Austevoll Seafood ASA

FINANCIAL REPORT

Q1 2024

Austevoll Seafood ASA

Alfabygget
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NORWAY

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Index

Q1 IN BRIEF

- Seasonally lower harvest volume for salmon in Q1
  - » Higher prices year on year, but prices realised affected by quality downgrades
  - » Good biological development at the start of 2024, but low sea temperatures affecting growth

- Seasonally high level of activity within pelagic segment in the North Atlantic and Chile

- Seasonally low level of activity within pelagic segment in Peru
  - » Second fishing season of 2023 was ended on 12 January 2024

- In line with the dividend policy, the Board of Directors has recommended a dividend payment of NOK 4.50 per share in 2024 (NOK 5.50 in 2023)

- Br. Birkeland AS has entered into an agreement to sell 100% of the shares in Br. Birkeland Fiskebåtrederi AS and Talbor AS.
  - » Completion of the sale is subject to fulfilment of standard conditions for this type of transaction, including approval from the relevant authorities
  - » Assuming the conditions attached to the sale are fulfilled, the transactions will take place at the end of June 2024, with cash proceeds of NOK 1,960 million

Key figures for the quarter

Amounts in NOK million	Note	Q1 2024	Q1 2023	2023
Operating revenue and other income		**8 373**	**8 002**	**33 774**
EBITDA (adj.)	7	**1 660**	**1 627**	**5 269**
EBIT (adj.)	7	**1 160**	**1 174**	**3 360**
EBIT (adj.) incl. income from associates	5	**1 221**	**1 240**	**3 645**
Earnings per share (adj.)	*	**1,8**	**2,4**	**1,3**
Total assets		**53 645**	**50 267**	**52 990**
Equity ratio		**52%**	**59%**	**51%**
Net interest bearing debt		**6 993**	**5 511**	**6 715**
EBITDA (adj.) incl. 50% of Pelagia Group		**1 796**	**1 820**	**6 129**
EBITDA (adj.) from salmon/whitefish		1 234	1 337	4 831
EBITDA (adj.) from pelagic segments		562	483	1 298

* Before fair value adj. related to biological assets

Austevoll Seafood ASA

Since it was established in 1981, Austevoll Seafood ASA (AUSS) has developed into an active and long-term owner of world-leading portfolio companies within aquaculture, fishery, processing, sales and distribution. This is also reflected in the company's vision:

« Passionate owner of globally leading seafood companies »

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

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

FINANCIAL REVIEW, GROUP

RESULTS Q1 2024

	Operating revenue and other income		EBITDA (adj.)		EBIT (adj.)	
All figures in MNOK	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
Lerøy Seafood Group ASA	7 108	6 975	1 234	1 337	842	989
Austral Group S.A.A.	570	465	115	50	57	-9
FoodCorp Chile S.A.	325	282	122	121	108	110
Br Birkeland Farming AS	314	243	123	124	106	107
Br Birkeland AS	155	90	70	17	54	2
Elimination/HQ/others	-100	-53	-4	-22	-7	-25
Total Group	**8 373**	**8 002**	**1 660**	**1 627**	**1 160**	**1 174**
Pelagia Group	1 480	1 521	136	193	84	145
Total Group incl. JV	**9 853**	**9 523**	**1 796**	**1 820**	**1 244**	**1 319**

See Note 7 for a description of alternative performance measures

Group operating revenue in Q1 2024 totalled NOK 8,373 million, compared with NOK 8,002 million in Q1 2023, an increase of 5%. All the operating segments posted an increase in revenue.

Adjusted EBITDA in Q1 2024 was NOK 1,660 million, up from NOK 1,627 million in Q1 2023.

Adjusted EBIT in Q1 2024 was NOK 1,160 million, on par with NOK 1,174 million in Q1 2023. This gives an adjusted EBIT margin of 14%, down from 15% in Q1 2023.

Norskott Havbruk AS (Scottish Sea Farms) and Pelagia Holding AS are the two largest joint ventures. As previously reported, Norskott Havbruk (Scottish Sea Farms) had an extremely challenging 2023. It is therefore pleasing that the substantial improvement in operating performance is now materialising in the company's results. Pelagia is sustaining its positive development, and executed one of its high seasons for production of end products in Q1. This level of production provides a good basis for sales volumes in the coming quarters. Income from associates before fair value adjustment related to biological assets totalled NOK 58 million in Q1 2024 (Q1 2023: NOK 75 million). The equivalent figure including fair value adjustment of biological assets was NOK 62 million (Q1 2023: NOK 66 million). The Group's joint ventures and associates have generated good results over time, are significant enterprises in their segments and represent substantial values for Austevoll Seafood ASA. Please refer to note 5 for more detailed information on associates.

Adjusted EBIT including revenue from associates was NOK 1,221 million in Q1 2024, against NOK 1,240 million in the same period of last year.

Operating profit after fair value adjustment of biological assets and other income and expenses totalled NOK 1,245 million in Q1 2024 (Q1 2023: NOK 1,679 million). Fair value adjustment related to biological assets was positive at NOK 62 million, a significant decrease from NOK 460 million in Q1 2023.

The Group's net interest expense in Q1 2024 was NOK -152 million (Q1 2023: NOK -116 million). Net other financial expenses in the quarter totalled NOK -7 million. The equivalent figure in Q1 2023 was NOK 4 million.

The Group reported profit before tax in the quarter of NOK 1,085 million (Q1 2023: NOK 1,568 million).

In May 2023, the Storting voted to introduce a so-called resource rent tax of 25% on earnings from sea-based production of salmon and trout. The legislation was implemented with retroactive effect from 1 January 2023. The resource rent tax comes on top of ordinary tax of 22%, giving a total tax rate of 47% for the activity concerned/scope of the tax wedge. The estimated tax expense for Q1 2024, including resource rent tax, is NOK -346 million. No resource rent tax was estimated for Q1 2023 because no sufficiently reliable estimates were available at that stage.

Profit after tax in Q1 2024 was NOK 739 million, against NOK 1,223 million in Q1 2023.

OPERATIONAL REVIEW OF SEGMENTS FOR Q1 2024

Lerøy Seafood Group ASA (LSG)

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

KEY FIGURES (LSG):

(MNOK)		**Q1 2024**	Q1 2023	2023
Revenue and other income		**7 108**	**6 975**	**30 906**
EBITDA (adj)		1 234	1 337	4 831
EBIT (adj.)		**842**	**989**	**3 335**
EBIT (adj.) margin		*12%*	*14%*	*11%*
Total assets		**41 019**	**38 644**	**41 419**
Net interest bearing debt		5 538	4 302	5 209
Slaugthered volume	GWT	**26 376**	**28 602**	**159 620**
EBIT (adj.)/kg ex wild catch	NOK	25	26,6	19,2
Havfisk catch volume	MT	**24 093**	**25 269**	**75 893**
EBIT (adj.)/kg wild catch	NOK	187	229	284

In line with the normal seasonal pattern, the harvest volume in Norway has been low in the first quarter, and has also been affected by the proportion of quality downgrades. The Farming segment has been affected by low sea temperatures, but biological development through the quarter has been good. Downstream activities have posted seasonally low volumes in some end markets, but high utilisation of processing capacity in Norway has contributed to good earnings in the quarter. The Wild Catch segment has been affected by quota reductions in 2024 compared with 2023, and earnings are lower than the equivalent quarter last year.

In Q1 2024, LSG reported revenue of NOK 7,108 million (Q1 2023: NOK 6,975 million) and adjusted EBITDA of NOK 1,234 million (Q1 2023: NOK 1,337 million). Adjusted EBIT was NOK 842 million, down from NOK 989 million in the same period of 2023. This gave an adjusted EBIT margin of 12%, down from 14% in Q1 2023.

LSG harvested 26,376 GWT salmon and trout in the quarter, down 8% on the same period of 2023.

A number of factors influence the Group's prices realised compared with the spot price for whole salmon, including contract share, size, quality and time of harvest. The contracts are entered into long before the fish are harvested and will therefore reflect the market conditions prevailing at the sale date. In Q1 2024, the market for Norwegian salmon has been affected by a high proportion of quality downgrades for harvested fish, which in turn means a low volume of superior whole fish available and high prices in the spot market for this type of fish.

The spot price for superior salmon in Q1 2024 was up NOK 5/kg on Q1 2023, but prices in EUR were virtually unchanged. If we look at the development in Norwegian export prices for processed products, there is an increase in volume and a weaker price development, which probably reflects the high proportion of quality downgrades. The export value of Norwegian salmon in Q1 2024 measured in EUR is down 7% on Q1 2023, with volume down 6 %-points and price down 1 %-point.

