



Austevoll Seafood ASA

Financial report
Q4 2022 and
preliminary financial
statements for 2022



Austevoll Seafood ASA

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NORWAY**

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FINANCIAL REPORT Q4 2022 AND PRELIMINARY FIGURES FOR 2022

- The Group's revenue growth reflects inflation, organic growth and a good level of activity
- Seasonal increase in harvest volume for salmon in the second half of 2022 meant lower prices than in the first half
 - » Higher harvest volume curbs the effect of higher costs, resulting in higher profit with lower margins
 - » The government's processes surrounding resource rent tax are increasing uncertainty and weakening the industry
- Seasonally high level of activity within pelagic segment in the North Atlantic with good earnings
- Challenging execution of second fishing season in Peru; total quota not caught
 - » The total quota was set at 2.3 million tonnes, up 11.5% on the same season in 2021
 - The season started on 23.11.2022 and was concluded on 04.02.2023
 - 84% of the total national quota had been caught when the season was halted
 - In the corresponding season in 2021, almost all the quota had been caught, most of it in Q4 2021
 - Reduced yield of fishmeal and fish oil
- Price inflation on all input factors impacting costs
 - » Will require increased productivity in all the portfolio companies
- In line with the dividend policy, the Board of Directors will recommend a dividend payment of NOK 5.50 per share in 2023 (NOK 4.50 in 2022)

KEY FIGURES Q4 2022 AND PRELIMINARY FIGURES FOR 2022

All figures in NOK 1,000	Q4 2022	Q4 2021	2022	2021
Operating revenue	7 638 699	7 028 024	31 149 616	26 633 441
EBITDA**	1 069 051	1 306 650	5 990 415	4 810 014
EBITDA %	14%	19%	19%	18%
EBIT**	630 452	903 043	4 259 789	3 217 603
EBIT*	630 452	903 043	4 051 004	3 217 603
Pre tax profit before biomass adj.**	726 967	905 240	4 435 134	3 255 095
Pre tax profit	471 122	1 154 284	5 427 615	4 375 529
Earnings per share (EPS) **	1.84	2.14	10.06	7.53
Earnings per share (EPS)	1.30	2.65	12.16	9.82
Total assets			48 018 321	43 780 675
Equity			28 117 266	25 186 977
Equity ratio			59%	58%
NIBD ex. right-of-use liabilities ***			5 140 469	3 969 416
NIBD incl. right-of-use liabilities other than to credit institutions ***			6 990 618	5 628 813

** Before fair value adjustments of biological assets (and settlement costs of total MNOK 209 in FY 2022 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 and long-term owner of world-leading portfolio companies within aquaculture, fisheries, processing, sales and distribution. This is also reflected in the company's vision:

"Passionate owner of globally leading seafood companies"

The 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.

QUARTERLY DEVELOPMENT

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, minus cash and cash equivalents, to institutions where the main activity is financing



FINANCIAL REVIEW

Q4 2022 RESULTS

Group operating revenue in Q4 2022 totalled NOK 7,639 million, compared with NOK 7,028 million in Q4 2021. The growth in revenue essentially comes from the farming companies.

EBITDA before fair value adjustment related to biological assets in Q4 2022 was NOK 1,069 million, compared with NOK 1,307 million in the same quarter in 2021.

EBIT before fair value adjustment related to biological assets was NOK 630 million in Q4 2022, compared with NOK 903 million in Q4 2021.

The decrease in earnings can mainly be attributed to lower earnings from the companies in South America. The business in Peru experienced a challenging second fishing season with significantly lower catch and production volumes, but also had reduced sales volumes of finished products in the quarter compared with Q4 2021.

For the farming companies, the seasonal increase in harvest volume in Norway in the second half of 2022 meant lower prices for salmon and trout than in the first half. The high harvest volume generated good earnings despite lower margins.

The rebound in demand following the reopening of society plus high contract shares and significant seasonal fluctuations in export volumes of salmon and trout resulted in extremely volatile developments in the spot prices for salmon and trout through 2022. The average price for salmon in Q4 2022, measured according to NSI (sales price FCA Oslo), was NOK 72.1/kg, compared with NOK 68.7/kg in Q3 2022 and NOK 59.7/kg in Q4 2021. This represents a price increase of NOK 4.0/kg compared with Q3 2022 and NOK 12.0/kg compared with Q4 2021. These prices are testimony to a strong underlying market.

As expected, lower outstanding quotas in Q4 led to lower catch volumes and earnings for the whitefish operations compared with the same period in 2021. In Q4 2022, prices rose by 25% for cod, 6% for haddock and 8% for saithe compared with Q4 2021. Despite higher prices realised, the lower catch volume led to a lower catch value in Q4 2022 compared with the same period in 2021.

Fair value adjustment related to biological assets in Q4 2022 was negative at NOK -210 million. The corresponding figure in Q4 2021 was positive at NOK 246 million.

EBIT after fair value adjustment related to biological assets in Q4 2022 was NOK 421 million, compared with NOK 1,149 million in Q4 2021.

The largest associates are Norskott Havbruk AS and Pelagia Holding AS. Income from associates in Q4 2022 totalled NOK 94 million (Q4 2021: NOK 85 million).

Earnings from Pelagia for the quarter were significantly up on the same period in 2021. Good access to raw material, cost focus/rationalisation, high sales volumes for finished products, and higher prices realised for fishmeal, protein concentrate and fish oil all contributed to the earnings improvement. Earnings from Norskott were weak and significantly lower than in the same period in 2021. Norskott's results were severely impacted by an acutely challenging biological situation in Scotland. 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 Q4 2022 totalled NOK -81 million (Q4 2021: NOK -71 million). The increase is a result of rising interest rate levels and higher tied-up working capital. Net other financial items for the quarter were positive at NOK 37 million (Q4 2021: negative at NOK -10 million).

Profit before tax and fair value adjustment related to biological assets for Q4 2022 amounted to NOK 727 million, compared with NOK 905 million in Q4 2021.

The Group reported profit before tax in the quarter of NOK 471 million (Q4 2021: profit of NOK 1,154 million). Profit after tax was NOK 405 million (Q4 2021: NOK 909 million).

