



Austevoll Seafood ASA

Financial report Q3 2022



Austevoll Seafood ASA

**Alfabygget
N-5392 Storebø
NORWAY**

www.auss.no

Index

- p. 4 Key figures, Q3 2022
- p. 6 Profit/loss Q3 2022
- p. 6 Operational review of segments for Q3
- p. 11 Joint venture
- p. 11 Cash flow for Q3 2022
- p. 12 Financial factors at 30 September 2022
- p. 12 Cash flows for the first nine months of 2022
- p. 12 Statement of financial position at 30 September 2022
- p. 13 Other issues
- p. 14 Shareholder information
- p. 14 Austevoll Seafood ASA's focus areas for sustainability
- p. 14 Market and outlook
- p. 18 Income statement
- p. 18 Condensed statement of comprehensive income
- p. 19 Statement of financial position
- p. 20 Condensed statement of changes in equity
- p. 20 Cash flow statement
- p. 21 Note 1 Accounting policies
- p. 21 Note 2 Related party transactions
- p. 21 Note 3 Biological assets
- p. 24 Note 4 Segments
- p. 25 Note 5 Associates
- p. 25 Note 6 List of the 20 largest shareholders
- p. 26 Note 7 Alternative performance measures
- p. 27 Note 8 Right-of-use assets

FINANCIAL REPORT Q3 2022

- Significantly lower spot prices for Atlantic salmon compared with the first half of 2022, but reasonable earnings
 - » Harvest volume of Atlantic salmon and trout in line with Q3 2021
 - » The price fall has meant lower margins for the farming companies
- Seasonally lower level of pelagic production in South America
 - » High sales volume with good prices realised generates good earnings
- Seasonally high level of activity within pelagic segment in the North Atlantic
- Significant price growth for all input factors
 - » Will require increased productivity in all the portfolio companies
- Proposal of resource rent tax for aquaculture
 - » A proposal detrimental to the industry that betrays a lack of understanding of aquaculture's value chain and disrespect for the value private sector creates for the welfare state, including employment and the basis for settlement along the coast
 - » The government's proposal displays a level of political risk we have previously been spared in Norway and is totally at odds with the Norwegian tradition, which values accountability and predictability
 - » Fundamentally important framework conditions for industry need to be created through open political processes based on knowledge and facts

KEY FIGURES, Q3 2022

All figures in NOK 1,000	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	2021
Operating revenue	9 094 236	7 389 811	23 510 918	19 605 417	26 633 441
EBITDA**	1 715 706	1 146 341	4 923 400	3 503 364	4 810 014
EBITDA %	19%	16%	21%	18%	18%
EBIT**	1 279 097	741 043	3 631 374	2 314 561	3 217 603
EBIT*	1 279 097	741 043	3 420 554	2 314 561	3 217 603
Pre tax profit before biomass adj.**	1 339 547	838 773	3 710 203	2 349 856	3 255 095
Pre tax profit	1 367 026	631 031	4 956 494	3 221 247	4 375 529
Earnings per share (EPS) **	3,52	2,26	8,28	5,39	7,53
Earnings per share (EPS)	3,54	1,83	10,86	7,17	9,82
Total assets			48 092 681	42 631 298	43 780 675
Equity			28 033 708	24 232 490	25 186 977
Equity ratio			58%	57%	58%
NIBD ex. right-of-use assets liabilities ***			4 925 205	3 925 672	3 969 416
NIBD incl. right-of-use assets liabilities to tother than credit institurions ***			6 778 490	5 634 047	5 628 813

** Before fair value adjustments of biological assets (and settlement costs of total MNOK 211 in YTD Q3/22 figures)

* 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.

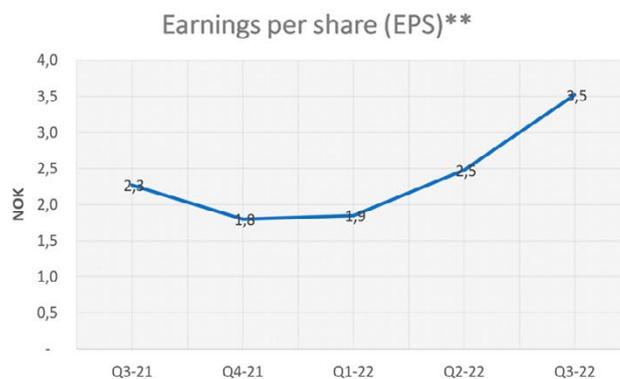
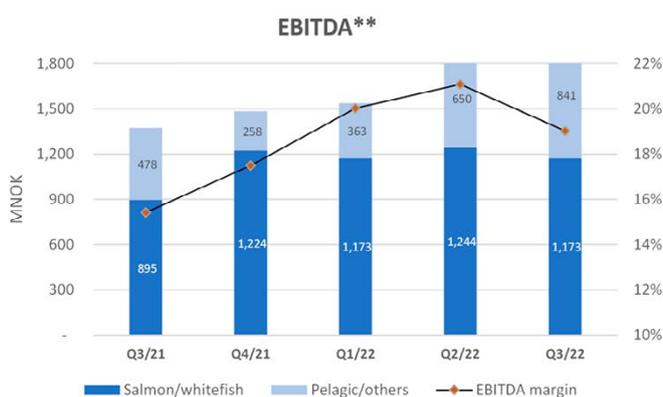
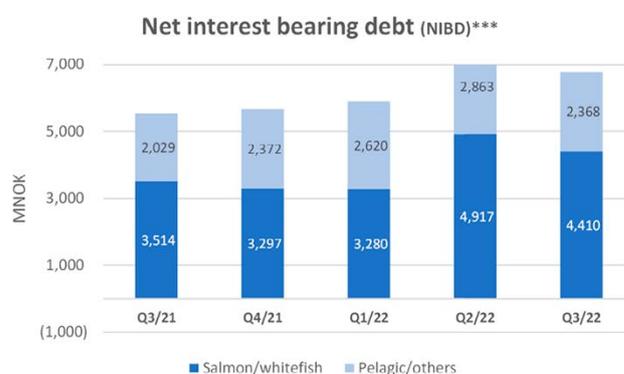
The company's values – Look to the Future, Act with Integrity, Enhance Knowledge and Strive for Excellence – shall lay the foundations for the company's ownership and be reflected in the activities of the company's portfolio companies.

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 Q3 2022

The Group reported operating revenue of NOK 9,094 million in the quarter, compared with NOK 7,390 million in Q3 2021. This growth is essentially a result of higher prices for the portfolio companies' main products.

EBITDA after fair value adjustment related to biological assets in Q3 2022 was NOK 1,716 million, compared with NOK 1,146 million in Q3 2021.

EBIT before fair value adjustment related to biological assets was NOK 1,279 million in Q3 2022, compared with NOK 741 million in Q3 2021.

After a period of extremely strong price performance for salmon and trout in the first half of the year, prices fell significantly through Q3 2022, partly as a result of substantially higher harvest volumes in Norway. The NSI price in the quarter was NOK 68.7/kg, down from NOK 105.4/kg in Q2 2022 and up slightly from NOK 54.7/kg in Q3 2021. This is equivalent to a fall in price of NOK 37/kg compared with Q2 2022 and an increase of NOK 14/kg compared with Q3 2021. The Group's total prices realised for salmon and trout are strongly influenced by prices realised on contracts, which are entered into long before the fish are harvested. Within the pelagic segment, prices realised for fishmeal were higher than in the same quarter of 2021. Prices realised for fish oil in the quarter show a significant uplift. Taken together, these factors have contributed to a substantial increase in revenue and earnings in Q3 2022 compared with the same period of last year.

