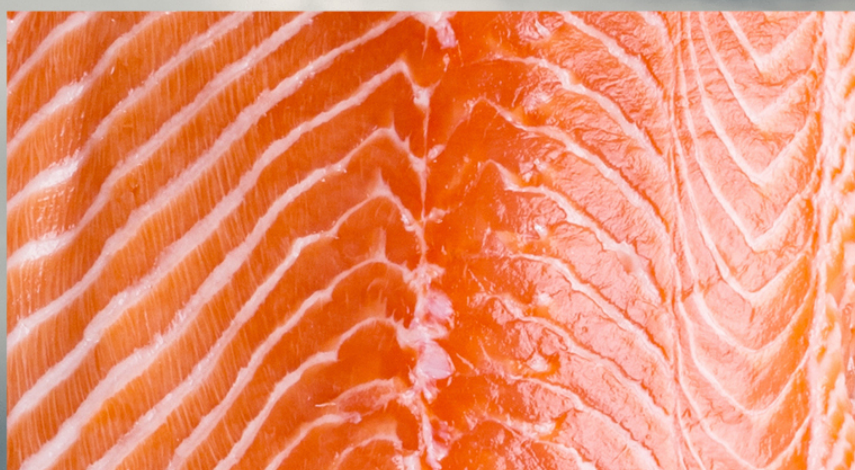


ANNUAL REPORT 2020

Made by nature



Pioneered by  Måsøval



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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.

On the coast of central Norway, the Atlantic provides strong currents and high tidal range, ensuring an abundance of fresh, clean seawater.

It's here, in one of the most beautiful coastal landscapes in the world, that we make one of the best ingredients in the world – Salmon: Made by nature, pioneered by Måsøval.

Led by the third generation of the Måsøval family, we now produce more than 16 000 tonnes of salmon a year, serving 1.6 million people – every single week, year round.

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

Highlights 2020



928 / 221 / 242

The group achieved NOK 928 million in turnover, operating results of NOK 221 million and a pre-tax profit of NOK 242 million.

93%

A salmon survival rate of 93%, which significantly contributed to good production.

13.63

EBIT per kg was NOK 13.63 in a year when the market was challenging at times.

16 253

In 2020 we achieved an impressive production record of 16 253 tonnes GW, or 1.6 million meals a week.

2 000

2 000 tonnes of MAB purchased at auction in 2020, which will generate a 22% sales growth from 2022.

Aqua Semi

Aqua Semi engineering work has progressed. Construction could potentially begin in 2021. 3 120 tonnes in development licences granted.

780

We were selected to operate educational licences of 780 tonnes for Guri Kunna upper secondary school, starting from May 2021. This will increase sales by 9% from 2022.

2 000 000

Property purchased and preliminary work initiated on the Frøya land-based post-smolt project. The facility aims at producing 2.0 million post-smolt a year.



Key figures for 2020

CONSOLIDATED NUMBERS IN 1 000 NOK	2020	2019
Sales revenue salmon	887 372	848 801
Other revenue	40 740	38 389
Sum operating revenue	928 111	888 190
Harvested volume (tonnes)	16 253	15 435
EBITDA	271 988	235 321
Operating result	221 471	187 656
Pre-tax profit	242 444	157 330
Annual profit	199 139	122 229
Sales price per kg salmon	52.80	53.88
Production cost per kg salmon	39.17	41.72
EBIT per kg salmon	13.63	12.16
Book value biomass	352 634	319 423
Total assets	1 667 543	1 131 330
Book equity	492 020	421 165
Net interest-bearing debt	775 062	293 523
EBITDA margin	29.3%	26.5%
Operating margin	23.9%	21.1%
Equity ratio	29.5%	37.2%
Return on capital employed (ROCE) (1)	22.5%	28.0%

1) EBIT/(average of opening balance and outgoing balance of Net interest-bearing debt + equity - Financial assets)

Continued growth in a challenging year

During the last year, I've often reflected on how lucky I am to live in Norway and be a part of Måsøval and the aquaculture industry.

2020 turned out to be a special year with a pandemic that has affected the entire world.

It's had a heavier impact in other parts of the world, and we're fortunate to live in a country with one of the best social safety nets in the world. However, many industries are struggling here at home, and there are many people who are out of work and facing the uncertainty which that entails.

Despite a few months when the salmon price was lower than normal, the consequences for Måsøval have been minor compared with the challenges most other companies have experienced. Moreover, it's meaningful to be able to contribute by providing healthy and sustainable food for the world and workplaces that are stable and create value.

I would like to thank all of my colleagues who have contributed to ensuring that Måsøval has endured the pandemic safely, with no cases of infection.

OPERATIONAL EXECUTION

Operationally, 2020 was a good year for Måsøval. We achieved all of the key goals set by the board in our action plan. In 2020, we achieved a salmon survival rate that was as high as 93%, which is significantly higher than average – both for the region and the country.

We are carrying on the positive trend from recent years, and maintaining good biological control. Thank you to everyone for conducting thorough risk analyses and making excellent assessments every single day. And thanks to all of you who take part in making our most important decisions at our weekly biology meetings on Tuesdays at 08:00.

Good fish health has provided good growth. 2020 was yet another year with production growth. Never before have we yielded so much from each individual license we have been operating.

I'm pleased to state that employee health is good in Måsøval. We have a low rate of sickness absence, both in terms of our activities and in light of the pandemic. I am particularly happy to report that for the second year in a row we have had no observable incidents that have, or that could have potentially had, serious consequences. Systematic HSE efforts over the years involving improvements, learning, and risk-reducing measures have yielded results.

It's also a pleasure to state that we received very good feedback on our employee survey on Måsøval as a workplace for the second year running.

DEVELOPMENTS

Since the traffic light scheme in 2020 gave PO6 the green light for further growth, fish farmers

were granted the opportunity to acquire production volume by auction. Our owners have confidence in us, and Måsøval therefore acquired a total of 2 000 tonnes - second most among fish farmers in the country.

In addition, we won the contract with Guri Kunna upper secondary school to run the vocational training licence for 10 years, starting April 1, 2021. It's a pleasure to be trusted as the main partner for an institution that educates tomorrow's aquaculture experts.

In total, these developments have led to in excess of 30% growth for Måsøval. Our goal is to translate this into salmon harvest starting in 2022. The growth gives us the opportunity to develop new sites and invest more resources in important areas such as service capacity and on-shore production.

Aqua Semi continued in 2020 with engineering. During the course of this year, we will have the necessary information to be able to assess a construction contract. The project is exciting in terms of utilising a new space, providing a better environment for the salmon to live in, and further improving our biological performance.

Aqua Semi is a transformational project for us, in terms of both new technology and further growth. Our goal is to start building the unit in 2021, and carry out the first release of fish in 2024.

VISION

Following a long project period involving all employees, we launched our new vision at the end of 2020: 'Made by Nature – Pioneered by Måsøval'. It feels right to focus on the production of Atlantic salmon at its source – as close to nature's own production as possible.

We are proud to have a workplace that was part of the origins of Norwegian salmon farming. Today, our workplace is better positioned than ever, and will have a prominent place when the chapter on the future of aquaculture is written.

Thank you to our owners for being willing to believe in us, and to all our colleagues for their exemplary efforts in 2020. I look forward to the continuation.

Asle Rønning
CEO, Måsøval



Further growth to 2027 and beyond

From 2016 to 2020, Måsøval has created projects that have yielded, and will yield, an average annual growth of 14% in the ten-year period from 2017 to 2027. We have managed to achieve this by acquiring licenses for 2000 tonnes in 2020, and through strategic projects together with good partners.

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

HEALTHY SALMON GROWS FASTER

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

From 2016 to 2020, Måsøval has created projects that have yielded, and will yield,

an average annual growth of 14% in the ten-year period from 2017 to 2027. We are currently barely halfway into this 10-year period, and the company will continue to maintain a strong focus on seizing and developing the growth opportunities that arise.

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

(NOK '000) HARVEST VOLUME (TONNES GW)

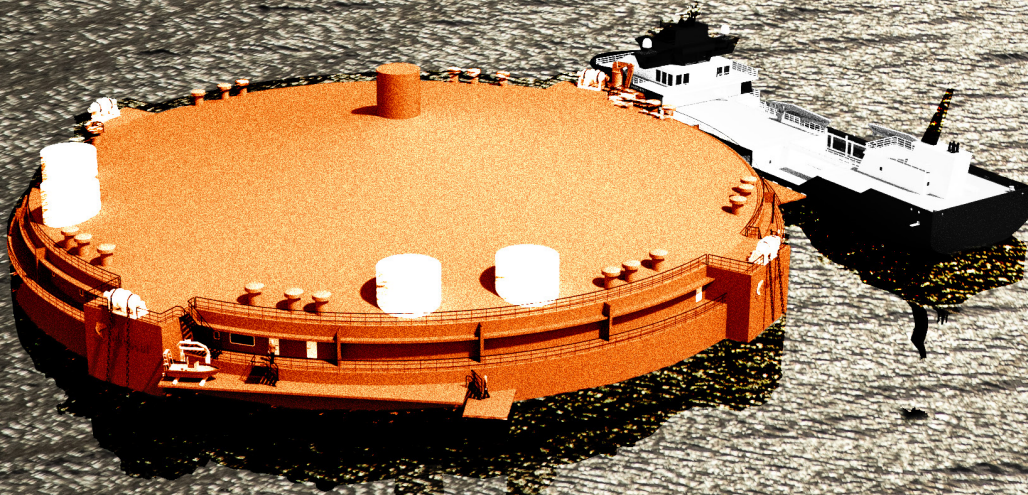
2017	7 909
2018	13 203
2019	15 435
2020	16 253
2021	17 666
2022	21 554
Target 2027	28 519



The background of the page features three salmon swimming in dark water. The salmon are positioned on the left side, with their heads pointing towards the right. The water is dark blue/black, and the salmon have a silvery-gold color with a pinkish-red belly. The text 'Growth projects' is centered in the middle of the page in a white, elegant serif font.

Growth projects

Four important development licences



III: Aqua Semi – operational position.

In 2019, Måsøval won the competition for four licences that are important to the development of new technology. The Aqua Semi concept consists of 4 000 tonnes of stainless steel and innovative solutions that make it possible to operate aquaculture in new, more exposed waters.

Aqua Semi is a semi-submersible, semi-closed production unit for salmon. The unit has sealed steel walls to a depth of 25 meters and all operational functions are integrated. This significantly reduces the risk of escape, lice and other waterborne pathogens, which will contribute to better fish health and more rapid growth.

THE ART OF THINKING BIG

Once completed, Aqua Semi will be located at Fagerholmen in the Frøyfjord. Although this area has strong ocean currents that ensure a good supply of fresh, nutritious water, there are also climatic challenges that make it unsuitable for small, traditional facilities.

Although Aqua Semi was built to handle harsh weather conditions, the industry has experienced that big facilities can have completely unique challenges: the forces of nature are bigger, and separate equipment must be developed to meet the requirements.

Together with Vard and other partners, we've put great effort into the design process to handle these challenges, and to ensure good integration of equipment and good fish

welfare throughout the production phase. We have conducted extensive studies to uncover the biological requirements for water quality in a semi-closed unit with major biomass, as well as to uncover which measures ensure a good aquatic environment in fluctuating production conditions.

THE PROTOTYPE IS READY

The unit's design is finally complete and testing of the prototype was conducted in a seawater pool at Sintef Ocean in spring 2020, with independent design verification subsequently carried out by DNVGL.