LSG's contract share for salmon in Q1 2024 was 50% compared to the corresponding 18% in the same quarter last year. As discussed in the Q4 report, Lerøy Midt's prices realised have been affected by a higher proportion of quality downgrades than normal. For Lerøy Sjøtroll, 49% of the harvest volume in Q1 2024 was trout, and prices realised for trout were NOK 12/kg lower than those for salmon, and affected by low average weights for the trout.

Aurora achieved satisfactory biological development in 2023, and this trend has continued in 2024. Mortality is extremely low, but growth has been negatively affected by very low sea temperatures so far this year. Costs in Q1 2024 were on par with the same period of last year. Very low sea temperatures at the start of the year are having a negative impact on growth. The projected harvest volume for 2024 is maintained at approximately 47,000 GWT. As of the date of this report, a slightly lower harvest volume and slightly higher costs are expected in Q2 than in Q1 2024. Costs for full-year 2024 are expected to be slightly higher than in 2023.

Lerøy Midt achieved good growth through 2023 and started 2024 with significantly higher biomass than the previous year. Consequently, growth in Q1 2024 was higher than in Q1 2023, but has also been affected by lower sea temperatures than expected. Costs in Q1 2024 were slightly higher than in the same period of last year. Lerøy Midt had four submersible facilities at the end of Q1 2024. New technology means a steep learning curve, but experience so far has been positive, including low lice counts and no treatments to date. The best estimate for Lerøy Midt's harvest volume in 2024 is approximately 70,000 GWT. The harvest volume in Q2 is expected to be similar to Q1, with a lower proportion of downgrades and costs at roughly the same level. Costs for full-year 2024 are currently expected to be slightly higher than in 2023.

Biological development in Lerøy Sjøtroll in 2023 was weak, and was also affected by both ILA outbreaks and string jellyfish. Growth at the start of 2024 has been affected by low sea temperatures, but it is pleasing to note that biological development so far this year has been good, with a significant reduction in the number of lice treatments and improved survival. Lerøy Sjøtroll had low standing biomass at the start of the year, and has built considerable biomass through the first quarter.

At the end of Q1 2024 Lerøy Sjøtroll had two facilities using submersible technology and one with shielding technology. Experience with the new technology has so far been positive, with reductions in mortality and treatments. To date, no fish in submersible facilities have required treatment, while individual cages in non-submerged shielding technology have been treated once. The best estimate for Lerøy Sjøtroll's harvest volume in 2024 is unchanged at 58,000 GWT, but affected by cold sea temperatures. A significant increase in harvest volume is currently expected in Q2 2024 compared with Q1, but with costs at roughly the same level. Costs for full-year 2024 are expected to be on par with 2023, but with a substantial reduction in the second half of the year compared with the second half of 2023. The target harvest volume for 2025 has been reduced by 5,000 GWT to 70,000 GWT as a result of a decrease in licence capacity linked to two production areas being designated "red" in the traffic light system, requiring production to be reduced.

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

Lerøy Havfisk had 10 trawlers in operation in Q1 2024. The catch volume in Q1 2024 totalled 24,093 tonnes, compared with 25,269 tonnes in Q1 2023. Fishery in Q1 has been good but the catch volume is down because of lower quotas. Compared with 2023, the quotas for cod and haddock have been reduced by 34% and 43% respectively. In 2023, haddock quota was redistributed to the trawler fleet from other fleet groups, but the substantial decrease in quota means that no significant redistribution of haddock quota is expected in 2024. For saithe caught in the northern zone, the quotas have been reduced by 6%, while those for saithe in the North Sea/southern zone are up 20%. This means the remaining quotas for 2024 – and hence the basis of operations and earnings potential for the rest of the year – are significantly lower than in the same period of 2023.

After a long period of substantial price increases for most fish species, demand slowed in Q4 2023. This trend has reversed in Q1 2024, with price rises for most species. Compared with Q1 2023, the prices for cod and haddock were up 12% and 11% respectively, while the price for saithe was down 22%. Price increases were strongest towards the end of the quarter.

The number of operating days in Q1 2024 was 886, compared with 861 in Q1 2023. Total fuel costs are on par with the same period of last year. Change in inventory was negative at NOK -4 million in Q1 2024, compared with a positive figure of NOK 23 million in Q1 2023.

LNWS's primary business is processing wild-caught whitefish. The company has use of 10 processing plants and purchasing stations in Norway, five of which are leased from Lerøy Havfisk. Significant investments have been made in recent years both to make operations more efficient and to expand the product range. This work is gradually delivering results, but cod remains far and away the most important species for LNWS, and a reduction in the quotas with sharply increasing prices for raw material is affecting both volume processed and gross margin.

Adjusted EBIT for Lerøy Havfisk/LNWS was NOK 187 million in Q1 2024, down from NOK 229 million in Q1 2023.

On 19 February 2019, the EU's competition authorities (the Commission) initiated investigations into suspected collusion in the salmon market.

On 25 January 2024, the Commission announced that it had sent a Statement of Objections to several Norwegian salmon exporters. The Statement of Objections sets out the Commission's preliminary assessment as to whether the exporters may, in some cases, have exchanged commercially sensitive information in connection with the sale of whole Norwegian farmed salmon in the EU spot market between 2011 and 2019. Lerøy Seafood Group is one of the companies to have received the Statement of Objections.

Lerøy Seafood Group strongly refutes the Commission's allegations. The Statement of Objections is not a final ruling, and has been issued as a stage in the ordinary course of events in an investigation. The Statement of Objections merely conveys the Commission's preliminary assessment. The company has the right to challenge the Statement of Objections and, after careful review, will submit its comments to the Commission. The company has assisted the Commission throughout the process, and will continue to co-operate in order to facilitate the Commission's further work. It is usual for investigations of this kind to continue for several years. It is therefore too early to say whether the investigation will result in sanctions or other negative consequences for the Group, or when a final conclusion will be reached.

In February 2024, a group of UK grocery chains started a civil action for compensation in the UK against several Norwegian-owned aquaculture companies, including companies in Lerøy Seafood Group. The Group strongly rejects the plaintiffs' claims and considers such actions by customers to be groundless. In Europe, this type of action would be relevant first and foremost if the Commission were to make a ruling in its ongoing investigation and the ruling were to be final.

See also LSG's report and presentation for Q1 2024.

Austral Group S.A.A. (Peru)
Austral Group S.A.A. 's (Austral) integrated value chain comprises fishery, production of fishmeal and oil, and production of consumer products. Austral has fishing rights corresponding to just under 7% of the total quota for anchoveta fishery in Central/North Peru, and just under 4% of the quota in South Peru. In addition, the company has fishing rights for horse mackerel and mackerel. Anchoveta is used to produce fishmeal and oil, while horse mackerel/mackerel is fished for consumer products. In addition to its own catches, the company purchases raw materials (anchoveta) from the coastal fleet for use in its production of fishmeal and oil. Fishmeal and fish oil are produced in four factories, located in Coishco, Chancay, Pisco and Ilo. The company also produces

consumer products in two facilities that share premises with the fishmeal and fish oil factories in Coishco and Pisco.

The main fishing seasons for anchoveta in Central/North Peru are April to July (first season) and November to January (second season). The company's results for 2023 were severely affected by the lack of fishery in the first season due to the weather phenomenon El Niño.

KEY FIGURES (PERU):

(MNOK)		**Q1 2024**	Q1 2023	2023
Revenue and other income		**570**	**465**	**1 000**
EBITDA (adj)		115	50	-183
EBIT (adj.)		**57**	**-9**	**-418**
EBIT (adj.) margin		*10%*		*-42%*
Total assets		**3 500**	**3 111**	**3 109**
Net interest bearing debt		1 191	778	1 229
Raw material	1,000 MT	**19.8**	**60.2**	**184.1**
Sales volumes:				
Fishmeal	1,000 MT	20.2	20.3	36.8
Fish oil	1,000 MT	0.6	0.6	1.2
Frozen/fresh	1,000 MT	4.2	6.6	22.5

Austral has put behind it a challenging 2023, when fishery in Peru was significantly affected by El Niño. The first fishing season was cancelled after only a few days' trial fishery, and the quota for the second season of 2023 was then set at a historically low level of 1,682,000 tonnes, compared with 2,283,000 for the same season in 2022. The second fishing season started on 26 October 2023 and was ended on 12 January 2024. The season was severely affected by zones being intermittently closed as a result of small fish interference. When the season ended, the operators had caught 76% of the total quota, compared with 84% for the corresponding 2022 season.

Activity in the first quarter has been low, as is normal for the season, and characterised by maintenance of vessels and factories ahead of the first fishing season of 2024.

As previously discussed, the company lost one of its vessels, the Don Lois, while fishing in November. The insurance payout for the vessel was recognised in income in Q1 2024 at an amount of NOK 46 million.

Operating revenue in Q1 2024 totalled NOK 570 million (Q1 2023: NOK 465 million). Adjusted EBITDA was NOK 115 million (Q1 2023: NOK 50 million). Adjusted EBIT was NOK 57 million, compared with NOK -9 million in Q1 2023.

