



Austevoll Seafood ASA



FINANCIAL REPORT

Q1 2023

Austevoll Seafood ASA

**Alfabygget
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NORWAY**

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- Group's revenue growth driven by strong prices as well as the weak krone
- Seasonally low harvest volume for salmon in Q1
 - » Higher prices realised year on year
 - » The government's processes involved with resource rent tax generate increased uncertainty about the future and weaken the industry
- Seasonally high level of activity within pelagic segment in the North Atlantic and Chile with good earnings
- Seasonally low level of activity within pelagic segment in Peru
- Inflation for almost all input factors driving costs
 - » Will require increased productivity in all the portfolio companies
- In line with the dividend policy, the Board of Directors has recommended a dividend payment of NOK 5.50 per share in 2023 (NOK 4.50 in 2022)

KEY FIGURES Q1 2023

All figures in MNOK	Note	Q1 2023	Q1 2022	(audited) 2022
Operational revenue and other income		8 002	6 565	31 150
Operational EBITDA	7	1 627	1 482	6 061
Income from associated companies		75	59	483
Depreciation and amortisation		-453	-408	-1 698
Operational EBIT	7	1 249	1 132	4 845
Operational EBIT margin		16%	17%	16%
Operating profit and profit from joint ventures and associates (EBIT)		1 679	1 383	5 735
Net profit		1 223	1 053	4 285
Adjusted EPS (NOK)*		2.4	1.9	9.9
Basic EPS (NOK)		3.3	2.6	12.3
Total assets		50 267	45 159	48 062
Equity ratio		59%	58%	59%
Net interest bearing debt		5 511	4 233	5 140

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

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 Q1 2023

Group operating revenue in Q1 2023 totalled NOK 8,002 million, compared with NOK 6,565 million in Q1 2022, an increase of 22%. The growth in revenue comes from the farming companies and is driven by strong prices as well as by the weak Norwegian krone.

Operating EBIT in Q1 2023 was NOK 1,249 million, against NOK 1,132 million in Q1 2022. Inflation over the past year means higher prices for the Group's products but also for virtually all input factors, impacting costs. The operating EBIT margin for Q1 2023 was 16%, compared with 17% in Q1 2022. The growth in earnings comes from the farming companies as well as the joint ventures and associates.

Norskott Havbruk AS and Pelagia Holding AS are joint ventures and the two largest associates. Income from associates before fair value adjustment related to biological assets in Q1 2023 totalled NOK 75 million (Q1 2022: NOK 59 million). The equivalent figure including fair value adjustment of biological assets was NOK 66 million (Q1 2022: NOK 129 million). Pelagia has continued its positive development and improved its Q1 results compared with Q1 2022. Cost focus/rationalisation, growth and good sales volumes for finished products combined with higher prices realised for fishmeal, protein concentrate and fish oil all contributed to the earnings improvement. However, Norskott's earnings continued to be affected by the challenging biological situation in the second half of 2022. 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.

Operating profit after fair value adjustment of biological assets and income from joint ventures and associates totalled NOK 1,679 million in Q1 2023 (Q1 2022: NOK 1,383 million).

Fair value adjustment related to biological assets was NOK 460 million. The biomass adjustment in Q1 2022 was NOK 252 million.

The Group's net interest expense in Q1 2023 was NOK -116 million (Q1 2022: NOK -70 million). The increase is a result of rising interest rate levels and higher tied-up working capital. Net other financial items for the quarter were positive at NOK 4 million. The equivalent figure in Q1 2022 was NOK 53 million.

The Group reported profit before tax in the quarter of NOK 1,568 million (Q1 2022: NOK 1,366 million). Profit after tax was NOK 1,223 million (Q1 2022: NOK 1,053 million).

The government's Proposition to the Storting (78 LS) concerning resource rent tax on aquaculture of 28 March 2023 has still not been adopted. The Group's tax estimates in the interim financial reporting are therefore aligned with previous years' practice.

OPERATIONAL REVIEW OF SEGMENTS FOR Q1 2023

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.

The seasonal pattern in harvest volume of salmon and trout in Norway has become even more pronounced over the last year. A lower harvest volume led to significantly higher prices at the start of 2023 than in the second half of 2022. Higher krone rates also have a positive impact on prices in NOK. The spot price for salmon in Q1 2023, measured according to NSI (sales price FCA Oslo), was NOK 103.7/kg, compared with NOK 72.1/kg in Q4 2022 and NOK 79.7/kg in Q1 2022. This represents a spot price increase of NOK 32/kg compared with Q4 2022 and NOK 24/kg compared with Q1 2022. These prices are testimony to a strong underlying market and a significantly weaker Norwegian krone.

In Q1 2023, LSG reported revenue of NOK 6,975 million (Q1 2022: NOK 5,525 million) and operating EBITDA of NOK 1,337 million (Q1 2022: NOK 1,210 million). Operating EBIT was NOK 989 million, compared with NOK 889 million in Q1 2022. This gives an operating EBIT margin of 14%, down from 16% in Q1 2022.

LSG's harvest volume for salmon and trout, gutted weight, was 28,602 tonnes in Q1 2023, down 11% compared with 32,057 tonnes in Q1 2022. 50% of harvest volume in Q1 2023 is from Lerøy Sjøtroll which has the highest cost among the Group's three regions.

In 2022 the market for salmon and trout experienced a rebound following the reopening of society. Prices were volatile through 2022, reflecting a strong seasonal pattern. Higher prices led to a reduction in demand in part of the grocery market at the start

KEY FIGURES (LSG):

(MNOK)

	Q1 2023	Q1 2022	2022
Revenue and other income	6 975	5 525	26 652
Operational EBITDA	1 337	1 210	4 797
Operational EBIT	989	889	3 471
Operational EBIT margin	14%	16%	13%
Total assets	38 644	35 137	37 062
Slaughtered volume (GWT)	28 602	32 057	174 629
EBIT*/kg ex. wildcatch (NOK)	26.6	20.4	17.9
Havfisk catch volume (MT)	25 269	25 116	71 726
EBIT wildcatch (MNOK)	229	236	348

* Operational EBIT

of 2023, but the overarching picture seen in 2022 continues and is being further reinforced by a significantly weaker Norwegian krone. Demand is strong, and price performance is highly sensitive to seasonal patterns in release from stock of salmon and trout. In Q1 2023, Norwegian salmon exports were 10% lower than in Q1 2022, while export prices were 20% higher in EUR and 34% higher in NOK. This shows how the export price in NOK is affected not only by volume and exchange rate movements, but also by a strong underlying market.

There are a number of factors that influence the Group's prices realised compared with the spot price for whole salmon, including contract share, sizes, quality and timing. The contracts are entered into long before the fish are harvested. Year to date, there has been an extremely large price differential between different grades.

The Group's contract share for salmon in the quarter was 18%. The contract price realised was significantly higher than in Q1 2022 but, at the same time, significantly lower than the spot price in the quarter. For Lerøy Sjøtroll, 26% of the harvest volume in Q1 2023 was trout, and prices realised for whole trout were NOK 5 lower than those for whole salmon in the quarter.

