

ANNUAL REPORT 2022

# *Made by nature*

Pioneered by  Måsøval



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# About Måsøval







A FISH FARMING PIONEER

*est. 1973*

PRODUCING

**25 000  
tonnes**

A YEAR



SERVING

**3,1 million  
people**EVERY SINGLE WEEK,  
YEAR-ROUND

# *Made by nature – pioneered by Måsøval*

Måsøval is a Norwegian fish farming pioneer. Ever since the company was founded in 1973, our dedicated employees have worked in close harmony with nature.

Off the coast of central Norway, the Atlantic Ocean provides strong currents and high tidal range, ensuring an abundance of fresh, clean seawater. It is here, in one of the most beautiful coastal landscapes in the world, that we make one of the best products in the world – Salmon: Made by nature, pioneered by Måsøval.

Now led by the third generation of the Måsøval family, we are setting our sights on producing more than 25 000 tonnes of salmon a year, serving 3,1 million people – every single week, year-round.

And even though we've already achieved a lot, we're still hungry for further sustainable growth.



# Our Values

At Måsøval, we have come together to embrace values that create respect for each other, the fish, nature and the world around us. This contributes to safeguarding our role as a food producer, employer and participant in society in the best possible manner.

The following four values guide us in our day-to-day operations, as well as in our longer-term decision-making.

## Responsible

Måsøval is a reliable and sustainable partner that fully focuses on fish welfare.

## Generous

Måsøval is an open and honest collaborative member of society.

## Steadfast

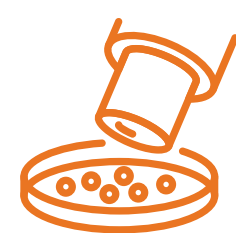
Måsøval is a diligent and conscientious aquaculturalist that works hard and never gives up.

## Bold

Måsøval is a brave and innovative pioneer, which is both level-headed and cutting-edge.

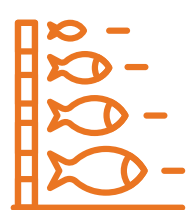


# Highlights during 2022



1 992/693/626

The Group achieved NOK 1 992 million in turnover, operational EBIT of NOK 693 million and a net profit of NOK 626 million



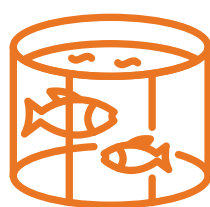
21 879

In 2022, we achieved a record harvest of 21 879 tonnes, equivalent to 2,6 million meals a week



## Integration

In 2022, Måsøval successfully integrated the employees from the newly acquired Vartdal into the Måsøval family, leading to a record harvest in region West



39,0

Operational EBIT of NOK 39,0 per kilogram in the Farming Mid region



250

The Måsøval family consists of 250 highly valued employees, all doing a great job every day

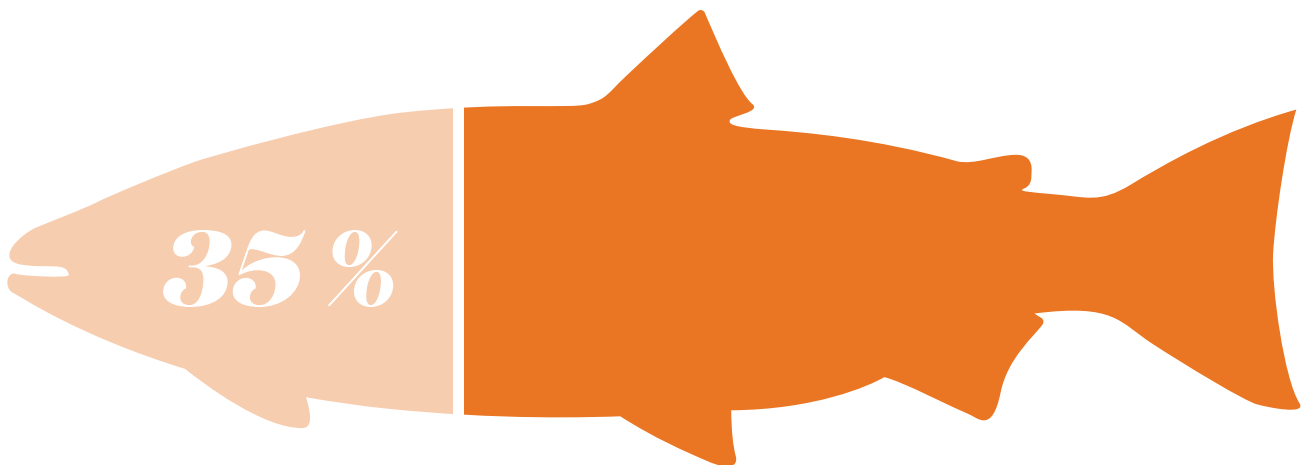
## Resource tax

On September 28<sup>th</sup>, 2022, the Norwegian government proposed a resource tax of 40 % on aquaculture activities, later reduced to 35 %.



12,2

Operational EBIT of NOK 12,2 per kilogram in the Farming West region in its first year as a part of the Måsøval Group





# Key figures 2022

CONSOLIDATED NUMBERS IN NOK 1 000	2022	2021	2020
Sum operating revenue	1 992 132	1 215 337	901 192
Harvested volume (tonnes)	21 879	16 888	16 253

EBITDA	859 610	397 968	309 235
Operational EBIT	693 444	292 394	226 983
Pre-tax profit	802 651	333 250	124 469
Annual Profit	626 262	281 280	110 423

## FARMING SEGMENT IN NOK

Sales price per kg salmon	79,4	56,5	52,8
Production cost per kg salmon	45,6	37,5	37,4
EBIT per kg salmon	33,8	19,0	15,4

CONSOLIDATED NUMBERS IN NOK 1 000			
Value biomass	1 159 932	699 558	401 749
Total assets	4 968 915	4 530 047	1 772 820
Total equity	1 988 971	1 485 676	663 139
Net interest-bearing debt	1 798 068	1 922 268	775 062

EBITDA margin	43,15 %	32,75 %	34,31 %
Operational margin	34,81 %	24,06 %	25,19 %
Equity ratio	39,88 %	32,80 %	37,41 %

Return on capital employed (ROCE) (1)	24,6 %	15,6 %	11,5 %
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1) EBIT/(average of opening balance and outgoing balance of Net interest-bearing debt + equity – Financial assets)

## TURNOVER MNOK

# 1 992

The Group achieved MNOK 1 992 in turnover, operational EBIT of MNOK 693 and a net profit of MNOK 626

## FARMING

# 33,8

OPERATIONAL  
EBIT NOK PER KG

## HARVESTED VOLUME

# 21 879

TONNES



## History


*Once a pioneer,  
always a pioneer*

Karsten Måsøval became one of the first Norwegian aquaculture pioneers when in 1973 he, his brother and father built a small freezer room and nailed together their first net pens. They had no other employees, so worked long days with just a rowboat and raw muscle power.

“It was almost like working on a fishing vessel – we had to sleep when we had a few hours off,” he reminisces.

Karsten is not afraid to admit that they sometimes doubted whether this – in the eyes of many – foolhardy venture was worthwhile.





"Things haven't always gone smoothly, but we got through it, and today we have a completely different company than when we first started," he says. To begin with, all of the net pens were lined up in a row along the shore, just a stone's throw from their garden fence. Today, operations have come a long way – production has moved out to the open sea and has spread to as many as 18 sites along the coast down from Trøndelag. At first, they travelled around and sold the fish themselves, while today, 2,6 million people eat Måsøval salmon every single week.

Is he proud, as one of the original founders, of how far the company has come? "I'm proud that my boys want to keep running the business. I'm also proud that a new generation is interested in my life's work – what my father and brother helped start. I think that's almost the best thing about this!"



# Important strategic events in the group



1973

The company is founded by Edvin Måsøval and sons

1977

The first investment in salmon is made

1978

Sons, Bjørn and Karsten, take over the company

1982

Måsøval acquires a 33 % stake in Nordskagfisk

1990

Salmar is founded, together with Gustav Witzøe, following Nordskagfisk's bankruptcy

1997

Måsøval acquires a 66 % stake in Gunnar Espnes Fiskeoppdrett, on Frøya

1998

Måsøval sells its stake in Salmar  
The first smolt facility is acquired

2003

Måsøval acquires Vikan Fishfarm, on Hitra

2004

The smolt facility at Hitra is acquired

2005

Måsøval completes its takeover of Brattøyfisk at Frei

2009

A new salmon license is secured

2011

The fish farming company, Lernes, is acquired, together with its four licences





2016

The Aquagen collaboration on backup broodstock production on two licences is launched  
Laxar is acquired. (Today, Måsøval Eiendom, Måsøval's parent company, owns a 59 % stake)

2017

An application is made for development licences on the Aqua Semi project

2018

Måsøval partners with Pure Norwegian Seafood, at Averøya

2019

Måsøval strengthens its smolt production by acquiring Åsen Settefisk  
Måsøval is awarded the development licences for the Aqua Semi project

2020

Måsøval secures 2,5 new licences, increasing production by 2 000 tonnes  
Måsøval enters into a 10-year agreement with Guri Kunna upper secondary school to manage their educational license, thus aiding in the development of tomorrow's workforce.

2021

Måsøval lists successfully on the Oslo Euronext Growth exchange in June and becomes an integrated salmon producer with the acquisition of 65% of the shares in Pure Norwegian Seafood  
Måsøval strengthens its presence in PA5 with the acquisition of Vartdal Group's four licenses, two post-smolt facilities and a harvesting plant

2022

Måsøval enters into a co-location agreement with Frøya Laks for the operation of 2 433 tonnes MAB



## CEO's Report

*A year of  
record highs*

Closing out 2022, we can again look back on a year full of significant events resulting in both operational and financial records.

For Måsøval, 2022 was mainly a year of integration and consolidation of the acquisitions made in 2021, with a focus on operational performance.

We are happy to have taken the employees from the Vartdal Group into our family, who together with the management team and other employees of Måsøval have undertaken significant investments in both the smolt and the sea phase. Combined with efforts throughout the year to improve the operations, we have already seen improved results and this newly-integrated business is now a significant contributor to our harvested volume.

The strategic plan behind the purchase of Pure Norwegian Seafood has been put into effect and Måsøval is now seen as a fully integrated salmon producer. I am impressed to see how our sales team was able to find new quality customers for all our harvested salmon in 2022. Trading volume through 2022 was three-and-a-half times higher than in 2021 – and maintaining healthy margins. In addition, our new salmon brand, Pure Princess, was launched and well-received among our high-end customers.



We also made important investments in our harvesting operations, including a new closed harvesting pen at Averøy and preparations in anticipation of a larger volume to be harvested in 2023 at this site. At Vartdal, we invested in automation and improved harvesting equipment. We expect to see further improvements in both our harvesting operations into 2023.

The scope of our integration work in 2022 certainly put the capabilities of our team to the test. However, I am pleased to say that we have been able to manage the process well, and the co-ordination and optimisation of the entire business is well under way. It is the sum of the expertise and knowledge across the organisation that will allow us to go on the offensive to be a major player in an industry that is constantly undergoing change.

The salmon market was very strong in 2022, with exceptional prices in the second quarter that also continued into the second half of the year.

Måsøval has a long history of collaboration with our colleagues in fish farming in Norway and are proud to be the preferred partner. We continued this by managing a total of 2 340 tonnes of salmon MAB through our partnership with Trøndelag county and the renewed partnership in 2022 with Aquagen. At the end of 2022, Måsøval's position as a preferred partner was again demonstrated as we secured a co-location agreement with Frøya Laks, through which we will manage 2 433 tonnes MAB, providing us with further opportunities for growth.

Unfortunately, despite the strong performance of the group, shareholders saw a substantial deterioration in the share price. The proposal by the Norwegian Government in September 2022 to impose a resource rent tax on aquaculture was devastating to shareholder values. At the time of writing, certain changes have been made to the proposal, but we are still awaiting a final decision following negotiations within the Norwegian Parliament. As a direct consequence of this new tax regime, and the

surrounding uncertainties, Måsøval has been forced to put on hold or cancel substantial investments. I am clearly of the opinion that the current proposal, both regarding the level and model, is not only damaging to shareholder values, but also to the communities in which we operate and the industry itself – an industry that needs healthy profits and a predictable tax regime to continue to invest and develop for the future.

### OPERATIONS IN 2022

Operationally speaking, 2022 was our best year on record – in every aspect of our activities. The operational performance combined with a strong market resulted in a record high revenue of NOK 1 992 million, yielding an operational EBIT of NOK 693 million – more than double the previous year's figure.

This is satisfying considering the biological challenges we continued to face during the year. Unfortunately, alongside the industry as a whole, we saw an increase in the 12-month rolling mortality rate at sea during 2022. Measured by the GSI standard, we experienced an increase in mortality from 5,47 percent in 2021 to 8,22 percent in 2022.

Despite the challenging biological situation, increased costs for preserving the welfare of our salmon, and higher costs on fees and other input factors, we were still able to harvest 21 879 tonnes of salmon, with an operational EBIT of 33,8 NOK/kg – which is among the best within our peer group.

### MÅSØVAL – AN ATTRACTIVE EMPLOYER

To achieve our strategic goals, we need to ensure that we continue to recruit, retain, train and develop our key asset – our employees. Måsøval has several initiatives in this respect, both external ones – such as our cooperation with educational institutions – and internal ones – including ongoing training, systems for experience transfer and an in-house talent program – all geared towards investing in the development of our employees. Most importantly, we strive to maintain the best possible work



Måsøval is now seen as a fully integrated salmon producer



environment for all staff that is not only healthy and safe, but also offers personal development and new challenges.

We were joined by 36 new colleagues over the course of the year, and the companies of the Group recorded 250 full-time equivalent (FTE) positions in 2022, an increase of 16 percent over the previous year. Our gender composition overall is 19 percent women, and we are working to increase this share. We recorded a slight increase in sickness absence in 2022 compared with 2021. Both of these final two numbers are ones that we proactively and continuously make efforts to improve.

Each year we conduct a company-wide staff survey. One particular result for 2022 shows that Måsøval is rated very highly (92%) as an employer and staff would recommend us to others. This is much appreciated and a valuable recognition that we are doing well in our strategy of trying to generate ownership and loyalty within our team, and should help us in our efforts to fulfil future recruitment needs to meet our growth path.

For 2022, we also published our first environment, social & governance (ESG) report. We have both an obligation and a commitment to deliver on the United Nations’ sustainability goals and to protect and improve the world for future generations. Måsøval already has several valuable initiatives in place in this respect, but we will continue and increase both focus and transparency of our work in the years to come.

## GOING FORWARD

By continually striving for healthy employees and fish we are strengthening the foundation for further sustainable and profitable growth. The consolidation of the Group continues, bringing our values and best practice to work throughout the organisation. I also welcome our comprehensive and targeted new programme for skills, communication and digitalisation of the organisation.

Our portfolio of projects to create a more sustainable business will continue to evolve, not only by completing the ongoing ones, but by adding new ones. We look forward to developing these in 2023 as part of our wider sustainability strategy.

We plan for an increase in harvested volume of approximately 10 percent in 2023 – with all our harvest sold through our own sales department. Moving into 2023, the market still looks promising, with the strong pricing of 2022 set to continue.

A lowering of mortality rates is our main focus in 2023 – crucial from a sustainability, ethical and financial perspective. We will continuously work both strategically and operationally by investing in new solutions and improved operations to reverse a rising trend and lower the mortality rate.

The largest uncertainty for Måsøval for 2023 is the outcome of the proposed new tax regime. The entire industry is now eagerly awaiting the Norwegian parliament’s consideration of the proposal for a resource tax on aquaculture. The proposal will have a negative impact on Måsøval, as well as other players in the industry.

We strongly believe in a broad consensus in Parliament, so that both our industry and partners can have predictability in our investments in the future. In the meantime, our overriding task is to continue to deliver best possible biological and financial performance.

Finally, I would like to thank all our colleagues for your contribution to our performance in 2022. Thanks also to our partners, suppliers and creditors for your continuing support. And finally, I am grateful to our shareholders who are putting their trust in our way forward – which still looks highly promising. As the new CEO, I look forward to making my contribution as part of the Måsøval team.

Helge Kvalvik,  
Chief Executive Officer



Our portfolio of projects to create a more sustainable business will continue to evolve



## Operational management

# *Fish health is priority number one*

In all our areas of business, Måsøval's production of salmon is characterised by a high focus on fish health and welfare. Biologically, though, 2022 was a challenging year for the entire fish farming industry, with demanding health pressures, particularly from high lice infection numbers. Due to these issues, early harvest was necessary for welfare reasons. However, the impressive growth of our fish allowed us to maintain our desired production volume. Mortality in 2022 was higher than in the previous year, but still below the national level, a result of our high biological performance and strong focus on biosecurity. At Måsøval, we aim to be among the best in the industry in terms of welfare and mortality, and in 2023 one of our significant focus areas will be on reducing mortality at all of our facilities.

When farmed salmon have a good health status and are provided with favorable environmental conditions, they will thrive and exhibit strong growth. This strong growth also has a significant and positive indirect effect on the risk of disease, salmon lice and mortality, as increased growth also reduces the length of time the salmon need to spend in open cages. For this reason, growth rate is a central welfare parameter.

“

At Måsøval, we aim to be among the best in the industry in terms of welfare and mortality





Lice levels, number of disease outbreaks and environmental parameters are other key indicators when we are determining our performance in biology and fish health.

Salmon farming also involves keeping other species for biological control of salmon lice. Lumpfish and wrasse have the same requirements when it comes to fish welfare and must be looked after in the same way as salmon. This is a challenge for the Norwegian farming industry, and although we have clearly seen a positive development in recent years, it is important to recognise that we still have work to do in this area. Through the strategic use of these cleaner fish, Måsøval has reduced their total use, though we will continue to work to improve their welfare.

At Måsøval, fish health is a shared responsibility. All of our employees contribute to this task through their individual activities to ensure that our salmon have a good life – from eggs to fish that are ready for processing. Every single week, all the company's operating units and professional personnel gather for an interdisciplinary biology meeting. Here, key measures in our operational status are reviewed and we determine the actions needed to ensure good biological control over time. Furthermore, we work systematically to identify the most important biological challenges for the company at any given time, from causes of fish mortality and capacity challenges to environmental and production conditions. These challenges then form the basis for prioritising where, when and how we will distribute our resources in the future.

To succeed in our ongoing development work, we work closely with several of the leading professional communities in Norway. We actively contribute to research and development with capital and expertise – and are constantly looking for new technological solutions that can contribute to better biological control.

At Måsøval, we are proud of the work we put in to ensure that salmon and cleaner fish receive the best fish welfare possible. Good biological control is our mantra and is at the very heart of the business. When we achieve excellent biological control and offer positive living conditions for our fish, we end up with healthy salmon that grow well. This is crucial in creating profitability, as well as keeping to our commitment as a sustainable food producer.





# Måsøval group





Company Structure

Måsøval AS	Equity	Description
Måsøval Laksåvika AS	100 %	Måsøval acquired Laksåvika at Hitra in 2004. The facility has an annual production capacity of 2,7 million smolts.
Måsøval Åsen AS	100 %	Måsøval acquired Åsen Settefisk in Levanger municipality in 2019. The facility has an annual production capacity of 2,5 million smolts.
Måsøval Akva AS	100 %	Måsøval acquired the company in 2021. The Company (original name Eidsvaag Akva AS) was acquired to secure our delousing capacity. The Luma delousing unit has been one of Måsøval’s most important tools against lice since 2017. At the end of 2022, all the Group’s significant sea-going vessels, feed barges and pens were transferred to Måsøval Akva AS as part of a restructuring.
Pure Farming AS	100 %	Måsøval acquired the company in 2021. It owned one production license of 780 tonnes of maximum allowable biomass (MAB).
Måsøval Service AS	100 %	Måsøval acquired the company in 2021. The Company (original name Stokkøy Skjell AS) owned several boats and was a longstanding service provider to Måsøval AS. At the end of 2022 all service operations were consolidated in Måsøval Service AS as part of a restructuring.
Pure Norwegian Seafood AS	65 %	Måsøval acquired a majority part of Pure Norwegian Seafood AS in 2021. It operates a harvesting facility at Averøy and has its own sales organisation, with high-end clients.
Aqua Farms Vartdal AS	100 %	Måsøval acquired Aqua Farms Vartdal AS in 2021. It operates four licenses and four sites at Sunnmøre.
Vartdal Fiskeoppdrett AS	100 %	Måsøval acquired Vartdal Fiskeoppdrett AS in 2021. It has a smolt and post-smolt facility with a license for 1 200 tonnes production.
Urke Fiskeoppdrett AS	100 %	Måsøval acquired Urke Fiskeoppdrett AS in 2021. It has a smolt and post-smolt facility with a license for 1 200 tonnes of production.
Western Seaproducts AS	100 %	Måsøval acquired Western Seaproducts AS in 2021. It operates a harvesting facility in Sunnmøre. The company harvests salmon from our own sites and cod from cod farmers.
Vartdal Fryseri AS	100 %	Måsøval acquired Vartdal Fryseri AS in 2021. It operates a frozen storage facility focused on white fish – mainly cod.



## Management team

# *Steady course*



**Helge Kvalvik**  
CEO

Helge holds a degree in marine technology from NTNU, Trondheim, combined with a master's degree in corporate finance from NHH, Bergen. Prior to joining Måsøval, he gained experience from a number of different industries in various senior management positions. During the last decade he was a CEO within the shipping industry. Helge enjoys spending time with his family, travelling, and honing his culinary skills.



**Gunnar Aftret**  
CFO

Gunnar has an Master's degree in business administration from the Norwegian School of Economics (NHH). Prior to starting at Måsøval in 2019, he gained management experience in Coop and Brødrene Dahl. Gunnar loves hiking in the mountains and has spent many summers in the French Alps.



**Eldar Arne Henden**  
Head of Sales and Processing

Eldar Arne has grown up with his family-owned salmon farming company and since 2004 has been head of Pure Norwegian Seafood AS. He has a bachelor's degree in fishery and aquaculture from the Arctic University of Norway (UiT). In his spare time, he loves to spend time hiking in the local mountains with friends and family.





**Harry Osvald Hansen**  
Head of Farming/Sea

Harry has a vocational training certificate in fish farming and a two-year education in fisheries technology, but – most important of all – he has over 30 years' experience in the fish farming industry. In his spare time, Harry is fully occupied with a new Pointer puppy, immersing himself in the joys and responsibilities of raising and caring for multiple dogs.



**Ingar Kyrkjebø**  
Head of Service

Ingar holds a bachelor's degree in aquaculture from Sogndal University College and a post-graduate certificate in teaching from Nord-Trøndelag University College (HiNT). He has been operations manager for Hydro Seafood and Marine Harvest, among others. Ingar is happiest when sitting on a tree stump waiting for a deer to appear.



**Henny Førde**  
Head of Sales and Logistics

Henny has a master's degree in marine biology and aquaculture from the Norwegian University of Science and Technology (NTNU). She has worked at Måsøval since 2014, first as a biological controller, and now in her current position, as head of sales. Henny is most content when boating around the beautiful islands of Hitra and Frøya.



**Andreas Skagøy**

Head of Fish Health and Area Manager PA5

Andreas has a master's degree in aquatic medicine from the Arctic University of Norway (UiT) and an executive MBA in Strategic Management from the Norwegian School of Economics (NHH). Prior to joining Måsøval in 2019 he worked as a manager in Åkerblå, leading a team of fish health professionals. Andreas and his family love the outdoors and taking long walks in the countryside is one of his greatest pleasures. He has even written a book about it.

**Berit Flåmo**

Head of Communications

Berit is a registered nurse and has studied HR and management at the Levanger University College. She has been both mayor and a council member in Frøya municipality for a number of years. Berit finds maritime nature experiences to be most rejuvenating.

**Lars Jørgen Ulvan**

Head of Smolt

Lars Jørgen has a bachelor's degree in marine resources and aquaculture from the Norwegian University of Science and Technology (NTNU). He has a background as a biologist, with experience from Atlantic Cod juveniles, before becoming Chief Executive Officer of Nordland Rensefisk. Lars Jørgen enjoys exploring the wonders of nature together with his son.



## Business areas

### *Smolt*

Måsøval began 2022 with twice the number of smolt facilities over 2021 following the acquisition of Vartdal. We now own four smolt facilities – two in our central region and two in the western region – which significantly increase our production capacity. The process of getting to know our new colleagues and integrating them into the hatchery team was a focus area in 2022 and it has been a very positive and successful process.

The two acquired plants have flow-through technology, as is the case in our two existing plants. In addition they also have a large post-smolt capacity. After the acquisition we identified several technical upgrades that would improve operations. Throughout this process, both internal and external capabilities were called upon to ensure that the investments we made would produce the desired effects for both fish and our personnel. The improvements went on throughout the year and will continue into 2023. The potential of these facilities are now familiar to us, and measures to further integrate their production into the company's other operations are well under way.





Måsøval's smolt production in 2022 performed well in general, but in the post smolt there were some challenges, including wounds and microbial detections. These issues negatively affected the fish welfare, but the cause of most of these was discovered, which enabled us to make improvements to routines and technical equipment to avoid these in the future. These challenges were handled well by our employees and smolt continued to be delivered in accordance with the company's goals.

Our ongoing case with Norway's Directorate of Water Resources and Energy (NVE) and the Ministry of Petroleum and Energy (OED) regarding the opening of the water source for anadromous fish at Måsøval Laksåvika has – despite extensive work on our part to secure a decision – still to be concluded. This is a heavy burden on the company's employees. The work on this matter is of the highest priority for us and at the end of the year we received signals that a decision should be made during the first half of 2023.

### External suppliers and agreements

In 2022, our positive collaboration with Nekton Settefisk AS continued. During the year, Nekton completed the adaptation of production in accordance with our long-term agreement, and now fully complement the production of our own facilities. In addition, we extended our agreement with Trøndersmolt to make sure that we have the flexibility in smolt deliveries that we will need in the coming years.

In addition to these long-term partnerships, we worked on opportunities for collaboration and delivery agreements with new suppliers, particularly of post-smolts. As well as increasing smolt access, such collaborations will enable us to further strengthen our expertise in new forms of production to benefit the business.

### Strategic work

In the first half of 2022, work continued on our smolt strategy for the future, and this was presented to the board in the summer of 2022. Future smolt supply was highlighted as a key area for the company and so significant work was undertaken on this throughout the autumn. Important sub-projects in this work have been to investigate opportunities for development of the current facility and to investigate additional technologies and production methods, as well as to assess future risks and opportunities. This work will continue into 2023 and findings and recommendations will be presented to the board during the first half of the year.







## *Fish farming*

Utilisation of the company's production capacity was very good between the start of the year and May 2022. However, as a result of the biological challenges described in the chapter on fish health, the company was not able to utilise its production capacity to the same extent for the rest of the year.

Despite the mentioned biological challenges, we can look back on 2022 as a year of good growth in the biomass in the sea – which is confirmed by the fact that all fish from the year 2021 generation were harvested by the end of 2022.

“

We can look back on 2022 as a year of good growth in the biomass



# 2022 – operational highlights

As part of the takeover of operations at Aquafarms Vartdal's sea sites, several changes were made to improve operations. First, additional personnel were hired, particularly for specialist positions such as fish feeding operators. Second, the process of replacing all 120-meter size net pens with 135-meter ones using an extension system began, thus upgrading key equipment. Finally, all sea sites received new certificates, signifying the fulfilment of requirements set by the Norwegian Ministry of Trade, Industry and Fisheries.

Måsøval extended its cooperation agreement with AquaGen for the production of broodfish back-up groups in 2022, which was initially

established in 2016. As per the agreement, all of Måsøval's generations at sea will be co-located with AquaGen's "elite fish", ensuring that generations will not be lost in case of illness or other unwanted events affecting the breeder fish at AquaGen's facilities.

All the smolt we released in 2021 were harvested by the end of 2022, with an average weight of 4.5 kg gutted. This was an important milestone for us, as it marked the successful completion of yet another production cycle. In 2022, 7,7 million smolts were released at our sea sites, estimated to be ready for harvest during 2023.

## 4,5 kg

average weight per fish

## 7,7 mill

million smolt released







## *Sales and processing*

Pure Norwegian Seafood's sales department played a vital role in Måsøval's success in 2022. The department now consists of seven skilled salespeople, three logistics personnel, one planner and one purchaser. Through their combined efforts, the sales team sold an impressive 22 141 tonnes of Måsøval salmon, showcasing the team's dedication and hard work.

Of the 22 141 tonnes sold to 33 different countries, 42 % went to Norwegian companies, mainly exporters, while 54 % was sold to other European countries, and 3 % to Asia. The remaining 1 % was exported to other countries, demonstrating the company's ability to operate in multiple regions and deliver quality products to customers worldwide.

In 2022, Måsøval and Pure Norwegian Seafood launched its new brand, 'Pure Princess', which stands out due to its high quality. The salmon is produced to meet the requirements of customers seeking premium quality products in high-end markets. The brand is committed to ensuring the highest quality fish health, as it recognises that superior fish health is essential to producing quality fish for the consumer.

### **22 141**

tonnes sold

### **33**

different countries





The Pure Princess standard was also drawn up to maximise sustainability and includes features such as the best genetic selection, no GMOs, sustainable feed sources, and a focus on fish health. We select the best-performing salmon between three and five months prior to harvesting, ensuring that there is more space and lower density – with a maximum of 20 kg/m<sup>3</sup> – and we do not allow for escapes or apply antibiotics. The fish is fed with special feed containing 70 % marine content, rich in Omega-3 and with a minimum of 15 % EPA/DHA.

All these measures result in salmon with good colouring, low fat content and great texture. These features make Pure Princess salmon an exceptional product, particularly for customers who prioritise sustainable and high-quality products. Our sales department plays a crucial role in ensuring that the product is distributed efficiently to reach customers across the globe.





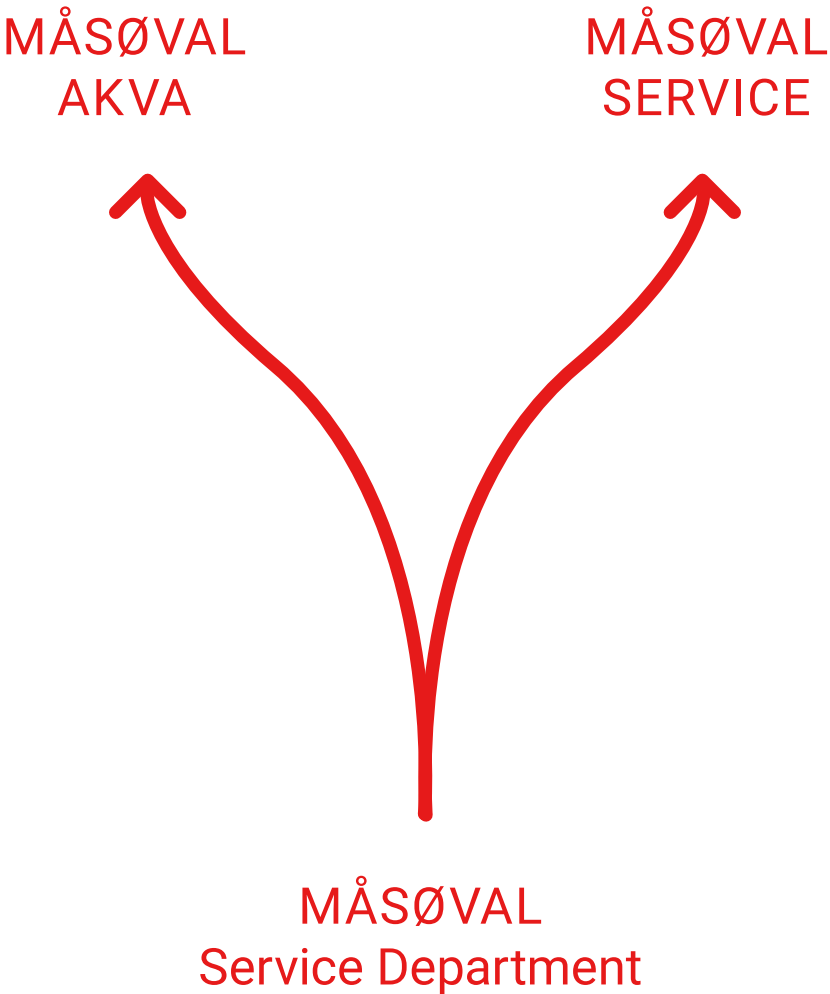


# Service

Måsøval's service strategy involves maintaining in-house capabilities for technical services. The service department has increased our ability to handle daily operations and biological challenges at short notice, while greater control over the fleet will help to ensure good biosecurity over time. The department has also proven to be competitive both in terms of quality and price and is a major element in the company's risk management functions.

It was decided in 2022 to restructure the service department, splitting activities into two companies. Måsøval Akva will become the owner of the equipment, barges and boats, while Måsøval Service will become the operating company with 35 employees. Agreements have been made with the Group's farming operations for additional servicing activities.

For 2023, the capacity for contingencies has been further strengthened through a time charter agreement on a processing vessel and the decision to invest in two delousing units on the BB Havtrans well vessel. This will, in addition to readiness on the processing vessel, increase flexibility in delousing capacity. This is crucial in periods when efforts to combat lice are ongoing on several fronts. Upgrading the vessel will also increase its versatility and increase opportunities for subletting the boat.







In May 2022 the service department was upgraded with a new service boat, named Odin. This vessel satisfies the living condition requirements for the crew and all requirements for anchor handling.