Fair value adjustment related to biological assets for the quarter was NOK 94 million. The corresponding figure in Q3 2021 was NOK -185 million.

EBIT after fair value adjustment related to biological assets in Q3 2022 was NOK 1,373 million, compared with NOK 556 million in Q3 2021.

The largest associates are Norskott Havbruk AS and Pelagia Holding AS. Income from associates in Q3 2022 totalled NOK 107 million (Q3 2021: NOK 172 million). The decrease is partly explained by the negative fair value adjustment related to biological assets of NOK -67 million in the quarter. The corresponding adjustment in Q3 2021 was NOK -23 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 Q3 2022 totalled NOK

-94 million (Q3 2021: NOK -67 million). The increase can be explained by rising interest levels and higher tied-up working capital. Net other financial items for the quarter were negative at NOK -19 million. Net other financial expenses in Q3 2021 totalled NOK -30 million.

Profit before tax and fair value adjustment related to biological assets for Q3 2022 amounted to NOK 1,340 million, compared with NOK 839 million in Q3 2021.

The Group reported profit before tax for the quarter of NOK 1,367 million (Q3 2021: NOK 631 million). Profit after tax was NOK 1,041 million (Q3 2021: NOK 517 million).

OPERATIONAL REVIEW OF SEGMENTS FOR Q3

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.

"Post-COVID" rebound in demand – particularly for the HoReCa market – following the reopening of society. High contract shares and significant seasonal fluctuations in export volumes of salmon and trout have led to extremely volatile developments in the spot prices for salmon and trout through 2022. After a period of extremely strong price performance in the first half of the year, salmon and trout prices fell significantly through Q3, mainly as a result of substantially higher harvest volumes in Norway. The Group's harvest volume in Q3 2022 was considerably higher than in the previous quarter. As expected, the volume growth generated higher earnings for the Farming segment despite lower margins. Downstream operations have been subject to extremely difficult framework conditions through 2022, but more stable prices and higher volumes will gradually lead to an earnings improvement.

In Q3 2022, LSG reported revenue of NOK 7,449 million (Q3 2021: NOK 6,331 million) and EBITDA before fair value adjustment related to biological assets of NOK 1,173 million (Q3 2021: NOK 895 million).

LSG's harvest volume for salmon and trout, gutted weight,

KEY FIGURES (LSG):

(MNOK)	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	2021
Revenue	7 449	6 331	19 540	16 607	23 136
EBITDA*	1 173	895	3 590	2 554	3 778
EBIT*	831	579	2 606	1 617	2 519
Harvested volume (GWT)	56 179	56 397	121 319	135 303	186 635
EBIT/kg* ex. wildcatch (NOK)	14,0	9,6	16,8	10,1	11,7
Havfisk catch volume (MT)	14 862	12 337	58 627	54 403	71 521
EBIT wildcatch (MNOK)	27	17	357	267	340

* Before fair value adjustments related to biological assets (YTD Q3 2022 figures includes settlement costs)

was 56,179 tonnes in Q3 2022, compared with 56,397 tonnes in Q3 2021.

The average price for salmon in Q3 2022, measured according to NSI (sales price FCA Oslo), was NOK 68.7/kg, compared with NOK 05.4/kg in Q2 2022, representing a decrease of NOK 37/kg. The price increased by NOK 14/kg in Q3 2022 compared with NSI (sales price FCA Oslo) in Q3 2021. These figures testify to a widely fluctuating market.

There are a number of factors that influence the Group's prices realised compared with the spot price for whole salmon, including contract share, quality, sizes, type of finished product and timing.

The Group's contract share for salmon in the quarter was 37%. The contract price realised was higher than in Q3 2021 but significantly lower than the spot price in the quarter. The contracts are entered into long before the fish are harvested. For Lerøy Sjøtroll, 32% of the harvest volume in Q3 2022 was trout. Prices realised for whole trout were slightly higher than those for whole salmon in the quarter.

Higher costs for input factors are manifesting themselves strongly in the Group's costs. Feed costs per kilo harvest weight in Q3 2022 were approx. NOK 3.5/kg higher than in Q3 2021. Costs from the fish cage collar have increased by just over NOK 1/kg compared with the same period of last year, driven by higher bunkering charges, energy prices and packaging costs.

Lerøy Aurora's costs for Q3 2022 were substantially lower than in Q2 2022, impacted by a higher harvest volume and extremely good biological development. The costs are higher than in the equivalent period of last year, but the increase has been partly offset/is slightly less than the impact of higher input factor

prices. Sea-based production at Lerøy Aurora is very good, but the higher feed prices seen over the last year mean costs are currently expected to be marginally higher in Q4 2022 than in Q3 2022. Lerøy Aurora expects a harvest volume in the region of 40,000 GWT in 2022 and 46,000 GWT in 2023.

As discussed in the Q2 2022 report, growth in Lerøy Midt at the start of the third quarter was negatively affected by a higher number of treatments than in the same period of last year. This trend continued throughout the quarter, reducing growth. The Group's cost level in Q3 2022 was lower than in Q2 2022 but higher than in Q3 2021. We see some similarities with Lerøy Aurora, in that the increase from 2021 is less than the increase in input factor prices would indicate. Compared with Q3 2022, costs are expected to increase in the fourth quarter. The company estimates a harvest volume in the region of 68,000 GWT in 2022, and the current estimate for 2023 is 66,000 GWT.

The Q2 2022 report stated that growth in Lerøy Sjøtroll at the start of the third quarter was slightly weaker than expected. Developments in the third quarter were challenging, with growth slightly weaker than expected. The frequency of treatments has led to an increase in the cost level from Q2 2022. This cost increase, compared with Q3 2021, is greater than the increase in input factor prices would indicate. Current estimates are for slightly lower release from stock costs in Q4 2022 compared with Q3 2022. Harvest volumes have been estimated in the region of 66,000 GWT in 2022 and 68,000 GWT in 2023.

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 Q3 2022. The catch volume in Q3 2022 totalled 14,862 tonnes, compared with 12,336 tonnes in Q3 2021. A higher catch volume, higher catch rates and good demand are key factors in the improved earnings in the trawler fleet. The outstanding quotas at 30 September 2022 are lower than in 2021, but a large part 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 had been negatively impacted by COVID-19 restrictions for the past two years but have rebounded significantly in 2022. The average price for all catches in Q3 2022 was up around 25% compared with the same period of 2021. The price for cod was up 56%, while prices for haddock and saithe increased by 20% and 41% 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 Q3 2022 than in the same period of 2021. Profitability in sea-based operations is down due to higher costs, including crew and bunkering charges. Total fuel consumption was marginally down on Q3 2021, but fuel prices were around 100% higher. As a result, bunkering charges were NOK 49 million higher in Q3 2022 than Q3 2021.

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, which continues undiminished. Earnings improved significantly in 2021, but the current year shows a negative trend. 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 are fully reflected in the prices for end products.

Total earnings in Lerøy Havfisk/LNWS were NOK 27 million in Q3 2022, compared with NOK 17 million in Q3 2021. Total earnings for the first nine months were NOK 357 million, compared with NOK 267 million in the same period of 2021.

On 20 February 2019, the EU's competition authorities ("the Commission") initiated investigations into suspected collusion in the salmon market. The US Department of Justice (DOJ) started an investigation of 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. Please refer to Note 3 in the Group's Q2 2022 report and the Group's annual report 2021 for more information.