OPERATIONAL REVIEW OF SEGMENTS FOR Q4

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

Lerøy Seafood Group ASA (LSG)

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

KEY FIGURES (LSG):

(MNOK)	Q4 2022	Q4 2021	2022	2021
Revenue	7 112	6 529	26 652	23 136
EBITDA*	1 141	1 224	4 521	3 778
EBIT*	800	902	3 195	2 519
Harvested volume (GWT)	53 310	51 332	174 629	186 635
EBIT/kg* ex. wildcatch (NOK)	15,2	16,1	16,3	11,7
Havfisk catch volume (MT)	13 099	17 119	71 726	71 521
EBIT wildcatch (MNOK)	-9	73	348	340

* Before fair value adjustments related to biological assets (FY figures includes settlement costs of MNOK 209)

Again in 2022, the seasonal increase in harvest volume in Norway in the second half of the year meant lower prices for salmon and trout than in the first half. This affected the Group's revenue for Q4, although the high harvest volume continued to generate good earnings for the Farming segment despite lower margins. As expected, lower outstanding quotas led to lower catch volumes and earnings for the Wild Catch segment compared with the same period in 2021. Downstream operations have been subject to difficult framework conditions in 2022, but earnings picked up in Q4 compared with the first nine months.

In Q4 2022, LSG reported revenue of NOK 7,112 million (Q4 2021: NOK 6,529 million) and EBITDA before fair value adjustment related to biological assets of NOK 1,141 million (Q4 2021: NOK 1,224 million).

LSG's harvest volume for salmon and trout, gutted weight, was 53,310 tonnes in Q4 2022, compared with 51,332 tonnes in Q4 2021.

The rebound in demand following the reopening of society combined with 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. The average price for salmon in Q4 2022, measured according to NSI (sales price FCA Oslo), was NOK 72.1/kg, compared with NOK 68.7/kg in Q3 2022 and NOK 59.7/kg in Q4 2021. This represents a price increase of NOK 4.0/kg compared with Q3 2022 and NOK 12.0/kg compared with Q4 2021. These prices are testimony to a strong underlying 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, sizes, quality and timing. The contracts are entered into long before the fish are harvested. The Group's contract share for salmon in the quarter was 36%. The contract price realised was slightly higher than in Q4 2021 but significantly lower than the spot price in the quarter. For Lerøy Sjøtroll, 40% of the harvest volume in Q4 2022 was trout. Prices realised for whole trout were slightly higher than those for whole salmon in the quarter.

In line with developments nationally and globally, higher costs for practically all input factors are manifesting themselves strongly in the Group's cost profile. Higher feed costs are a significant driver, alongside higher bunkering, energy and packaging costs. Release from stock costs in Q4 2022 were higher than those reported in Q3 2022, and significantly higher than in Q4 2021.

Lerøy Aurora's costs in Q4 were on a par with Q3 2022 but higher than in Q4 2021. Sea-based production at Lerøy Aurora is good. Driven by higher feed costs, release from stock costs are currently expected to be higher in 2023 than in 2022. Lerøy Aurora will have relatively low harvest volumes at the start of the year. This means that costs in Q1 will not reflect the positive development we believe the company will achieve in 2023. Lerøy Aurora expects a harvest volume in the region of 47,000 GWT in 2023, compared with 40,000 GWT in 2022.

As discussed in the Q2 and Q3 2022 reports, growth in Lerøy Midt was not satisfactory. The lower growth trend continued in Q4, negatively affecting costs. Release from stock costs in Q4 2022 were higher than in Q3 and are therefore currently expected to be higher in 2023 than in 2022. The estimated harvest volume in 2023 is unchanged at 64,000 GWT, compared with 69,000 GWT in 2022.

Lerøy Sjøtroll's weaker-than-expected growth through Q3 continued in Q4. Release from stock costs in Q4 were down slightly on Q3 2022, but the lower growth will mean higher release from stock costs in 2023. Harvest volumes have been estimated in the region of 64,000 GWT in 2023, compared with 66,000 GWT in 2022.

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

Lerøy Havfisk had 10 trawlers in operation in Q4 2022. The catch volume in Q4 2022 totalled 13,099 tonnes, compared with 17,119 tonnes in Q4 2021, because of the lower quota. Lower catches of cod were a key reason for the trawler fleet's lower earnings in Q4 2022 compared with the same quarter in 2021. The catch volume for full-year 2022 is on a level with 2021, but the reduced catch volume for cod has been compensated by higher catches of redfish, which is a lower-value species.

In Q4 2022, prices rose by 25% for cod, 6% for haddock and 8% for saithe compared with Q4 2021. The price performance reflects strong demand for seafood products through 2022, probably partly due to the lifting of COVID-19-related restrictions.

Despite higher prices realised, the lower catch volume led to a lower catch value in Q4 2022 compared with the same period in 2021. Decreasing catch values meant slightly lower crew costs than in Q4 2021, while bunkering costs remained high. Total fuel consumption was marginally down on Q4 2021, but fuel prices were 82% higher. As a result, bunkering costs were NOK 32 million higher in Q4 2022 than in Q4 2021.

LNWS's primary business is processing wild-caught white fish. The company has use of 12 processing plants 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 2022 showed a negative trend. Prices for end products have not performed as strongly as those for raw material, resulting in significant pressure on margins in the onshore industry, as discussed at the start of 2022. Naturally enough, the Group

expects that increased raw material prices will gradually be reflected in the prices for end products.

Total earnings in Lerøy Havfisk/LNWS were NOK -9 million in Q4 2022, compared with NOK 73 million in Q4 2021. For full-year 2022, earnings totalled NOK 348 million, against NOK 340 million in 2021. The development in raw material prices is positive for the Wild Catch segment overall, but the positive effect has been counteracted by reduced quotas, and higher crew and bunkering costs. The onshore industry has not yet increased its prices for end products in line with the increase in costs.

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 January 2023, Lerøy Seafood Group ASA was advised that the DOJ investigation had been concluded. 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. For more information, please refer to LSG's interim reports and annual report 2021.

See also LSG's report and presentation for Q4 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 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 two facilities that share premises with the fishmeal and fish oil factories in Coishco and Pisco.

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

KEY FIGURES (PERU):

(MNOK)	Q4 2022	Q4 2021	2022	2021
Revenue	150	270	2 562	2 017
EBITDA	-83	101	663	673
EBIT	-134	60	468	506
Raw material (MT):	103 155	213 000	423 824	569 340
Sales volumes:				
Fishmeal (MT)	6 686	15 578	114 369	109 456
Fish oil (MT)	-	200	12 950	18 973
Frozen/fresh JM/M(MT)	-	-	12 277	13 639

KEY FIGURES (CHILE):

(MNOK)	Q4 2022	Q4 2021	2022	2021
Revenue	75	75	821	716
EBITDA	-47	-35	200	192
EBIT	-57	-44	128	150
Raw material intake:	6 800	4 272	106 600	104 856
Sales volumes:				
Fishmeal (MT)	2 114	2 267	9 603	12 117
Fish oil (MT)	97	196	3 408	3 967
Frozen (MT)	2 530	3 276	57 682	45 597

The quota for the second fishing season was set at 2.28 million tonnes, an 11.5% increase from 2.0 million tonnes for the corresponding season in 2021. The season started on 23 November and was halted on 4 February 2023. 84% of the total national quota had been caught when the season was halted. In the equivalent season in 2021, 97% of the quota had been caught when the season was halted, most of it in Q4 2021.

