



Austevoll Seafood ASA



FINANCIAL REPORT

Q3 2023

Austevoll Seafood ASA

**Alfabygget
N-5392 Storebø
NORWAY**

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Index

- p. 4 Result highlights Q3 2023
- p. 5 Austevoll Seafood ASA
- p. 6 Profit/loss Q3 2023
- p. 7 Operational review of segments for Q3
- p. 13 Joint venture
- p. 13 Cash flow for Q3 2023
- p. 14 Financial situation at 30 September 2023
- p. 14 Cash flows for the first nine months of 2023
- p. 15 Statement of financial position at 30 September 2023
- p. 15 Other issues
- p. 17 Shareholder information
- p. 17 Austevoll Seafood ASA's focus areas for sustainability
- p. 18 Market and outlook
- p. 22 Income statement
- p. 22 Condensed statement of comprehensive income
- p. 23 Statement of financial position
- p. 24 Condensed statement of changes in equity
- p. 24 Cash flow statement
- p. 25 Note 1 Accounting policies
- p. 25 Note 2 Related party transactions
- p. 25 Note 3 Biological assets
- p. 28 Note 4 Segments
- p. 29 Note 5 Associates
- p. 29 Note 6 List of the 20 largest shareholders
- p. 30 Note 7 Alternative performance measures
- p. 32 Note 8 Right-of-use assets
- p. 33 Note 9 New Resource rent tax on Aquaculture (in sea) from 01.01.2023

Q3 IN BRIEF

- Seasonal increase in salmon harvest volume in Q3 compared with Q2
 - » Higher prices realised year on year
 - » Costs continue to increase as a result of inflation
 - » Forced harvest due to detection of ISA at two localities in West Norway region.
- Seasonally low level of pelagic activity in South America (Chile and Peru)
 - » The second fishing season in Peru started on 26 October, with a total quota of 1,682,000 tonnes.
- The government's proposal on resource rent tax on aquaculture (in the sea) was adopted by the Storting on 31 May 2023. The estimated tax expense is very uncertain.
 - » The estimates comprise the implementation effect related to biomass in the sea at 1 January 2023 in addition to the estimate for resource rent tax in 2023.
- The Group is financially sound, with good financing, and operations show satisfactory cash flow.

RESULT HIGHLIGHTS Q3 2023

All figures in MNOK	Note	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Operating revenue and other income		8 566	9 094	25 020	23 511	31 150
Operational EBITDA	7	1 011	1 718	4 080	4 969	6 062
Operational EBIT	7	592	1 455	2 823	4 018	4 845
Profit before tax and biomass adjustments		300	1 340	2 190	3 499	4 226
Estimated corporate tax		112	-326	-425	-1 110	-1 142
Estimated resource rent tax		-221	-	-2 024	-	-
Net profit		-508	1 041	-423	3 847	4 285
EPS adj. (NOK)	*	0,4	3,5	-0,4	7,9	9,9
Total assets				52 401	48 093	48 062
Net interest bearing debt				6 570	4 925	5 140
Equity ratio				50%	58%	59%
Group operational EBITDA incl. 50% of Pelagia		1 294	2 017	4 721	5 490	6 906
Operational EBITDA Salmon/whitefish		1 008	1 175	3 652	3 634	4 797
Operational EBITDA Pelagic incl. proportional Pelagia		286	842	1 069	1 857	2 109

* Before fair value adjustments related to biological assets

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.

FINANCIAL REVIEW

PROFIT/LOSS Q3 2023

Group operating revenue in Q3 2023 totalled NOK 8,566 million, compared with NOK 9,094 million in Q3 2022, down 6%. The decrease in revenue is mainly because the first fishing season in Peru was cancelled after just a few days' trial fisheries. The Farming companies have seen an increase in revenue from Q3 2022 to Q3 2023, but this has not compensated for the decline in revenue from the operations in Peru.

Operating EBIT in Q3 2023 was NOK 592 million, against NOK 1,455 million in Q3 2022. The fall in operating EBIT is essentially a direct consequence of the cancellation of the first fishing season in Peru. Moreover, and as previously mentioned in the Q2 2023 report, earnings have also been negatively affected by one-off effects related to the forced harvest of fish found to be infected with ISA at Lerøy Sjøtroll. On top of this, the prices for practically all input factors have risen.

The operating EBIT margin for Q3 2023 was 7%, against 16% in Q3 2022.

Norskott Havbruk AS (Scottish Sea Farms) and Pelagia Holding AS are the two largest joint ventures. Income from associates before fair value adjustment related to biological assets in Q3 2023 totalled NOK 79 million (Q3 2022: NOK 173 million). The equivalent figure including fair value adjustment of biological assets was NOK 89 million (Q3 2022: NOK 107 million). Pelagia sustains a positive development via successful operations, economies of scale, synergies through the value chain and good market conditions, particularly within fishmeal, protein concentrate and oil. Norskott Havbruk (Scottish Sea Farms) has had a very challenging operating year to date in 2023, and the company reported a loss in the quarter. The Group's joint ventures and 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 operating result after fair value adjustment of biological assets and income from joint ventures and associates totalled NOK -171 million in Q3 2023 (Q3 2022: NOK 1,480 million). Fair value adjustment related to biological assets was negative at NOK 710 million, a significant fall from the positive figure of NOK 94 million in Q3 2022.

The Group's net interest expense in Q3 2023 totalled NOK -178 million (Q3 2022: NOK -94 million). A rising interest rate level means higher interest expenses for the Group. Net other financial expenses in the quarter totalled NOK -50 million. The equivalent figure in Q3 2022 was NOK -19 million.

For the third quarter of 2023, the result before tax was a loss of NOK -399 million (Q3 2022: profit of NOK 1,367million).

On 31 May 2023, the Storting voted to introduce a so-called resource rent tax of 25% on earnings from sea-based production of salmon and trout. The enactment was retroactive from 1 January 2023. The resource rent tax comes on top of ordinary tax of 22%, giving a total tax rate of 47% for the activity concerned. The estimate for the so-called resource rent tax expense in 2023 comprises the implementation effect (one-off effect) and a tax effect for the period.

The estimated implementation effect is NOK 1,765 million. The estimate was recognised in the quarter when the legislation was adopted. The Group has estimated a figure for the so-called resource rent tax of NOK 258 million for the period from 1 January 2023 to 30 September 2023. Based on the authorities' management of the implementation of the extra tax, the Group would like to emphasise that uncertainties regarding this estimate are higher than normal for this type of estimate. The best estimate for the extra tax for the first nine months of 2023 is NOK 2,023 million. Please refer to note 9 for further details.

The result after tax, including the estimate for the so-called resource rent tax, was a loss of NOK -508 million (Q3 2022: profit of NOK 1,041 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.

KEY FIGURES (LSG):

(MNOK)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Revenue and other income	8 015	7 449	22 660	19 540	26 652
Operational EBITDA	1 008	1 175	3 652	3 634	4 797
Operational EBIT	631	833	2 570	2 649	3 471
Operational EBIT margin	8%	11%	11%	14%	13%
Total assets			40 838	36 840	37 062
Slaughtered volume (GWT)	53 876	56 179	112 137	121 319	174 629
EBIT*/kg ex. wildcatch (NOK)	12,4	14,3	20,3	18,9	17,9
Havfisk catch volume (MT)	14 433	14 862	63 411	58 627	71 726
EBIT wildcatch (MNOK)	-38	27	291	357	348

* Operational EBIT

The seasonal pattern in harvest volume of salmon and trout in Norway has become even more pronounced over the last year. A major increase in harvest volume from the first half to the second half of the year generates significantly lower prices in the second half, compared with the first half. For LSG, this results in a high harvest volume for the Farming segment, but with lower margins than in the first half of the year. As mentioned in the Q2 report, earnings have been affected by one-off effects of approximately NOK 200 million related to the forced harvest of fish found to be infected with ISA at Lerøy Sjøtroll.

In Q3 2023, LSG reported revenue of NOK 8,015 million (Q3 2022: NOK 7,449 million) and operating EBITDA of NOK 1,008 million (Q3 2022: NOK 1,175 million). Operating EBIT for the quarter was NOK 631 million, down from NOK 833 million in Q3 2022, due to the one-off effects of the forced harvest of fish with ISSA. This gives an operating EBIT margin of 8%, down from 11% in Q3 2022.

LSG harvested 53,876 GWT salmon and trout in the quarter, down 4% on Q3 2022.

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 time of harvest. The contracts are entered into long before the fish are harvested and will therefore reflect the market conditions prevailing at the sale date.

Demand for Norwegian salmon has continued to grow in 2023, but the rate of growth has flattened out through the year. In Q3 2023, Norwegian salmon exports were 2% lower by volume than in Q3 2022, while export prices in the same period were 1% higher in EUR and 15% higher in NOK. This is evidence of how export prices in the quarter have, above all, been affected by a weaker Norwegian krone.