For further information, please refer to LSG's report and presentation for Q3 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 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 and finished on 27 July. The quota for the season was set at 2.79 million tonnes, up from 2.5 million tonnes for the corresponding season in 2021. The season was a challenging one, particularly because of the number of small fish, which resulted in closure of a significant number of zones through the season. At the end of the season, 84% of the total quota had been caught, compared with 98% for the same season in 2021.

Austral had caught 85% of its allocated quota of 195,000 tonnes by the end of the season, of which 27,000 tonnes were caught in July. For the same season in 2021, the company had a quota of 175,000 tonnes and caught 100% of its own quota, of which 31,500 tonnes in July 2021.

KEY FIGURES (PERU):

(MNOK)	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	2021
Revenue	1 229	658	2 413	1 747	2 017
EBITDA	446	185	745	572	673
EBIT	396	145	601	446	506
Raw material (MT):	49 438	38 699	320 669	356 340	569 340
Sales volumes:					
Fishmeal (MT)	47 652	35 175	107 683	93 878	109 456
Fish oil (MT)	8 382	8 487	12 950	18 773	18 973
Frozen/fresh JM/M(MT)	-	-	10 267	13 639	13 639

KEY FIGURES (CHILE):

(MNOK)	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	2021
Revenue	230	162	746	641	716
EBITDA	37	34	247	227	192
EBIT	28	18	185	194	150
Raw material intake:	13 400	8 828	99 759	100 584	104 856
Sales volumes:					
Fishmeal (MT)	1 245	1 321	9 294	9 850	12 117
Fish oil (MT)	282	650	3 428	3 771	3 967
Frozen (MT)	8 235	12 259	55 152	42 321	45 597

Since the season finished, the company has been carrying out repairs on the vessels and maintenance at its factories. The second fishing season is expected to start towards the end of the year.

Operating revenue in Q3 2022 totalled NOK 1,229 million (Q3 2021: NOK 658 million) and EBITDA was NOK 446 million (Q3 2021: NOK 185 million).

The figures for Q3 2022 include a one-time effect of NOK 61 million related to the disposal of operating assets.

Sales volumes for fishmeal and fish oil were 56,000 tonnes, up from 43,700 tonnes in the same quarter of 2021. The company's prices realised for fishmeal were up 13%, while fish oil prices increased by 80% compared with Q3 2021. The company had a fishmeal and fish oil inventory of 4,700 tonnes at the end of Q3 2022, compared with 11,500 tonnes at the end of Q3 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.

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 set 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/sardine) 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 quota for horse mackerel increased by 15% again in 2022, in line with the last three years. The company's own quota for 2022 totals 46,000 tonnes, up from 40,000 tonnes in 2021. The company has purchased additional catch volume

KEY FIGURES (BRBI):

(MNOK)	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	2021
Revenue	100	119	285	246	306
EBITDA	31	41	79	102	111
EBIT	17	31	40	71	70

KEY FIGURES (BFARM):

(MNOK)	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	2021
Revenue	77	110	502	336	432
EBITDA*	25	-13	271	44	52
EBIT*	8	-30	221	-4	-12
Harvested volume (GWT)	1 171	2 329	5 495	6 377	8 151
EBIT/kg* all incl. (NOK)	7,2	-12,8	40,2	-0,7	-1,5

* Before fair value adjustments related to biological assets

of 32,100 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 fish quota for 2022 is currently 78,100 tonnes, up from 71,800 tonnes in 2021.

The company caught 13,100 tonnes of horse mackerel in Q3 2022, compared with 8,500 tonnes in Q3 2021. This means the company filled its total quota for the year in the third quarter. In the fourth quarter, the company has entered into an agreement to purchase additional quota totalling 3,600 tonnes from third parties. This will be caught in December. The coastal fleet's anchoveta fishing was completed in Q3 2022. The company has purchased a limited volume of anchoveta for the production of fishmeal and oil, on par with the volume purchased in the same period last year.

Operating revenue in Q3 2022 was NOK 230 million (Q3 2021: NOK 162 million) and EBITDA was NOK 37 million (Q3 2021: NOK 34 million).

Sales of frozen products totalled 18,400 tonnes in Q3 2022, up from 12,200 tonnes in Q3 2021. The company's prices realised in Q3 2022 were 20% lower than in Q3 2021. At the end of Q3 2022, the company had inventory of 4,400 tonnes of frozen products, compared with 3,400 tonnes at the end of Q3 2021.

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

Br. Birkeland AS (BRBI) was demerged at the end of 2017, with the farming operations being transferred to the new company, Br. Birkeland Farming AS (BFARM), while fishery operations remained in Br. Birkeland AS. AUSS owns 55.2% of the shares in Br. Birkeland Farming AS and 42.9% of the shares in Br. Birkeland AS.

BRBI had two pelagic vessels operating in the quarter. The vessels started fishing for mackerel in August and had almost caught their full quota by the end of the quarter. Prices realised for mackerel have been substantially higher this year than in 2021. Snow crab fishing was halted on 7 June because all the Norwegian quota had been caught. Prices realised for snow crab have been substantially lower this year than in 2021. The snow crab vessels undergo essential repairs and maintenance in the second half of the year.

The BRBI segment reported operating revenue of NOK 100 million in Q3 2022 (Q3 2021: NOK 119 million). EBITDA amounted to NOK 31 million (Q3 2021: NOK 41 million). The segment is experiencing significant price increases for all input factors.

The company's harvest volume was 1,171 tonnes of salmon in Q3 2022, down from 2,329 tonnes in the same period of 2021. The company has no processing operations and sells

KEY FIGURES (PELAGIA):

(MNOK)	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	2021
Revenue	2 994	3 037	7 483	7 120	10 002
EBITDA	597	455	1 043	668	1 018
EBIT	507	379	782	470	727
Net interest bearing debt			3 706	3 236	3 303

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

all its salmon to independent export companies on the spot market. The average price for salmon in Q3 2022, measured according to NSI (sales price FCA Oslo), was NOK 68.7/kg, up from NOK 54.7/kg in Q3 2021. Profits in Q3 2021 were negatively affected by the company harvesting fish of low average weight due to the presence of ILA.

In Q3 2022, the BFARM segment reported operating revenue of NOK 77 million (Q3 2021: NOK 110 million). EBITDA before fair value adjustment related to biological assets was NOK 25 million (Q3 2021: NOK -13 million).

Price rises for key input factors will affect the company's production costs and tied-up working capital in the periods 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 Hordafør AS, which purchases raw materials from the fish farming, whitefish and pelagic industries. Hordafør's main activity is producing protein concentrate and oil. Through its subsidiary Epax, Pelagia is a global leading manufacturer of Omega-3 products based on marine ingredients, with applications within dietary supplements and pharmaceutical products.

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

The third quarter typically sees a high level of activity within all operating segments. The volume of raw materials received for consumer products in Q3 2022 was 116,800 tonnes, compared with 108,900 tonnes in Q3 2021. An early start-up of mackerel fishery for the Norwegian vessels meant the company had a good level of activity in the quarter, particularly within the consumer segment. Total receipt of raw materials in Pelagia for fishmeal/FPC and fish oil production was 161,600 tonnes in Q3 2022, compared with 146,300 tonnes in Q3 2021.

Revenue for Pelagia in the quarter was NOK 2,994 million (Q3 2021: NOK 3,037 million) and EBITDA was NOK 597 million (Q3 2021: NOK 455 million).

The sales volume for frozen products in Q3 2022 was 65,700 tonnes, down from 80,200 tonnes in the same period of 2021. Sales of fishmeal/FPC and fish oil in the quarter totalled 96,200 tonnes, down from 106,800 tonnes in Q3 2021.