The company started 2024 with an inventory of 16,500 tonnes of end products. Sales of fishmeal totalled 20,200 tonnes in Q1 2024, which is similar to the volume sold in Q1 2023 (20,300 tonnes). The prices realised for fishmeal in Q1 2024 were up 13% on the same period in 2023. As a result of the extremely low fish oil yield from production in Peru in 2023, and hence low volumes of end products, prices for fish oil have been very high through 2023 and into 2024. The company sold 580 tonnes of fish oil in Q1 2024, compared with 570 tonnes in Q1 2023. Prices realised for fish oil were up 172% on Q1 2023.

The company sold its entire production of fishmeal and fish oil from the second fishing season of 2023 in Q1 2024, and therefore had virtually zero inventory of fishmeal and fish oil at the end of the quarter. At the end of Q1 2023, the company had an inventory of 8,800 tonnes of fishmeal and oil.

The first fishing season in 2024 started on 16 April, with a total quota of just under 2.5 million tonnes. The company has had a good start to the season, and it is pleasing to see that fish oil yields have returned to more normal levels at the time of writing.

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

FoodCorp Chile S.A. (Chile)

FoodCorp Chile S.A (FC) has an integrated value chain comprising fishery, production of consumer products, and production of fishmeal and fish oil. FC's fishing rights correspond to 8.6% of the horse mackerel quota set for the fleet to which its vessels belong. FC also has a quota for sardine/anchoveta. In addition to their own quotas for horse mackerel, the company purchases raw materials (anchoveta/sardine) from the coastal fleet. The raw materials purchased from the coastal fleet are used in the company's production of fishmeal and oil. The main season for horse mackerel fishery is from December to July. The main season for sardine/anchoveta fishery is divided into two periods. The first season starts in March and lasts until July/August. The second season normally starts in October/November and lasts until the end of December.

All FC's onshore industrial activities share the same premises in the coastal town of Coronel. Thanks to higher quotas and efficient operations, the company is continuing the positive trend seen in recent years. We believe this positive trend will continue in the coming periods.

KEY FIGURES (CHILE):

(MNOK)		**Q1 2024**	Q1 2023	2023
Revenue and other income		**325**	**282**	**966**
EBITDA (adj)		122	121	225
EBIT (adj.)		**108**	**110**	**176**
EBIT (adj.) margin		*33%*	*39%*	*18%*
Total assets		**1 720**	**1 554**	**1 435**
Net interest bearing debt (cash)		-40	-171	-51
Raw material	1,000 MT	**54.6**	**65.1**	**119.5**
Sales volumes:				
Fishmeal	1,000 MT	2.7	1.6	9.9
Fish oil	1,000 MT	-	0.8	4.9
Frozen/fresh	1,000 MT	24.7	21.4	47.7

The total quota recommended by SPRFMO for horse mackerel in the South Pacific in 2024 represents a further increase of 15%. SPRFMO's recommendation reflects the positive development in horse mackerel fishery in recent years. The company's 2024 quota for horse mackerel is 65,000 tonnes, up from 56,500 tonnes in 2023. In addition to catches under its own quotas, the company purchases quotas from third parties and uses FC's fishing vessels to catch these. Contracts to purchase 46,000 tonnes from third parties have been entered into for 2024.

As normal, FC has had a high level of activity in Q1, catching 46,500 tonnes of horse mackerel (Q1 2023: 43,000 tonnes). The coastal fleet started fishing for sardine/anchoveta later this year, and only 8,100 tonnes of raw material have been purchased from the fleet in Q1 2024, compared with 21,100 tonnes in the same period of last year.

Operating revenue in Q1 2024 totalled NOK 325 million (Q1 2023: NOK 282 million) and adjusted EBITDA was NOK 122 million (Q1 2023: NOK 121 million). Adjusted EBIT in Q1 2024 totalled NOK 108 million (Q1 2023: NOK 110 million).

The company's prices realised for frozen products were 8% higher in Q1 2024 than in the same period of last year. Sales of frozen products totalled 24,700 tonnes in Q1 2024, up from 21,400 tonnes in Q1 2023. At the end of Q1 2024, the company had an inventory of 4,400 tonnes of frozen products, compared with 13,000 tonnes at the end of Q1 2023.

Br. Birkeland Farming AS (BFARM) and the fishery company Br. Birkeland AS (BRBI)
AUSS owns 55.2% of the shares in Br. Birkeland Farming AS and 42.9% of the shares in the fishery company Br. Birkeland AS.

KEY FIGURES (BFARM):

(MNOK)		**Q1 2024**	Q1 2023	2023
Revenue and other income		**314**	**243**	**789**
EBITDA (adj)		123	124	331
EBIT (adj.)		**106**	**107**	**268**
EBIT (adj.) margin		34%	44%	34%
Total assets		**1 452**	**1 361**	**1 413**
Net interest bearing debt (cash)		-113	-23	-67
Slaugthered volume	GWT	**3 213**	**2 425**	**7 416**
EBIT (adj.)/kg ex wild catch	NOK	33,1	44,3	36,2

The company's harvest volume for salmon was 3,213 tonnes in Q1 2024, up 32% from 2,425 tonnes in Q1 2023. The presence of string jellyfish in Q4 2023 led to a higher number of winter ulcers on the fish, and hence a lower proportion of the harvest volume achieved a superior grading than is considered normal. A higher spot price in the period and harvesting of fish with a high harvest weight partly compensated for this.

The BFARM segment reported operating revenue of NOK 314 million in Q1 2024 (Q1 2023: NOK 243 million). Adjusted EBITDA was NOK 123 million (Q1 2023: NOK 124 million). Adjusted EBIT was NOK 106 million (Q1 2023: NOK 107 million). This gave a figure for adjusted EBIT/kg of NOK 33.1 in Q1 2024, compared with NOK 44.3 in the same period of 2023.

KEY FIGURES (BRBI):

(MNOK)		**Q1 2024**	Q1 2023	2023
Revenue and other income		**155**	**90**	**357**
EBITDA (adj)		70	17	91
EBIT (adj.)		**54**	**2**	**28**
EBIT (adj.) margin				
Total assets		**709**	**679**	**680**
Net interest bearing debt		46	63	24
Wild catch (pelagic)	1,000 MT	**21.2**	**14.0**	**36.8**
Wild catch (snowcrab)	1,000 MT	**0.8**	**0.7**	**0.7**

There has been a seasonally good level of activity for the company's four vessels.

The company's two ring net vessels caught all their blue whiting quotas in Q1 2024, in contrast to 2023 when this fishery extended into Q2. In addition, the vessels have also caught their capelin quotas.

Fishing for snow crab continues as an "Olympic" fishery. The total Norwegian quota had been caught by mid-March, so fishery was stopped. In 2023, fishery was stopped on 3 April.

The vessels have caught a total of 825 tonnes of snow crab in 2024, compared with 665 tonnes in 2023. As usual, sales of end products are spread over the year, with only parts of the volume being sold in the first quarter. Snow-crab fishery has been and remains challenging, and results over time have been negative. However, earnings for Q1 2024 have been positive, although having the vessels lying idle from when the season ended in March will mean negative earnings for the remainder of the year.

The BRBI segment reported operating revenue of NOK 155 million in Q1 2024 (Q1 2023: NOK 90 million). Adjusted EBITDA was NOK 70 million (Q1 2023: NOK 17 million) and adjusted EBIT NOK 54 million (Q1 2023: NOK 2 million).

BRBI has entered into an agreement to sell 100% of the shares in Br. Birkeland Fiskebåtrederi AS and Talbor AS. Completion of the sale is subject to fulfilment of standard conditions for this type of transaction, including approval from the relevant authorities Assuming the conditions attached to the sale are fulfilled, the transactions will take place at the end of June 2024 and generate proceeds for BRBI of just under NOK 1.96 billion.

JOINT VENTURE

Pelagia Holding AS (Pelagia)

Pelagia Holding AS (Pelagia) is accounted for as a joint venture and is therefore recognised using the equity method in the consolidated financial statements. In note 4 Segments, Pelagia is consolidated using the "proportionate consolidation method", in accordance with AUSS's 50% shareholding.

The company's operations comprise production of fishmeal, protein concentrate and fish oil as well as frozen pelagic consumer products. Pelagia purchases all its raw material from third parties. The company has production facilities in Norway, the UK, Ireland and Denmark. Through its wholly owned subsidiary Epax, Pelagia is globally a leading manufacturer of Omega-3 products based on marine ingredients. These products are used in dietary supplements and pharmaceutical products. Epax is a world leader in its segment.