A second-hand service boat from Frøy Rederi for washing nets was handed over in December. The purchase was made to directly increase health, safety environment (HSE) and operational safety.

During 2022, Måsøval reduced its internal diving capacity to a single shift. This is in accordance with a key target in our strategic goals 2022-2027. Following this internal reduction, we contracted an external company to undertake additional diving services.

In 2022, Måsøval Service undertook equipment service for the fish farming company, Laxar, based in Iceland. This was the initial year of a contract that has a duration of five years.





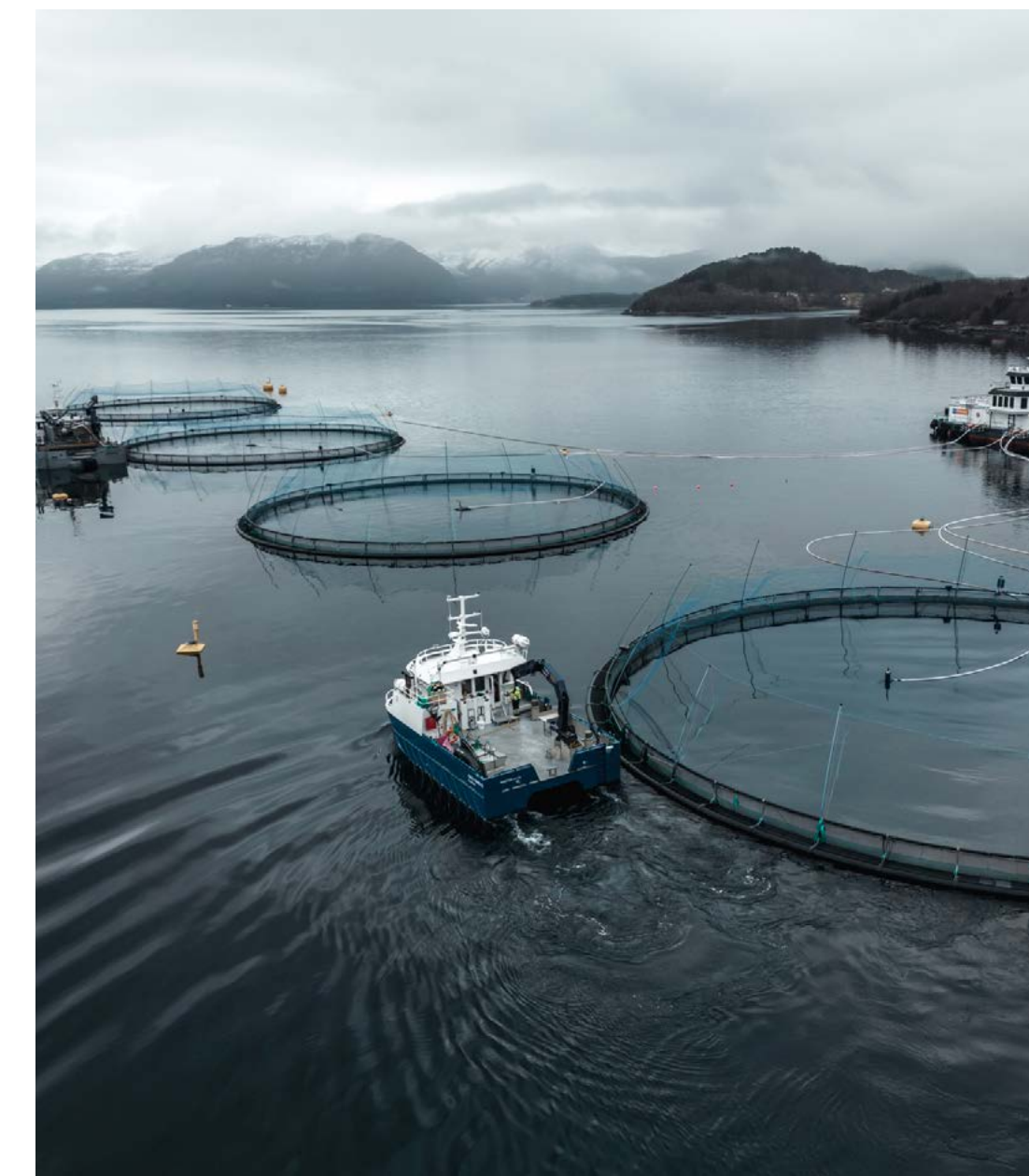
Our sites

## *The world's best natural habitats*

Following the acquisition of the Vartdal group in 2021, Måsøval now has 54 600 tonnes of MAB at its disposal.

Sound sites are a critical success factor in salmon farming, both in terms of growth potential and for biological and operational control. Måsøval's portfolio of sites is in areas that are considered to be among the most attractive areas in the world for salmon farming.

In line with our strong growth, Måsøval is continuously working on further improvements to existing sites and the acquisition of new, high-quality sites. Separate resources have been set aside explicitly to undertake this work as and when opportunities arise.







Måsøval sites at the end of 2022

	Production Area	Zone	Site	Maximum allowable biomass (MAB)
	6	Frøya Sør	Espnestaren	4 680
	6	Frøya Sør	Ilseya	3 120
	6	Frøya Sør	Måøydraga	2 340
	6	Frøya Sør	Fagerholmen	3 120
	6	Nordmøre Sør	Kattholmen	3 120
	6	Nordmøre Sør	Or	2 340
	6	Nordmøre Sør	Gaustad	1 560
	6	Frøya Nord	Fjølåret	3 900
	6	Frøya Nord	Langøya	2 340
	6	Frøya Nord	Flatøyan	3 120
	6	Frøya Øst	Bukholmen	3 900
	6	Frøya Øst	Lamøya	3 120
	5	Aukra	Orholmen	3 120
	6	Nordmøre Nord	Hårkallbåen	3 120
	5	Sunnmøre	Kvangardsnes	3 120
	5	Sunnmøre	Slettvika	3 120
	5	Sunnmøre	Gjerde	2 340
	5	Sunnmøre	Bjørndal	3 120
Total	2	7	18	54 600

4 of the 18 sites have not been in operation in 2022.



# *Strategy*





Our goals

# Continued growth to 2027 and beyond

Between 2016 and 2022, Måsøval created projects that have yielded – and will yield – an average annual growth rate of 17% in the ten-year period from 2017 to 2027. We have managed to do this by increasing our license portfolio by 8 107 tonnes MAB in 2020-22, both through acquisitions and co-location agreements with strategic partners.

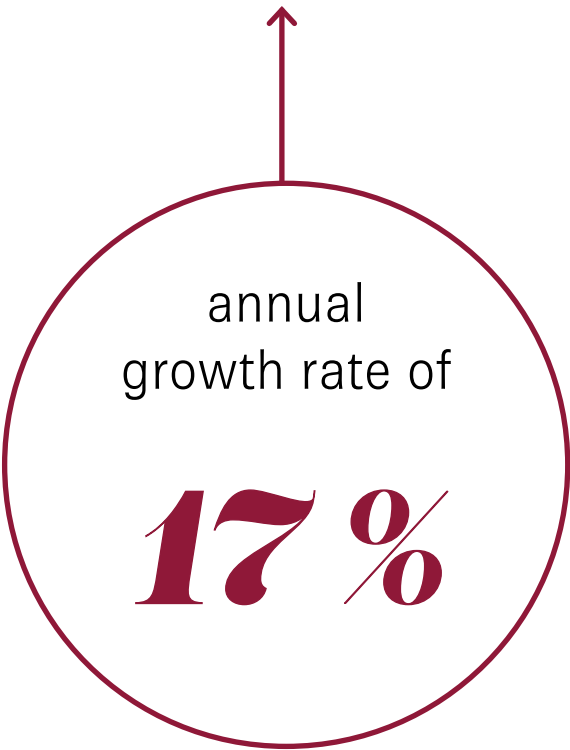
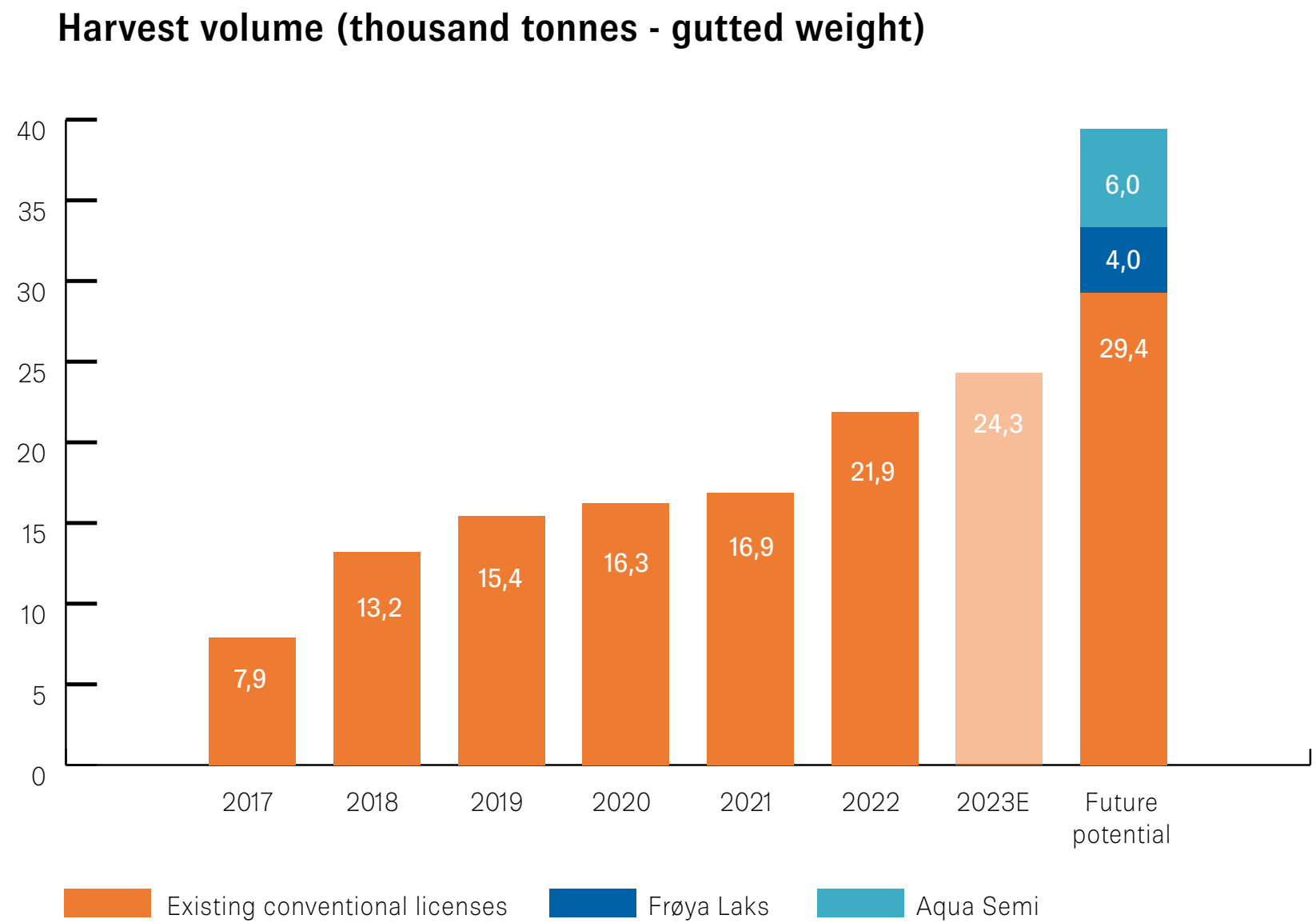
In addition to increasing production volume, AquaGen, Pure Norwegian Seafood, Guri Kunna upper secondary school and Vard Group are all players that add valuable expertise to us in key areas.

Healthy salmon grow faster

Måsøval’s ability to increase the utilisation of every single tonne of our available capacity, through better fish health, lower mortality and increased growth, makes us well-positioned to realise our growth potential in the years ahead.

We are currently halfway into our 10-year growth strategy programme and the company will continue to maintain a strong focus on seizing and developing any appropriate growth opportunities as they arise.

We would be greatly disappointed if we don’t succeed in our goal of creating even more opportunities in the years to come.





## Risk Management

# *Effective systems*

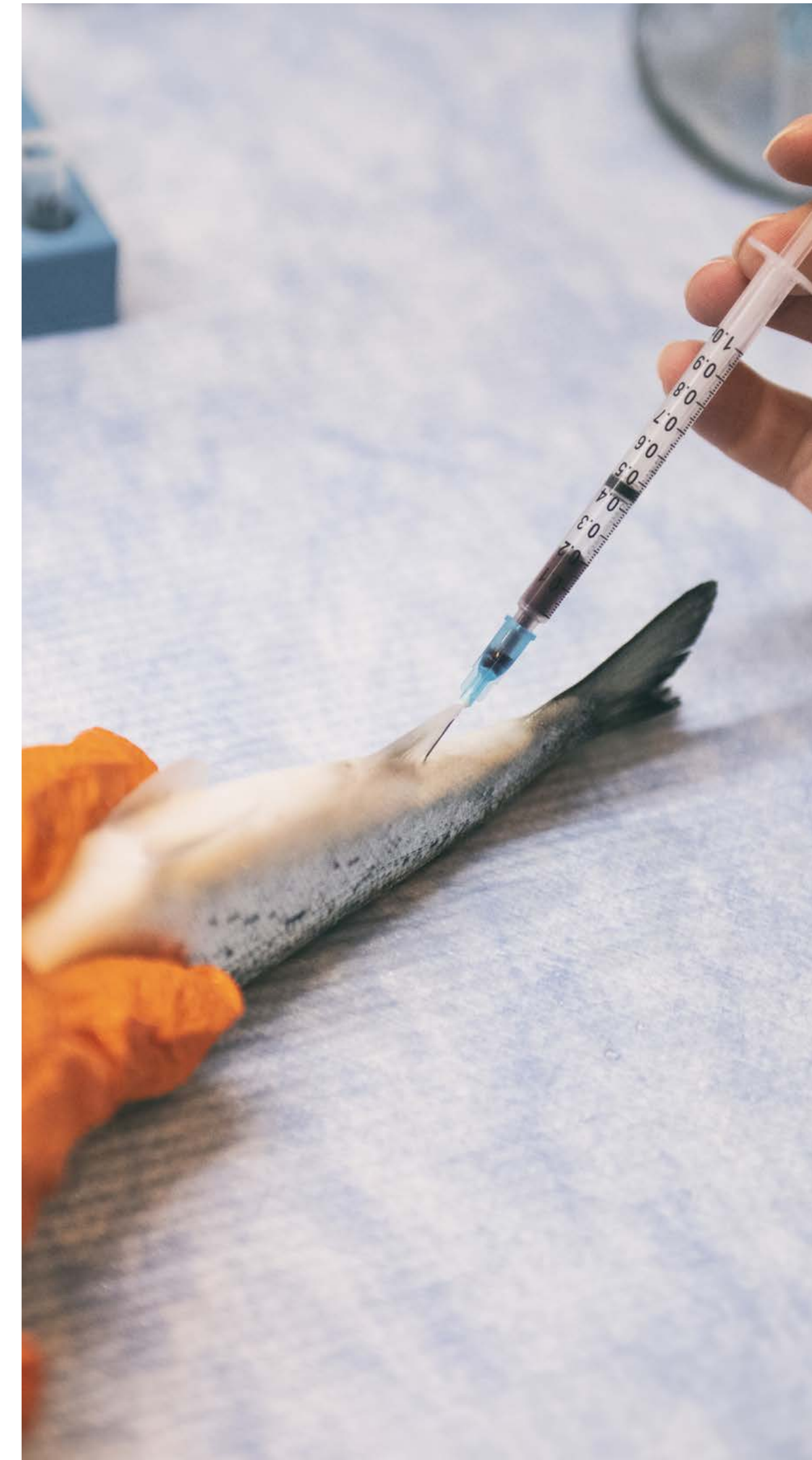
The Board of Directors has a responsibility to ensure that Måsøval has highly effective systems in place to manage risk and maintain internal controls that comply with all regulations. The company's risk management and control systems are designed to ensure that its operations run smoothly, that we offer accurate and timely financial reporting and comply with all appropriate laws and regulations.

The main risks that the company faces are the biological risks associated with our smolt facilities and sea farms – including the possibility of fish escaping – as well as financial risks such as fluctuating salmon prices, credit and interest rate risks. Similar to the overall aquaculture industry, Måsøval faces a risk of health and safety incidents due to the demanding working conditions arising from harsh weather conditions and the handling of high energy during work operations. The company also places emphasis on IT security and using technology to effectively run our operations. These risks are continually monitored by managers at all levels.

The CEO is responsible for ensuring that the company complies with all relevant statutes and guidelines. The company maintains internal

controls for financial reporting through ongoing management oversight and auditing. Any non-conformance, as well as opportunities for improvement, are addressed through ongoing internal communications.

The company's greatest risk relates to the biological development of its smolt and marine-phase fish stocks. Måsøval has established internal controls for planning, organisation, performance and evaluation of our activities in compliance with regulations and the company's goals of continuous improvement and growth. We have established shared objectives for internal controls, including the working environment and personal safety, fish health and welfare, escape prevention, pollution, food safety, and water resources.





## Ethical guidelines

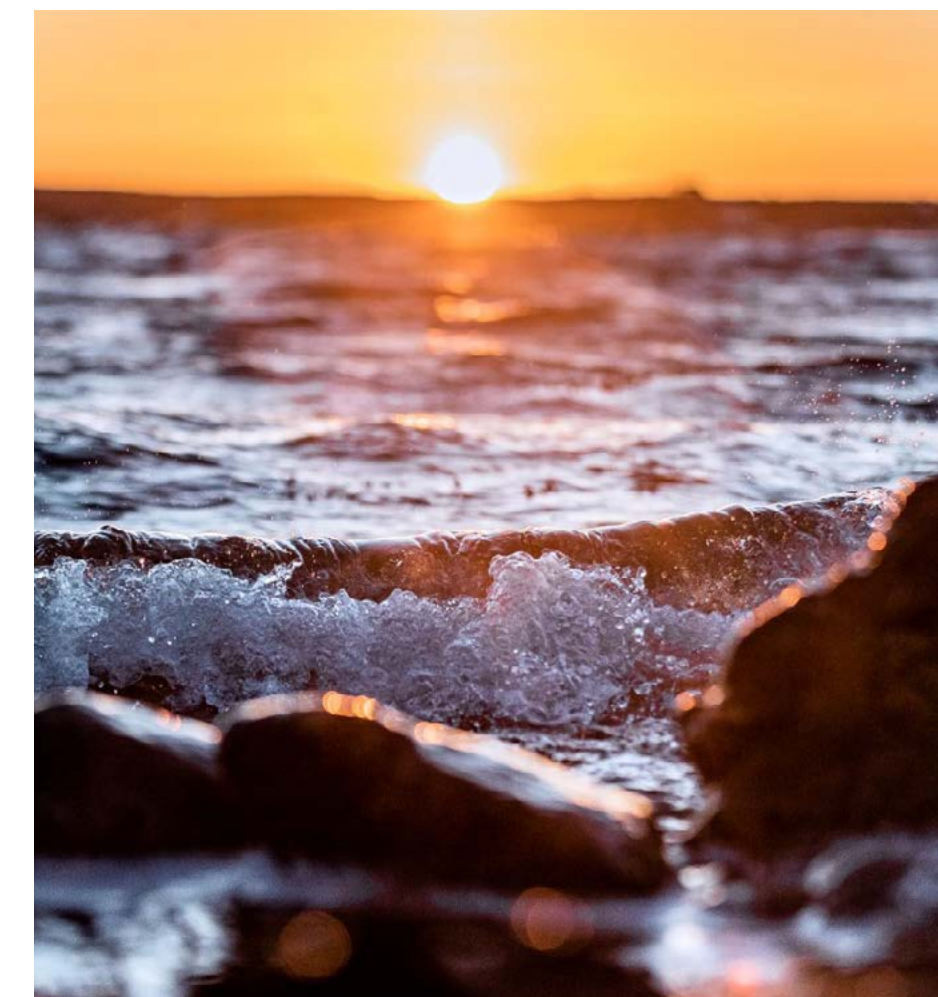
# *Taking human nature into account*

At Måsøval, though we have always worked in harmony with nature, we also need to take human nature into account. That's why we have drawn up clear ethical guidelines that clearly set the working practices we expect from both managers and employees, as well as partners.

Måsøval's ethical guidelines are intended to be a guide and a compass in our everyday working lives. We need to follow them to keep ourselves and others safe, to look after nature and to know how to handle difficult situations and dilemmas that may arise.

We are aware that these ethical guidelines have no value without positive visible action. The visible actions are those that each and every one of us performs in our daily work.

Our ethical guidelines contain clear points to create awareness of our values and our personal conduct. Their aim is to ensure employees treat each other with mutual respect, whatever their differences – which can include among other things age, gender, religion, culture and life experiences.





Working environment Committee (AMU)

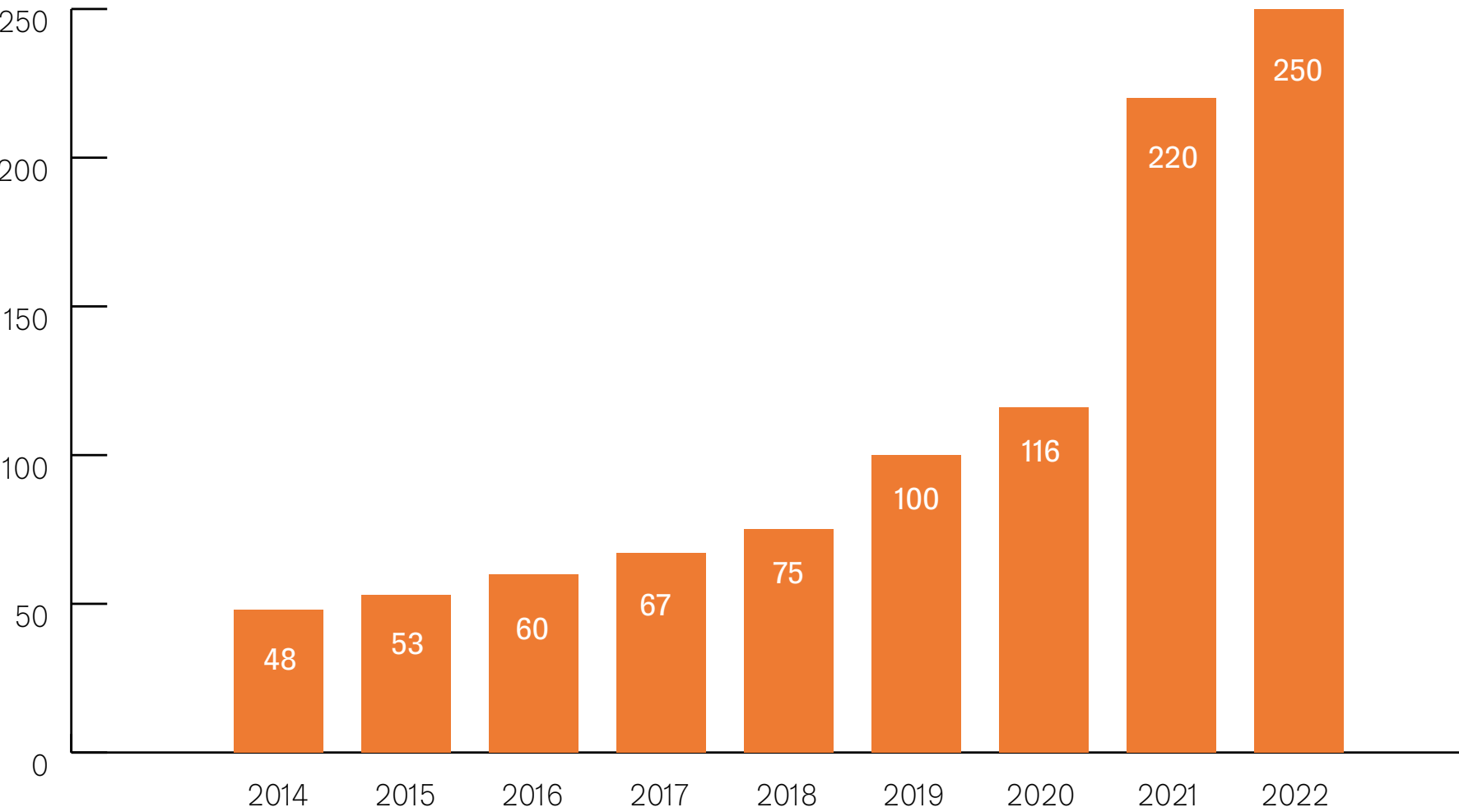
The working environment committee at Måsøval has regular meetings at which both the psycho-social and physical working environment of the company are on the agenda. This is an important focus so that employees at all times feel they are operating in a safe workplace. Sick leave, incidents of concern, areas for improvement and safety related to work operations are among the matters that are discussed on a regular basis.

Healthy, safety & environment

Nature can often create tough – even dangerous – working conditions, so it is important to have good procedures in place that strengthen a positive working environment. This permeates across the entire organisation and encompasses both mental as well as physical health.

We have clear instructions for our operations to reduce the possibility of work accidents and material damage. When incidents arise, they are always investigated by the working environment committee. The procedures are reviewed and, where necessary, focused improvement measures are put in place.

Growth in number of employees through the years





### Sickness Absence

In 2022, the level of sickness absence was 6,4 %, while in 2021 it stood at 4,8 %. The short-term sickness absence is stable at 2,5 % in both 2021 and 2022.

Our inclusive working environment contributes to the level of satisfaction and low sickness absence. Our focus is on making sure that everyone looks forward to going to work.

In recent years, an external firm has been hired to carry out an annual survey of employees at Måsøval. We are satisfied with the response rate for the survey, which was 87 % in 2022. This was a slight decrease in participation compared to 2021 (95 %), but we are satisfied with the 2022 figure in light of the major changes the Group underwent during the year. The results of the employee surveys have been very positive and valuable for Måsøval over the years they have been carried out, and we are far above the average result for businesses in Norway. Among other things, on eNPS – a method that measures the probability of a recommendation and is therefore a measure of loyalty – Måsøval scores 58. By comparison, the average score in Norway is 16. We are very happy with that!

### Employee Development

Salmon farming is ultimately about the interaction between salmon, nature, and people. To be successful, Måsøval must continually develop its staff so that they feel that they have mastery of their tasks and are able to increase their expertise over time. The rapid rate of innovation in the industry also sets high demands on Måsøval to continue to develop our capabilities to reflect both current and future challenges. That is why further education is an important tool for us. It is also an important factor in motivating our employees, as it can lead to new career opportunities. This motivation is further strengthened by Måsøval's focus on internal recruitment.

### Vocational training

Vocational training is one of the industry's best ways of bringing onboard new personnel with directly relevant expertise that is based on a fixed standard. Måsøval is an authorised training establishment and accepts between four and six apprentices a year. By taking responsibility for 50 % of an apprentice's educational programme, it commits us to ensuring that each individual apprentice receives the necessary follow-up to which they are entitled. Måsøval safeguards this responsibility through dedicated resources solely for the purpose.

Apprentices at Måsøval are high school students who study aquaculture. Courses are divided into two years of study, followed by two years of apprenticeship, working at the company full-time. In 2022, we had a total of 12 apprentices at the company – three who took their professional exam in 2022; three who were in their second year and will take their professional exam in 2023; and six who were in their first six months in the workplace. During their apprenticeship, they will be allowed to take part in standard operations at our sites, which include operations such as receiving fish/eggs, vaccinations, delousing and delivery of fish. They are treated in just the same way as ordinary employees in all the company's activities and processes.

Among our 2022 apprentices, half of the twelve are women and one of them is a full-time smolt facilities apprentice. The majority of the apprentices are sited at coastal sites, but during the apprenticeship period they will visit our smolt facilities. Also at this time, they have the opportunity to visit our sites in Iceland. In 2022, we took on our first apprentice studying as an aquaculture technician. He had studied aquaculture for two years in upper secondary school, then spent his apprenticeship aboard a service vessel rather than at a coastal site or smolt facilities. Our apprentice is aboard the Odin and follows the crew rotation schedule in the same way as other employees.





Trainees

Trainees differ from apprentices in that when they join us they already hold a bachelor’s or master’s degree that is relevant to the position they are taking. A trainee agreement is normally one or two years, during which time both employer and employee can assess whether they wish to make the employment permanent. In 2021, Måsøval took on our first trainees, working in our human resources (HR) and communications departments. During 2022, both trainees were taken on in permanent positions, as HR consultant and IT & communications consultant, respectively.

Competence strategy and recruitment

Over many years, we have also encouraged and nurtured employees who have wished to further their skills and career development by taking craft certificates in aquaculture. Our support for this training has led to impressive results, with a high – and increasing – share of staff with us who have been awarded craft certificates. In 2014, we had just five employees in the company with craft certificates, while by the end of 2022, this had increased to 58.

Our ongoing activities to facilitate and encourage employees from all parts of our operations to take further professional qualifications will continue to be an important element in our business philosophy.

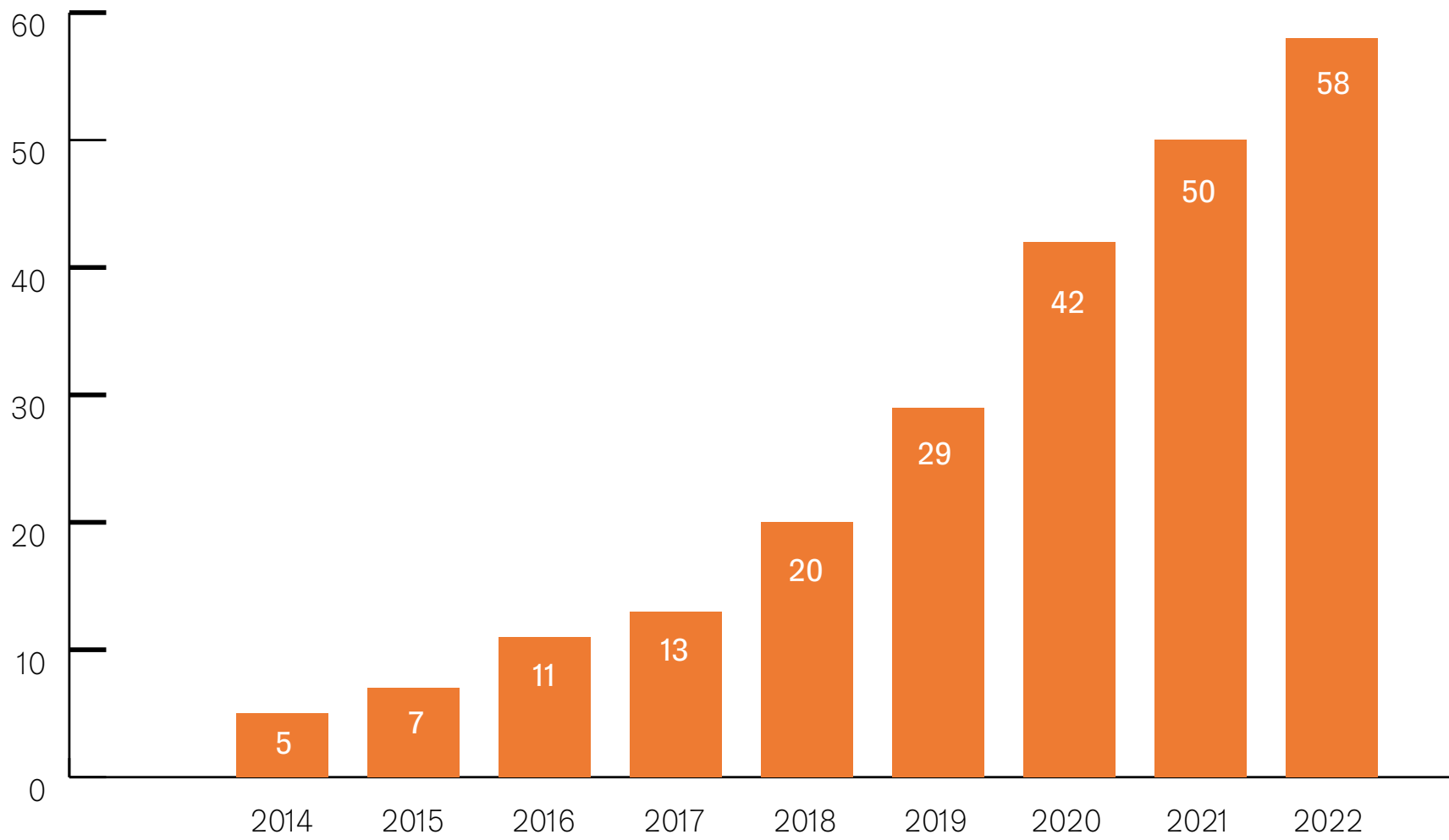
In 2022, we established our talent programme for employee development, with a focus on the participants being solid contributors to the working environment. They are recognised as performing their tasks with exemplary insight and precision; have excellent ownership of their work; are able to take on new tasks; show great awareness of how they work together with others; and develop methods that make work practices more effective.

At the time of writing, 15 employees are well underway with the inaugural programme. It began in November 2022 and is scheduled to be completed in September 2023.

In the past year, we have also worked hard on further developing our overall competence strategy, with a major focus on employee competence and development at all levels across the organisation. This will be an important area of focus for us as we take the company forward.