The season has been a challenging one, with fishery zones closed and fishing concentrated in North Peru. The location of Austral's network of factories made fisheries particularly challenging in 2022, necessitating long sailing distances from North Peru for the vessels and hence lower catch efficiency. By the end of the season, the company had fished 109,000 tonnes of its quota of 159,000 tonnes, equivalent to 68%. Of this, 72,000 tonnes was caught in Q4 2022 and 37,000 tonnes in January 2023. In the corresponding season in 2021, the company caught 100% of its quota of 143,000 tonnes, all of it in Q4 2021.

As well as its own raw material, the company also purchased 31,000 tonnes of raw material from the coastal fleet in Q4

2022 for use in its production of fishmeal and fish oil. In Q4 2021, 69,900 tonnes of anchoveta were purchased from the coastal fleet. The total yield of fishmeal and fish oil produced in the second season of 2022 was lower than in the equivalent season of 2021. The reduced yield from the raw material can be attributed in particular to the production of fish oil.

Operating revenue in Q4 2022 totalled NOK 150 million (Q4 2021: NOK 270 million) and EBITDA was NOK -83 million (Q4 2021: NOK 101 million).

The company had low inventory of fishmeal and fish oil at the start of Q4 2022, totalling 4,700 tonnes. Combined with a later start-up to the season, this meant low sales volumes for finished goods in the quarter. Sales volumes for fishmeal in Q4 2022 totalled 6,700 tonnes, down from 15,800 tonnes in the same quarter of 2021. The company's prices realised for fishmeal were marginally higher than in Q4 2021. No fish oil was sold in the quarter. The company had a fishmeal and fish oil inventory of 20,800 tonnes at the end of Q4 2022, compared with 48,000 tonnes at the end of Q4 2021.

KEY FIGURES (BRBI):

(MNOK)	Q4 2022	Q4 2021	2022	2021
Revenue	48	61	333	306
EBITDA	-42	9	37	111
EBIT	-58	-1	-18	70

KEY FIGURES (BFARM):

(MNOK)	Q4 2022	Q4 2021	2022	2021
Revenue	241	97	743	432
EBITDA*	96	9	367	52
EBIT*	79	-8	300	-12
Harvested volume (GWT)	3 136	1 774	8 631	8 151
EBIT/kg* all incl. (NOK)	25,3	-4,5	34,8	-1,5

* Before fair value adjustments related to biological assets

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

Foodcorp Chile S.A. (Chile)

Foodcorp Chile S.A (FC) has an integrated value chain comprising fisheries, production of consumer products, and production of fishmeal and 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 purchases raw material (anchoveta/sardines) from the coastal fleet for use in its production of fishmeal and fish 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 company had its own mackerel quota of 46,000 tonnes for 2022 and purchased an additional catch volume of 33,500 tonnes from third parties. The total fish quota for 2022 was therefore 79,500 tonnes, up from 71,800 tonnes in 2021. The quota volume purchased from third parties is caught by FC's own vessels.

The company had a low level of activity in Q4, which is normal for the season. The company caught 5,300 tonnes of horse mackerel in Q4 2022, compared with 4,000 tonnes in Q4 2021. In addition, the company purchased 1,700 tonnes of anchoveta against 300 tonnes in the same period of 2021.

Operating revenue in Q4 2022 was NOK 75 million (Q4 2021: NOK 75 million), while EBITDA was negative at NOK -47 million (Q4 2021: NOK -35 million).

Sales of frozen products totalled 2,500 tonnes in Q4 2022, down from 3,300 tonnes in Q4 2021. The company's prices realised in Q4 2022 were 17% lower than in Q4 2021. At the end of Q4 2022, the company had inventory of 4,300 tonnes of frozen products, compared with 2,600 tonnes at the end of Q4 2021.

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

At the end of 2022, AUSS owned 55.2% of the shares in Br. Birkeland Farming AS and 42.9% of the shares in Br. Birkeland AS.

BRBI had a low level of activity in Q4 2022. The company has two ring net vessels, one of which had caught most of its 2022 quotas by the end of Q3. The other vessel caught its remaining quotas of mackerel and Norwegian spring-spawning herring in Q4. The two vessels used to fish for snow crab underwent

KEY FIGURES (PELAGIA):

(MNOK)

	Q4 2022	Q4 2021	2022	2021
Revenue	3 798	2 882	11 282	10 002
EBITDA	661	350	1 703	1 018
EBIT	567	257	1 349	727
Net interest bearing debt			4 036	3 303

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

comprehensive repairs in the second half of the year, as a result of which the company lost money in Q4 2022.

Snow crab fishing finished on 7 June because all the Norwegian quota had been caught. Prices realised for snow crab have been substantially lower in 2022 than in 2021, leading to weak results.

The BRBI segment reported operating revenue of NOK 48 million in Q4 2022 (Q4 2021: NOK 61 million). EBITDA was negative at NOK -42 million (Q4 2021: positive at NOK 9 million).

The company's harvest volume for salmon was 3,136 tonnes in Q4 2022, up 77% from 1,774 tonnes in Q4 2021. The company has no processing operations and sells all its salmon on the spot market. The average price for salmon in Q4 2022, measured according to NSI (sales price FCA Oslo), was NOK 72.1/kg, up from NOK 59.7/kg in Q4 2021.

The BFARM segment reported operating revenue of NOK 241 million in Q4 2022 (Q4 2021: NOK 97 million). EBITDA before fair value adjustment related to biological assets in Q4 2022 was NOK 96 million (Q4 2021: NOK 9 million). EBIT/kg in Q4 2022 was NOK 25.3/kg, compared with a negative figure of NOK -4.5/kg in Q4 2021.

Price rises for key input factors will continue to 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 under 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, protein concentrate and fish oil as well as frozen pelagic consumer products. Pelagia purchases all its raw material from third parties. The company has production facilities in Norway, the UK and Ireland. Through its subsidiary Epax, Pelagia is a leading global 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.

There has been a good level of activity within all the operating segments. The volume of raw material received for consumer products in Q4 2022 was 137,700 tonnes, compared with 162,000 tonnes in Q4 2021. Mackerel accounts for 33% of the total volume received and Norwegian spring-spawning herring 64%. Total receipt of raw material in Pelagia for fishmeal/protein concentrate and fish oil production was 239,500 tonnes in Q4 2022, compared with 193,000 tonnes in Q4 2021. Cuttings from production of consumer products represent a significant share of the raw material used in fishmeal/protein concentrate and fish oil production.

