effect in some parts of the Group’s business but, given the time it takes to produce a salmon, rising prices will impact the Group’s farming operations gradually. As of today’s date, the

Group’s farming operations expect lower release from stock costs in the second half of 2022 than in the first half, but total release from stock costs for full-year 2022 will be higher than in 2021. At current prices for important input factors, release from stock costs in the farming operations will be higher again in 2023 than in 2022. Some of the inflation will be mitigated by the expected efficiency improvements in the Group’s value chain.

Lerøy has made significant investments in several parts of the value chain over many years, including the construction of 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. The new post-smolt facility in Lerøy Midt was commissioned on schedule in Q1 2022. The start-up phase has revealed a need for a few minor alterations, which in turn means an estimated delay of six months before there will be any increase in harvest volume in Lerøy Midt.

The different production areas along the Norwegian coast were colour coded in the second quarter in accordance with the “traffic light system”. The production areas forming Lerøy Sjøtroll’s basis of operations were coloured red, and the company had its MAB reduced by 2,641 tonnes effective 7 December 2022. This is the second round of reductions to affect Lerøy Sjøtroll, with reductions under the traffic light system now totalling 3,608 tonnes MAB. This impacts the basis of operations in the region. There is scope for improved licence efficiency in the company but, at the same time, a lower licence basis affects the long-term harvest potential and puts additional pressure on operational efficiency requirements. Lerøy Sjøtroll currently uses two primary processing plants, but will co-locate these in 2023.

Areas in the regions where Lerøy Midt and Lerøy Aurora operate were coloured green, and in the second quarter the Group purchased 360 tonnes MAB in Lerøy Midt and 254 tonnes in Lerøy Aurora at fixed prices, for a total consideration of NOK 123 million. New capacity in Norway will be auctioned on 27 September 2022.

For its consolidated operations, Lerøy Seafood Group currently estimates a harvest volume of around 180,000 tonnes for full-year 2022. The Group’s share from the joint venture is forecast to be approx. 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 203,000 tonnes.

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

The 2022 quotas for cod and haddock were reduced relative to 2021, by 18% and 20% respectively. 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, Havfisk's catch volumes have been impacted by some 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.

In June, ICES (the International Council for the Exploration of the Sea) published its recommendations for total saithe quotas in 2023. For saithe caught north of 62 degrees, a quota increase of 15% is recommended, and 19% for saithe caught in the North Sea. Russia has been suspended from ICES in light of the war in Ukraine, so the usual quota recommendations for cod and haddock have not been issued. The recommendations for these species are expected to be published at the end of August. The forecasts are for a reduction in the cod and haddock quotas of 20% and 21% respectively relative to 2022. The final quotas will be set by the Norwegian authorities in the autumn.

LSG works to develop an efficient and sustainable value chain for seafood. This not only provides cost-efficient solutions, but also quality, availability, a high level of service, traceability and competitive climate-related and environmental solutions. Investments in recent years, e.g., in a new industrial facility for Lerøy Midt, a new factory in Stamsund and new factories in Spain, the Netherlands and Italy, close to being commissioned, will make a positive contribution in the years to come. The management and Board of Directors are confident that Lerøy has a good starting point for continued profitable growth and development of Group operations. Earnings in this part of the value chain have been under significant pressure so far this year, but the management and Board believe the long-term picture is unchanged. At the time of writing, we expect to see gradual improvements through the third quarter, but the Group has a clear ambition for earnings in this segment to continue to increase in the years ahead.

LSG's products are healthy and tasty. Production is sustainable from a financial, climate and environmental perspective. The expectation of sustained good underlying growth in demand going forward provides grounds for optimism about the Group'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 30 2022 (week beginning 25 July 2022) was down 4.4% on the same period in 2021. The decrease stems from Peru and Chile, at 14.5% and 7.9% respectively. Production in Peru is down because 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 anchoveta quota for the first season of 2022 in Peru was 2.79 million tonnes. The season started on 4 May with experimental fishing lasting 15 days, continuing with ordinary fishing from 19 May. The quota for the same season in 2021 was 2.5 million tonnes, with start-up on 23 April. The first fishing season this year was halted on 27 July, at which point 84% of the national quota for the season had been caught. In the equivalent season in 2021, 98% of the national quota had been caught when the season was halted.