Although there has been weak growth in exports of Norwegian salmon in 2023 when compared with 2022, export volumes from Norway in the third quarter are around 30% higher than in the second quarter of the year. The increase in volume has resulted in a fall in prices. When the export volumes are low, the HoReCa (Hotel Restaurant Catering) market becomes more of a price setter, while the more price-sensitive groceries market has a more substantial impact on pricing when export volumes are high.

The spot price for salmon in Q3 2023 (NOK 77.1/kg) remains unchanged from last year in EUR, but has increased by NOK 8/kg in NOK from Q3 2022 (NOK 68.7/kg). Compared with the spot price in Q2 2023 (NOK 104.8/kg), the spot prices in the third quarter are down by NOK 28/kg, clear evidence of the strong seasonal fluctuations in prices, a main driver of prices realised and margins for the Farming segment.

LSG's contract share in Q3 2023 was 17%. Prices realised by Lerøy Sjøtroll were significantly impacted by small sizes. In total, prices realised for salmon are closer to the NSI price than in previous quarters in 2023. For Lerøy Sjøtroll, 47% of the harvest volume in Q3 2023 was trout, and prices realised for whole trout were NOK 3 lower than those for whole salmon in the quarter.

In line with national and global developments, the Group's costs are significantly affected by increased costs for practically all input factors, so that the release from stock costs for Q3 2023 are substantially higher than in the same quarter last year. The key driver behind this is increased feed costs, which alone represent a cost increase of NOK 6 per kilo harvested. At the same time, the release from stock costs in Q3 2023 are lower than in the second quarter, primarily because of the scale effects from increased biomass harvest.

Biological developments in Lerøy Aurora in 2023 have been satisfactory. As expected, the cost level was substantially lower in Q3 2023 compared with Q2 2023. However, growth at the end of the third quarter and the start of the fourth has been slightly weaker than expected, negatively affecting the expected harvest volume for full-year 2023. Lerøy Aurora currently estimates a harvest volume in the region of 43,000 GWT for 2023. The current estimate for harvest volume in 2024 is about 47,000 GWT. Costs for the fourth quarter are expected to remain at roughly the same level as in the third quarter of the year.

For Lerøy Midt, biological developments to date in 2023 have been better than in 2022. At the same time, the Group has experienced challenges with poor gill health and increased mortality for some groups of fish, which is of course an adverse development. Detailed analyses are under way to understand the cause and effect, so that targeted measures can be taken in all parts of the value chain (roe, juvenile fish, fish for consumption). The Group has clear hypotheses as to the potential cause, and at the end of the third and start of the fourth quarters removed fish groups with specific characteristics in Lerøy Midt and Lerøy Sjøtroll. This negatively impacts average weights at the end of the third and start of the fourth quarters of 2023, as well as expected harvest volumes in both 2023 and 2024. Lerøy Midt currently expects release from stock costs for the fourth quarter of 2023 to be in line with the third quarter, and a harvest volume in the region of 61,000 GWT for 2023 as a whole. The current estimate for harvest volume in 2024 is about 70,000 GWT.

As previously mentioned, Lerøy Sjøtroll's results are significantly affected by the fact that its harvest volume for salmon in Q3 2023 has largely been forced harvest due to detection of ISA at two localities. This has led to low average weights for salmon in the quarter, with a significant impact on costs and revenue, and a negative earnings impact totalling approximately NOK 200 million in the quarter. Trout production is good, with a positive margin for the quarter. As mentioned, challenges with gill health are also requiring early harvest at some localities, with a negative impact on forecast harvest volume in both 2023 and 2024. A harvest volume in the region of 53,000 GWT is expected for Lerøy Sjøtroll in 2023. For 2024, the current estimate for harvest volume is approximately 58,000 GWT.

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 2023. The catch volume in Q3 2023 totalled 14,433 tonnes, compared with 14,862 tonnes in Q3 2022. The change in catch volume comprised a higher volume of saithe and shrimp in particular, with a lower volume of cod, a high-value species.

After a long period of substantial price increases for most fish species, price developments for several species are now weaker. Cod prices in Q3 2023 were 7% higher than in Q3 2022, but at the same time lower than in Q2 2023. Prices for haddock and saithe were down 30% and 24% respectively in comparison with last year. Total prices realised per kilo reflect the catch composition, and a higher share of lower-value species meant total prices realised per kilo were down 29% in Q3 2023 compared with the same period of 2022.

The number of operating days in Q3 2023 was 771, compared with 719 in Q3 2022, and the catch volume per operating day in the same period was down 10%. The decline in catch efficiency is mainly due to the lower volume of cod and redfish and the higher volume of shrimp caught in the quarter. This combined with lower prices realised per kg resulted in a 20% reduction in catch value per operating day, when compared with the same period in 2022.

Total bunker consumption per 24-hour period is at the same level as last year, but bunker consumption for the quarter is slightly higher than in the same quarter last year due to the increase in the number of operating days. However, bunker prices are substantially lower and the related cost in the quarter is therefore NOK 23 million lower than in the third quarter of 2022.

LNWS's primary business is processing wild-caught whitefish. The company has use of 12 processing plants and purchasing stations in Norway, five of which are leased from Lerøy Havfisk. Significant investments have been made in recent years both to make operations more efficient and to expand the product range. This work is gradually producing results, but cod remains far and away the most important species for LNWS, and a reduction in the quotas and consequent higher prices have been challenging, as the prices for end products have not risen as quickly as raw material prices. Earnings for LNWS were therefore lower in Q3 2023 than in the same quarter of 2022.

Total earnings in Lerøy Havfisk/LNWS were NOK -38 million in Q3 2023, compared with NOK 27 million in Q3 2022.

On 20 February 2019, the EU competition authorities ("the EU Commission") started an investigation into suspected anticompetitive practices in the salmon market. Lerøy Seafood Group ASA is one of the companies named in the case. It is unclear precisely what form the EU Commission believes any illegal collusion may have taken, when it may have occurred and what negative consequences it may have had. Lerøy Seafood Group ASA is providing the authorities with every assistance in the matter. Procedures in this type of case normally continue for several years, and it is as yet too early to say whether the case may lead to sanctions or other negative consequences for the companies involved.

Regarding the investigation opened by the US Department of Justice (DOJ) into the Norwegian salmon industry in November 2019, Lerøy Seafood Group ASA was informed in January 2023 that the investigation had been closed.

In the wake of the EU Commission's ongoing investigations, several Norwegian-owned aquaculture companies, including companies in the Lerøy Seafood Group, were sued by customers in the USA and Canada. The Group considers these claims to be groundless, but due to factors such as significant litigation costs in the USA and commercial reasons, the Group chose to settle the two US class actions in 2022. For the same reasons, the Group opted to settle the Canadian lawsuits in September 2023. The settlements in no way represent any admission of liability or wrongdoing. Please refer to LSG's stock exchange announcement of 25 May 2022 and the Q2 2022 interim report.

For further information, please refer to LSG's report and presentation for Q3 2023.

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 just under 7% 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). The company's results have been affected by the lack of fisheries in the first season of 2023 due to El Niño. Austral is well-equipped to face the cyclical nature of operations caused by this weather phenomenon. Fisheries have bounced back strongly after previous El Niños.

KEY FIGURES (PERU):

(MNOK)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Revenue and other income	137	1 229	839	2 413	2 563
Operational EBITDA	-77	446	-183	745	663
Operational EBIT	-142	396	-373	600	466
<i>Operational EBIT margin</i>		32%		25%	18%
Total assets			3 070	3 147	2 845
Raw material (MT)	18 100	49 400	88 700	320 700	423 800
Sales volumes:					
Fishmeal (MT)	3 150	47 650	30 800	107 700	114 400
Fish oil (MT)	300	8 400	1 200	12 950	12 950
Frozen/fresh JM/M(MT)	5 200	-	21 500	12 300	12 300

After only a few days of trial fisheries at the start of June, the first fishing season was cancelled. IMARPE has subsequently undertaken regular exploratory voyages to monitor developments. This resulted in a second phase of trial fisheries from 3-12 August. This was subject to significant restrictions, including strict zoning and limitations on the time of day when catches were permitted. The trial fisheries finished as scheduled on 12 August.

The cancellation of the first season has resulted in very limited access to raw materials in the quarter.

Operating revenue in Q3 2023 totalled NOK 137 million (Q3 2022: NOK 1,229 million). Operating EBITDA was negative at NOK -77 million (Q3 2022: positive at NOK 446 million). Operating EBIT was negative at NOK -142 million, against a positive figure of NOK 396 million in Q3 2022.

The company entered the third quarter with a low inventory of end products, and production has been extremely limited in the quarter. The company's prices realised for fishmeal were 7% higher than in Q3 2022. Prices realised for fish oil have been historically high because of the combination of low oil yields in the second fishing season of 2022 and very limited production in 2023. Naturally, this resulted in a limited sales volume of oil in Q3 2023, down to 274 tonnes compared with 8,382 tonnes in Q3 2022.

The company had a fishmeal and fish oil inventory of 1,700 tonnes at the end of Q3 2023, compared with 4,700 tonnes at the end of Q3 2022.