CASH FLOW FOR Q3 2022

Cash flow from operating activities in Q3 2022 was NOK 1,660 million (Q3 2021: NOK 1,553 million). Cash flow from operating activities within farming has been significantly impacted by higher tied-up capital as a result of inflation, primarily higher energy costs and feed prices – which increases the value of inventory – but also higher accounts receivable. There has been a seasonal reduction in tied-up working capital within the pelagic sector. Cash flow from investing activities for Q3 2022 was NOK -450 million (Q3 2021: NOK -343 million). Cash flow from financing activities for Q3 2022 was NOK -1,318 million (Q3 2021: NOK -460 million).

The Group's cash and cash equivalents are significant, totalling NOK 4,282 million at the end of Q3 2022, compared with NOK 5,371 million at the end of Q3 2021.

FINANCIAL FACTORS AT 30 SEPTEMBER 2022

The Group reported operating revenue of NOK 23,511 million for the first nine months of 2022 (9M 2021: NOK 19,605 million). EBITDA before fair value adjustment related to biological assets was NOK 4,713 million for the first nine months (9M 2021: NOK 3,503 million). EBITDA adjusted for one-off costs of NOK 211 million in Q2 2022 was NOK 4,923 million (9M 2021: NOK 3,503 million).

EBITDA before fair value adjustment related to biological assets and one-off costs in Q2 2022 was NOK 3,631 million (9M 2021: NOK 2,315 million). The fair value adjustment related to biological assets was NOK 1,399 million for the first nine months, compared with NOK 868 million for the same period in 2021.

EBIT after fair value adjustment related to biological assets and the one-off costs mentioned was NOK 4,820 million (9M 2021: NOK 3,183 million).

Income from associates for the first nine months totalled NOK 400 million (9M 2021: NOK 308 million).

The Group's net interest expense in the period was NOK -272 million (9M 2021: NOK -213 million).

Profit before tax excluding fair value adjustment related to biological assets was NOK 3,499 million for the first nine months of 2022, compared with NOK 2,350 million in the same period of 2021. Adjusted for one-off costs, profit before tax and fair value adjustment related to biological assets was NOK 3,710 million.

Profit after tax for the first nine months totalled NOK 3,847 million (9M 2021: NOK 2,527 million).

CASH FLOWS FOR THE FIRST NINE MONTHS OF 2022

Cash flow from operating activities for the first nine months of 2022 was NOK 2,634 million (9M 2021: NOK 3,713 million). Cash flow from operating activities has been significantly impacted by higher tied-up capital as a result of inflation, primarily higher energy costs and feed prices – which increase the value of fish in the sea – but also higher accounts receivable. Tax payments in the period totalled NOK 494 million, compared with NOK 282 million for the same period in 2021. Cash flow from investment activities for the first nine months of 2022 was NOK -1,251 million (9M 2021: NOK -956 million). Cash flow from financing activities for the first nine months of 2022 was NOK -2,510 million (9M 2021: NOK -1,857 million), of which NOK 1,752 million relates to payment of dividends from the parent

company and Group companies (to minority). Dividends paid at 30 September 2021 were NOK 1,319 million.

Net change in cash for the Group in the first nine months of 2022 was NOK -1,127 million (9M 2021: NOK 900 million).

The Group's cash and cash equivalents at 30 September 2022 totalled NOK 4,282 million, compared with NOK 5,371 million at 30 September 2021. The Group's cash and cash equivalents reflect the solid position of the portfolio companies but also their need to be prepared for unexpected events, for example the extreme political risk playing out in Norway under the current government, at an already challenging time.

STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2022

The Group's statement of financial position at 30 September 2022 showed a total of NOK 48,093 million, compared with NOK 42,631 million at 30 September 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 September 2022 of NOK 28,034 million, corresponding to an equity ratio of 58%. At 30 September 2021, book equity was NOK 24,232 million, corresponding to an equity ratio of 57%.

At 30 September 2022, the Group had net interest-bearing debt excluding right-of-use liabilities other than to credit institutions totalling NOK 4,925 million, compared with NOK 3,926 million at 30 September 2021. The Group's net interest-bearing debt including right-of-use liabilities other than to credit institutions was NOK 6,778 million at 30 September 2022, compared with NOK 5,634 million at 30 September 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 September 2022, the parent company Austevoll Seafood ASA had cash and cash equivalents of NOK 520 million and net interest-bearing debt of NOK 48 million. The parent company has a long-term NOK 600 million credit facility, of which NOK 590 million remained unutilised at 30 September 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 sickness and fear significantly affected how we live our lives. As a part of the global seafood industry, the Group has also been severely affected by the pandemic. Among other things, this has manifested in the form of changes in the pattern of demand for the Group's products, access to labour, both in the Group and externally, and other input factors, 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 September 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 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 development and employment in capital-intensive activities exposed to global competition, such as fish farming, fisheries and industry, are challenging and demand predictability where possible. Achieving such predictability requires businesses and, not least, national political leaders, to pursue a reasonable long-term business policy. The Group's strategy centres on a long-term perspective, irrespective of framework conditions, to ensure a globally competitive structure that can continue to safeguard industrial development in the numerous local communities where the Group has operations.

See separate section on the Norwegian government's proposal of 28 September 2022 to introduce a resource rent tax on Norwegian aquaculture.

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. 22% 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 company's Board of Directors has established an ESG committee comprising three of the Board members.

SHAREHOLDER INFORMATION

The company had 9,111 shareholders at 30 September 2022. The number of shareholders at the start of Q3 2022 was 8,386.

The share price was NOK 115.30 at the start of Q3 2022 and NOK 73.75 at the end of the quarter. The authorities' proposal to introduce a resource rent tax was announced on 28 September 2022. The proposal, as well as the government's plan for introducing it, unsurprisingly triggered an immediate reaction in the market. The market closed with a fall in market value of approx. 22% from the end of trading on 27 September to the end of trading on 28 September.

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

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 further information on the Group's work on sustainability, go to:

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

Unfortunately, this is not how things turned out. In their rent resource proposal of 28 September 2022, the Norwegian government and the Ministry of Finance reveal a lack of insight into the industry's value chain and value creation, and hence of the consequences the proposal will have. It is critically important that the government quickly gets to grips with the industry's value chain, including its level of activity and key role in Norwegian coastal communities. We have a duty to remind the government, and its advisers, that the industry is currently scheduled to export more than 40 thousand tonnes of food every week. This represents almost 200 million meals and requires predictability.

The proposal betrays a lack of understanding of the industry's complexity and its importance to the country and coastal communities. It would take too long to comment on individual elements of the proposal here, but the damaging effects will of course be duly commented on via the consultation process. It is sad and incomprehensible that the government is willing to play fast and loose with a socially critical industry and its employees, suppliers and customers in this way. This proposal undermines an industry that, in time, has the potential to fill part of the void that will be left when the age of oil and gas comes to an end, not least outside Norway's major cities.

The rent resource proposal is likely to weaken the demand for and supply of Norwegian salmon.

Lerøy believes that the growth in demand, as a result of decades of market cultivation and product development, is the industry's most important value driver in the long term. Over the last 30 years, the company has made significant investments in human and financial capital to develop an efficient value chain that creates demand by means of continuity of supplies, availability, food security and product development. Until now, this has meant increased industrial capacity, employment and value creation along the coast and for Norway as a whole. It is imperative that we point out that the industry's annual food production already represents more than 1.5 million tonnes of food, equivalent to

six to seven billion meals a year. AUSS would encourage the authorities to put in place framework conditions that enable Norway to fulfil its international commitment to increase the production of seafood. This will allow us to maintain our unique position as a globally competitive food producer from both a financial and an environmental/climate perspective.