Revenue for Pelagia in the quarter was NOK 3,798 million (Q4 2021: NOK 2,882 million) and EBITDA was NOK 661 million (Q4 2021: NOK 350 million).

The sales volume for frozen products in the quarter was 114,000 tonnes, up from 109,600 tonnes in the same period in 2021. Sales of fishmeal/FPC and fish oil in the quarter totalled 89,400 tonnes, a significant increase from 58,600 tonnes in Q4 2021.

CASH FLOW Q4 2022

Cash flow from operating activities in Q4 2022 was NOK 561 million (Q4 2021: NOK 922 million). Cash flow 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. Cash flow from investing activities in Q4 2022 was NOK -424 million (Q4 2021: NOK -694 million). Cash flow from financing activities for Q4 2022 was NOK -37 million (Q4 2021: NOK -271 million).

The Group's cash and cash equivalents are significant and totalled NOK 4,340 million at 31 December 2022, compared with NOK 5,329 million at 31 December 2021.

PRELIMINARY FINANCIAL STATEMENTS FOR 2022

The Group reported operating revenue of NOK 31,150 million for full-year 2022 (2021: NOK 26,633 million). EBITDA before fair value adjustment related to biological assets was NOK 5,782 million (2021: NOK 4,810 million). EBITDA, adjusted for one-off costs of NOK 209 million, was NOK 5,990 million.

EBIT before fair value adjustment related to biological assets was NOK 4,051 million (2021: NOK 3,218 million). EBIT, adjusted for one-off costs of NOK 209 million, was NOK 4,260 million.

The fair value adjustment related to biological assets was NOK 1,189 million in 2022, compared with NOK 1,114 million in 2021. EBIT after fair value adjustment related to biological assets was NOK 5,240 million (2021: NOK 4,332 million).

Income from associates was NOK 494 million (2021: NOK 393 million).

The Group's net interest expense was NOK -353 million (2021: NOK -284 million).

Profit before tax excluding fair value adjustment related to biological assets was NOK 4,435 million, compared with NOK 3,255 million in 2021.

Preliminary profit after tax in 2022 was NOK 4,252 million (2021: NOK 3,436 million). The tax computation is preliminary, and there may be changes in the final computation, including in the relative amounts of tax payable and deferred tax.

CASH FLOWS 2022

Cash flow from operating activities in 2022 was NOK 3,195 million (2021: NOK 4,635 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 inventory – but also higher accounts receivable. Tax payments in 2022 totalled NOK 775 million, compared with NOK 447 million in 2021. Cash flow from investing activities in 2022 was NOK -1,675 million (2021: NOK -1,650 million). Cash flow from financing activities in 2022 was NOK -2,547 million (2021: NOK -2,128 million), of which NOK 1,752 million relates to payment of dividends from the parent company and Group companies (to non-controlling interests). Dividends paid in 2021 totalled NOK 1,335 million.

Net change in cash for the Group in 2022 was NOK -1,027 million (2021: NOK 857 million).

The Group's cash and cash equivalents at 31 December 2022 totalled NOK 4,340 million, compared with NOK 5,329 million at 31 December 2021. The Group's cash and cash equivalents reflect the solid position of the portfolio companies but also their need to be prepared for unforeseen events, for example the political risk playing out in Norway under the current government, in already challenging times.

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022

The Group's statement of financial position at 31 December 2022 showed a total of NOK 48,018 million, compared with NOK 43,781 million at 31 December 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 recognised in the Group's statement of financial position, due to translation to Norwegian krone.

The Group is financially sound with book equity at 31 December 2022 of NOK 28,117 million, corresponding to an equity ratio of 59%. At 31 December 2021, book equity for the Group was NOK 25,187 million, equivalent to an equity ratio of 58%.

At 31 December 2022, the Group had net interest-bearing debt excluding right-of-use liabilities other than to credit institutions totalling NOK 5,140 million, compared with NOK 3,969 million at 31 December 2021. The Group's net interest-bearing debt including right-of-use liabilities other than to credit institutions was NOK 6,991 million at 31 December 2022, compared with NOK 5,629 million at 31 December 2021. The increase in debt reflects higher tied-up working capital.

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 a high level of financial flexibility to allow it to finance further organic growth, carry out strategic acquisitions and sustain the company's dividend policy.

At 31 December 2022, the parent company Austevoll Seafood ASA had cash and cash equivalents of NOK 441 million and net interest-bearing debt of NOK 126 million. The parent company has a long-term NOK 600 million credit facility, which was unutilised at 31 December 2022.

The parent company is providing bridge financing for investments linked to upgrades and newbuilds of industrial facilities for processing salmon and trout operated by the wholly owned subsidiaries Austevoll Eiendom AS and Austevoll Laksepakkeri AS. This project is expected to be completed in Q2 2023. A long-term lease agreement was entered into between Austevoll Eiendom AS and Austevoll Laksepakkeri AS on 20 February 2023. Based on the estimated standard real required rate of return, the lease agreement has a total discounted value of approx. NOK 280 million over the lease term.

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 global economic turmoil of recent years, including trade barriers and geopolitical risk, the general consensus is that macroeconomic uncertainty is still greater than what was previously considered normal.

The Group's risk profile covers pandemics, of which the COVID-19 outbreak is an example. The outbreak of COVID-19 led to national and global authorities introducing extensive restrictions in an attempt to prevent uncontrolled spread of the infection. COVID-19 impacted global value chains in that, at a global level, the necessary measures taken by public authorities together with sickness and fear significantly affected how we live our lives. 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, as well as 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 material 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 31 December 2022, the Group had live fish on its statement of financial position worth NOK 8 billion. Biological risk has been and will remain a substantial risk factor in the Group's operations. Assessing and managing biological risk must therefore be a part of the Group's core expertise.

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

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

After many years of investments, the Group is a significant owner of farming licences and of whitefish and pelagic quotas. The Group faces political risk linked to decisions by the various authorities, including framework conditions for fish farming and licence terms related to fisheries legislation. Political risk, including a lack of predictability, could impair the industry's competitiveness and capacity for development and value creation. This risk was laid bare on 28 September 2022, when the Norwegian government tabled a proposal to introduce resource rent taxation in the Norwegian aquaculture industry. If the proposal is adopted, the sea phase of the

Group's Norwegian aquaculture operations will be subject to an extra tax of 40% – a significant tax hike on an industry that already pays more in tax and charges than most other industries in Norway. In its current form, the proposal naturally increases the Group's tax risk. As the proposal has not yet been adopted, the Group's tax estimates in the preliminary financial statements for 2022 are aligned with previous years' practice.