Peru is usually the world's largest producer of fishmeal and fish oil. Production volumes in Peru therefore have a significant influence on global pricing for fishmeal and fish oil. As previously mentioned, the weather phenomenon El Niño affected fisheries in Peru in 2023, and can also affect fisheries first season in 2024. Catch volumes for ongoing fisheries in the current season remain uncertain. This season normally ends in early January. Zones have been closed again at the start of the season, but activities have been good despite this.

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 its vessels belong. FC also has a quota for sardine/anchoveta. In addition to their own quotas for horse mackerel, the company purchases raw materials (anchoveta/sardine) from the coastal fleet. The raw materials purchased from the coastal fleet are used in the company's production of fishmeal and oil. The main season for horse mackerel fisheries is from December to July. The main season for sardine/anchoveta fisheries 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. Thanks to higher quotas and efficient operations, the company is continuing the positive trend seen in recent years.

KEY FIGURES (CHILE):

(MNOK)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Revenue and other income	258	230	878	746	821
Operational EBITDA	36	37	294	247	200
Operational EBIT	22	28	258	185	162
Operational EBIT margin	8%	12%	29%	25%	20%
Total assets			1 505	1 480	1 311
Raw material (MT)	206	13 400	98 600	99 800	106 600
Sales volumes:					
Fishmeal (MT)	3 950	2 200	8 250	7 500	9 600
Fish oil (MT)	1 650	550	4 850	3 300	3 400
Frozen/fresh JM/M (MT)	9 200	18 400	45 250	55 150	57 700

The total quota recommended by SPRFMO for horse mackerel in the South Pacific in 2023 represented a further increase of 20%. SPRFMO's recommendation reflects the positive development in horse mackerel fisheries in recent years. The company's quota for horse mackerel in 2023 is 56,500 tonnes, up from 46,000 tonnes in 2022. In addition to catches under own quotas, the company purchases quotas from third parties and uses FC's own fishing vessels to catch these. Thanks to conditional quota purchases, FC has achieved a position allowing for further catches of up to 19,500 tonnes of horse mackerel in Q4 2023. Provided that the necessary permits are obtained, FC will carry out these fisheries in the last months of 2023.

As normal, the company has reported a low level of activity in the third quarter, and purchases from third parties are limited to 200 tonnes of raw materials. The company had caught its full quota by the end of June. Periodic maintenance of the company's vessels and factories has been carried out during the quarter.

Operating revenue in Q3 2023 amounted to NOK 258 million (Q3 2022: NOK 230 million) and operating EBITDA was NOK 36 million (Q3 2022: NOK 37 million). Operating EBIT in Q3 2023 totalled NOK 22 million (Q3 2022: NOK 28 million). This gives an operating EBIT margin of 8%, compared with 12% in Q3 2022.

Sales of frozen products totalled 9,200 tonnes in Q3 2023, down from 18,400 tonnes in Q3 2022. The company's prices realised in Q3 2023 were higher than in the same period of 2022. At the end of Q3 2023, the company had inventory of 700 tonnes of frozen products, compared with 4,400 tonnes at the end of Q3 2022.

Br. Birkeland Farming AS (BFARM) and the fisheries company Br. Birkeland AS (BRBI)

AUSS owns 55.2% of the shares in Br. Birkeland Farming AS and 42.9% of the shares in the fisheries company Br. Birkeland AS.

KEY FIGURES (BFARM):

(MNOK)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Revenue and other income	115	77	592	502	743
Operational EBITDA	10	25	280	273	370
Operational EBIT	-11	9	223	223	304
Operational EBIT margin		12%	38%	44%	41%
Total assets			1 448	1 192	1 296
Slaughtered volume (GWT)	792	1 171	5 205	5 495	8 631
EBIT*/kg ex. wildcatch (NOK)	-13,4	7,6	42,9	40,6	35,2

* Operational EBIT

The company's harvest volume was 792 tonnes of salmon in Q3 2023, down from 1,171 tonnes in the same period of 2022. This figure is impacted by the low average weight of fish harvested in the quarter. The company has no processing operations and sells all its salmon on the spot market.

In Q3 2023, the BFARM segment reported operating revenue of NOK 115 million (Q3 2022: NOK 77 million). Operating EBITDA was NOK 10 million (Q3 2022: NOK 25 million). Operating EBIT/kg in Q3 2023 was NOK -13.4, compared with a positive figure of NOK 7.6 in Q3 2022. Release from stock costs per kilo are substantially higher in Q3 2023, due to lower harvest weight and increased costs when compared with Q3 2022.

KEY FIGURES (BRBI):

(MNOK)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Revenue and other income	95	100	243	285	333
Operational EBITDA	35	31	52	79	37
Operational EBIT	18	17	3	40	-18
Operational EBIT margin		17%		14%	
Total assets			666	771	701
Catch volume pelagic fish (MT)	6 300	7 000	28 500	27 300	32 000
Catch snowcrab (MT)	-	-	665	678	678

The company's two ring net vessels caught North Sea herring and mackerel in the quarter. Prices realised for these raw materials have been higher this year than in 2022.

Snow crab fishing had finished by 3 April this year because all the Norwegian quota had been caught. In 2022, fishing continued until 7 June. The vessels used for this have therefore been inactive in the quarter, and this will continue in the fourth quarter of the year. Prices realised for snow crab fell significantly through 2022, and this situation has continued in 2023. Snow crab fishing is challenging, and results have been negative.

The BRBI segment reported operating revenue of NOK 95 million in Q3 2023 (Q3 2022: NOK 100 million). Operating EBITDA was NOK 35 million (Q3 2022: NOK 31 million) and operating EBIT NOK 18 million (Q3 2022: NOK 17 million).

The pelagic vessels will catch their remaining quotas for mackerel and Norwegian spring-spawning herring in the fourth quarter.

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

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

KEY FIGURES (PELAGIA):

(MNOK)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Revenue and other income	3 236	2 994	8 794	7 483	11 282
Operational EBITDA	565	597	1 282	1 043	1 691
Operational EBIT	427	507	948	782	1 336
Operational EBIT margin	13%	17%	11%	10%	12%
Total assets			10 156	9 520	9 137
Net interest bearing debt (NIBD)			4 160	3 706	4 036
Sales volumes (MT)					
Frozen (MT)	45 400	65 700	166 400	189 900	304 000
Fishmeal, FPC. Fish oil (MT)	95 600	96 200	260 700	246 700	336 000

Activities have been on the increase for the segment involving production of frozen products for consumption, while activities relating to fishmeal, protein concentrate and oil have, as normal, been lower. The volume of raw materials received for production of consumer products in Q3 2023 was 84,000 tonnes, compared with 117,000 tonnes in Q3 2022. Total receipt of raw material in Pelagia for fishmeal/protein concentrate and fish oil production was 191,000 tonnes in Q3 2023, compared with 154,000 tonnes in Q3 2022. Cuttings from consumer products form part of the raw material used in fishmeal/protein concentrate and fish oil production.

Revenue for Pelagia in the quarter was NOK 3,236 million (Q3 2022: NOK 2,994 million) and EBITDA was NOK 565 million (Q3 2022: NOK 597 million). The company reported EBIT in Q3 2023 of NOK 427 million (Q3 2022: NOK 507 million).

The sales volume for frozen products in the quarter was 45,400 tonnes, down from 65,700 tonnes in the same period in 2022. Sales of fishmeal/FPC and fish oil in Q3 2023 totalled 95,600 tonnes, against 96,200 tonnes in Q3 2022.

CASH FLOW FOR Q3 2023

Cash flow from operating activities in Q3 2023 was NOK 1,086 million (Q3 2022: NOK 1,660 million). Cash flow from investing activities for Q3 2023 was NOK -416 million (Q3 2022: NOK -450 million).

Cash flow from financing activities for Q3 2023 was NOK 628 million (Q3 2022: NOK -1,318 million).

The Group’s cash and cash equivalents at the end of Q3 2023 totalled NOK 6,654 million, compared with NOK 4,282 million at the end of Q3 2022.

FINANCIAL SITUATION AT 30 SEPTEMBER 2023

The Group reported operating revenue of NOK 25,020 million for the first nine months of 2023 (9M 2022: NOK 23,511 million). Operating EBIT was NOK 2,823 million, against NOK 4,018 million in the same period of 2022. The decrease in operating EBIT mainly reflects cancellation of the first fishing season in Peru. The loss of these fisheries has resulted in negative performance for the Peruvian operation in 2023. Moreover, earnings have been negatively impacted by the forced harvest of fish with ISA at Lerøy Sjøtroll. Inflation over the past year has meant higher prices for the Group's products but also increased costs for virtually all input factors. The operating EBIT margin for Q3 2023 was 11%, compared with 17% in Q3 2022.