The rent resource proposal and the process surrounding it have precipitated a situation of acute operational chaos that is already having serious consequences for the company, employees, suppliers and customers. The ability of the company and the wider industry to fulfil their obligations in relationships developed over the last 30 years has effectively been torpedoed. The government's proposal assumes the industry is a raw material supplier with a homogenous product that can be sold in the spot market by means of daily transactions. In its proposal, the government makes references to power and oil, but in contrast to power and oil, where the product is homogenous, salmon is sold in different grades and sizes. It is our duty to point out the consequences of this, and we would reiterate that the industry's value chain, with a production time of around three years, produces 1.5 million tonnes of food a year, representing sales of just under 200 million meals a week in some periods. One would need to turn the clock back 30-40 years to find a Norwegian aquaculture industry that could perhaps have survived with the conception on which the proposal is based.

In the long term, the proposal will weaken the competitiveness of Norwegian industry and, other things being equal, reduce salmon production in Norway. We would point out that Lerøy has halted a NOK 400 million development on Skjervøy, a development that would have improved our competitiveness, and increased the level of processing and employment, as well as increasing value creation and significantly reducing the footprint from transport of the Group's products. In addition, Lerøy has cancelled the purchase of 614 tonnes MAB from the state at a price of NOK 123 million and did not participate in the auction of new licence capacity.

The rent resource proposal fails to give the industry the necessary predictability and long-term perspective in its framework conditions.

Historically, major changes in the tax base and other framework conditions have been accompanied by reasonable consultation processes and, subsequently, broad political compromise. The proposal cannot be perceived as anything other than the current government failing to recognise the importance of a long-term perspective and predictable framework conditions for Norway's second-largest export industry. Pursuant to the resource rent proposal, the tax will take effect from 1 January 2023, while the deadline for comments is 4 January 2023 and a final decision by the Storting is likely to be taken during the first half of 2023.

The government's proposal has not only harmed the industry's development and value creation for all stakeholders in the long term; it has also precipitated a situation of acute operational chaos, leading to the announcement of 339 lay-offs in Lerøy's processing plants for red fish. These lay-offs have been announced because the contract market – the basis for much of the Group's processing activity – has been "killed" by the tax proposal.

Neither the acute consequences nor the long-term damage can be intentional, but must be remedied as a matter of urgency. No business can operate with an unclear tax base with retroactive effect – for this reason alone, the government is urged to provide immediate clarifications and reassure the industry that the process will be accompanied by a genuine and appropriate consultation process.

The rent resource proposal is impacting the industry's access to knowledge and capital.

The government's proposal aims to increase the state's direct tax revenues at the expense of private capital. This in itself will of course weaken the industry's access to capital, both equity capital and all kinds of external financing. The increased political risk is an effect that will also impact other industry in Norway.

In total, the proposal will reduce the contribution to society, lead to a lower investment rate and less research and development, choke investments in new, future-oriented technology, and weaken knowledge development in the country's pre-eminent industry outside the urban areas. By way of example, in 2021 Lerøy purchased goods and services in Norway worth more than NOK 13 billion from a total of 4,500 suppliers. It has direct/indirect activities in more than 280 Norwegian municipalities. These ripple effects will be severely negatively impacted by the rent resource proposal.

Other forecasts

In June, ICES (the International Council for the Exploration of the Sea) published its recommendations for total saithe quotas in 2023. For saithe north of 62 degrees latitude, a 15% increase in the quotas is recommended, with a 19% increase in the total quota for the North Sea. Russia has been suspended from ICES in light of the war in Ukraine, so the quota recommendations for these two species were not published until the end of October. The recommendations entail reductions in the cod and haddock quotas of 20% and 5% respectively. The final quotas will be set by the Norwegian authorities in the autumn.

Cost inflation on input factors is gradually impacting release from stock costs for the Group's farming operations. The increase in release from stock costs is already apparent in the trend through 2022, and this will continue in 2023. Some of the inflation will be mitigated by expected efficiency improvements in the Group's value chain. For its consolidated operations, Lerøy Seafood Group

currently estimates a harvest volume of around 180,000 tonnes in 2023. The Group's share from the joint venture is forecast to be approx. 21,000 tonnes. LSG's total harvest volume in 2023 is estimated to be in the region of 201,000 tonnes.

Lerøy works to develop an efficient and sustainable value chain for seafood. This not only provides cost-efficient solutions and satisfactory financial results, but also quality, availability, a high level of service, traceability and competitive climate-related and environmental solutions. Lerøy's Board of Directors and employees hope to see accountability from the Norwegian government and Storting in the development of framework conditions.

Fishmeal and fish oil

According to the IFFO*, fishmeal production in Peru, Chile and the North Atlantic as of week 43 2022 (week beginning 24 October 2022) was down 1.8% on the same period in 2021. The decrease stems from Peru and Chile, at 13.4% and 4.7% 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, and a slightly lower volume was caught in the first season this year compared with the first season in 2021.

The quota for the first season of 2022 in Peru was set at 2.79 million tonnes, up from 2.5 million tonnes for the corresponding season in 2021. The season started on 4 May and finished on 27 July. At the end of the season, 84% of the total quota had been caught, compared with 98% for the same season in 2021. As normal, IMARPE has undertaken experimental fishing prior to the second fishing season, but the results are yet to be published.

The main reason behind the higher production in the North Atlantic in 2022 is the significantly increased capelin quotas off Iceland compared with last year. ICES's recommended quota for blue whiting in 2023 represents an increase of 81% on the recommended quota for 2022.

** Source: IFFO, week 43, 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 in Europe is in the autumn and, until 2021, started in September. Since last year, the season has started as soon as early August, because of restricted access to UK waters for the Norwegian fleet. The remaining quotas for Norwegian spring-spawning herring are also caught during this period. The first half of the year is the main season for horse mackerel in South America.

ICES's recommended quota for catches in the North Atlantic in 2022 meant a reduction in 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 increased catches by 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 had recommended a ban on capelin fishing in the Barents Sea. ICES's recommended quota for catches in the North Atlantic in 2023 implies a small (-2%) reduction for mackerel and a 15% reduction for Norwegian spring-spawning herring compared with the recommended quota for 2022. However, there is no international consensus on the total quota for mackerel and Norwegian spring-spawning herring among the parties. ICES's recommended quota for North Sea herring in 2023 represents a reduction of 23% on the recommended quota for 2022. The quota recommended by ICES for capelin in the Barents Sea in 2023 is 62,000 tonnes, down from the 70,000 tonnes recommended for 2022.

SPRFMO's recommended quota for horse mackerel in the South Pacific in 2022 represented an increase of 15%. The quota recommended by SPRFMO for horse mackerel in the South Pacific in 2023 implies a further increase of 15%. SPRFMO's recommended quota reflects the positive development in horse mackerel fishery in recent years.

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 tasty, and production is sustainable from a financial, climate and environmental perspective.

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

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

Industrial development 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 national political leaders. The Group's strategy centres on a long-term perspective, irrespective of framework conditions, to ensure a globally competitive structure

that can continue to safeguard industrial development in the numerous local communities where the Group has operations.