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

KEY FIGURES (PELAGIA):

(MNOK)		**Q1 2024**	Q1 2023	2023
Revenue and other income		**2 960**	**3 043**	**13 001**
EBITDA (adj)		272	386	1 721
EBIT (adj.)		**168**	**289**	**1 303**
EBIT (adj.) margin		*6%*	*10%*	*10%*
Total assets		**11 066**	**9 804**	**10 042**
Net interest bearing debt		4 980	4 145	4 483
Raw material				
FOOD	1,000 MT	109	125	390
FEED	1,000 MT	380	353	991
Sales volumes				
Frozen/fresh	1,000 MT	63	84	265
FM/FPC/Oil	1,000 MT	68	72	336

The first quarter is normally high season in the operating segment involving production of frozen consumer products, and production of fishmeal and fish oil from pelagic raw material. Cuttings from the salmon industry and wild-caught whitefish represent an important share of volume supplied to the FEED segment through the year, and are used in the production of protein concentrate and fish oil. The volume of raw material in Q1 2024 has been on par with the same quarter of 2023.

The volume of raw material received for consumer products in Q1 2024 was 109,000 tonnes, compared with 125,000 tonnes in Q1 2023. Total receipt of raw material in Pelagia for fishmeal/protein concentrate and fish oil production was 379,500 tonnes in Q1 2024, compared with 352,800 tonnes in the same period of 2023. An earlier start to blue whiting fishery explains the higher volume of raw material compared with Q1 2023. Cuttings from consumer products are significant and form part of the raw material used in fishmeal/protein concentrate and fish oil production.

Pelagia is sustaining its positive development via successful operations, but the decrease in quotas for important species used in consumer products is challenging and is expected to result in lower capacity utilisation for the company's factories through the year. The sales volume for frozen products in the quarter was 62,900 tonnes, against 83,800 tonnes in the same period of 2023. Sales of fishmeal/FPC and fish oil in Q1 2024 totalled 68,200 tonnes, against 72,400 tonnes in Q1 2023.

Revenue for Pelagia in the quarter was NOK 2,960 million (Q1 2023: NOK 3,043 million) and adjusted EBITDA was NOK 272 million (Q1 2023: NOK 386 million). The company reported adjusted EBIT in Q1 2024 of NOK 168 million (Q1 2023: NOK 289 million).

The company has significantly higher reserves of inventory within FOOD and FEED than at the same date in 2023.

GROUP CASH FLOW IN Q1 2024

Cash flow from operating activities in Q1 2024 was NOK 595 million (Q1 2023: NOK 450 million). Tax paid in Q1 2024 totalled NOK 443 million (2023: NOK 103 million). Cash flow from investing activities in Q1 2024 was NOK -484 million, compared with NOK -520 million in Q1 2023. Cash flow from financing activities for Q1 2024 was NOK 214 million (Q1 2023: NOK 193 million).

The Group's cash and cash equivalents at 31 March 2024 totalled NOK 5,812 million, compared with NOK 4,484 million at 31 March 2023.

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2024

The Group's statement of financial position at 31 March 2024 showed a total of NOK 53,645 million, compared with NOK 50,267 million at 31 March 2023. Some Group companies have a functional currency other than the Norwegian krone. Changes in foreign exchange rates will therefore result in periodic changes in the amounts recognised in the Group's statement of financial position, due to translation to Norwegian krone.

The Group is financially sound with book equity at 31 March 2024 of NOK 28,056 million, equivalent to an equity ratio of 52%. At 31 March 2023, book equity for the Group was NOK 29,807 million, equivalent to an equity ratio of 59%. The introduction of resource rent tax on aquaculture in 2023 gave rise to a significantly higher tax expense for 2023, with an implementation effect of tax on biomass in the sea at 1 January 2023 (non-recurring effect) of NOK 1,809 million. As discussed under Financial information, no resource rent tax was estimated for Q1 2023, and the implementation effect mentioned above was therefore not reflected in equity and the equity ratio at 31 March 2023. This explains why the equity ratio is lower at 31 March 2024 than on the same date last year.

At 31 March 2024, the Group had net interest-bearing debt excluding right-of-use liabilities other than to credit institutions totalling NOK 6,993 million, compared with NOK 5,511 million at 31 March 2023 and NOK 6,715 million at 31 December 2023. At 31 March 2024, the Group had net interest-bearing debt including right-of-use liabilities other than to credit institutions totalling NOK 8,774 million, compared with NOK 7,341 million at 31 March 2023 and NOK 8,434 million at 31 December 2023.

The Group and parent company's financial position is very good. The Board of Directors considers it important that the Group, through its operations, retains the confidence of participants in the various capital markets. The Group has and must continue to have a high level of financial flexibility to allow it to finance further organic growth, carry out strategic acquisitions and sustain the company's dividend policy.

At 31 March 2024, the parent company Austevoll Seafood ASA had cash and cash equivalents of NOK 1,018 million (31.12.2023: NOK 1,021 million). The parent company has long-term credit facilities totalling NOK 1,100 million, which were practically unutilised at 31 March 2024.

OTHER ISSUES

Risks and uncertainties

The Group's activities are essentially global and will always be impacted to varying degrees by developments in the world economy. In light of the global economic turmoil of recent years, including trade barriers and geopolitical risk, the general consensus is that macroeconomic uncertainty is still greater than what was previously considered normal.

In February 2022 the world bore witness to Russia's invasion of Ukraine. The terrorist attack and subsequent acts of war in the Middle East are causing suffering for those directly involved and significant uncertainty for the whole world. The invasion of Ukraine and the war situation in Gaza are causing unimaginable human suffering for those directly involved and/or impacted by these conflicts. The conflicts we are now experiencing are also impacting financial markets, exchange rates, supply chains, and the supply and price of input factors.

The Group's risk profile includes pandemics, of which the COVID-19 outbreak was an example. COVID-19 led to national and global authorities introducing extensive restrictions in an attempt to prevent uncontrolled spread of the infection. COVID-19 impacted global value chains in that, at a global level, the necessary measures implemented by public authorities together with sickness and fear significantly affected people's daily lives.

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

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

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

At 31 March 2024, the Group had live fish on its statement of financial position worth NOK 9.3 billion. Biological risk has been and will remain a substantial risk factor in the Group's operations. Assessing and managing biological risk must therefore be part of the Group's core expertise.

Changes in fishing patterns and quota adjustments bring fluctuations in catch volumes from quarter to quarter and year to year, and hence varying utilisation of the Group's production facilities. The seasonal fluctuations in catch volumes cause equivalent fluctuations in the Group's quarterly key figures. Weather phenomena such as El Niño and La Niña are examples of natural events that can affect catch patterns for periods of time. Austral's operational situation in 2023 was a case in point.

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

After many years of investments, the Group is a significant owner of farming licences and of whitefish and pelagic quotas. The Group faces political risk linked to decisions by the various authorities, including framework conditions for fish farming and licence terms related to fishery legislation. Political risk, including a lack of predictability, could impair the industry's competitiveness and capacity for development and value creation. This risk was laid bare when the Norwegian government tabled a proposal to introduce so-called resource rent taxation in the Norwegian aquaculture industry in September 2023 and subsequently published its Proposition to the Storting (Prop. 78 LS) concerning resource rent tax on aquaculture on 28 March 2023. The purpose of the tax, according to the government, is to "target" specific companies. It was implemented retroactively from 1 January 2023. The Storting approved the proposal by a one-vote majority on 31 May 2023. Adoption of the new tax entails a "tax wedge" – in a complex value chain – of 25% on top of ordinary corporation tax.

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

Norway's "traffic light system" for fish farming was introduced in 2017, and affects the Group's total licence capacity. The 13 production areas in Norway were revised on 6 March 2024. Production areas 3 and 4, where Lerøy Sjøtroll operates, were categorised as red, meaning that 6% of the commercial licence capacity has been temporarily revoked. This is the second time capacity has been reduced in region 3 and the third time it has happened in region 4. The reduction from autumn 2024 will be approximately 2,500 tonnes MTB, and affects the basis of operations, volume produced, and jobs and production potential in the region. As a consequence of the decrease, Lerøy Sjøtroll's target production volume for 2025 has been reduced to 70,000 GWT. The Group makes significant investments in new technology, and hopes that work on the industry's environmental flexibility scheme and the new aquaculture report will pave the way for increased production using new technology.

The Storting adopted the new quota report on 30 April 2024. The report includes several measures that entail redistribution of quota from trawler fleet to coastal fleet. The "trawl ladder" is being reintroduced in the quota allocation for cod fishery. Quota for the open group is to be taken from the total quota and not the coastal quota. This means that the trawler fleet's relative share of the total quota will fall, while that of the coastal fleet will increase. The proposal will mean a smaller basis of operations for the Group, and result in lower volumes for the Group's industrial facilities in Nordland, Troms and Finnmark. A volume decrease of this nature undermines important jobs and value creation. This is negative for the company's seagoing and onshore employees, and is not a policy that helps to safeguard product development, processing and jobs in Havfisk and LNWS.