Income from associates before fair value adjustment related to biological assets at 30 September 2023 totalled NOK 167 million (9M 2022: NOK 342 million). The equivalent figure including fair value adjustment of biological assets was NOK 176 million (9M 2022: NOK 400 million). Pelagia has sustained its positive development and improved its results this year when compared with the same period in 2022. Cost focus/rationalisation, business development/growth, and good market conditions for fishmeal, protein concentrate and fish oil all contributed to the improvement in earnings. Unfortunately, Norskott's earnings have continued to be affected by a challenging biological situation in 2022/2023. Please refer to note 5 for more detailed information on associates.

Operating profit after fair value adjustment of biological assets and income from joint ventures and associates totalled NOK 2,500 million at 30 September 2023 (9M 2022: NOK 5,220 million). Fair value adjustment related to biological assets was NOK -173 million, a significant decrease from the equivalent period in 2022, when biomass adjustment was positive at NOK 1,399 million.

The Group's net interest expense in the period was NOK -436 million (9M 2022: NOK -272 million). A rising interest rate level combined with a high level of tied-up working capital means higher interest expenses for the Group. Net other financial expenses totalled NOK -39 million. The equivalent figure for 9M 2022 was NOK 9 million.

Profit before tax for the first nine months of 2023 was NOK 2,025 million (9M 2022: NOK 4,956 million).

The government's Proposition to the Storting (78 LS dated 28 March 2023) concerning the so-called resource rent tax on aquaculture was adopted by the Storting on 31 May 2023. The Group's tax estimates in the interim financial reporting are strongly affected by the implementation effects of the resource rent tax related to biomass in the sea at 1 January 2023, and the estimated level of the so-called resource rent tax, the "tax wedge" on production of fish in the sea. See note 9 for a more detailed description of the Government's resource rent tax on aquaculture from 1 January 2023 and the valuations the Group has applied in the interim report.

The tax expense at 30 September 2023 is estimated to be NOK -2,448 million, including NOK -1,765 million as the implementation effect related to biomass in the sea at 1 January 2023 and an estimated NOK 258 million in so-called resource rent tax on value creation in the sea. Based on the authorities' management of the implementation of the extra tax, the Group would like to emphasise that uncertainties regarding this estimate are higher than normal for this type of estimate. The tax expense figure is not comparable with the same period of 2022 because of the implementation of the so-called resource rent tax. The extra tax is a "tax wedge" on the sea-based phase of production.

The result after tax was a loss of NOK -423 million, including the above-mentioned effects of the so-called resource rent tax, a tax wedge that affects the share of value creation that takes place in the sea (9M 2022: NOK 3,847 million).

CASH FLOWS FOR THE FIRST NINE MONTHS OF 2023

Cash flow from operating activities at 30 September 2023 totalled NOK 2,462 million (9M 2022: NOK 2,634 million). Tax payments totalled NOK 390 million compared with NOK 494 million for the same period in 2022. Cash flow from investing activities for the first nine months of 2023 was NOK -1,080 million (9M 2022: NOK -1,251 million). Cash flow from financing activities at 30 September 2023 totalled NOK 907 million (9M 2022: NOK -2,510 million).

Net change in cash for the Group at 30 September 2023 was NOK 2,288 million (9M 2022: NOK -1,127 million).

The Group's cash and cash equivalents at 30 September 2023 totalled NOK 6,654 million compared with NOK 4,282 million at 30 September 2022.

STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2023

The Group's statement of financial position at 30 September 2023 showed a total of NOK 52,401 million, compared with NOK 48,093 million at 30 September 2022. 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 30 September 2023 of NOK 26,371 million, corresponding to an equity ratio of 50%. At 30 September 2022, book equity was NOK 28,034 million, corresponding to an equity ratio of 58%.

At 30 September 2023, the Group had net interest-bearing debt excluding right-of-use liabilities other than to credit institutions totalling NOK 6,570 million, compared with NOK 4,925 million at 30 September 2022. The Group's net interest-bearing debt including right-of-use liabilities other than to credit institutions was NOK 8,426 million at 30 September 2023, compared with NOK 6,778 million at 30 September 2022.

The Group and parent company's financial position is very good. 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 30 September 2023, the parent company Austevoll Seafood ASA had cash and cash equivalents of NOK 1,027 million (30.09.2022: NOK 521 million). The parent company has long-term credit facilities totalling NOK 1,100 million, which were practically unutilised at 30 September 2023.

OTHER ISSUES

Risks and uncertainties

The Group's risk exposure is described in the Annual Report 2022. 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 includes pandemics, of which the COVID-19 outbreak was an example. 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 implemented by public authorities together with sickness and fear significantly affected people's daily lives.

In February 2022 the world bore witness to Russia's invasion of Ukraine. The terrorist attack and subsequent acts of war in the Middle East are causing suffering and significant uncertainty for the world as a whole. The invasion of Ukraine and the war situation in Gaza are causing unimaginable human suffering for those directly involved and/or impacted by these conflicts. The "new" conflicts we are now experiencing are 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 end 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 biomass in the sea, fishing conditions and price trends for the Group's input factors.

At 30 September 2023, 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 part of the Group's core expertise.

Changes in fishing patterns and quota adjustments bring 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. Weather phenomena such as El Niño and La Niña are examples of natural events that can affect catch patterns for periods of time. Austral's operational situation in the period under review is a case in point; see separate discussion.

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 when the Norwegian government tabled a proposal to introduce so-called resource rent taxation in the Norwegian aquaculture industry in September 2022 and subsequently published its final Proposition to the Storting (Prop. 78 LS) concerning so-called resource rent tax on aquaculture on 28 March 2023. The purpose of the tax, according to the government, is to "target" specific companies. It is being implemented retroactively from 1 January 2023. The Storting approved the proposal by a one-vote majority on 31 May 2023. Adoption of the new tax entails a "tax wedge", in a complex value chain, of 25% on top of ordinary corporation tax.

In September 2023, the Ministry of Trade, Industry and Fisheries published the Official Norwegian Report, NOU 2023:23 "Comprehensive management of aquaculture for sustainable value creation". This is a very extensive document, and the Group's subsidiary LSG will submit its consultation response before the deadline for such in January 2024.

Industrial development and employment in capital-intensive activities exposed to global competition, such as fish farming, fisheries and related industry, are challenging and demand predictability where possible. Achieving predictability requires national political leaders to pursue a responsible long-term business policy. The government's proposal and the Storting's adoption of so-called resource rent taxation, including the process itself, is an example of an extremely irresponsible process and lack of predictability. Political behaviour of this kind constitutes a serious risk to the industry's opportunities to continue developing and contributing to the common good.

In 2021, the then government appointed the "Aquaculture Tax Committee", which published its report on 16 December 2022. The proposals included the introduction of 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. It is worth mentioning that, a short time ago, the same parties now in government were similarly opposed to so-called resource rent tax on aquaculture. It makes sense and is important to point out in this connection that the Group's whitefish activities already pay a resource rent tax through the system of obligations.

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 Storting for consultation. Among other things, these concern allocation of structural profit from expired time limits in the structural quota scheme and quota allocation for Northeast Arctic cod. A new quota report is expected to be presented in 2023. The

final decisions could have negative consequences for the Group's basis of operations and hence for our employees. We fervently hope that the government's public statements in this connection can be trusted and that we can therefore expect responsible proposals and measures that will help to safeguard product development, processing and jobs in Havfisk and LNWS.

Assuming there are liveable political framework conditions in place, the Group's strategy centres on a long-term perspective 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 approximately 25% 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 aspects to a greater extent. In general, opportunities and risk are assessed on the basis of what are considered the most likely future scenarios. The Group is working to improve its risk management, to take even greater account of climate risk where possible. The company's Board of Directors has established an ESG committee comprising three of the Board members.

SHAREHOLDER INFORMATION

The company had 10,020 shareholders at the start of Q3 2023 and 10,368 at the end of the quarter.

The share price was NOK 74.15 at the start of Q3 2023 and NOK 75.25 at the end of the quarter.

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 the areas of financial management, 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 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 2022 on the website <https://auss.no/sustainability/sustainability-report/>

MARKET AND OUTLOOK

Production, sale and distribution of salmon, trout and whitefish

Production of Atlantic salmon in 2023 has been lower than expected, which will also impact harvest volume in 2024. LSG is confident that the measures implemented will gradually produce an improvement. LSG has a very systematic and targeted approach to improving smolt quality. A number of measures have been taken within areas such as genetic selection and changes in production processes, where temperature control is one of the key issues. This work, involving a number of minor and major initiatives, will gradually produce results, which will be seen in increased growth rate and lower mortality in 2024, but will not be fully apparent in harvest volume until 2025.

LSG has also made significant investments in coastal production technology, and currently makes use of both deep farming and new protective technology at both Lerøy Sjøtroll and Lerøy Midt. This type of new technology is not risk-free, but is expected to produce significant improvements in the form of more rapid growth and reduced mortality. The company's goal is to use protective technology for around 20% of the salmon by the end of the first quarter of 2024. If results continue to be positive, the plan is to increase this ratio significantly through 2024.