The government's proposal of 28 September 2022 concerning a resource rent tax on Norwegian aquaculture testifies to a lack of understanding of the industry and its value chain. The proposal contradicts the government's own declaration, which states "The government will execute a predictable and responsible tax policy for business and industry." Moreover, it is worth noting that the proposal is in conflict with the programmes of the governing parties. It is, unfortunately, an example of the kind of political risk that we have not seen in Norway in recent times. It is our duty to point out the consequences of the proposal. Several decades, and many crises and liquidations, have come and gone since the industry was a sideline. Gaining an understanding of the industry's value chain is of paramount importance, and this can best be achieved by sticking to the Norwegian tradition of positive, open processes that involve businesses and their employees, when it comes to assessing framework conditions and the tax base for an industry that is the mainstay of Norway's coastal regions. Norway needs the aquaculture industry, and the world needs the almost 40,000 tonnes of food – or more than 200 million meals – that are currently exported every week.

The seafood companies must retain their capital in line with other comparable industries if they are not to lose ground in international competition. Fortunately, there are such rare things in Norway as private owners who have stamina, are willing to take a risk, believe in the country's aquaculture industry and have the desire to create activity along the coast.

One special characteristic of the aquaculture industry is the dominance of Norwegian private capital. This private capital provides the basis for Norway's non-urban areas, pays corporation tax and duties like other industries, as well as already contributing billions through production fees, export levies and tax on growth. Given that the very existence of this industry is founded on Norwegian private capital, dividend tax and wealth tax mean that the industry's capital is the most heavily taxed of all capital.

We have to trust that the political leadership will base its decisions on factual knowledge and the realities of the industry's important direct and indirect contributions to society. It is difficult to find an industry, apart from the oil and gas sector, that already contributes more to the community, both locally and nationally. We would also point out the industry's potential and importance to the future of the coastal regions once the oil and gas adventure is over. The proposal undermines industrial development of something so unique as a Norwegian regional industry that is globally competitive, with the potential to safeguard employment and settlement along the coast, including after the oil- and gas-related activities have gone. We all need a bit of help and support to succeed; the task facing us is enormous, even without headwinds. We must have confidence that the governing parties and the Storting will acquaint themselves with the realities – including listening to our employees – and stop the proposal being enacted.

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

Storebø, 14 November 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, Q3 2022

INCOME STATEMENT (unaudited)

All figures in NOK 1,000	Note	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	(audited) 2021
Operating revenue	4	9 094 236	7 389 811	23 510 918	19 605 417	26 633 441
Raw material and consumables used		5 122 250	4 377 191	12 119 472	10 612 058	14 108 632
Salaries and personnel expenses		1 149 386	1 027 543	3 365 433	3 006 511	4 064 280
Other operating expenses		1 106 894	838 736	3 313 433	2 483 484	3 650 515
EBITDA before fair value adjustments *		1 715 706	1 146 341	4 712 580	3 503 364	4 810 014
Depreciation and amortisation		436 925	398 139	1 292 941	1 182 202	1 579 680
Impairment		-316	7 159	-915	6 601	12 731
EBIT before fair value adjustment *	7	1 279 097	741 043	3 420 554	2 314 561	3 217 603
Fair value adjustment related to biological assets	3	94 373	-184 824	1 399 112	868 106	1 114 412
Operating profit		1 373 470	556 219	4 819 666	3 182 667	4 332 015
Income from associated companies	5	106 500	171 537	400 062	308 018	393 489
Net interest expenses		-93 804	-67 012	-271 915	-213 214	-283 736
Net other financial items (incl. agio/disagio)		-19 140	-29 713	8 681	-56 224	-66 239
Profit before tax and fair value adj.*	7	1 339 547	838 773	3 710 203	2 349 856	3 255 095
Profit before tax		1 367 026	631 031	4 956 494	3 221 247	4 375 529
Income tax expenses		-325 683	-114 348	-1 109 723	-694 523	-939 415
Net profit		1 041 343	516 683	3 846 771	2 526 724	3 436 114
Profit to non-controlling interest		327 807	147 519	1 655 003	1 079 691	1 454 927
Profit to controlling interests		713 536	369 164	2 191 768	1 447 033	1 981 187
Earnings per share (EPS) *		3,52	2,26	8,28	5,39	7,53
Earnings per share (EPS)		3,54	1,83	10,86	7,17	9,82
Diluted EPS		3,54	1,83	10,86	7,17	9,82

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

All figures in NOK 1,000	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	(audited) 2021
Net earnings in the period	1 041 343	516 683	3 846 771	2 526 724	3 436 114
Other comprehensive income					
Currency translation differences	207 895	-6 218	727 160	-132 151	-76 106
Other comprehensive income from associated companies	-4 016	4	10 387	-884	-894
Cash flow hedges	-1 830	14 130	15 472	58 684	62 758
Others incl. tax effect	-5 787	-2 753	-16 591	-3 149	-2 222
Total other comprehensive income	196 262	5 163	736 428	-77 500	-16 464
Comprehensive income in the period	1 237 605	521 846	4 583 199	2 449 224	3 419 650
Allocated to:					
Minority interests	339 815	149 450	1 738 403	1 075 989	1 450 028
Majority interests	897 790	372 396	2 844 796	1 373 235	1 969 622

STATEMENT OF FINANCIAL POSITION (unaudited)

All figures in NOK 1,000	Note	30.09.2022	30.09.2021	31.12.2021
Assets				
Intangible assets		12 169 405	11 725 387	11 748 437
Vessels		2 520 944	2 076 396	2 384 742
Property, plant and equipment		7 516 082	6 685 518	6 895 770
Right-of-use assets	8	3 224 490	3 432 649	3 063 764
Investments in associated companies	5	3 325 430	2 603 979	3 002 403
Investments in other shares		47 061	46 244	46 777
Other long-term receivables		219 969	165 806	167 896
Total non-current assets		29 023 381	26 735 979	27 309 789
Inventories	3	10 781 046	7 299 494	8 104 557
Accounts receivable		3 060 925	2 474 063	2 321 067
Other current receivables		944 955	751 020	716 647
Cash and cash equivalents		4 282 374	5 370 742	5 328 615
Total current assets		19 069 300	15 895 319	16 470 886
Total assets		48 092 681	42 631 298	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		11 527 261	8 978 745	9 575 130
Non-controlling interests		12 709 852	11 457 150	11 815 252
Total equity		28 033 708	24 232 490	25 186 977
Deferred tax liabilities		4 084 126	3 568 911	3 511 547
Pensions and other obligations		13 417	11 025	11 488
Borrowings		6 129 812	6 908 677	6 663 497
Lease liabilities to credit institutions		961 067	1 036 896	1 024 557
Lease liabilities other than to credit institutions		1 533 474	1 441 971	1 382 141
Other non-current interest bearing debt		735	981	889
Other long-term liabilities		31 966	32 649	28 712
Total non-current liabilities		12 754 597	13 001 110	12 622 831
Short term borrowings		1 138 879	568 515	732 743
Lease liabilities to credit institutions		283 579	259 872	265 243
Lease liabilities other than to credit institutions		319 811	266 404	277 256
Overdraft facilities		693 507	521 473	582 390
Account payable		2 378 713	1 917 966	1 920 972
Other current liabilities		2 489 887	1 863 468	2 192 263
Total current liabilities		7 304 376	5 397 698	5 970 867
Total liabilities		20 058 973	18 398 808	18 593 698
Total equity and liabilities		48 092 681	42 631 298	43 780 675
Net interest bearing debt (NIBD)		4 925 205	3 925 672	3 969 416
Lease liabilities other than to credit institutions		1 853 285	1 708 375	1 659 397
NIBD incl. right of use assets liabilities		6 778 490	5 634 047	5 628 813
Equity ratio		58%	57%	58%