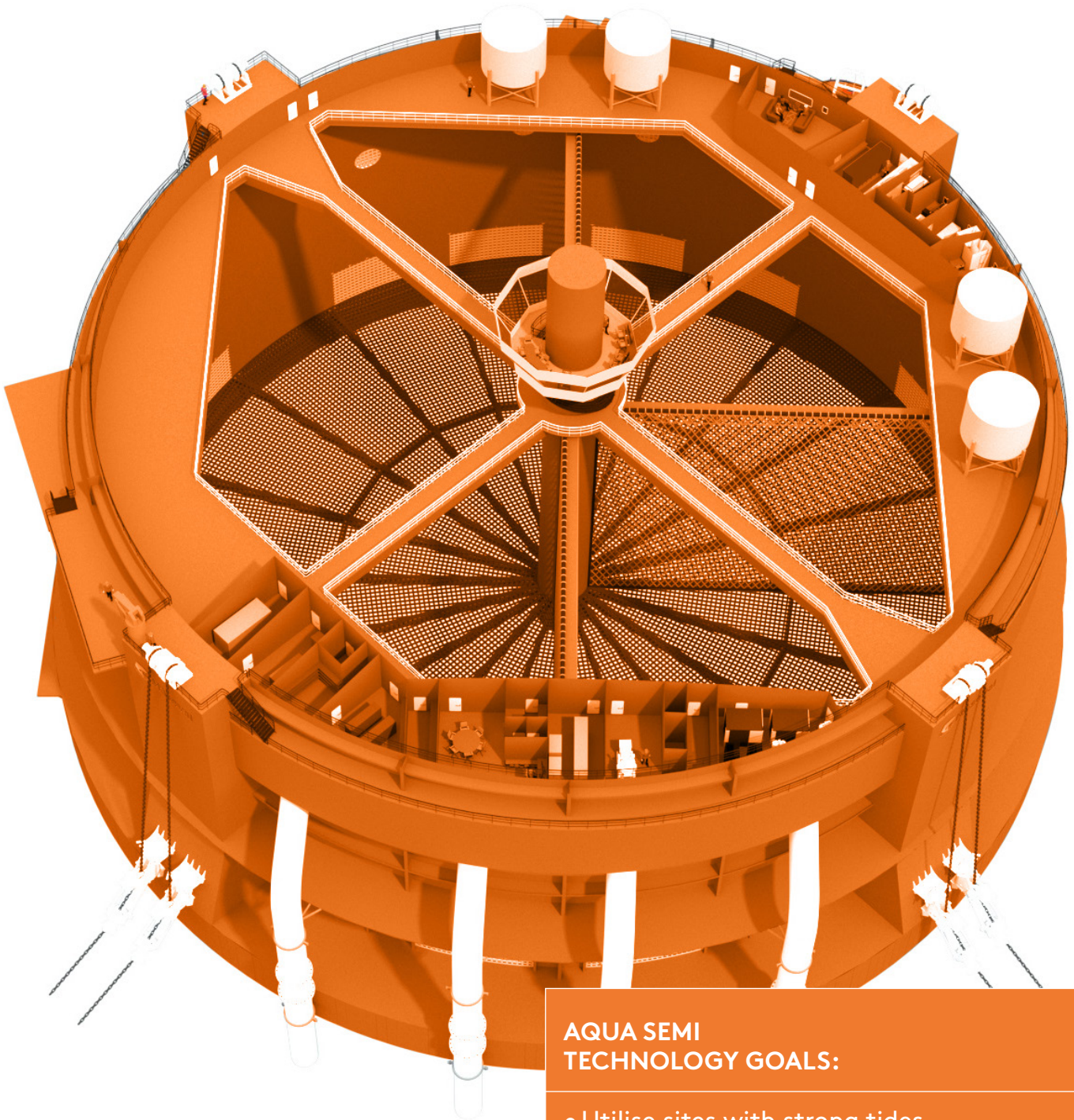
The project has been developed with Vard, a global player in the design and building of ships and specialised vessels. Today, Vard has 8 200 employees with its head office in Norway and building facilities in Norway, Romania, Brazil and Vietnam. The biggest stakeholder in Vard is the Italian group Fincantieri S.p.A.

PROGRESS SCHEDULE

In Q2 2021, fundamental design work on the project is set to be completed. The next step is the building contract, which we have planned to enter into in Q3 2021. The unit will then be launched in 2023, and the first generation of production is planned to start in early 2024.

The production cycle will be <10 months if the project is successful, and two test generations will be completed during the period 2024–2026.

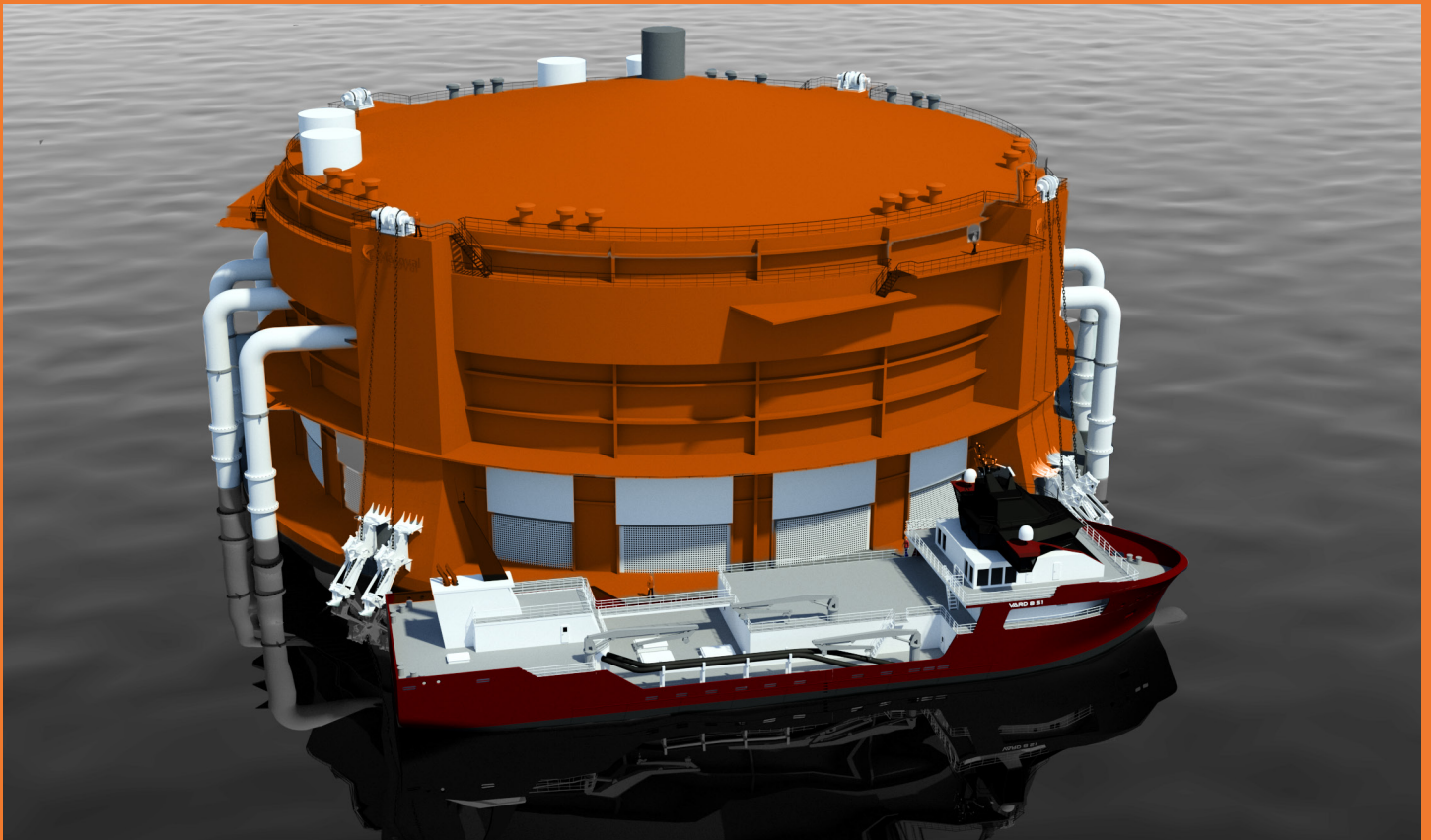
GROWTH PROJECT – AQUA SEMI



AQUA SEMI TECHNOLOGY GOALS:

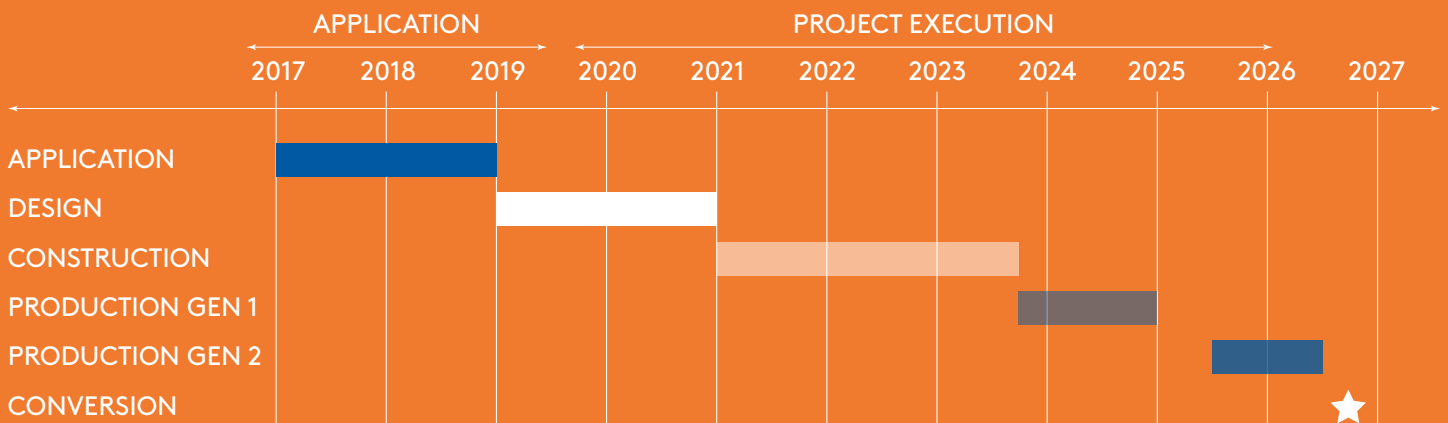
- Utilise sites with strong tides, where conventional technology can not currently be used.
- Reduce the risk of lice/other waterborne risk through shielding from other water masses.
- Reduce the risk of escape.
- Improved fish welfare and biological performances through monitoring and controlling the growth environment and reducing the need for handling operations.

Aqua Semi – overview of process equipment and fish-handling



Aqua Semi – position for maintenance and cleaning between generations

AQUA SEMI PRODUCTION PLAN – DEVELOPMENT LICENCES



The unit is made for operational cycles of <10 months. If the project is successful in terms of biology and its design concept, a harvest of 2 500–3 000 tonnes will be completed per year in the foreseeable future.

Completion of the project will add new expertise on big and challenging projects to the company, and contribute to a growth in production from 2024 onwards.

VOLUME	2024	2025	2026	2027
Number of fish released	640 000	640 000	640 000	1 300 000*
Harvested volume GW (tonnes)	2 600		2 600	6 000*

*Licenses after conversion

Bigger smolt – reduced risk

It's possible to reduce the time spent in open nets when fish are permitted to grow a little bigger before being released. This reduces the risks associated with salmon lice and other pathogens. Måsøval has therefore prepared a major investment in the production of bigger smolt.

Måsøval has good experience with the production of post-smolt. By combining different smolt sizes in a holistic production plan, we not only improve fish health, it also allows us to more easily utilise the maximum allowable biomass (MAB). At the same time, the production capacity of post-smolt enables us to utilise the freshwater facilities more efficiently by moving parts of the production via the post-smolt facility, and thereby better fulfil the company's need to release fish into the sea. In short, Måsøval's post-smolt strategy helps us reduce biological risk throughout the entire production phase,

at the same time as we are increasing the exploitation of the company's production permits.

As part of the Aqua Semi growth project, we plan to release 640 000 post-smolts with a minimum size of 500 grams. This is an ambitious goal that we will achieve through a new and bold investment in our own production of post-smolt.

TWO DIFFERENT SCHOOLS OF THOUGHT

Today, the aquaculture industry has many opportunities to achieve good production of post-smolt. Land-based facilities and semi-closed and closed offshore units are alternative approaches to meeting the biological demands this type of fish sets us as fish farmers. Whether one chooses flow-through or RAS technology, it's the interaction between nature, technology, fish, and people that comprises the key to successful production.

Although offshore facilities have lower investment and energy costs, offshore production of post-smolt must take place within the framework of the company's MAB. Strict regulatory requirements also lead to a significant risk that it will not be possible to transport the fish to ordinary offshore facilities if it should be exposed to disease.

Although land-based production has higher costs relating to investments and energy consumption, it also provides increased control of water quality and pathogens. In addition, the biomass produced is not included in the company's MAB, which helps increase the total production volume. Overall, Måsøval therefore believes that land-based production of post-smolt provides the best preconditions for success, both in terms of biology and profitability.

LAND-BASED

Since offshore post-smolt production creates both technological and regulatory challenges, Måsøval is now working on an exciting project

on land: We have acquired a land-based flow-through facility at Frøya, where major parts of the infrastructure are already in place. Along with the company's wide expertise, we have thereby also secured ourselves the opportunity to establish efficient and safe production, with relatively limited investments.

The facility currently has the capacity for an annual production of 500 tonnes. After initial testing and development of the post-smolt production, we aim at doubling the current capacity.

There is a great deal of vacant land available around the facility, and we have established a good dialogue with the landowner regarding necessary acquisitions. We have submitted an application for licenses and certificates to the proper authorities, and are awaiting their response. Our plan is to transfer the first post smolt to sea in 2023.