At the end of December 2023, the Chilean government submitted a proposal to replace the country's Fishery Act of 1989. The proposal includes changing the allocation of quotas between the current LTP-A and LTP-B licences from 85%/15% to 50%/50%. The proposal is expected to pass through various phases of feedback and discussions, and it is therefore not possible at this stage to indicate a time scale for or the outcome of the proposal submitted by the Chilean government.

Assuming there are viable political framework conditions in place, the Group's strategy centres on a long-term perspective to ensure a globally competitive structure that can continue to safeguard future industrial development in the numerous local communities where the Group has operations.

In the approval granted by the Norwegian Ministry of Trade, Industry and Fisheries, LSG's ownership of Lerøy Havfisk and LNWS is linked to the ownership structure approved when the application was submitted, such that any changes in ownership not covered by the exemption granted by the Ministry require approval. The nationality requirement must also be fulfilled; cf. section 5 of the Act relating to the right to participate in fishing.

The majority of the Group's debt is at floating interest rates, but fixed-rate contracts have been entered into for approximately 27% of the Group's interest-bearing debt.

The Group is exposed to fluctuations in foreign exchange rates, particularly the EUR, GBP, USD, Chilean peso and Peruvian sol. Measures to reduce this risk in the short term include forward contracts and multi-currency overdraft facilities. Furthermore, parts of the long-term debt are matched to earnings in the same currency.

In common with society at large, the Group has stepped up its focus on climate risk. Overall, and as mentioned in the Group's presentation of risk, the Group's risk assessment covers various scenarios involving geopolitical and market-related factors, etc. In recent years, the risk assessment has also encompassed climate-related aspects to a greater extent. In general, opportunities and risk are assessed on the basis of what are considered the most likely future scenarios. The Group is working to improve its risk management, to take even greater account of climate risk where possible. As well as the Audit Committee, the company has established an ESG subcommittee comprising three board members.

The Group's risk exposure is described in more detail in the Annual Report 2023, and the quarterly reports through the year should be read in the context of the most recent annual report.

SHAREHOLDER INFORMATION

The company had 10,614 shareholders at the start of Q1 2024 and 10,734 at the end of the quarter.

The share price was NOK 74.15 at the start of Q1 2024 and NOK 85.20 at the end of the quarter.

The Board of Directors is recommending to the company's annual general meeting in May 2024 a dividend payment for 2023 of NOK 4.50 per share. The dividend of NOK 5.50 per share for 2022 was paid out on 9 June 2023.

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

AUSTEVOLL SEAFOOD ASA'S FOCUS AREAS FOR SUSTAINABILITY

Since it was established in 1981, Austevoll Seafood ASA (AUSS) has remained loyal to its strategic foundations of "creating lasting values through sustainable, expert use of freshwater resources and the ocean, in thriving communities". The entire value chain in the Group's portfolio companies has its "origins" in sustainable use of the sea, and the Group's growth has been and must continue to be sustainable both financially and in terms of the climate/environment. Sustainable growth places stringent requirements on the Group within the areas of financial management, corporate governance, climate and the environment as well as social conditions. Sustainability is a prerequisite for gaining access to capital and is vital to the Group's existence and continued development. We are therefore proud that the Group's food production contributes to the UN Sustainable Development Goals (SDGs). Social sustainability is important for maintaining viable local communities and access to the Group's most important resource: the people who make up the organisations. For more detailed information, please read the company's sustainability report for 2023 on the website www.auss.no

MARKET AND OUTLOOK

Production, sale and distribution of salmon, trout and whitefish

LSG is continuing to work towards the communicated targets. The target production volume for 2025 has been reduced from 205,000 GWT to 200,000 GWT as a consequence of the decrease in Lerøy Sjøtroll's licence capacity. The EBIT target for VAPS&D in 2025 has been set at NOK 1.25 billion, and GHG gases are to be reduced by 46% by 2030. Earnings in the Wild Catch segment are significantly affected by the quota basis, and it is not possible to provide estimates for 2025 until there is more clarity concerning the quota for next year.

As previously communicated, the Group did not achieve its targets for the Farming segment in 2023, but has every confidence that the measures it has implemented will gradually produce results. Over the last decade, the Group has invested heavily in infrastructure, including in future-oriented facilities for producing high-quality smolt. There is still work to be done, and it will be some time before the full effects of these investments are seen. A number of measures have been taken within several areas, for example genetic selection, and changes in production processes, temperature control and filter capacities. Considering this is about biological production and that the work comprises a number of small and bigger measures, the effects will come gradually.

The Group has also made significant investments in new technology for the sea-based production phase. Submersible cages and new shielding technology are currently in use in both Lerøy Sjøtroll and Lerøy Midt. This type of innovative technology is not risk-free, but is expected to provide significant improvements in the shape of faster growth and improved survival. At the end of Q1 2024, 17% of the Group's salmon (by number of fish) were in facilities with shielding technology. This will gradually be increased to approximately 30% by the end of 2024. The largest fish in submersible cages are currently around 3.0 kg and are scheduled for harvesting from late summer/autumn 2024.

To date in 2024, sea temperatures off Norway have been very low, which has a negative effect on growth in the sea. In light of this, growth so far this year has been good. As of May 2024, the fish in submersible facilities have not required treatment and are exhibiting good fish health. For Lerøy as a whole, both treatments and mortality have been reduced. This gives us reason to believe that the technology will help to substantially reduce the number of treatments, improve fish welfare and boost biological performance, supporting the company's production targets for 2025.

As mentioned, the quotas – and hence the basis of operations for the Group's whitefish activities – have been significantly reduced in 2024. The quotas for 2025 have not been finalised, but the current expectation is that there will be further reductions. Operations in LSG's Wild Catch segment are challenging, with decreasing quotas and hence a weakened basis of operations. Quotas have varied historically too, and while the Group maintains a consistent focus on improving operational efficiency both at sea and in the onshore industry, lower quotas will negatively impact earnings in this segment.

The Group is surprised that the quota report – a decision that clearly redistributes quota from trawler fleet to coastal fleet – has met with public disappointment from the coastal fleet, which has had its share of the quota increased. For LSG, it is also important to highlight that the Group's operational obligation naturally relies on assumptions concerning volume and that each of the Group's quota units represents a higher level of employment than other operators in Norway.

The Group works to develop an efficient and sustainable value chain for seafood; a value chain that not only delivers cost-efficient solutions, but also quality, availability, a high level of service, traceability and competitive climate-related and environmental solutions. Investments in downstream entities in recent years, including in a new industrial facility in Lerøy Midt, and new factories in Stamsund and Båtsfjord, and in Spain, the Netherlands and Italy, are expected to make a positive contribution going forward. The VAPS&D segment occupies a central position in this value chain. The segment developed positively in 2023, and it is pleasing to see this trend continuing in 2024. Significantly increased profitability in the segment is expected in 2024 compared to 2023, in the direction of the very ambitious target for 2025.

Like most forms of food production and other business activities, Norwegian aquaculture has the potential to improve, but it is important to remember that the starting point is extremely good. Norwegian aquaculture is something as rare as a globally competitive regional industry that scores well in terms of environmental, social and economic sustainability. The industry can be part of the global green shift, at the same time as safeguarding communities and interesting jobs along Norway's coastline, but this requires politicians to understand the industry, its opportunities and challenges. The Board of Directors can only hope that the government and authorities will make it possible for the industry to continue developing, including in terms of knowledge and capital. This will require joined-up political understanding.

For 2024, the Group currently projects a harvest volume of 193,500 tonnes, including joint ventures. A further improvement in earnings for the VAPS&D segment is expected in 2024. Wild Catch operations will be affected by the lower quota situation.

Through 2023 and the start of 2024, we have seen demand for seafood in some market segments being negatively affected by general economic developments, but overarching demand for seafood is strong. Historically, demand for seafood products has held up relatively well in economic downturns. The Group's products are healthy and tasty. Production is sustainable from an economic, social and environmental perspective. The Board of Directors and employees of Lerøy hope to see accountability in framework conditions to enable the industry to continue to develop.

Fishmeal and fish oil

According to the IFFO*, total fishmeal production from Regions Peru, Chile and North Atlantic decreased by 16.78% in 2024 compared with same period in 2023, with the decrease affecting all regions.

The second fishing season of 2023 in Peru ended on 12 January 2024, considerably earlier than in 2023, when the second season of 2022 ended on 4 February 2023. In the North Atlantic, there was a significant decrease in capelin caught off Iceland compared with the same period in 2023.

The first fishing season in Peru started on 16 April with a total quota of 2,475,000 tonnes. The equivalent fishing season in 2023 was cancelled after only a few days' trial fishery.

The ICES quota recommendation for 2024 resulted in increases of 13% for capelin in the North Atlantic and 216% for blue whiting in the Barents Sea, compared with the recommendations for 2023. The Norwegian fishing fleet started fishery for blue whiting in mid-January. Catches picked up from the end of January and in February with dense concentrations of the fish, particularly in the international zone. Capelin fishery in the Barents Sea started in February.