At the end of October, the joint Russian–Norwegian working group for Arctic fisheries reached an agreement on cod and haddock quotas for the Barents Sea for 2024. As expected, the total quota for Northeast Arctic cod was reduced by 20%, while the quota reduction for haddock was 17%, slightly less than expected. Operations in the Wild Catch segment are difficult, with falling quotas and a weakening basis for operations, but historically there has always been fluctuation in this segment. The Group continues to focus on operational efficiency both at sea and for the onshore industry. It is particularly important to increase capacity exploitation in factories for the onshore industry, in order to ensure increased profitability. Continuous efforts are made both in processing more species of fish and offering new products.

LSG works to develop an efficient and sustainable value chain for seafood. This not only delivers cost-efficient solutions, but also quality, availability, a high level of service, traceability and competitive climate-related and environmental solutions. Based on many years of experience, we have developed a quality system comprising routines and procedures to ensure that our products are safe, tasty and of the highest quality. The Group sets high requirements for its production, carries out regular analyses and is subject to 250-300 audits per year. As part of the Group's food safety programme, various preparedness tests and simulated recalls are carried out each year. The Lerøy Group is also covered by many different certification programmes including ISO 14001, Global Gap, ASC, MSC, Krav/Debio and BRC.

The Coller FAIRR Protein Producer Index is a ranking of the world's 60 largest listed companies producing meat, fish and dairy products. They are assessed on sustainability, covering carbon footprint, environmental footprint, animal welfare, fresh water use, antibiotic use, social rights etc. The results are used to create the Coller FAIRR Index. The 2023 Index was announced in November and ranked LSG as the world's second most sustainable protein producer. This is recognition of the significant efforts the Group makes in the area of sustainability, both in terms of major projects and investments and, not least, the focus on sustainability in day-to-day operations.

The Board of Directors believes that sustainability will provide a key competitive advantage in the years to come.

Investments 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. The VAPS&D segment has a central position in this value chain. Over the first nine months of 2023, earnings from the Group's various downstream units have varied significantly, representing a substantial potential for total improvements here.

Like all industries, Norwegian aquaculture has the potential to improve, but it is important to remember that the starting point is good. Norwegian aquaculture is something as rare as a globally competitive regional industry that scores relatively well in terms of environmental, social and economic sustainability. The industry can be part of the global green shift, at the same time as safeguarding communities and interesting jobs along Norway's coastline, but

this requires politicians to understand the industry, its opportunities and challenges. The resource rent tax is an example of a tax that inhibits growth and constitutes a significant risk to the industry's further development, including weakening its ability to continue contributing to society. The Board of Directors can only hope that the government and authorities will make it possible for the industry to continue developing, including in terms of knowledge and capital. This will require joined-up political understanding.

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

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

Fishmeal and fish oil

According to the IFFO*, total fishmeal production in Peru, Chile and the North Atlantic as of week 41 2023 (week beginning 9 October 2023) was down 27.9% on the same period in 2022. The loss of the first fishing season in Peru is the main reason for the decrease in production volume. There has been an increase in production from the operators in the North Atlantic.

A quota of 1,682,000 tonnes for the second fishing season in Peru was announced, with start-up on 26 October. Fisheries are ongoing, but it is too early to estimate the total catch. The season normally ends in January.

ICES has published its quota recommendation for the North Atlantic for 2024, and the recommendation implies an increase of 13% for blue whiting, 216% for capelin in the Barents Sea, when compared with the recommended quotas for 2023.

**Source: IFFO, week 41, 2023 (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 usually runs from January to April and the season for North Sea herring from May onwards. The main season for mackerel fishing in Europe is in the autumn and normally starts in September. However, the season has started early in August for the past two years, as the Norwegian fleet has had reduced access to UK waters. An agreement has been entered into this year between Norway and the UK that allows Norwegian vessels to catch 60% of the mackerel quota in UK waters. The remaining quotas for Norwegian spring-spawning herring were caught in the second half of the year. The first half of the year is the main season for horse mackerel in South America.

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

The quota recommended by SPRFMO for horse mackerel in the South Pacific in 2024 implies a further increase of 15%. The quota recommendation from SPRFMO will be finally adopted at the start of 2024.

Summary

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

The Group's strategy going forward is to continue to grow and further develop within its current operating segments. The Group has and 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 under 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 cost-effective and operational even in challenging times.

Industrial development and employment in capital-intensive activities exposed to global competition, such as fish farming, fisheries and related industry, are challenging and demand knowledge and predictability from the regulatory authorities. In turn, predictability of this kind requires businesses and, not least, national political leaders to implement a responsible long-term business policy. The government's proposal of so-called resource rent tax on Norwegian aquaculture, adopted by the Norwegian parliament on 31 May 2023, is an example of the precise opposite. Adoption of the tax constitutes a significant risk to the further industrial development of aquaculture, including weakening its ability to continue contributing to society. Regrettably, the fact that the tax was adopted is an example of political risk of a kind we have not experienced in recent times in Norway.

The seafood companies need to retain capital in line with other comparable industries if they are not to lose ground in international competition. One distinctive feature of the aquaculture industry is the dominance of Norwegian private capital. This capital – the foundation of non-urban Norway – pays corporation tax and charges like other industries, but also already contributes billions in production fees, export duties and tax on purchase of production capacity. Given that the aquaculture industry owes its existence to Norwegian private capital, the dividend tax and wealth tax paid mean that the industry's capital is the most heavily taxed of all capital.

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. The Storting's resolution to implement the so-called resource rent tax via a "tax wedge" on value creation in the sea is detrimental to the industry and will have significant negative repercussions for the industry's development in Norway. The industry's ability to maintain its unique position as a Norwegian regional industry that is globally competitive and has the potential to safeguard employment and settlement along the coast, including when Norway's oil- and gas-related activities come to an end, will be severely weakened.

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

The Group and the parent company are financially sound and have access to competitive financing. This was rendered visible through the trust demonstrated by well-regarded investors when the Group issued new bond loans in Q2. The Group's products are healthy and tasty, and production is sustainable from a financial, climate and environmental perspective. For these reasons, the Board of Directors expects the good underlying growth in demand to continue in the years ahead. The Group's strong position within the global seafood industry underpins the Board's positive outlook for the Group's future development.

Storebø, 14 November 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 of the Board

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 Q3 2023

INCOME STATEMENT (unaudited)

All figure in MNOK	Note	Q3 2023	Q3 2022	YTD 2023	YTD 2022	(audited) 2022
Operating revenue and other income		8 566	9 094	25 020	23 511	31 150
Raw material and consumable used		5 164	5 122	13 856	12 119	16 294
Salaries and personnel expenses		1 176	1 149	3 581	3 365	4 519
Operating expenses		1 255	1 107	3 600	3 313	4 556
Depreciation and amortisation		498	437	1 424	1 293	1 732
Impairment		24	-0	62	-1	-1
Operating profit before fair value adjustments		450	1 279	2 498	3 421	4 051
Fair value adjustment related to biological assets		-710	94	-173	1 399	1 189
Income from associated companies		89	107	176	400	494
Operating profit and income from JV and associates (EBIT)		-171	1 480	2 500	5 220	5 735
Net interest expenses		-178	-94	-436	-272	-353
Net other financial items		-50	-19	-39	9	45
Profit before tax		-399	1 367	2 025	4 956	5 428
Estimated corporate tax		112	-326	-425	-1 110	-1 142
Estimated resource rent tax (aquaculture)		-221		-2 024		
Net profit		-508	1 041	-423	3 847	4 285
Profit to non controlling interests		-302	328	-282	1 655	1 795
Profit to controlling interests		-206	714	-141	2 192	2 490
Earnings per share (EPS) in NOK		-1.02	3.54	-0.70	10.86	12.34
Diluted EPS in NOK		-1.02	3.54	-0.70	10.86	12.34
Adjusted EPS* in NOK		0.40	3.52	-0.37	7.85	9.87

Definitions:

EBIT = Earnings before interest and tax

JV = Joint ventures

Adjusted EPS* = before fair value adj.related to biological assets

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

All figures in MNOK	Q3 2023	Q3 2022	YTD 2023	YTD 2022	(audited) 2022
Net earnings in the period	-508	1 041	-423	3 847	4 285
Other comprehensive income					
Currency translation differences	-254	208	524	727	422
Other comprehensive income from associated companies	-	-4	-	10	15
Cash flow hedges	40	-2	24	15	16
Others incl. tax effect	1	-6	-6	-17	-10
Total other comprehensive income	-213	196	543	736	442
Comprehensive income in the period	-721	1 238	120	4 583	4 728
Allocated to:					
Minority interests	-341	340	-152	1 738	1 869
Majority interests	-379	898	272	2 845	2 858

STATEMENT OF FINANCIAL POSITION (unaudited)