Industrial development and employment in capital-intensive activities exposed to global competition, such as fish farming, fisheries and related industry, are challenging and demand predictability where possible. Achieving such predictability requires businesses and, not least, national political leaders, to pursue a reasonable long-term business policy. The proposal concerning resource rent taxation, and the process surrounding it, is an extreme example of irresponsible processes and absence of predictability. Political behaviour of this kind constitutes a serious risk to the industry's opportunities to continue developing and contributing to the common good. More information and commentary on this can be found under "Market and outlook" below.

In 2021, the then government appointed the "Tax Committee", which published its report on 16 December 2022. The proposals include the introduction of a resource rent tax on fisheries. Since publication of the report, the Norwegian government has been clear that it does not wish to introduce such a tax. We would remind readers that, a short time ago, the same parties now in government were equally opposed to a resource rent tax on aquaculture. It is natural and important to point out that the Group's whitefish operations already pay a resource rent tax in the form of the obligations incumbent on Lerøy's onshore whitefish industry.

The Norwegian Ministry of Trade, Industry and Fisheries has submitted four memoranda on key themes in the new quota report, which the government has indicated it will submit to the Norwegian parliament for consultation. Among other things, these concern allocation of structural profit from expired time limits in the structural quota scheme and quota allocation for North East Arctic cod. A new quota report is expected to be presented in the spring of 2023. Wise after the event, we have to admit that the government's – as yet unknown – decisions could have negative consequences for the Group's basis of operations and hence our employees. We fervently hope that the government's official statements can be believed and that we can therefore expect responsible proposals and decisions.

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 future 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. 20% 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 stepped up 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. The Group is working 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 9,519 shareholders at the end of Q4 2022. The number of shareholders at the start of Q4 2022 was 9,111.

The share price was NOK 73.75 at the start of Q4 2022 and NOK 88.45 at the end.

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

The Board of Directors intends to recommend to the company's annual general meeting in May 2023 a dividend payment for 2022 of NOK 5.50 per share. The dividend of NOK 4.50 per share for 2021 was paid out on 9 June 2022.

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 that the Group’s food production contributes to the UN’s Sustainable Development Goals (SDGs). 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 in the difficult situation we experienced in 2020 and 2021. This led us to hope, and believe, that we could further develop cooperation based on accountability, predictability and knowledge-based facts, focusing on employment and value creation in the decades ahead.

Unfortunately, this is not how things turned out. In their resource rent proposal of 28 September 2022, the Norwegian government and Ministry of Finance reveal a lack of insight into the aquaculture industry’s value chain and value creation, and hence of the negative consequences the proposal will have for society. It is important that the government and parliament understand the industry’s value chain, including its level of activity and key role in Norway’s coastal communities.

The government’s proposal betrays a lack of understanding of the industry’s complexity and its importance to the country and coastal communities. This has been commented on in depth in

the Group’s consultation response, which can be read in full here: <https://www.regjeringen.no/no/dokumenter/horing-grunnrenteskatt-pa-havbruk/id2929159/?uid=b91b74af-6c77-4f5c-8917-0727ca0a28f8>. The Group must have confidence that the consultation process is a genuine one and that the final proposal will take on board the input from the large number of responses received from experts. The Storting, the Norwegian parliament, is expected to reach a decision before the summer. This decision will be of crucial importance to how the industry develops in Norway, and the country’s ability to maintain its unique position as a globally competitive food producer from both a financial and an environmental/climate perspective.

The quotas for cod and haddock will be reduced in 2023. Final quotas have not yet been set for individual vessels. A reduction in cod quotas of around 20% is expected for the trawler fleet compared with the quotas for 2022. For haddock, the reduction is around 5%. An increase of 15% on 2022 levels is expected for saithe both north of 62 degrees latitude and in the North Sea. The quotas for other species such as redfish and Greenland halibut are roughly the same as in 2022.

The Group is not satisfied with the development in growth in the farming operations in the second half of 2022, and a raft of measures have been implemented throughout the segment’s value chain. These measures are expected gradually to generate positive effects. At the same time, cost inflation for input factors will continue to manifest itself in 2023. Release from stock costs for the year are therefore expected to be higher than in 2022. For its consolidated operations, Lerøy Seafood Group currently expects to harvest around 175,000 tonnes in 2023. The Group’s share from the joint venture is forecast to be approx. 18,500 tonnes. LSG’s total harvest volume in 2023 is expected to be in the region of 193,500 tonnes.

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 – leading to good, full-year jobs – in downstream entities in recent years, including in a new industrial facility for Lerøy Midt, a new factory in Stamsund and new factories in Spain, the Netherlands and Italy, are expected to make a positive contribution going forward. Political risk for LSG’s value chain has increased, but the Group has a clear ambition to grow operating profit in this segment in the years ahead. LSG’s earnings in 2022 were not satisfactory.

At the start of 2023, we are seeing demand for seafood in some market segments being negatively impacted by the general

economic development. Historically, demand for seafood products has held up relatively well in economic downturns. The Group's products are healthy and tasty. Production is sustainable from a financial, climate and environmental perspective, and the Group expects significantly higher earnings in its downstream operations in 2023 than in 2022.

Fishmeal and fish oil

According to the IFFO*, fishmeal production from Regions Peru, Chile and the North Atlantic decreased by 8.6% in 2022 compared with 2021.

This decrease can mainly be attributed to Peru, where production fell by 20.8%. There are two main reasons for this: Despite a higher total quota for Central/North Peru for the second fishing season of 2022, challenging catch conditions meant lower catch volumes in Q4 2022 compared with Q4 2021. The total quota for the second season in 2021 was mostly caught in Q4 2021. Moreover, the fishmeal and fish oil yield was lower in Q4 2022 than in the same period in 2021, and significantly lower for fish oil.

A total quota of 337,000 tonnes has already been set for the first half of 2023 in South Peru. The exploratory voyage to measure biomass in Central/North Peru ahead of the first fishing season has not yet started; it usually starts in March.

ICES's recommended quota for blue whiting in the North Atlantic in 2023 represents an increase of 80% on the recommended quota for 2022. The quota for Icelandic capelin is down 75%. This quota is very important for Pelagia.

**Source: IFFO, week 52, 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 2021, 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 2023 reflects a small (2%) reduction for mackerel and a 15%

reduction for Norwegian spring-spawning herring compared with the recommended quotas 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 22% 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.

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. This attests to continuing satisfactory developments in the Group's activities in Chile.

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 hence food supplies operational in challenging times.

Industrial developments and employment in capital-intensive activities exposed to global competition, such as fish farming, fisheries and related industry, are challenging and require predictability. Achieving such predictability requires businesses and, not least, national political leaders to pursue a responsible long-term business policy. The government's proposal of 28 September 2022 concerning a resource rent tax on Norwegian aquaculture is an example of the precise opposite and constitutes a significant risk to the industry's development and its ability to continue contributing to society. The proposal is, unfortunately, an example of the kind of political risk that we have not seen in Norway in recent times. The proposal contradicts the government's own declaration, which states

“The government will execute a predictable and responsible tax policy for business and industry.” It is further worth noting that the proposal conflicts with the governing parties’ own party platform.