** Source: IFFO, week 16, 2024 (Regions Chile, Peru, Denmark/Norway, Iceland/North Atlantic)*

Consumer products (pelagic)

The Group's production of consumer products takes place in Europe and South America. In Europe, the fishing season for Norwegian spring-spawning herring usually runs from January to April and the season for North Sea herring from May onwards. The main season for mackerel fishing in Europe is in the autumn and normally starts in September. However, the season has started in early August in recent years, as the Norwegian fleet has had reduced access to UK waters. The remaining quotas for Norwegian spring-spawning herring are caught in the second half of the year. The first half of the year is the main season for horse mackerel fishery in South America.

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

SPRFMO has decided to increase the quotas for horse mackerel in the South Pacific in 2024 by 15%. This is in line with the increase in recent years, and confirms that the biomass is sustainable thanks to good management.

Summary

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

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

Over the years, the Board of Directors and management have focused on building a strong group of companies, which includes ensuring that the Group has organisations ready to solve challenges under difficult and changeable framework conditions.

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

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

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

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

The Group and the parent company are financially sound and have access to competitive financing. The Group's products are healthy and tasty, and production is sustainable from a financial, climate and environmental perspective. For these reasons, the Board of Directors expects the good underlying growth in demand to continue in the years ahead. The Group's strong position within the global seafood industry underpins the Board's positive outlook for the Group's future development.

Storebø, 14 May 2024
The Board of Directors of Austevoll Seafood ASA

Helge Singelstad Chairman of the Board	**Lill Maren Møgster** Board member	**Hege Charlotte Bakken** Deputy Chairman of the Board
Eirik D. Melingen Board member	**Petter Dragesund** Board member	**Helge Møgster** Board member
Hege Solbakken Board member	**Siren Grønhaug** Board member	**Arne Møgster** CEO

FINANCIAL REPORT Q1 2024

Income statement (unaudited)

All figures in MNOK	Note	Q1 2024	Q1 2023	(audited) 2023
Operating revenue and other income	4	**8 373**	**8 002**	**33 774**
Raw material and consumable used		4 149	3 954	18 610
Salaries and personnel expenses		1 360	1 294	4 857
Operating expenses		1 204	1 127	5 038
EBITDA (adj.)	7	**1 660**	**1 627**	**5 269**
Depreciation		500	453	1 909
EBIT (adj.)	7	**1 160**	**1 174**	**3 360**
EBIT (adj.) margin		*14%*	*15%*	*10%*
Income from associates		62	66	285
EBIT (adj.) incl. income from associates		**1 221**	**1 240**	**3 645**
Other income and expenses		39	21	284
Fair value adj. related to biological assets	3	62	460	77
Operating profit (EBIT)		**1 245**	**1 679**	**3 438**
Net interest expenses		-152	-116	-527
Net other financial items		-7	4	-65
Profit before tax		**1 085**	**1 568**	**2 845**
Income tax expenses		-346	-344	-2 501
Net profit		**739**	**1 223**	**344**
Profit to non-controlling interest		338	554	52
Profit to controlling interest		401	669	292
EPS (adj.)*	NOK	**1,8**	**2,4**	**1,3**
Earnings per share (EPS)	NOK	**2,0**	**3,3**	**1,4**
Diluted EPS	NOK	**2,0**	**3,3**	**1,4**

Other income and expenses

All figures in MNOK	Q1 2024	Q1 2023	2023
Impairment	0	0	142
Production tax (aquaculture)	28	17	129
Change in unrealised internal margin	11	4	-2
Other non-operational items	-	-	15
Total other income and expenses	**39**	**21**	**284**

Condensed statement of comprehensive income (unaudited)

All figures in MNOK	Q1 2024	Q1 2023	(audited) 2023
Net earnings in the period	**739**	**1 223**	**344**
Other comprehensive income			
Currency translation differences	310	489	428
Other comprehensive income from associated companies	-5	0	-
Cash flow hedges	-3	-33	24
Others incl. tax effect	-	-7	-5
Total other comprehensive income	**302**	**449**	**446**
Comprehensive income in the period	**1 041**	**1 672**	**790**
Allocated to;			
Minority interests	403	640	175
Majority interests	638	1 032	615

Statement of financial position (unaudited)

All figures in MNOK	Note	31.03.2024	31.03.2023	(audited) 31.12.2023
ASSETS				
Intangible assets		12 558	12 177	12 265
Vessels		2 764	2 654	2 730
Property, plant and equipment		8 596	7 967	8 368
Right-of-use assets	8	3 037	3 205	3 043
Investments in associated companies	5	3 715	3 610	3 572
Investments in other shares		40	43	40
Other long-term receivables		287	224	191
Total non-current assets		**30 996**	**29 880**	**30 209**
Inventories	3	12 120	11 877	11 865
Accounts receivable		3 166	2 972	3 106
Other current receivables		1 551	1 054	2 334
Cash and cash equivalents		5 812	4 484	5 475
Total current assets		**22 649**	**20 387**	**22 780**
Total assets		**53 645**	**50 267**	**52 990**
EQUITY AND LIABILITIES				
Share capital	6	101	101	101
Treasury shares		-18	-18	-18
Share premium		3 714	3 714	3 714
Retained earnings and other reserves		11 667	12 557	11 030
Non-controlling interests		12 593	13 453	12 215
Total equity		**28 056**	**29 807**	**27 042**
Deferred tax liabilities		6 336	3 806	5 970
Pensions and other obligations		5	14	4
Borrowings		9 188	6 061	8 850
Lease liabilities to credit institutions		893	885	939
Lease liabilities other than to credit institutions		1 388	1 504	1 381
Other non-current interest bearing debt		28	1	-
Other long-term liabilities		14	44	38
Total non-current liabilities		**17 851**	**12 314**	**17 182**
Short term borrowings		707	1 048	662
Lease liabilities to credit institutions		244	359	256
Lease liabilities other than to credit institutions		393	326	337
Overdraft facilities		1 744	1 640	1 462
Account payable		2 608	2 164	2 678
Other current liabilities		2 042	2 608	3 372
Total current liabilities		**7 738**	**8 146**	**8 766**
Total liabilities		**25 590**	**20 460**	**25 948**
Total equity and liabilities		**53 645**	**50 267**	**52 990**
Net interest bearing debt (NIBD)		6 993	5 511	6 715
Lease liabilities other than to credit institutions		1 780	1 831	1 719
NIBD incl. right of use assets liabilities		**8 774**	**7 341**	**8 434**
Equity ratio		52%	59%	51%

Condensed statement of changes in equity (unaudited)

All figures in MNOK	31.03.2024	31.03.2023	(audited) 31.12.2023
Equity at period start	**27 042**	**28 162**	**28 162**
Comprehensive income in the period	**1 041**	**1 672**	**790**
Dividends	-28	-22	-1 905
Transactions with non-controlling interest	3	-6	-6
Other	-2	-	-
Total changes in equity in the period	**1 014**	**1 644**	**-1 120**
Equity at period end	**28 056**	**29 807**	**27 042**

Cash flow statement (unaudited)

All figures in MNOK	Q1 2024	Q1 2023	(audited) 2023
Cash flow from operating activities			
Profit before income tax	**1 085**	**1 568**	**2 845**
Fair value adjustment of biological assets	-62	-460	-77
Taxes paid in the period	-443	-103	-739
Depreciation and amortisation	500	453	1 909
Impairments	0	0	142
Associated companies - net	-62	-66	-285
Interest expense	222	136	716
Interest income	-70	-20	-188
Change in inventories	-193	-487	-857
Change in receivables	-411	-331	-302
Change in payables	-67	-217	281
Other operating cash flow incl. currency exchange	96	-22	-243
Net cash flow from operating activities	**595**	**450**	**3 202**
Cash flow from investing activities			
Purchase of intangible and fixed assets	-470	-471	-1 968
Purchase of shares and equity investments	0	-85	-85
Proceeds from sale of fixed assets/equity investments	7	11	83
Cash inflow from business combinations	-	-	-1
Dividends received	-	-	228
Interest income	70	20	188
Other investing activities - net	-91	5	33
Net cash flow from investing activities	**-484**	**-520**	**-1 521**
Cash flow from financing activities			
Proceeds from new long term debt	464	168	3 948
Repayment of long term debt	-294	-340	-2 147
Change in short term debt	252	481	314
Interest paid	-240	-136	-777
Dividends paid	-28	-22	-1 905
Other finance cash flow - net	60	42	15
Net cash flow from financing activities	**214**	**193**	**-551**
Net change in cash and cash equivalents	326	122	1 130
Cash, and cash equivalents at start of period	5 475	4 340	4 340
Exchange gains/losses (-)	11	22	6
Cash and cash equivalents at period end	**5 812**	**4 484**	**5 475**

SELECTED NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 Accounting policies

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the related standard for interim financial reporting (IAS 34). All figures not included in the financial statements for 2023 are unaudited. The interim financial statements, including historical comparative amounts, are based on current IFRS standards and interpretations. Changes in the standards and interpretations may result in changes to the result.