Finally, it’s worth mentioning that Måsøval sets exacting standards of expertise and personal suitability when hiring new staff. We continue to receive high numbers of applications for job vacancies, affording us the opportunity to select the best candidates for all positions.

Number of craft certificates





## Communication

# *The big blue ocean*

### Social media

As with most businesses nowadays that are committed to engaging effectively with all stakeholders, social media is a crucial communications channel for Måsøval. As a listed company, we have a responsibility to inform shareholders of important activities throughout the year. We do this through press releases to the Oslo Stock Exchange, but we also post these company announcements on social media as a means to distribute the information.

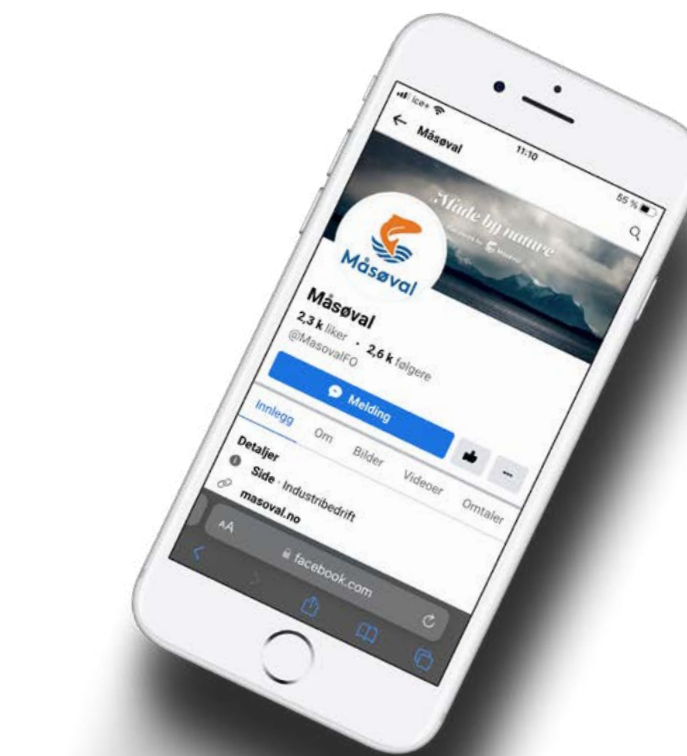
However, engaging with our publics is about more than just corporate announcements. We use social media to distribute stories about ourselves and our business to as wide an audience as possible. Our marketing team actively posts regular information that helps spread our message far and wide.

We regularly send out posts on Facebook, Instagram and LinkedIn, as well as videos through YouTube.

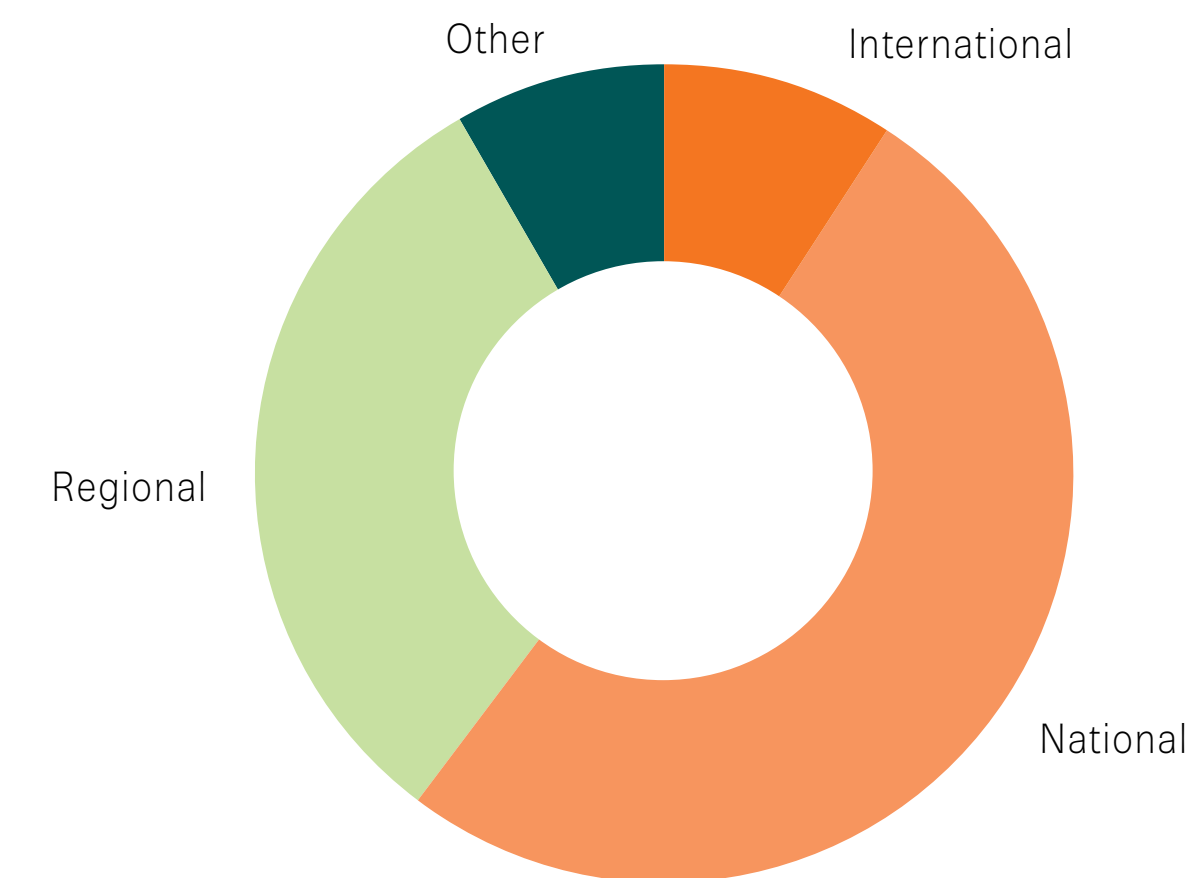
In the coming year, we will work hard to provide even greater engagement with stakeholders and our local communities through our use of social media, with a rich variety of stories – from corporate and employee announcements to our charitable activities and community news.

### Media coverage

Below are details of occasions on which Måsøval appeared in the media and the types of media in which they appeared during 2022.



### Media Coverage 2022





# *Sustainability*





# Owner contributions

For 50 years, Måsøval has remained a family business with close relations between the owners and employees. This allows the company to rapidly adapt to new changes and developments. The Norwegian aquaculture industry is highly regulated by governmental authorities. Our ethical guidelines include how we respond to applied laws and regulations, and how we work in order to be reliable and responsible, honest and just. In fact, one of Måsøval's four core values is «Responsible».



## ESG Strategy

# *Materiality analysis*

Måsøval's sustainability themes have been identified through materiality analysis in line with the global reporting initiative (GRI) standard. This materiality analysis is an important starting point to consider a company's sustainability work, and involves the identification of a wide range of sustainability themes within climate and environment, social conditions and responsible business operations (ESG). The analysis provides a baseline from which important topics that Måsøval should prioritise, measure and report on in relation to sustainability, can commence.

Måsøval has followed the principle of double materiality, which is both about how the business is affected by sustainability themes and how the business itself also affects sustainability themes. In essence, it is about distinguishing between different types of influence – positive and negative – as well as real and potential influence. A business can have both a negative and positive impact on the same sustainability theme – for example, Måsøval has a positive impact on local communities through, for example, employment, but also has a negative impact in relation to noise from our production facilities. Real impact is about how the business actually affects negatively or positively today, while potential impact addresses how the company may affect or be affected



in the future. Potential impact can represent a risk or an opportunity for the business. Beyond this, the impact can be short- or long-term and reversible and non-reversible.

This materiality analysis has emphasised both internal and external stakeholders’ perspectives. During the process, 14 interviews were conducted with the aim of gaining insights into which sustainability topics stakeholders consider important for Måsøval, as well as their expectations for Måsøval’s sustainability work. Within Måsøval, people from the following positions were interviewed: General Manager; Human Resources Manager; Service Manager; Community Contact; Production Manager Sea; Chief Trades Representative; and Marketing Director in Pure Norwegian Seafood. The external stakeholders involved in the work were from the Ministry of Trade and Fisheries; Seafood Norway; the Norwegian Maritime Council; Nofima; Suempol; DNB; and Odin Forvaltning. In addition, the materiality analysis is based on relevant publications, for example from Bellona; WWF; Nofima; and Future In Our Hands.

Following the data collection, a synthesis was made where the insights were classified into significant themes in the areas of climate and environment, social conditions and responsible business operations.

“Potential impact addresses how the company may affect or be affected in the future

The significance of each individual theme was then assessed as either high, medium or low. The process and results have been anchored and calibrated by the company’s management over several rounds of discussion and analysis in connection with work meetings.





An overview of all Måsøval's important themes.

Environmental

	Significant themes	Level of importance
	Fish feed	High
	Climate-friendly food production	High
	Fish health and welfare	High
	Impact on ecosystem	High
	Escape	High
	Carbon footprint	High
	Salmon lice	High
	Biodiversity	High
	Contamination	Medium
	Material use	Medium
	Energy use	Medium
	Marking and certification	Low
	Climate adaption	Low

Social

	Significant themes	Level of importance
	HSE	High
	Local community	High
	Work environment	High
	Food safety	High
	Equality, inclusion and diversity	Medium
	Competence development	Medium
	Food security	Medium
	Recruitment	Low

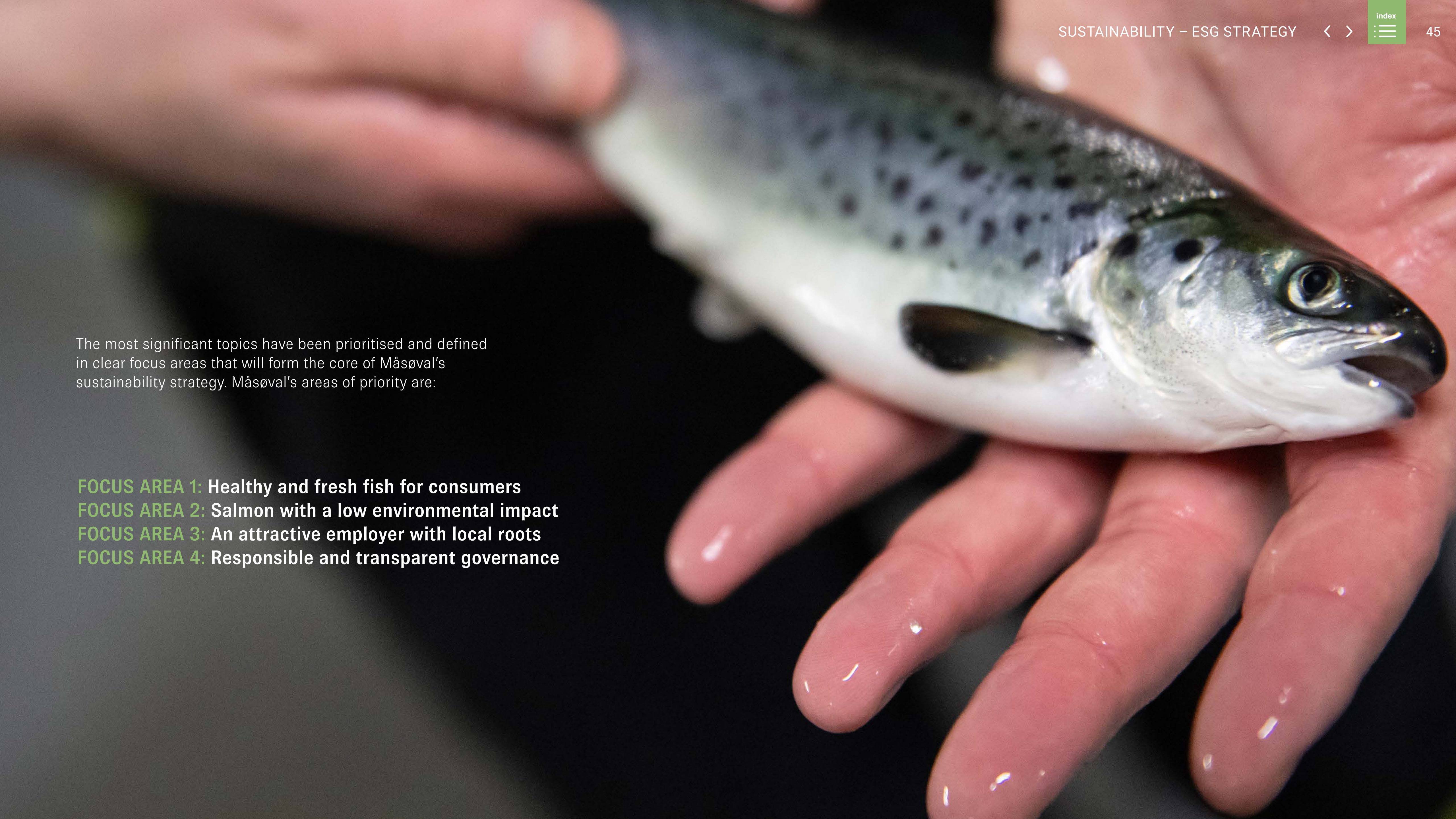
Governance

	Significant themes	Level of importance
	Business management	High
	Regulatory risk	High
	Commercial risk	High
	Risk management	High
	Responsible supplier and value chain	Medium
	Product quality	Medium
	Traceability in the supply chain	Low
	White collar crime	Low



The most significant topics have been prioritised and defined in clear focus areas that will form the core of Måsøval's sustainability strategy. Måsøval's areas of priority are:

- FOCUS AREA 1:** Healthy and fresh fish for consumers
- FOCUS AREA 2:** Salmon with a low environmental impact
- FOCUS AREA 3:** An attractive employer with local roots
- FOCUS AREA 4:** Responsible and transparent governance





Focus area 1:

## *Healthy and fresh fish for consumers*

A basic element as a food producer is to offer our customers safe and healthy food of good quality. At the same time, we want the salmon themselves to have safe and healthy lives. How the fish fared throughout their life affects the quality of the product we deliver. A healthy fish that has grown up in a positive aquatic environment produces a great product. All our employees know this, as they work together to achieve the best possible fish health and welfare every single day.

We have a holistic approach, from eggs to harvest, to ensure that the salmon we produce maintains a stable high quality at each link of the value chain as this helps to influence the end-result. We are determined to make sure that the way we produce the salmon does not come at the expense of quality, fish health or food safety. We therefore work purposefully to ensure that the salmon maintains a stable high quality and is both healthy and safe to eat.







Fish health and welfare

Fish health and fish welfare is something that is central to our business and is an area in which we are looking to constantly improve. We have good monitoring of the status of fish stocks, and work actively with measures to improve their health and welfare. In 2022, we encountered several biological challenges which had a negative trend in our operations as a whole which we are not satisfied with. Our aim is to reverse this trend in a positive direction during the coming year.

Fish health and welfare	2020	2021	2022
Average density in sea (kg/m3)	7,18	7,92	7,35
Mortality in sea (GSI %)	4,10	5,47	8,22





Food safety

While producing good quality salmon is important, it is equally essential that the fish we produce is safe and healthy for consumption. Due to the short production time and careful control of fish feed raw materials, there are few findings of unwanted substances in farmed salmon and no fish diseases can be transmitted from fish to humans. We continuously review and act, where appropriate, to meet and exceed our responsibilities to minimise the levels of foreign substances in our products, so they do not exceed values set as safe for humans.

In Norway, we have a large professional research body that monitors the content of unwanted substances in food products, including farmed salmon. The Norwegian Food Safety Authority takes samples annually as part of its monitoring programme and has never discovered numbers that exceed agreed industry levels.

Our value chain is GlobalG.A.P.-certified from eggs through to consumer. We ensure that all employees receive thorough training in routines and procedures that are important for maintaining high quality and food safety.

All of the fish processing facilities that we use are HACCP-certified to ensure that health hazards that could pose a risk to food safety are eliminated or reduced to an acceptable level. The facilities undertake frequent tests to ensure that limit values are not exceeded. Annually, our routines for recalling products are also tested against the processing plant and sales office. We aim not to recall products for any reason.

Unwanted substances may be present in feed and feedstock raw materials. The Norwegian Food Safety Authority regularly takes samples from our feeds for its monitoring programme. We work closely with our feed suppliers to confirm that we have all necessary measures in place to maintain optimum control and tracking routines. We carry out regular

internal audits and GlobalG.A.P. audits by independent certification service providers and accept inspections from authorities and customers on-demand.

Food safety	2020	2021	2022
Proportion of certified product	100 %	100 %	100 %
Proportion of foreign substances	0 %	0 %	0 %
Product recalls (number of incidents)	0	0	0

Product quality

We want to produce the best salmon possible, enjoyed by even the most discerning of customers. Quality can be measured in many different ways – with consistency, colour, taste, smell and nutritional content being examples of what is important to our customers.

In 2022, Måsøval and Pure Norwegian Seafood drew up new quality standards that we believe will further enhance the quality of our salmon. Based on a number of criteria, we select fish groups that are delivered under the brand name Princess. To achieve this, the general quality of all the salmon we produce must also be high – from the selection of the eggs until the moment it is packed in boxes. We will continue to work on this standard while also aiming to increase our volumes with Princess in 2023.





Focus area 2:

## *Salmon with a low environmental impact*

Food production will in all cases have an impact on nature and the environment, both locally and globally. Our responsibility as a food producer is to minimise our footprint as much as possible. Salmon has the biological prerequisites to be a climate-friendly protein source. Nevertheless, we must work purposefully to identify areas where we can reduce emissions in our operations. At the local level, we have a responsibility to minimise the impact on biodiversity and ecosystems in the areas in which we operate and source raw materials.

### **Fish feed**

Fish feed is the single largest input across our production chain and has an environmental impact on both climate and biodiversity. The raw materials for the feed we use are sourced from all over the world by our feed suppliers and we set strict requirements for them to source sustainable raw materials from both fisheries and agriculture. When we feed the fish in our facilities, it is our responsibility to minimise any waste of feed, so that resources are not lost, or that we do not degrade our operating environment.





Both ourselves and our feed suppliers have good control over feed consumption, and the impact that the various feed raw materials have on the climate and environment. We will compile and follow up on this in next year’s sustainability report.

**Climate-friendly food production**

Salmon is a cold-blooded fish species, with neutral buoyancy. These properties make salmon different from livestock on land in that they use less energy to produce heat and to counteract the force of gravity. That saved energy is instead used to efficiently convert feed into muscle and protein. In addition, the edible yield is very high.

The carbon footprint for farmed salmon delivered to different markets is between 4,8 and 28 kg of CO<sub>2</sub> per kg of edible product delivered to the retailer. The most important factors contributing to differences in carbon footprint across products and markets are:

- 1. Whether the products are transported by air; and
- 2. The proportion of by-products utilised in the market, with air freight being the most important factor

After air freight, feed production is the most important contributor and approx. 75 % of total emissions prior to processing are due to feed production. (SINTEF, 2022)

From a climate perspective, this means that farmed salmon has a lower environmental footprint in comparison to most other farmed animals

**Impact on ecosystem and biodiversity**

Salmon production has an impact on the natural ecosystem. This impact comes particularly from feed residues and excrement. The release of nitrogen and phosphorus is an especially significant issue as it can create an imbalance in phytoplankton production and eutrophication in areas with low water exchange and during

periods of high sunlight. In Norway, plankton quantity and species composition are monitored weekly under the auspices of the Norwegian Food Safety Authority. At our facilities in Møre and Romsdal, we monitor the littoral zone for signs of eutrophication and species composition of algae for each production cycle. In the Institute of Marine Research’s risk report for Norwegian fish farming, environmental effects resulting from the discharge of dissolved nutrient salts from fish farming are assessed as being “good” in our production areas (PO5 and PO6). For emissions of particulate organic emissions, the risk is also assessed as “good” in soft seabeds where the knowledge base is good, and “moderate” in hard seabeds where the knowledge base is low.

None of Måsøval’s sites are located in protected areas. The potential impact of current stocks, and conditions on the fauna and flora of the sea facilities has been assessed.

The environmental impact of production on the seabed beneath the plant is monitored by the B survey showing operational and/or trend monitoring of the environment in the immediate vicinity of the site to gain a picture of any effect on seabed conditions. The survey is carried out at “maximum load” on each production cycle and when the site is under maximum load in terms of biomass and feed use. The maximum load occurs when approximately 75-90 % of the total feed in a production cycle is fed.

The C survey is an extensive seabed analysis that measures the condition of the seabed from the site zone to the transition zone, aiming to evaluate the impact of the aquaculture site. This survey is conducted during the period starting from the last two months of maximum load and continuing until two months after harvest.



Refer to the topic “preventing fish escapes” where it is described how we continuously work to avoid escapes of farmed salmon and prevent interference and subsequent changes in the natural properties of wild salmon.

Where the site is close to spawning and nursery areas for cod, wild salmon and trout, juvenile counts are carried out at point stations before and after production start-up. Studies have shown that production has so far shown minimal impact.

At sites where corals may be affected, this has been risk-assessed and measures to avoid any impact has been implemented. At one of the facilities in Møre og Romsdal (Kattholmen), mapping of corals in the vicinity has been carried out on the basis of historical surveys. The survey shows that the corals do not conflict with moorings and nets.

Preventing fish escapes

Over the last 40 years, farmed salmon has become a domesticated animal which, through breeding, has genetic differences to the wild salmon from which it originates. We have a responsibility to preserve the genetic integrity of wild salmon, and must prevent farmed animals from escaping from our cages.

We have a constant focus on escape prevention and are pleased that we have had few cases of escapes in recent years. Research shows that

Preventing fish escapes	2020	2021	2022
Number of escape incidents	0	0	2
Numbers of escaped fish	0	0	201

during working operations where the interaction between human activity, technology and natural forces is at its highest is when the greatest risk of escape can occur.

That is why we emphasise training and good planning before carrying out activities that involve handling salmon. We have a highly experienced internal service team and skilled operations managers on-site who prepare and manage the work operations. At our smolt facilities, double protection of drains has reduced escape risk considerably. Our facilities have had escape technical reports drawn up and are checked by an independent body.

At one of our processing plants, Pure Norwegian Seafood, we have installed a closed holding pen.

We continue our constant focus on risk management and will particularly focus on the organisation of work operations in connection with the handling of fish to minimise the risk of escape.

Climate impact

Our aim is to be able to report a complete climate account for our business in accordance with GHG protocols for 2023 and we are working on systemising the measurement of fuel and power consumption, both on our vessels and at our facilities. The same applies to waste volume, sorting and recycling rates. Over several years, we have worked to electrify

Climate impact	2020	2021	2022
Proportion of total fleet connected to shore power	82 %	73 %	71 %



our marine facilities and, where there is infrastructure, we are aiming for all fleets to be connected to shore power. In 2022, we went from having 11 installed sea sites to 14. Of these 14, four are not presently connected to shore power. In 2023, our aim is to electrify a further two of these.

Salmon lice

Salmon lice are a natural parasite on wild salmon. Our goal is to prevent salmon lice from negatively affecting wild salmon and sea trout. There is a major national campaign to combat salmon lice in Norway and low limit values have been set to prevent a negative impact on wild salmon populations. In 2020, the Norwegian authorities introduced a traffic light system to monitor the level of lice on wild fish and indicates whether farmers in a production area are allowed to increase, maintain or reduce their production.

Every year, Måsøval invests significant resources to control the level of lice in our facilities. We draw up our own action plan for lice control and contingencies annually, which contains measures to manage our operations at both a site specific level and across the company. Our goal is to control the lice level at our facilities to below the lice limit, which we monitor on a weekly basis.

Salmon lice	2020	2021	2022
Average number of adult female sea lice per fish	0,21	0,21	0,24
Proportion of reports below the lice limit	94 %	95 %	95 %

Food safety and raw material use

The world’s food resources are scarce, and we do not want the food we produce to go to waste. As a company, we influence this in several ways: reducing feed that goes to waste; increasing the proportion of fish for consumption; increasing the use of residual raw materials; and maximising the quality and durability of the product we deliver.

Our most effective method of reducing food waste is to increase fish survival rates and therefore the proportion of fish that go to consumption. This topic is addressed under the focus area “Healthy and fresh fish for consumers”. Fish that do not survive – as well as by-products from processing facilities – are nevertheless handled and delivered as raw material for other uses, such as pet feed and bioenergy.

The largest proportion of food material that is recycled comes from slaughterhouse offal, dead fish from marine production and sludge collection from one of our smolt facilities – which is also converted into bioenergy.

Product distribution Silage K2 raw material for 2022	%
Oil for heating (biofuel)	5
Technical use, such as for tanning, can replace dangerous chemicals	8
K2 silage directly for biogas production	37
Protein concentrates for biogas production	50



Focus area 3:

## *An attractive employer with local roots*

To be an attractive employer and retain skilled employees, we work hard to ensure that the workplace is psychologically safe and inclusive. Everybody should feel that they are able to develop their skills, both professionally and personally. We are in a strong growth phase and it is important to ensure a positive psycho-social working environment to allow us to maintain sustainable growth that safeguards employee well-being and safety.

### **Health, safety & environment**

Our employees are exposed to risk on a daily basis. We work closely with the forces of nature and often handle equipment with great forces. To prevent injuries and accidents, we continuously work to risk assess our work tasks and implement risk-reducing measures wherever possible. Måsøval has a zero vision when it comes to serious injury and death.





We emphasise the prevention of injuries and dangerous incidents with good planning and organisation. We collaborate with local occupational health services, who assist us in mapping and assessing risk conditions that may affect HSE. Increased knowledge of risk conditions equips us to prevent injury when carrying out dangerous work tasks. We continuously work to have a live deviation system to capture conditions and incidents so we can improve our employees' working environment.

Health, safety & environment	2020	2021	2022
Full-time equivalents	116	132	187
Injuries	16	10	10
<i>Injuries resulting short-term absence</i>	4	5	5
<i>Injuries resulting in an absence of more than 16 days</i>	2	3	2
<i>Injuries resulting in death</i>	0	0	0
HSE deviation	69	28	69
<i>Adverse events</i>	37	21	51
<i>Accidents with a potential risk of permanent disability or death</i>	0	1	0
Total sickness absence	5,7 %	4,8 %	5,0 %
<i>Short-term sick leave</i>	2,3 %	2,5 %	2,0 %

The discrepancy in numbers between this table and other sections of the report is due to the fact that figures from Pure Norwegian Seafood were not included in the data set for this table.

Work environment

The psychosocial working environment can be affected by various factors, often related to how work is organised, planned, and executed. A key aspect is to ensure that interpersonal relationships are physically and psychologically safe, and that work tasks are meaningful and contribute to personal development. At Måsøval, we strive to ensure that all employees feel valued and believe that their contributions are important to the company's positive growth.

Every year, a working environment survey is carried out among all our employees. The results from this are reviewed throughout the organisation and give us information on areas we need to improve, right down to departmental level. Måsøval has gained many new employees in the past year and we will continue to work on positive culture building across the organisation.



Local community

At Måsøval, we believe it is important to take active social responsibility and give something back to the local community. Our operations are mainly sited in rural areas and in small local communities, on which we are dependent in many ways. This applies to labour, education, health services, infrastructure, housing for employees, and local political support and facilitation. We want to give something back to the local community in response to what it gives us – be it directly or indirectly. For this reason, each year the company allocates funds for various activities in the communities in which we have a presence. We especially prioritise activities which engage children and young people. Måsøval is also keen to support local business and uses local suppliers whenever possible.

Our company has a long history of supporting the local environment in our 10 host municipalities, and support is primarily directed towards children and youth initiatives. Through collaboration with schools, nurseries and various organisations, Måsøval wants future generations to get to know coastal Norway and the fish farming industry. Måsøval wants to contribute to increased knowledge about salmon farming through good experiences. This is achieved, for example, by accepting visits from school classes and groups of children and young people. Måsøval also contributes to maintaining and developing both new and established activities – mainly through volunteering – so they are not lost from the community.

Sports and outdoor activities	Community engagement	Total paid out (NOK)
542 371	430 121	972 492

Each year we award funds to applicants who meet the following criteria:

- Teams and associations in host municipalities that on a voluntary basis activate and delight others, especially children and young people. We believe it is important to support activities that provide positive conditions in which children and young people grow up
- Beneficial activities for pupils in primary, secondary and upper secondary schools
- Events in the region that are aimed at all residents. Here we make an individual assessment based on the size of the event and voluntary efforts, for example. Such events include the theatre, plays and revues





Equality, inclusion and diversity

Diversity is both necessary and valued in many processes to promote development. Greater diversity among our employees will create better decision-making processes and risk management because we all think and act differently. From being a male-dominated industry, we now see that we are getting ever more female applicants and employees. We see this as a highly positive development. Diversity does not just have to be gender-based, it also embraces different cultures, ethnicities, religions, age, education and life experiences to make us all different and individual.

Measuring diversity can be difficult and requires insight. We are introducing a human resources system that will give us better statistics on equality, inclusion and diversity across the organisation.

Percentage gender composition/year 2022	Men	Women
All employees	81 %	19 %
Management	75 %	25 %
The board	60 %	40 %

Employee age composition	Under 30	30-50	Over 50
2022	40 %	35 %	25 %

Competence development

The aquaculture industry is in an age of rapid development. New production methods, equipment and technological innovations require up-to-date knowledge, both in terms of technology and biology. It can also be difficult to envision the demands that will be placed on our business just a few years into the future. We believe that internal skills development is important, both for the company and the individual employee, to meet an exciting future.

In addition to statutory courses and training, employees are offered other forms of skills development. Many of our employees have taken craft certificates through the company and some have also pursued higher education in their field of expertise. On the eve of 2022, we initiated a new talent programme that is open to all employees as a new measure for competence development. We are also in the process of developing a major work programme related to future skills needs and strategy. During 2023, we will begin a management development initiative to support all managers, from the management team downwards.





Focus area 4:

## *Responsible and transparent governance*

Måsøval's goal is to have a high standard of corporate governance that strengthens public confidence in the company. Our owners and shareholders must have confidence that the company is managed through the application of sound business ethics that will also create long-term value. We want to be open in our communications and provide relevant and accurate information about our activities and results, both to shareholders, stakeholders and society in general. Responsibility across the value chain is an effective measure to demonstrate that we can contribute to sustainable measures beyond our own operations. This includes working with our suppliers to ensure that they also take sustainability seriously.

In a circular world, materials are part of a cycle and energy comes from renewable sources. Circularity therefore requires both a material and energy shift. We will intensify our efforts to reduce our emissions in the short-term and continue to work on how we can ultimately approach our goal of being as climate neutral as possible.

It will be important to consider which raw materials our feed suppliers choose and from where they are sourced, while at the same time ensuring



that we do not compromise on quality and remain competitive and profitable. Responsibility across the value chain is an effective measure to demonstrate that we can contribute to sustainable measures beyond our own operations. We want our suppliers to also take sustainability seriously and we must ensure that everyone in our supply chain supports the goal that everyone has decent working conditions, both for themselves and their suppliers.

We will publish our statement on our work on the Transparency Act in June 2023. Meanwhile, we will at all times strive to fulfil our duty of disclosure on how we conduct due diligence at the request of the public.

Corporate Governance

Good corporate governance is critical for ensuring compliance with our goals. We will achieve this through the efficient use of our assets and resources. By establishing goals, setting priorities, planning and budgeting resources and monitoring and reporting results, we can then use this information to learn and improve so that we reach our goals in the most efficient manner.

Through comprehensive corporate governance, our internal processes such as risk management, internal controls and financial results are integrated with the other management processes in our business. This gives us the ability to react, manage and if necessary adjust to new opportunities and threats. This will help ensure that Måsøval stays attractive to our stakeholders, both internal and external.

Måsøval has transitioned from a small family-owned company to become a larger group listed on Euronext Growth. This has created the added need for more comprehensive and clearly defined governance. We are continuously working to develop our policies and systemise our management across our entire operations. Our aim is to ensure that our owners, employees and other stakeholders are confident that Måsøval is managing the business responsibly and has the right strategy.

By July 2023, Måsøval will provide reports and public access to information about our business operations, including compliance with human rights and decent labor conditions, both within our organisation and across our value chains.

We are working to publish policies and guidelines for all business areas and will announce these for our suppliers and stakeholders during 2023.







### Regulatory risk

Salmon farming is an industry regulated by many different public bodies, both at a municipal, county and state level. The regulatory demands reflect what society and the Norwegian state expects from us both as a company and as a producer of high quality, sustainable salmon. We aim to meet and exceed the demands of society to be open with information about our operations and their impact on our surroundings.

Regulatory risk affects the Group on many levels, both in terms of non-compliance and changes that may affect how we manage our operations. The Group may be subject to risks related to increased costs of operations and transport due to changes in law and regulations. Additional regulations or legislation may increase the Group's operating costs. The Group is highly dependent on being able to maintain present and obtain additional aquaculture licenses and site permits to operate efficiently and to maintain its growth.

Regulations are regularly reviewed and we have dedicated resources to ensure that we comply with these on all levels of the Group. The increased focus on environmental, societal and governance issues means that we must constantly strive to ensure compliance.

The Group is subject to risks related to potential changes in taxation of the aquaculture industry. On 28 September 2022, the Norwegian Government proposed a new resource tax of 40 % – later amended to 35 % – on fish farming, taking the total tax rate to 57 % for fish farming in Norway. Although not approved by the Norwegian parliament, the tax was proposed to come into effect from 1 January 2023. The final tax regulations are still not decided, but we expect a significant increase in taxation.