The seafood companies must retain their capital in line with other comparable industries if they are not to lose ground in international competition. 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, but also already contributes 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 can only hope, and trust, that the political leadership will carefully review the consultation responses submitted,

numbering almost 400, and that the final proposal will embrace the input received. 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 for the future of the coastal regions once the oil and gas adventure is over. The Storting, the Norwegian parliament, is expected to reach a decision before the summer. This decision will be of crucial importance to how the industry develops in Norway, and its ability to maintain its unique position as a Norwegian regional industry that is globally competitive and has the potential to safeguard employment and settlement along the coast, including when Norway’s oil- and gas-related activities come to an end.

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, 20 February 2023

The Board of Directors of Austevoll Seafood ASA

Helge Singelstad
Chairman of the Board

Lill Maren Møgster
Board member

Hege Charlotte Bakken
Deputy chairman

Eirik D. Melingen
Board member

Petter Dragesund
Board member

Helge Møgster
Board member

Hege Solbakken
Board member

Siren Grønhaug
Board member

Arne Møgster
CEO

FINANCIAL REPORT Q4 2022

INCOME STATEMENT (unaudited)

All figures in NOK 1,000	Note	Q4 2022	Q4 2021	2022	(audited) 2021
Operating revenue	4	7 638 699	7 028 024	31 149 616	26 633 441
Raw material and consumables used		4 174 209	3 496 574	16 293 681	14 108 632
Salaries and personnel expenses		1 153 303	1 057 769	4 518 737	4 064 280
Other operating expenses		1 242 136	1 167 031	4 555 568	3 650 515
EBITDA before fair value adjustments *		1 069 051	1 306 650	5 781 630	4 810 014
Depreciation and amortisation		439 146	397 477	1 732 087	1 579 680
Impairment		-547	6 130	-1 461	12 731
EBIT before fair value adjustment *	7	630 452	903 043	4 051 004	3 217 603
Fair value adjustment related to biological assets	3	-209 828	246 307	1 189 284	1 114 412
Operating profit		420 624	1 149 350	5 240 288	4 332 015
Income from associated companies	5	94 425	85 471	494 487	393 489
Net interest expenses		-80 701	-70 522	-352 616	-283 736
Net other financial items (incl. agio/disagio)		36 774	-10 015	45 456	-66 239
Profit before tax and fair value adj.*	7	726 967	905 240	4 435 134	3 255 095
Profit before tax		471 122	1 154 284	5 427 615	4 375 529
Income tax expenses		-65 829	-244 893	-1 175 552	-939 415
Net profit		405 293	909 391	4 252 063	3 436 114
Profit to non-controlling interest		143 286	375 236	1 798 289	1 454 927
Profit to controlling interests		262 007	534 155	2 453 774	1 981 187
Earnings per share (EPS) *		1.84	2.14	10.06	7.53
Earnings per share (EPS)		1.30	2.65	12.16	9.82
Diluted EPS		1.30	2.65	12.16	9.82

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

All figures in NOK 1,000	Q4 2022	Q4 2021	2022	(audited) 2021
Net earnings in the period	405 293	909 391	4 252 063	3 436 114
Other comprehensive income				
Currency translation differences	-333 192	56 043	393 969	-76 106
Other comprehensive income from associated companies	4 175	-10	14 562	-894
Cash flow hedges	652	4 074	16 124	62 758
Others incl. tax effect	6 629	927	-9 961	-2 222
Total other comprehensive income	-321 736	61 034	414 694	-16 464
Comprehensive income in the period	83 557	970 425	4 666 757	3 419 650
Allocated to:				
Minority interests	133 844	374 040	1 872 247	1 450 028
Majority interests	-50 287	596 385	2 794 510	1 969 622

STATEMENT OF FINANCIAL POSITION (unaudited)

All figures in NOK 1,000	Note	31.12.2022	31.12.2021
Assets			
Intangible assets		11 962 608	11 748 437
Vessels		2 628 444	2 384 742
Property, plant and equipment		7 628 922	6 895 770
Right-of-use assets	8	3 222 361	3 063 764
Investments in associated companies	5	3 381 943	3 002 403
Investments in other shares		42 502	46 777
Other long-term receivables		223 349	167 896
Total non-current assets		29 090 129	27 309 789
Inventories	3	10 928 158	8 104 557
Accounts receivable		2 909 332	2 321 067
Other current receivables		751 079	716 647
Cash and cash equivalents		4 339 623	5 328 615
Total current assets		18 928 192	16 470 886
Total assets		48 018 321	43 780 675
Equity and liabilities			
Share capital	6	101 359	101 359
Treasury shares		-18 312	-18 312
Share premium		3 713 549	3 713 549
Retained earnings and other reserves		11 476 975	9 575 130
Non-controlling interests		12 843 697	11 815 252
Total equity		28 117 266	25 186 977
Deferred tax liabilities		3 938 309	3 511 547
Pensions and other obligations		12 536	11 488
Borrowings		5 967 761	6 663 497
Lease liabilities to credit institutions		903 027	1 024 557
Lease liabilities other than to credit institutions		1 527 316	1 382 141
Other non-current interest bearing debt		658	889
Other long-term liabilities		28 920	28 712
Total non-current liabilities		12 378 527	12 622 831
Short term borrowings		1 110 653	732 743
Lease liabilities to credit institutions		345 335	265 243
Lease liabilities other than to credit institutions		322 833	277 256
Overdraft facilities		1 152 658	582 390
Account payable		2 374 299	1 920 972
Other current liabilities		2 216 750	2 192 263
Total current liabilities		7 522 528	5 970 867
Total liabilities		19 901 055	18 593 698
Total equity and liabilities		48 018 321	43 780 675
Net interest bearing debt (NIBD)		5 140 469	3 969 416
Lease liabilities other than to credit institutions		1 850 149	1 659 397
NIBD incl. right of use assets liabilities		6 990 618	5 628 813
Equity ratio		59%	58%

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

All figures in NOK 1,000	31.12.2022	31.12.2021
Equity at period start	25 186 977	22 990 574
Comprehensive income in the period	4 666 757	3 419 650
Dividends	-1 752 010	-1 334 692
Transactions with non-controlling interest	15 542	111 445
Other	-	-
Total changes in equity in the period	2 930 289	2 196 403
Equity at period end	28 117 266	25 186 977

CASH FLOW STATEMENT (unaudited)