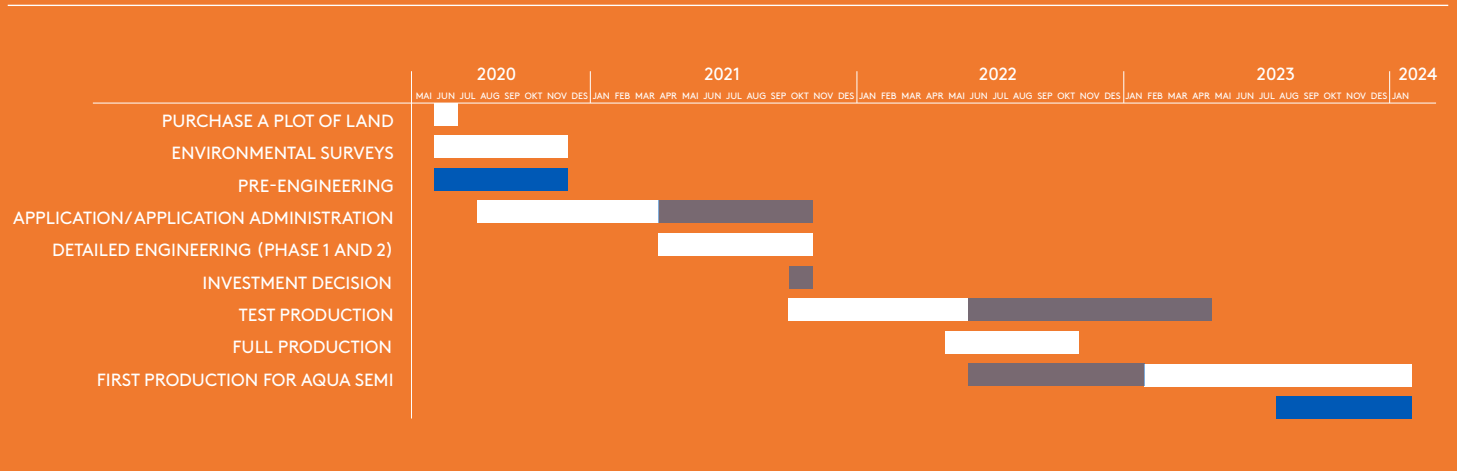
GROWTH PROJECT – POST-SMOLT



THE ROAD AHEAD

The licence application is currently being completed and will be submitted to the authorities in the first half of April 2021. Detailed planning of technical solutions for the

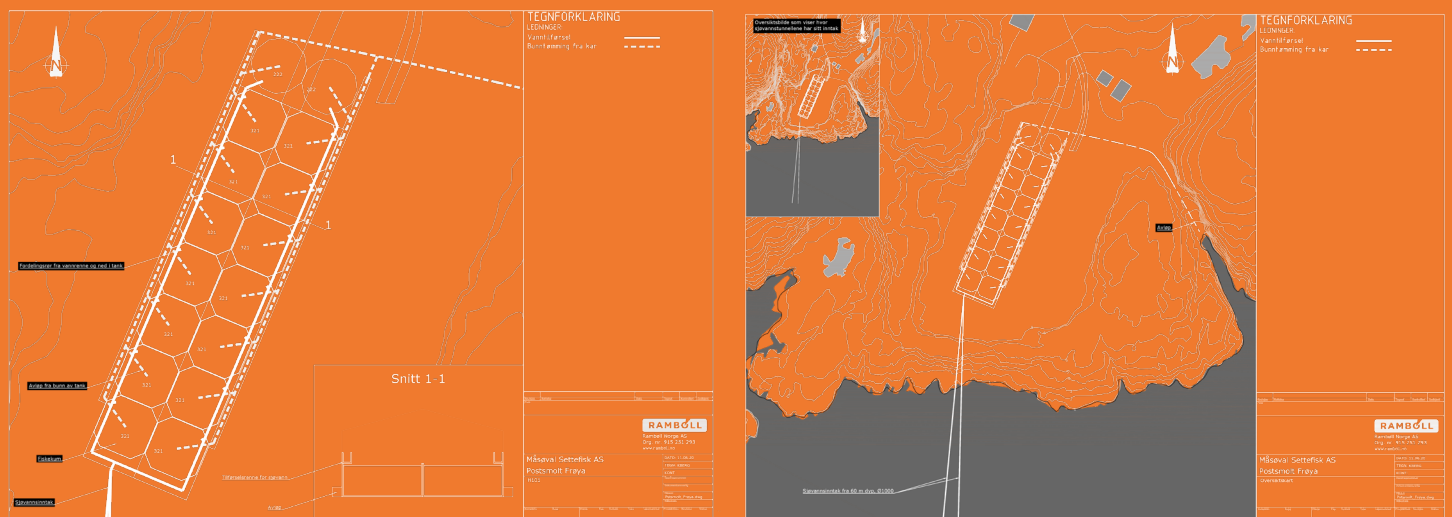
facility will take place at the same time as the application is being administered. The final investment decision will be made after we have clarified any objections that may arise during administration of the licence application.



PROGRESS SCHEDULE

	2023	2024
NUMBER DELIVERED	950 000	1 700 000
AVERAGE DELIVERY WEIGHT (GW)	325	500

PRODUCTION PLAN



According to the production plan, the current facility will start up in autumn 2022, with two subsequent production cycles, in tandem with the outlined expansion to double capacity. In this phase, we will gain valuable experience prior to the first big delivery to Aqua Semi.

The amount that is projected to be delivered in January 2024 will both cover that required by Aqua Semi and parts of the company's ordinary production.



Much has changed since Karsten started Måsøval Fiskeoppdrett together with his father and brother. Photo: Måsøval.

Once a pioneer, always a pioneer

Karsten became one of the first aquaculture pioneers when he and his father and brother built a small freezer room and nailed together the first net pens in 1973. They had no employees, and worked long days with 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 others - 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.

In the beginning, all of the net pens were lined up in a row along the shore, just a stone's throw from the garden fence. Today, production has moved out to the open sea, and has spread to as many as 15 sites along the coast down from Trøndelag.

In the beginning, they travelled around and sold the fish themselves, while today, 10 million people eat Måsøval salmon every single week. Is he proud of that as one of the original founders?

"I'm proud that my boys want to keep running the business! I'm 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!"

Marion and Karsten have been married for decades, and are two of the first salmon farming pioneers. Photo: Måsøval.

Important strategic events in the group

First investment in salmon.

1977

1973

The company was founded by Edvin Måsøval and sons.

Måsøval acquires a 33% stake in Nordskagfisk.

1982

1978

Sons Bjørn and Karsten take over the company.

Måsøval takes part in founding Norway Royal Salmon.

1992

1990

Salmar founded together with Gustav Witzøe following Nordskagfisk bankruptcy.

Måsøval sells its stake in Salmar.

First broodstock facility acquired.

1998

1997

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

2003

Måsøval acquires Vikan Fishfarm on Hitra.



Broodstock facility at Hitra acquired.

New salmon license won.

Aquagen collaboration on reserve stock/ broodstock production at 2 licences launched.

Laxar is acquired (today Måsøval eiendom, Måsøval Fiskeoppdrett's parent company owns a 59% stake).

Måsøval partners with Pure Norwegian Seafood at Averøya.

Måsøval acquires 2.5 new licences, increasing production by 2 000 tonnes.

Måsøval enters into a 10-year deal to develop tomorrow's workforce on yet another licence

Production capacity of 22 000 tonnes achieved.

2004

2009

2016

2018

2020

2005

2011

2017

2019

Måsøval completes its takeover of Brattøyfisk at Frei

Måsøval Fishfarm AS is founded, with a 63.9% stake.

Fish farming company Lernes acquired together with its 4 licences.

Application for development licences on the Aqua Semi project.

Måsøval strengthens its smolt production by acquiring Åsen Settefisk AS.



Leadership is what you do, not who you are

As a Norwegian aquaculture pioneer, Måsøval has always had strong aquaculture expertise and management that's not afraid of getting its feet wet. Although we have become bigger and more professional over the years, the management in Måsøval remains hands-on, just a short distance from both operations, employees and nature.

Management group



ASLE RØNNING - CEO

Asle has an MBA in civil economics and an Executive MBA in strategic management from the Norwegian School of Economics (NHH). He has management experience from Gilde, House of Beauty and BEWI prior to starting in Måsøval in 2013. Asle is known for cooking with fantastic ingredients from the sea as often as he can.



GUNNAR AFTRET - CFO

Gunnar has an MBA in civil economics from the Norwegian School of Economics (NHH). Prior to starting in 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.



HARRY OSVALD HANSEN - Head of Farming/Sea

Harry has a craft certificate in fish farming and a two-year education in fisheries technology from university college, but – most important of all – he has over 30 years' experience in the fish farming industry. Harry Osvald has challenged the Måsøval family to become the first people to ascend all of the peaks on Hitra island.



LARS JØRGEN ULVAN- Head of Smolt

Lars Jørgen has a cand.scient. 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 CEO of Nordland Rensefisk. Lars Jørgen enjoys exploring the wonders of nature together with his son.



INGAR KYRKJEBØ - Head of Service

Ingar has a bachelor's degree in aquaculture from Sogndal University College and a postgraduate certificate in teaching from Nord-Trøndelag University College (HiNT). He has been operations manager in Hydro Seafood and Marine Harvest, among others. Ingar is a patient west coast native who is most happy 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), and has worked in Måsøval since 2014, first as a biological controller, and now in her current position as head of sales. Henny is most happy when boating around all of the beautiful islands of Hitra and Frøya.



ANDREAS SKAGØY - Head of Fish Health

Andreas has a master's degree in aquatic medicine from The Arctic University of Norway (UIT). He has a background from Åkerblå, where he managed a team of fish health professionals. Andreas and his family love the outdoors and taking long walks in varied nature is one of life's 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 Levanger University College. She has been both mayor and council member in Frøya municipality for a number of years. Berit finds good maritime nature experiences to be the most rejuvenating.

A man with short hair and a beard, wearing a dark jacket, is seated at the helm of a boat. He is looking towards the camera with a slight smile. The boat's interior is visible, including the steering wheel and various controls. Large windows on the right side of the boat offer a view of the open sea and a dramatic, cloudy sky. The overall mood is professional and serene.

The board of directors



LARS MÅSØVAL - Chair of the board

Lars Måsøval has a craft certificate in aquaculture, and has been part of Måsøval his entire life. He worked as an aquaculture technician until 2004, after which he built up the smolt facility at Laksåvika. In 2011, he took over as managing director in Måsøval, and led the company until 2015. Since then, he has been the working chair in the company.



ANDERS MÅSØVAL - Deputy board member

Anders Måsøval has a bachelor's degree in economics and administration from BI, and worked with accounting in Måsøval Fish Farming until 2019. Today he works in the parent company Måsøval Eiendom. Anders owns the company together with Lars.



OLA LOE - Board member

Ola Loe has 26 years of experience in the aquaculture industry, in finance and management. He has been CFO in Norway Royal Salmon since 2011. Prior to 2011, he worked in auditors KPMG and Arthur Andersen & Co and has been responsible auditor for Fjord Seafood, Mowi, Cermaq and Norway Pelagic, among others, and group auditor for several listed companies.



KARI SKEIDSVOLL MOE - Board member

Kari Skeidsvoll Moe holds law degrees from the University of Oslo, and Humboldt Universität zu Berlin, and a Post Graduate Diploma of EU Competition Law from King's College, London. In addition to experience from practicing private law, she served as legal counsel and later Vice President in Norsk Hydro ASA, and is currently EVP General Counsel and Head of Administrative Staff at TrønderEnergi AS.



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 optimization, strategic planning, and fish-technology interaction. He has 25 years' experience in the industry. He is currently COO in Laxar, an Associate Professor at NMB, and is a board member in several companies.



JOHN BINDE - Board member

John Binde has held numerous executive positions in a variety of internationally-oriented companies, and has worked in the aquaculture industry since 2001. He has 10 years' experience as CEO in Norway Royal Salmon ASA, and is currently Executive Chairman in Scanbio Marine Group, and is a board member in several companies.



*Positive
ripple effects
in every sense
of the term*

Måsøval Fiskeoppdrett AS has ambitions of creating value far beyond the company's own financial results. We own, operate, and develop numerous aquaculture companies, which have a positive ripple effect and generate value throughout the region.

OUR OPERATIONS



**MÅSØVAL OWNS 100%
OF THE FOLLOWING COMPANIES:**

Åsen Settefisk AS

Måsøval acquired Åsen Settefisk in Levanger municipality in 2019. The facility has an annual production capacity of 2.5 million smolts.

Måsøval Settefisk AS

Currently consists of the Laksåvika fish facility at Hitra. The facility produces 2.7 million smolts per year.

Eidsvaag Akva AS

In 2020, we acquired the shipowners Eidsvaag Akva AS in order to secure our own delousing capacity. The Luma delousing unit has been one of Måsøval's most important tools against lice since then.