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.

**Source: IFFO, week 30, 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 European season for mackerel fishing is during the autumn and normally starts in September, not in early August as was the case in 2021 because of restricted access to UK waters for the Norwegian fleet. The remaining quotas for Norwegian spring-spawning herring are also caught during this period. The first half of the year is the main season for horse mackerel in South America.

ICES's recommended quota for catches in the North Atlantic in 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 and on into 2023. Nonetheless, the Board of Directors remains confident that the Group will achieve considerably better results in the second half of 2022 compared with second half of 2021, and is well positioned for the years ahead.

DECLARATION OF THE BOARD OF DIRECTORS AND CEO

We declare that, to the best of our knowledge, the half-yearly financial statements for the period 1 January to 30 June 2022 have been prepared in accordance with IAS 34 – Interim Financial Reporting, and that the information in the financial statements provides a true and fair illustration of the Group's assets, liabilities, financial position and result as a whole. We also declare that, to the best of our knowledge, the half-yearly report provides a correct overview of significant events during the accounting period and their impact on the half-yearly accounts, the key risks and uncertainties faced by the Group during the next accounting period, and significant transactions with related parties.

Storebø, 23 August 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

Petter Dragesund
Board member

Helge Møgster
Board member

Hege Solbakken
Board member

Siren M. Grønhaug
Board member

Arne Møgster
CEO

FINANCIAL REPORT, Q2 AND H1 2022

INCOME STATEMENT (unaudited)

All figures in NOK 1,000	Note	Q2 2022	Q2 2021	H1 2022	H1 2021	(audited) 2021
Operating revenue	4	7 851 896	6 262 791	14 416 682	12 215 606	26 633 441
Raw material and consumables used		3 958 838	3 182 127	6 997 223	6 234 867	14 108 632
Salaries and personnel expenses		1 038 263	933 578	2 216 047	1 978 968	4 064 280
Other operating expenses		1 302 046	885 050	2 206 539	1 644 748	3 650 515
EBITDA before fair value adjustments *		1 552 749	1 262 036	2 996 873	2 357 023	4 810 014
Depreciation and amortisation		413 920	395 138	856 016	784 063	1 579 680
Impairment		-308	-272	-599	-558	12 731
EBIT before fair value adjustment *	7	1 139 137	867 170	2 141 456	1 573 518	3 217 603
Fair value adjustment related to biological assets	3	1 053 091	652 988	1 304 739	1 052 930	1 114 412
Operating profit		2 192 228	1 520 158	3 446 195	2 626 448	4 332 015
Income from associated companies	5	164 149	61 678	293 562	136 481	393 489
Net interest expenses		-107 762	-71 898	-178 111	-146 202	-283 736
Net other financial items (incl. agio/disagio)		-25 291	-20 566	27 821	-26 512	-66 239
Profit before tax and fair value adj.*	7	1 116 217	828 826	2 159 835	1 511 219	3 255 095
Profit before tax		2 223 324	1 489 372	3 589 467	2 590 215	4 375 529
Income tax expenses		-471 081	-330 838	-784 040	-580 175	-939 415
Net profit		1 752 243	1 158 534	2 805 427	2 010 040	3 436 114
Profit to non-controlling interest		789 654	552 505	1 327 197	938 481	1 454 927
Profit to controlling interests		962 589	606 029	1 478 230	1 071 559	1 981 187
Earnings per share (EPS) *		2,48	1,66	4,34	3,10	7,53
Earnings per share (EPS)		4,77	3,00	7,32	5,31	9,82
Diluted EPS		4,77	3,00	7,32	5,31	9,82