This interim report does not include all the information required by International Financial Reporting Standards (IFRS) for annual financial statements and should therefore be read in conjunction with the Group's financial statements for 2023.

Please refer to the Group's financial statements for 2023 for information on standards and interpretations applicable as of 1 January 2023.

NOTE 2 Related party transactions

There were related party transactions in Q1 2024. Related party transactions take place on market terms, and the relevant types of transactions are described in more detail in the Annual Report 2023.

NOTE 3 Biological assets

The Group recognises and measures biological assets at fair value according to IAS 41 and IFRS 13. For salmon and trout, including broodstock, a present value model is applied to estimate fair value. For roe, fry, smolt and cleaner fish, historical cost is assumed to be the best estimate of fair value. The value of fish in the sea is estimated as a function of the estimated biomass at the time of release from stock, multiplied by the estimated sales price. For fish not ready for harvest, a deduction is made to cover estimated residual costs to grow the fish to harvest weight. The cash flow is discounted monthly by a discount rate. The discount rate comprises three main components: (1) the risk of incidents that have an effect on cash flow, (2) hypothetical licence lease and (3) the time value of money.

Estimated biomass (volume) is based on the actual number of individuals in the sea on the date of the statement of financial position, adjusted to cover projected mortality up to harvest date and multiplied by the estimated harvest weight per individual on the harvest date. The measurement unit is the individual fish. However, for practical reasons, these estimates are carried out at site level. The live weight of fish in the sea is translated to gutted weight in order to arrive at the same measurement unit as for pricing.

Pricing is based on Fish Pool's forward prices. The forward price for the month in which the fish are expected to be harvested is applied in order to estimate cash flow. The price stipulated by Fish Pool is adjusted to take into account export costs and clearing costs, and represents the reference price. This price is then adjusted to account for estimated harvesting cost (well boat, harvesting and boxing) and transport to Oslo. Adjustments are also made for any projected differences in size and quality. The adjustments to the reference price are made at site level. Common regional parameters are applied, unless factors specific to an individual site require otherwise.

Valuation and classification are based on the principle of highest and best use according to IFRS 13. The actual market price per kilo may vary in relation to fish weight. When estimating fair value, the optimal harvest weight, i.e. the weight when the fish is ready for harvest, is defined as the live weight that results in a gutted weight of 4 kg. This corresponds to a live weight of 4.65 kg for salmon and 4.76 kg for trout. The optimal harvest weight may, however, be lowered slightly if required by factors at an individual site (biological challenges etc.). In terms of valuation, only fish that have achieved an optimal harvest weight are classified as fish ready for harvest.

The Group enters into contracts related to future deliveries of salmon and trout. As biological assets are recognised at fair value, the fair value adjustment related to biological assets will be included in the estimated expenses required to fulfil the contract. This implies that the Group may experience loss-making (onerous) contracts according to IAS 37 even if the contract price for physical delivery contracts is higher than the actual production cost for the products. In such a scenario, a provision is made for the estimated negative value. The provision is classified in the financial statements as other current liabilities.

The fair value adjustment related to biological assets recognised in the income statement for the period comprises (1) fair value adjustment related to biological assets, (2) change in fair value (provision) related to onerous contracts and (3) change in unrealised gain/loss related to financial sale and purchase contracts (derivatives) for fish on Fish Pool. Fish Pool contracts are treated as financial instruments in the statement of financial position, where unrealised gain is recognised as other current receivables and unrealised loss as other current liabilities.

NOTE 3 Biological assets (cont.)

Conversion to live weight:
The figures for harvested volume and net growth in the tables below have been estimated on the basis of gutted weight (GWT) and converted to live weight (LWT). The gutting loss ratios applied in this conversion are 14% for salmon and 16% for trout. The table for Lerøy Seafood Group ASA includes salmon and trout. The table for Br. Birkeland Farming AS only includes salmon.

LWT = live weight measured in tonnes
GWT = gutted weight measured in tonnes

Lerøy Seafood Group ASA (amounts in NOK 1,000)

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

FV adjustments over profit and loss	**Q1 2024**	Q1 2023	2023
Change FV adj. of biological assets	**22 375**	564 744	167 331
Change in FV of onerous contracts	**18 051**	-90 586	-42 369
Change in FV of fishpool contracts	**0**	0	0
Total FV adjustments over profit and loss	**40 426**	474 158	124 962

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS
Positive amounts are assets and negative amounts are liabilities

Biological assets	**Q1 2024**	Q1 2023	2023
Cost on stock for fish in sea	**5 528 689**	4 832 564	5 294 231
Cost on stock for fry, brood, smolt and cleaning fish	**648 142**	522 996	454 775
Total cost on stock for biological assets *	**6 176 831**	5 355 560	5 749 007
FV adj. of fish in sea	**2 697 851**	3 072 889	2 675 476
FV adj. of fry, brood, smolt and cleaning fish	**0**	0	0
Total FV adj. of biological assets	**2 697 851**	3 072 889	2 675 476
Monthly discount rate applied	**4,0 %**	4,0 %	4,0 %
FV of fish in sea	**8 226 540**	7 905 454	7 969 708
FV of fry, brood, smolt and cleaning fish	**648 142**	522 996	454 775
Carrying amount of biological assets	**8 874 682**	8 428 449	8 424 483
Onerous contracts (liability)			
Carrying amount of onerous contracts	**-37 918**	-104 186	-55 969

* Cost on stock is historic costs after expensed mortality

SLAUGHTERED VOLUME:

Volume in gutted weight (GWT)	**Q1 2024**	Q1 2023	2023
Salmon	**23 110**	24 914	138 673
Trout	**3 266**	3 687	20 947
Total	**26 376**	28 602	159 620

VOLUME

Volume of fish in sea (LWT)	**Q1 2024**	Q1 2023	2023
Volume at beginning of period	**97 977**	97 923	97 923
Net growht during the period	**30 934**	28 253	186 239
Slaughtered volume during the period	**-30 760**	-33 360	-186 185
Volume at end of period (LWT)	**98 151**	92 816	97 977

Specification of fish in sea (LWT)	**Q1 2024**	Q1 2023	2023
Salmon	**82 066**	81 030	83 230
Trout	**16 085**	11 786	14 747
Total	**98 151**	92 816	97 977
Salmon > 4.65 kg (live weight) *	**17 447**	3 796	10 961
Trout > 4.76 kg (live weight) *	**0**	299	0

* Defined as mature biological assets

NOTE 3 Biological assets (cont.)

Br. Birkeland Farming AS (amounts in MNOK)

FAIR VALUE ADJUSTMENTS RELATED TO BIOLOGICAL ASSETS

Fair value adjustment over profit and loss	Q1 2024	Q1 2023	2023
Change FV adj. biological assets	**22**	-14	-48
Total FV adjustments over profit and loss	**22**	-14	-48

BALANCE SHEET ITEMS RELATED TO BIOLOGICAL ASSETS
Positive amounts are assets and negative amounts are liabilities

Biological assets	Q1 2024	Q1 2023	2023
Cost on stock for fish in sea	**327**	222	281
Fair value adjustment fish in sea	**91**	104	70
Fair value fish in sea	**419**	326	351
Fry, brood and smolt	**-**	-	
Carrying amount of biological assets	**419**	326	351

SLAUGHTERED VOLUME

Slaughtered volume in gutted weight (GWT)	Q1 2024	Q1 2023	2023
Total volume	**3 213**	2 425	7 416
- Salmon	**3 213**	2 425	7 416

VOLUME

Volume of fish in sea (LWT)	Q1 2024	Q1 2023	2023
Volume at beginning of period	**4 465**	4 784	4 784
Sale of biomass	**-**	-	-1 158
Purchase of biomass	**1 512**	-	445
Net growth during the period	**2 846**	2 303	9 657
Slaughtered volume during the period	**-3 867**	-2 941	-9 263
Volume at end of period (LWT)	**4 956**	4 146	4 465
Fish > 4.65 kg (live weight)	**2 434**	1 818	2 279

NOTE 4 Segments

All figures in MNOK		Operating revenue and other income Q1 2024	Operating revenue and other income Q1 2023	EBITDA (adj.) Q1 2024	EBITDA (adj.) Q1 2023	EBIT (adj.) Q1 2024	EBIT (adj.) Q1 2023
Lerøy Seafood Group ASA		7 108	6 975	1 234	1 337	842	989
Austral Group S.A.A.		570	465	115	50	57	-9
FoodCorp Chile S.A.		325	282	122	121	108	110
Br Birkeland Farming AS		314	243	123	124	106	107
Br Birkeland AS		155	90	70	17	54	2
Elimination/HQ/others		-100	-53	-4	-22	-7	-25
Total Group		**8 373**	**8 002**	**1 660**	**1 627**	**1 160**	**1 174**
Pelagia Group	50%	1 480	1 521	136	193	84	145
Total Group incl. JV		**9 853**	**9 523**	**1 796**	**1 820**	**1 244**	**1 319**