**MÅSØVAL HOLDS A MAJORITY STAKE OR IS
PART OWNER IN THE FOLLOWING COMPANIES:**

Gunnar Espnes Fiskeoppdrett AS (66%)

The company has a licence that is operated by Måsøval. The remaining stake is held by Gunnar Espnes's heirs.

Måsøval Fishfarm AS (64%)

The company has two licences that are operated by Måsøval. The remaining stake is held by NRS. The licences have previously been owned by Vikan Fish Farm and Brattøyfisk.

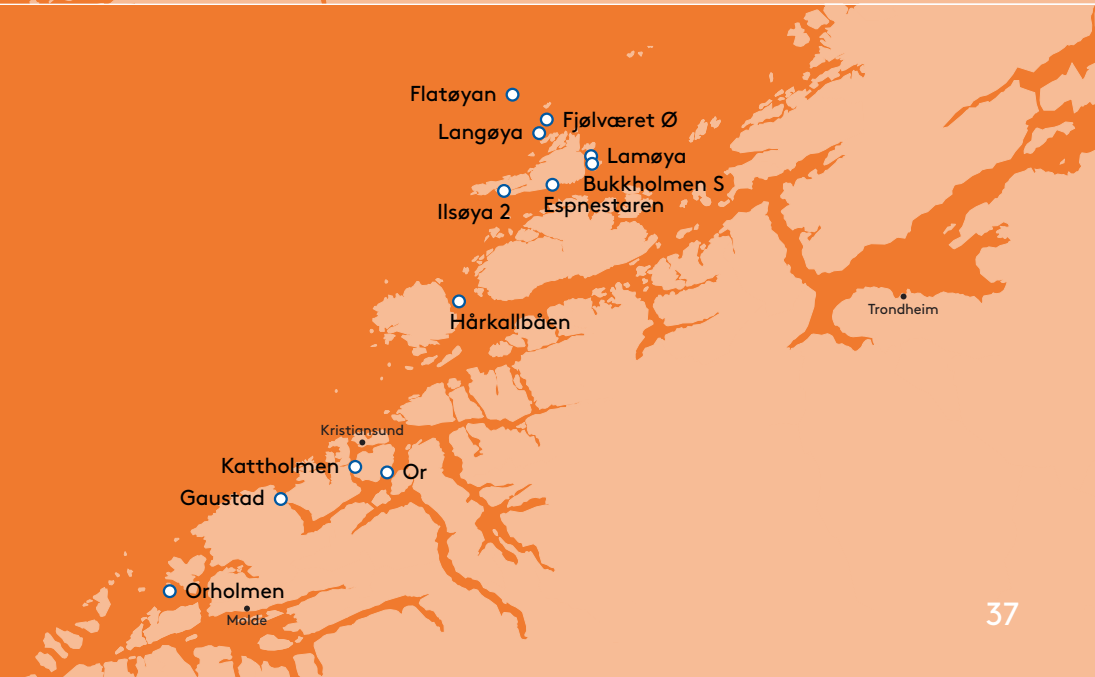
Tjeldbergodden Rensefisk AS (30%)

The company produces lice-eating cleaner fish, mainly lumpfish, that are delivered to Måsøval's edible fish facilities.

On Land:



At Sea:



OUR OPERATIONS



GLOSSARY

BIOMASS

The standing biomass of fish at any time (measured in kilos or tonnes).

MAB

Maximum allowable biomass – refers to the total maximum biomass a company is permitted to have standing in the sea. MAB is regulated at two levels: site and company.

TGC

Thermal growth coefficient is a common growth model in fish farming, that takes into account the size of the fish and the water temperature variation.

PO

Production area (*produksjonsområde*, in Norwegian). 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: Stad to Hustadvika and Area 6: Nordmøre and Sør-Trøndelag.

GENERATION

Traditionally, the release of salmon is divided into two generations per year, often referred to as spring fish (1 year olds) and autumn fish (0 year olds).

PD

Pancreas disease is a viral illness that causes reduced growth and increased mortality.

GW

Gutted weight is the weight of harvested fish after the entrails have been removed.

OUR OPERATIONS



Smolt: Stable and high quality

Måsøval currently owns two smolt facilities based on flow-through, with a total production permit of 5.2 million smolts per year. The company has historically been a stable supplier of high quality smolt. Måsøval's smolt operations are based on stable and strong expertise, which is an important reason behind the good results we have achieved.

In 2020, the facilities delivered 4.74 million smolts with an average weight of 124.3 grams, of which 2.98 million was delivered internally, while the rest went to other farmers. The commitments to deliver smolt to external parties expire at the end of 2022, which further strengthens Måsøval's basis for meeting the company's growth ambitions.

Måsøval Settefisk has an ongoing case with the Norwegian Water Resources and Energy Directorate (NVE) about enabling access to the water source for wild anadromous fish at one of the smolt facilities for anadromous fish. Regardless of the outcome, Måsøval has secured agreements with external suppliers to safeguard future smolt requirements.

2020 was a good production year, where we yet again reaped the rewards of a long-term and focused work on water quality, mortality, and growth. For example, we have succeeded

in implementing new measures for water treatment, and have thereby prevented any serious incidents connected to water quality from occurring. In 2020, the survival rate throughout the entire smolt fish phase was 95.9%, and we have had no outbreaks of infectious viruses or bacterial diseases. Stable biological performance is a testament to our focused efforts on fish health in the smolt phase has given direct results on land, and indirect results at sea through increased smolt quality.

In order to meet the increased demand for smolt and strategic changes in the release pattern, it's important for us to continue the good collaboration we have with our external smolt suppliers: Trøndersmolt and Nekton Settefisk. These facilities use RAS technology, and thereby provide increased flexibility for smolt production in terms of time of release and smolt size.

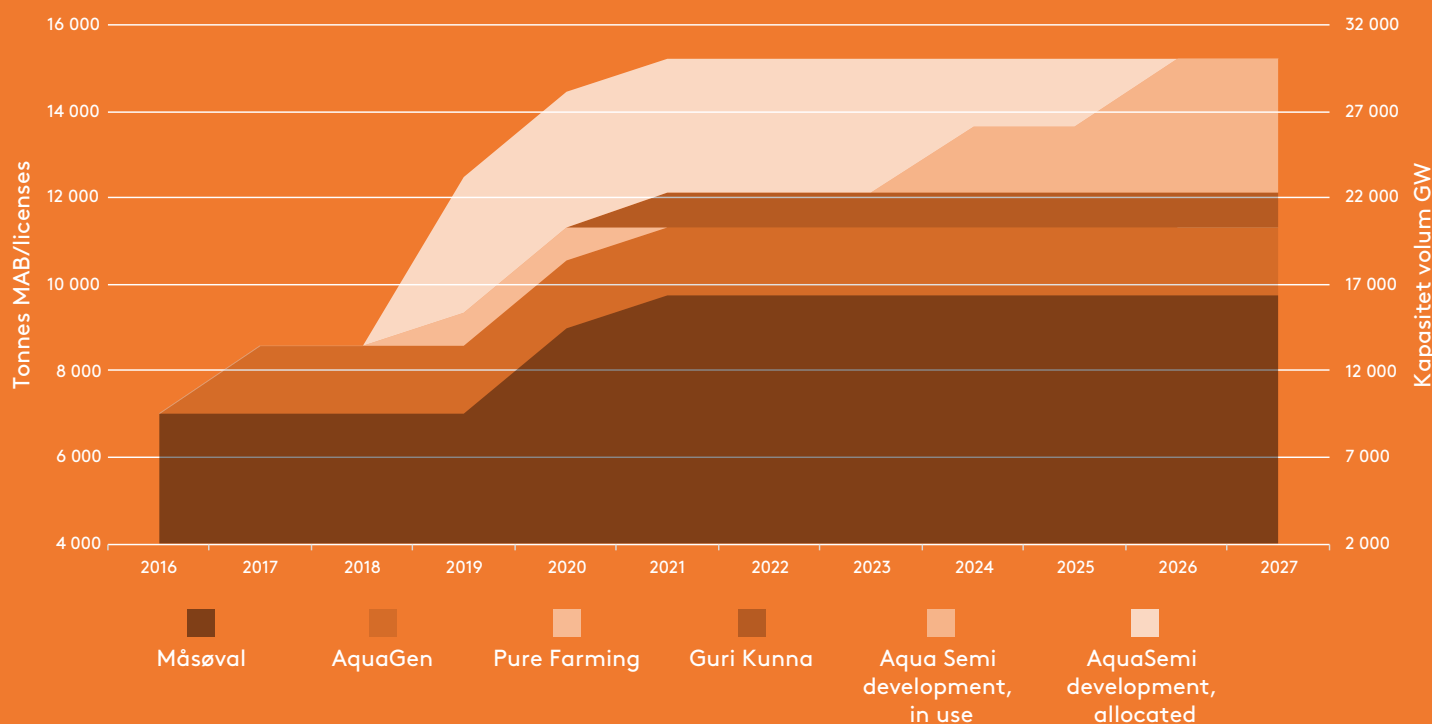
In sum, we can see that the company is well-positioned to realise Måsøval's smolt strategy and growth ambitions in the years ahead.



*Farming:
The biggest
volume ever*

In 2020, Måsøval achieved the highest production volume ever recorded in the company's history. We are thereby carrying on the positive development the company has had in terms of growth and survival in recent years,

and expect continued progress in 2021. The company's purchase of a further 2 000 tonnes of production capacity in 2020 has to a large extent already been exploited, and we expect full exploitation in the second half of 2021.



2020 OPERATIONAL HIGHLIGHTS:

Orholmen

Established production in PO5 – new site at Orholmen, Aukra.

92.8%

92.8% survival rate for the year.

10 000

First generation with more than 10 000 tonnes production (spring '19).

1 year

Fish harvested in the same year as being released (spring '20).

16 253

Harvest volume of 16 253 tonnes harvested weight.

Frøya

Handled a demanding lice situation in Q3 in Frøya Sør.

Results

Good biological and operational performance has yielded good results.

OUR OPERATIONS



Sites: Attractive areas

The company currently has 41 340 tonnes MAB at its sites, and is thus well-positioned to maintain both current production capacity and meet future growth ambitions.

Good sites are a critical factor to successful salmon farming, both in terms of growth potential and biological and operational control. Måsøval's portfolio of sites are in

places that are considered to be the most attractive salmon farming areas in the world.

In line with the strong growth, Måsøval is continuously working to further improve existing sites and acquire new high quality properties. Dedicated resources have been set aside for these efforts in the company.

MÅSØVAL SITES

PO	ZONE	SITE	MAB 2021	NUMBER OF NET PENS
6	Frøya Nord	Fjølværet	3 900	10
6	Frøya Nord	Langøya	2 340	8
6	Frøya Nord	Flatøya	3 120	6
SUM V 21			9 360	24
6	Frøya Øst	Bukholmen	3 120	8
6	Frøya Øst	Lamøya	3 900	11
6	Smøla	Hårkaillbåen	3 120	8
5	Aukra	Orholman	3 120	10
SUM V 22			13 260	37
6	Frøya Sør	Espnestaren	4 680	12
6	Frøya Sør	Ilsoya 2	3 120	9
6	Frøya Sør	Fagerholmen		1
6	Frøya Sør	Måøydraget	1 560	8
SUM H 21			9 360	30
6	Nordmøre Sør	Kattholmen	3 120	8
6	Nordmøre Sør	Or	2 340	8
6	Nordmøre Sør	Gaustad	1 560	10
SUM H 22			7 020	26
6	Hemnfjorden	Kistvika	2 340	8
SUM ALL			41 340	125

OUR OPERATIONS



Service: Always prepared!

Måsøval's strategy is to have a dedicated standby function for service and technical services. This increases our preparedness and improves biological safety with competitive profitability and capacity.

In recent years, the service department has gone from being purely technical to also including wellboat services, maintenance vessels and delousing capacity. Together with solid expertise and long experience, this allows Måsøval to deliver high-quality support functions on its own.

Establishing a dedicated service department has improved our ability to handle day-to-day operations and resolve biological challenges at short notice, at the same time as control of the fleet contributes to good biosafety over time. The department has always proven to be competitive in terms of both cost and quality, and is increasingly in demand as a supplier of services to external customers.

As of 2020, the department had 14 employees, divided among the technical department, the service boat, and the delousing unit. In addition, a wellboat and crew have been chartered on a long-term contract. It is expected that the number of employees and the size of the fleet will increase as demand increases in the wake of the expected growth

in the group and the overall industry. The company has a strong focus on continuing to develop the service capacity in line with future growth. In March 2021, an agreement was entered into to acquire Stokkøy Skjell AS, following a good, long-term collaboration. The acquisition will strategically strengthen the service department. In addition, we have begun construction on a new base for the technical department, and will take delivery of a service vessel that is well-suited to bigger operations.