All figures in NOK 1,000	Q4 2022	Q4 2021	2022	(audited) 2021
Cash flow from operating activities				
Profit before income tax	471 122	1 154 284	5 427 615	4 375 529
Fair value adjustment of biological assets	209 828	-246 306	-1 189 284	-1 114 412
Taxes paid in the period	-281 550	-165 033	-775 098	-446 555
Depreciation and amortisation	439 146	397 478	1 732 087	1 579 680
Impairments	-546	6 130	-1 461	12 731
Associated companies - net	-94 425	-85 470	-494 487	-393 488
Interest expense	135 194	90 821	431 127	322 298
Interest income	-54 493	-20 298	-78 511	-38 562
Change in inventories	-356 939	-558 757	-1 634 316	-97 645
Change in receivables	345 470	187 451	-622 695	-4 418
Change in payables	-17 466	1 972	459 442	443 477
Other operating cash flow incl. currency exchange	-234 582	159 601	-59 423	-3 299
Net cash flow from operating activities	560 759	921 873	3 194 996	4 635 336
Cash flow from investing activities				
Purchase of intangible and fixed assets	-463 559	-418 873	-1 834 458	-1 337 885
Purchase of shares and equity investments	-9 775	-300 987	-58 892	-508 691
Proceeds from sale of fixed assets/equity investments	5 581	8 239	55 712	43 477
Cash inflow from business combinations	-	881	-	3 829
Dividends received	-	-	131 000	113 514
Interest income	54 493	20 298	78 511	38 562
Other investing activities - net	-10 338	-3 729	-46 426	-3 263
Net cash flow from investing activities	-423 598	-694 171	-1 674 553	-1 650 457
Cash flow from financing activities				
Proceeds from new long term debt	4 752	22 892	292 003	2 393 905
Repayment of long term debt	-266 717	-409 240	-1 288 450	-2 466 776
Change in short term debt	459 151	235 551	570 268	-410 285
Interest paid	-149 345	-97 154	-440 954	-325 510
Dividends paid	-	-15 938	-1 752 010	-1 334 692
Other finance cash flow - net	-85 013	-7 235	72 188	15 182
Net cash flow from financing activities	-37 172	-271 124	-2 546 955	-2 128 176
Net change in cash and cash equivalents	99 989	-43 422	-1 026 512	856 703
Cash, and cash equivalents at start of period	4 282 374	5 372 037	5 328 615	4 462 765
Exchange gains/losses (-)	-42 740	-	37 520	9 147
Cash and cash equivalents at period end	4 339 623	5 328 615	4 339 623	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. On 28 September 2022, the Norwegian government proposed the introduction of a resource rent tax on the production of salmon and trout. The tax applies to fish farming in the sea, as well as associated sea-based activities. A tax rate of 40% is proposed, which comes on top of the standard corporation tax of 22%, giving a total of 62%. The intention is to introduce the proposed tax effective 1 January 2023, despite the fact that the consultation period was still running at that date and that the proposal has not been adopted by the Storting. As the proposal has not yet been adopted, it does not affect the Group's tax estimates in the preliminary financial statements for 2022.

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 Q4 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, harvesting 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.

NOTE 3 BIOLOGICAL ASSETS (cont.)

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.

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	Q4 2022	Q4 2021	2022	2021
Change FV adj. of biological assets	-420 862	273 416	1 057 507	1 131 092
Change in FV of onerous contracts	185 422	-35 527	30 659	-44 226
Change in FV of fishpool contracts	0	10	0	-1 561
Total FV adjustments over profit and loss	-235 440	237 899	1 088 166	1 085 304

Fair value adjustments over OCI

Change in FV of fishpool contracts *	-9	328	-1 649	5 408
Total FV adjustments over OCI	-9	328	-1 649	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	31/12/2022	31/12/2021
Cost on stock for fish in sea	4 614 941	4 118 913
Cost on stock for fry, brood, smolt and cleaning fish	476 507	385 542
Total cost on stock for biological assets *	5 091 448	4 504 454
FV adj. of fish in sea	2 526 145	1 450 638
FV adj. of fry, brood, smolt and cleaning fish	0	0
Total FV adj. of biological assets	2 526 145	1 450 638
Monthly discount rate applied	4.0 %	4.0 %
FV of fish in sea	7 141 086	5 569 551
FV of fry, brood, smolt and cleaning fish	476 507	385 542
Carrying amount of biological assets	7 617 593	5 955 092
Onerous contracts (liability)		
Carrying amount of onerous contracts	-13 600	-44 259
Fish Pool contracts		
Carrying amount of Fish Pool contracts	0	1 836

* Cost on stock is historic costs after expensed mortality

NOTE 3 BIOLOGICAL ASSETS (cont.)

HARVESTED VOLUME:

Volume in gutted weight (GWT)	Q4 2022	Q4 2021	2022	2021
Salmon	46 487	43 336	151 942	161 542
Trout	6 823	7 996	22 687	25 093
Total harvested volume	53 310	51 332	174 629	186 635

VOLUME

Volume of fish in sea (LWT)	Q4 2022	Q4 2021	2022	2021
Volume at beginning of period	109 287	112 668	107 242	119 407
Net growth during the period	50 813	54 484	194 366	205 547
Harvested volume during the period	-62 177	-59 910	-203 685	-217 712
Volume at end of period (LWT)	97 923	107 242	97 923	107 242

Specification of fish in sea (LWT)	31/12/2022	31/12/2021
Salmon	85 391	93 543
Trout	12 532	13 699
Total	97 923	107 242
Salmon > 4.65 kg (live weight) *	384	4 376
Trout > 4.76 kg (live weight) *	0	587

* Defined as mature biological assets

Br. Birkeland Farming AS

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

Fair value adjustment over profit and loss	Q4 2022	Q4 2021	2022	2021
Change FV adj. biological assets	25 612	8 408	101 118	29 108
Total FV adjustments over profit and loss	25 612	8 408	101 118	29 108

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS

Positive amounts are assets and negative amounts are liabilities

Biological assets	2022	2021
Cost on stock for fish in sea	236 607	200 915
Fair value adjustment fish in sea	117 644	16 526
Fair value fish in sea	354 251	217 441
Fry, brood and smolt	-	-
Carrying amount of biological assets	354 251	217 441

HARVESTED VOLUME

Harvested volume in gutted weight (GWT)	Q4 2022	Q4 2021	2022	2021
Total volume	3 136	1 774	8 631	8 151
- Salmon	3 136	1 774	8 631	8 151