The proposal was first defeated in Parliament in 2020 by a majority including the two parties that comprises the current government. The tax has introduced a significant increase in economic risk for fish farming and



will have a considerable negative impact on our future investments. We will therefore include a political risk component in all investments in the future, increasing the cost of capital and reducing our ability to make investments.

**Commercial risk**

The Group has identified and is exposed to a number of commercial risks. These are managed through a variety of policies, practices and instruments. These instruments include adequate insurance of biological and other physical assets, credit insurance and personnel insurance. In addition, we have strict policies for risk assessment of operations both at land and at sea.

The main risks include but are not limited to:

**Market prices of and demand for farmed Atlantic salmon**

The Group’s revenue, and therefore its financial position and future development, is inextricably linked with the market price of farmed Atlantic salmon at any given time. The Group’s policy is to sell our salmon in the spot market with only 5-10 % of the volume being sold on fixed price contracts.

The Group’s business is reliant on continued global demand for farmed Atlantic salmon and limited trade restrictions. To ensure access to the marketplace, the Group sells its salmon through a variety of customers, including Norwegian exporters.

**The Group is exposed to numerous biological, operational and natural risks related to fish farming operations at sea**

The risk factors for the Group concern:

- 1. The period after fish are moved from land to sea
- 2. The period before harvesting; and
- 3. Periods with high numbers of operational activities (such as de-licing and splitting of cages)

Although comprehensive measures are put in place to mitigate negative impacts arising from exposure to such threats, there is always a variation in key performance indicators for sites or larger geographic areas.

Regarding sea lice, the authorities have set limits for compliance by the Group on acceptable number of sea lice per fish. Failure to control sea lice levels at our farms may result in an increased number of treatments and lead to compromised fish welfare, reduced growth and higher mortality, higher operating costs and/or the possibility of regulatory actions, including the reduction of production permits. Moreover, continued disease or lice problems may also attract negative media attention and public concerns, which may affect the sale of our products.

Operating fish farming facilities involves considerable risk with regard to diseases. Disease outbreaks lead to direct loss of fish, as well as substantial costs to the Group in the form of premature harvesting, loss of quality of harvested fish and subsequent periodically reduced production capacity.

**Regularity and quality delivered by its suppliers to maintain the production plan**

The Group is dependent on third-party feed suppliers for its operations. If one or more of the feed contracts were terminated at short notice prior to expiration date, the Group may be forced to find alternative suppliers at short notice. To reduce risk the Group has supplier contracts with two feed suppliers.



**Risk management**

To avoid potential risks and negative consequences, we have in place and are continuing to develop control systems and risk management processes to ensure that the Group is run in a safe and reliable manner. By being observant of the risks, we are better prepared to properly manage demanding situations and negative incidents.

Our first priority is personnel safety and fish health and welfare, but we strive to have a comprehensive approach to risk. This approach includes effectively handling incidents affecting the environment, climate, raw materials and finance, as well as issues relating to our reputation.

**Responsible supplier and value chain**

As consumers, we have a responsibility to buy goods and services that are produced in an ethical and socially responsible manner. A responsible supply and value chain ensures that workers producing the goods or services are treated fairly, and there are no negative impacts on the environment.

At Måsøval, we are working to align ourselves with the requirements and expectations of the Transparency Act. We are in the process of carrying out due diligence assessments and will integrate these into our overall risk management strategy once they are completed.



# Shareholder information





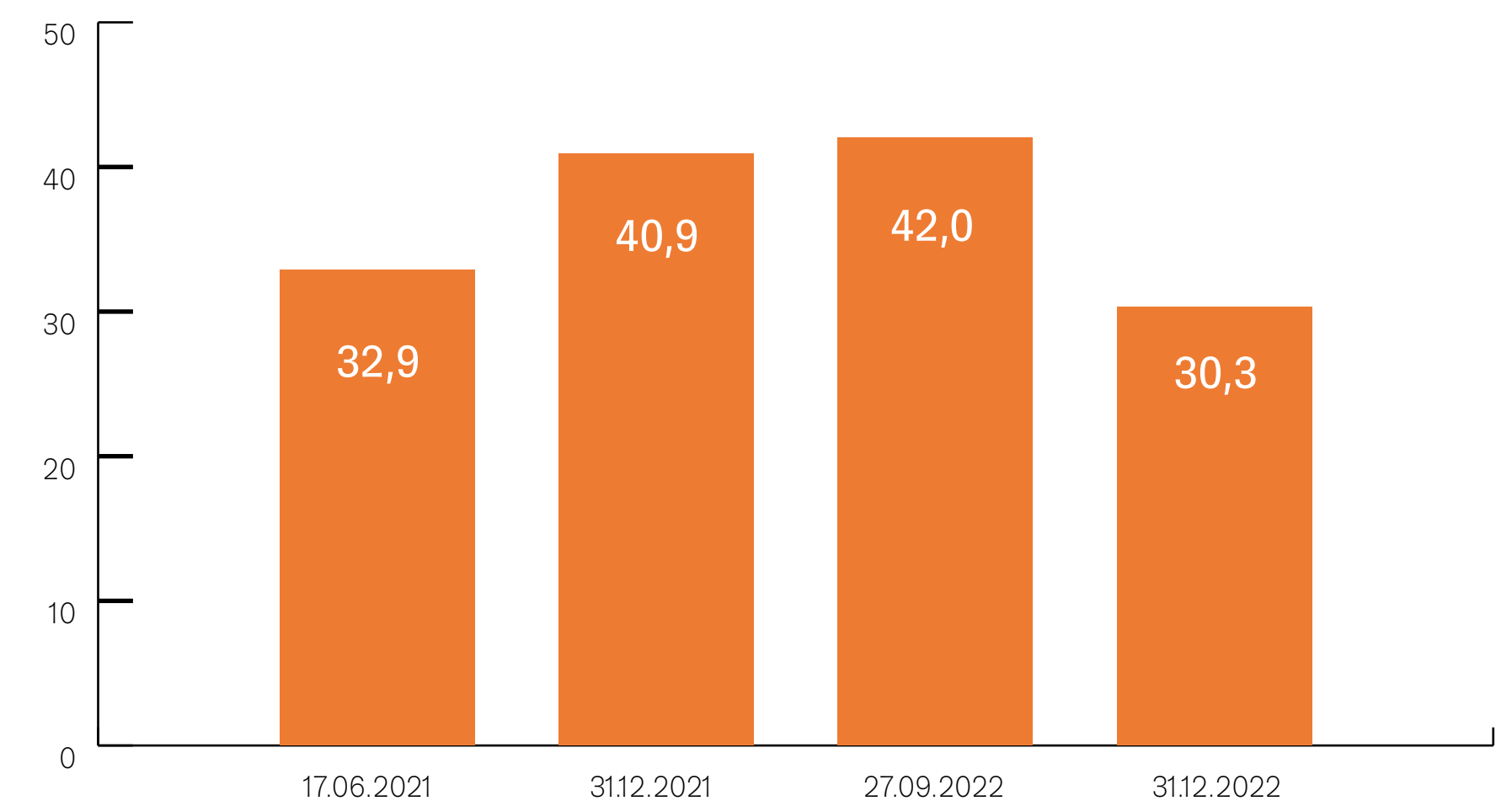
## Share price

*A fluctuating market*

The share price at the IPO in 2021 was NOK 32,9 per share. At the start of 2022 it had increased to NOK 40,9 per share. On September 27th of 2022, the day before the resource tax was proposed, the share price was NOK 40 per share.

As of 31 December 2022, Måsøval AS comprised 122 508 455 shares and 1 132 shareholders. The company's ticker on the Oslo Stock Exchange is MAS.

Share price development







### IR contact in Måsøval

Måsøval places great importance on communicating with its shareholders, investors, and analysts in a timely manner. The aim is to ensure that accurate and timely information is provided to the financial market and shareholders, thereby establishing a solid foundation for the company's valuation. All notifications issued to the stock exchange are accessible through the company's website, on the Oslo Stock Exchange's news site [www.newsweb.no](http://www.newsweb.no), and via news agencies.

Contact person:

Gunnar Aftret, CFO  
gunnar@masoval.no  
+47 913 77 389



# Financial calendar 2023

Måsøval conducts quarterly presentations that are open to the general public. The quarterly and annual reports, as well as the corresponding presentations, will be released on the company's website, [www.masoval.no](http://www.masoval.no), and the news site of the Oslo Stock Exchange, [www.newsweb.no](http://www.newsweb.no).

Please bear in mind that dates may be subject to change. Any changes will be announced through the aforementioned channels.

21.11.2023  
Quarterly report Q3

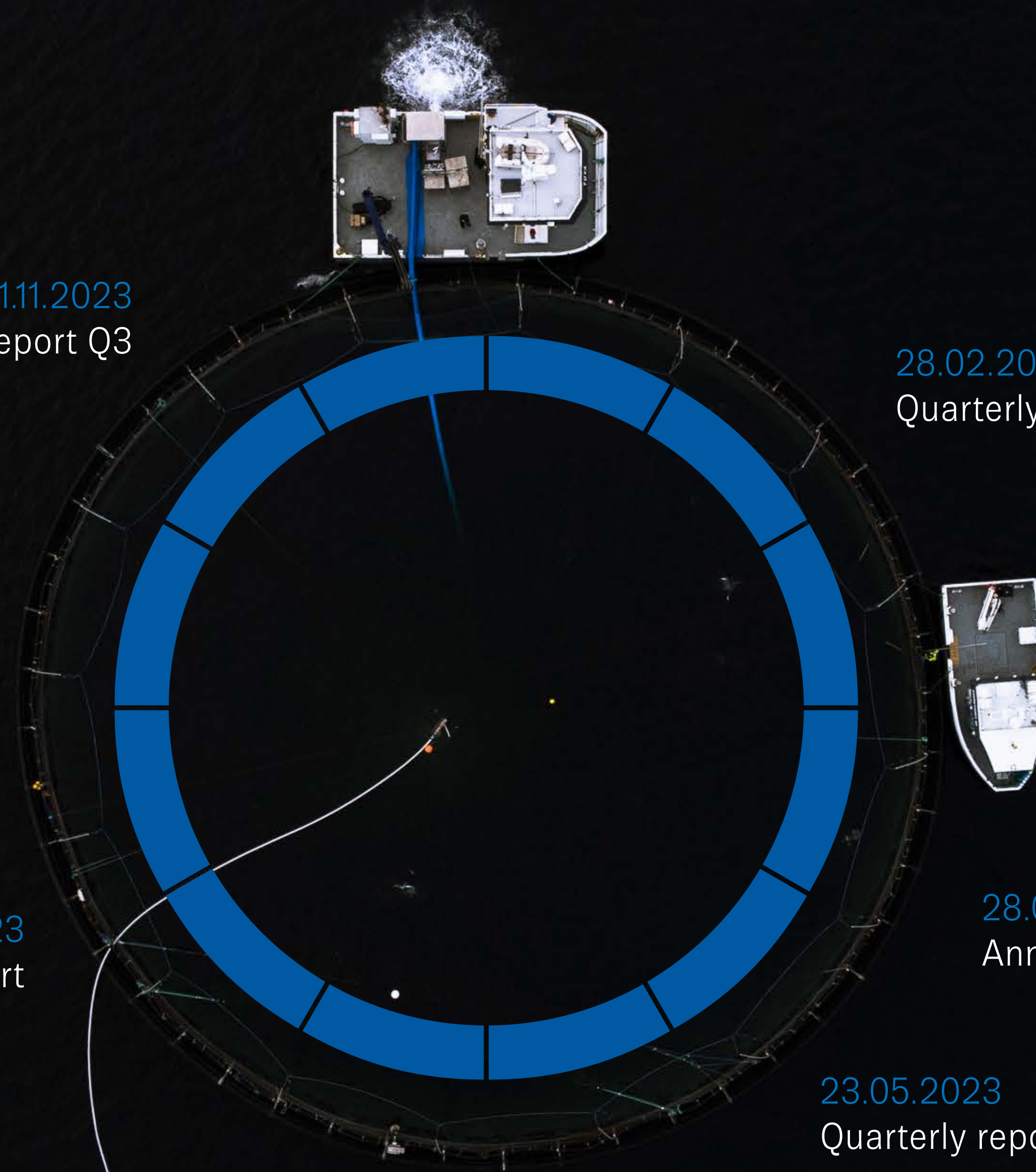
28.02.2023  
Quarterly report Q4 22

29.08.2023  
Half-yearly report

28.04.2023  
Annual report

23.05.2023  
Quarterly report Q1

14.06.2023  
Annual general meeting





## Board of Directors

*Meet the board***Lars Måsøval**

Chair of the board

Lars Måsøval has a craft certificate in aquaculture and has been with Måsøval his entire working life. He worked as an aquaculture technician until 2004, after which he built up the smolt facility at Laksåvika. From 2011 until 2015 he was managing director of Måsøval. Since then, he has been the working chair of the company. Lars owns the majority of Måsøval with his brother, Anders Måsøval.

**Kari Skeidsvoll Moe**

Board member

Kari Skeidsvoll Moe holds law degrees from the University of Oslo and Humboldt Universität zu Berlin, along with a post-graduate diploma in EU competition law from King's College, London. In addition to experience from practicing private law, she has served as EVP General Counsel and Head of Administrative Staff at TrønderEnergi and legal counsel and Vice President in Norsk Hydro ASA. She is currently EVP Growth Renewables at Aneo.

**Arnfinn Aunsmo**

Board member

Arnfinn Aunsmo holds a PhD from the Norwegian School of Veterinary Science. He works with all aspects of fish health, as well as production optimisation, strategic planning, and fish technology interaction. He has over 25 years' experience in the industry. He is currently a consultant at Salmalytics, an Associate Professor at NMBU, and is a board member in several other companies.





**Ola Loe**  
Board member

Ola Loe has over 25 years' experience in the aquaculture, finance and management industries. He has been Chief Finance Officer at Norway Royal Salmon for 11 years and is currently investment director of Måsøval Eiendom. Prior to 2011, he worked at auditors, KPMG and Arthur Andersen & Co, and has been responsible auditor for Fjord Seafood, Mowi, Cermaq and Norway Pelagic, among others, as well as a group auditor for several listed companies.



**Nina Santi**  
Board member


Nina Santi is a veterinarian by education and holds a Ph.D from NMBU in Ås. She has worked with the industry for more than 20 years, and held several key positions, including Chief Executive Officer at AquaGen, a global salmon breeding company. She is currently special advisor in INAQ. Nina has a strong professional background in aquaculture, including fish health, breeding, genetics, research and innovation. She has also gained extensive international experience through her management roles at international companies and board positions in several countries.



**Martin Staveli**  
Deputy board member

Martin Staveli has a master's degree in business administration and auditing from Copenhagen Business School (CBS) and more than 15 years' experience in mergers & acquisitions, and transaction-related industries. Martin is currently the CFO of Måsøval Eiendom. He has also held leading positions in the aquaculture, food and energy industries.





# *The Board of Directors' report*

## **The Group's activities**

Måsøval AS is a producer and marketer of salmon of high quality. The company is headquartered on the island Frøya, in the Trøndelag region of Norway.

The pillars of the Group's strategy are growth, efficient and cost-effective production of fish for human consumption, good fish health and high-quality harvesting. In our opinion future growth in the Norwegian aquaculture industry must be based on sustainable principles, both in terms of environmental considerations and social responsibility. Måsøval wants to actively contribute to the further development of the industry in a sustainable direction. The ESG report further sets out the Group's ambitions in this important field.

The Group's fish farming operations are located in West and Mid Norway with a focus on the area around Frøya, Nordmøre and Sunnmøre. The operations are based on the Group's own licenses with 12 694 tonnes of maximum allowed biomass ("MAB"), and additional 4 904 tonnes MAB through co-location agreements with three external partners. In addition, the Group has four development licenses totalling 3 120 tonnes MAB in connection with the Aqua Semi development concept.



## Significant events in 2022

In 2022, Måsøval has further strengthened its position as a future-oriented and growth-ambitious fish farming group. The year was characterized by record high production, turnover and profitability and investments to create sustainable growth and develop strategic acquisitions made in 2021. The main highlights of the year were:

- A record turnover of NOK 1 992 million, an operating EBIT of NOK 693 million and a net profit of NOK 626 million.
- Harvested 21 879 tonnes of salmon gutted weight (GW).
- Pure Norwegian Seafood AS sold 100 % of the Group's harvested salmon.
- Entered into a co-location agreement with Frøya Laks AS for their 2 433 tonnes MAB.

As part of the financing of the Group's growth ambitions, Måsøval AS refinanced its long-term debt, securing an additional NOK 450 million in long-term financing. This brings the Group's long-term facility to NOK 1 900 million. In addition, the Group has an overdraft facility of NOK 300 million and leasing agreements with two partners. The board proposes a dividend of NOK 0,50 per share for 2022 in addition to the NOK 1 dividend paid in Q3 2022.

## Sustainable focus and organic growth potential

### Aqua Semi

At the end of 2018, the Directorate of Fisheries awarded 4 development licenses (3 120 tonnes MAB) to Måsøval for the development of Aqua Semi. The licenses represent a recognition of the project, where Måsøval and the Vard Group will develop a semi-closed fish farm dimensioned for high-current sea areas, designed to reduce the risk of lice and diseases. When located in high-current sites, the facility will increase the geographical utilisation of Norwegian waters for fish farming and reduces the environmental footprint of operations.

After the development permits were awarded, Måsøval and the Vard Group have done considerable work and completed the concept design in Q3 2022. The project is put on hold until the proposed resource tax has passed Parliament. When the details of the new tax regime are decided, the profitability of the project will be reevaluated. For major investments like Aqua Semi, the trust in a long-term, stable financial framework for our industry needs to be re-established.

### Investment in smolt and post-smolt facilities

In December 2021 Måsøval AS acquired the operational assets of Vartdal Invest AS, including two facilities in Vartdal, producing both smolt and post-smolt. The group already operates two smolt facilities in region Mid. The Vartdal facilities have an expected production of 1 450 tonnes post-smolt, and the facilities in region Mid has a capacity of 700 tonnes smolt.

The quality of smolt and post-smolt from our own facilities is considered a vital strategic asset. The development of these will increase the flexibility of the Group's smolt strategy and production plan, reduce biological risk, increase utilisation of licenses at sea and ensure access to quality smolt and post-smolt for the Group's fish farming facilities.

The Group has initiated a comprehensive strategy to ensure that we not only maintain a stable and high-quality supply of smolt and post-smolt, but also to support our future growth ambitions.

### Fish health

The Group has a strong focus on fish health and fish welfare. Good biological control, low mortality, strong biomass growth and absence of diseases are crucial both for production efficiency and for safeguarding our ethical responsibility as an animal farmer and socially responsible company.

For several years, Måsøval has worked systematically to improve fish welfare throughout the production cycle, from egg to harvest.



The work has generally been based on the following objectives:

- Reduce mortality
- Increase biomass growth and thus reduce the residence time in open sea cages
- Optimise preventive and reactive measures against sea lice
- Improve biosecurity
- Ensure stable good water quality in our smolt and post-smolt facilities
- Increased smolt and post-smolt quality
- Increased focus on – and improved systems for – risk management

The work is generally defined through strategic projects and anchored in the day-to-day operations of our facilities as well as through strategic collaborations with external partners.

The Group is focusing on improving fish health and welfare. For sea-based production, the growth measured in the Thermal Growth Coefficient (TGC) has increased from 2,55 to 3,06 in the period 2016 – 2022. In recent years, the Group has improved the efficiency of its measures against sea lice, with cleaner fish, mechanical systems for sea lice treatment, increased biomass growth, strengthened monitoring and competence development as the most important individual elements. Despite these improvements, mortality increased in 2022 and we have refocused and already implemented several initiatives to reduce mortality.

The Group's smolt facilities have had a very positive development in mortality rates since 2016. Through targeted and structured efforts on water quality, flood-related incidents have been eliminated, and stable environmental conditions that increase smolt quality have been ensured.

Overall, the continuous work with fish health in Måsøval has been a significant contributor to the Group's strong growth in recent years. The ability to maintain strong biological control over time is a crucial strategic resource in meeting the Group's ambitions for further sustainable growth.

## Statement of the annual accounts

The parent company Måsøval AS's accounts are made according to Norwegian Generally Accepted Accounting Principles (NGAAP), while the Group's accounts are made according to International Financial Reporting Standards (IFRS) as adopted by EU.

### The income statement

The Group achieved a record high turnover of NOK 1 992 million in 2022 compared to NOK 1 215 million in 2021. The Group's operational EBIT was NOK 693 million (2021: NOK 292 million). The Group's annual net profit was NOK 626 million (2021: NOK 281 million).

In 2022, the Group had financial expenses of NOK 92 million (2021: NOK 50 million). The net of financial items was a cost of NOK 82 million in 2022 (2021: cost of NOK 44 million). The increase in financial expenses is mainly caused by the increase in debt after the acquisition of Vartdal at the end of 2021.

The parent company's annual net profit in 2022 was NOK 383 million (2021: NOK 147 million). The operational EBIT was NOK 609 million compared to NOK 248 million in 2021.

Most of the Group's core activities take place in the parent company Måsøval AS, Aqua Farms Vartdal AS and in Pure Norwegian Seafood AS.

### The fish farming business

The Group operates licenses with an MAB of 17 467 tonnes at the end of 2022. This includes licences of 2 433 tonnes through a co-location agreement made with Frøya Laks AS in December 2022 and 2 340 tonnes through co-location agreements with Aquagen AS (1 560 tonnes) and Trøndelag county (780 tonnes).



The majority of the Group's financial result derives from the **fish farming segment**. The segment harvested 21 879 tonnes in 2022 (2021: 16 888 tonnes), an increase of 30%. For the harvested volume, the segment achieved an operating EBIT per kg of NOK 33,8 (2021: NOK 19,0). The price achieved by the segment for sold salmon per kg ended at NOK 79,4 (2021: NOK 56,5), while production costs per kg increased to NOK 45,6 (2021: NOK 37,6). The main cause of the increase in production costs is the increased cost of feed, and higher costs in division West after the acquisition of the Vartdal Group in December 2021.

### The sales and processing business

The Group operates two own harvesting facilities, Pure Norwegian Seafood ("Pure") in region Mid, and Western Seaproducts ("WSP") in region West. In addition to salmon the division harvests both cod and halibut for external customers. All the sale of the Group's salmon in 2022 was sold through our own sales organisation in Pure. The sales and processing division harvested in total 10 821 tonnes, sold 22 141 tonnes and achieved an operating EBIT of NOK 0,9 per kg sold fish.

The Group expanded its sales operations in 2022, opened a sales office in Ålesund and found customers for a volume 3,5 times higher than in 2021.

### Statement of financial position

At the end of 2022, the Group's total capital was NOK 4 987 million up from NOK 4 530 million at the end of 2021.

The main reason for the increase in capital is the build-up of biomass to utilise the capacity acquired in December 2021 (Vartdal). The Group's total biomass increased by NOK 460 million.

Bank deposits were NOK 38 million at the end of 2022, a reduction of NOK 83 million.

The Group's net interest-bearing debt per 31.12.2022 was NOK 1 798 million, down from NOK 1 922 million at the end of the previous year. The decrease in interest-bearing debt is due to high profit in 2022. Investments in biomass and a dividend payment of NOK 123 million had the opposite effect on the debt.

The Group's net increase in equity of NOK 503 million is due to a net profit in the period of NOK 626 million and the dividend payment. The Group's equity ratio at the end of 2022 was 39,9% compared to 32,8% at the end of 2021.

The parent company's total capital was NOK 3 772 million at the end of the year (2021: NOK 3 590 million). The equity ratio in the parent company as of 31.12.2022 was 39,5 % (2021: 36,0 %).

### Cash flows

During the year, the Group had a positive cash flow from operating activities totalling NOK 728 million (up from NOK 301 million in 2021). The positive cash flow is mainly due to profit before income tax of NOK 803 million, a decrease in trade receivables of NOK 20 million, an increase in account payables of NOK 46 million and a net change in other current receivables/liabilities of NOK 122 million. Net increase in inventories of NOK 472 million and taxes paid of NOK 34 million had the opposite effect.

The Group's net cash flow from investing activities in 2022 amounted to NOK -202 million (2021: NOK -1 493 million). The main investments are in boats for our service operations, a closed harvesting pen in Pure's facility at Averøy, new feed barges for sea farming and equipment to improve operations in Vartdal after the acquisition in December 2021.

Cash flows from financing activities were NOK -610 million in 2022 (2021: NOK 1 292 million). The cash flow is attributable to repayment of long-term debt of NOK 546 million and dividend payments of NOK



123 million. New long-term debt of NOK 27 million is mainly related to new leasing contracts and a net change in overdraft facility of NOK 103 million contributed positively to cash flow.

Bank deposits at the end of the period decreased by NOK 83 million to NOK 38 million.

### Going concern

The board of Måsøval AS confirms that the annual accounts have been prepared based on the going concern assumption in accordance with the Accounting Act §3-3a. This is justified by the Group's results, financial position and budgets.

### Research and development

The Group has a strong focus on sustainable biological production and fish welfare and has initiated or participated in the following projects:

- Aqua Semi. A project to develop fish farms that facilitate sustainable growth in areas where current aquaculture technology has not been possible to utilize. In connection with the project, MAS has received development licenses with MAB of 3 120 tonnes. As of 31 December 2022, NOK 34,5 million has been invested in the project.
- Participation in a number of projects concerning lice control, automatic lice counting and infectious diseases.
- Several internal projects to improve feeding, lice control, infection management and the use of digital tools for improved monitoring and operations.

### Operational risk and risk management

#### The fish farming business

There are several types of risk associated with the Group's business activities, of which the risk of negative, biological events concerning salmon in sea normally constitutes the risk with the highest potential

impact on the Group's activities and results.

The biological challenges of the industry are related to smolt quality, mortality, disease development, salmon lice, parasites, algae outbreaks, low oxygen levels, variation in sea temperature and the quality of fish harvested. In 2022, Måsøval experienced PD (pancreas disease) at several sites and the outbreak was managed satisfactorily. In Q3 2022 ISA was diagnosed at the site Slettvika in region West. The fish was rapidly harvested and no contagion to other sites were identified.

The Group has a strong focus on identifying causes of biological challenges and implementing necessary mitigation measures. In recent years, Måsøval has invested in securing inhouse capacity for e.g., lice handling, silage capacity, wellboat services and service boats.

In 2022, we further strengthened our fish health department and started a project to reduce mortality with a special focus on lice reduction and handling. All our employees have a strong focus on fish welfare for each species involved in the production.

All sites are continuously monitored to ensure that they are most optimal for salmon production. Måsøval has invested in new equipment that maintain a good standard, and which satisfies our own and the public's requirements in relation to operations, fish health and risk of potential escape. To improve monitoring and our analytical capability the Group is investing into a new data platform to automate data capture, data handling, reporting and analysis.

Risk management is a key responsibility of the management team. The Group has introduced routines and systems for monitoring key risk factors in all business segments. Great emphasis is placed on both external (Global G.A.P) and internal audits of facilities in accordance with the quality manual and defined standards at the facilities.



The Group transfers several separate generations of smolt and post-smolt to our sea-sites each year and has a strategy of having at least two biologically independent sites per generation. This reduces the risk of a major negative biological event and further contributes to the Group's growth. The Group is continuously working to increase predictability in the terms and permits for its production and seeks to reduce any regulatory risk through continuous dialogue with the relevant administrative bodies.

The Group's financial position and future development largely depend on the price of farmed salmon. The price has historically been subject to significant fluctuations. The Group's strategy is not to hedge the price of salmon as this could result in an increased risk if a combination of unfavourable price development and a major biological event should occur.

The Aqua Semi development is a complex project. There may be uncertainty associated with the estimated total investment cost and time of completion of the project. The uncertainty associated with these factors was intensified as a result of the corona situation and large currency fluctuations in 2022. The company has implemented measures to reduce this risk by carrying out a detailed engineering of the plant before a final investment decision is made and the construction contract is signed.

### Political risk

After a fairly predictable regime in terms of taxation and regulatory regime, the Group faces an increase in political risk, especially related to taxation.

The major change in 2022 was the proposed introduction of a 40 % resource tax – later reduced to 35 % in 2023 – on the sea phase of fish farming operations. After Parliament – including the parties of the current government – voted no to this in 2020, this proposal came as a surprise for the industry and the capital markets. There is no guarantee that taxation will not be subject to further changes.

The aquaculture industry is highly regulated, both in terms of licenses, access to sea- and land-based sites and how we manage the fish and our operations. The Group has a pro-active approach to finding and maintaining good sites and we monitor fish health on a daily basis. We monitor our operations through a quality system to ensure compliance with relevant laws-

The Group has hired a communications manager with extensive political experience and continue to monitor changes in the regulatory regime for our industry.

### Financial risk and risk management

The Group faces various financial risks, including currency risk, interest rate risk, credit and liquidity risk. The Group monitors the degree of risk and has implemented procedures in order to reduce the risk to an acceptable level.

#### Currency risk

The Group is exposed to currency risk through its subsidiary Pure Norwegian Seafood which has a large part of its sales in foreign currency. Developments in exchange rates thus entail both direct and indirect economic risk. The company has currency accounts for all significant foreign exchange revenues. The currency accounts are used to reduce risk when actively managing the time of alternations. All foreign exchange revenues linked to fixed-price contracts are hedged through the subscription of forward contracts.

Conditions for the use of hedging when posting futures contracts are met and recognition of the income statement is compared with the fuse object.

#### Interest rate risk

The Group's debt carries floating interest rates, which implies that the Group is exposed to changes in interest rates. Floating interest rates have been chosen for two reasons: i) floating interest rates are considered to



provide the lowest interest rate in the long run, and ii) floating interest rates provide greater flexibility in dealing with the Group’s changes in financing needs as caused by the Group’s growth ambitions.

The subsidiary Pure Norwegian Seafood’s loan portfolio currently has a combination of floating and fixed interest loans. The company’s interest rate sensitivity is adapted to an appropriate hedging level when using interest rate swaps.

**Credit risk**

The Group is exposed to credit risk mainly through its subsidiary Pure Norwegian Seafood AS. The credit risk is continuously monitored by Pure’s financial manager and most accounts are secured through credit insurance.

**Liquidity risk**

Liquidity risk is a product of the Group’s earnings, financial position and available financing in the capital markets and represents the risk that the Group will not be able to meet its current financial obligations. The major factors associated with short term liquidity risk will be fluctuations in harvested volumes and salmon prices. Longer term (i.e. over 6 months), a major, negative biological event at sea will have the largest effect on the liquidity.

Both at the end of and through 2022 Måsøval has complied with all of its loan covenants. At the end of 2022 the Group refinanced its loan portfolio and increased the facility by NOK 450 million. Overall, the Group’s liquidity risk is considered to be at an acceptable level.

**Corporate governance**

The Group has implemented a system for internal control under which all balance sheet items in the accounts are reconciled on regular basis. Reports have been developed to uncover key figures that deviate from expectations. These are reviewed on a monthly basis.

**Corporate social responsibility**

Måsøval will ensure long-term profitability through sustainable food production. The Group exercises its social responsibility by putting sustainable development of food production first.

Our responsibility as a participant in the industry is linked to the sustainability work in the world around us. The company will therefore have an increased focus on linking its own activities to national and supranational initiatives, such as the UN’s sustainability goals and the EU’s taxonomy.

An overview of how we take social responsibility is available in the sustainability report included in the annual report.

Topics within social responsibility that are discussed in this report include:

- Environmental responsibility
- Social responsibility
- Corporate governance
- Future work in the area

The Group focuses on contributing to the local communities that make land and sea available for our operations. This is done mainly through three areas:

- Sponsorship: Support local activities with a focus on children and young people.
- Local sourcing: Emphasizes finding suppliers in the local areas where possible
- Workforce: Offer employment to people from the local community

The Group has zero tolerance for corruption. This is controlled by ensuring that all payments are approved by at least two people and that all major agreements are negotiated by a team of at least two people. In connection with processes involving licenses, permits and other framework conditions we also have routines that involves multiple



persons to ensure that all rules and regulations are adhered to.

The Group pollutes the external environment to a limited extent. Our sites use onshore electricity, and the Group was among the first to implement an electrification process for the sea bases.

### **Fundamental human rights**

The Måsøval Group is committed to ensuring that fundamental human rights are upheld in our value chain and in all parts of our business. The Norwegian Transparency Act sets out the framework to safeguard these rights. The Group is working to ensure compliance with the act and is planning to publish its policies and actions by June 30th 2023 on our website ([www.masoval.no](http://www.masoval.no)) to ensure compliance.

### **Work environment**

As of 31 December 2022, the Group had 250 full-time employees. Of these, 93 work in the parent company Måsøval AS. The parent company is headquartered on Frøya.

The aquaculture industry is an industry that has traditionally been dominated by men. As of 31 December 2022, the proportion of women in the Group was 16,1 % and the proportion of women in the parent company Måsøval AS was 23,6 %. The Group's management consists of 6 men and two women. The Group's board comprise of two women and three men.

The Group shall be a good and safe workplace for all employees. There shall be equality between women and men and there shall be no discrimination based on sex, ethnicity, national origin, skin colour, religion, disability or for other reasons. This is followed up through an annual employee survey. The survey is reviewed at all levels of the Group and areas for improvement are identified and measures are implemented where necessary.