ADMINISTRATION AND STAFF – AT YOUR SERVICE

The group responsibility for fish health, employee health, safety, environment, quality, development, finance, IT/digitalisation, sales and logistics sits with the administration and staff. The administration's most important duty is to support the operations organisation in achieving the company's operational goals and to pave the way for profitable growth with good health for both fish and employees.

The administration has been recruited with a view to securing a good combination of expertise from both academia and practical fish farming. The common denominator is extensive knowledge of Måsøval's core activities, systematic work and the ability to get things done.



Internal Development

In 2020, we increased focus on administration of the project portfolio. At the same time, we have completed several projects with good results, and transferred them to the line.

One of the most important projects is 'Optiprod', which has contributed to improved biological control. Another is 'New sites', which has secured us the approval of four new sites – one of which we started using in 2020.

In addition, we have had greater focus on traditional IT operations, with a focus on improved reliability, IT security, and upgrades of our administrative systems. To support our growth we have started the digitalisation of our operations, including automatic lice counting, environmental sensors, and a new data platform.

ORGANISATIONAL DEVELOPMENT

Måsøval has in recent years been working systematically with management and organisational development. We have conducted several gatherings for both operations managers and administrative staff to support the development of the company.

The annual employee survey is an important tool in further developing the organisation and taking care of our employees. In addition, the internal recruitment efforts have paid off: 4 of 7 members of the management group – as well as several operations managers – were recruited from inside the company.



**SUSTAINABLE
DEVELOPMENT
GOALS**

2 ZERO HUNGER



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



14 LIFE BELOW WATER



We're working in harmony with nature!

The ocean is a precious, common resource that we need to manage with great respect. That's why we're actively working to ensure that we have the smallest possible footprint at every stage of food production. Måsøval has namely set itself the goal of being a leading contributor to the sustainable development of the aquaculture industry.

Frøya lies on the coast of Central Norway, where the conditions nature created are optimal for producing Atlantic salmon. Here, the salmon greatly benefit from clean, cold and oxygen-rich water from the Gulf Stream and the Norwegian Sea.

"We're simply borrowing the resources that we're lucky enough to have available here on the coast, and it's our goal to leave behind the smallest possible footprint for those who come after us. At the same time, the world needs more sustainable protein, and salmon is one of the most resource-effective sources we can produce," says Asle Rønning, CEO of Måsøval.

MORE PEOPLE, MORE FOOD

The Norwegian aquaculture industry envisions a five-fold increase in production in the next 40 years. Måsøval wants to be a sustainable part of this growth.

With a growing population to feed, the ocean – covering 70% of the globe – offers a key opportunity. The UN recognizes the ocean as a driver for global systems that ultimately make the Earth inhabitable for humankind, making careful management of the ocean a key feature of a sustainable future.

Måsøval is well aware of our responsibility as a producer of food from the ocean and how our production touches several of the sustainability goals defined by the UN. Although we have not yet drawn up our own key sustainability goals, we have already implemented numerous measures to increase sustainability in Måsøval and the aquaculture industry.

Our ESG initiatives

Måsøval has been a proud producer of healthy, sustainable, Norwegian salmon for years. Our production sites are located on the Norwegian coast. Each site has been chosen for its excellent environmental conditions, ensuring that our salmon can thrive with minimal impact on surrounding ecosystems.

The ocean is not ours to own. It's a precious, common resource that we must manage with great respect. We have an obligation to safeguard the livelihoods of coastal inhabitants and ensure that our presence does not limit opportunities for future generations. That's why we are working actively to keep our footprint as small as possible, throughout the production chain.

At the same time, we are continuously working to ensure that our workers have good working conditions and that our wider community can

thrive. Our financial success also has significant ripple effects far beyond our own activities.

ENVIRONMENTAL INITIATIVES

It's well documented that farmed salmon is one of the most effective sources of animal protein with regards to climate footprint, feed conversion rate, edible yield and use of by-products.

Every form of food production has an impact on the surrounding biodiversity and environment. Our responsibility is to reduce the impact to a minimum. Our focus has been on reducing food waste, reducing emissions from our facilities, reducing the impact on wild salmonids through sea lice control and preventing escapes, among many other active measures.

SOCIAL INITIATIVES

Måsøval has always enjoyed an excellent reputation as a responsible employer and contributor to the local community. HSE is very important to us, both at sea and in the boardroom. This focus can be seen through our low sickness absence rates and a low incidence of serious injuries. People who work at Måsøval tend to stay in their job.

We treat our local communities with great respect and contribute every year to local projects and development. Our main focus is on children's activities, and educational and cultural initiatives. Our corporate taxes and employer contributions also contribute millions of kroners a year to Norwegian society by helping to fund its generous welfare system.

GOVERNANCE

For 48 years, Måsøval has remained a family business with a close relationship between

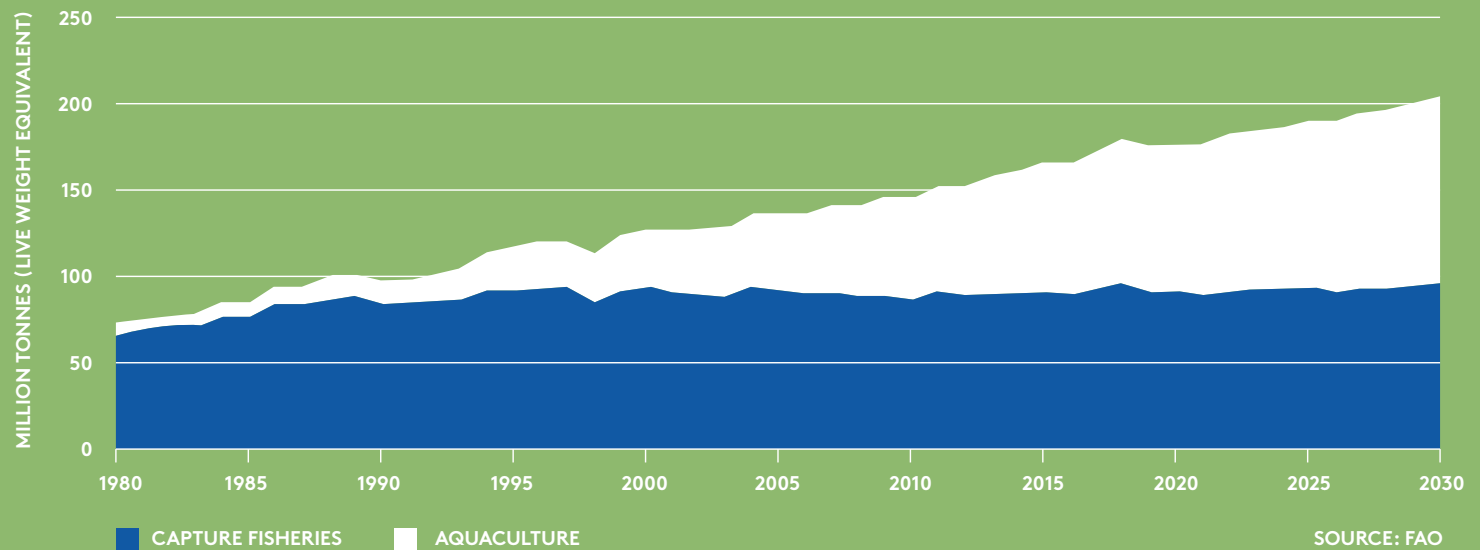
owners and employees. This makes the company able to rapidly adapt to new changes and developments.

The Norwegian aquaculture industry is strictly regulated by the authorities. Our ethical guidelines state that we abide by applicable laws and regulations, and we shall always be reliable, responsible, honest and fair. In fact, one of Måsøval's four core values is "Responsible".

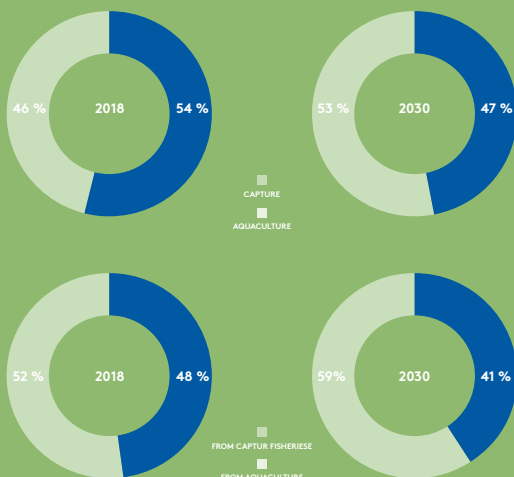
THE ROAD AHEAD

Although Norwegian farmed salmon is well-documented as a sustainable food source, we shall continue to improve our ESG initiative efforts. Måsøval is starting a process in 2021 to systematically review and map our impact areas to identify further improvement measures on sustainability. This will ultimately lead to transparent KPIs that can be measured and shared with stakeholders.

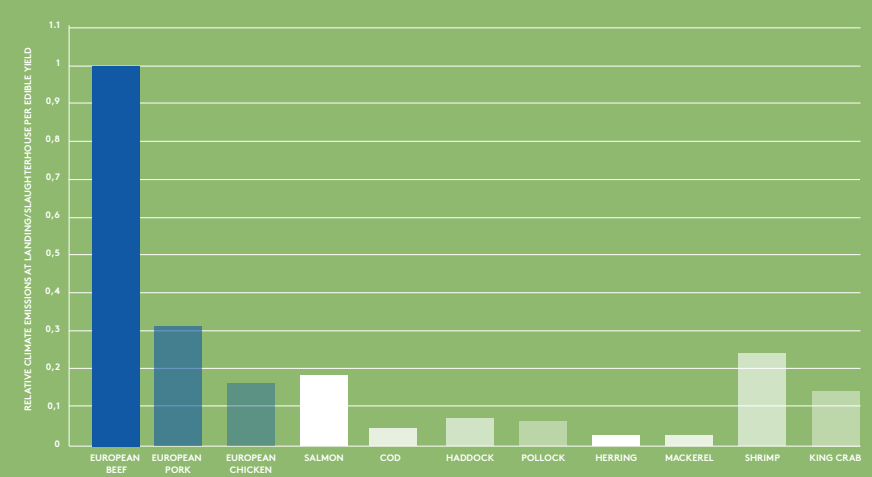
WORLD CAPTURE FISHERIES AND AQUACULTURE PRODUCTION



GLOBAL CAPTURE AND AQUACULTURE PRODUCTION



COMPARISON WITH EUROPEAN MEAT PRODUCTS





An electric pioneer offshore

Måsøval is also a true pioneer when it comes to green energy. We were the first fish farmer in Norway to connect all of our offshore facilities to onshore power. To achieve this, we lay a five-kilometre long power cable, and invested over NOK 10 million in this green project.

The facilities were previously powered by noisy and polluting diesel generators. Just one generator alone used 70 000 litres of diesel a year.

Enova provided NOK 5 million in support for the project. The energy savings for society corresponds to the entire electricity consumption of 210 households.

A BETTER ENVIRONMENT, IN EVERY WAY

Investing in onshore power not only provides a smaller climate footprint. It also improves the working environment for everyone who is working near noisy and polluting generators. They can now enjoy both fresh air and the sounds of nature.

Måsøval measures and reports its entire energy consumption, including everything from electrical power and fuel to travel and transport. It's important for us to be as energy-efficient as possible and continually develop in a positive direction.

Healthy salmon grows faster



FISH HEALTH AND WELFARE

In Måsøval, we're proud of the work we do to ensure that salmon and cleaner fish have good fish welfare. Good biological control is our mantra, and it makes up the very heart of our operations.

When we achieve good biological control and offer good living conditions for our fish, we end up with healthy salmon that can thrive throughout its lifespan. This is decisive to securing good profitability, and for enabling us to safeguard our role as a sustainable food producer.

In Måsøval, fish health is everyone's responsibility, and each individual employee contributes to achieve and maintain good fish welfare from roe to harvest.

In order to succeed, we cooperate closely with several of the best academic environments in Norway. We actively contribute to research with capital and expertise, and have a strong focus on finding technological solutions that contribute to better biological control.

VERY HIGH SURVIVAL RATES

Måsøval's salmon production is characterized by a high survival rate, very good growth, and good disease control. In the last few years prior to 2021, we have reduced mortality after sea transfer to under one-third, and increased the survival rate for smolt to over 95%.

When we compare ourselves with the Norwegian Veterinary Institute's figures for average mortality in the aquaculture industry, our performance is very impressive! The growth rate has improved significantly in recent years, a trend that has continued throughout 2020.

Since 2016, the growth rate measured in TGC has increased from 2.55 to approximately 3.3. Increased growth increases production

efficiency and leads to a shorter time period in open net pens. The latter contributes to reducing the risk of disease, increasing fish welfare, and reducing the risk of negative impacts on the aquatic ecosystems of which our production is a part.