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

All figures in NOK 1,000	Q2 2022	Q2 2021	H1 2022	H1 2021	(audited) 2021
Net earnings in the period	1 752 243	1 158 534	2 805 427	2 010 040	3 436 114
Other comprehensive income					
Currency translation differences	517 827	-32 217	519 266	-125 932	-76 106
Other comprehensive income from associated companies	14 403	2 969	14 403	-888	-894
Cash flow hedges	703	13 352	17 302	44 554	62 758
Others incl. tax effect	-10 133	4 047	-10 803	-395	-2 222
Total other comprehensive income	522 800	-11 849	540 168	-82 661	-16 464
Comprehensive income in the period	2 275 043	1 146 685	3 345 595	1 927 379	3 419 650
Allocated to:					
Minority interests	894 265	560 553	1 398 589	926 538	1 450 028
Majority interests	1 380 778	586 132	1 947 006	1 000 841	1 969 622

STATEMENT OF FINANCIAL POSITION (unaudited)

All figures in NOK 1,000	Note	30.06.2022	30.06.2021	31.12.2021
Assets				
Intangible assets		12 077 535	11 759 095	11 748 437
Vessels		2 454 877	2 022 345	2 384 742
Property, plant and equipment		7 280 783	6 653 225	6 895 770
Right-of-use assets	8	3 229 376	3 364 691	3 063 764
Investments in associated companies	5	3 254 189	2 415 032	3 002 403
Investments in other shares		46 992	46 124	46 777
Other long-term receivables		206 741	166 207	167 896
Total non-current assets		28 550 493	26 426 719	27 309 789
Inventories	3	10 956 782	7 996 664	8 104 557
Accounts receivable		2 860 851	2 347 593	2 321 067
Other current receivables		1 030 852	858 080	716 647
Cash and cash equivalents		4 349 105	3 694 038	5 328 615
Total current assets		19 197 590	14 896 375	16 470 886
Total assets		47 748 083	41 323 094	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		10 629 693	8 606 349	9 575 130
Non-controlling interests		12 371 734	11 325 204	11 815 252
Total equity		26 798 022	23 728 148	25 186 977
Deferred tax liabilities		4 002 155	3 608 479	3 511 547
Pensions and other obligations		13 528	14 017	11 488
Borrowings		6 210 199	5 939 038	6 663 497
Lease liabilities to credit institutions		952 932	1 029 505	1 024 557
Lease liabilities other than to credit institutions		1 605 742	1 352 670	1 382 141
Other non-current interest bearing debt		795	-	889
Other long-term liabilities		31 573	34 403	28 712
Total non-current liabilities		12 816 924	11 978 112	12 622 831
Short term borrowings		1 117 354	520 839	732 743
Lease liabilities to credit institutions		247 318	265 247	265 243
Lease liabilities other than to credit institutions		300 918	284 905	277 256
Overdraft facilities		1 722 970	877 582	582 390
Account payable		2 230 220	1 889 051	1 920 972
Other current liabilities		2 514 357	1 779 210	2 192 263
Total current liabilities		8 133 137	5 616 834	5 970 867
Total liabilities		20 950 061	17 594 946	18 593 698
Total equity and liabilities		47 748 083	41 323 094	43 780 675
Net interest bearing debt (NIBD)		5 902 463	4 938 173	3 969 416
Lease liabilities other than to credit institutions		1 906 660	1 637 575	1 659 397
NIBD incl. right of use assets liabilities		7 809 123	6 575 748	5 628 813
Equity ratio		56%	57%	58%

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

All figures in NOK 1,000	30.06.2022	30.06.2021	31.12.2021
Equity at period start	25 186 977	22 990 574	22 990 574
Comprehensive income in the period	3 345 595	1 927 379	3 419 650
Dividends	-1 750 314	-1 308 707	-1 334 692
Transactions with non-controlling interest	15 764	118 902	111 445
Other	-	-	-
Total changes in equity in the period	1 611 045	737 574	2 196 403
Equity at period end	26 798 022	23 728 148	25 186 977

CASH FLOW STATEMENT (unaudited)