In line with developments nationally and globally, higher costs for virtually all input factors are manifesting themselves strongly in the Group's costs. This is being exacerbated by the high krone rate. Higher feed costs are the most significant factor, followed by higher bunkering, energy and packaging costs. As expected, release from stock costs in Q1 2023 were significantly higher than in both Q4 and Q1 2022.

Lerøy Aurora's costs have increased significantly from the equivalent period of last year, with higher feed costs far and away the main factor. As in 2022, release from stock costs in the quarter were affected by seasonal pattern, a low harvest volume and high contract share. Sea-based production at Lerøy Aurora is good. A significant year-on-year increase in release from stock costs is expected for full-year 2023 as a result of higher feed prices, although a gradual decrease in release from stock costs is expected in the coming quarter. Lerøy Aurora expects a harvest volume in the region of 47,000 GWT in 2023, compared with 40,000 GWT in 2022.

As discussed in previous interim reports, growth in Lerøy Midt in the second half of 2022 was not satisfactory, and this has affected harvest volume in the quarter. Biological development improved in the first quarter, with Lerøy Midt building biomass. Feed costs are the key driver in release from stock costs in Q1 2023 being significantly higher than in both Q1 and Q4 2022. Slightly higher release from stock costs are expected for the coming quarter in Lerøy Midt. The estimated harvest volume for 2023 is 64,000 GWT.

The challenging biological situation Lerøy Sjøtroll experienced in the second half of 2022 continued at the start of 2023, with lower-than-expected growth. A number of measures have been initiated at all stages of the production process and are expected to gradually produce results. By way of example, treatment capacity has been substantially changed, and is one of the measures expected to generate an improvement in production performance in 2023 compared with 2022. As expected, release from stock costs in Q1 2023 were higher than in both Q1 and Q4 2022. Costs are expected to remain at roughly the same level in the coming

quarter. The harvest volume in 2023 is expected to be in the region of 64,000 GWT, but this depends on the expected improvement in net growth in the second half of 2023 compared with 2022 being achieved.

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

Lerøy Havfisk had 10 trawlers in operation in Q1 2023. The catch volume in Q1 2023 totalled 25,269 tonnes, compared with 25,116 tonnes in Q1 2022. A reduction in the cod quota for 2023 means lower catches of cod, but this has been compensated in volume terms by higher catches of saithe, which is a lower-value species. With the exception of haddock, whitefish prices continue to perform strongly. Compared with Q1 2022, prices rose by 22% for cod, fell by 22% for haddock and rose by 11% for saithe.

The total catch value was marginally higher in Q1 2023 than in Q1 2022. However, total bunkering costs were NOK 24 million higher in Q1 2023 than the same period of last year. This is because fuel prices have risen by 40%, offset to some extent by a decrease in fuel consumption as a result of slightly fewer operating days and lower fuel consumption per operating day. Sales from inventory made a positive contribution of NOK 29 million.

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. Cod is the most important species for LNWS, and a reduction in the quotas in 2022 led to higher prices for the end product. This trend has continued in 2023 with prices for end products not performing as strongly as those for raw materials, resulting in significant pressure on margins in the onshore industry. The Group expects that increased raw material prices will, inevitably, gradually be reflected in the prices for end products.

Total earnings in Lerøy Havfisk/LNWS were NOK 229 million in Q1 2023, compared with NOK 236 million in Q1 2022.

On 20 February 2019, the EU's competition authorities ("the EU Commission") initiated investigations into suspected collusion in the salmon market. Lerøy Seafood Group ASA is one of the

companies to be investigated. It is unclear precisely what the EU Commission believes has occurred in the way of any illegal collusion, when this may have occurred and what negative consequences this may have had. Lerøy Seafood Group ASA is assisting the authorities by facilitating efficient execution of the proceedings. Case proceedings for this type of issue normally take several years, and it is too early to say whether the matter may result in sanctions or other negative consequences for the companies involved. Where the investigation into the Norwegian salmon industry launched by the US Department of Justice (DOJ) in November 2019 is concerned, Lerøy Seafood Group ASA was advised in January 2023 that the investigation had been completed.

In the wake of the EU Commission's ongoing investigations, several Norwegian-owned aquaculture companies, including companies in the Lerøy Seafood Group, have been sued by customers in the USA and Canada. The Group considers these claims to be groundless but, both in view of the costs associated with legal proceedings in the USA and for commercial reasons, decided to enter into a settlement regarding the two US class actions in 2022. The settlements do not constitute an admission of liability or guilt. Please refer to LSG's stock exchange announcement of 25 May 2022, Q2 2022 interim report and Annual Report 2022.

See also LSG's report and presentation for Q1 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 6.98% of the total quota for anchoveta fisheries in Central/North Peru, and just under 4% of the quota in South Peru. In addition, the company has fishing rights for horse mackerel and mackerel. Anchoveta is used to produce fishmeal and oil, while horse mackerel/mackerel is fished for consumer products. In addition to its own catches, the company purchases raw materials (anchoveta) from the coastal fleet for use in its production of fishmeal and oil. Fishmeal and fish oil are produced in four factories, located in Coishco, Chancay, Pisco and Ilo. The company also produces consumer products in two facilities that share premises with the fishmeal and fish oil factories in Coishco and Pisco.

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

Totalkvoten for andre fiskerisesong ble satt til 2,28 millioner tonn,

KEY FIGURES (PERU):

(MNOK)

	Q1 2023	Q1 2022	2022
Revenue	465	653	2 562
Operational EBITDA	50	131	663
Operational EBIT	-9	85	466
Operational EBIT margin		13%	18%
Total assets	3 111	2 742	2 845
Raw material (MT):	60 187	36 574	423 824
Sales volumes:			
Fishmeal (MT)	20 325	32 762	114 369
Fish oil (MT)	570	3 080	12 950
Frozen/fresh JM/M(MT)	6 641	10 314	12 277

en økning på 11,5% fra 2,0 millioner tonn for samme sesong i 2021. Sesongen startet opp 23. november og ble stoppet 4. februar 2023. Av den nasjonale totalkvoten var 84% fisket innen sesongstopp. For tilsvarende sesong i 2021 var 97% av kvoten fisket innen sesongstopp, og i all hovedsak fisket i fjerde kvartal 2021.

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

The second fishing season in 2022 was challenging, as reflected in the total catch rate. With a significant number of fishery zones closed through the season, fisheries were concentrated in North Peru.

By the end of the season, the company had fished 109,000 tonnes of its quota of 159,000 tonnes, equivalent to 68%. Of this, 72,000 tonnes were caught in Q4 2022 and 37,000 tonnes in January 2023. In the corresponding season in 2021, the company fished 100% of its quota of 143,000 tonnes, all of it in Q4 2021. After the end of the second season, the company caught 11,700 tonnes of mackerel/horse mackerel for consumer products. As usual, the company's vessels have also undergone essential maintenance and work ahead of the new season in 2023.