INTERDISCIPLINARY BIOLOGY MEETING

Fish health efforts in Måsøval are – and must be – integrated into the entire value chain. Every week, all of the company's operations units and professional staff gather to attend an interdisciplinary biology meeting, where we present status, and make any decisions that are required to secure good biological control.

In addition, we have a strong focus on identifying the most important biological factors the company is facing at any given time, whether causes of death, capacity challenges or environmental or technical production conditions. We address these challenges at every stage of development, so that our resources are constantly focused on areas where they are the most effective.

GOOD ENVIRONMENT – HEALTHY SALMON

Good fish health requires good environmental conditions, whether they be environmental conditions at sea-based farms or water quality at smolt facilities. In Måsøval, we work in a focused manner to further develop and optimise our facilities portfolio. This has led to increased production potential and reduced risk in recent years.



Healthy and safe seafood

In Måsøval, we work every day to secure healthy and safe salmon for our customers. Our active use of quality management systems and risk assessments continually provides improvements in areas like escape safety, fish welfare, food safety, HSE and environmental impact.

We set high standards for both ourselves and our suppliers in these areas, in addition to the requirements stipulated by the authorities and certifications.

GLOBALG.A.P.-CERTIFIED

Måsøval Fiskeoppdrett has been GlobalG.A.P.-certified at every level since 2013. The abbreviation stands for Good Agriculture Practice and is suitable for producers who wish to secure the highest possible quality of both

processes and products, particularly in terms of food safety and the environment, but also for employee welfare and safety.

The certification documents that we take sustainability, the environment, and animal welfare very seriously. In addition to good traceability systems, certification requires documentation of good hygiene measures, measures to prevent contagion, and safe harvesting and packaging.

LABEL ROUGE-CERTIFIED

In 2020, Måsøval, as the only Norwegian aquaculture company, was also approved as a producer of Label Rouge-certified salmon in collaboration with Pure Norwegian Seafood. This French standard sets strict requirements to quality and fish welfare - only the best is good enough.

Our values

In Måsøval, we have rallied together around 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 player in society in the best possible manner.

The following four values guide our day-to-day operations, as well as our decision-making:

Responsible

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

Generous

Måsøval is a collaborative pillar of society that is open and honest.

Steadfast

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

Bold

Måsøval is a brave and innovative pioneer who is both levelheaded and innovative.



ARM 9/L
EQUIPMENT
SIZIK
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Ethical guidelines

In Måsøval, although we have always worked close to nature, we also need to take human nature into account. That's why we have drawn up clear ethical guidelines that clarify the attitude we expect from both managers, employees, and partners.

The ethical guidelines consist of concrete items that shall create awareness about what is considered acceptable behaviour in the company. The guidelines reflect Måsøval's focus on respect and fairness across geographical, age, gender and ideological

boundaries. They underline how important responsibility and integrity are to us, both in terms of working environment and in business matters.

THE WORKING ENVIRONMENT COMMITTEE

The working environment committee in Måsøval has regular meetings during which the ethical guidelines are often on the agenda. At the meetings, we also discuss how the operations are characterised by our values, and whether they are helping to influence the company's decisions in the right direction.

DEVELOPMENT IN NUMBER OF EMPLOYEES:

Year	2014	2015	2016	2017	2018	2019	2020
Total no. employees	48	53	60	67	75	100	116

HEALTH, ENVIRONMENT AND SAFETY

Nature can often create tough working conditions, and it's therefore important to have good procedures that strengthen the working environment. This permeates through the entire organisation, and encompasses mental as well as physical health.

We have clear instructions for our operations to prevent work accidents and material damage. When non-conformities arise, they are always administered by the working environment committee. The procedures are reviewed and focused improvement measures are decided upon. This has resulted in zero accidents with a potential risk of permanent disability or death in 2019 and 2020.

LOW SICKNESS ABSENCE

In 2020, sickness absence was 5.7%, while in 2019 it was 4%. Short-term sickness absence remained stable at 2.3% in both years. A good and inclusive working environment contributes to satisfaction and low sickness absence. Our focus is on making sure that everyone looks forward to going to work.

In 2019 and 2020, an external firm was hired to carry out an employee survey for Måsøval. We are very satisfied with the response rate for the survey, which was 93%. The results of the survey were extremely good for Måsøval in both years.

It's particularly positive to see that the areas we focused on working with in 2019 have had the most progress in 2020.

EMPLOYEE DEVELOPMENT

Salmon farming is ultimately about the interaction between salmon, nature, and

people. In order to succeed, one must continually develop staff so that they feel that they master their tasks and increase their expertise over time.

The rapid rate of innovation in the industry also sets strict requirements to Måsøval's overall expertise reflecting both current and future challenges. That's why further education is an important tool for us. It's also an important factor in motivating individual employees, since it can lead to new career opportunities. This motivation is further strengthened by Måsøval's focus on internal recruitment.

CRAFT CERTIFICATES

Craft certificates are one of the industry's best means of achieving a holistic boost in expertise that's based on a fixed standard. Måsøval Fiskeoppdrett is an authorised training establishment and accepts 2-3 apprentices a year. Taking responsibility for 50% of an apprentices training program commits us to ensuring that each individual apprentice receives the follow-up to which they are entitled.

Måsøval safeguards this responsibility through dedicated resources for the purpose. Our focus on this area has led to results in the form of a high and increasing share of staff in the company who have been awarded craft certificates. In 2014, there were only five employees in the company with craft certificates. At the end of 2020, the number of employees with craft certificates increased to 42, which makes up approx. 40% of our operational personnel. In total, 11 employees received craft certificates through the company in 2020.

CRAFT CERTIFICATES							
Year	2014	2015	2016	2017	2018	2019	2020
Total no. employees with craft certificates	5	7	11	13	20	29	42

In addition to craft certificates, we are working continuously on developing operations managers and managerial staff. For example, courses and further education in the various professions has been combined with a separate leadership development program for employees in managerial positions. Several employees are also completing relevant higher education through the company.

Finally, it's worth mentioning that Måsøval sets strict requirements to expertise and personal suitability when hiring new staff. We receive a high number of applications for job vacancies, and can therefore focus on selecting the best candidates.



A photograph of a mountain goat with large, curved horns sitting on a rocky peak. The background shows a rugged, rocky landscape with sparse vegetation. The text "Financial results" is overlaid in a white, elegant serif font.

Financial results

THE GROUP'S ACTIVITIES

Måsøval Fiskeoppdrett AS ("MFO") aims to produce and sell salmon. The company is headquartered on Frøya.

The group's strategy is focused on growth, efficient and cost-effective production of fish for food purposes and good fish health. Future growth in the Norwegian aquaculture industry must be based on sustainable principles, both in terms of environmental considerations and social responsibility. Måsøval Fiskeoppdrett wants to actively contribute to developing the industry further in a sustainable direction.

The group conducts fish farming operations in Central Norway with a focus on the area around Frøya and Nordmøre. The company operates on its own licenses corresponding to 8 964 tonnes of MAB, and operates three more licences totalling 2 340 tonnes through a co-location agreement with two external partners. In addition, the group has four development licenses totalling 3 120 tonnes in connection with the Aqua Semi development concept.

SIGNIFICANT EVENTS IN 2020

In 2020, Måsøval Fiskeoppdrett has strengthened its position as a future-oriented and growth-ambitious fish farming company. The year was characterized by record high production (both in total and in tonnes per concession), good fish health and investments in growth:

- The group achieved a turnover of NOK 928 million, an operating profit of NOK 221 million and a profit before tax of NOK 242 million.
- The company harvested 16 253 tonnes of salmon (gutted weight).
- First generation with production of over 1 000 tonnes.
- Purchased 2 000 tonnes of MAB at an auction in August 2020. This purchase was the second largest purchase of all the participants in the auction.
- Won tender for the operation of an education licence for Guri Kunna upper secondary school on Frøya.
- Purchased a land-based facility and started design work to develop production facilities for post-smolt.
- Rolling 12 months mortality reduced to 7.2% in 2020 from 9.2% in 2019.
- As part of the financing of the group's growth ambitions, the group's loans have increased from NOK 422 million to NOK 797 million. The total credit facility was increased from NOK 661 million to NOK 1 050 million.
- The board proposes a group contribution to its owner of NOK 92.7 million for 2020

SUSTAINABLE FOCUS AND ORGANIC GROWTH POTENTIAL

AQUA SEMI

At the end of 2018, the Norwegian Directorate of Fisheries awarded 4 development licences (3 120 tonnes MAB) to MFO for the development of Aqua Semi. The licences represent the recognition of a good project, where MFO and Vard Group will develop a semi-closed fish farm that is dimensioned for high-current areas and designed to reduce the risk of lice and diseases. When located in high-current areas, the facility provides the potential to increase space utilization of Norwegian waters and reduce the environmental footprint.

The environmental conditions in high-current areas are attractive for salmon due to high water circulation. With steel skirts down to 25 meters, we expect a significant reduction in lice infestation, including potential contagion from neighbouring farms. This will represent a substantial contribution to increased fish welfare and biomass growth.

Since the development licences were awarded, MFO, in collaboration with Vard Group, has done considerable work to complete the concept. Final detailed engineering will be completed in the summer of 2021. The goal is for the first release of fish into the sea to take place in the winter of 2024.

INVESTMENT IN POST-SMOLT FACILITY

In 2020, MFO acquired a land-based facility on Frøya (Skjelvika) that is based on flow-through technology and seawater. A process has been started to secure the

necessary discharge permit and to design a facility that can produce up to 900 000 post-smolts of 550 grams. There are development opportunities to further double the production capacity. The plan is to be able to deliver up to 500 000 post-smolts in 2023, and up to 900 000 in 2024.

The facility is well located in terms of logistics between our hatcheries and fish farming facilities.

The project is considered an important strategic move to increase the flexibility of the company's smolt strategy and production plans, as well as to ensure good access to post-smolts for both ordinary fish farming facilities and Aqua Semi.

FISH HEALTH

Being a food producer, the group has a strong focus on fish health and fish welfare. Good biological control - evident through low mortality, good biomass growth and the absence of disease - are crucial to both production efficiency and to safeguarding our moral responsibilities as an animal farmer and social actor. For several years, MFO has worked systematically to improve fish welfare throughout the production cycle, from broodstock to harvest. The work has largely been aimed at the following objectives:

- Reduce mortality
- Increase biomass growth and thus reduce the time fish spend in net pens at sea
- Optimize preventive and reactive measures against sea lice
- Improve biosecurity
- Ensure stable and good water quality in the hatcheries
- Increase smolt quality
- Increase the focus on - and improve the 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 actors.

The company has seen impressive developments in terms of fish health and welfare over the last few years. For sea-based production, the 12-month rolling mortality rate decreased in 2020 to less than one-third of the rate in 2016, while growth measured in TGC has increased from 2.55 to 3.29 in the same period. In recent years, the company has improved its strategy to prevent and combat sea lice, with cleaner fish, mechanical systems for sea lice treatment, increased biomass growth (reduced exposure), and enhanced monitoring and skill development as the most important individual elements.

Our hatcheries have seen a very positive development in mortality rates in recent years. Through targeted and structured work on water quality, we have eliminated flood-related incidents, and ensured stable environmental conditions that increase smolt quality.

Overall, the continuous work with fish health in Måsøval has contributed to the company's strong growth in recent years. Our ability to maintain good biological control over time is a crucial strategic resource that enables our ambitions for further growth in the future.

STATEMENT OF THE ANNUAL ACCOUNTS

THE INCOME STATEMENT

Måsøval Fiskeoppdrett Group achieved a record high turnover of NOK 928.1 million in 2020 compared to NOK 888.2 million in 2019. The group's operating profit was NOK 221.5 million (2019: NOK 187.7 million). The group's annual profit was NOK 199.1 million (2019: NOK 122.2 million). The increase in annual profit is mainly attributable to improved operations and a profit from the sale of shares in Norway Royal Salmon ASA of NOK 52.8 million.

In 2020, the group had net interest expenses of NOK 14.9 million (2019: NOK 11.3 million). Gain on financial assets was NOK 52.8 million in 2020 (2019: NOK 0.0 million).

The parent company's annual profit in 2020 was NOK 158.5 million (2019: NOK 106.4 million). The operating profit was NOK 219.4 million against NOK 192.5 million in 2019. Most of the group's activities take place in the parent company and development in the profitability of the group and the parent company coincides to a significant extent.

THE FISH FARMING BUSINESS

The group operates licenses corresponding to an MAB of 11 304 tonnes at the end of 2020. This includes 2 000 tonnes purchased in 2020 (granted on 25 September 2020) and 2 340 tonnes through co-location agreements with Aquagen AS (1 560 tonnes) and Pure Farming AS (780 tonnes).