The Group operates in a business that is traditionally male-dominated. Our goal is to have a more equal gender balance and as such we work to ensure that no discrimination occurs. The Group monitors salary levels to ensure that equal work ensures equal pay. Salary scales are in addition implemented for a large majority of employees to ensure that no discrimination takes place. The salary scale includes experience, time spent with company and educational level. The Group offers free training to attain vocational certificates within their occupational field for the employees. On average, male employees made NOK 681 000 in 2022 vs. 581 000 for female employees. The difference is caused by a lower level of females in managerial positions. In the last three years, the share of women in the management team has doubled, and we have started talent training to also develop women into managerial positions.

Sick leave for 2022 in the Group amounted to 6,4 % (2021: 4,8 %). 10 injuries were registered in the Group in 2022 (2021: 14). One of these were a serious injury (2021: 1). The Group has a strong focus on correct reporting of accidents and near misses and works systematically to reduce the risk of accidents. The short-term sick leave was stable from 2021 to 2022 at 2,5 %, but the Group has had several long-term absences. The Group has put a priority on reducing the sick leave by increasing its focus on Environment, Health and Safety (EHS).

### **Market conditions and the prospects ahead**

2022 was an exciting year for Måsøval and the Norwegian salmon industry. The year ended with record high prices and record high exports of Norwegian salmon. The company has little influence on the salmon price and the main focus is to ensure low production costs to ensure robustness against fluctuations in the salmon price.

Prices going forward look strong and analysts expect continued strong prices through 2023 and 2024.



The after-effects of the pandemic and the war in Ukraine has had an impact on the value chains that Måsøval is a part of. Continued upward pressure on our costs including feed, are seen. In addition, the Group observes strained value chains and some delivery problems, in particular to technical equipment, and challenges with the delivery of technical equipment for new-builds. In addition, our main supplier of salmon eggs, Aquagen, has had delivery problems with eggs leading to some delays in deliveries, but the Group has managed to put to sea the planned amount of smolt, but at slightly lower weights than expected. Måsøval has not had any problems with access to feed and the most important suppliers expect to be able to deliver in 2023 as well.

The ongoing war in Ukraine causes further uncertainty regarding access to raw materials. This situation can affect both planned purchases of equipment and purchase prices in particular on feed and transportation.

The Group expects a healthy growth rate in production in 2023 and expects to build biomass to utilize the 2 433 tonnes MAB from the co-location agreement with Frøya Laks AS and to utilise the new post-smolt facilities in region West.

The board’s expectations for the future are generally positive.

Events after the balance sheet date

Helge Kvalvik started as CEO January 1st 2023.

The Board of Directors proposes a dividend of 0,5 NOK/share.

The Norwegian government submitted a proposal to Parliament for a resource tax of 35% on aquaculture.

No other significant changes have occurred after December 31st 2022.

Allocation of profits

The net profit for 2022 for the parent company Måsøval AS was NOK 382 737 131.

The profit is proposed to be allocated as follows:

Dividend payment	NOK 183 762 688
Transferred to other equity	NOK 198 974 443
<b>Total allocations</b>	<b>NOK 382 737 131</b>

The parent company has given total group contributions of NOK 29,1 million to four 100 %-owned subsidiaries.

Trondheim, 28 April 2023



Lars Måsøval  
Chair of the board



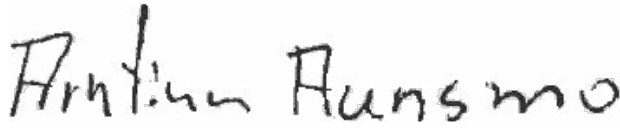
Kari Skeidsvoll Moe  
Director



Ola Loe  
Director



Nina Santi  
Director



Arnfinn Aunsmo  
Director



Helge Kvalvik  
CEO



# Financial Statements and Result

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# *Consolidated Financial Statement of Måsöval Group*



Consolidated statement of profit or loss

For the year ended 31 December 2022

	Note	2022	2021
(All figures in NOK 1 000)			
Operating revenues – sale of salmon	6	1 898 525	1 092 277
Other revenue	6	93 606	123 060
<b>Total Operating income</b>	<b>6</b>	<b>1 992 132</b>	<b>1 215 337</b>
<b>Operating expenses</b>			
Cost of goods sold		681 866	573 367
Employee benefits	7	196 794	140 722
Depreciation and amortisation expense	13, 14	166 166	105 574
Other operating expenses	8, 14	253 862	103 280
<b>Total operating expenses</b>		<b>1 298 687</b>	<b>922 943</b>
<b>Operational EBIT *)</b>		<b>693 444</b>	<b>292 394</b>
Production tax	3	-8 861	-6 755
Profit sharing with co-location partners	3	-46 219	-20 654
Biological assets – Net fair value adjustment	9, 15	246 150	112 264
<b>EBIT</b>		<b>884 514</b>	<b>377 249</b>
<b>Finance income and expense</b>			
Finance income	4, 10, 18	9 963	5 728
Finance expense	4, 10, 18	91 826	49 727
<b>Net finance income and expense</b>		<b>-81 863</b>	<b>-43 999</b>
<b>Profit before tax</b>		<b>802 651</b>	<b>333 250</b>
Tax expense	11	176 389	51 970
<b>Net profit for the year</b>		<b>626 262</b>	<b>281 280</b>
<b>Net profit or loss for the year attributable to:</b>			
Owners of the parent	23	620 959	276 721
Non-controlling interests		5 303	4 559
<b>Net profit for the year</b>		<b>626 262</b>	<b>281 280</b>



Consolidated statement of other comprehensive income

Net Profit for the year

	Note	2022	2021
(All figures in NOK 1 000)			
Other comprehensive income			
Net profit for the year		626 262	281 280
Items which will not be reclassified to profit and loss			
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	4, 9	–	-
Other comprehensive income		–	-
Total comprehensive income for the year		626 262	281 280
Total comprehensive income attributable to:			
Owners of the parent		620 959	276 721
Non-controlling interests		5 303	4 559
Total comprehensive income for the year		626 262	281 280
*) Excluding production tax, profit sharing and net fair value adjustment on biological assets			
Basic and diluted earnings per share	23	5,07	2,66



Consolidated statement of financial position

As at 31 December 2022

Assets	Note	31.12.2022	31.12.2021
(All figures in NOK 1 000)			
<strong>Intangible assets</strong>			
Licenses	12	2 068 766	2 068 766
Goodwill	12	428 390	438 963
<strong>Total intangible assets</strong>		<strong>2 497 156</strong>	<strong>2 507 729</strong>
<strong>Property, Plant and Equipments</strong>			
Property, plant and equipment	13	467 918	453 839
Right-of-use assets	14	529 366	473 841
<strong>Total Property, Plant and Equipments</strong>		<strong>997 283</strong>	<strong>927 680</strong>
<strong>Non-current financial assets</strong>			
Investments in associated companies	18	-	-
Investments in other equity instruments	4	5	544
Other non-current receivables		416	3 752
<strong>Total non-current financial assets</strong>		<strong>421</strong>	<strong>4 296</strong>
<strong>Total non-current assets</strong>		<strong>3 494 860</strong>	<strong>3 439 705</strong>
<strong>Current assets</strong>			
Feed inventory	15	23 987	20 049
Finished goods	15	13 661	6 089
Biological assets	9, 15	1 159 932	699 558
<strong>Total inventories</strong>		<strong>1 197 580</strong>	<strong>725 696</strong>
Accounts receivables	16	173 771	193 566
Other current receivables		82 231	49 829
<strong>Total Receivables</strong>		<strong>256 002</strong>	<strong>243 395</strong>
Cash and cash equivalents	17	38 473	121 252
<strong>Total Cash and cash equivalents</strong>		<strong>38 473</strong>	<strong>121 252</strong>
<strong>Total current assets</strong>		<strong>1 492 055</strong>	<strong>1 090 343</strong>
<strong>Total assets</strong>		<strong>4 986 915</strong>	<strong>4 530 047</strong>



Consolidated statement of financial position

As at 31 December 2022

Equity and liabilities	Note	31.12.2022	31.12.2021
(All figures in NOK 1 000)			
<b>Equity</b>			
Share capital	22	30 627	30 627
Share premium	22	872 432	872 432
<b>Total paid-in equity</b>	<b>22</b>	<b>903 059</b>	<b>903 059</b>
Retained earnings	22	1 049 915	551 923
<b>Total equity attributable to owners of the parent company</b>		<b>1 952 974</b>	<b>1 454 982</b>
Non-controlling interests	22	35 997	30 694
<b>Total equity</b>		<b>1 988 971</b>	<b>1 485 676</b>
<b>Liabilities</b>			
Deferred tax	11	532 986	487 157
Liabilities to financial institutions	19, 21	1 150 827	1 560 312
Long-term lease liabilities	14, 19, 21	328 138	301 632
<b>Total non-current liabilities</b>		<b>2 011 951</b>	<b>2 349 102</b>
Liabilities to financial institutions	19, 21	417 486	314 781
Short-term lease liabilities	14, 19, 21	130 808	103 701
Account payables		221 557	175 795
Income tax payable	11	130 095	32 882
Other current liabilities	20	86 047	68 110
<b>Total Current liabilities</b>		<b>985 993</b>	<b>695 269</b>
<b>Total liabilities</b>		<b>2 997 943</b>	<b>3 044 371</b>
<b>Total equity and liabilities</b>		<b>4 986 915</b>	<b>4 530 047</b>

Trondheim, 28 April 2023

Lars Måsøval

Lars Måsøval  
Chair of the board

Arntfinn Aunsmo

Arntfinn Aunsmo  
Director

Kari Skeidsvoll Moe

Kari Skeidsvoll Moe  
Director

Nina Santi

Nina Santi  
Director

Ola Loe

Ola Loe  
Director

Helge Kvalvik

Helge Kvalvik  
CEO



**Consolidated statement of cash flows**

For the year ended 31 December 2022

	Note	2022	2021
(All figures in NOK 1 000)			
<b>Cash flows from operating activities</b>			
Profit before income tax		802 651	333 250
Tax paid		-33 544	-13 218
Gain on disposal of property, plant and equipment		-	6 130
Gain on sale of shares		-1 039	-
Ordinary depreciation	13, 14	166 166	105 512
Interest expenses		78 805	19 881
Fair value adjustments – biological assets	15	-246 150	-112 264
(Increase)/decrease in inventories	15	-225 734	-44 360
(Increase)/decrease in trade receivables	16	19 795	64 469
Increase/(decrease) in trade payables		45 762	-82 700
(Increase)/decrease in other current receivables/liabilities		121 775	24 100
<b>Cash generated from operations</b>		<b>728 487</b>	<b>300 799</b>
<b>Investing activities</b>			
Proceeds from disposal of property, plant and equipment		-	7 002
Payments for property, plant and equipment	13, 25	-202 097	-90 527
Payments for intangible assets	12, 25	-1 230	-
Payments to other loan receivables		-	-3 752
Proceeds from disposal of other assets		1 578	9 087
Net payment for shares in subsidiaries	25	-	-1 402 657
Change in other investments		-	-11 703
<b>Net cash used in investing activities</b>		<b>-201 749</b>	<b>-1 492 549</b>
<b>Financing activities</b>			
Proceeds from current and non-current borrowings	21	26 844	1 200 000
Repayment of current and non-current borrowings	21	-436 183	-86 778
Payment of interest expenses on borrowings		-69 662	-17 696
Repayment of principal portion of lease liabilities	14, 21	-110 268	-59 972
Net change in overdraft facility	21	102 559	-18 002
Capital increase - Equity	22	-298	636 802
Acquisition of minorities	25	-	-212 702
Payments of group contributions	22	-	-114 850
Payments of dividends	22	-122 508	-35 276
<b>Net cash (used in)/from financing activities</b>		<b>-609 517</b>	<b>1 291 526</b>
<b>Net increase in cash and cash equivalents</b>		<b>-82 779</b>	<b>99 776</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>121 252</b>	<b>21 476</b>
<b>Cash and cash equivalents at end of year</b>		<b>38 473</b>	<b>121 252</b>
Available credit on overdraft facility		27 959	120 376



Consolidated statement of changes in equity

	Note	Share capital	Share premium	Retained earnings	Equity – Owners of parent company	Non-controlling interests	Total Equity
(All figures in NOK 1 000)							
31 December 2020		24 700	–	597 603	622 303	40 836	663 139
Net profit for the year		–	–	276 721	276 721	4 559	281 280
Other comprehensive Income		–	–	–	–	–	–
Total comprehensive Income for the year				276 721	276 721	4 559	281 280
Capital increase	22	5 927	872 432	–	878 359	–	878 359
Acquisition of subsidiaries	25	–	–	–	–	25 753	25 753
Acquisition of minorities	24	–	–	-207 551	-207 551	-5 178	-212 729
Dividends		–	–	–	–	-35 276	-35 276
Group contribution	22	–	–	-114 850	-114 850	–	-114 850
Contributions by and distributions to owners		5 927	872 432	-322 401	555 958	-14 701	541 257
31 December 2021		30 627	872 432	551 923	1 454 982	30 694	1 485 676
Net profit for the year		–	–	620 959	620 959	5 303	626 262
Other comprehensive Income		–	–	–	–	–	–
Total comprehensive Income for the year		–	–	620 959	620 959	5 303	626 262
Dividends		–	–	-122 508	-122 508	–	-122 508
Cost of equity increase*	22	–	–	-459	-459	–	-459
Contributions by and distributions to owners		–	–	-122 967	-122 967	–	-122 967
31 December 2022		30 627	872 432	1 049 915	1 952 974	35 997	1 988 971

\*) Related to the capital increase in December 2021



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## NOTE 1 – GENERAL INFORMATION AND BASIS FOR PREPERATION

Måsøval AS is a private limited company based in Norway and has its head office at Sistranda, Frøya. The company's shares are listed on Euronext Growth, Oslo Stock Exchange, code MAS.

The Måsøval AS's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) which have been adopted by the EU and relevant interpretations that are mandatory for annual financial statements presented as of 31 December 2022.

The consolidated financial statments have been prepared on a going concern basis.

The consolidated financial statements are based on historical cost, with the exception of the following:

- Biological assets valued at fair value
- Financial instruments at fair value through profit or loss and fair value through OCI (derivatives and and equity instruments)

The principles used to determine fair value are described in details in Note 2, 3 and 4.

The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances. The accounting principles applied in preparing the consolidated financial statement are described in note 3.

## NOTE 2 – CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparation of the consolidated financial statement in accordance with IFRS requires the use of several accounting estimates. Furthermore, the application of the Group's accounting principles requires management to exercise judgements. Areas that to a large extent contain such judgmental assessments, a high degree of complexity or areas where assumptions and estimates are significant for the annual accounts are described in the notes.

All estimates are assessed to the most probable outcome based on management's best knowledge. Changes in key assumptions may cause material adjustments to the carrying amount of assets and liabilities, equity and the profit for the year. Estimates are reviewed on an ongoing basis and changes in accounting estimates are included in the period which the change occur.

The Group's most important accounting estimates are the following items:

- Fair value of the biological assets
- The fair value of assets and liabilities in business acquisitions
- Impairment of goodwill and other intangible assets

### **Fair value of the biological assets**

Biological assets at the Group's seafarms are measured in accordance with IAS 41 and IFRS 13. The principles for calculating fair value are described in note 3 Accounting principles.

Valuation is based on several assumptions that require use of judgement. The key assumptions are harvest volume, price of salmon and the discount rate. Estimated harvest volume is based on the number of fish held at sea farms, adjusted for estimated growth and



mortality until the harvesting date. Uncertainty regarding biological development may affect both harvest volume and date of harvesting.

Fish Pool forward price is used as the best estimate of market price of salmon. Historically there have been relatively large fluctuations in forward prices from period to period and between seasons. Price achieved will also depend on size and quality of the fish at harvest.

Future cash flows are discounted by a monthly discount rate. In addition to risk-free interest rates and a risk premium, a synthetic license fee has been added to the discount rate to reflect the costs of using licenses to produce salmon. These costs are subject to considerable discretionary judgements. See note 15 for further details.

#### **Fair value in business acquisitions**

The cost price of acquired entities must be allocated to reflect the fair value of acquired assets and liabilities. These allocations require management to use significant judgement in selecting valuation methods, estimates and assumptions. To determine fair value of assets of which there is no active market, alternative valuation methods can be used. Excess value is recognized in the consolidated balance sheet as Goodwill. Allocation of cost price may be updated if the Group receives new information with respect to fair value at date of transaction within 12 month after the acquisition date. There were no new acquisitions in 2022.

#### **Impairment of intangible assets**

Annually, or upon indications, the Group carries out an impairment test on goodwill and licenses. The Group has substantial assets with indefinite economic life in the form of licenses and goodwill. Both licenses and goodwill are subject to the annual impairment test. Estimated future cash flows are based on budget and forecast and will be affected by the following key assumptions: Discount rate, EBIT per kg (Salmon price and production costs) and estimated future harvest volume. See note 3 and 12 for further details regarding accounting principles and calculations.



## NOTE 3 – ACCOUNTING POLICIES

### Presentation Currency

The Group's presentation currency is Norwegian kroner (NOK). This is also the parent company's functional currency. All amounts are presented in thousands of kroner unless indicated otherwise.

Transactions in foreign currency are translated at the exchange rate at the date of the transaction. Monetary items in foreign currency are translated to NOK at the exchange rate at the balance sheet date.

### Consolidation principles

The Group's consolidated financial statements comprise the parent company and its subsidiaries as of 31 December 2022.

### Subsidiaries and non-controlling interests

An entity has been assessed as being controlled by the Group when the Group is exposed for or have the rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the Group's returns.

Thus, the Group controls an entity if and only if the Group has all the following:

- power over the entity;
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect the amount of the Group's returns.

There is a presumption that if the Group has the majority of the voting rights in an entity, the entity is considered as a subsidiary. To support this presumption and when the Group has less than a majority of the

voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the entity. Including ownership interests, voting rights, ownership structure and relative power, as well as options controlled by the Group and shareholder's agreement or other contractual agreements.

The assessments are done for each individual investment.

The Group re-assesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Business combinations are accounted for by using the acquisition method, see note 25 Business Combinations. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Non-controlling interests is presented separately under equity in the Group's balance sheet.

### Eliminations

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.



**Investment in associates**

The Group has had investments in associates. Associates are entities over which the Group has significant influence, but not control or joint control over the financial and operating management.

The considerations made in determining whether the Group has significant influence over an entity are similar to those necessary to determine control over subsidiaries.

Associates are accounted for using the equity method from the date when significant influence is achieved until such influence ceases.

Investments in an associate are initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If there are indication of that the investment in the associate is impaired, the Group will perform an impairment test of the carrying amount of the investment. Any impairment losses are recognized as share of profit of an associate in the statement of profit or loss.

If the Group's share of the loss surpasses the carrying amount of the associate, the carrying amount is set to zero and further loss is not recognized unless the Group has an obligation to make up for the loss.

Upon loss of significant influence over the associate, and as such the equity method ceases, the Group measures and recognizes any retained investment at its fair value. It will not be performed a new measurement of remaining ownership interests if the equity method is still applicable, for example by transition from an associate to a joint venture.

**Classification of accounting items**

**Current versus non-current classification**

The Group presents assets and liabilities in the consolidated statement of financial position as either current or non-current.

The Group classifies an asset as current when it:

- Expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- Holds the asset primarily for the purpose of trading
- Expects to realize the asset within twelve months after the reporting period

Or

- The asset is cash or a cash equivalent, unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current, including deferred tax assets.



The Group classifies a liability as current when it:

- Expects to settle the liability in its normal operating cycle
- Holds the liability primarily for the purpose of trading
- Is due to be settled within twelve months after the reporting period

Or

- It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current, including deferred tax liabilities.

### Proposed dividends

Proposed dividends are recognized as liabilities in the balance sheet when the company is obliged irrevocably to pay dividends, normally when they have been approved at the Annual General Meeting.

### Operational EBIT

One of the Groups key performance measurement is operational EBIT before production tax, fair value adjustments and profit sharing with co-location partners. Production tax, fair value adjustments and profit sharing with co-location partners are presented on separate lines within the income statement. This presentation has been chosen to clearly identify earnings on sales during the period. See note 29 Alternative performance measures for details.

## Revenues

### Revenue from the sale of goods

The Group's revenues mainly come from the sale of salmon. Revenue from the sale of goods is recognized at the point in time when control of the goods is transferred to the customer. Revenue is generally recognized on delivery of the goods. The timing of the transfer of risk to the customer depends on the delivery terms in the sales contracts. The

normal credit term is 30 days (in rare occasions 60 days can be used) upon delivery.

### Revenue from sale of services

The Group recognizes revenue from rendering of services over time, because the customer simultaneously receives and consumes the benefits provided by the Group.

### Co-location agreements

The Group operates three licenses, totaling 2,340 tonnes MAB, on behalf of two external license holders through an agreement on co-location.

Accounting treatment of the co-location agreements is considered separately based on the content of the agreements.

Biomass related to the licenses for both agreements are recognized in the consolidated financial accounts. Revenues and expenses generated through the operation of the licenses are recognized in the income statement as ordinary items in line with other activities.

For two of the licenses, profit after financial expenses is shared with the co-location partner. The third license is an education licence owned by Trøndelag County Council, where Måsøval pays a fixed fee per month. Profit sharing and fixed payments are both classified as "Profit sharing with co-location partners" in the income statement.

### Loans and receivables

Loans and receivables are financial assets with fixed payments, including accounts receivables. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs. After initial recognition, loans and receivables are measured at amortized cost, less any impairment losses.



Accounts receivable are amounts outstanding from customers as a result of ordinary sales of goods as part of ordinary activities. Accounts receivable have ordinary credit time between 30 and 60 days and are classified as current assets. Accounts receivables are initially recognized at the transaction price as defined in IFRS 15.

### Segments

For management reporting purposes, the Group is organized into business units based on its activities and has two operating segments ("Farming" and "Sales & processing"). The financial information relating to segments is presented in Note 5 Business Segments.

### Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities, with the exception of:

- temporary differences linked to goodwill that are not tax deductible
- temporary differences related to investments in subsidiaries, associates or joint ventures when the Group controls when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

Deferred tax assets are recognized when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilize the tax asset. The companies recognize previously unrecognized deferred tax assets to the extent it has become probable that the company can utilize the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilize the deferred tax asset.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the Group where temporary differences have arisen.

Deferred tax and deferred tax assets are recognized at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet.

Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

### Production tax

A production tax amounting to NOK 0.40 per kg gutted weight was introduced with effect from 1 January 2021. To highlight the performance of underlying operations before deduction of the production tax, Måsøval has chosen to report it on a separate line in the income statement below Operational EBIT.

### Research and development

Expenses relating to research activities are recognized in the statement of comprehensive income as they incur. Expenses relating to development activities are capitalized to the extent that the product or process is technically and commercially viable and the Group has sufficient resources to complete the development work. Expenses that are capitalized include the costs of materials, direct wage costs and a share of the directly attributable common expenses. Capitalized development costs are recognized at their cost minus accumulated amortization and impairment losses.

Capitalized development costs are amortized on a straight-line basis over the estimated useful life of the asset.



**Biological assets**

Biological assets comprise live fish stocks. Under IAS 41, biological assets are recognized and measured at fair value. Fair value is determined in accordance with IFRS 13. There are no efficient markets for the sale of live fish, and valuing live fish involves estimating their fair value in a theoretical live fish market (valuation at level 3).

Eggs, smolt and cleaner fish are valued at historic cost. Historic cost is deemed to be the best estimate of fair value for these assets, due to little biological conversion.

The technical model for calculating fair value is a present value model. Present value is calculated for the biomass on each site/project by estimating the future sales value less remaining production costs discounted to the present value at the balance sheet date. The fair value of fish in the sea is calculated in the present value model as a function of the expected biomass at the time of harvest multiplied by the expected sales price. For fish that are not harvestable, estimated remaining costs to breed the fish to its harvestable weight are deducted. Cash flows are discounted monthly using a discount factor.

The discount factor consists of three main components:

- 1) risk for events that affect cash flow,
- 2) hypothetical license and site rent and
- 3) the time value of money.

Expected biomass (volume) is based on the estimated number of individuals in the sea, adjusted for expected mortality until harvesting and multiplied by the expected harvest weight per individual at the time of harvest. The measuring unit is the individual fish, but for practical reasons the calculation is made on site level. Live weight of fish in the sea is translated into gutted weight to get the same measurement unit as the prices are set in.

The price is calculated based on forward prices from Fish Pool. The average forward price for the month in which the fish is expected to be harvested and the month before and after, is used in the calculation of expected cash flow. The price quoted by Fish Pool (sales price from Oslo) adjusted for the export cost is the reference price. This rate is further adjusted for expected harvest costs (well boat, harvest and packing) and transport to Oslo. Adjustments for expected size and quality differences are also made. The adjustment in relation to the reference price is done at site level. Estimated remaining production costs to breed the fish to harvestable weight represents the cost estimate a rational operator would assume, if he wanted to buy the immature fish with the purpose to breed to harvestable size.

The present value model used for valuing the biological assets stipulates that compensation for license rent is deducted from the inventory value in the form of a premium in the monthly discount rate, rather than a separate cost item. In this way, rent cost will be correlated with the price and the value of the license.

The principle of highest and best use, according to IFRS 13 is the basis for the valuation and classification. In the fair value calculation, optimal harvest weight is defined as harvest weight according to harvest plans.

Changes in fair value adjustments are recognized in the income statement on a separate line for fair value adjustments. Fair value adjustments are included in the consolidated net operating results.

Costs related to the non-recurring events that cause mortality are expensed in the income statement in the period it occurs. Such costs are included in the operational result. Non-recurring events that cause mortality is defined as an incident of not normal nature that has a significant economic impact. A specific assessment is made of every incident that has caused increased mortality. This assessment is done by the regional management in close dialogue with the group



management to ensure consistent classification within the Group. Events defined as non-recurring are for example, outbreaks of disease, algae attack, treatment losses, extreme weather and statutory orders of destruction of salmon that amounts to a significant value for the Group.

Costs related to what is considered normal mortality are included in the carrying amount of biomass in the balance sheet. Normal mortality is considered part of the production process of fish and added to the production cost.

The Group enters into contracts for future delivery of salmon. Biological assets are recognized at fair value. The fair value adjustment in the income statement includes the change in fair value of the biological assets, expected cost for fulfilling the sales contracts.

**Tangible assets**

Tangible assets are valued at their cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the carrying amount is derecognized and any gain or loss is recognized in the statement of profit and loss.

The cost of tangible non-current assets is the purchase price, including taxes/duties and costs directly linked to preparing the asset ready for its intended use. Costs incurred after the asset is in use, such as regular maintenance costs, are recognized in the statement of profit and loss, while other costs that are expected to provide future financial benefits are capitalized.

Depreciation is calculated using the straight-line method over the following useful life:

Properties	5 – 7 years
Farming facilities and floating installations	7 – 15 years
Vessels	3 – 7 years
Operating equipment	3 – 7 years

The depreciation period and method are assessed each year. A residual value is estimated at each year-end, and changes to the estimated residual value are recognized as a change in an estimate.

Assets under construction are classified as non-current assets and recognized at cost until the production or development process is completed. Assets under construction are not depreciated until the asset is taken into use.

**Leases**

At the lease commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur.

The Group rents premises, feed barges, fish farming rings, vessels and other related assets. The duration of the leases is different, and at expiration the group often purchase of the underlying fixed assets. Purchase options that are likely to be exercised are included in the lease payments used to recognize assets and liabilities.

**Lease liabilities**

The lease liability is recognized at the commencement date of the lease. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.



The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group does not include variable lease payments in the lease liability. Instead, the Group recognizes these variable lease expenses in profit or loss.

The Group presents its lease liabilities as separate line items in the statement of financial position.

#### **Right-of-use assets**

The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognized

- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Group.

The Group applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

#### **Intangible assets**

Intangible assets that have been acquired separately are carried at cost. The costs of intangible assets acquired through an acquisition are recognized at their fair value in the Group's opening balance sheet. Capitalized intangible assets are recognized at cost less any amortization and impairment losses. The Groups intangible assets consist of fish-farming licenses and goodwill, see below for further details.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized but are expensed as occurred. Economic life is either definite or indefinite. Intangible assets with a definite economic life are amortized over their economic life and tested for impairment if there are any indications. The amortization method and period are assessed at least once a year. Changes to the amortization method and/or period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life are tested for impairment at least once a year, either individually or as a part of a cash-generating unit. Intangible assets with an indefinite economic



life are not amortized. The economic life is assessed annually with regard to whether the assumption of an indefinite economic life can be justified. If it cannot, the change to a definite economic life is made prospectively.

**Fish-farming licenses**

Acquired licenses are capitalized at cost. According to the past and present legislation and general interpretation and practice in the industry the fish-farming licenses are deemed to have an indefinite useful life and are not amortized. They are tested annually for impairment, or more frequently if there is indication of impairment.

**Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. Acquisition-related costs are expensed in the periods in which the costs are incurred, and the services are received.

The consideration paid in a business combination is measured at fair value at the acquisition date and consist of cash and stocks issued in Måsøval AS.

When acquiring a business, all financial assets and liabilities are assumed for appropriate classification and designation in accordance with contractual terms, economic circumstances and pertinent conditions at the acquisition date. The acquired assets and liabilities are accounted for by using fair value in the opening Group balance (unless other measurement principles should be applied in accordance with IFRS 3).

The initial accounting for a business combination can be changed if new information about the fair value at the acquisition date is present. The allocation can be amended within 12 months of the acquisition date. The measurement principle is done for each business combination separately.

Goodwill is recognized as the aggregate of the consideration transferred and the amount of any non-controlling interest and deducted by the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is not depreciated but is tested at least annually for impairment. In connection with this, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the business combination.

If the fair value of the equity exceeds the acquisition cost in a business combination, the difference is recognized as income immediately on the acquisition date.

**Impairment testing**

Impairment testing of intangible assets is done by calculating the estimated present value of future cash flows (recoverable amount) from each cash-flow generating unit (CGU) and comparing these to the net book value of the CGU. If the recoverable amount is lower than the book value, the asset is written down. See also note 12 Intangible assets for further details.

Previous write-downs of licenses are reversed if the recoverable amount subsequently exceeds book value.

**Government grants**

Government grants are recognized when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Operating grants are recognized systematically during the grant period. Grants are deducted from the cost which the grant is meant to cover. Investment grants are capitalized and recognized systematically over the asset's useful life. Investment grants are recognized either as deferred income or as a deduction of the asset's carrying amount.



**Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

The Group’s financial assets are derivatives, non-listed equity instruments, trade receivables and cash and cash equivalents.

The Group classified its financial assets in three categories:

- Financial assets at amortized cost
- Equity instruments designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Derivatives at fair value through the statement of profit and loss

**Financial assets at amortized cost**

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Groups financial assets at amortized cost includes trade receivables and other short-term deposit. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

**Equity instruments designated at fair value through OCI**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.



**Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - a. the Group has transferred substantially all the risks and rewards of the asset, or
  - b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

**Financial liabilities**

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives as appropriate. Derivatives are recognized initially at fair value. Loans, borrowings and payables are recognized at fair value net of directly attributable transaction costs. Transaction costs are amortized over the term of the loan.

Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

**Loans, borrowings and payables**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

**Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**Provision for losses on financial assets**

The Group has made a provision for expected losses on all debt instruments that are not classified at fair value. The Group recognizes expected credit losses based on specific assessment of each individual customer. The credit loss provision is recognized based on credit losses expected over the remaining life of the exposure.

**Inventories**

Inventories (other than biological assets) are recognized at the lowest of cost or net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location.



**Cash and cash equivalents**

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

**Equity and liabilities**

Financial instruments are classified as liabilities or equity in accordance with the underlying economic realities.

Interest, dividend, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or income.

Amounts distributed to holders of financial instruments that are classified as equity will be recorded directly in equity.

**Treasury shares**

When treasury shares are repurchased, the purchase price including directly attributable costs is recognized in equity. Treasury shares are presented as a reduction in equity. Losses or gains on transactions involving treasury shares are not recognized in the statement of comprehensive income.

**Costs of equity transactions**

Transaction costs directly related to an equity transaction are recognized directly in equity after deducting tax expenses.

**Employee benefits**

The Group has various pension schemes. The pension schemes are financed through payments to insurance companies, with the exception of the AFP scheme. The parent company only has contribution plans.

In the case of contribution plans, the company pays contributions to an insurance company. The company has no further payment obligation after the contributions have been paid. The contributions

are accounted for as payroll costs. Any prepaid contributions are capitalized as an asset (pension funds) to the extent that the contributions can be refunded or reduce future payments.

The AFP scheme is an unsecured performance-based multicompany scheme. Such a scheme is in fact a defined benefit plan but is treated in the accounts as a defined contribution plan as a result of the scheme's administrator not providing sufficient information to calculate the obligation in a reliable manner. Måsøval Åsen AS participates in the AFP scheme.

**Provisions**

A provision is recognized when the Group has an obligation (legal or self-imposed) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

**Contingent liabilities and assets**

Contingent liabilities are not recognized in the annual accounts.

Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred.

Contingent assets are not recognized in the annual accounts but are disclosed if there is a certain probability that a benefit will be added to the Group.



**Events after the reporting period**

New information on the company's financial position on the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position on the end of the reporting period, but which will affect the company's financial position in the future are disclosed if significant.

**Changes in accounting policies and disclosures**

No changes or amendments in IFRS effective for the 2022 financial statements or later have impact on the consolidated financial statements of the Group.



NOTE 4 – FINANCIAL INSTRUMENTS – RISK MANAGEMENT

Financial risk

The Group faces various financial risks, including currency risk, interest rate risk, credit and liquidity risk. The Group monitors the degree of risk and has implemented procedures in order to reduce the risk to an acceptable level.