Operating revenue in Q1 2023 totalled NOK 465 million (Q1 2022: NOK 653 million) and operating EBITDA was NOK

50 million (Q1 2022: NOK 131 million). Operating EBIT was negative at NOK -9 million, against a positive figure of NOK 85 million in Q1 2022.

The decrease in revenue and earnings is a result of lower sales volumes for finished products. The company started 2023 with a lower inventory of fishmeal and oil than in 2022: 20,800 tonnes compared with 48,000 tonnes. This has naturally led to lower sales volumes of finished products in Q1 2023 than in Q1 2022. The company's prices realised for fishmeal were 2% higher than in Q1 2022. Prices realised for fish oil were a full 30% higher than in Q1 2022, but the low oil yield in the second season meant that the volume of oil sold was only 570 tonnes compared with 3,080 tonnes in Q1 2022.

The company had a fishmeal and fish oil inventory of 8,800 tonnes at the end of Q1 2023, compared with 18,600 tonnes at the end of Q1 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 prices for fishmeal and fish oil. As of today's date, no quota has been set for the first season of 2023 in Peru. IMARPE has carried out an initial exploratory voyage and, based on the higher sea temperature during this voyage, a smaller-scale voyage was carried out in mid-April. A further exploratory voyage is planned from mid-May before the quota is set. This attests to good fish stock management and application of the precautionary principle to avoid depleting the number of smaller fish. A quota of 337,000 tonnes has been set for the first half of 2023 in South Peru.

KEY FIGURES (CHILE):

(MNOK)

	Q1 2023	Q1 2022	2022
Revenue	282	189	821
Operational EBITDA	121	84	200
Operational EBIT	110	75	162
Operational EBIT margin	39%	40%	20%
Total assets	1 554	1 274	1 311
Raw material intake:	64 910	51 072	106 600
Sales volumes:			
Fishmeal (MT)	1 597	1 716	9 603
Fish oil (MT)	842	664	3 408
Frozen (MT)	21 385	15 046	57 682

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 its own quota, the company purchases raw materials (anchoveta/sardine) from the coastal fleet for use in its production of fishmeal and oil. The main season for horse mackerel fishing is from December to July. The main season for sardine/anchoveta fishing is divided into two periods. The first season starts in March and lasts until July/August. The second season normally starts in October/November and lasts until the end of December.

All FC's onshore industrial activities share the same premises in the coastal town of Coronel. Thanks to higher quotas, the company has continued the positive trend seen in recent years.

The quota recommended by SPRFMO for horse mackerel in the South Pacific in 2023 implies a further increase of 20%. SPRFMO's recommended quota reflects the positive development in horse mackerel fishery in recent years. This attests to continuing satisfactory development in the Group's activities in Chile. The company's quota for horse mackerel in 2023 is 56,500 tonnes, up from 46,000 tonnes in 2022.

As normal, the company had a high level of activity in the first quarter. The company's vessels have caught just over 43,000 tonnes of horse mackerel, representing 76% of its quota for the

year. In addition to its own quota, the company normally purchases quota from third parties, which is caught by FC's own vessels over the year. The company purchases anchoveta/sardine from the coastal fleet as raw material for its production of fishmeal and oil. This fishery started in March, and the company purchased a volume of just over 21,000 tonnes in Q1.

Operating revenue in Q1 2023 totalled NOK 282 million (Q1 2022: NOK 189 million) and operating EBITDA was NOK 121 million (Q1 2022: NOK 84 million). Operating EBIT in Q1 2023 was NOK 110 million (Q1 2022: NOK 75 million), giving an operating EBIT margin of 39%, compared with 40% in Q1 2022.

The increase in revenue and earnings is explained by the higher sales volume of finished products, and efficient operations with short distances from fishing grounds to the company's factories.

Sales of frozen products totalled 21,400 tonnes in Q1 2023, up from 15,000 tonnes in Q1 2022. The company's prices realised in Q1 2023 were 11% lower than in Q1 2022. At the end of Q1 2023, the company had inventory of 13,000 tonnes of frozen products, compared with 14,000 tonnes at the end of Q1 2022.

KEY FIGURES (BRBI):

(MNOK)	Q1 2023	Q1 2022	2022
Revenue	90	68	333
Operational EBITDA	17	11	37
Operational EBIT	2	-1	-18
Operational EBIT margin	2%		
Total assets	679	791	701

KEY FIGURES (BFARM):

(MNOK)	Q1 2023	Q1 2022	2022
Revenue	243	121	743
Operational EBITDA	124	52	370
Operational EBIT	107	36	304
Operational EBIT margin	44%	29%	41%
Total assets	1 361	1 024	1 296
Slaughtered volume (GWT)	2 425	1 548	8 631
EBIT*/kg all incl. (NOK)	44.3	22.6	34.8

* Operational EBIT

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

At 31 March 2023, AUSS owned 55.2% of the shares in Br. Birkeland Farming AS and 42.9% of the shares in the fisheries company Br. Birkeland AS.

BRBI had a seasonally high level of activity in Q1. The company's two ring net vessels caught capelin and blue whiting in the quarter. Blue whiting fishery is also continuing into Q2. The prices realised for the raw material were higher in Q1 2023 than in Q1 2022.

The two vessels used to fish for snow crab delivered 522 tonnes of snow crab in Q1 2023, up from 242 tonnes in Q1 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. Prices realised for snow crab experienced a significant decline through 2022. This has continued in 2023 and is leading to weak results from this fishery.

The BRBI segment reported operating revenue of NOK 90 million in Q1 2023 (Q1 2022: NOK 68 million). Operating EBITDA

was NOK 17 million (Q1 2022: NOK 11 million) and operating EBIT NOK 2 million (Q1 2022: NOK -1 million).

The company's harvest volume for salmon was 2,425 tonnes in Q1 2023, up 57% from 1,548 tonnes in Q1 2022. The company has no processing operations and sells all its salmon on the spot market. The average price for salmon in Q1 2023, measured according to NSI (sales price FCA Oslo), was NOK 103.7/kg, up from NOK 79.7/kg in Q1 2022.

The BFARM segment reported operating revenue of NOK 243 million in Q1 2023 (Q1 2022: NOK 121 million). Operating EBITDA was NOK 124 million (Q1 2022: NOK 52 million). Operating EBIT/kg in Q1 2023 was NOK 44.3/kg, compared with NOK 22.6 in Q1 2022.

Price rises for key input factors are affecting the company's production costs and tied-up working capital, but it is pleasing to see the company continuing its satisfactory development.

KEY FIGURES (PELAGIA):

(MNOK)	Q1 2023	Q1 2022	2022
Revenue	3 043	2 219	11 282
EBITDA	386	184	1 691
EBIT	289	99	1 336
EBIT margin	10%	4%	12%
Total assets	9 804	7 954	9 137
Sales volumes (tonnes):			
Frozen	83 800	84 400	304 000
FM/FPC/Oil	72 400	59 000	336 000

JOINT VENTURE**Pelagia Holding AS (Pelagia)**

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

The company’s operations comprise production of fishmeal, protein concentrate and fish oil as well as frozen pelagic consumer products. Pelagia purchases all its raw material from third parties. The company has production facilities in Norway, the UK and Ireland. Through its subsidiary Epax, Pelagia is a leading global manufacturer of Omega-3 products based on marine ingredients, with applications within dietary supplements and pharmaceutical products. 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.