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

All figures in NOK 1,000	30.09.2022	30.09.2021	31.12.2021
Equity at period start	25 186 977	22 990 574	22 990 574
Comprehensive income in the period	4 583 199	2 449 224	3 419 650
Dividends	-1 752 010	-1 318 753	-1 334 692
Transactions with non-controlling interest	15 542	111 445	111 445
Other	-	-	-
Total changes in equity in the period	2 846 731	1 241 916	2 196 403
Equity at period end	28 033 708	24 232 490	25 186 977

CASH FLOW STATEMENT (unaudited)

All figures in NOK 1,000	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	(audited) 2021
Cash flow from operating activities					
Profit before income taxes	1 367 026	631 031	4 956 494	3 221 247	4 375 529
Fair value adjustment of biological assets	-94 373	184 824	-1 399 112	-868 106	-1 114 412
Taxes paid in the period	-43 587	-16 512	-493 548	-281 522	-446 555
Depreciation and amortisation	436 925	398 139	1 292 941	1 182 202	1 579 680
Impairments	-316	7 159	-915	6 601	12 731
Associated companies - net	-106 500	-171 537	-400 062	-308 018	-393 488
Interest expense	113 137	74 338	295 933	231 477	322 298
Interest income	-19 333	-7 327	-24 018	-18 264	-38 562
Change in inventories	270 110	512 346	-1 277 377	461 112	-97 645
Change in receivables	-114 179	-19 410	-968 166	-191 869	-4 418
Change in payables	166 851	29 055	476 908	441 505	443 477
Other operating cash flow incl currency exchange	-315 811	-68 988	175 160	-162 902	-3 299
Net cash flow from operating activities	1 659 950	1 553 118	2 634 238	3 713 463	4 635 336
Cash flow from investing activities					
Purchase of intangible and fixed assets	-480 497	-354 301	-1 370 899	-919 012	-1 337 885
Purchase of shares and equity investments	-	-6 064	-49 117	-207 704	-508 691
Proceeds from sale of fixed assets/equity investments	17 378	7 556	50 131	35 238	43 477
Cash inflow from business combinations	-	-	-	2 948	3 829
Dividend received	-	-	131 000	113 514	113 514
Interest income	19 333	7 327	24 018	18 264	38 562
Other investing activities - net	-5 736	2 230	-36 088	466	-3 263
Net cash flow from investing activities	-449 522	-343 252	-1 250 955	-956 286	-1 650 457
Cash flow from financing activities					
Proceeds from new long term debt	6 316	1 497 611	287 251	2 371 013	2 393 905
Repayment of long term debt	-298 662	-630 580	-1 021 733	-2 057 536	-2 466 776
Change in short term debt	-988 793	-343 121	111 117	-645 836	-410 285
Interest paid	-101 904	-74 338	-291 609	-228 356	-325 510
Dividends paid	-1 696	-10 047	-1 752 010	-1 318 753	-1 334 692
Other finance cash flow - net	66 964	20 308	157 201	22 416	15 182
Net cash flow from financing activities	-1 317 775	459 833	-2 509 783	-1 857 052	-2 128 176
Net change in cash and cash equivalents	-107 347	1 669 699	-1 126 500	900 125	856 703
Cash, and cash equivalents at start of period	4 349 105	3 701 043	5 328 615	4 462 765	4 462 765
Exchange gains/losses (-)	40 616	-	80 259	7 852	9 147
Cash and cash equivalents at period end	4 282 374	5 370 742	4 282 374	5 370 742	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

Related party transactions were carried out in Q3 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

NOTE 3 BIOLOGICAL ASSETS (CONT.)

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.

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	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Change FV adj. of biological assets	-270 887	-199 113	1 478 369	857 676	1 131 092
Change in FV of onerous contracts	343 139	-2 530	-154 763	-8 699	-44 226
Change in FV of fishpool contracts	0	-8	0	-1 571	-1 561
Total FV adjustments over profit and loss	72 252	-201 651	1 323 606	847 406	1 085 304

Fair value adjustments over OCI

Change in FV of fishpool contracts *	-19	839	-1 640	5 080	5 408
Total FV adjustments over OCI	-19	839	-1 640	5 080	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	30/09/2022	30/09/2021	31/12/2021
Cost on stock for fish in sea	4 822 038	4 159 281	4 118 913
Cost on stock for fry, brood, smolt and cleaning fish	377 498	287 791	385 542
Total cost on stock for biological assets *	5 199 536	4 447 072	4 504 454
FV adj. of fish in sea	2 929 007	1 177 222	1 450 638
FV adj. of fry, brood, smolt and cleaning fish	0	0	0
Total FV adj. of biological assets	2 929 007	1 177 222	1 450 638
Monthly discount rate applied	4.5 %	5.0 %	4.0 %
FV of fish in sea	7 751 046	5 336 502	5 569 551
FV of fry, brood, smolt and cleaning fish	377 498	287 791	385 542
Carrying amount of biological assets	8 128 544	5 624 293	5 955 092

Onerous contracts (liability)

Carrying amount of onerous contracts	-199 022	-8 731	-44 259
--------------------------------------	-----------------	--------	---------

Fish Pool contracts

Carrying amount of Fish Pool contracts	0	1 388	1 836
--	----------	-------	-------

* Cost on stock is historic costs after expensed mortality

NOTE 3 BIOLOGICAL ASSETS (CONT.)

HARVESTED VOLUME:

Volume in gutted weight (GWT)	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Salmon	50 297	47 989	105 455	118 206	161 542
Trout	5 882	8 408	15 864	17 097	25 093
Total harvested volume	56 179	56 397	121 319	135 303	186 635

VOLUME

Volume of fish in sea (LWT)	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Volume at beginning of period	109 826	108 448	107 242	119 407	119 407
Net growth during the period	64 948	70 031	143 553	151 063	205 547
Harvested volume during the period	-65 487	-65 811	-141 508	-157 802	-217 712
Volume at end of period (LWT)	109 287	112 668	109 287	112 668	107 242

Specification of fish in sea (LWT)	30/09/2022	30/09/2021	31/12/2021
Salmon	93 854	96 448	93 543
Trout	15 433	16 220	13 699
Total	109 287	112 668	107 242
Salmon > 4.65 kg (live weight) *	16 272	11 170	4 376
Trout > 4.76 kg (live weight) *	2 248	132	587

* Defined as mature biological assets

Br. Birkeland Farming AS

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

Fair value adjustment over profit and loss	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	2021
Change FV adj. biological assets	22 121	16 827	75 506	20 700	29 108
Total FV adjustments over profit and loss	22 121	16 827	75 506	20 700	29 108

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS

Positive amounts are assets and negative amounts are liabilities

Biological assets	YTD Q3 2022	YTD Q3 2021	2021
Cost on stock for fish in sea	241 364	176 812	200 915
Fair value adjustment fish in sea	92 032	8 118	16 526
Fair value fish in sea	333 396	184 930	217 441
Fry, brood and smolt	-	-	-
Carrying amount of biological assets	333 396	184 930	217 441

HARVESTED VOLUME

Harvested volume in gutted weight (GWT)	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	2021
Total volume	1 171	2 329	5 495	6 377	8 151
- Salmon	1 171	2 329	5 495	6 377	8 151