Functional currency is Norwegian Krone (NOK) for all companies in the Group.

Interest rate risk

The Group's debt consists mainly of floating-rate debt, which implies that the Group is exposed to changes in interest rates. Floating interest rates have been chosen for two reasons: i) floating interest rates are considered to provide the lowest interest rate in the long run, and ii) floating interest rates provide greater flexibility in dealing with the Group's changes in financing needs as caused by the Group's growth ambitions. Given the Group's net interest bearing debt on 31 December 2022 of MNOK 1 798, an increase

of 100 basis point in the interest rates level would decrease the Group's profit by NOK 17 980 thousand, assuming all other variables constant.

The subsidiary Pure Norwegian Seafood's loan portfolio currently has a combination of floating rate and fixed interest bonds. As of 31 December 2022, PNS has a long-term debt of NOK 64,4 million, of which a total of 40 MNOK is secured by interest rate swaps. Interest rate swaps have quarterly maturities up to their expiry date.

Interest rate swaps	Contract amount		Book value		Receives	Pays	Expire date
	2022	2021	2022	2021			
Currency							
MNOK	20,0	21,4	0,7	-0,3	Floating	Fixed	2027
MNOK	20,0	20,0	2,2	0,4	Floating	Fixed	2031



Foreign exchange risk

The Group is exposed to currency risk through its subsidiary Pure Norwegian Seafood which has a large part of its sales in foreign currency. Developments in exchange rates thus entail both direct and indirect economic risk. All sales in Euros are secured by entering into forward currency contracts. Sales in other currencies normally amount to smaller amounts and are only secured by larger exposures.

As of 31 December 2022, the Group’s currency risk is related to outstanding trade receivables and deposits in foreign exchange accounts. For details on outstanding trade receivables, see note 16. Outstanding accounts payable is immaterial.

Currency forwards are entered into with different maturities. Typically, when selling in the spot market, the agreements have a duration of 1-2 months, while for sales at a fixed price, they can have a duration of up to one year.

Forward rate agreements		Currency amount		Book value (MNOK)	
	Currency	2022	2021	2022	2021
Forward currency contracts – cash flow hedging	EUR (Million)	6,9	2,6	-1,7	2,1
Forward currency contracts – cash flow hedging	USD (Million)	0,2	–	0,1	–



**Credit Risk**

The Group is exposed to credit risk mainly through its accounts receivables in the subsidiary Pure Norwegian Seafood AS. The credit risk is continuously monitored by Pure's management and most accounts are secured through a credit insurance. The Group is not materially exposed by any single counterparty and historically bad debts have been small. See note 16 for further details.

**Price/liquidity risk**

Liquidity risk is a product of the Group's earnings, financial position and available financing in the capital markets and represents the risk that the Group will not be able to meet its current financial obligations. The group monitors its liquidity continuously and estimates expected future development through budgets and updated forecasts.

Fluctuation in salmon prices and harvesting volume are the most important factors affecting liquidity. In the short term the largest single factor associated with liquidity risk will be fluctuations in salmon prices. In long term (> 6 months), a major, negative biological event at sea will have the largest effect on the liquidity together with salmon prices. At the end of 2022 and through 2022 Måsøval has complied with all of its loan covenants, see note 19 for further details. Overall, the Group's liquidity risk is considered to be at an acceptable level.



Maturity structure for financial liabilities

Year ended 31 Dec 2022	Total	2023	2024	2025	2026	After 2026
(All figures in NOK 1 000)						
Long-term debt	1 272 111	126 166	127 815	1 010 315	7 815	–
Interest on long-term debt	137 633	59 286	53 020	25 136	191	–
Lease liabilities	458 946	117 659	84 556	78 605	38 276	139 849
Interest on lease liabilities	58 689	15 332	11 919	9 041	6 794	15 603
Short term credit facility	296 202	296 202	–	–	–	–
Derivatives	1 228	1 228	–	–	–	–
Accounts payables	221 557	221 557	–	–	–	–
<b>Total</b>	<b>2 446 366</b>	<b>837 430</b>	<b>277 310</b>	<b>1 123 097</b>	<b>53 076</b>	<b>155 452</b>

Year ended 31 Dec 2021	Total	2022	2023	2024	2025	After 2025
(All figures in NOK 1 000)						
Long-term debt	1 681 449	126 058	125 119	1 427 778	2 494	–
Interest on long-term debt	95 952	40 526	37 386	17 975	64	–
Lease liabilities	405 332	99 112	104 756	97 657	30 879	72 928
Interest on lease liabilities	27 101	9 576	6 893	4 182	2 357	4 092
Short term credit facility	193 644	193 644	–	–	–	–
Derivatives	140	140	–	–	–	–
Accounts payables	175 795	175 795	–	–	–	–
<b>Total liabilities</b>	<b>2 579 414</b>	<b>644 852</b>	<b>274 155</b>	<b>1 547 592</b>	<b>35 795</b>	<b>77 020</b>

Interest on long-term loans and leasing is calculated based on actual interest rates per balance sheet date.



**Financial assets by category**

**Financial assets at fair value with change in fair value through profit and loss**

The Group uses forward currency contracts to hedge against fluctuations in exchange rates that arise during its operational activities, as well as some interest rate swaps, to reduce interest rate risk. These contracts are initially recognized at fair value. Changes in fair value related to instruments are recognized in profit and loss. The amounts related to currency contracts and interest rate swaps are considered immaterial as of 31 December 2022.

**Financial assets measured at fair value in the other comprehensive income**

The Group investments in equity instruments are classified as instruments measured at fair value in the other comprehensive income. As of 31 December 2022 the Groups investments in equity instruments are immaterial.

**Financial assets at amortized cost**

Financial assets at amortised cost includes mainly trade and other receivables, as well as cash and cash equivalents.

Trade and other receivables are part of the Group's business model with the sole objective to collect contractual cash flows. Additionally, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, thereby passing the “SPPI test”, constituting debt instruments measured at amortised cost. PNS has entered into a factoring agreement for its trade receivables. This is purely a financial and operational agreement, with all credit risks remaining with PNS. See also note 16 for details regarding the factoring agreement.



Financial liabilities at amortized cost

Financial liabilities at amortised cost includes the Group’s interest-bearing debts, trade and other payables.

Financial assets and liabilities by category

Year ended 31 Dec 2022	Financial assets at amortized cost	Financial assets at fair value through profit and loss	Total
(All figures in NOK 1 000)			
Investments in other equity instruments	–	5	5
Accounts receivables	173 771	–	173 771
Cash and cash equivalents	38 473	–	38 473
<b>Total assets</b>	<b>212 244</b>	<b>5</b>	<b>212 248</b>
Loans	1 568 313	–	1 568 313
Financial lease	458 946	–	458 946
Derivatives	–	1 228	1 228
Account payables	221 557	–	221 557
<b>Total liabilities</b>	<b>2 248 815</b>	<b>1 228</b>	<b>2 250 043</b>

Year ended 31 Dec 2021	Financial assets at amortized cost	Financial assets at fair value through profit and loss	Total
(All figures in NOK 1 000)			
Investments in other equity instruments	–	544	544
Accounts receivables	193 566	–	193 566
Cash and cash equivalents	121 252	–	121 252
<b>Total assets</b>	<b>314 817</b>	<b>544</b>	<b>315 361</b>
Loans	1 875 093	–	1 875 093
Financial lease	405 333	–	405 333
Derivatives	–	140	140
Account payables	175 795	–	175 795
<b>Total liabilities</b>	<b>2 456 222</b>	<b>140</b>	<b>2 456 362</b>



**Fair value of financial instruments**

**Fair value of financial instruments recognized at amortized cost**

Financial instruments recognized at amortized cost consist of liabilities with floating rates. Recognized value is assumed to be a good indication of fair value for these liabilities taking into consideration the current margin and market conditions.

**Fair value measurement of financial instruments**

Financial instruments which are valued at fair value at the balance sheet date under IFRS 7 are grouped according to a valuation hierarchy based on the level of observability of the market value:

**Level 1:** Listed price in an active market for an identical asset or liability

**Level 2:** Valuation based on other observable factors either directly (price) or indirectly (price-derived) than listed price (used in level 1) for assets or liabilities

**Level 3:** Valuation based on factors not taken from observable markets (non-observable assumptions)

The Group has two smaller equity investments as of 31 December 2022. These are valued at fair value through profit and loss. In terms of amount, these investments are not considered material for the consolidated financial statements.

Financial derivatives recognized at fair value are interest rate swaps and forward rate agreements. As of 31 December 2022, the net value of these instruments amounted to a liability of NOK 1 228 thousand (NOK 140 thousand in 2021). The fair value of the interest rate swaps is calculated by banks and is determined based on the net present value of future cash flows using quoted interest rate curves at the balance sheet date. The calculations obtained from the banks have been tested for reasonableness by the Group management. The fair value of these derivatives is classified as Level 2 in the fair value hierarchy. Fair value of investments in equity instruments listed on a regulated market are classified as Level 1 in the fair value hierarchy, while other equity instruments are at Level 3.



NOTE 5 – BUSINESS SEGMENTS

Operating segments are reported in a manner consistent with internal reporting to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group management.

Group management monitors and allocates resources to the Group’s business activities as two operating segments, “Farming” and “Sales & Processing”. For this reason, Måsøval reports the Group’s financial performance as two operating segments: “Farming” and “Sales & Processing”. The Farming segment includes the purchase of salmon roe, farming on land and sea, related service activities and the sale of salmon to exporters. The Sales and Processing segment includes harvesting activities and the sale of salmon and other species of fish in Norway and for export. Farming sites are located on Frøya, Aukra, Kristiansund and Vartdal.

No operating segments have been aggregated to form the above reportable operating segments. Internally in the Group, figures are also followed up as per geographical unit, both by site and production area. This is mainly to follow up cost developments, feed consumption, fish growth and other key figures, as well as to be able to perform internal comparisons. Figures per production area are shown in the tables below.

The remaining of the Groups activities are shown in the “other/ eliminations” column. The Group’s administration costs and other shared cost are not allocated to segments. Information about unallocated items included in this column is given in footnotes to the table below. Transfer prices between operating segments are allocated on an arm’s length basis in a manner similar to transactions with third-parties.

Group management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The segments are measured on various criteria, of which financial results are one. For the farming segment, fish health is also an important measurement criterion.

Information regarding the Group’s reportable segments is presented below.



Year ended 31 Dec 2022	Farming Mid	Farming West	Farming	Sales & processing	Other / eliminations*)	Måsøval Group
(All figures in NOK 1 000)						
Internal operating revenue – sale of salmon	1 476 270	248 300	1 724 570	–	-1 724 570	–
External operating revenue – sale of salmon	–	11 734	11 734	1 886 792	–	1 898 526
Other operating revenues	70 946	2 065	73 011	61 613	-41 017	93 607
<b>Total operating revenues</b>	<b>1 547 216</b>	<b>262 099</b>	<b>1 809 315</b>	<b>1 948 405</b>	<b>-1 765 587</b>	<b>1 992 133</b>
Operating expenses	748 595	194 749	943 344	1 918 188	-1 729 011	1 132 521
Depreciation and amortization	111 875	15 150	127 025	10 154	28 987	166 166
<b>Operational EBIT</b>	<b>686 746</b>	<b>52 200</b>	<b>738 946</b>	<b>20 063</b>	<b>-65 563</b>	<b>693 446</b>
Operational EBIT-%	44,4 %	19,9 %	40,8 %	1,0 %	-	34,8 %
Volum harvested	17 612	4 268	21 879	22 141	-	-
Sales price per kg salmon	83,8	60,9	79,4	85,2	-	-
Operational EBIT per kg salmon	39,0	12,2	33,8	0,9	-	-

\*) Depreciation and amortization in "Other/eliminations" is almost exclusively related to surplus values from acquisitions.

Year ended 31 Dec 2021	Farming*)	Sales & processing	Other / eliminations**)	Måsøval Group
(All figures in NOK 1 000)				
Internal operating revenue – sale of salmon	268 170	–	-268 170	–
External operating revenue – sale of salmon	686 538	405 739	–	1 092 278
Other operating revenues	104 821	32 685	-14 445	123 061
<b>Total operating revenues</b>	<b>1 059 529</b>	<b>438 425</b>	<b>-282 615</b>	<b>1 215 339</b>
Operating expenses	643 182	421 408	-246 787	817 369
Depreciation and amortization	95 785	3 806	5 549	105 574
<b>Operational EBIT</b>	<b>320 562</b>	<b>13 211</b>	<b>-41 377</b>	<b>292 396</b>
Operational EBIT-%	30,3 %	3,0 %	-	24,1 %
Volum harvested	16 888	6 807	-	-
Sales price per kg salmon	56,5	59,6	-	-
Operational EBIT per kg salmon	19,0	1,9	-	-

\*) In 2021 all material operations were related to Farming Mid and the operations in Farming West was immaterial with only one location.  
With the acquisition of the Vartdal Group in December 2021 Farming West became a material geographical division.  
\*\*) Depreciation and amortization in "Other/eliminations" is almost exclusively related to surplus values from acquisitions.



NOTE 6 – REVENUES

Disaggregation of Revenue

The Group has disaggregated revenue into various categories in the following table which is intended to:

- Depict how the nature, amount, timing and uncertainty of revenue and cash flows; and
- Enable users to understand the relationship with revenue segment information provided in note 5

Revenues based on geographic location of customers	2022	2021
(All figures in NOK 1 000)		
Norway	837 339	865 207
Europe, without Norway	1 069 949	299 373
Asia	66 136	46 594
Other countries	18 708	4 163
<b>Total</b>	<b>1 992 132</b>	<b>1 215 337</b>

Revenues by product or service	2022	2021
(All figures in NOK 1 000)		
Sale revenue salmon	1 898 525	1 092 277
Other revenue	93 606	123 060
<b>Total</b>	<b>1 992 132</b>	<b>1 215 337</b>

Operating revenues

Operating revenues consist of revenue from sale of salmon either on spot rates or from fixed price contracts.

Sales are recognized in the income statement when the fish has been harvested and packed in boxes and picked up by the carrier (ex-works).

Other revenue

Other revenue consists of income from harvesting activities, sales of smolt and sales of services related to fish farming activities.



NOTE 7 – EMPLOYEE BENEFIT EXPENSES

	2022	2021
(All figures in NOK 1 000)		
Salaries	165 934	121 821
Payroll tax	16 109	8 404
Pension expenses	8 074	8 300
Social cost	5 643	2 021
Other expenses	1 034	176
<b>Total</b>	<b>196 794</b>	<b>140 722</b>
Number of employees at year end	250	221

Key management and board – compensation 2022	Salary	Bonus <sup>*)</sup>	Pension	Fees	Other	Total
(All figures in NOK 1 000)						
CEO	1 990	3 611	91	–	305	5 996
Group management (excluding CEO)	7 413	1 896	469	–	896	10 673
<b>Total compensation to management</b>	<b>9 402</b>	<b>5 507</b>	<b>560</b>	<b>–</b>	<b>1 200</b>	<b>16 669</b>
<b>Board of Directors</b>				<b>1 996</b>	<b>-</b>	<b>1 996</b>

Key management and board – compensation 2021	Salary	Bonus <sup>*)</sup>	Pension	Fees	Other	Total
(All figures in NOK 1 000)						
CEO	1 963	1 714	81	–	304	4 062
Group management (excluding CEO)	6 791	2 045	405	–	484	9 725
<b>Total compensation to management</b>	<b>8 754</b>	<b>3 759</b>	<b>486</b>	<b>–</b>	<b>788</b>	<b>13 787</b>
<b>Board of Directors</b>				<b>1 013</b>	<b>-</b>	<b>1 013</b>

<sup>\*)</sup> Bonus consists of two different bonus agreements, one of which is a loyalty bonus that is paid annually, 18 months after its earning. The second is paid annually in March of the year following accrual.

Pension

An agreement on mandatory occupational pensions has been entered into within group companies where this is mandatory.



NOTE 8 – OTHER OPERATING EXPENSES

	2022	2021
(All figures in NOK 1 000)		
Lease payments *)	2 278	2 151
Maintenance	76 095	41 509
Energy	25 668	10 061
Freight	89 655	33 030
Public fees	1 107	281
Renovation	6 162	2 959
Professional fees	15 790	11 452
Other	37 107	1 837
<b>Other operating expenses</b>	<b>253 862</b>	<b>103 280</b>

\*) Short-term and variable lease, see note 14

Production tax is reported on a separate line in the income statement. Total production tax amounted to NOK 8 861 000 in 2022 (6 755 000 in 2021)

Audit fees

Audit fees to the auditors in the group entities is as follows (excluding VAT)

Audit fees	2022	2021
(All figures in NOK 1 000)		
Statutory audit	1 297	881
Other assurance services	394	113
Other non-assurance services	840	762
<b>Total</b>	<b>2 531</b>	<b>1 756</b>



NOTE 9 – FAIR VALUE ADJUSTMENTS

The Group’s biomass is valued at fair value less costs-to-sell, in accordance with IAS 41 Agriculture. Fair value adjustments are part of the Groups operating profit/loss, but are presented on a separate line to provide a better understanding of the Group’s profit /loss on sold goods. See note 15 Biomass for further information about the fair value adjustments for biomass.

Investments in equity instruments are valued at fair value. The Group has chosen to classify equity instruments at fair value through other comprehensive income.

Specification of fair value adjustments in the income statement	2022	2021
(All figures in NOK 1 000)		
Change in fair value of the biomass	246 150	112 264
Change in fair value – foreign currency forward contracts	1 088	494
<b>Change in fair value recognised in Net profit or loss for the year</b>	<b>247 238</b>	<b>112 758</b>
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	–	–
<b>Change in fair value recognised in Other comprehensive income</b>	<b>–</b>	<b>–</b>
<b>Change in fair value recognised in Total comprehensive income for the year</b>	<b>247 238</b>	<b>112 758</b>

Specification of fair value adjustments in the balance sheet	2022	2021
(All figures in NOK 1 000)		
Fair value adjustments of the biomass	456 081	209 931
Fair value adjustments Equity instruments	–	–
Fair value adjustments other financial instrument	1 228	140
<b>Net change in fair value in the balance sheet</b>	<b>457 309</b>	<b>210 071</b>



NOTE 10 – FINANCE INCOME AND EXPENSE

Finance income	2022	2021
(All figures in NOK 1 000)		
Interest income	8 000	234
Net income from associated companies	–	-1 309
Foreign exchange gains	359	601
Other finance income	1 604	6 202
<b>Total finance income</b>	<b>9 963</b>	<b>5 728</b>

Finance expenses	2022	2021
(All figures in NOK 1 000)		
Interest on debts and borrowings	78 386	21 267
Interest from leases	12 700	5 561
Foreign exchange losses	520	834
Loss from sale of associated company	–	7 326
Other finance expense	220	14 739
<b>Total finance expense</b>	<b>91 826</b>	<b>49 727</b>



## NOTE 11 – INCOME TAX

Taxable income	2022	2021
Profit before tax	802 651	333 250
Non taxable items <sup>(1)</sup>	-884	3 827
Changes in temporary differences via acquisitions	-	584 884
Changes in temporary differences	-353 326	-751 520
<b>Taxable income</b>	<b>448 441</b>	<b>170 441</b>

Income tax expense:	2022	2021
(All figures in NOK 1 000)		
Current income tax	105 065	37 497
Changes in deferred tax	71 324	14 473
<b>Total income tax expense</b>	<b>176 389</b>	<b>51 970</b>

Reconciliation of effective tax rate	2022	2021
(All figures in NOK 1 000)		
Profit before tax	802 651	333 250
Income tax based on applicable tax rate (22%)	176 583	73 315
Non taxable items <sup>(1)</sup>	-194	842
Net tax effect of group contribution	-	-22 187
<b>Income tax expense</b>	<b>176 389</b>	<b>51 970</b>
Effective tax rate	22,0 %	15,6 %

(1) Includes non-taxable income such as capital gains and dividendes from associated companies and non-deductible costs such as representation and gifts.

Temporary differences and tax positions	2022	2021	Changes
(All figures in NOK 1 000)			
Licenses	1 463 635	1 293 871	169 764
Fixed assets	164 088	167 596	-3 508
Deferred income recognition from gain on sale of PP&E	-	6 673	-6 673
Temporary differendes through joint production partnerships	-	5 997	-5 997
Current assets	-7 243	478 920	-486 163
Biological assets	956 885	209 931	746 954
Leasing	9 575	42 563	-32 988
P/L-account	-523	-	-523
Provisions	-	-	-
Group contribution	-29 127	-	-29 127
Tax losses carried forward	-	-	-
<b>Total temporary differences and tax positions</b>	<b>2 557 290</b>	<b>2 205 551</b>	<b>351 739</b>
Temporary differences and tax positions not included in the basis for deferred tax	8 384	8 801	-417
Basis for deferred tax	2 565 674	2 214 352	351 322
<b>Net deferred tax</b>	<b>564 448</b>	<b>487 157</b>	<b>77 291</b>
Change in deferred tax from Group contribution			-6 408
<b>Deferred tax recognized in the income statement</b>			<b>70 883</b>



NOTE 12 – INTANGIBLE ASSETS

	Goodwill	Fish-farming licenses	Total intangible assets
(All figures in NOK 1 000)			
<b>Cost as of 31.12.2020</b>	34 568	777 199	811 767
Additions through business combinations	404 395	1 291 567	1 695 962
<b>Cost as of 31.12.2021</b>	<b>438 963</b>	<b>2 068 766</b>	<b>2 507 729</b>
Pro&contra settlement Vartdal Group	-10 574	–	-10 574
<b>Cost as of 31.12.2022</b>	<b>428 389</b>	<b>2 068 766</b>	<b>2 497 155</b>
<b>Carrying amount as of 31.12.2020</b>	<b>34 568</b>	<b>777 199</b>	<b>811 767</b>
<b>Carrying amount as of 31.12.2021</b>	<b>438 963</b>	<b>2 068 766</b>	<b>2 507 729</b>
<b>Carrying amount as of 31.12.2022</b>	<b>428 389</b>	<b>2 068 766</b>	<b>2 497 155</b>
Carrying amount of assets with indefinite life	428 389	2 068 766	2 497 155

Goodwill and Licenses are defined as having an indefinite useful economic life and are not depreciated, but are tested for impairment annually and when there is an indication that an assets may be impaired.

The value of goodwill is primarily related to synergies, assembled workforce and their competency as well as high growth expectations.

Recognized goodwill in the Group is derived from several business combinations.

Company/Group	Acquisition year	Acquisition cost*	Recognized Goodwill
(All figures in NOK 1 000)			
Måsøval Åsen AS	2019	83 662	34 568
Stokkøy Skjell AS	2021	23 619	6 260
Pure Norwegian Seafood AS	2021	59 411	4 616
Pure Farming AS	2021	216 192	50 440
Vartdal Group (5 companies)	2021	1 366 375	332 505
<b>Total</b>		<b>1 749 259</b>	<b>428 389</b>

\*) Acquisition cost is the cost price of the shares aquired in the companies above

Specification of farming licenses		No. of licenses	MAB*) Tonnes	Cost	Net book value
(All figures in NOK 1 000, except No. Of licenses and MAB Tonnes)					
Farming PO6	Smolt	2		18 881	18 881
Farming PO6 **)	Farming	14	11 416	1 019 735	1 019 735
Farming PO5	Smolt	2		163 000	163 000
Farming PO5 **)	Farming	6	4 398	867 150	867 150
<b>Total Group</b>		<b>24</b>	<b>15 814</b>	<b>2 068 766</b>	<b>2 068 766</b>

\*) Maximum allowed biomass

\*\*\*) Including four development licenses related to the Aqua Semi project (3,120 tonnes MAB)

Total MAB can be utilized collectively between production area 5 (Farming West) and 6 (Farming Mid)  
All fish-farming licenses and fixed assets are collateralised for the Group's external bank loans.



Annual testing for impairment of goodwill

The Group’s operations are strongly related to each other and identified added values and goodwill in the event of acquisitions are largely valued based on synergies and being an integrated business. All production management, evaluation of harvesting plans, etc. are treated as one production unit in the Group. Although there are synergies and close integration, the Group will monitor the business as two segments after the acquisition of the Vartdal Group. These are identified as two cashflow generating units (CGU): “Farming ” and “Sales & processing”.

Based on strong synergies and tightly integrated activities in the Group, an assessment is always made of the allocation of goodwill and other added value in connection with acquisitions.

Acquisition of processing facilities and a sales organisation simplifies logistics and planning in operation at sea in the Group. All goodwill regarding the acquisition of processing facilities and the sales organisation is, therefore, allocated to the Farming segment.

Intangible assets by CGU as of 31.12.2022	Goodwill	Licenses	Total
(All figures in NOK 1 000)			
Farming	428 389	2 068 766	2 497 155
Sales & processing *)	–	–	–
<b>Total as of 31.12.21</b>	<b>428 389</b>	<b>2 068 766</b>	<b>2 497 155</b>

\*) Identified goodwill regarding the acquisition of the Sales & Processing segment is considered to belong to the Farming segment based on the fact that ownership of the entire value chain simplifies production planning throughout the value chain. Therefore, the goodwill related to the “Sales & processing” is allocated to the Farming CGU.



Annual impairment test of goodwill and licenses

The impairment test is carried out by calculating the net present value of future cash flows of the CGU in its current condition and comparing it with the carrying amount of capital employed. A calculation of the effect of the proposed resource tax is considered in the impairment test. An impairment loss is recorded if the carrying amount exceeds the estimated value in use. Impairment testing is performed annually as of 31 December and when circumstances indicate that the carrying value may be impaired.

Estimated future cash flows are based on budgets and forecast for the next five years and a terminal value. Terminal value is calculated using a growth rate of two per-cent, reflecting the future estimated growth in cash flow.

Estimated value will be affected by the following key assumptions:

- Discount rate
- Operational EBITDA per kilogram salmon
- Estimated future harvest volume

The discount rate used reflects managements estimate of the risk associated with the business. The discount rate is an estimated average capital cost of the Group (WACC) and is calculated at 7.5 percent. Capital costs are calculated by considering the risk-free interest rate, the market risk premium in the equity market and the company's average interest rate on borrowing. Capital costs are adjusted to reflect conditions at individual cash flow generating units, such as particular risks and interest rate differentials.

Operational EBITDA per kilogram salmon is highly volatile due to the fluctuation in the price of salmon. Estimated salmon prices are based on actual long-term price levels in the market in which the fish is sold. Production costs are more stable and are estimated based on historical costs adjusted for inflation and known changes. In the terminal value, an estimated Operational EBITDA margin per kilogram of NOK 23,66 has been used.

Harvest volume is estimated based on current production and harvesting plans adjusted for expected increases in future output given current licenses.

The impairment test does not give indications for write-downs of the book value of the licenses at 31 December 2022. There are significant positive differences between estimated recoverable amounts and book values.

Sensitivity

The following changes in key assumptions results in the value-in-use being equal to the carrying amount.

		Segment
Assumption:	Change:	Farming
EBITDA margin per kg (NOK)	Change in EBITDA per kg (NOK)	-3,30
Discount rate (percent)	Change in percentage points	2,38
Future harvest volum (tonnes)	Percentage change in volume	-41,8 %



## NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

	Properties	Farming facilities and floating installations	Vessels	Operating equipment	Total
(All figures in NOK 1 000)					
<b>Cost as of 31.12.2020</b>	<b>7 240</b>	<b>144 185</b>	<b>195 892</b>	<b>50 647</b>	<b>397 964</b>
Additions	57 425	16 103	-	16 999	90 527
Additions through business combinations	151 838	65 725	5 195	15 253	238 011
Disposals	-5 327	-	-2 780	-	-8 107
<b>Cost as of 31.12.2021</b>	<b>211 176</b>	<b>226 013</b>	<b>198 307</b>	<b>82 899</b>	<b>718 395</b>
Additions	10 911	109 073	56 236	25 877	202 097
Reclassifications*)	-92 541	58 550	-62 489	-3 339	-99 819
Disposals		-12 701	-711	-4 090	-17 502
<b>Cost as of 31.12.2022</b>	<b>129 546</b>	<b>380 935</b>	<b>191 343</b>	<b>101 347</b>	<b>803 171</b>
<b>Accumulated depreciation and impairments as of 31.12.2020</b>	<b>2 799</b>	<b>72 658</b>	<b>116 804</b>	<b>37 452</b>	<b>229 713</b>
Depreciation	2 867	12 745	17 877	2 985	36 474
Disposals	-129	-	-1 502	-	-1 631
<b>Accumulated depreciation and impairments as of 31.12.2021</b>	<b>5 537</b>	<b>85 403</b>	<b>133 179</b>	<b>40 437</b>	<b>264 556</b>
Depreciation	10 379	46 515	11 484	7 220	65 219
Disposals	-	-4 543	-	-358	-4 901
<b>Accumulated depreciation and impairments as of 31.12.2022</b>	<b>15 916</b>	<b>127 374</b>	<b>144 663</b>	<b>47 299</b>	<b>335 252</b>
<b>Carrying amount as of 31.12.2020</b>	<b>4 441</b>	<b>71 527</b>	<b>79 088</b>	<b>13 195</b>	<b>168 251</b>
<b>Carrying amount as of 31.12.2021</b>	<b>205 639</b>	<b>140 610</b>	<b>65 128</b>	<b>42 462</b>	<b>453 839</b>
<b>Carrying amount as of 31.12.2022</b>	<b>113 630</b>	<b>253 560</b>	<b>46 680</b>	<b>54 048</b>	<b>467 918</b>
Economic life	5 – 7 year	7 – 15 year	3 – 7 year	3 – 7 year	
Depreciation method	Linear	Linear	Linear	Linear	

\*) Reclassification also includes reclassification from owned assets to leased assets

All fish-farming licences and fixed assets are collateralised for the Group's external bank loans.



NOTE 14 – RIGHT-TO-USE ASSETS AND LEASE LIABILITIES

Right of use asset

The Group’s leased assets include properties, farming facilities, vessels and other equipment. The Group’s right-of-use assets are categorized and presented in the table below:

Right of use assets	Properties	Farming facilities*)	Vessel	Other	Total
(All figures in NOK 1 000)					
At 1 January 2021	-	85 552	94 534	1 480	181 566
Additions	-	36 354	182 446	14 431	233 231
Additions through business combinations	-	80 827	17 783	32 402	131 012
Amortisation	-	-17 521	-51 193	-3 253	-71 967
At 31 December 2021	-	185 211	243 570	45 060	473 841
At 1 January 2022	–	185 211	243 570	45 060	473 841
Reclassification**)	72 849	26 970	-	-	99 819
Additions	1 443	16 323	36 397	4 095	58 258
Amortisation	-7 659	-26 656	-61 911	-4 721	-100 947
Disposals	–	–	-154	-1 451	-1 605
At 31 December 2022	66 633	201 848	217 902	42 983	529 366
Economic life/lease term		5 – 15 year	5 – 10 year	3 – 7 year	
Amortisation method		Straight line	Straight line	Straight line	

\*) In 2021 Farming facilities also includes some properties, reclassified in 2022

\*\*) Reclassification also includes reclassification from owned assets to leased assets



Lease liabilities

Undiscounted lease payments and year of payment	2022	2021
(All figures in NOK 1 000)		
Less than 1 year	117 659	99 112
1-3 years	163 162	202 413
3-5 years	98 211	72 332
more than 5 years	79 914	31 476
<b>Total undiscounted lease payments</b>	<b>458 946</b>	<b>405 333</b>

Changes in lease liabilities	
(All figures in NOK 1 000)	
At 1 January 2021	149 708
Additions	315 597
Interest expenses	5 561
Lease payments	-65 533
<b>At 31 December 2021</b>	<b>405 333</b>
At 1 January 2022	405 333
Additions	163 881
Interest expenses	12 700
Lease payments	-122 968
<b>At 31 December 2022</b>	<b>458 946</b>

Spesification of lease liabilities	2022	2021
(All figures in NOK 1 000)		
Current lease liabilities	130 808	103 701
Non-current lease liabilities	328 138	301 632
<b>Total</b>	<b>458 946</b>	<b>405 333</b>

The lease contracts do not include any restrictions with regards to the Group's dividend policy or financing opportunities.

Lease payment expensed	2022	2021
(All figures in NOK 1 000)		
Expensed lease payment for short-term leases and low value leases	146	138
Variable lease payments	2 132	2 013
<b>Total lease payments expensed</b>	<b>2 278</b>	<b>2 151</b>
Lease payments	122 968	65 533
<b>Total lease payments</b>	<b>125 246</b>	<b>67 684</b>



NOTE 15 – BIOLOGICAL ASSETS AND OTHER INVENTORIES

We refer to note 3 “Accounting policies” for a description of the accounting principles regarding biological assets.