The result in the fish farming business constitutes the majority of the group's result. We harvested 16 253 tonnes in 2020 (2019: 15 435 tonnes), an increase of 5.3%. For the harvested volume, the group achieved an operating profit per kg at NOK 13.63 (2019: NOK 13.27). Price achieved for sold salmon per kg ended at NOK 52.8 (2019: NOK 53.88), while production costs per kg fell to NOK 39.17 (2019: NOK 40.61).

The reduced price achieved is mainly due to low prices in Q4 2020. The improvement in production cost per kg is attributable to lower mortality, good growth and improved cost control compared to 2019.

STATEMENT OF FINANCIAL POSITION

At the end of 2020, the group had a total employed capital of NOK 1.668 million (2019: NOK 1.131 million).

The main reason for the increase in employed capital is the purchase of MAB for NOK 492.8 million in 2020 and investments in new equipment for fish farming sites (new site boat, barge and cages) which increases fixed assets by NOK 27 million. The biomass has been increased by NOK 33.2 million due to the build-up of biomass to utilize new MAB. Trade receivables have increased by NOK 64.1 million due to significantly higher sales of salmon in December 2020 compared to December 2019.

The financial fixed assets in the group have been reduced by NOK 3.8 million, mainly due to the sale of shares in Norway Royal Salmon ASA. Bank deposits were reduced by NOK 106.8 million.

The group's net interest-bearing debt per 31.12.2020 ended at NOK 775.1 million compared to NOK 293.5 million at the end of the previous year. The increase in interest-bearing debt is mainly due to the purchase of 2 000 tonnes of MAB at an auction and investment in other property, plant and equipment of NOK 597.2 million, payment of group contributions of NOK 76.9 million and increase in working capital of NOK 136.7 million.

The net increase in equity of NOK 71.2 million is due to net profit in the period of NOK 199.1 million. Group contributions of NOK 92.7 million and dividends of NOK 35.3 million have reduced the equity. The group's equity ratio at the end of 2020 was 29.5% compared to 37.2% at the end of 2019.

The parent company's total employed capital was NOK 1.632 million at the end of the year (2019: NOK 1.107.8 million). The equity ratio in the parent company as of 31.12.2020 was 29.3% (2019: 37.2%).

CASH FLOWS

During the year, the group had a positive cash flow from operating activities totalling NOK 131.1 million (2019: NOK 212.4 million).

The positive cash flow is mainly due to profit before tax expense of NOK 242.4 million. Net increase in trade receivables and accounts payable of NOK 69.8 million, increase in inventories of NOK 34.2 million, taxes paid of NOK 25 million and increase in other short-term working capital items of NOK 32.8 million have had a negative impact on cash flow.

Net cash flow from investing activities in 2020 amounted to NOK -562.5 million (2019: NOK -166.4 million).

Cash flows from financing activities amounted to NOK 324.5 million. This cash flow is attributable to new long-term debt of NOK 176.8 million, increasing overdraft facilities of NOK 197.9 million and raising other short-term debt of NOK 26.7 million. In the opposite direction, payment of dividends and group contributions of NOK 76.9 million before tax effect had a negative impact on cash flow from financing activities.

GOING CONCERN

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

OPERATIONAL RISK AND RISK MANAGEMENT

THE FISH FARMING BUSINESS

There will normally be risk associated with the group's business activities. The risk of negative biological events concerning salmon in the sea will normally have the largest negative effect on the group.

The biological challenges are related to smolt quality, mortality, disease development, salmon lice, parasites, algae outbreaks, low oxygen levels, variations in sea temperature and the quality of fish harvested. In 2020, MFO avoided persistent disease outbreaks for large parts of the year, but experienced PD at several sites in the autumn of 2020. This has been handled satisfactorily.

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

In 2020, a dedicated cleaner fish manager was hired to improve our handling of cleaner fish. All employees in the fish farming business have a strong focus on fish welfare for every species involved in production.

All sites are continuously monitored to ensure that they are most optimal for salmon production. We have invested in new equipment that maintain a good standard, and

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 on areas that current aquaculture technology has not been able to utilize. In connection with the project, MFO has received development licenses with MAB of 3 120 tonnes. As of 31 December 2020, an investment of NOK 27.1 million has been capitalized on the project.

Participation in steering committees or reference groups on a number of projects in areas such as lice control, automatic lice counting and infectious diseases.

In addition, the group has several internal measures to improve feeding, lice control, infection management and the use of digital tools for improved monitoring and operations.

which satisfies our own and the public's requirements in relation to operations, fish health, and the risk of potential escape.

Risk management is a key part of the management team's responsibilities. The group has introduced procedures and systems for monitoring key risk factors in all business areas. Great emphasis is placed on audits of facilities in accordance with the quality manual and defined standards at the facilities.

The group transfers two separate generations of smolt to our sea-based farms 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 MFO's growth ambitions. The group is dependent on achieving predictability in the terms and permits for production and seeks to reduce this risk through continuous dialogue with the relevant authorities.

The group's financial position and future development largely depend on the price of farmed salmon, which has historically been subject to significant fluctuation.

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 developments and a major biological event should occur.

The Aqua Semi development project is a complex project to carry out and 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 Covid-19 situation and major currency fluctuations in 2020. The company has implemented measures to reduce this risk by carrying out detailed engineering of the facility prior to signing any construction contracts.

FINANCIAL RISK AND RISK MANAGEMENT

The group faces various financial risks, including currency risk, interest rate risk, and credit and liquidity risk. It is imperative that the group continuously monitors the degree of risk and which procedures to implement in order to reduce the risk to an acceptable level.

CURRENCY RISK

MFO sells salmon to three exporters in Norwegian kroner. The company is only indirectly exposed to currency risk through the exchange rate's effect on prices denominated in Norwegian kroner.

INTEREST RATE RISK

The group's debt is based on floating interest rates, which implies that the group is exposed to changes in interest rates. A floating interest rate has been chosen for two reasons: i) A floating interest rate is considered to provide the lowest interest rate in the long term, ii) a floating interest rate provides greater flexibility in dealing with changes to the group's financing needs resulting from the group's growth ambitions.

CREDIT RISK

The group has limited credit risk as the salmon is sold through three financially sound exporters with relatively short credit. The credit risk is continuously monitored.

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 obligations. The largest single factor associated with short term liquidity risk will be fluctuations in salmon prices. Longer term (> 6 months), a major, negative biological event at sea will have the largest effect on liquidity. At the end of 2020, Måsøval Fiskeoppdrett was in compliance with the terms of the covenant requirements for the group's debt. Overall, the group's liquidity risk is considered to be at an acceptable level.

CORPORATE SOCIAL RESPONSIBILITY

Måsøval Fiskeoppdrett AS shall ensure long-term profitability through sustainable food production. We are exercising our social responsibility by putting sustainable development of food production on the agenda.

Our responsibility as a player in the industry shall be linked to sustainability efforts in the world around us. The company shall 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 chapter 3 of the annual report.

Social responsibility topics discussed in the 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 available for our operations. This is done mainly through three areas:

- Sponsorship: Supporting local activities with a focus on children and young people
- Local sourcing: Emphasizing finding suppliers in local areas where possible
- Workforce: Offering employment to people from the local community

The group has zero tolerance for corruption. This is safeguarded 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 licences, permits and other framework conditions, we also have procedures that involve multiple persons to ensure compliance to all rules and regulations.

The group pollutes the natural environment to a limited extent. Our sites use onshore electricity, and the group was among the first to implement an electrification process for offshore facilities.

WORKING ENVIRONMENT

As of 31 December 2020, the group had 116 full-time employees. Of these, 91 work in the parent company Måsøval Fiskeoppdrett AS. The parent company is headquartered on Frøya.

BOARD OF DIRECTORS' REPORT

The aquaculture industry is an industry that has traditionally been dominated by men. As of 31 December 2020, the proportion of women in the group was 17.5%. At the same time, the proportion of women in the parent company Måsøval Fiskeoppdrett AS was 17.6%. The group's management consists of six men and two women. The group's board consists of one woman and four 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 gender, ethnicity, ethnic origin, skin colour, religion, disability or for any other reason. This is followed up through an annual employee survey. The survey is reviewed at all levels in the company, improvement areas are identified, and measures are implemented where necessary.

Sickness absence for 2020 in the group was 5.7% (2019: 4.0%). 17 injuries have been registered in the group, none of which were serious injuries. The group has a strong focus on correct reporting of accidents and near misses and works systematically to reduce the risk of accidents.

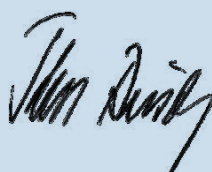
SHAREHOLDERS

As of 31 December 2020, Måsøval Eiendom AS owns 100% of the shares in Måsøval Fiskeoppdrett AS. The company has only one class of shares to carry out and 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 Covid-19 situation and major currency fluctuations in 2020. The company has implemented measures to reduce this risk by carrying out detailed engineering of the facility prior to signing any construction contracts.

TRONDHEIM, 7 APRIL 2021



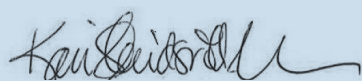
LARS MÅSØVAL
Chair of the board



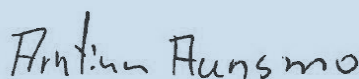
JOHN BINDE
Director



OLA LOE
Director



KARI SKEIDSVOLL MOE
Director



ARNFINN AUNSMO
Director



ASLE RØNNING
CEO

INCOME STATEMENT

Group			Parent company	
2019	2020	Note	2020	2019
848 800 945	887 371 540	8,10 Revenue	861 049 556	831 591 553
39 388 637	40 739 751	8,10 Other operating income	59 531 335	63 586 906
888 189 582	928 111 292	Total revenue	920 580 892	895 178 459
456 613 533	458 864 233	8 Cost of goods and services	449 078 678	460 824 549
31 736 698	-48 255 793	- Change in biomass and feed inventory	-41 971 351	24 764 258
94 079 614	106 488 286	1 Personnel costs	85 965 641	76 458 708
47 664 185	50 517 048	11 Ordinary depreciation	36 257 289	32 614 589
70 439 138	139 026 415	2,8 Other operating expenses	171 888 157	108 000 260
700 533 168	706 640 189	Total operating expenses	701 218 414	702 662 364
187 656 414	221 471 103	Operating profit	219 362 478	192 516 095
		<i>Financial income and costs</i>		
-	-	13 Income from subsidiaries	63 323 623	23 245 830
27 249	-1 280 702	14 Income from associated companies	-	-
4 341 714	1 435 269	Interest income	1 312 708	4 149 657
1 837 195	59 851 250	9 Other financial income	6 358 197	250 464
16 140 594	16 389 245	Interest expenses	15 317 486	13 862 258
-	-	7 Interest expense to group companies	-	674 133
20 391 721	22 643 509	15 Other financial expenses	22 634 047	20 064 209
-30 326 157	20 973 063	Net financial items	33 042 995	-6 954 649
-	-	16 Share of profit to participants in joint production partnerships	-67 181 562	-55 503 688
157 330 257	242 444 166	- Profit before income tax	185 223 911	130 057 758
35 101 351	43 305 432	3 Income tax expense	26 757 482	23 684 359
122 228 906	199 138 734	Net profit or loss for the year	158 466 429	106 373 399
		<i>Allocations</i>		
12 754 170	35 276 377	Dividends	-	-
50 000 000	92 663 324	Group contributions (net of tax)	92 663 324	50 000 000
59 348 933	71 183 455	Allocated to (+)/from(-) retained earnings	65 803 105	56 373 399
125 803	15 578	Allocated to (+)/from/(-) non-controlling interests	-	-
122 228 906	199 138 734	Total allocations	158 466 429	106 373 399



STATEMENT OF FINANCIAL POSITION

Group				Parent company	
2019	2020	Note	Assets	2020	2019
284 418 151	777 199 451	11	Licenses	743 650 766	254 636 766
17 000 000	13 238 000	11	Goodwill	-	-
301 418 151	790 437 451		Total intangible assets	743 650 766	254 636 766
2 396 713	4 440 605	11	Properties	4 440 605	2 319 197
141 190 166	157 151 793	11	Farming facilities, quay facilities, etc.	101 070 820	81 657 151
131 249 726	140 198 289	11	Vessels	124 102 938	110 293 516
13 247 786	13 195 175	11	Operating equipment, fixture and fittings	7 902 748	8 442 426
288 084 391	314 985 862		Total property, plant and equipment	237 517 111	202 712 290
-	-	13	Investments in subsidiaries	130 382 351	130 186 046
5 339 400	4 058 698	14	Investments in associated companies	2 749 969	2 749 969
2 510 335	-	9	Investments in other equity instruments	-	-
7 849 735	4 058 698		Total non-current financial assets	133 132 320	132 936 015
597 352 277	1 109 482 011		Total non-current assets	1 114 300 197	590 285 071
8 311 613	9 260 030		Feed inventory	9 260 030	8 311 613
319 423 071	352 634 347		Biological assets	307 278 173	283 554 612
327 734 684	361 894 377		Total inventories	316 538 203	291 866 225
33 588 771	97 682 132	5	Trade receivables	97 682 132	35 174 618
44 317 653	77 007 873	5	Other receivables	19 515 417	42 290 609
-	-	5	Receivables on group companies	81 010 468	46 918 785
77 906 424	174 690 005		Total Receivables	198 208 017	124 384 012
128 336 625	21 476 210	4	Cash and cash equivalents	2 922 225	101 254 125
533 977 733	558 060 592		Total current assets	517 668 445	517 504 362
1 131 330 010	1 667 542 603		Total assets	1 631 968 642	1 107 789 433