There has been a good level of activity within all the business areas. The volume of raw material received for consumer products in the quarter was 125,000 tonnes, compared with 123,000 tonnes in Q1 2022. Total receipt of raw material in Pelagia for fishmeal/protein concentrate and fish oil production was 353,000 tonnes in Q1 2023, compared with 256,000 tonnes in Q1 2022. Cuttings from production of consumer products represent a significant share of the raw material used in fishmeal/protein concentrate and fish oil production.

Revenue for Pelagia in the quarter was NOK 3,043 million (Q1 2022: NOK 2,219 million) and EBITDA was NOK 386 million (Q1 2022: NOK 184 million). The company reported EBIT in Q1 2023 of NOK 289 million (Q1 2022: NOK 99 million).

The company’s cost focus/rationalisation, investments to stimulate growth, good sales volumes for finished products, and higher prices realised for fishmeal, protein concentrate and fish oil all contributed to the earnings improvement. The sales volume for frozen products in the quarter was 83,800 tonnes, against 84,400 tonnes in the same period in 2022. Sales of fishmeal/FPC and fish oil in the quarter totalled 72,400 tonnes, a significant increase from 59,000 tonnes in Q1 2022.

CASH FLOW Q1 2023

Cash flow from operating activities in Q1 2023 was NOK 450 million (Q1 2022: NOK 296 million). Cash flow has been significantly impacted by higher tied-up capital as a result of inflation – which increases the value of inventory – but also higher accounts receivable. Cash flow from investing activities in Q1 2023 was NOK -520 million, compared with NOK -392 million in Q1 2022. Cash flow from financing activities for Q1 2023 was NOK 193 million (Q1 2022: NOK -408 million).

The Group’s cash and cash equivalents are significant and totalled NOK 4,484 million at the end of Q1 2023, compared with NOK 4,822 million at the end of Q1 2022.

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2023

The Group's statement of financial position at 31 March 2023 showed a total of NOK 50,267 million, compared with NOK 45,159 million at 31 March 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 31 March 2023 of NOK 29,807 million, corresponding to an equity ratio of 59%. At 31 March 2022, the Group had book equity of NOK 26,265 million, equivalent to an equity ratio of 58%.

At 31 March 2023, the Group had net interest-bearing debt excluding right-of-use liabilities other than to credit institutions totalling NOK 5,511 million, compared with NOK 4,233 million at 31 March 2022. The Group's net interest-bearing debt including right-of-use liabilities other than to credit institutions was NOK 7,341 million at 31 March 2023, compared with NOK 6,195 million at 31 March 2022. Among other things, the increase in debt reflects higher tied-up working capital.

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 31 March 2023, the parent company Austevoll Seafood ASA had cash and cash equivalents of NOK 462 million and net interest-bearing debt of NOK 284 million. The parent company has long-term credit facilities totalling NOK 1,100 million, of which NOK 922 million remained unutilised at 31 March 2023. The parent company has an NOK 490 million bond maturing in Q2 2023. In line with its strategy, part of which is to ensure continuity as an issuer in the Norwegian bond market, the company will consider issuing a new bond loan later this year. The company has been issuing bonds since 2007.

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 is an example. The outbreak of COVID-19 led to national and global authorities introducing extensive restrictions in an attempt to prevent uncontrolled spread of the infection. COVID-19 impacted global value chains in that, at a global level, the necessary measures 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 invasion is causing unimaginable human suffering for those directly involved in the conflict. The conflict we are now experiencing in Europe is also impacting financial markets, exchange rates, supply chains, and the supply and price of input factors.

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

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

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

At 31 March 2023, the Group had live fish on its statement of financial position worth NOK 8.8 billion. Biological risk has been and will remain a substantial risk factor in the Group's operations. Assessing and managing biological risk must therefore be part of the Group's core expertise.

Changes in fishing patterns and quota adjustments mean fluctuations in catch volumes from quarter to quarter and year to year, and hence varying utilisation of the Group's production facilities. The seasonal fluctuations in catch volumes cause equivalent fluctuations in the Group's quarterly key figures. Weather phenomena such as El Niño and La Niña are examples of climate-related issues that can affect catch patterns for periods of time.

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 resource rent taxation in the Norwegian aquaculture industry in September 2022 and subsequently published its Proposition to the Storting (Prop. 78 LS) concerning resource rent tax on aquaculture on 28 March 2023. The proposal implies a tax of 35% on top of the standard 22% rate of corporation tax, resulting in a total tax rate of 57% if the proposal becomes law. The proposal is detrimental to the industry and, if adopted, will entail a substantially increased tax burden for the Group.

As the proposal has not yet been adopted, the Group's tax estimates in the Q1 2023 interim report are aligned with previous years' practice.

Industrial development and employment in capital-intensive activities exposed to global competition, such as fish farming, fisheries and related industry, are challenging and demand predictability where possible. Achieving predictability requires national political leaders to pursue a responsible long-term business policy. The government's proposal concerning 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. More information and commentary on this can be found under "Market and outlook" below.

In 2022, the then government appointed the "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 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 Norwegian parliament for consultation. Among other things, these concern allocation of structural profit from expired time limits in the structural quota scheme and quota allocation for North East Arctic cod. A new quota report is expected to be presented in the spring of 2023. 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 acceptable 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 approx. 19% 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 9,708 shareholders at 31 March 2023. The number of shareholders at the start of Q1 2023 was 9,519.

The share price was NOK 88.45 at 1 January and NOK 93.90 at 31 March.

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

The Board of Directors has recommended to the company's annual general meeting in May 2023 a dividend payment of NOK 5.50 per share. Assuming the proposed dividend is approved on 25 May 2023, it will be paid out on 9 June 2023. Last year's dividend of NOK 4.50 per share was paid out on 9 June 2022.

AUSTEVOLL SEAFOOD ASA'S FOCUS AREAS FOR SUSTAINABILITY

Since it was established in 1981, Austevoll Seafood ASA (AUSS) has remained loyal to its strategic foundations of “creating lasting values through sustainable, expert use of freshwater resources and the ocean, in thriving communities”. The entire value chain in the Group’s portfolio companies has its “origins” in sustainable use of the sea, and the Group’s growth has been and shall continue to be sustainable both financially and in terms of the climate/environment. Sustainable growth places stringent requirements on the Group within finance, corporate governance, climate and the environment as well as social conditions. Sustainability is a prerequisite for gaining access to capital and is vital to the Group’s existence and continued development. We are therefore proud that the Group’s food production contributes to the UN 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

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

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

The consultative round for the proposal finished on 4 January 2023. Despite the more than 400 consultation responses received – running to 14,000 pages – pointing out the harmful effects and operational challenges inherent in the government’s proposal, it is disappointing to have to acknowledge that the government failed to take the input into consideration in its draft bill, which was published on 28 March 2023.