VOLUME

Volume of fish in sea (LWT)	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	2021
Volume at beginning of period	3 892	4 735	4 379	5 693	5 693
Net growth during the period	2 630	2 158	7 323	6 147	8 589
Harvested volume during the period	-1 400	-2 805	-6 580	-7 752	-9 903
Volume at end of period (LWT)	5 122	4 088	5 122	4 088	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%)
Q3 2022									
Operating revenue	7 449 315	1 228 796	230 357	99 895	77 383	8 490	9 094 236	1 497 162	10 591 398
EBITDA *	1 172 963	445 784	37 368	31 182	24 948	3 461	1 715 706	298 526	2 014 232
EBITDA%	16%	36%	16%	31%	32%		19%	20%	19%
EBIT *	831 017	395 866	27 524	16 965	8 475	-750	1 279 097	253 653	1 532 750
Volumes sold:									
Salmon (GWT tonnes)	56 179				1 171		57 350		57 350
Fishmeal/oil/FPC (tonnes)		56 034	2 732				58 766	48 100	106 866
Frozen/fresh fish (tonnes)		-	18 351				18 351	32 900	51 251
Q3 2021									
Operating revenue	6 331 330	657 503	161 805	119 477	109 858	9 838	7 389 811	1 518 618	8 908 429
EBITDA *	895 330	185 149	33 877	41 249	-12 879	3 615	1 146 341	227 280	1 373 621
EBITDA%	14%	28%	21%	35%			16%	15%	15%
EBIT *	578 976	144 793	17 717	30 828	-29 826	-1 445	741 043	189 420	930 463
Volumes sold:									
Salmon (GWT tonnes)	56 397				2 329		58 726		58 726
Fishmeal/oil/FPC (tonnes)		43 662	1 971				45 633	53 400	99 033
Frozen fish (tonnes)		-	12 259				12 259	40 100	52 359
YTD Q3 2022									
Operating revenue	19 540 100	2 412 549	745 814	284 629	502 204	25 622	23 510 918	3 741 566	27 252 484
EBITDA *	3 379 475	745 030	246 721	79 244	270 621	-8 512	4 712 579	521 404	5 233 983
EBITDA%	17%	31%	33%	28%	54%		20%	14%	19%
EBIT *	2 394 729	601 192	185 147	39 674	220 975	-21 164	3 420 553	390 967	3 811 520
EBITDA **	3 590 295	745 030	246 721	79 244	270 621	-8 512	4 923 399	521 404	5 444 803
EBITDA%	18%	31%	33%	28%	54%		21%	14%	20%
EBIT **	2 605 549	601 192	185 147	39 674	220 975	-21 164	3 631 373	390 967	4 022 340
Volumes sold:									
Salmon (GWT tonnes)	121 319				5 495		126 814		126 814
Fishmeal/oil/FPC (tonnes)		120 633	10 800				131 433	123 300	254 733
Frozen/fresh fish (tonnes)		12 277	55 152				67 429	95 000	162 429
YTD Q3 2021									
Operating revenue	16 606 883	1 746 624	640 501	245 873	335 666	29 870	19 605 417	3 559 766	23 165 183
EBITDA*	2 553 757	571 782	227 122	101 767	43 753	5 183	3 503 364	333 811	3 837 175
EBITDA%	15%	33%	35%	41%	13%		18%	9%	17%
EBIT*	1 617 177	446 296	193 995	70 777	-4 265	-9 419	2 314 561	235 028	2 549 589
Volumes sold:									
Salmon (GWT tonnes)	135 303				6 377		141 680		141 680
Fishmeal/oil/FPC (tonnes)		112 651	13 621				126 272	102 300	228 572
Frozen fish (tonnes)		13 639	42 321				55 960	112 000	167 960
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 linked to actions for damages in North America are significant. In the figures for the first nine months of 2022, the Group has expensed accrued costs and made provisions, totalling NOK 211 million, in connection with the civil actions in North America. Please see also the Group's Q2 2022 report and annual report 2021.

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

NOTE 5 ASSOCIATES

		Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	2021
Norskott Havbruk AS* a)	50.0%	-54 793	7 194	163 804	104 286	93 577
Pelagia Holding AS b)	50.0%	151 865	151 059	218 500	177 628	272 361
Others		9 428	13 284	17 758	26 104	27 551
Income from associates		106 500	171 537	400 062	308 018	393 489
* Fair value adjustment biological assets		-66 894	-22 918	57 999	3 285	6 022
Income from associates before FV adj.		173 394	194 455	342 063	304 733	387 467

Investment in associates:

Norskott Havbruk				1 300 249	823 530	1 125 883
Pelagia Holding AS				1 609 027	1 378 191	1 473 289
Others				416 154	402 258	403 231
Total investment		-	-	3 325 430	2 603 979	3 002 403

Dividend received

Norskott Havbruk	-	-				
Pelagia Holding AS				125 000	100 000	100 000
Others				6 000	13 514	13 514
Total dividend received from associates	-	-		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 PER 30.09.2022

Investor	Number of shares	% of top 20	% of total
LACO AS	112 605 876	73.50	55.55
STATE STREET BANK AND TRUST COMP	5 572 273	3.64	2.75
STATE STREET BANK AND TRUST COMP	4 848 043	3.16	2.39
J.P. MORGAN SE	4 039 961	2.64	1.99
FOLKETRYGDFONDET	2 950 377	1.93	1.46
PARETO AKSJER NORGE VERDIPAPIRFOND	2 765 505	1.81	1.36
SIX SIS AG	2 446 121	1.60	1.21
OM HOLDING AS	2 391 308	1.56	1.18
THE BANK OF NEW YORK MELLON SA/NV	1 789 129	1.17	0.88
JPMORGAN CHASE BANK. N.A.. LONDON	1 713 647	1.12	0.85
J.P. MORGAN SE	1 693 694	1.11	0.84
CLEARSTREAM BANKING S.A.	1 443 157	0.94	0.71
THE NORTHERN TRUST COMP. LONDON BR	1 401 453	0.91	0.69
STATE STREET BANK AND TRUST COMP	1 343 152	0.88	0.66
J.P. MORGAN SE	1 222 218	0.80	0.60
DANSKE INVEST NORSKE INSTIT. II.	1 068 363	0.70	0.53
VERDIPAPIRFONDET ALFRED BERG GAMBA	1 004 358	0.66	0.50
STATE STREET BANK AND TRUST COMP	995 270	0.65	0.49
VERDIPAPIRFONDET STOREBRAND NORGE	953 743	0.62	0.47
PARETO INVEST NORGE AS	953 500	0.62	0.47
Total number owned by top 20	153 201 148		75.57
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:

	Q3 2022	Q3 2021
Operating profit (EBIT)	1 373 470	556 219
- Fair value adjustments	94 373	-184 824
= EBIT before fair value adjustments	1 279 097	741 043

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:

	Q3 2022	Q3 2021
Profit before tax	1 367 026	631 031
- Fair value adjustments	94 373	-184 824
- Fair value adjustments in associated comp.	-66 894	-22 918
= Resultat før skatt og verdjusteringer	1 339 547	838 773

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:

	30/09/2022	30/09/2021	31/12/2021
Loans from credit institutions *			
+ Lease liabilities to credit institutions *	1 244 646	1 296 768	1 289 800
+ Other long term loans *	7 269 426	7 510 822	7 425 841
+ Overdrafts/other short term loans	693 507	521 473	582 390
- Cash and cash equivalents	-4 282 374	-5 370 742	-5 328 615
= Netto rentebærende gjeld (NIBD)	4 925 205	3 958 321	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	355	4 508	5 453	-1	10 315
Right-of-use assets acquired	-	8 052	243 742	395 109	646 903
Disposal	-12 521	-	-13 007	-30 759	-56 287
Depreciation	-4 493	-42 330	-218 742	-189 640	-455 205
Business combinations	-	-	-	-	-
Reclassification	-	-	1 570	13 430	15 000
Carrying value 30.09.2022	33 026	436 471	1 404 356	1 350 637	3 224 490



Austevoll Seafood ASA

Alfabygget
5392 Storebø
NORWAY

www.auss.no