Book value of biological assets and inventory	31.12.2022	31.12.2021
(All figures in NOK 1 000)		
Feed inventory	23 987	20 049
Finished goods	13 661	6 089
<b>Total other inventory</b>	<b>37 648</b>	<b>26 138</b>
Biological assets	1 159 932	699 558
<b>Total biological assets and other inventory</b>	<b>1 197 580</b>	<b>725 696</b>

Fair value

Fair value adjustments are part of the Group’s operating profit/loss, but changes in fair value are presented on a separate line to provide a greater understanding of the Group’s profit/loss on sold goods. The item comprises:

Book value of biological assets recognised at fair value	31.12.2022	31.12.2021
(All figures in NOK 1 000)		
Biological assets held at sea farms at cost	619 854	413 634
Fair value adjustment of biological assets	456 081	209 931
<b>Total biological assets held at sea by fair value</b>	<b>1 075 934</b>	<b>623 565</b>
Smolt and postsmolt at cost	83 998	75 993
<b>Total biological assets</b>	<b>1 159 932</b>	<b>699 558</b>

Change in the book value of biological assets held at sea farm carried at fair value	2022	2021
(All figures in NOK 1 000)		
Biological assets held at sea farm 1 Jan	623 565	374 607
Increase from acquisitions	–	105 706
Increase resulting from production/purchase	1 091 908	651 160
Reduction resulting from sale/harvesting	-885 689	-620 173
Reduction resulting from incident-based mortality	–	–
Net fair value adjustment	246 150	112 264
<b>Biological assets held at sea farm Dec</b>	<b>1 075 934</b>	<b>623 565</b>

Incident-based mortality

In the event of incidents exceeding three percent mortality in a period based on a single incident, or if the mortality exceeds five percent over several periods based on one and the same incident, an assessment is made as to whether there is a basis for write-downs. The assessment relates to the number of fish and is carried out at site level. Incident-based mortality is recognised under cost of goods sold in the consolidated statement of comprehensive income.

The assessment relates to the number of fish and is carried out at site level.



All figures below in NOK 1 000, except Biomass (Tonnes)

Biological assets held at sea farms 31. Dec 2022	Biomass (tonnes)	Cost	Fair value adjustment	Carrying amount
< 1 kg	106	20 949	14 336	35 285
1 – 4 kg	12 529	598 904	441 745	1 040 649
> 4 kg	-	-	-	-
Biological assets held at sea farms	12 634	619 853	456 081	1 075 934
Smolt and post-smolt at cost	-	83 998	-	83 998
<b>Biological assets total</b>	<b>12 634</b>	<b>703 851</b>	<b>456 081</b>	<b>1 159 932</b>

Biological assets held at sea farms 31. Dec 2021	Biomass (tonnes)	Cost	Fair value adjustment	Carrying amount
< 1 kg	2 027	119 688	14 017	133 705
1 – 4 kg	9 457	293 946	195 913	489 860
> 4 kg	-	-	-	-
Biological assets held at sea farms	11 483	413 634	209 931	623 565
Smolts and post-smolts at cost	-	75 993	-	75 993
<b>Biological assets total</b>	<b>11 483</b>	<b>489 627</b>	<b>209 931</b>	<b>699 558</b>



The fair value calculation is based on the following forward prices:

All figures below in NOK 1 000, except Biomass (Tonnes)

Expected harvesting period:	Forward price 31.12.2022	Expected harvesting period:	Forward price 31.12.2021
Q1-2023	91,75	Q1-2022	68,70
Q2-2023	95,55	Q2-2022	68,20
Q3-2023	76,48	Q3-2022	56,40
Q4-2023	78,22	Q4-2022	62,30
Q1-2024	84,33	Q1-2023	65,00
Q2-2024	87,50	Q2-2023	65,50
Q3-2024	73,50	Q3-2023	55,00
Q4-2024	76,50	Q4-2023	56,50

Discount rate

The discount rate at 31.12.2022 and 31.12.2021 was five percent per month, which reflects the biomass capital cost, risk and synthetic license fees and site rental charges.

Sensitivity assessment

The estimated fair value of biological assets has been calculated using different parameters. The effect on the estimated fair value of biological assets is summarised below:

2022	Increase	Effect on estimated fair value 31.12.2022	Decrease	Effect on estimated fair value 31.12.2022
Change in forward price	5 NOK per kg	85 316	5 NOK per kg	-85 316
Change in discount factor	1 %	-54 369	1 %	58 398
Change in harvesting time	1 month earlier	53 830	1 month later	-126 572
Change in biomass	1 %	14 055	1 %	-14 055

2021	Increase	Effect on estimated fair value 31.12.2021	Decrease	Effect on estimated fair value 31.12.2021
Change in forward price	5 NOK per kg	77 257	5 NOK per kg	-77 257
Change in discount factor	1 %	-31 067	1 %	34 314
Change in harvesting time	1 month earlier	45 627	1 month later	-53 248
Change in biomass	1 %	8 265	1 %	-8 265



NOTE 16 – ACCOUNTS RECEIVABLES

Accounts receivables	2022	2021
(All figures in NOK 1 000)		
Accounts receivables at face value as of 31.12	177 054	194 004
Less: Provision for impairment of accounts receivables	3 283	438
<b>Net accounts receivables</b>	<b>173 771</b>	<b>193 566</b>

Accounts receivables	2022	2021
(All figures in NOK 1 000)		
Receivables written off during the year	1 574	721
Changes in provision during the year	2 845	-438
<b>Impairment loss during the year</b>	<b>4 419</b>	<b>283</b>

Maturity profile trade receivables	Not due	<30d	30-60d	60-90d	>90 d	Total
(All figures in NOK 1 000)						
Accounts receivables 2022	127 930	28 529	480	3 853	12 979	173 771
Accounts receivables 2021	167 692	11 524	2 588	1 541	10 221	193 566

At 31 December 2022, accounts receivables of NOK 46 million were past their due date, but not impaired. There were no earlier defaults on these customer’s obligations to the Group. Around NOK 9 million of claims overdue more than 90 days relate to related parties. Separate agreements have been entered into regarding the payment of these outstanding amounts.

There were no credit losses in the Group up to the end of 2021. All provisions in 2022 are related to the subsidiaries Pure Norwegian Seafood AS (PNS) and Western Seaproducts AS (WSP). Provisions are based on an individual assessment of all significant receivables and an individual provision where this is deemed necessary. Credit losses are measured on the basis of the expected loss over the remaining life of the exposure, and not based on a 12-month expected loss. Historical losses in PNS and WSP have been low.

PNS has also entered into credit insurance agreements. Normally, all export sales will be insured. There are separate agreements for each customer. The terms are approximately the same, but the framework varies. Formally, the claims have been transferred to a factoring company under a factoring agreement. The factoring company is, therefore, formally the policyholder in this context. There is no transfer of credit risk to the factoring company.



Standard insurance covers up to 90 percent of receivables for each customer within the limit of credit of up to 90 days. If the insurance company's total limit towards individual customers is fully utilised, individual assessments are made by the company's management before a credit is granted.

Credit losses are classified as other operating expenses in profit and loss.

Foreign currency exposure receivables:	2022	2021
(All figures in NOK 1 000)		
EUR	90 736	58 624
JPY	1 693	6 407
USD	6 589	5 280
CHF	61	260
<b>Total foreign currency receivables</b>	<b>99 079</b>	<b>70 571</b>
NOK	74 691	122 995
<b>Total book value accounts receivables</b>	<b>173 771</b>	<b>193 566</b>

Receivables by location of customers	2022
(All figures in NOK 1 000)	
Norway	46 600
Europe, without Norway	118 547
Asia	8 417
Other countries	207
<b>Total book value accounts receivables</b>	<b>173 771</b>

NOTE 17 – CASH AND CASH EQVIVALENTS

The Group's cash and cash equivalents consists of bank balances and tax withholding account.

	31.12.2022	31.12.2021
(All figures in NOK 1 000)		
Bank deposits, unrestricted	29 619	115 164
Bank deposits, restricted *)	8 854	6 088
<b>Cash and cash equivalents in the statement of financial position</b>	<b>38 473</b>	<b>121 252</b>

\*) Restricted bank deposits consist of tax withholdings.

In addition the Group has an overdraft facility with a limit of MNOK 300, of which MNOK 272 is drawn as at 31 December

NOTE 18 – INVESTMENTS IN ASSOCIATED COMPANIES

	Tjeldbergodden Rensefisk AS	Pure Shipping AS
Ownership	30 %	30 %
(All figures in NOK 1 000)		
Closing balance as of 31.12.20	4 059	–
Additions	–	11 159
Share of profit/(loss) 2021	-1 309	–
Realised loss on disposal	–	-7 326
Disposals	-2 750	-3 833
<b>Closing balance as of 31.12.21</b>	<b>–</b>	<b>–</b>

Tjeldbergodden Rensefisk AS was owned by Måsøval AS and sold during 2021. Pure Shipping AS was part of the transaction when the Group acquired Pure Farming AS in 2021. The shares were then sold. As of 31.12.2022, the Group has no shares in associated companies.



NOTE 19 – INTEREST-BEARING DEBT

The Group’s financing is split between Måsøval AS and its 100%-owned subsidiaries (Måsøval’s facility) and Pure Norwegian Seafood (Pure’s facility). They are two separate standalone agreements.

The Måsøval facility at 31 December 2022 totaled NOK 1,918 million, comprising a revolving credit facility of NOK 550 million (of which NOK 175 million is drawn), a term loan of NOK 1 068 million and an overdraft facility of NOK 300 million (of which NOK 272 million is drawn). The Pure facility consists of a factoring agreement of NOK 100 million (of which NOK 24 million is drawn) and a term loan of NOK 31 million.

A new credit facility for Måsøval was signed in December 2022, with effect from 1 January 2023, with a new total of NOK 2 200 million, comprising a new revolving credit facility of NOK 500 million, and new term loan of NOK 1 400 million. The overdraft facility of NOK 300 million was rolled over. The new revolving credit facility and term loan expire 28 February 2026, with two one-year extension options. These options are uncommitted and are subject to approval by the lenders.

Interest on the Måsøval facility is floating and linked to the three-month NIBOR, plus a margin.

Pure Norwegian Seafood’s (PNS) loan portfolio currently has a combination of floating and fixed interest terms. The company’s interest rate sensitivity is adapted to an appropriate hedging level when using interest rate swaps. Total lending in PNS at 31 December 2022 was NOK 31 million. See note 4 for further details.

Non-current borrowing	2022	2021
(All figures in NOK 1 000)		
Long-term debt	1 150 828	1 560 312
Non-current liabilities for right-of-use assets	328 138	301 632
<b>Total non-current borrowing</b>	<b>1 478 965</b>	<b>1 861 944</b>

Next years installment on non-current debt	2022	2021
(All figures in NOK 1 000)		
Long-term debt	121 283	121 137
Overdraft facility	296 202	193 644
Current liabilities for right-of-use assets	130 808	103 701
<b>Total current borrowing</b>	<b>548 293</b>	<b>418 482</b>

Total borrowing	2022	2021
(All figures in NOK 1 000)		
Long-term debt	1 272 111	1 681 449
Overdraft facility	296 202	193 644
Total liabilities for right-of-use assets	458 946	405 333
<b>Total</b>	<b>2 027 259</b>	<b>2 280 426</b>



Mortgage-backed liabilities	2022	2021
(All figures in NOK 1 000)		
Long -term debt	1 272 111	1 681 449
Overdraft facility	296 202	193 644
<b>Total mortgage-backed liabilities</b>	<b>1 568 313</b>	<b>1 875 093</b>

Carrying amount of pledged assets	2022	2021
(All figures in NOK 1 000)		
Accounts receivables	173 771	193 566
Inventories	1 197 580	725 696
Equipment and aquaculture licenses	2 536 684	2 522 605
<b>Total carrying amount of pledged assets</b>	<b>3 908 035</b>	<b>3 441 867</b>

Maturity structure of long term debt	2022	2021
(All figures in NOK 1 000)		
less than 1 year	243 825	225 170
between 1 and 3 years	1 301 291	1 755 310
between 3 and 5 years	106 026	74 826
over 5 years	79 914	31 476
<b>Total</b>	<b>1 731 057</b>	<b>2 086 782</b>

## Financial covenants

### As of 31 December 2022

The new Måsøval facility as of December 2022 has the following requirements: The borrower and the Group must, at all times, maintain an equity ratio of at least 30 percent and an interest coverage ratio of at least 4.0. Furthermore, the pricing of the credit products in the agreement is linked to the Group’s net interest-bearing debt (NIBD) in relation to operating profit before depreciation and amortisation (EBITDA). Debt on operational leases according to IFRS 16 is not included in NIBD for the purpose of calculating the NIBD/EBITDA ratio. See “Alternativ Performance Measurments” for further details.

### As of 31 December 2021

The Group entered into a new financing agreement in 2020. The agreement includes requirements that the borrower and the Group must, at all times, maintain an equity ratio of at least 30 percent. Furthermore, the pricing of the credit products in the agreement is linked to the Group’s net interest-bearing debt in relation to operating profit before depreciation (EBITDA).



NOTE 20 – OTHER CURRENT LIABILITIES

Other current liabilities	2022	2021
(All figures in NOK 1 000)		
Public duties payable	12 022	-4 571
Accrued payroll related items	34 107	33 046
Other short term liabilities	39 918	39 635
<b>Total other current liabilities</b>	<b>86 047</b>	<b>68 110</b>



NOTE 21 – NOTES SUPPORTING THE CASH FLOWS

Transactions without cash flow effects from financing activities are presented in the reconciliation of the movement in financial liabilities in the following tables.

	Non-current loans and borrowings	Non-current Lease liabilities	Current loans and borrowings	Current Lease liabilities	Total
(All figures in NOK 1 000)					
At 1 January 2022	1 560 312	301 632	314 781	103 701	2 280 426
<b>Cash flows</b>					
Downpayment of loans	-406 183	–	-30 000	–	-436 183
New loans	26 844	–	–	–	26 844
Net change in overdraft facility	–	–	102 559	–	102 559
Net lease payments	–	–	–	-110 268	-110 268
<b>Non-cash flows</b>					
- New lease agreement	–	163 881	–	–	163 881
- Reclassification short/long term	-30 146	-137 375	30 146	137 375	–
<b>At 31 December 2022</b>	<b>1 150 827</b>	<b>328 138</b>	<b>417 486</b>	<b>130 808</b>	<b>2 027 259</b>

	Non-current loans and borrowings	Non-current Lease liabilities	Current loans and borrowings	Current Lease liabilities	Total
(All figures in NOK 1 000)					
At 1 January 2021	463 795	90 556	228 872	59 152	842 375
<b>Cash flows</b>					
Downpayment of loans	-56 778	–	-30 000	–	-86 778
New loans	1 200 000	–	–	–	1 200 000
Net change in overdraft facility	–	–	-18 002	–	-18 002
Net lease payments	–	–	–	-59 972	-59 972
<b>Non-cash flows</b>					
- Changes from business combinations	87 206	111 302	–	–	198 508
- New lease agreement	–	204 295	–	–	204 295
- Reclassification short/long term	-133 911	-104 521	133 911	104 521	–
<b>At 31 December 2021</b>	<b>1 560 312</b>	<b>301 632</b>	<b>314 781</b>	<b>103 701</b>	<b>2 280 426</b>



NOTE 22 – SHARE CAPITAL AND SHAREHOLDERS

		2022	2021
(All figures in NOK 1 000)			
Share capital		30 627	30 627
Share premium		872 432	872 432
<b>Total paid in capital</b>		<b>903 059</b>	<b>903 059</b>
	<b>No. Of shares</b>	<b>Face value</b>	<b>Book value</b>
Ordinary shares	122 508 455	0,25	30 627

The company has only one class of shares and all shares have the same rights in the company. All share capital is fully paid up. There are no preferential rights or restrictions related to the shares.

There are no shares held by the entity or by subsidiaries or affiliated entities.

There have been no changes to the share capital during 2022.

See also the equity statement, note 23 and note 25 for further details.

Shareholders

The company's 20 largest shareholders as of 31 December 2022 were:	No. of shares	% of total
Måsøval Eiendom AS	85 727 553	69,98 %
Verdipapirfond Odin Norge	9 907 218	8,09 %
Vartdal Invest AS	4 761 904	3,89 %
J.P. Morgan Bank Luxemburg S.A.	3 722 715	3,04 %
Henden Nygård Holding AS	1 800 057	1,47 %
ABBA Holding AS	1 677 176	1,37 %
Morgan Stanley & Co. Int. Plc.	1 652 062	1,35 %
J.P.Morgan bank Luxemburg S.A.	1 273 821	1,04 %
Vicama AS	1 000 000	0,82 %
Gåsø Næringsutvikling AS	955 132	0,78 %
Hausta Investor AS	875 933	0,71 %
Songa Capital AS	652 199	0,53 %
Patric Invest AS	611 252	0,50 %
Ytterråg AS	608 000	0,50 %
GH Holding AS	466 620	0,38 %
Verdipapirfondet Holberg Triton	395 000	0,32 %
Sniptind Invest AS	341 912	0,28 %
DNB Bank ASA	282 665	0,23 %
BNP Paribas	245 000	0,20 %
Småge Eiendom AS	241 387	0,20 %
<b>Total 20 larges shareholders</b>	<b>117 197 606</b>	<b>95,66 %</b>
Total other shareholders	5 310 849	4,34 %
<b>Total number of shares 31.12.2021</b>	<b>122 508 455</b>	<b>100,00 %</b>



Shares owned by members of the board and senior executives: *)		No. of shares	% of total
Lars Måsøval	Chairman of the board	42 435 139 <sup>1)</sup>	34,99 %
Arnfinn Aunsmo	Board Member	9 200 <sup>2)</sup>	0,01 %
Ola Loe	Board Member	6 150	0,01 %
Kari Skeidsvoll Moe	Board Member	3 039	0,00 %
Martin Staveli	Deputy Board Member	18 237	0,01 %
Asle Rønning	CEO, through 31.12.22	112 285 <sup>3)</sup>	0,09 %
Helge Kvalvik	CEO, as of 1.1.23	12 000 <sup>4)</sup>	0,01 %
Gunnar Aftret	CFO	16 425	0,01 %
Harry Osvald Hansen	Head of farming	7 598	0,01 %
Eldar Henden	CEO – PNS	1 667 176 <sup>5)</sup>	1,36 %
Ingar Kyrkjebø	Head of service	2 127	0,00 %
Henny Førde	Head of Sales and Logistics	4 559	0,00 %
Andreas Skagøy	Head of Fish Health	5 179	0,00 %
Berit Flåmo	Head of Communication	9 118	0,01 %
Lars Jørgen Ulvan	Head of Smolt	1 215	0,00 %

1) Lars Måsøval owns indirectly through Måsøval Eiendom AS, where he controls 50 per cent of the shares directly and indirectly through personal related parties.  
2) Arnfinn Aunsmo owns indirectly through Barkbekken AS which he owns 100 per cent.  
3) Asle Rønning owns indirectly through AR-Invest AS which he owns 100 per cent.  
4) Helge Kvalvik owns indirectly through Storeskjeret AS which he owns 100 per cent.  
5) Eldar Henden owns indirectly through ABBA Holding AS which he owns 100 per cent.

\*) In connection with the IPO, some family members of the board and senior executives bought shares in the company. None of these shareholdings are considered significant.



NOTE 23 – EARNINGS PER SHARE

Basic earnings per share is based on the earnings attributable to shareholders of the company and the weighted average number of ordinary shares outstanding.

All numbers are presented in NOK 1.000 with the exception of earnings per share

Earnings per share	2022	2021
Net profit or loss for the year attributable to owners of the parent company	620 959	276 721
No. Of shares outstanding as at 1 Jan	122 508	2
Share split June 7 (face nominal decreased from NOK 12.350 to NOK 0,25)	–	98 798
Share issue June 15	–	9 118
Share issue December 20	–	14 590
No. Of shares outstanding as of 31 Dec	122 508	122 508
<b>Weighted average number of shares outstanding through the year (basic and diluted) *)</b>	<b>122 508</b>	<b>104 176</b>
<b>Earnings per share</b>		
Basic and diluted	5,07	2,66

NOTE 24 – CONSOLIDATED COMPANIES

The following companies are included in the consolidated financial statement for 2021 and 2022

Subsidiaries 2021 and 2022	Head office	Ownership
Måsøval Laksåvika AS (Måsøval Settefisk AS)	Frøya	100 %
Måsøval Åsen AS	Åsen	100 %
Måsøval Akva AS (Eidsvaag Akva AS)	Frøya	100 %
Måsøval Service AS <sup>1)</sup> (Stokkøy Skjell AS)	Frøya	100 %
Pure Norwegian Seafood AS <sup>2)</sup>	Averøy	65 %
Pure Farming AS <sup>2)</sup>	Averøy	100 %
Aqua Farms Vartdal AS <sup>3)</sup>	Vartdal	100 %
Urke Fiskeoppdrett AS <sup>3)</sup>	Vartdal	100 %
Vartdal Fiskeoppdrett AS <sup>3)</sup>	Vartdal	100 %
Western Seaproducts AS <sup>3)</sup>	Vartdal	100 %
Vartdal Fryseri AS <sup>3)</sup>	Vartdal	100 %

1) Acquired in April 2021  
2) Acquired in June 2021  
3) Acquired in December 2021



NOTE 25 – BUSINESS COMBINATIONS

There were no changes in the Group in 2022.

The group acquired a total of eight companies in 2021 that are incorporated in the consolidated financial statement for 2021. Stokkøy Skjell AS was acquired in April, Pure Farming AS and Pure Norwegian Seafood AS (65%) were acquired in June and five companies in the Vartdal Group were acquired in December 2021. In addition, the Group acquired minority interests in Gunnar Espenes Fiskeoppdrett AS and Måsøval Fish Farm AS during 2021.

If the subsidiaries acquired in 2021 had been consolidated for the whole year, operating revenue for the group would have been NOK 237.6 million higher.

**Måsøval Service AS (prev. Stokkøy Skjell AS)**

Stokkøy Skjell AS is a service company that provide services to the aquaculture business in the Group. The company has eight employees and provides diving services to the Group. The company's assets consist of boats and associated equipment. See note 12 for further details regarding acquisition analyses, identified added values and goodwill.

The shares were bought from Patric Invest AS in April and the consideration comprised a combination of cash and 607 903 new shares issued in Måsøval AS at a subscription price of NOK 32 90 per share.

Adjusted for depreciation of added value, the company contributes a profit of NOK -0,8 million to the Group in 2021.

Acquisitions effect on the balance sheet	Carrying amount	Adjustment to fair value	Fair value
(All figures in NOK 1 000)			
Property, plant and equipment	1 477	14 848	16 325
Other current assets	12 305	–	12 305
Deferred tax asset/liability	–	-3 267	-3 267
Current liabilities	-8 004	–	-8 004
<b>Net identifiable assets and liabilities</b>	<b>5 778</b>	<b>11 581</b>	<b>17 359</b>
Goodwill			6 260
<b>Total consideration</b>			<b>23 619</b>



Pure Farming AS

Pure Farming AS is a fish farming company holding one license of 780 tonnes MAB. The company has 0 employees. Måsøval operates its fish farming license at one site situated close to Averøya. See note 12 for further details regarding acquisition analyses, identified added values and goodwill.

Måsøval AS agreed to buy the company in April 2021. The final takeover took place after Måsøval AS was listed on Euronext Growth in June 2021. The shares in the company were acquired from Abba Holding

AS and Henden Nygård Holding AS, together with 65 percent of the shares in Pure Norwegian Seafood AS. The consideration comprised a combination of cash and new shares issued in Måsøval AS at a subscription price of NOK 32,90 per share. See the description under Pure Norwegian Seafood for details.

Adjusted for depreciation of added value, the company contributed a profit of NOK 12,4 million to the Group in 2021.

Acquisitions effect on the balance sheet	Carrying amount	Adjustment to fair value	Fair value
(All figures in NOK 1 000)			
Licenses	8 000	180 590	188 590
Goodwill	1 849	–	1 849
Property, plant and equipment	3 325	2 000	5 325
Other non-current assets	9 366	–	9 366
Inventory and biological assets	16 964	–	16 964
Other current assets	63 827	–	63 827
Deferred tax asset/liability	-2 759	-40 170	-42 929
Non-current liabilities	-2 159	–	-2 159
Current liabilities	-75 081	–	-75 081
<b>Net identifiable assets and liabilities</b>	<b>23 332</b>	<b>142 420</b>	<b>165 752</b>
Goodwill			50 440
<b>Total consideration</b>			<b>216 192</b>



Pure Norwegian Seafood AS

Pure Norwegian Seafood AS (PNS) has its own harvesting facility and sales organization and is located at Averøya. The company has 35 employees working with harvesting and sales of salmon. By acquiring the company Måsøval established the Group as an integrated salmon farming company with its own harvesting facility and sales organisation. See note 12 for further details regarding acquisition analyses, identified added values and goodwill.

Måsøval agreed to buy 65 percent of the shares in the company in April 2021. The final takeover took place after Måsøval AS was listed

on Euronext Growth in June 2021. The shares in the company were acquired from Abba Holding AS and Henden Nygård Holding AS, together with the shares in Pure Farming AS.

The consideration comprised a combination of cash and 655 220 new shares issued in Måsøval AS at a subscription price of NOK 32,90 per share. Adjusted for depreciation of added value and other elimination effects, the company contributes a profit of NOK 13,5 million to the Group in 2021.

Acquisitions effect on the balance sheet	Carrying amount	Adjustment to fair value	Fair value
(All figures in NOK 1 000)			
Property, plant and equipment	62 543	13 128	75 671
Other non-current assets	77 074	–	77 074
Inventory and biological assets	4 960	–	4 960
Other current assets	55 315	–	55 315
Deferred tax asset/liability	-3 102	-3 000	-6 102
Non-current liabilities	-82 017	–	-82 017
Current liabilities	-55 152	10 800	-44 352
<b>Net identifiable assets and liabilities</b>	<b>59 621</b>	<b>20 927</b>	<b>80 548</b>
Goodwill			4 616
Non-controlling interests			25 753
<b>Total consideration</b>			<b>59 411</b>



Vartdal Group

Vartdal Group consists of five companies. Aqua Farms Vartdal AS operates four licenses totaling 3,092 tonnes MAB. Urke Fiskeoppdrett AS and Vartdal Fiskeoppdrett AS each operate their own smolt/post-smolt facilities and have a total of two licenses for smolt/post-smolt production. Western Seaproducts AS operate a harvesting facility and Vartdal Fryseri AS operates a freezing facility. The Vartdal Group had an average of 37 full-time equivalent employees through 2021. The companies added a fully integrated fish farming business in production area 5 to the Måsøval Group. See note 12 for further details regarding acquisition analyses, identified added values and goodwill.

The companies were bought from Vartdal Invest AS in late December 2021. The consideration comprised a combination of cash and 4 761 904 new shares issued in Måsøval AS at a subscription price of NOK 42,0 per share.

The Vartdal Group was consolidated as of 31.12.2021, i.e. there are no profit effects from this acquisition in the consolidated statement of profit and loss in 2021.

Acquisitions effect on the balance sheet	Carrying amount	Adjustment to fair value	Fair value
(All figures in NOK 1 000)			
Licenses	8 600	1 094 400	1 103 000
Property, plant and equipment	166 436	97 413	263 849
Inventory and biological assets	109 511	36 994	146 505
Other current assets	98 889	–	98 889
Deferred tax asset/liability	-32 949	-270 338	-303 287
Non-current liabilities	-48 568	–	-48 568
Current liabilities	-227 518	–	-227 518
<b>Net identifiable assets and liabilities</b>	<b>74 401</b>	<b>958 469</b>	<b>1 032 870</b>
Goodwill			333 505
<b>Total consideration</b>			<b>1 366 375</b>



NOTE 26 – RELATED PARTY TRANSACTIONS

The Group is owned 70 percent by Måsøval Eiendom AS and is part of the Måsøval Eiendom Group which also consists of several other companies. The ultimate parent, Måsøval Eiendom AS, is owned by Lars Måsøval and Anders Måsøval with an indirect ownership of 49,5 percent each. See note 22 for further details.

Transactions with related parties also include transactions with other companies in the Måsøval Eiendom Group and consist mainly of the sale

of accounting services, rental of land bases and rental of well boats.

All transactions with related parties are undertaken at market terms and conditions. See note 7 for information regarding payments of benefits to members of the board and senior executives.

During the year, the Group companies entered into the following transactions with related parties who are not members of the Group:

Transactions with related parties in 2022		Sales	Purchase	Receivables	Liabilities
(All figures in NOK 1 000)					
Måsøval Eiendom AS	Parent company	839	1 078	6 657	112
Sørskaget Holding AS	Owned by Måsøval Eiendom AS (100 %)	966	1 674	171	183
Sørskaget Bolig	Owned by Måsøval Eiendom AS (100 %)	127	–	66	–
Laxar Fiskheldi EHF	Indirectly controlled by Måsøval Eiendom AS*)	30 252	–	18 463	–
Flamek Eiendom AS	Indirectly owned by Måsøval Eiendom AS (90 %)	443	2 419	360	259

Transactions with related parties in 2021		Sales	Purchase	Receivables	Liabilities
(All figures in NOK 1 000)					
Måsøval Eiendom AS	Parent company	1 591	1 236	6 607	107
Sørskaget Holding AS	Owned by Måsøval Eiendom AS (100 %)	164	1 200	131	125
Sørskaget Bolig	Owned by Måsøval Eiendom AS (100 %)	195	996	163	272
Laxar Fiskheldi EHF	Indirectly controlled by Måsøval Eiendom AS*)	26 718	–	19 304	–
Flamek Eiendom AS	Indirectly owned by Måsøval Eiendom AS (90 %)	30	–	37	–

\*) Controlled through the owndership of 56 % of the shares in Ice Fish Farm AS



## NOTE 27 – EVENTS AFTER THE REPORTING DATE

Helge Kvalvik started as CEO January 1st 2023.

The board of directors has proposed a dividend of NOK 0,50 per share.

These annual account's in accordance with IFRS, have been approved at the board meeting on 28 April 2023.

No other significant events has occurd after December 31st 2022.



*Financial  
Statement of  
Måsøval AS*



Income statement

	Note	2022	2021
(All figures in NOK 1 000)			
Operating income and expenses			
Revenue	1, 2	1 496 777	711 034
Other operating income	1, 2	203 140	378 522
Total operating revenues		1 699 917	1 089 556
Cost of goods and services	1, 8	920 760	521 193
Change in biomass and feed inventory		-161 757	-39 920
Personell costs	3	94 774	91 073
Ordinary depreciation	4	54 350	42 714
Other operating expenses	1, 2, 5	182 376	226 805
Total operating expenses		1 090 504	841 865
Operational EBIT		609 413	247 691
Production tax		7 255	6 755
EBIT		602 158	240 936
Financial income and costs			
Group interest income	6	5 130	–
Interest income		6 884	149
Other financial income		689	643
Total financial income		12 703	791
Interest expenses		78 952	23 801
Profit sharing with co-location partners		44 238	20 654
Other financial expenses		747	11 004
Total financial expenses		123 937	55 459
Net financial items		-111 234	-54 667
Profit before income tax		490 925	186 269
Income tax expense	9	108 188	39 676
Net profit or loss for the period		382 737	146 593
Profit attributable to:			
Dividends		183 763	–
Allocated to (+)/from(-) retained earnings		198 974	146 593
Total allocations		382 737	146 593



Statement of financial position

	Note	2022	2021
(All figures in NOK 1 000)			
<b>Assets</b>			
<b>Intangible assets</b>			
Licences	4, 8	758 295	758 295
Goodwill	4	10 816	13 454
<b>Total intangible assets</b>		<b>769 111</b>	<b>771 749</b>
<b>Property, plant and equipment</b>			
Properties	4	7 982	3 083
Farming facilities, quay facilities, etc.	4	61 002	160 977
Vessels	4	14 311	76 815
Operating equipment, fixture and fittings	4	19 867	24 440
<b>Total property, plant and equipment</b>		<b>103 162</b>	<b>265 315</b>
<b>Non-current financial assets</b>			
Investments in subsidiaries	6	1 820 304	1 805 030
<b>Total non-current financial assets</b>		<b>1 820 304</b>	<b>1 805 030</b>
<b>Total non-current assets</b>		<b>2 692 577</b>	<b>2 842 095</b>
<b>Inventories</b>			
Feed inventory	10	18 953	11 536
Biological assets	10	506 679	344 922
<b>Total inventories</b>		<b>525 631</b>	<b>356 459</b>
<b>Receivables</b>			
Accounts receivables	11	361 074	197 142
Other receivables	11	17 914	17 029
Receivables on group companies	11	171 378	162 938
<b>Total Receivables</b>		<b>550 366</b>	<b>377 109</b>
Cash and cash equivalents	12	3 394	14 822
<b>Total current assets</b>		<b>1 079 391</b>	<b>748 390</b>
<b>Total assets</b>		<b>3 771 968</b>	<b>3 590 485</b>



Statement of financial position

	Note	2022	2021
(All figures in NOK 1 000)			
Share capital	13	30 627	30 627
Share premium reserve	13	872 432	872 432
<b>Total paid-in equity</b>		<b>903 059</b>	<b>903 059</b>
Other equity		586 885	387 910
<b>Total other equity</b>		<b>586 885</b>	<b>387 910</b>
<b>Total equity</b>	<b>13</b>	<b>1 489 944</b>	<b>1 290 969</b>
Deferred tax	9	116 119	83 508
<b>Total provisions</b>		<b>116 119</b>	<b>83 508</b>
Liabilities to financial institutions	14	1 248 517	1 763 647
<b>Total non-current liabilities</b>		<b>1 248 517</b>	<b>1 763 647</b>
Short term liabilities			
Liabilities to financial institutions	14	315 927	180 353
Trade creditors		360 146	170 747
Tax payable	9	69 169	20 969
Tax withholding and other deductions		12 323	4 987
Dividends		61 254	–
Liabilities to group companies	7	62 925	20 607
Other current liabilities		35 645	54 697
<b>Total current liabilities</b>		<b>917 389</b>	<b>452 360</b>
<b>Total liabilities</b>		<b>2 282 025</b>	<b>2 299 515</b>
<b>Total equity and liabilities</b>		<b>3 771 968</b>	<b>3 590 485</b>

Trondheim, 28 April 2023

Lars Måsøval  
Chair of the board

Arnfinn Aunsmo  
Director

Kari Skeidsvoll Moe  
Director

Nina Santi  
Director

Ola Loe  
Director

Helge Kvalvik  
CEO



Statement of cash flow

	2022	2021
(All figures in NOK 1 000)		
Profit before income tax	490 925	186 269
Tax payable	-20 969	–
Gain on disposal of property, plant and equipment	-9 486	-6 531
Ordinary depreciation	54 350	42 714
(Increase)/decrease in inventories	-169 172	-39 920
(Increase)/decrease in trade receivables	-163 932	-99 460
Increase/(decrease) in trade payables	189 399	110 761
(Increase)/decrease in other current receivables/liabilities	60 090	-2 961
<b>Net cash from operating activities</b>	<b>431 204</b>	<b>190 872</b>
Proceeds from disposal of property, plant and equipment	4 169	10 097
Payments for property, plant and equipment	-37 720	-71 703
Payments to Group loan receivables	–	-81 928
Proceeds from disposal of other assets	–	2 750
Payments for shares, obligations, group contributions	–	-1 909 436
<b>Net cash (used in)/generated by investing activities</b>	<b>-33 552</b>	<b>-2 050 220</b>
Proceeds from current and non-current borrowings	–	1 237 649
Repayment of current and non-current borrowings	-515 130	-55 102
Repayments from Group borrowings	92 984	-91 601
Net change in overdraft facility	135 574	-15 690
Proceeds of equity	–	878 359
Payments of dividends and group contributions	-122 508	-94 244
<b>Net cash (used in)/generated by financing activities</b>	<b>-409 080</b>	<b>1 859 371</b>
<b>Net increase/decrease in bank deposits</b>	<b>-11 428</b>	<b>23</b>
Bank deposits at the beginning of the period	14 822	2 922
Net increase in bank deposits from merged subsidiaries	–	11 877
<b>Bank deposits at the end of the period</b>	<b>3 394</b>	<b>14 822</b>



Notes

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## ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with the Accounting Act of 17.07.1998 and generally accepted accounting principles in Norway.