All figures in NOK 1,000	Q2 2022	Q2 2021	H1 2022	H1 2021	(audited) 2021
Cash flow from operating activities					
Profit before income taxes	2 223 324	1 489 372	3 589 467	2 590 215	4 375 529
Fair value adjustment of biological assets	-1 053 091	-652 988	-1 304 739	-1 052 930	-1 114 412
Taxes paid in the period	-291 237	-138 772	-449 961	-265 010	-446 555
Depreciation and amortisation	413 920	395 137	856 016	784 063	1 579 680
Impairments	-308	-271	-599	-558	12 731
Associated companies - net	-164 149	-61 678	-293 562	-136 481	-393 488
Interest expense	98 120	77 392	182 796	157 139	322 298
Interest income	9 642	-5 494	-4 685	-10 937	-38 562
Change in inventories	-1 060 191	-331 569	-1 547 487	-51 234	-97 645
Change in receivables	-176 053	73 416	-853 987	-172 459	-4 418
Change in payables	272 743	326 474	310 057	412 450	443 477
Other operating cash flow incl currency exchange	405 383	-144 272	490 971	-93 914	-3 299
Net cash flow from operating activities	678 103	1 026 747	974 287	2 160 344	4 635 336
Cash flow from investing activities					
Purchase of intangible and fixed assets	-550 085	-344 686	-890 402	-564 710	-1 337 885
Purchase of shares and equity investments	-	-159 972	-49 117	-201 640	-508 691
Proceeds from sale of fixed assets/equity investments	29 373	25 565	32 753	27 682	43 477
Cash inflow from business combinations	-	2 948	-	2 948	3 829
Dividend received	128 000	113 514	131 000	113 514	113 514
Interest income	-9 642	5 494	4 685	10 937	38 562
Other investing activities - net	-7 448	2 167	-30 351	-1 765	-3 263
Net cash flow from investing activities	-409 802	-354 970	-801 432	-613 034	-1 650 457
Cash flow from financing activities					
Proceeds from new long term debt	200 935	222 561	280 935	873 402	2 393 905
Repayment of long term debt	-237 298	-766 575	-723 071	-1 426 956	-2 466 776
Change in short term debt	1 002 790	173 148	1 099 910	-302 715	-410 285
Interest paid	-104 252	-74 266	-189 705	-154 018	-325 510
Dividends paid	-1 741 527	-1 308 706	-1 750 314	-1 308 706	-1 334 692
Other finance cash flow - net	95 081	2 887	90 237	2 107	15 182
Net cash flow from financing activities	-784 271	-1 750 951	-1 192 008	-2 316 886	-2 128 176
Net change in cash and cash equivalents	-515 970	-1 079 174	-1 019 153	-769 576	856 703
Cash, and cash equivalents at start of period	4 822 393	4 773 212	5 328 615	4 462 765	4 462 765
Exchange gains/losses (-)	42 682	-	39 643	849	9 147
Cash and cash equivalents at period end	4 349 105	3 694 038	4 349 105	3 694 038	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 Q2 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 related to 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	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
Change FV adj. of biological assets	1 342 227	688 308	1 749 256	1 056 788	1 131 092
Change in FV of onerous contracts	-306 383	-2 439	-497 902	-6 169	-44 226
Change in FV of fishpool contracts	0	14	0	-1 563	-1 561
Total FV adjustments over profit and loss	1 035 844	685 882	1 251 354	1 049 057	1 085 304

Fair value adjustments over OCI

Change in FV of fishpool contracts *	-115	1 505	-1 621	4 240	5 408
Total FV adjustments over OCI	-115	1 505	-1 621	4 240	5 408

* Included in change in FV financial instruments (hedges) in statement of comprehensive income. Amount is after tax.

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS

Positive amounts are assets and negative amounts are liabilities

Biological assets	30/06/2022	30/06/2021	31/12/2021
Cost on stock for fish in sea	4 666 678	4 088 829	4 118 913
Cost on stock for fry, brood, smolt and cleaning fish	377 328	333 895	385 542
Total cost on stock for biological assets *	5 044 006	4 422 725	4 504 454
FV adj. of fish in sea	3 199 894	1 376 334	1 450 638
FV adj. of fry, brood, smolt and cleaning fish	0	0	0
Total FV adj. of biological assets	3 199 894	1 376 334	1 450 638
Monthly discount rate applied	5%	5%	4%
FV of fish in sea	7 866 573	5 465 164	5 569 551
FV of fry, brood, smolt and cleaning fish	377 328	333 895	385 542
Carrying amount of biological assets	8 243 901	5 799 059	5 955 092