VOLUME

Volume of fish in sea (LWT)	Q4 2022	Q4 2021	2022	2021
Volume at beginning of period	5 122	4 088	4 379	5 693
Net growth during the period	3 432	2 442	10 755	8 589
Harvested volume during the period	-3 770	-2 151	-10 350	-9 903
Volume at end of period (LWT)	4 784	4 379	4 784	4 379
Fish > 4.65 kg (live weight)	2 708	-	2 708	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%)
Q4 2022									
Operating revenue	7 112 157	150 425	74 968	48 316	240 605	12 228	7 638 699	1 899 197	9 537 896
EBITDA *	1 141 442	-82 522	-46 608	-42 488	96 204	3 023	1 069 051	330 313	1 399 364
EBITDA%	16%				40%		14%	17%	15%
EBIT *	800 149	-133 611	-56 814	-57 822	79 492	-942	630 452	283 406	913 858
Volumes sold:									
Salmon (GWT tonnes)	53 310				3 136		56 446		56 446
Fishmeal/oil/FPC (tonnes)		6 686	2 211				8 897	44 700	53 597
Frozen/fresh fish (tonnes)		-	2 530				2 530	57 000	59 530
Q4 2021									
Operating revenue	6 529 211	270 213	75 394	60 611	96 562	-3 967	7 028 024	1 441 020	8 469 044
EBITDA *	1 223 759	100 954	-34 801	9 210	8 683	-1 156	1 306 649	175 026	1 481 675
EBITDA%	19%	37%	-46%	15%			19%	12%	17%
EBIT *	901 605	60 148	-43 737	-1 051	-8 081	-5 843	903 041	128 391	1 031 432
Volumes sold:									
Salmon (GWT tonnes)	51 332				1 774		53 106		53 106
Fishmeal/oil/FPC (tonnes)		15 778	2 463				18 241	29 300	47 541
Frozen fish (tonnes)		-	3 276				3 276	54 800	58 076
2022									
Operating revenue	26 652 257	2 562 478	820 782	332 945	742 809	38 345	31 149 616	5 640 763	36 790 379
EBITDA *	4 520 917	662 508	200 113	36 756	366 825	-5 489	5 781 630	851 718	6 633 348
EBITDA%	17%	26%	24%	11%	49%		19%	15%	18%
EBIT *	3 194 878	467 581	128 333	-18 148	300 467	-22 107	4 051 004	674 374	4 725 378
EBITDA **	4 729 702	662 508	200 113	36 756	366 825	-5 489	5 990 415	851 718	6 842 133
EBITDA%	18%	26%	24%	11%	49%		19%	15%	19%
EBIT **	3 403 663	467 581	128 333	-18 148	300 467	-22 107	4 259 789	674 374	4 934 163
Volumes sold:									
Salmon (GWT tonnes)	174 629				8 631		183 260		183 260
Fishmeal/oil/FPC (tonnes)		127 319	13 011				140 330	168 000	308 330
Frozen/fresh fish (tonnes)		12 277	57 682				69 959	152 000	221 959
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 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 2022 the Group expensed accrued costs and made provisions, totalling NOK 209 million, in connection with the civil actions in North America. Please see also the Group's annual report 2021.

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

NOTE 5 ASSOCIATES

		Q4 2022	Q4 2021	2022	2021
Norskott Havbruk AS* a)	50.0%	-122 312	-10 709	41 492	93 577
Pelagia Holding AS b)	50.0%	199 927	94 732	418 427	272 361
Others		16 810	1 448	34 568	27 551
Income from associates		94 425	85 471	494 487	393 489
* Fair value adjustment biological assets		-46 017	2 737	11 982	6 022
Income from associates before FV adj.		140 442	82 734	482 505	387 467

Investment in associates:

Norskott Havbruk				1 183 855	1 125 883
Pelagia Holding AS				1 764 567	1 473 289
Others				433 521	403 231
Total investment		-	-	3 381 943	3 002 403

Dividend received

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

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

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

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

Investor	Number of shares	% of top 20	% of total
LACO AS	112 605 876	74.14	55.55
STATE STREET BANK AND TRUST COMP	5 165 858	3.40	2.55
J.P. MORGAN SE	4 439 961	2.92	2.19
FOLKETRYGDFONDET	2 947 377	1.94	1.45
OM HOLDING AS	2 891 114	1.90	1.43
PARETO AKSJIE NORGE VERDIPAPIRFOND	2 763 705	1.82	1.36
SIX SIS AG	2 648 818	1.74	1.31
STATE STREET BANK AND TRUST COMP	2 440 699	1.61	1.20
THE BANK OF NEW YORK MELLON SA/NV	1 939 129	1.28	0.96
JPMORGAN CHASE BANK, N.A., LONDON	1 797 025	1.18	0.89
J.P. MORGAN SE	1 670 571	1.10	0.82
CLEARSTREAM BANKING S.A.	1 473 857	0.97	0.73
THE NORTHERN TRUST COMP, LONDON BR	1 437 719	0.95	0.71
STATE STREET BANK AND TRUST COMP	1 382 867	0.91	0.68
J.P. MORGAN SE	1 212 623	0.80	0.60
DANSKE INVEST NORSKE INSTIT. II.	1 142 963	0.75	0.56
VERDIPAPIRFONDET ALFRED BERG GAMBA	1 004 358	0.66	0.50
PARETO INVEST NORGE AS	982 217	0.65	0.48
STATE STREET BANK AND TRUST COMP	971 952	0.64	0.48
VERDIPAPIRFONDET STOREBRAND NORGE	967 421	0.64	0.48
Total number owned by top 20	151 886 110	100.00	74.93
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:

	Q4 2022	Q4 2021
Operating profit (EBIT)	420 624	1 149 350
- Fair value adjustments	-209 828	246 307
= EBIT before fair value adjustments	630 452	903 043

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:

	Q4 2022	Q4 2021
Profit before tax	471 122	1 154 284
- Fair value adjustments	-209 828	246 307
- Fair value adjustments in associated comp.	-46 017	2 737
= Profit before tax and fair value adjustments	726 967	905 240

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:

	31/12/2022	31/12/2021
Loans from credit institutions *		
+ Lease liabilities to credit institutions *	1 248 362	1 289 800
+ Other long term loans *	7 079 072	7 425 841
+ Overdrafts/other short term loans	1 152 658	582 390
- Cash and cash equivalents	-4 339 623	-5 328 615
= Net-interest-bearing debt (NIBD)	5 140 469	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	394	5 005	5 690	8	11 097
Right-of-use assets acquired	1 668	87 138	271 362	442 915	803 083
Disposal	-12 521	-	-13 651	-30 781	-56 953
Depreciation	-6 039	-61 066	-269 888	-276 277	-613 270
Business combinations	-	-	-	-	-
Reclassification	-	-	1 210	13 430	14 640
Carrying value 31.12.2022	33 187	497 318	1 380 063	1 311 793	3 222 361



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