Volumes in 1,000 tonnes		Slaugthered salmon GWT) Q1 2024	Slaugthered salmon GWT) Q1 2023	Wild Catch Q1 2024	Wild Catch Q1 2023	Sales volume FM/oil/FPC Q1 2024	Sales volume FM/oil/FPC Q1 2023	Sales volume Frozen/Fresh Q1 2024	Sales volume Frozen/Fresh Q1 2023
Lerøy Seafood Group ASA		26,4	28,6	24,1	25,3				
Austral Group S.A.A.				19,8	60,2	20,8	20,9	4,2	6,6
FoodCorp Chile S.A.				54,6	65,1	2,7	2,4	24,7	21,4
Br Birkeland Farming AS		3,2	2,4						
Br Birkeland AS				21,2	14,0				
Total Group		**29,6**	**31,0**	**119,6**	**164,5**	**23,5**	**23,3**	**28,9**	**28,0**
Pelagia Group *	50%			488,7	477,8	34,1	36,2	31,5	41,9
Norskott Havbruk AS	50%	3,6	2,6						
Total Group incl. JV		**33,2**	**33,6**	**608,3**	**642,3**	**57,5**	**59,5**	**60,4**	**69,9**

* Pelagia, includes 100% of raw material intake,and of the 50% sales volumes

NOTE 5 Associates

All figures in MNOK	Share of net profit	Q1 2024	Q1 2023	2023
Norskott Havbruk AS* a)	50.0%	33	-17	-168
Pelagia Holding AS b)	50.0%	13	75	388
Others		15	7	65
Income from JV and associates		**62**	**66**	**285**
Fair value adj. related to biological assets		-4	8	-6
Income from JV and associates before fair value adj.		**58**	**75**	**279**

	Q1 2024	Q1 2023	2023
Investment in JV and associates:			
Norskott Havbruk	1 186	1 250	1 107
Pelagia Holding AS	2 029	1 918	1 980
Others	500	442	485
Total investment	**3 715**	**3 610**	**3 572**

	Q1 2024	Q1 2023	2023
Dividend received from JV and associates			
Norskott Havbruk	-	-	
Pelagia Holding AS	-	-	225
Others	-	-	3
Total dividend received	**-**	**-**	**228**

a) Lerøy Seafood Group ASA owns 50% of Norskott Havbruk AS
b) Austevoll Seafood ASA owns 50% of Pelagia Holding AS

NOTE 6 List of the 20 largest shareholders at 31.03.2024

Investor	Number of shares	% of top 20	% of total
LACO AS	112 605 876	74.36	55.55
STATE STREET BANK AND TRUST COMP	4 269 173	2.82	2.11
PARETO AKSJE NORGE VERDIPAPIRFOND	3 856 305	2.55	1.90
J.P. MORGAN SE	3 829 178	2.53	1.89
OM HOLDING AS	3 005 636	1.98	1.48
FOLKETRYGDFONDET	2 950 377	1.95	1.46
SIX SIS AG	2 374 083	1.57	1.17
THE BANK OF NEW YORK MELLON SA/NV	2 102 337	1.39	1.04
STATE STREET BANK AND TRUST COMP	1 967 085	1.30	0.97
JPMORGAN CHASE BANK, N.A., LONDON	1 873 220	1.24	0.92
VERDIPAPIRFONDET STOREBRAND NORGE	1 377 140	0.91	0.68
J.P. MORGAN SE	1 370 271	0.90	0.68
DANSKE INVEST NORSKE INSTIT. II.	1 336 963	0.88	0.66
STATE STREET BANK AND TRUST COMP	1 334 904	0.88	0.66
PRIMA ESTATE AS	1 300 000	0.86	0.64
VERDIPAPIRFONDET FONDSFINANS NORGE	1 250 000	0.83	0.62
STATE STREET BANK AND TRUST COMP	1 238 824	0.82	0.61
DNB BANK ASA	1 158 965	0.77	0.57
VPF SPAREBANK 1 UTBYTTE	1 150 000	0.76	0.57
CLEARSTREAM BANKING S.A.	1 081 479	0.71	0.53
Total number owned by top 20	**151 431 816**	**100.00**	**74.70**
Total number of shares	**202 717 374**		

NOTE 7 Alternative performance measures

Austevoll Seafood Group's financial statements are prepared in accordance with international standards for financial reporting (IFRS) and interpretations established by the International Accounting Standards Board (IASB) and adopted by the EU. In addition, the Board and management have chosen to present certain alternative performance measures to aid understanding of the Group's development. The Board and management are of the opinion that these performance measures are sought and utilised by investors, analysts, credit institutions and other stakeholders. The alternative performance measures are derived from the performance measures defined in IFRS. The figures are defined below. They are calculated consistently and presented in addition to other performance measures, in line with the Guidelines for Alternative Performance Measures from the European Securities and Markets Authority (ESMA).

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

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

The Group has investments in joint ventures and associates that are significant enterprises in their segments and represent substantial values for Austevoll Seafood ASA. Revenue from joint ventures and associates is therefore shown on a separate line and forms part of adjusted EBIT including revenue from associates.

Net interest-bearing debt (NIBD)
NIBD is an alternative performance measure used by the Group. The figure shows how much capital the Group employs and is an important key figure for stakeholders who are planning to provide financing to the Group and for those who want to value the company. The Group therefore defines NIBD as interest-bearing liabilities, both short-term and long-term, to persons or institutions where the main objective is to provide financing and/or credit, minus interest-bearing cash or cash equivalents. This implies that long-term interest-bearing receivables (assets) and lease liabilities other than lease commitments to credit institutions (liabilities) are not included. The latter component covers the majority of the new lease liabilities capitalised in connection with the implementation of IFRS 16. The following components from the statement of financial position are included:

All figures in MNOK	31.03.2024	31.03.2023	31.12.2023
Loans from credit institutions *			
+ Lease liabilities to credit institutions *	1 137	1 245	1 195
+ Other long term loans *	9 924	7 110	9 533
+ Overdrafts/other short term loans	1 744	1 640	1 462
- Cash and cash equivalents	5 812	4 484	5 475
= Cash and cash equivalents	**6 993**	**5 511**	**6 715**

* Both long-term and short-term portion

NOTE 8 Right-of-use assets

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

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

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

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

Right-of-use assets (Alle tall i MNOK)	**Land**	**Buildings**	**Plant, equipment and other fixtures**	**Vessels**	**Total**
Carrying value 01.01.	**31**	**510**	**1 345**	**1 157**	**3 043**
Foreign currency translation differences	0	3	3	0	6
Right-of-use assets acquired	0	20	73	111	204
Disposal	-	-	-1	-	-1
Depreciation	-1	-15	-91	-62	-170
Business combinations	-		-		-
Reclassification	-	-	-	-45	-45
Carrying value 31.03.2024	**30**	**517**	**1 329**	**1 162**	**3 037**

NOTE 9 Tax expense, including new resource rent tax on aquaculture (in the sea) from 1 January 2023

On 31 May 2023, the Storting voted to introduce a resource rent tax of 25% on aquaculture. The tax is levied on profit after tax from commercial sea-based salmon farming, and is an additional tax on aquaculture.

The resource rent tax comes on top of ordinary corporation tax of 22%, giving a total tax rate of 47% on aquaculture. The new tax was implemented with retroactive effect from 1 January 2023.

TOTAL TAX EXPENSES IN COMPREHENSIVE INCOME	Q1 2024	Q1 2023	2023
Regular corporate tax	-289	-344	-590
Resource rent tax incl. implementation effect (payable and deferred tax)	-58	0	-1 912
Income tax expenses in comprehensive income	**-346**	**-344**	**-2 501**

SPECIFICATION OF RESOURCE RENT TAX AND PRODUCTION FEE	Q1 2024	Q1 2023	2023
Resource rent tax (payable and deferred tax)	-58	-	-102
Resource rent tax - implementation effect (deferred tax)	0	-	-1 809
Total resource rent tax incl. implementation effect	**-58**	**0**	**-1 912**
Production tax recognised in the period	-28	-17	-129
Total resource rent tax and production tax for the period	**-85**	**-17**	**-2 041**

Tax expense (-)/tax income (+)

From 1 January 2024, the production fee is NOK 0.935 per kilo of Norwegian farmed salmon and can no longer be deducted when calculating ordinary Norwegian corporation tax.

However, the production fee paid can be deducted from the resource rent tax payable.

Austevoll Seafood ASA

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