Onerous contracts (liability)

Carrying amount of onerous contracts	-542 161	-6 201	-44 259
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Fish Pool contracts

Carrying amount of Fish Pool contracts	0	395	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)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
Salmon	27 246	32 274	55 158	70 217	161 542
Trout	5 837	4 482	9 982	8 689	25 093
Total harvested volume	33 083	36 756	65 140	78 906	186 635

VOLUME

Volume of fish in sea (LWT)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	2021
Volume at beginning of period	103 516	103 978	107 242	119 407	119 407
Net growth during the period	44 940	47 334	78 604	81 033	205 547
Harvested volume during the period	-38 630	-42 864	-76 020	-91 992	-217 712
Volume at end of period (LWT)	109 826	108 448	109 826	108 448	107 242

Specification of fish in sea (LWT)	30/06/2022	30/06/2021	31/12/2021
Salmon	96 382	91 780	93 543
Trout	13 444	16 668	13 699
Total	109 826	108 448	107 242
Salmon > 4.65 kg (live weight) *	13 756	3 386	4 376
Trout > 4.76 kg (live weight) *	153	4 019	587

* Defined as mature biological assets

Br. Birkeland Farming AS

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

Fair value adjustment over profit and loss	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Change FV adj. biological assets	17 247	-32 894	53 385	3 873	29 108
Total FV adjustments over profit and loss	17 247	-32 894	53 385	3 873	29 108

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS

Positive amounts are assets and negative amounts are liabilities

Biological assets	H1 2022	H1 2021	2021
Cost on stock for fish in sea	190 614	219 750	200 915
Fair value adjustment fish in sea	69 911	-8 709	16 526
Fair value fish in sea	260 525	211 041	217 441
Fry, brood and smolt	-	-	-
Carrying amount of biological assets	260 525	211 041	217 441

HARVESTED VOLUME

Harvested volume in gutted weight (GWT)	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Total volume	2 776	2 217	4 324	4 048	8 151
- Salmon	2 776	2 217	4 324	4 048	8 151