The government’s bill betrays a lack of understanding of the industry’s complexity and its importance to the country and coastal communities. This has been commented on in detail in the Group’s consultation response. 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. In turn, predictability of this kind requires businesses and, not least, national political leaders to implement a responsible long-term business policy. Regrettably, the resource rent proposal is an example of political risk of the kind we have not experienced in recent times in Norway. The proposal contradicts the government’s own declaration, which states “The government will execute a predictable and responsible tax policy for business and industry.”

As to how the executive work will proceed, the deadline for the recommendation from the Standing Committee on Finance and Economic Affairs is mid-May 2023, with a provisional date of 31 May for the parliamentary reading of the bill.

If it is adopted, the tax will be effective from 1 January 2023. Businesses do not yet know the content of the final decision and associated regulations. The Group’s tax estimates for Q1 2023 have therefore been aligned with previous years’ practice. Adoption of the tax would lead to significant changes in the company’s tax computations. The Group has launched a far-reaching project to be as well prepared as possible for compliance with a new tax regime. At present the Group is unable to provide a precise estimate of the effective tax rate payable for its farming activities.

The total quotas for cod and haddock were reduced in 2023. Allocation of the third-country quotas and reallocation from other fleet groups have mitigated the reduction. Compared with 2022, the quotas for cod have been reduced by 15%, while those for haddock are 8% higher because of reallocations. The quotas for saithe north of 62 degrees latitude are 11% higher than 2022, and the quotas for saithe in the North Sea are up 19%. The quotas for other species such as redfish and Greenland halibut are roughly the same as in 2022. Q1 2023 has seen good catch rates and high volumes, particularly for catches of saithe. Despite remaining cod quotas being lower at the end of Q1 than in 2022, the remaining catch volume provides a good basis of operations for the remainder of the year.

Developments in farming activities continue to be impacted by the challenging situation experienced in two of the regions in the second half of 2022. The situation has improved this year, and a number of measures have been put in place that are expected to gradually produce results. At the same time, cost inflation, now further exacerbated by the weaker Norwegian krone, will drive costs and be increasingly evident in 2023. For its consolidated operations, Lerøy Seafood Group currently expects to harvest around 175,000 tonnes in 2023. The Group’s share from the joint venture is forecast to be around 18,500 tonnes. LSG’s total harvest volume in 2023 is expected to be in the region of 193,500 tonnes.

The Group works to develop an efficient and sustainable value chain for seafood. This not only provides cost-efficient solutions, but also quality, availability, a high level of service, traceability and competitive climate-related and environmental solutions. Investments – leading to good, full-year jobs – in downstream entities in recent years, including in a new industrial facility for Lerøy Midt, a new factory in Stamsund and new factories in Spain, the Netherlands and Italy, are expected to make a positive contribution going forward. The political risk for the Group's value chain has increased, but AUSS has a clear ambition for operating profit in this segment to grow in the years ahead.

At the start of 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, and production is sustainable from a financial, climate and environmental perspective.

Fishmeal and fish oil

According to the IFFO*, fishmeal production from Regions Peru, Chile and North Atlantic as of week 16 (week beginning 17 April 2023) was up 46% on the same period in 2022.

The increase stems from all the regions included in the statistics, but the biggest increase has been seen in Peru, which finished the second season for 2022 on 4 February 2023. The quota for the second season in 2021 had mostly been fished by the end of 2021, with a very limited amount caught in January 2022. As of today's date, no quota has been set for the first season of 2023 in Peru. IMARPE has carried out an initial exploratory voyage and, based on the higher sea temperature during this period, a smaller-scale voyage was carried out in mid-April. A further exploratory voyage is planned from mid-May. Taken together, the weather phenomenon El Niño, the number of exploratory voyages and the delay in quota information suggest a lower quota than for 2022. The cautiousness of the regulatory authorities attests to good stock management. A quota of 337,000 tonnes has been set for the first half of 2023 in South Peru.

ICES's recommended quota for blue whiting in the North Atlantic in 2023 represents an increase of 80% on the recommendation for 2022. Blue whiting fishery was carried out in Q1 2023 and is also continuing in Q2.

**Source: IFFO, week 16, 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 is usually from January to April and the season

for North Sea herring from May onwards. The main season for mackerel fishing in Europe is in the autumn and, until 2022, started in September. For the last two years, the season has started as soon as early August, because of restricted access to UK waters for the Norwegian fleet. The remaining quotas for Norwegian spring-spawning herring are also caught during this period. The first half of the year is the main season for horse mackerel in South America.

ICES's recommended quota for catches in the North Atlantic in 2023 reflects a small (2%) reduction for mackerel and a 15% reduction for Norwegian spring-spawning herring compared with the recommended quotas for 2022. However, there is no international consensus among the parties on the total quota for mackerel and Norwegian spring-spawning herring. ICES's recommended quota for North Sea herring in 2023 represents a reduction of 22% on the recommended quota for 2022. The quota recommended by ICES for capelin in the Barents Sea in 2023 was 62,000 tonnes, down from the 70,000 tonnes recommended for 2022. Capelin fishery in the Barents Sea was carried out in Q1 2023.

The quota recommended by SPRFMO for horse mackerel in the South Pacific in 2023 implies a further increase of 20%. SPRFMO's recommended quota reflects the positive development in horse mackerel fishery in recent years. This attests to continuing satisfactory development in the Group's activities in Chile.

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 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 predictability. 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 concerning a resource rent tax

on Norwegian aquaculture is an example of the precise opposite and constitutes a significant risk to the industry's further development, including its ability to continue contributing to society. The proposition is, unfortunately, an example of the kind of political risk that we have not seen in Norway in recent times. It contradicts the government's own declaration, which states "The government will execute a predictable and responsible tax policy for business and industry." It is further worth noting that the proposal and the proposition conflict with the governing parties' own party platforms from the 2021 election campaign.

The seafood companies need to retain capital in line with other comparable industries if they are not to lose ground in international competition. One special characteristic of the aquaculture industry is the dominance of Norwegian private capital. This 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 this 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. We would reiterate the industry's potential and importance

for the future of the coastal regions once the oil and gas adventure is over. The Storting, the Norwegian parliament, is expected to reach a decision before the summer. If the Storting passes the government's proposition concerning resource rent tax on Norwegian aquaculture, a proposal detrimental to the industry, this 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. 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, 15 May 2023

The Board of Directors of Austevoll Seafood ASA

Helge Singelstad
Chairman of the Board

Lill Maren Møgster
Board member

Hege Charlotte Bakken
Deputy chairman

Eirik D. Melingen
Board member

Petter Dragesund
Board member

Helge Møgster
Board member

Hege Solbakken
Board member

Siren Grønhaug
Board member

Arne Møgster
CEO

FINANCIAL REPORT Q1 2023

INCOME STATEMENT (unaudited)