All figures in MNOK	Note	30.09.2023	30.09.2022	(audited) 31.12.2022
Assets				
Intangible assets		12 265	12 169	12 007
Vessels		2 607	2 521	2 628
Property, plant and equipment		8 259	7 516	7 629
Right-of-use assets	8	3 136	3 224	3 222
Investments in associated companies	5	3 475	3 325	3 382
Investments in other shares		39	47	43
Other long-term receivables		241	220	223
Total non-current assets		30 020	29 023	29 134
Inventories	3	11 454	10 781	10 928
Accounts receivable		3 248	3 061	2 909
Other current receivables		1 024	945	751
Cash and cash equivalents		6 654	4 282	4 340
Total current assets		22 380	19 069	18 928
Total assets		52 401	48 093	48 062
Equity and liabilities				
Share capital	6	101	101	101
Treasury shares		-18	-18	-18
Share premium		3 714	3 714	3 714
Retained earnings and other reserves		10 687	11 527	11 525
Non-controlling interests		11 888	12 710	12 841
Total equity		26 371	28 034	28 162
Deferred tax liabilities		6 018	4 084	3 581
Pensions and other obligations		14	13	13
Borrowings		8 938	6 130	5 968
Lease liabilities to credit institutions		901	961	903
Lease liabilities other than to credit institutions		1 484	1 533	1 527
Other non-current interest bearing debt		1	1	1
Other long-term liabilities		38	32	29
Total non-current liabilities		17 394	12 755	12 021
Short term borrowings		673	1 139	1 111
Lease liabilities to credit institutions		246	284	345
Lease liabilities other than to credit institutions		371	320	323
Overdraft facilities		2 466	694	1 153
Account payable		2 950	2 379	2 374
Other current liabilities		1 929	2 490	2 573
Total current liabilities		8 635	7 304	7 879
Total liabilities		26 029	20 059	19 900
Total equity and liabilities		52 401	48 093	48 062
Net interest bearing debt (NIBD)		6 570	4 925	5 140
Lease liabilities other than to credit institutions		1 855	1 853	1 850
NIBD incl. right of use assets liabilities		8 426	6 778	6 991
Equity ratio		50%	58%	59%

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

All figures in MNOK	30.09.2023	30.09.2022	31.12.2022
Equity at period start	28 162	25 187	25 187
Comprehensive income in the period	120	4 583	4 728
Dividends	-1 905	-1 752	-1 752
Transactions with non-controlling interest	-6	16	-0
Other	-	-	-
Total changes in equity in the period	-1 791	2 847	2 975
Equity at period end	26 371	28 034	28 162

CASH FLOW STATEMENT (unaudited)

All figures in MNOK	Q3 2023	Q3 2022	YTD 2023	YTD 2022	(audited) 2022
Cash flow from operating activities					
Profit before income tax	-399	1 367	2 025	4 956	5 428
Fair value adjustment of biological assets	710	-94	173	-1 399	-1 189
Taxes paid in the period	-139	-44	-390	-494	-775
Depreciation and amortisation	498	437	1 424	1 293	1 732
Impairments	24	-0	62	-1	-1
Associated companies - net	-89	-107	-176	-400	-494
Interest expense	216	113	530	296	431
Interest income	-38	-19	-94	-24	-79
Change in inventories	-123	270	-698	-1 277	-1 634
Change in receivables	76	-114	-573	-968	-623
Change in payables	333	167	569	477	459
Other operating cash flow incl. currency exchange	17	-316	-391	175	-59
Net cash flow from operating activities	1 086	1 660	2 462	2 634	3 195
Cash flow from investing activities					
Purchase of intangible and fixed assets	-478	-481	-1 389	-1 371	-1 834
Purchase of shares and equity investments	-	-	-85	-49	-59
Proceeds from sale of fixed assets/equity investments	22	17	85	50	56
Cash inflow from business combinations	-	-	-1	-	-
Dividends received	-	-	228	131	131
Interest income	38	19	94	24	79
Other investing activities - net	2	-6	-12	-36	-46
Net cash flow from investing activities	-416	-450	-1 080	-1 251	-1 675
Cash flow from financing activities					
Proceeds from new long term debt	32	6	3 511	287	292
Repayment of long term debt	-365	-299	-1 480	-1 022	-1 288
Change in short term debt	1 228	-989	1 310	111	570
Interest paid	-250	-102	-586	-292	-441
Dividends paid	-2	-2	-1 905	-1 752	-1 752
Other finance cash flow - net	-14	67	56	157	72
Net cash flow from financing activities	628	-1 318	907	-2 510	-2 547
Net change in cash and cash equivalents	1 298	-108	2 288	-1 127	-1 027
Cash, and cash equivalents at start of period	5 352	4 349	4 340	5 329	5 329
Exchange gains/losses (-)	4	41	26	80	38
Cash and cash equivalents at period end	6 654	4 282	6 654	4 282	4 340

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 2022 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 International Financial Reporting Standards (IFRS) for annual financial statements and should therefore be read in conjunction with the Group's financial statements for 2022.

Please refer to the Group's financial statements for 2022 for information on standards and interpretations applicable as of 1 January 2022.

NOTE 2 RELATED PARTY TRANSACTIONS

Related party transactions were carried out in Q3 2023. Related party transactions take place on market terms, and the relevant types of transactions are described in more detail in the Annual Report 2022.

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 date and multiplied by the estimated harvest weight per individual on the harvest date. 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 Fish Pool's 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. Common 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 on Fish Pool. Fish Pool contracts are treated as financial instruments in 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 (amounts in NOK 1,000)

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

FV adjustments over profit and loss	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Change FV adj. of biological assets	-697 601	-270 887	-153 778	1 478 369	1 057 508
Change in FV of onerous contracts	1 932	343 139	10 465	-154 763	30 658
Change in FV of fishpool contracts	0	0	0	0	0
Total FV adjustments over profit and loss	-695 669	72 252	-143 313	1 323 606	1 088 166

Fair value adjustments over OCI

Change in FV of fishpool contracts *	0	-19	0	-1 640	-1 649
Total FV adjustments over OCI	0	-19	0	-1 640	-1 649

* 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	30.09.2023	30.09.2022	31.12.2022
Cost on stock for fish in sea	5 272 210	4 822 038	4 632 941
Cost on stock for fry, brood, smolt and cleaning fish	569 938	377 498	476 507
Total cost on stock for biological assets *	5 842 148	5 199 536	5 109 448
FV adj. of fish in sea	2 354 367	2 929 007	2 508 145
FV adj. of fry, brood, smolt and cleaning fish	0	0	0
Total FV adj. of biological assets	2 354 367	2 929 007	2 508 145
Monthly discount rate applied	4,0 %	4,5 %	4,0 %
FV of fish in sea	7 626 577	7 751 046	7 141 086
FV of fry, brood, smolt and cleaning fish	569 938	377 498	476 507
Carrying amount of biological assets	8 196 515	8 128 544	7 617 593
Onerous contracts (liability)			
Carrying amount of onerous contracts	-3 135	-199 022	-13 600
Fish Pool contracts			
Carrying amount of Fish Pool contracts	0	0	0

* Cost on stock is historic costs after expensed mortality

NOTE 3 BIOLOGICAL ASSETS (cont.)

SLAUGHTERED VOLUME:

Volume in gutted weight (GWT)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Salmon	46 814	50 297	97 732	105 455	151 942
Trout	7 062	5 882	14 405	15 864	22 687
Total	53 876	56 179	112 137	121 319	174 629

VOLUME

Volume of fish in sea (LWT)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Volume at beginning of period	101 527	109 826	97 923	107 242	107 242
Net growth during the period	67 460	64 948	139 012	143 553	194 366
Slaughtered volume during the period	-62 842	-65 487	-130 790	-141 508	-203 685
Volume at end of period (LWT)	106 145	109 287	106 145	109 287	97 923

Specification of fish in sea (LWT)	30.09.2023	30.09.2022	31.12.2022
Salmon	89 941	93 854	85 391
Trout	16 204	15 433	12 532
Total	106 145	109 287	97 923
Salmon > 4.65 kg (live weight) *	19 578	16 272	384
Trout > 4.76 kg (live weight) *	6 535	2 248	0

* Defined as mature biological assets

Br. Birkeland Farming AS (amounts in MNOK)

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

Fair value adjustment over profit and loss	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Change FV adj. biological assets	-14	22	-30	76	101
Total FV adjustments over profit and loss	-14	22	-30	76	101

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS

Positive amounts are assets and negative amounts are liabilities

Biological assets	YTD 2023	YTD 2022	2022
Cost on stock for fish in sea	250	241	237
Fair value adjustment fish in sea	88	92	118
Fair value fish in sea	338	333	354
Fry, brood and smolt			-
Carrying amount of biological assets	338	333	354

SLAUGHTERED VOLUME

Slaughtered volume in gutted weight (GWT)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Total volume	792	1 171	5 205	5 495	8 631
- Salmon	792	1 171	5 205	5 495	8 631