VOLUME

Volume of fish in sea (LWT)	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Volume at beginning of period	4 682	5 079	4 379	5 693	5 693
Net growth during the period	2 525	2 358	4 693	3 989	8 589
Harvested volume during the period	-3 315	-2 702	-5 180	-4 947	-9 903
Volume at end of period (LWT)	3 892	4 735	3 892	4 735	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%)
Q2 2022									
Operating revenue	6 566 107	530 689	326 731	116 578	303 480	8 311	7 851 896	1 134 841	8 986 737
EBITDA *	1 033 660	168 691	125 490	36 610	194 043	-5 745	1 552 749	130 930	1 683 679
EBITDA %	16%	32%	38%	31%	64%		20%	12%	19%
EBIT *	711 895	120 623	116 195	23 225	177 456	-10 257	1 139 137	88 037	1 227 174
EBITDA **	1 244 480	168 691	125 490	36 610	194 043	-5 745	1 763 569	130 930	1 894 499
EBITDA %	19%	32%	38%	31%	64%		22%	12%	21%
EBIT **	922 715	120 623	116 195	23 225	177 456	-10 257	1 349 957	88 037	1 437 994
Volumes sold:									
Salmon (GWT tonnes)	33 083				2 776		35 859		35 859
Fishmeal/oil/FPC (tonnes)		28 757	5 688				34 445	45 700	80 145
Frozen/fresh fish (tonnes)		1 963	21 755				23 718	19 900	43 618
Q2 2021									
Operating revenue	5 348 672	389 181	321 512	55 520	138 961	8 945	6 262 791	875 304	7 138 095
EBITDA *	899 109	161 519	126 802	32 618	41 076	912	1 262 036	39 858	1 301 894
EBITDA %	17%	42%	39%	59%	30%		20%	5%	18%
EBIT *	582 767	119 935	118 612	22 303	27 413	-3 860	867 170	9 307	876 477
Volumes sold:									
Salmon (GWT tonnes)	36 756				2 217		38 973		38 973
Fishmeal/oil/FPC (tonnes)		23 335	8 277				31 612	26 050	57 662
Frozen fish (tonnes)		4 406	19 472				23 878	24 400	48 278
H1 2022									
Operating revenue	12 090 786	1 183 753	515 457	184 734	424 821	17 131	14 416 682	2 244 404	16 661 086
EBITDA *	2 206 513	299 246	209 353	48 062	245 673	-11 974	2 996 873	222 879	3 219 752
EBITDA %	18%	25%	41%	26%	58%		21%	10%	19%
EBIT *	1 563 713	205 326	157 623	22 709	212 500	-20 425	2 141 446	137 315	2 278 761
EBITDA **	2 417 333	299 246	209 353	48 062	245 673	-11 974	3 207 693	222 879	3 430 572
EBITDA %	20%	25%	41%	26%	58%		22%	10%	21%
EBIT **	1 774 533	205 326	157 623	22 709	212 500	-20 425	2 352 266	137 315	2 489 581
Volumes sold:									
Salmon (GWT tonnes)	65 140				4 324		69 464		69 464
Fishmeal/oil/FPC (tonnes)		64 599	8 068				72 667	75 200	147 867
Frozen/fresh fish (tonnes)		12 277	36 801				49 078	62 100	111 178
H1 2021									
Operating revenue	10 275 553	1 089 121	478 696	126 396	225 808	20 032	12 215 606	2 041 148	14 256 754
EBITDA*	1 658 427	386 633	193 245	60 518	56 632	1 568	2 357 023	106 531	2 463 554
EBITDA %	16%	35%	40%	48%	25%		19%	5%	17%
EBIT*	1 038 201	301 503	176 278	39 949	25 561	-7 974	1 573 518	45 608	1 619 126
Volumes sold:									
Salmon (GWT tonnes)	78 906				4 048		82 954		82 954
Fishmeal/oil/FPC (tonnes)		68 989	11 650				80 639	48 850	129 489
Frozen fish (tonnes)		13 639	30 062				43 701	71 850	115 551
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

** Before fair value adjustments related to biological assets and litigation cost related to settlement of MNOK 211

As previously notified, the costs in connection with lawsuits in North America are significant. In the second quarter the Group has expensed costs incurred and made provisions, totalling NOK 211 million, in connection with the civil actions in North America. Please refer to the Group's annual report 2021.

The key figures affected are marked ** on the left.

NOTE 5 ASSOCIATES

		Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Norskott Havbruk AS* a)	50,0%	122 303	51 182	218 597	97 092	93 577
Pelagia Holding AS b)	50,0%	38 351	6 889	66 635	26 569	272 361
Others		3 495	3 607	8 330	12 820	27 551
Income from associates		164 149	61 678	293 562	136 481	393 489
* Fair value adjustment biological assets		54 016	7 558	124 893	26 066	6 022
Income from associates before FV adj.		110 133	54 120	168 669	110 415	387 467

Investment in associates:

Norskott Havbruk				1 371 782	820 311	1 125 883
Pelagia Holding AS				1 475 713	1 205 723	1 473 289
Others				406 694	388 998	403 231
Total investment		-	-	3 254 189	2 415 032	3 002 403

Dividend received

Norskott Havbruk		-	-			
Pelagia Holding AS		125 000	100 000	125 000	100 000	100 000
Others		3 000	13 514	6 000	13 514	13 514
Total dividend received from associates		128 000	113 514	131 000	113 514	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 30.06.2022