All figures in NOK 1,000	Note	Q1 2023	Q1 2022	(audited) 2022
Operating revenue and other income	4	8 001 660	6 564 786	31 149 616
Raw material and consumables used		3 971 353	3 038 385	16 293 681
Salaries and personnel expenses		1 293 715	1 177 784	4 518 737
Other operating expenses		1 131 469	904 492	4 555 568
Depreciation and amortisation		452 763	408 395	1 698 386
Impairment		-305	33 410	32 240
Operating profit		1 152 665	1 002 320	4 051 004
Fair value adjustment related to biological assets		460 325	251 648	1 189 284
Income from associated companies	5	66 155	129 413	494 487
Operating profit and income from joint ventures and associates (EBIT)		1 679 145	1 383 381	5 734 775
Net interest expenses		-115 730	-70 349	-352 616
Net other financial items (incl. agio/disagio)		4 184	53 111	45 456
Profit before tax		1 567 599	1 366 143	5 427 615
Income tax expenses		-344 454	-312 959	-1 142 423
Net profit		1 223 145	1 053 184	4 285 192
Profit to non-controlling interest		553 940	537 543	1 795 340
Profit to controlling interests		669 205	515 641	2 489 852
Earnings per share (EPS)		3.3	2.6	12.3
Diluted EPS		3.3	2.6	12.3
Adjusted earnings per share (EPS) *		2.4	1.9	9.9

*) before fair value adj.related to biological assets

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

All figures in NOK 1,000	Q1 2023	Q1 2022	(audited) 2022
Net earnings in the period	1 223 145	1 053 184	4 285 192
Other comprehensive income			
Currency translation differences	488 500	1 439	421 721
Other comprehensive income from associated companies	467	-	14 562
Cash flow hedges	-32 916	16 599	16 124
Others incl. tax effect	-6 950	-670	-9 961
Total other comprehensive income	449 101	17 368	442 446
Comprehensive income in the period	1 672 246	1 070 552	4 727 638
Allocated to:			
Minority interests	640 001	504 323	1 869 298
Majority interests	1 032 245	566 229	2 858 340

STATEMENT OF FINANCIAL POSITION (unaudited)

All figures in NOK 1,000	Note	31.03.2023	31.03.2022	(audited) 31.12.2022
Assets				
Intangible assets		12 176 979	11 752 182	12 006 571
Vessels		2 654 378	2 397 385	2 628 444
Property, plant and equipment		7 966 982	6 972 486	7 628 922
Right-of-use assets	8	3 205 121	3 318 455	3 222 361
Investments in associated companies	5	3 609 905	3 099 251	3 381 943
Investments in other shares		42 813	46 613	42 502
Other long-term receivables		223 532	190 718	223 349
Total non-current assets		29 879 710	27 777 090	29 134 092
Inventories	3	11 876 725	8 843 501	10 928 158
Accounts receivable		2 972 250	2 629 428	2 909 332
Other current receivables		1 054 408	1 086 220	751 079
Cash and cash equivalents		4 483 805	4 822 393	4 339 623
Total current assets		20 387 188	17 381 542	18 928 192
Total assets		50 266 898	45 158 632	48 062 284
Equity and liabilities				
Share capital	6	101 359	101 359	101 359
Treasury shares		-18 312	-18 312	-18 312
Share premium		3 713 549	3 713 549	3 713 549
Retained earnings and other reserves		12 557 285	10 157 123	11 525 039
Non-controlling interests		13 452 638	12 310 788	12 840 748
Total equity		29 806 518	26 264 506	28 162 382
Deferred tax liabilities		3 805 602	3 629 577	3 581 083
Pensions and other obligations		14 292	12 103	12 536
Borrowings		6 060 586	6 574 255	5 967 761
Lease liabilities to credit institutions		885 471	980 781	903 027
Lease liabilities other than to credit institutions		1 504 170	1 662 910	1 527 316
Other non-current interest bearing debt		707	787	658
Other long-term liabilities		43 630	28 935	28 920
Total non-current liabilities		12 314 458	12 889 348	12 021 301
Short term borrowings		1 048 427	571 713	1 110 653
Lease liabilities to credit institutions		359 363	252 368	345 335
Lease liabilities other than to credit institutions		326 466	298 730	322 833
Overdraft facilities		1 640 037	675 534	1 152 658
Account payable		2 163 745	1 957 577	2 374 299
Other current liabilities		2 607 884	2 248 856	2 572 823
Total current liabilities		8 145 922	6 004 778	7 878 601
Total liabilities		20 460 380	18 894 126	19 899 902
Total equity and liabilities		50 266 898	45 158 632	48 062 284
Net interest bearing debt (NIBD)		5 510 786	4 233 045	5 140 469
Lease liabilities other than to credit institutions		1 830 636	1 961 640	1 850 149
NIBD incl. right of use assets liabilities		7 341 422	6 194 685	6 990 618
Equity ratio		59%	58%	59%

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

All figures in NOK 1,000	31.03.2023	31.03.2022	31.12.2022
Equity at period start	28 162 382	25 186 977	25 186 977
Comprehensive income in the period	1 672 246	1 070 552	4 727 638
Dividends	-22 110	-8 787	-1 752 010
Transactions with non-controlling interest	-6 000	15 764	-223
Other	-	-	-
Total changes in equity in the period	1 644 136	1 077 529	2 975 405
Equity at period end	29 806 518	26 264 506	28 162 382

CASH FLOW STATEMENT (unaudited)

All figures in NOK 1,000	Q1 2023	Q1 2022	(audited) 2022
Cash flow from operating activities			
Profit before income tax	1 567 599	1 366 143	5 427 615
Fair value adjustment of biological assets	-460 325	-251 648	-1 189 284
Taxes paid in the period	-102 787	-158 724	-775 098
Depreciation and amortisation	452 763	442 096	1 732 087
Impairments	-305	-291	-1 461
Associated companies - net	-66 155	-129 413	-494 487
Interest expense	135 930	84 676	431 127
Interest income	-20 200	-14 327	-78 511
Change in inventories	-487 155	-487 296	-1 634 316
Change in receivables	-330 550	-677 934	-622 695
Change in payables	-216 900	37 314	459 442
Other operating cash flow incl. currency exchange	-22 190	85 589	-59 423
Net cash flow from operating activities	449 725	296 185	3 194 996
Cash flow from investing activities			
Purchase of intangible and fixed assets	-470 939	-340 317	-1 834 458
Purchase of shares and equity investments	-85 020	-49 117	-58 892
Proceeds from sale of fixed assets/equity investments	10 754	3 380	55 712
Cash inflow from business combinations	-	-	-
Dividends received	-	3 000	131 000
Interest income	20 200	14 327	78 511
Other investing activities - net	4 524	-22 904	-46 426
Net cash flow from investing activities	-520 481	-391 631	-1 674 553
Cash flow from financing activities			
Proceeds from new long term debt	168 343	80 000	292 003
Repayment of long term debt	-340 390	-485 773	-1 288 450
Change in short term debt	480 706	97 121	570 268
Interest paid	-135 945	-85 453	-440 954
Dividends paid	-22 110	-8 787	-1 752 010
Other finance cash flow - net	42 405	-4 844	72 188
Net cash flow from financing activities	193 009	-407 736	-2 546 955
Net change in cash and cash equivalents	122 253	-503 182	-1 026 512
Cash, and cash equivalents at start of period	4 339 623	5 328 615	5 328 615
Exchange gains/losses (-)	21 929	-3 040	37 520
Cash and cash equivalents at period end	4 483 805	4 822 393	4 339 623

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. The government submitted its Proposition to the Storting (78 LS) concerning resource rent tax on aquaculture on 28 March 2023. The proposal involves a new tax of 35% on top of the standard 22% rate of corporation tax, resulting in a total tax rate of 57% if the proposal becomes law. As the bill has not yet been adopted, the Group's tax estimates in the Q1 2023 report are aligned with the practice applied in previous years' reporting.