VOLUME

Volume of fish in sea (LWT)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Volume at beginning of period	4 179	3 892	4 784	4 379	4 379
Sale of biomass	-802		-802		
Net growth during the period	1 967	2 630	6 864	7 323	10 755
Slaughtered volume during the period	-973	-1 400	-6 475	-6 580	-10 350
Volume at end of period (LWT)	4 371	5 122	4 371	5 122	4 784
Fish > 4.65 kg (live weight)	-	-	-	-	2 708

NOTE 4 SEGMENTS

All figures in MNOK	Note	Leroy Seafood Group ASA	Austral Group S.A.A.	Foodcorp Chile S.A.	Br. Birkeland AS	Br. Birkeland Farming AS	Other/ Joint ventures/ elimin.	Total Group	Pelagia (50% of figures and volumes)	Total Group incl. Pelagia (50%)
Q3 2023										
Operating revenue and other income		8 015	137	258	95	115	-54	8 566	1 618	10 185
Operating profit before fair value adj.		568	-142	22	18	-11	-5	450	213	663
Operating profit %		7%		8%				5%	13%	7%
Operational EBITDA	7	1 008	-77	36	35	10	0	1 011	283	1 294
EBITDA %		13%		14%		9%		12%	17%	13%
Operational EBIT	7	631	-142	22	18	-11	74	592		
EBIT %		8%		8%				7%		
Volumes sold:										
Salmon (GWT tonnes)		53 876				792		54 668		54 668
Fishmeal/oil/FPC (tonnes)			3 437	5 594				9 031	47 800	56 831
Frozen/fresh fish (tonnes)			5 215	9 176				14 391	22 700	37 091
Q3 2022										
Operating revenue and other income		7 449	1 229	230	100	77	8	9 094	1 497	10 591
Operating profit before fair value adj.		831	396	28	17	8	-1	1 279	254	1 533
Operating profit %		11%	32%	12%	17%	11%		14%	17%	14%
Operational EBITDA	7	1 175	446	37	31	25	3	1 718	299	2 017
EBITDA %		16%	36%	16%	31%	33%		19%	20%	19%
Operational EBIT	7	833	396	28	17	9	173	1 455		
EBIT %		11%	32%	12%	17%	12%		16%		
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	32 800	51 151
YTD 2023										
Operating revenue and other income		22 660	839	878	243	592	-193	25 020	4 397	29 417
Operating profit before fair value adj.		2 415	-373	258	3	220	-26	2 498	474	2 972
Operating profit %		11%		29%		37%		10%	11%	10%
Operational EBITDA	7	3 652	-183	294	52	280	-16	4 080	641	4 721
EBITDA %		16%		34%	21%	47%		16%	15%	16%
Operational EBIT	7	2 570	-373	258	3	223	142	2 823		
EBIT %		11%		29%		38%		11%		
Volumes sold:										
Salmon (GWT tonnes)		112 136				5 205		117 341		117 341
Fishmeal/oil/FPC (tonnes)			31 994	13 115				45 109	130 400	175 509
Frozen/fresh fish (tonnes)			21 538	46 251				67 789	83 200	150 989
YTD 2022										
Operating revenue and other income		19 540	2 413	746	285	502	26	23 511	3 742	27 252
Operating profit before fair value adj.		2 395	601	185	40	221	-21	3 421	391	3 812
Operating profit %		12%	25%	25%	14%	44%		15%	10%	14%
Operational EBITDA	7	3 634	745	247	79	273	-9	4 969	521	5 490
EBITDA %		19%	31%	33%	28%	54%		21%	14%	20%
Operational EBIT	7	2 649	600	185	40	223	321	4 018		
EBIT %		14%	25%	25%	14%	44%		17%		
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
2022										
Operating revenue and other income		26 652	2 562	821	333	743	38	31 150	5 641	36 790
Operating profit before fair value adj.		3 195	468	128	-18	300	-22	4 051	668	4 719
Operating profit %		12%	18%	16%		40%		13%	12%	13%
Operational EBITDA	7	4 797	663	200	37	370	-6	6 061	845	6 906
EBITDA %		18%	26%	24%	11%	50%		19%	15%	19%
Operational EBIT	7	3 471	466	162	-18	304	460	4 845		
EBIT %		13%	18%	20%		41%		16%		
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 HC (tonnes)			12 277	57 682				69 959	152 000	221 959

NOTE 5 ASSOCIATES

All figures in MNOK	Share of net profit	Q3 2023	Q3 2022	YTD 2023	YTD 2022	2022
Norskott Havbruk AS* ^{a)}	50.0%	-55	-55	-150	164	41
Pelagia Holding AS ^{b)}	50.0%	135	152	275	219	418
Others		10	9	51	18	35
Income from JV and associates		89	107	176	400	494
Fair value adj. related to biological assets		-10	67	-8	-58	-12
Income from JV and associates before fair value adj.		79	173	167	342	483
Investment in JV and associates:						
Norskott Havbruk				1 132	1 300	1 184
Pelagia Holding AS				1 869	1 609	1 765
Others				474	416	434
Total investment				3 475	3 325	3 382
Dividend received from JV and associates						
Norskott Havbruk					-	-
Pelagia Holding AS				225	125	125
Others				3	6	6
Total dividend received		-	-	228	131	131

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

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

NOTE 6 LIST OF THE 20 LARGEST SHAREHOLDERS AT 30.09.2023

Investor	Number of shares	% of top 20	% of total
LACO AS	112 605 876	74.09	55.55
STATE STREET BANK AND TRUST COMP	4 916 036	3.23	243
J.P. MORGAN SE	3 921 279	2.58	193
PARETO AKSJE NORGE VERDIPAPIRFOND	3 533 805	2.33	174
OM HOLDING AS	3 005 636	1.98	148
FOLKETRYGDFONDET	2 929 377	1.93	145
SIX SIS AG	2 821 848	1.86	139
STATE STREET BANK AND TRUST COMP	2 067 738	1.36	102
THE BANK OF NEW YORK MELLON SA/NV	1 918 248	1.26	095
JPMORGAN CHASE BANK, N.A., LONDON	1 797 025	1.18	089
THE NORTHERN TRUST COMP, LONDON BR	1 792 821	1.18	088
CLEARSTREAM BANKING S.A.	1 590 828	1.05	078
STATE STREET BANK AND TRUST COMP	1 360 544	0.90	067
DANSKE INVEST NORSKE INSTIT. II.	1 354 963	0.89	067
STATE STREET BANK AND TRUST COMP	1 248 431	0.82	062
J.P. MORGAN SE	1 095 979	0.72	054
VERDIPAPIRFONDET STOREBRAND NORGE	1 077 590	0.71	053
PARETO INVEST NORGE AS	1 048 717	0.69	052
VPF SPAREBANK 1 UTBYTTE	1 002 222	0.66	049
INTERTRADE SHIPPING AS	900 000	0.59	044
Total number owned by top 20	151 988 963	100.00	74.98
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 for Alternative Performance Measures from the European Securities and Markets Authority (ESMA).

Operating EBITDA and operating EBIT

Operating EBITDA and operating EBIT are two alternative performance measures used by the Group that are commonly used within aquaculture. In order to provide the information required by management, investors and analysts regarding performance and industry comparability, the Group has now implemented the two specified alternative performance measures. These replace the previous alternative performance measures operating profit/loss before fair value adjustments related to biological assets and operating profit/loss before depreciation and fair value adjustments related to biological assets.

Certain items have been excluded from operating EBITDA and operating EBIT. The most significant of these items is fair value adjustment related to biological assets. This is excluded because it has nothing to do with the Group's operating performance. The change in fair value derives from changes in forward prices for salmon, published by Fish Pool. Another item excluded is provision for onerous contracts. This item is indirectly related to biological assets, as the loss is calculated based on the increased value of fish in the sea as a result of fair value adjustment. Production fees on the harvest volume of salmon and trout, which were introduced in 2021, are also excluded. This is because production fees are tax-related. Production fees were introduced as an alternative to resource rent tax. Also excluded are one-off events not expected to happen again, such as settlement costs. For practical reasons a materiality threshold of MNOK 15 is applied. These types of costs are not considered relevant to the current operating activity and hence not relevant to persons wanting to analyse operating profit in the period. Finally, unrealised internal gains associated with inventories are also excluded. Feedback from investors and analysts suggests that this accrual item has interfered with evaluation of operating profit for the period. Since this item is insignificant to profit for the period, it has been excluded from the two alternative performance measures.

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

NOTE 7 ALTERNATIVE PERFORMANCE MEASURES (cont.)