Investor	Number of shares	% of top 20	% of total
LACO AS	112 605 876	73.48	55.55
STATE STREET BANK AND TRUST COMP	6 687 205	4.36	3.30
STATE STREET BANK AND TRUST COMP	4 902 913	3.20	2.42
J.P. MORGAN SE	3 931 205	2.57	1.94
FOLKETRYGDFONDET	2 965 365	1.94	1.46
PARETO AKSJJE NORGE VERDIPAPIRFOND	2 694 155	1.76	1.33
OM HOLDING AS	2 396 308	1.56	1.18
SIX SIS AG	1 812 403	1.18	0.89
JPMORGAN CHASE BANK, N.A., LONDON	1 711 757	1.12	0.84
J.P. MORGAN SE	1 693 694	1.11	0.84
THE BANK OF NEW YORK MELLON SA/NV	1 579 722	1.03	0.78
THE NORTHERN TRUST COMP, LONDON BR	1 398 985	0.91	0.69
STATE STREET BANK AND TRUST COMP	1 346 804	0.88	0.66
THE BANK OF NEW YORK MELLON	1 184 052	0.77	0.58
J.P. MORGAN SE	1 114 333	0.73	0.55
CLEARSTREAM BANKING S.A.	1 067 695	0.70	0.53
EUROCLEAR BANK S.A./N.V.	1 062 574	0.69	0.52
STATE STREET BANK AND TRUST COMP	1 039 485	0.68	0.51
DANSKE INVEST NORSKE INSTIT. II.	1 038 363	0.68	0.51
VERDIPAPIRFONDET ALFRED BERG GAMBA	1 004 358	0.66	0.50
Total number owned by top 20	153 237 252		75.59
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:

	Q2 2022	Q2 2021
Operating profit (EBIT)	2 192 228	1 520 158
- Fair value adjustments	1 053 091	652 988
= EBIT before fair value adjustments	1 139 137	867 170

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.

Operating profit/loss before depreciation and fair value adjustments

The operating profit/loss before depreciation and fair value adjustments is an alternative performance measure. This is estimated in the same way as for "Operating profit/loss before fair value adjustments" (above).

Profit/loss before tax and fair value adjustments

The profit/loss before tax and fair value adjustments is an alternative performance measure utilised by the Group. Pursuant to IFRS, biological assets shall be measured at fair value in the statement of financial position (IAS 41). The alternative performance measure shows what the profit/loss before tax would have been if IAS 41 had not been applied. This requires reversal of fair value adjustments made for fish in the sea. The reversal comprises the Group's own fair value adjustment in addition to fair value adjustments included in the share of profit/loss from associates carried according to the equity method, also in accordance with IAS 41. The following components are included:

	Q2 2022	Q2 2021
Profit before tax	2 223 324	1 489 372
- Fair value adjustments	1 053 091	652 988
- Fair value adjustments in associated comp.	54 016	7 558
= Profit before tax and fair value adjustments	1 116 217	828 826

NOTE 7 ALTERNATIVE PERFORMANCE MEASURES (cont.)

Net interest-bearing debt (NIBD)

NIBD is an alternative performance measure used by the Group. The figure shows how much capital the Group employs and is an important key figure for stakeholders who are planning to provide financing to the Group and for those who want to value the company. The Group therefore defines NIBD as interest-bearing liabilities, both short-term and long-term, to persons or institutions where the main objective is to provide financing and/or credit, minus interest-bearing cash or cash equivalents. This implies that long-term interest-bearing receivables (asset) and other lease liabilities exceeding lease commitments to credit institutions (liability) are not included. The latter component covers the majority of the new lease liabilities capitalised in connection with the implementation of IFRS 16. The following components from the statement of financial position are included:

	30/06/2022	30/06/2021	31/12/2021
Loans from credit institutions *			
+ Lease liabilities to credit institutions *	1 200 250	1 294 752	1 289 800
+ Other long term loans *	7 328 348	6 494 280	7 425 841
+ Overdrafts/other short term loans	1 722 970	877 582	582 390
- Cash and cash equivalents	-4 349 105	-3 694 038	-5 328 615
= Net interest bearing debt (NIBD)	5 902 463	4 972 576	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	271	3 484	4 533	-	8 288
Right-of-use assets acquired	-	6 566	74 549	395 159	476 274
Disposal	-	-	-12 245	-30 759	-43 004
Depreciation	-3 336	-28 643	-132 024	-126 943	-290 946
Business combinations	-	-	-	-	-
Reclassification	-	-	1 570	13 430	15 000
Carrying value 30.06.2022	46 620	447 648	1 321 723	1 413 385	3 229 376



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