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

There were related party transactions in Q1 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

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

FV adjustments over profit and loss	Q1 2023	Q1 2022	2022
Change FV adj. of biological assets	564 744	407 029	1 057 507
Change in FV of onerous contracts	-90 586	-191 519	30 659
Change in FV of fishpool contracts	0	0	0
Total FV adjustments over profit and loss	474 158	215 510	1 088 166

Fair value adjustments over OCI

Change in FV of fishpool contracts *	0	-1 836	-1 649
Total FV adjustments over OCI	0	-1 836	-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	31/03/2023	31/03/2022	31/12/2022
Cost on stock for fish in sea	4 832 564	4 282 054	4 632 941
Cost on stock for fry, brood, smolt and cleaning fish	522 996	433 219	476 507
Total cost on stock for biological assets *	5 355 560	4 715 273	5 109 448
FV adj. of fish in sea	3 072 889	1 857 667	2 508 145
FV adj. of fry, brood, smolt and cleaning fish	0	0	0
Total FV adj. of biological assets	3 072 889	1 857 667	2 508 145
Monthly discount rate applied	4.0 %	4.0 %	4.0 %
FV of fish in sea	7 905 454	6 139 721	7 141 086
FV of fry, brood, smolt and cleaning fish	522 996	433 219	476 507
Carrying amount of biological assets	8 428 449	6 572 940	7 617 593

Onerous contracts (liability)

Carrying amount of onerous contracts	-104 186	-235 778	-13 600
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Fish Pool contracts

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

NOTE 3 BIOLOGICAL ASSETS (cont.)

SLAUGHTERED VOLUME:

Volume in gutted weight (GWT)	Q1 2023	Q1 2022	2022
Salmon	24 914	27 912	151 942
Trout	3 687	4 145	22 687
Total	28 602	32 057	174 629

VOLUME

Volume of fish in sea (LWT)	Q1 2023	Q1 2022	2022
Volume at beginning of period	97 923	107 242	107 242
Net growth during the period	28 253	33 664	194 366
Slaughtered volume during the period	-33 360	-37 390	-203 685
Volume at end of period (LWT)	92 816	103 516	97 923

Specification of fish in sea (LWT)	31/03/2023	31/03/2022	31/12/2022
Salmon	81 030	90 146	85 391
Trout	11 786	13 370	12 532
Total	92 816	103 516	97 923
Salmon > 4.65 kg (live weight) *	3 796	5 724	384
Trout > 4.76 kg (live weight) *	299	2 052	0

* Defined as mature biological assets

Br. Birkeland Farming AS

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

Fair value adjustment over profit and loss	Q1 2023	Q1 2022	2022
Change FV adj. biological assets	-13 833	36 138	101 118
Total FV adjustments over profit and loss	-13 833	36 138	101 118

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS

Positive amounts are assets and negative amounts are liabilities

Biological assets	Q1 2023	Q1 2022	2022
Cost on stock for fish in sea	222 070	200 511	236 607
Fair value adjustment fish in sea	103 811	52 664	117 644
Fair value fish in sea	325 881	253 175	354 251
Fry, brood and smolt	-	-	-
Carrying amount of biological assets	325 881	253 175	354 251

SLAUGHTERED VOLUME

Slaughtered volume in gutted weight (GWT)	Q1 2023	Q1 2022	2022
Total volume	2 425	1 548	8 631
- Salmon	2 425	1 548	8 631

VOLUME

Volume of fish in sea (LWT)	Q1 2023	Q1 2022	2022
Volume at beginning of period	4 784	4 379	4 379
Net growth during the period	2 303	2 168	10 755
Slaughtered volume during the period	-2 941	-1 865	-10 350
Volume at end of period (LWT)	4 146	4 682	4 784
Fish > 4.65 kg (live weight)	1 818		2 708

NOTE 4 SEGMENTS

All figures in NOK 1,000	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%)
Q1 2023										
Operating revenue and other income		6 974 625	464 883	282 256	89 634	243 406	-53 144	8 001 660	1 521 354	9 523 014
EBIT before adj.related to biological asset		969 094	-8 948	109 991	1 951	105 953	-25 376	1 152 665	144 617	1 297 282
EBIT %		14%		39%	2%	44%		14%	10%	14%
Operating revenue and other income	7	1 336 749	50 262	121 090	17 198	123 501	-22 135	1 626 665	192 943	1 819 608
EBIT %		19%	11%	43%	19%	51%		20%	13%	19%
Operating revenue and other income	7	989 279	-9 253	109 992	1 952	107 311	49 232	1 248 513		
EBIT %		14%	-2%	39%	2%	44%	-93%	16%		
Volumes sold:										
Salmon (GWT tonnes)		28 602				2 425		31 027		
Fishmeal/oil/FPC (tonnes)			20 895	2 439				23 334		
Frozen/fresh fish (tonnes)			6 641	21 382				28 023		
Q1 2022										
Operating revenue and other income		5 524 679	653 064	188 726	68 156	121 341	8 820	6 564 786	1 109 563	7 674 349
EBIT before adj.related to biological asset		851 817	84 965	41 428	-516	35 043	-10 418	1 002 319	49 278	1 051 597
EBIT %		15%	13%	22%		29%		15%	4%	14%
Operating revenue and other income	7	1 209 803	130 555	83 863	11 451	52 249	-6 387	1 481 534	91 949	1 573 483
EBIT %		22%	20%	44%	17%	43%		23%	8%	21%
Operating revenue and other income	7	888 768	84 674	75 129	-517	35 663	47 958	1 131 675		
EBIT %		16%	13%	40%	-1%	29%	544%	17%		
Volumes sold:										
Salmon (GWT tonnes)		32 057				1 548		33 605		
Fishmeal/oil/FPC (tonnes)			35 842	2 380				38 222		
Frozen/fresh fish (tonnes)			10 314	15 046				25 360		
2022										
Operating revenue and other income		26 652 257	2 562 478	820 782	332 945	742 809	38 345	31 149 616	5 640 763	36 790 379
EBIT before adj.related to biological asset		3 194 878	467 581	128 333	-18 148	300 467	-22 107	4 051 004	667 958	4 718 962
EBIT %		12%	18%	16%		40%		13%	12%	13%
Operational EBITDA	7	4 797 105	662 508	200 113	36 756	370 294	-5 489	6 061 287	845 302	6 906 589
EBITDA %		18%	26%	24%	11%	50%		19%	15%	19%
Operational EBIT	7	3 471 066	466 342	161 787	-18 148	303 936	460 423	4 845 406		
EBIT %		13%	18%	20%	-5%	41%	1201%	16%		
Volumes sold:										
Salmon (GWT tonnes)		174 629				8 631		183 260		
Fishmeal/oil/FPC (tonnes)			127 319	13 011				140 330		
Frozen/fresh fish HC (tonnes)			12 277	57 682				69 959		