All figure in MNOK	Q3 2023	Q3 2022	YTD 2023	YTD 2022	(audited) 2022
Operating revenue and other income	8 566	9 094	25 020	23 511	31 150
Raw material and consumable used	-	5 164	5 122	13 856	16 294
Salaries and personnel expenses	-	1 176	1 149	3 581	4 519
Operating expenses	-	1 255	1 107	3 600	4 556
Production fee	+	49	24	84	74
Change in unrealised internal margin	+	-10	-21	-3	-3
Other non-operational items	+	-	-	15	209
Operational EBITDA	1 011	1 718	4 079	4 969	6 061
Depreciation and amortisation	-	498	437	1 424	1 699
Income from joint ventures and associates	+	89	107	176	494
Fair value adj. biomass in joint ventures and associates		10	-67	8	12
Operational EBIT	592	1 455	2 822	4 018	4 845
Change in unrealised internal margin	-	-10	-21	-3	-3
Production fee	-	49	24	84	74
Fair value adjustment related to biological assets	+	-710	94	-173	1 189
Fair value adjustment related to biological assets in associates	+	10	-67	8	12
Impairment	-	24	-0	62	32
Other non-operational items (incl. litigation fee in 2022)	-	-	-	15	209
Operating profit and income from JV and associates (EBIT)	-171	1 480	2 499	5 220	5 734
Net interest expenses	+	-178	-94	-436	-353
Net other financial items	+	-50	-19	-39	45
Profit before tax	-399	1 367	2 024	4 956	5 427
Estimated corporate tax	+	112	-326	-425	-1 110
Estimated resource rent tax (aquaculture)		-221	-	-2 024	-
Net profit	-508	1 041	-424	3 847	4 285

Reconciliation between the new APM, operating EBITDA, and the previous APM, EBITDA before fair value adjustments related to biological assets

All figure in MNOK	Q3 2023	Q3 2022	YTD 2023	YTD 2022	(audited) 2022
Operational EBITDA	1 011	1 718	4 079	4 969	6 061
EBITDA before fair value adjustment related to biological assets	972	1 716	3 983	4 713	5 782
Difference	39	3	95	256	280
Difference					
Change in unralised internal margin	-10	-21	-3	-6	-3
Production fee	49	24	84	51	74
Other non-operational items	-	-	15	211	209
Total	39	3	95	256	280

NOTE 7 ALTERNATIVE PERFORMANCE MEASURES (cont.)

Net-interest-bearing debt (NIBD)

NIBD is an APM utilised by the Group. The figure shows how much capital the Group employs and is an important key figure for stakeholders who are planning to grant financing to the Group and for stakeholders who want to value the company. The Group therefore defines NIBD as interest-bearing commitments, both short-term and long-term, to persons or institutions with the main purpose of providing financing and/or credit, minus interest-bearing cash or cash equivalents. This implies that long-term interest-bearing receivables (assets) and other lease commitments with the exception of leasing debt to credit institutions (liability) are not included. The latter component comprises most of the new lease commitments carried in connection with implementation of IFRS 16. The following components from the statement of financial position are included:

(All figures in MNOK)	30.09.2023	30.09.2022	31.12.2022
Loans from credit institutions *			
+ Lease liabilities to credit institutions *	1 147	1 245	1 248
+ Other long term loans *	9 612	7 269	7 079
+ Overdrafts/other short term loans	2 466	694	1 153
- Cash and cash equivalents	6 654	4 282	4 340
= Net-interest-bearing debt (NIBD)	6 570	4 925	5 140

* Both long-term and short-term portion

NOTE 8 RIGHT-OF-USE ASSETS

With effect from 1 January 2019, the Group implemented IFRS 16 Leases. 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. According to 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.

Liabilities (previous operating leases) are valued at the current 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 part) are presented under financing activities. The same applies to cash payments for the interest part of the lease liability.

The table shows the distribution of the Right-of-use assets (all figures in MNOK).

Right-of-use assets (All figures in MNOK)	Land	Buildings	Plant, equipment and other fixtures	Vessels	Total
Carrying value 01.01.	33	497	1 380	1 312	3 222
Foreign currency translation differences	1	9	8	0	18
Right-of-use assets acquired	1	69	126	190	386
Disposal	-1	-2	-2	-	-5
Depreciation	-4	-50	-209	-223	-485
Business combinations	-	-	-2	-	-2
Reclassification	-	-	2	-	2
Carrying value 30.09.2023	30	524	1 303	1 278	3 136

NOTE 9 NEW RESOURCE RENT TAX ON AQUACULTURE (IN SEA) FROM 01.01.2023

On 31 May 2023 the Norwegian Government decided to adopt a resource rent tax of 25% on earnings from the production of salmon and trout in sea. The law was given retroactively with effect from 1 January 2023. The resource rent tax comes on top of ordinary tax of 22%, so that the total nominal tax rate for the affected activity is 47%.

The resource rent tax cost in 2023 consists of two elements, first an implementation effect (one-off effect) and secondly a resource rent tax for the period.

The implementation effect is estimated at NOK 1.8 billion, and was recognized in the second quarter of 2023, the same quarter as the law was adopted. The entire amount comes from increased deferred tax on the stock of fish in the sea at the beginning of the year. The resource rent tax is calculated as 25% of the difference between the accounting value and the tax value. The deferred tax arises as a consequence of a lack of deduction in resource rent tax for expenses incurred on the fish up to the time of entry into force. This creates an asymmetry, where the income from the fish, which was in stock at the start of 2023, receives a total taxation of 47% (ordinary tax plus resource rent tax), while only a 22% ordinary tax deduction is given. It is specified that this asymmetry only applies to the stocks of fish in the sea that the affected companies had at the time of entry into force. Costs incurred from and including 2023 will result in a full tax deduction of 47%. The asymmetry makes this a controversial point. Historical practice dictates that deductions should be granted. But the government has stated that deductions will not be given. The group has therefore recognized the obligation as a deferred tax. Nevertheless, it is possible that the tax obligation may cease, if tax deduction is given.

The resource rent tax for the period consists of the two components (1) payable resource rent tax and (2) deferred resource rent tax. Deferred resource rent tax on fish in sea will become payable as the stock of fish in the sea is harvested and sold. The income from this fish will be included in the basis of calculation of payable resource rent tax. At the same time, cost on stock on new fish added to the stock, will be deducted in the basis of calculation of payable resource rent tax. This means that if cost on stock of fish in the sea is higher on the balance sheet date than it was at the start of the period, the change in stock will represent a net reduction in the basis for calculation of payable resource rent tax. In the opposite case, if the cost on stock of fish in the sea is lower on the balance sheet date than it was at the beginning of the period, the change in stock will represent an increase in the basis for calculation of payable resource rent tax. The inventory changes have no impact on the tax cost overall. But the change affects the time when the tax is due for payment.

The resource rent tax calculation for the period shall be based on the earnings from the production of salmon and trout in the sea. The main principles that were defined through the OT proposition of 31 May 2023, are authorized through the Norwegian Tax law chapter 19 - Special rules for taxation of aquaculture activities. The law describes how to calculate the tax technically. However, the main challenge is to segregate the aquaculture activity in sea that are subject to resource rent tax from other aquaculture activities. This is particularly difficult in a fully integrated value chain, where both sea and land activities have been carried out in one and the same company. In addition, the aquaculture companies use centralized resources from the group's parent company, which must also be split up in relation to activity at sea and activity on land. The group is still working on getting legal agreements in place, where the services delivered between the companies in the Group are priced in line with the OECD guidelines for transfer pricing. In addition to the segregation of activity problem, different prospects for earnings in the various regions will also constitute a complicating element. Such variations will also affect the allocation of profits between the various activities. Variations in the price level will, for example, have a greater impact on the aquaculture activity in sea within the resource rent tax regime, than in other aquaculture activity on land outside the resource rent tax regime. This means that it is not the right approach to estimate a percentage rate that should represent the allocation between profit within the resource rent tax regime and the profit outside the resource tax rent regime. Although an estimate on the ground rent tax base can be converted into a percentage, you cannot go the opposite way and get a correct tax base by first estimating a percentage.

NOTE 9 NEW RESOURCE RENT TAX ON AQUACULTURE (IN SEA) FROM 01.01.2023 (cont.)

In the third quarter, the group has calculated and recognized an estimate of the resource rent tax for the period, which covers the period from 01.01.2023 to 30.09.2023. The group emphasizes that the uncertainty in the estimate of taxable profit (tax basis) is high as a result of the delineation problem described above. It is challenging to allocate earnings correctly to the various activities throughout the value chain. The table below shows the total tax burden for the activity covered by the resource rent tax regime, by also specifying ordinary company tax (corporate tax) and production fee, which must be paid in addition to resource rent tax. The production fee is in practice a lower limit for resource rent tax on aquaculture. The effective tax rate will vary depending on (1) the extent to which the general basic deduction and the deductions for paid production tax can be utilized in the form of deductions in the numerator, as well as (2) the size of the tax base, which affects the denominator.

TAX AND PRODUCTION FEE WITHIN THE RESOURCE RENT TAX REGIME

Amounts as of Q3 2023 (Figures in MNOK)

Tax on profit on resource rent taxable activities

Implementation effect	1 765
Resource rent tax for the period, exclusive implementation effect	258
Total resource rent tax	2 024
Corporate tax (22%) on resource rent taxable activities	268
Total tax	2 292

Production fee on resource rent taxable activities

Total production fee (classified as other operating costs)	79
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Grand total	2 371
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Austevoll Seafood ASA

Alfabygget
5392 Storebø
NORWAY

www.auss.no