### Use of estimates

Preparation of accounts in accordance with the Accounting Act requires the use of accounting estimates. Furthermore, the application of the company's accounting principles requires management to exercise judgement. Areas that to a large extent contain such judgemental assessments, a high degree of complexity or areas where assumptions and estimates are significant for the annual accounts are described in the notes.

### Co-location agreements.

Agreements have been entered into on co-location between the company and external concession holders. See note 8 for further information.

### Sales revenue

Revenue from the sale of goods and services is valued at the fair value of the consideration, net after deduction of VAT, returns, discounts and other discounts. Sales of fish are recognized in the income statement when the fish has been harvested and packed in boxes. Services are recognized as income over time during the period in which the services are rendered. Most of the company's sales of services take place on the basis of accrued time and an agreed hourly rate.

### Classification of balance sheet items

Assets intended for long term ownership or use have been classified as non-current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's installments on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

### Purchase cost

The purchase cost of assets includes the cost price of the asset, adjusted for bonuses, discounts and other rebates received, and purchase costs (freight, customs fees, public fees which are non-refundable and any other direct purchase costs). Purchases in foreign currencies are reflected in the balance sheet at the exchange rate at the transaction date.

Purchase cost of property, plant and equipment and intangible assets also includes direct expenses to prepare the asset for use, such as expenses for testing the asset.

### Intangible assets and goodwill

Goodwill has arisen in connection with the acquisition of a subsidiary. Goodwill is amortized over its expected useful life.

Expenses for own development activities are expensed on an ongoing basis. Expenses for other intangible assets are capitalized to the extent that a future economic benefit related to the development of an identifiable intangible asset can be identified and the expenses can be measured reliably. Otherwise, such expenses are expensed on an ongoing basis. Capitalized development is depreciated on a straight-line basis over its economic life.



**Fixed assets**

Land is not depreciated. Other property, plant and equipment are capitalized and depreciated on a straight-line basis at residual value over the expected useful lives of the fixed assets. In the event of a change in the depreciation plan, the effect is distributed over the remaining depreciation period (the “breakpoint method”). Maintenance of fixed assets is expensed under operating costs. Expenses and improvements are added to the fixed asset’s cost price and depreciated in line with the fixed asset. The difference between maintenance and cost/improvement is calculated in relation to the condition of the fixed asset at the time of acquisition.

Leased fixed assets are capitalized as fixed assets if the lease is considered to be a financial lease.

**Impairment of fixed assets**

If there is an indication that the book value of a fixed asset is higher than the fair value, a test for impairment is performed. The test is performed for the lowest level of fixed assets that have independent cash flows. If the book value is higher than both sales value and value in use (present value for continued use/ownership), a write-down is made to the higher of sales value and value in use. Previous write-downs, with the exception of write-downs of goodwill, are reversed if the conditions for the write-down are no longer present.

**Other long-term equity investments**

The cost method is used as a principle for investments in other shares etc. Dividends are initially accounted for as financial income, when the dividend has been approved. If the distributions significantly exceed the share of retained earnings after the purchase, the excess is recorded as a reduction in the cost price.

**Inventory**

Inventory is valued at the lower of acquisition cost (according to the FIFO principle) and fair value. Fish in sea (biological assets) are valued at the lowest value of the expected net sales value on the balance sheet date and full production cost. Acquisition cost for biological assets consists of expenses for feed, direct wages, other direct and indirect production costs. A generation of fish has a 24-month cycle, of which the last two to six months go to fallow before new release of hatchery fish. Indirect costs are attributed to biological assets in the first 18 months of the generation’s 24-month cycle. Feed stocks are accounted for at the lower of acquisition cost and fair value. Fair value is the estimated selling price less necessary expenses for completion and sale.

**Receivables**

Accounts receivables are recognised in the balance sheet after deductions for provisions for expected losses. Provisions for losses are made on the basis of an individual assessment of the receivables and an additional provision to cover other foreseeable losses. Significant financial problems with the customer, the probability that the customer will go bankrupt or undergo financial restructuring, and deferrals and deficiencies in payments are considered indicators that trade receivables have been impaired.

Other receivables, both current receivables and capital receivables, are recognised at the lower of nominal and fair value. Fair value is the present value of expected future payments. However, no discounting is made when the effect of discounting is insignificant for the accounts. Provisions for losses are assessed in the same way as for trade receivables.

**Debt**

Debt, with the exception of certain provisions for liabilities, is recognized in the balance sheet at the nominal debt amount.



**Pensions**

The company has a defined contribution pension schemes for all employees. The company pays contributions to an insurance company and has no further payment obligation after the contributions have been paid. The contributions are accounted for as payroll costs. Any prepaid contributions are capitalized as an asset (pension funds) to the extent that the contributions can be refunded or reduce future payments.

**Tax**

The tax expense in the income statement includes both tax payable for the period and change in deferred tax. Deferred tax is calculated on the basis of the temporary differences that exist between accounting and tax values, as well as any tax losses carried forward at the end of the financial year. Tax-increasing and tax-reducing temporary differences that reverse or can reverse in the same period have been offset. The entry of deferred tax assets on net tax-reducing differences that have not been settled and losses carried forward are justified by assumed future earnings.

Deferred tax and tax assets that can be recognized in the balance sheet are entered net in the balance sheet.

Tax deductions on group contributions made and taxes on received group contributions, which are entered as a reduction of the capitalized amount on investment in subsidiaries, are entered directly against tax in the balance sheet (against tax payable if the group contribution has effect on tax payable, and against deferred tax if the group contribution has effect on deferred tax). Deferred tax in both the company accounts and the consolidated accounts is accounted for at the nominal amount.

**Cash flow statement**

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments, which can be immediately converted into known cash amounts with an insignificant exchange rate risk and a remaining term of less than three months from the date of acquisition.



NOTE 1 – INTRA-GROUP TRANSACTIONS

Måsøval AS	2022	2021
(All figures in NOK 1 000)		
<b>Income</b>		
Sales income from subsidiaries	1 496 777	268 198
Other revenue from subsidiaries	101 702	43 747
<b>Total</b>	<b>1 598 478</b>	<b>311 945</b>
<b>Costs</b>		
Costs of goods charged by subsidiaries	92 961	55 788
Other costs charged by subsidiaries	169 381	114 548
Rental costs to Måsøval Eiendom AS	3 809	1 311
<b>Total</b>	<b>266 151</b>	<b>171 647</b>

NOTE 2 – OPERATING REVENUES

By business area	2022	2021
(All figures in NOK 1 000)		
Sales revenues salmon	1 496 777	979 203
Other revenues	203 140	110 353
<b>Total</b>	<b>1 699 917</b>	<b>1 089 556</b>

Geographical distribution	2022	2021
(All figures in NOK 1 000)		
Norway	1 670 552	1 062 838
Other countries	29 366	26 718
<b>Total</b>	<b>1 699 917</b>	<b>1 089 556</b>



NOTE 3 – PERSONNEL COSTS

Personnel costs	2022	2021
(All figures in NOK 1 000)		
Salary costs	75 676	78 221
Pension costs	8 647	6 824
Social costs	3 605	1 530
Payroll tax	6 066	4 182
Other	781	316
<b>Total</b>	<b>94 774</b>	<b>91 073</b>
Number of FTE's	115	112

Pension agreements:

The company is obliged to have an occupational pension scheme pursuant to the Act relating to compulsory occupational pensions. The company's pension plans satisfy the requirements of this Act.

The company has defined contribution pension schemes for all employees in the Group.

Remuneration to the board and management of the Group	2022		2021	
	CEO	Board	CEO	Board
(All figures in NOK 1 000)				
Management in Måsøval AS	5 905	2 153	3 981	1 013
<b>Total</b>	<b>5 905</b>	<b>2 153</b>	<b>3 981</b>	<b>1 013</b>

The chairman of the board of the parent company does not have a bonus agreement or agreement on remuneration upon termination of the board position.

The CEO of the parent company has a bonus agreement. Payment on the bonus agreement is linked to the Group's results.



NOTE 4 – SPECIFICATION OF FIXED ASSETS

Måsøval AS	Goodwill	Licenses etc.	Total Intangible Assets
(All figures in NOK 1 000)			
Cost at 01.01.22	15 829	758 295	774 124
<b>Cost at 31.12.22</b>	<b>15 829</b>	<b>758 295</b>	<b>774 124</b>
Accumulated depreciations and amortizations 01.01.	2 374	-	2 374
Depreciations and amortizations during the year	2 638	-	2 638
<b>Accumulated depreciations and amortizations 31.12.22</b>	<b>5 012</b>	<b>-</b>	<b>5 012</b>
<b>Net book value at 31.12.22</b>	<b>10 816</b>	<b>758 295</b>	<b>769 111</b>

Depreciation plan

20 years



Måsøval AS	Land and property	Farming facilities and floating installations*)	Vessels*)	Operating equipment*)	Total Property, plant and equipment
(All figures in NOK 1 000)					
Cost at 01.01.22	4 343	249 168	234 678	54 251	542 439
Reclassification	–	8 374	-8 547	173	–
Additions	5 239	98 155	49 503	9 748	162 645
Disposals **)	-1 260	-259 212	-251 158	-31 081	-542 712
<b>Cost at 31.12.22</b>	<b>8 322</b>	<b>96 484</b>	<b>24 476</b>	<b>33 091</b>	<b>162 373</b>
Accumulated depreciations and amortizations 01.01.22	1 259	88 191	157 863	29 811	277 125
Disposals **)	-1 260	-83 987	-163 701	-20 677	-269 625
Depreciations and amortizations in the year	340	31 278	16 003	4 090	51 712
<b>Accumulated depreciations and amortizations 31.12.22</b>	<b>339</b>	<b>35 483</b>	<b>10 165</b>	<b>13 224</b>	<b>59 211</b>
<b>Net book value at 31.12.22</b>	<b>7 982</b>	<b>61 003</b>	<b>14 311</b>	<b>19 867</b>	<b>103 162</b>
Depreciation plan	3-5 years	7-15 years	10 years	20 years	

\*) Figures include capitalised leased assets.  
\*\*) Figures include a clean-up of cost price and accumulated depreciation

The majority of disposals in 2022 are sales to the subsidiary Måsøval Akva AS in connection with the restructuring of the Group in order to organize equipment and service activities in its own legal entities.



Måsøval AS – Specification of farming licenses as per 31.12.22	No. of licenses	MAB*) tons	Cost	Net book value
(All figures in NOK 1 000, except No. of licenses)				
Production area 5	2	1 466	160 000	160 000
Production area 6 **) (incl. 4 development licenses, 3 120 tonn MAB)	13	10 636	598 295	598 295
<b>Total Måsøval AS</b>	<b>15</b>	<b>12 102</b>	<b>758 295</b>	<b>758 295</b>

\*) Maxium allowed biomass  
\*\*) incl. 4 development licenses, 3,120 tons MAB

There have been no changes in licenses in 2022. During 2021 Måsøval AS acquired 100% of its subsidiaries Måsøval Fishfarm and Gunnar Espnes Fiskeoppdrett AS, that together held 3 licenses. These two companies were merged into Måsøval in December 2021. All licenses are located in production areas 5 and 6.



## Leasing

Måsøval AS applies NRS 14 Leases, and the leases mainly consist of floating installations, vessels and movable property with different lease terms. When entering into a contract, it is assessed whether an agreement contains a lease agreement that gives the company the right to control the use of an identified asset. If the lease is identified as such, assets and related liabilities are recognized at the start of the lease. The company determines the lease as the non-cancellable lease, together with periods covered by an option to extend the lease if it is reasonably certain to be exercised, or a period covered by an option to terminate the lease if it is reasonably safely exercised.

### Right to use assets

The company recognizes property rights on the start date of the lease. The right of use of the asset is initially measured at acquisition cost, and subsequently at acquisition cost less accumulated depreciation and write-downs. The right to use assets is depreciated on a straight-line basis over the asset's estimated useful life, and is subject to impairment testing.

### Lease obligations

The lease obligation is initially measured at the present value of the lease payment that is not paid at the beginning, discounted with the company's marginal borrowing rate as discounting. The rental fees include fixed payments and variable rental payments that depend on an index or interest rate. The lease obligation is subsequently increased by the interest cost of the lease obligation and reduced by the lease payment made. It is re-measured when there is a change in future leases as a result of a change in an index or interest rate, or when it is appropriate, changes in the assessment of whether it is reasonably safe to use an extension option or whether a termination option is reasonably certain not to be exercised.

### Short-term lease and lease of assets with low value.

Måsøval does not capitalize leases that have a lease period of 12 months or less from the start date and do not contain a call option. Leases that are considered low-value assets, primarily IT and office equipment, are not capitalized. Leases related to short-term leases and low-value assets are recognized on a straight-line basis as an expense in the income statement.



Leased assets that are capitalized constitute the following values in the parent company:

Måsøval AS	Farming facilities and floating installations	Vessels	Equipment	Total leased assets
(All figures in NOK 1 000)				
Cost at 01.01.22	84 046	169 211	14 279	267 536
Reclassification	28 094	-28 094	–	0
Additions	73 781	36 397	–	110 178
Disposals	172 126	66 530	12 479	251 136
<b>Cost at 31.12.22</b>	<b>13 794</b>	<b>110 984</b>	<b>1 800</b>	<b>126 579</b>
Accumulated depreciations and amortizations 01.01.22	26 553	102 651	1 458	130 662
Disposals	-32 143	–	-3 744	-35 887
Depreciations and amortisations in the year	16 088	8 333	1 637	26 059
<b>Accumulated depreciations and amortizations 31.12.22</b>	<b>10 498</b>	<b>110 984</b>	<b>-649</b>	<b>120 833</b>
<b>Net book value at 31.12.22</b>	<b>.22 3 296</b>	<b>-0</b>	<b>2 449</b>	<b>5 746</b>

		2022	2021
(All figures in NOK 1 000)			
Leasing obligations		6 017	101 147

NOTE 5 – OTHER OPERATING EXPENSES

Other operating expenses	2022	2021
(All figures in NOK 1 000)		
Rent	85 483	80 720
Maintenance	40 959	34 329
Energy	11 435	6 434
Freight	707	726
Public fees	672	82
Renovation	1 130	936
Professional fees	8 212	8 785
Other	33 777	94 794
<b>Total</b>	<b>182 376</b>	<b>226 805</b>

Fees to the auditor	2022	2021
(All figures in NOK 1 000)		
Audit fees	1 989	565
Technical assistance and other attestations	17	62
Other non-audit services	419	480
<b>Total</b>	<b>2 425</b>	<b>1 107</b>



NOTE 6 – INVESTMENT IN SUBSIDIARIES

As of 31.12, Måsøval AS had following shares in other subsidiaries:

Måsøval AS	Head Office	Book value	Ownership	Net profit 2022	Total equity
(All figures in NOK 1 000)					
Måsøval Laksåvika AS (prev. Måsøval Settefisk AS)	Frøya	24 635	100 %	6 229	42 586
Måsøval Åsen AS	Åsen	83 662	100 %	9 789	51 376
Måsøval Akva AS (prev. Eidsvaag Akva AS)	Frøya	4 532	100 %	4 777	23 730
Måsøval Service AS (prev. Stokkøy Skjell AS)	Frøya	24 075	100 %	3 386	9 722
Pure Norwegian Seafood AS	Averøy	59 911	65 %	15 407	84 463
Pure Farming AS	Averøy	216 192	100 %	15 607	51 629
Aqua Farms Vartdal AS	Vartdal	1 121 904	100 %	32 605	83 070
Urke Fiskeoppdrett AS	Vartdal	159 426	100 %	-1 018	22 303
Vartdal Fiskeoppdrett AS	Vartdal	101 841	100 %	4 795	24 850
Western Seaproducts AS	Vartdal	18 607	100 %	-1 952	2 454
Vartdal Fryseri AS	Vartdal	5 518	100 %	-444	4 777
Total		1 820 304			

Group contributions to subsidiaries recognized as increase in investment in subsidiary in the parent company:

	2022	2021
(All figures in NOK 1 000)		
Aqua Farms Vartdal AS	-	3 472
Urke Fiskeoppdrett AS	7 444	11 048
Måsøval Akva AS(prev. Eidsvaag Akva AS)	10 446	
Vartdal Fiskeoppdrett AS	9 480	3 252
Vartdal Fryseri AS	569	-
Western Seaproducts AS	1 187	2 835
Total	29 126	20 607



NOTE 7 – DEBT TO GROUP COMPANIES AND RELATED PARTIES

Current liabilities to group companies	2022	2021
(All figures in NOK 1 000)		
Aqua Farms Vartdal AS	3 472	3 472
Urke Fiskeoppdrett AS	18 492	11 048
Vartdal Fryseri AS	569	–
Vartdal Fiskeoppdrett AS	12 732	3 252
Måsøval Akva AS	10 446	–
Måsøval Åsen AS	13 193	
Western Seaproducts AS	4 022	2 835
<b>Total</b>	<b>62 925</b>	<b>20 607</b>

Group contributions from 2021 have not been settled pending the incorporation of all companies into the Group’s group account scheme.

NOTE 8 – CO-LOCATION AGREEMENTS AND PROFIT SHARING

The group operates 3 licences on behalf of two external concession holders through an agreement on co-location. For the co-location agreements, revenues and costs generated on the relevant concessions are recognized in the income statement as ordinary production in line with the group’s other activities.

The biomass is recognized in the consolidated accounts.

The concession holders’ share of profits generated on the relevant concessions is expensed as other financial expenses.



NOTE 9 – TAXES

Specification of differences between accounting and tax profit before tax expense and taxable income:

Taxes	2022	2021
(All figures in NOK 1 000)		
Profit before tax expense and group contribution	490 925	186 269
Group contributions to subsidiaries	-29 126	-20 607
Permanent differences	837	-5 924
Change in temporary differences	-148 230	-59 878
<b>This year's taxable income</b>	<b>314 406</b>	<b>99 860</b>
<b>Specification of tax expense:</b>		
Payable tax (22%)	69 169	21 969
Change in deferred tax	32 611	13 173
Tax effect of group contributions	6 408	4 533
<b>Total tax expense</b>	<b>108 188</b>	<b>39 676</b>

Specification of temporary differences:

	31.12.2021	31.12.2022	Change
(All figures in NOK 1 000)			
Current assets	344 922	361 100	16 178
Fixed assets	-18 119	-9 910	8 209
Licenses	-	169 764	169 764
Deferred income recognition from gains on sale of PP&E	7 084	-	-7 084
Temporary differences through joint production partnerships	7 058	7 058	-
Leasing	38 639	-199	-38 838
<b>Total</b>	<b>379 583</b>	<b>527 813</b>	<b>148 230</b>
Tax loss carry-forward	-	-	-
<b>Net temporary differences</b>	<b>379 583</b>	<b>527 813</b>	<b>148 230</b>
<b>Deferred tax in the balance sheet</b>	<b>83 508</b>	<b>116 119</b>	<b>32 611</b>

NOTE 10 – BIOMASS

Inventory, including biomass, is recognized at cost.

Book value of inventory	2022	2021
(All figures in NOK 1 000)		
Feed inventory	18 953	11 536
Finished goods	–	–
Biological assets	506 679	344 922
<b>Total</b>	<b>525 631</b>	<b>356 459</b>

NOTE 11 – SHORT-TERM RECEIVABLES

Accounts receivable on group companies	2022	2021
(All figures in NOK 1 000)		
Accounts receivable consolidated subsidiaries	354 617	105 095
Accounts receivable on other group companies	–	19 699

Other receivables on group companies	2022	2021
(All figures in NOK 1 000)		
Måsøval Laksåvika AS(prev. Måsøval Settefisk AS)	7 498	7 854
Åsen Settefisk AS	–	6 003
Western Seaproducts AS	14 717	14 277
Vartdal Fiskeoppdrett AS	73 728	71 134
Urke Fiskeoppdrett AS	24 284	20 399
Aqua Farms Vartdal AS	51 148	43 271
Måsøval Akva AS (prev. Eidsvaag Akva AS)	1	1
Måsøval Service AS(prev. Stokkøy Skjell AS)	1	–
Pure Farming AS	1	–
<b>Total other receivables on group companies</b>	<b>171 378</b>	<b>162 938</b>

No maturity has been agreed on receivables on group companies.

Other current receivables	2022	2021
(All figures in NOK 1 000)		
Prepaid expenses	3 864	1 971
Other receivables	7 484	8 515
Måsøval Eiendom AS (ultimate parent company)	6 565	6 543
<b>Total other current receivables</b>	<b>17 914</b>	<b>17 029</b>

NOTE 12 – RESTRICTED FUNDS

Restricted funds	2022	2021
(All figures in NOK 1 000)		
Restricted tax withholding funds (Norway)	4 818	2 922
<b>Sum</b>	<b>4 818</b>	<b>2 922</b>



NOTE 13 – SHARE CAPITAL, SHAREHOLDER INFORMATION AND EQUITY

The share capital in Måsøval AS as of 31.12 consists of:	No. of shares	Face value	Book value
(All figures in NOK 1 000)			
Ordinary shares	122 508 455	0,25	30 627
<b>Total</b>	<b>122 508 455</b>		<b>30 627</b>

The shares have equal rights in the company.

Måsøval AS	Share capital	Share premium	Other equity	Total equity
(All figures in NOK 1 000)				
Equity per 1.1.	30 627	872 432	387 910	1 290 969
Net profit for the year	–	–	382 737	382 737
Dividends paid	–	–	-122 508	-122 508
Allocated dividends	–	–	-61 254	-61 254
<b>Equity as of 31.12.22</b>	<b>30 627</b>	<b>872 432</b>	<b>586 885</b>	<b>1 489 944</b>

Ownership structure – the 20 largest shareholders as of 31.12.2022

Shareholder	Holding	Stake
(All figures in NOK 1 000)		
Måsøval Eiendom AS	85 727 553	69,98 %
Verdipapirfond Odin Norge	9 907 218	8,09 %
Vartdal Invest AS	4 761 904	3,89 %
J.P. Morgan Bank Luxemburg S.A.	3 722 715	3,04 %
Henden Nygård Holding AS	1 800 057	1,47 %
ABBA Holding AS	1 677 176	1,37 %
Morgan Stanley & Co. Int. Plc.	1 652 062	1,35 %
J.P.Morgan bank Luxemburg S.A.	1 273 821	1,04 %
Vicama AS	1 000 000	0,82 %
Gåsø Næringsutvikling AS	955 132	0,78 %
Hausta Investor AS	875 933	0,71 %
Songa Capital AS	652 199	0,53 %
Patric Invest AS	611 252	0,50 %
Yttervåg AS	608 000	0,50 %
GH Holding AS	466 620	0,38 %
Verdipapirfondet Holberg Triton	395 000	0,32 %
Sniptind Invest AS	341 912	0,28 %
DNB Bank ASA	282 665	0,23 %
BNP Paribas	245 000	0,20 %
Småge Eiendom AS	241 387	0,20 %
Others	5 310 849	4,34 %
<b>Total</b>	<b>122 508 455</b>	<b>100,00 %</b>

## NOTE 14 – LONG-TERM DEBT, MORTGAGES, ETC.

Borrowings	2022	2021
(All figures in NOK 1 000)		
Long-term debt	1 242 500	1 662 500
Leasing debt	6 017	101 147
Overdraft facility	315 927	180 353
<b>Total</b>	<b>1 564 444</b>	<b>1 944 000</b>

Assets pledged as collateral	2022	2021
(All figures in NOK 1 000)		
Accounts receivable	361 074	197 142
Inventory	506 679	356 459
Equipment and aquaculture license	862 162	1 037 065
<b>Total</b>	<b>1 729 915</b>	<b>1 590 665</b>

Maturity structure long-term debt	2022	2021
(All figures in NOK 1 000)		
– less than 5 year	1 248 517	1 749 547
– over 5 years	-	14 100
<b>Total</b>	<b>1 248 517</b>	<b>1 763 647</b>

## Financial covenants

## As of 31 December 2022

The new Måsøval facility as of december 2022 has the following requirements. The borrower and the Group must, at all times, maintain an equity ratio of at least 30 % and an interest coverage ratio of at least 4.0. Furthermore, the pricing of the credit products in the agreement is linked to the Group's net interest-bearing debt (NIBD) in relation to operating profit before depreciation and amortisation (EBITDA). Debt on operational leases according to IFRS 16 are not included in NIBD for the purpose of calculating the NIBD/EBITDA ratio, see Alternative Performance Measurements for further details.

## As of 31 December 2021

The company entered into a new financing agreement in 2020. The agreement includes requirements that the borrower and the Group must, at all times, maintain an equity ratio of at least 30 percent. Furthermore, the pricing of the credit products in the agreement is linked to the Group's net interest-bearing debt in relation to operating profit before depreciation (EBITDA).


## NOTE 15 – PUBLIC GRANTS

In 2022 there have been no projects with public grants.

In 2021, the Group had two active projects approved by the authorities to receive research and development grants. The Group has received TNOK 1 000 from the Norwegian Research Council regarding the development of Aqua Semi, and TNOK 250 from the Regional Research Fund Møre og Romsdal in connection with another research project.



# *Independent Auditors Report*



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Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statement on Corporate Social Responsibility included in the report Sustainability.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Trondheim, 28 April 2023  
KPMG AS



Yngve Olsen  
State Authorised Public Accountant

To the General Meeting of Måsøval AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Måsøval AS, which comprise:

- the financial statements of the parent company Måsøval AS (the Company), which comprise the statement of financial position as at 31 December 2022, the income statement and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Måsøval AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



# *Alternative Performance Measurements of Masoval Group*

ALTERNATIVE PERFORMANCE MEASURES

The Group presents its financial statements in accordance with International Financial Reporting Standards (IFRS). In addition, management has established alternative performance measures (APMs) to provide useful and relevant information to users of the financial statements. These APMs have been established to provide greater understanding of the Group's underlying performance, and do not replace the consolidated financial statements prepared in accordance with IFRS. The performance parameters have been reviewed and approved by the Group's management and Board of directors. Alternative performance measures may be defined and used in other ways by other companies. The Group applies the following APMs:

Net interest-bearing debt

Net interest-bearing debt is defined as the net of long-term debt, short-term debt, bank deposits and interest-bearing receivables. The measure is useful and necessary information to investors and other users of the financial statements to assess the net of the interest-bearing external capital used to finance the group. The measure is used to calculate return on capital employed and highlights the Group's ability to take on more debt.

	31.12.2022	31.12.2021
(All figures in NOK 1 000)		
Non-current liabilities to financial institutions	1 478 965	1 861 944
Current liabilities to financial institutions	548 293	418 482
Liabilities related to operational lease	-190 718	-236 906
Cash and cash equivalents	-38 473	-121 252
<b>Net interest-bearing debt</b>	<b>1 798 068</b>	<b>1 922 268</b>

Equity ratio

Equity ratio is calculated by dividing total equity, including minorities, by the total assets and it is expressed as a percentage. The measure is useful to the users of financial statements in terms of understanding how much of the company's assets are funded by equity and borrowings.

	31.12.2022	31.12.2021
(All figures in NOK 1 000)		
Equity	1 988 971	1 485 676
Total assets	4 986 915	4 530 047
<b>Equity ratio</b>	<b>39,9 %</b>	<b>32,8 %</b>

Operating EBIT (Earnings before interest, tax and other financial costs and income)

Operating EBIT an important performance measure for the Group and is useful to users of the financial statement to evaluate the profitability of sold goods and the production. Operating EBIT is calculated before fair value adjustments, production tax, profit sharing with co-location partners and financial expenses and taxes.

	31.12.2022	31.12.2021
(All figures in NOK 1 000)		
<b>EBIT</b>	<b>884 514</b>	<b>377 249</b>
Production tax	8 861	6 755
Profit sharing with co-location partners	46 219	20 654
Biological assets – Net fair value adjustment	-246 150	-112 264
<b>Operating EBIT</b>	<b>693 444</b>	<b>292 394</b>



Operating EBIT per kilogram of salmon

Operating EBIT per kilogram is defined as a central performance measure for the Group. The measure is used to evaluate the profitability of sold goods and the operations of the Group. The performance measure is useful to users of the financial statements to evaluate the profitability of sold goods and the production. The measure is calculated for each segment before unallocated costs and non-recurring events, fair value adjustments, income from associated companies, financial expenses and taxes. The measure is expressed per kilogram of harvested volume. Harvested volume includes volume from operations with co-location partners.

	Farming		Sales & processing	
	2022	2021	2022	2021
(All figures in NOK 1 000)				
Operating revenue	1 809 315	1 059 529	1 948 405	438 425
Operating expenses	1 070 369	738 967	1 928 342	425 214
Operational EBIT	738 946	320 562	20 063	13 211
Volume harvested	21 879	16 888	22 141	6 807
Operating EBIT per kilogram of salmon	33,8	19,0	0,9	1,9

See note 5 “Operating segments” for details.

# Glossary

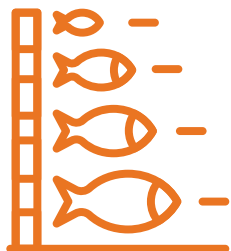
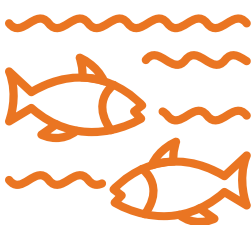


**BIOMASS**

The amount of fish biomass at any time (measured in kilos or tonnes)

**MAB**

Maximum allowable biomass – the total maximum biomass a company is permitted to have present in the sea. MAB is regulated at two levels: at individual sites and the total amount for the company



**TGC**

Thermal growth coefficient is a common growth model in fish farming, taking into account the size of the fish and the variation in water temperature



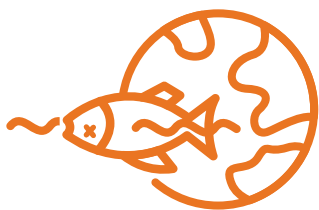
**PA**

Production area. From 15 October 2017, a new system was introduced for increasing capacity in Norwegian salmon and trout production. The coast is now divided into 13 areas, in which environmental factors regulate capacity. Area 5 is from Stadt to Hustadvika and Area 6 is between Nordmøre and Sør-Trøndelag



**GENERATION**

Traditionally, the release of salmon is divided into two generations per year, often referred to as spring fish (one year-olds) and autumn fish (0 year-olds)



**PD**

Pancreas disease is a viral illness that reduces growth and increases mortality



**GW**

Gutted weight is the weight of harvested fish after the entrails have been removed



**FTE**

Full-time equivalent. This is a unit of measurement used to work out the total number of full-time hours worked by all employees in a business



**GLOBALG.A.P.**

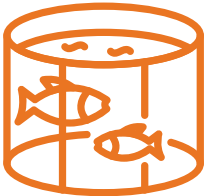
GlobalG.A.P. is an international standard for farm production. The GlobalG.A.P. Certification covers:

- Food safety and traceability
- Environment (including biodiversity)
- Workers' health, safety and welfare
- Animal welfare
- Includes Integrated Crop Management (ICM), Integrated Pest Control (IPC), Quality Management System (QMS), and Hazard Analysis and Critical Control Points (HACCP)



**GHG**

Greenhouse gases



**Closed holding pen**

Closed cages located close to the processing plants that provide a biologically safe and secure environment for fish awaiting processing. This is also called closed harvesting pen.