NOTE 5 ASSOCIATES

	Share of net profit	Q1 2023	Q1 2022	2022
Norskott Havbruk AS* a)	50.0%	-16 653	96 294	41 492
Pelagia Holding AS b)	50.0%	75 451	28 285	418 427
Others		7 357	4 834	34 568
Income from joint ventures and associates		66 155	129 413	494 487
Fair value adjustment biological assets		-8 456	70 877	11 982
Income from joint ventures and associates before FV adj.		74 611	58 536	482 505
Investment in associates:				
Norskott Havbruk		1 249 722	1 169 697	1 183 855
Pelagia Holding AS		1 918 499	1 523 416	1 764 567
Others		441 684	406 138	433 521
Total investment		3 609 905	3 099 251	3 381 943
Dividend received				
Norskott Havbruk				
Pelagia Holding AS				125 000
Others		-	3 000	6 000
Total dividend received from associates		-	3 000	131 000

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

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

NOTE 6 LIST OF THE 20 LARGEST SHAREHOLDERS AT 31.03.2023

Investor	Number of shares	% of top 20	% of total
LACO AS	112 605 876	73.33	55.55
STATE STREET BANK AND TRUST COMP	5 572 351	3.63	2.75
J.P. MORGAN SE	4 439 961	2.89	2.19
FOLKETRYGDFONDET	2 947 377	1.92	1.45
OM HOLDING AS	2 941 114	1.92	1.45
PARETO AKSJE NORGE VERDIPAPIRFOND	2 886 105	1.88	1.42
SIX SIS AG	2 713 136	1.77	1.34
STATE STREET BANK AND TRUST COMP	2 121 799	1.38	1.05
THE BANK OF NEW YORK MELLON SA/NV	1 940 629	1.26	0.96
THE NORTHERN TRUST COMP, LONDON BR	1 896 534	1.24	0.94
JPMORGAN CHASE BANK, N.A., LONDON	1 797 025	1.17	0.89
CLEARSTREAM BANKING S.A.	1 732 206	1.13	0.85
J.P. MORGAN SE	1 686 779	1.10	0.83
STATE STREET BANK AND TRUST COMP	1 379 262	0.90	0.68
VERDIPAPIRFONDET STOREBRAND NORGE	1 306 666	0.85	0.64
VERDIPAPIRFONDET ALFRED BERG GAMBA	1 234 358	0.80	0.61
J.P. MORGAN SE	1 197 961	0.78	0.59
DANSKE INVEST NORSKE INSTIT. II.	1 142 963	0.74	0.56
STATE STREET BANK AND TRUST COMP	1 026 190	0.67	0.51
PARETO INVEST NORGE AS	982 217	0.64	0.48
Total number owned by top 20	153 550 509	100.00	75.75
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.

Operating EBITDA and operating EBIT exclude certain items, most significantly fair value adjustment of 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 and were introduced as an alternative to resource rent tax. Also excluded are one-off events not expected to happen again, such as settlement costs. 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 figures in NOK 1,000	Q1 2023	Q1 2022	(audited) 2022
Operating revenue and other income	8 001 660	6 564 786	31 149 616
Raw material and consumables used	-3 971 353	-3 038 385	-16 293 681
Salaries and personnel expenses	-1 293 715	-1 177 784	-4 518 737
Other operating expenses	-1 114 094	-891 050	-4 272 589
Change in unrealised internal margin	4 167	23 967	-3 322
Operational EBITDA	1 626 665	1 481 534	6 061 287
Depreciation and amortisation	-452 763	-408 395	-1 698 386
Income from joint ventures and associates	74 611	58 536	482 505
Operational EBIT	1 248 513	1 131 675	4 845 406
Change in unrealised internal margin	-4 167	-23 967	3 322
Production fee	-17 375	-13 442	-74 194
Fair value adjustment related to biological assets	460 325	251 648	1 189 284
Fair value adjustment related to biological assets in associates	-8 456	70 877	11 982
Impairment	305	-33 410	-32 240
Litigation fee	-	-	-208 785
Other non-operational items	-	-	-
Operating profit and income from joint ventures and associates (EBIT)	1 679 145	1 383 381	5 734 775
Net interest expenses	-115 730	-70 349	-352 616
Net other financial items (incl. agio/disagio)	4 184	53 111	45 456
Profit before tax	1 567 599	1 366 143	5 427 615
Income tax expenses	-344 454	-312 959	-1 142 423
Net profit	1 223 145	1 053 184	4 285 192

Reconciliation between new APM, operational EBITDA, and previously used APM, EBITDA before fair value adjustment related to biological assets

	Q1 2023	Q1 2022	(audited) 2022
Operational EBITDA	1 626 665	1 481 534	6 061 287
EBITDA before fair value adjustment related to biological assets	1 605 123	1 444 125	5 781 630
Difference	21 542	37 409	279 657
Difference			
Change in unrealised internal margin	4 167	23 967	-3 322
Production fee	17 375	13 442	74 194
Litigation fee	-	-	208 785
Total	21 542	37 409	279 657

NOTE 7 ALTERNATIVE PERFORMANCE MEASURES (cont.)

Net-interest-bearing debt (NIBD)

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

	31/03/2023	31/03/2022	31/12/2022
Loans from credit institutions *			
+ Lease liabilities to credit institutions *	1 244 834	1 233 149	1 248 362
+ Other long term loans *	7 109 720	7 175 690	7 107 992
+ Overdrafts/other short term loans	1 640 037	675 534	1 152 658
- Cash and cash equivalents	-4 483 805	-4 822 393	-4 339 623
= Net-interest-bearing debt (NIBD)	5 510 786	4 261 980	5 169 389

* Both long-term and short-term portion

NOTE 8 RIGHT-OF-USE ASSETS

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

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

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

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

Right-of-use assets	Land	Buildings	Plant, equipment and other fixtures	Vessels	Total
Carrying value 01.01.	33 187	497 319	1 380 066	1 311 789	3 222 361
Foreign currency translation differences	547	11 182	9 118	4	20 851
Right-of-use assets acquired	1 079	45 660	46 386	26 728	119 853
Disposal	-1 001	-2 091	-4 656	-	-7 748
Depreciation	-1 309	-14 201	-10 789	-64 268	-90 567
Business combinations	-	-2 266	-56 681	-1 628	-60 575
Reclassification	-	-	946	-	946
Carrying value 31.03.2023	32 503	535 603	1 364 390	1 272 625	3 205 121



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