Group				Parent company	
2019	2020	Note	Assets	2020	2019
24 700 000	24 700 000	12	Share capital	24 700 000	24 700 000
24 700 000	24 700 000		Total paid-in equity	24 700 000	24 700 000
390 577 135	461 760 590		Other equity	453 323 218	387 520 114
390 577 135	461 760 590		Total retained earnings	453 323 218	387 520 114
5 544 010	5 559 588		Non-controlling interests	-	-
420 821 145	492 020 178	12	Total equity	478 023 218	412 220 114
-	-	7	Liabilities to participants in joint production partnerships	18 000 000	18 000 000
69 147 463	77 047 512	3	Deferred tax	42 978 766	39 829 764
69 147 463	77 047 512		Total provisions	60 978 766	57 829 764
421 164 642	597 971 791	6	Liabilities to financial institutions	581 100 451	389 046 418
421 164 642	597 971 791		Total non-current liabilities	581 100 451	389 046 418
694 840	198 566 565	6	Liabilities to financial institutions	196 042 669	-
71 352 113	65 614 613		Trade creditors	59 985 867	66 446 614
25 010 277	13 218 292	3	Tax payable	-	6 847 629
7 266 819	14 431 218		Tax withholding and other deductions	12 730 534	3 323 974
12 754 170	35 276 377		Dividends	-	-
-	-	7	Liabilities to group companies	73 600 757	71 903 053
103 118 541	173 396 057	7	Other current liabilities	169 506 380	100 171 867
220 196 760	500 503 122		Total current liabilities	511 866 207	248 693 137
710 508 865	1 175 522 425		Total liabilities	1 153 945 424	695 569 319
1 131 330 010	1 667 542 603		Total equity and liabilities	1 631 968 642	1 107 789 433

STATEMENT OF CASH FLOWS

Group			Parent company	
2019	2020		2020	2019
157 330 257	242 444 166	Cash flows from operating activities	185 223 911	130 057 758
-27 265 635	-25 010 274	Profit before income tax	-8 269 017	-14 568 168
-2 060 128	-113 000	Tax payable	-113 000	-2 060 128
47 664 185	50 517 048	Gain on disposal of property, plant and equipment	36 257 289	32 614 589
6 923 024	-34 159 693	Ordinary depreciation	-24 671 978	21 323 463
17 913 361	-64 093 361	(Increase)/decrease in inventories	-62 507 514	16 297 514
23 775 346	-5 737 500	(Increase)/decrease in trade receivables	-6 460 747	22 082 049
-11 904 701	-32 690 220	Increase/(decrease) in trade payables	-11 316 491	-23 754 790
-11 904 701	-32 690 220	(Increase)/decrease in other current receivables	-11 316 491	-23 754 790
212 375 709	131 157 166	Net cash from operating activities	108 142 453	181 992 287
		Cash flows from investing activities		
-	893 643	Proceeds from disposal of property, plant and equipment	893 643	4 500 000
-165 948 325	-567 218 464	Payments for property, plant and equipment	-560 856 754	-60 897 471
-490 379	3 791 037	Payments to acquire financial assets	-196 305	-87 998 381
-166 438 704	-562 533 784	Net cash (used in)/generated by investing activities	-560 159 416	-144 395 852
		Cash flows from financing activities		
-17 466 362	176 807 149	Proceeds from non-current borrowings	-	-
2 643 318	26 694 063	Proceeds from current borrowings	29 690 925	-17 119 642
-	-	Repayment of non-current borrowings	192 054 033	-37 851 262
-20 807 224	197 871 725	Net change in overdraft facility	196 042 669	-
-67 070 063	-76 856 734	Payments of dividends and group contributions	-64 102 564	-50 000 000
-102 700 331	324 516 203	Net cash (used in)/generated by financing activities	353 685 063	-104 970 904
-56 763 326	-106 860 415	Net increase/decrease in bank deposits	-98 331 900	-67 374 469
185 099 951	128 336 625	Bank deposits at the beginning of the period	101 254 125	168 628 594
128 336 625	21 476 210	Bank deposits at the end of the period	2 922 225	101 254 125



INDEPENDENT AUDITOR'S REPORT

To the General Meeting in Måsøval Fiskeoppdrett AS
Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of Måsøval Fiskeoppdrett AS.

THE FINANCIAL STATEMENTS COMPRISE:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2020, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
- The financial statements of the group, which comprise the balance sheet as at 31 December 2020, the income statement and 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 are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of Måsøval Fiskeoppdrett AS as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group Måsøval Fiskeoppdrett AS as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

BASIS FOR OPINION

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws and regulations, 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.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Board of Directors' report and other 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 other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

The Board of Directors and the Managing Director (management) are responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINION ON THE BOARD OF DIRECTORS' REPORT

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

OPINION ON REGISTRATION AND DOCUMENTATION

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Trondheim, 7. april 2021

BDO AS



John Krogstad

State Authorised Public Accountant

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.

SHARES IN SUBSIDIARIES AND ASSOCIATED COMPANIES

Subsidiaries are companies over which the parent company has control, and thus a decisive influence on the unit's financial and operational strategy, normally by owning more than half of the voting capital. Investments with 20-50% ownership of voting capital and significant influence are defined as associated companies.

ACCOUNTING PRINCIPLES FOR SHARES IN SUBSIDIARIES AND ASSOCIATED COMPANIES

The cost method is used as a principle for investments in subsidiaries and associated companies in the company accounts. The cost price is increased when funds are provided through a capital increase or when group contributions are made to subsidiaries. Dividends received are initially recognized in the income statement as income. Dividends that exceed the share of retained earnings after the acquisition are recorded as a reduction of the acquisition cost. Dividends and group contributions from subsidiaries are recognized in the same year as the subsidiary allocates the amount. Dividends from other companies are recognized as financial income when the dividend is approved.

In the consolidated financial statements investments in associated companies are accounted for using the equity method. Use of the equity method implies that the book value in the balance sheet corresponds to the share of equity in the associated company, adjusted for any remaining excess values from the acquisition and unrealized internal gains. The profit share in the income statement is based on the share of profit after tax in the associated company, adjusted for amortization of excess values and unrealized gains. In the income statement, the profit share is presented under financial items.

CONSOLIDATION PRINCIPLES

Subsidiaries are consolidated from the time control is transferred to the group (acquisition date). In the consolidated financial statements the line item shares in subsidiaries is replaced by the subsidiary's assets and liabilities. The consolidated financial statements are prepared as if the Group were one financial unit. Transactions, unrealized profits and balances between the companies in the group are eliminated.

Acquired subsidiaries are recognized in the consolidated financial statements based on the parent company's acquisition cost. Acquisition cost is allocated to identifiable assets and liabilities in the subsidiary, which are recorded in the consolidated financial statements at fair value at the time of acquisition. Any excess value in addition to what can be attributed to identifiable assets and liabilities is recognized in the balance sheet as goodwill. Goodwill is treated as a residual and recognized in the balance sheet with the share observed in the acquisition transaction. Excess values in the consolidated financial statements are amortized over the expected useful lives of the acquired assets.

CO-LOCATION AGREEMENTS.

Agreements have been entered into on co-location between group companies and external concession holders. See note 15 for further information.

JOINT PRODUCTION PARTNERSHIPS

Joint production partnerships have been entered into between Måsøval Fiskeoppdrett AS, Gunnar Espnes Fiskeoppdrett AS and Måsøval Fishfarm AS, where the profit is distributed according to the concession volume. See note 16 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 and picked up by the carrier (Ex Works). Services are recognized as income over time during the period in which the services are rendered. Most of the group'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. Assets relating to the trading cycle have been classified as current

ACCOUNTING PRINCIPLES

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.

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.

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.

INVENTORY

Inventory is valued at the lower of acquisition cost (according to the FIFO principle) and fair value. Fish in sea (biological assets) and frozen fish 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 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

ACCOUNTING PRINCIPLES

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.

INVESTMENTS IN LISTED SHARES

Short-term investments in listed shares are booked at market value. The value in the balance sheet corresponds to the market value of the investments per 31.12. Dividends received, and realized and unrealized gains/losses, are recognized in the income statement as financial items.

FINANCIAL DERIVATIVES

Neither the company nor the group uses any kind of forward contracts or other financial derivatives.

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 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 deposit 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 multi-company 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. Åsen Settefisk AS participates in the AFP scheme.

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 - PERSONNEL COSTS

	2020	Parent company 2019	Group 2020	2019
Salary costs	67 772 732	62 893 450	85 907 560	78 458 859
Pension costs	14 129 348	5 361 987	15 131 158	6 267 237
Social costs	6 299 903	3 569 555	6 410 314	3 977 761
Payroll tax	546 444	3 271 719	1 822 040	4 667 911
Other	-2 782 785	1 361 997	-2 782 785	707 846
Total	85 965 641	76 458 708	106 488 286	94 079 614
Number of FTE's	91	82	116	102

Pension agreements:

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

	2020		2019	
Remuneration to the board and management of the Group	CEO	Board	CEO	Board
Management in Måsøval				
Fiskeoppdrett AS (parent company)	3 652 646	780 000	2 489 443	680 000
Management in Åsen Settefisk AS	-	-	1 201 326	110 000
Other group companies	-	-	-	-
	3 652 646	780 000	3 690 769	790 000

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

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

NOTE 2 - OTHER OPERATING EXPENSES

	Parent company		Group	
	2020	2019	2020	2019
Rent	77 783 280	22 493 934	62 271 635	18 413 887
Maintenance	42 852 919	37 841 060	31 860 227	20 914 665
Energy	5 092 502	12 344 141	4 402 283	3 297 130
Freight	811 574	8 031 909	602 220	356 862
Public fees	5 720	6 960 597	166 131	310 127
Renovation	3 240 952	5 767 854	2 664 823	2 195 770
Professional fees	5 424 282	2 213 639	4 589 355	6 182 634
Other	36 676 927	12 347 125	32 469 742	18 768 063
Total	171 888 157	108 000 260	139 026 415	70 439 138

Fees to the auditor

	Parent company		Group	
	2020	2019	2020	2019
Audit fees	290 494	246 000	447 350	519 050
Technical assistance and other attestations *)	44 500	42 000	89 250	74 200
Other non-audit services	172 813	729 449	184 736	923 964
Total	507 807	1 017 449	721 336	1 517 214

*) Technical assistance related to preparation of tax assessment, annual accounts and consolidation.

NOTE 3 - TAXES

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

	Parent company	Group
Profit before tax expense and group contribution	185 223 911	242 444 166
Group contributions to subsidiaries	-100 850 416	-100 850 416
Permanent differences	-63 599 002	-52 062 164
Change in temporary differences	-20 774 493	-29 448 441
This year's taxable income	-0	60 083 145

Specification of tax cost:

		Parent company	Group
Payable tax	22%	-	13 218 292
Change in deferred tax		4 570 388	7 900 048
Tax effect of group contributions		22 187 092	22 187 092
Total tax expense		26 757 480	43 305 432

Specification of temporary differences:

Parent company:	01.01.2020	31.12.2020	Change
Current assets	57 376 026	69 755 384	12 379 358
Fixed assets	-4 519 403	-12 682 169	-8 162 766
Deferred income recognition from gains on sale of PP&E	1 736 695	1 389 355	-347 340
Temporary differences through joint production partnerships	99 350 626	111 878 067	12 527 441
Leasing	20 639 584	30 057 384	9 417 800
Provisions	-	-5 040 000	-5 040 000
Total	174 583 528	195 358 021	20 774 493
Tax loss carry-forward	-	-	-
Net temporary differences	174 583 528	195 358 021	20 774 493
 Deferred tax in the balance sheet	 38 408 376	 42 978 765	 4 570 388
	22%	22%	
 Group:	 01.01.2020	 31.12.2020	 Change
Current assets	98 919 648	114 294 667	15 375 019
Fixed assets	-18 109 283	-26 884 499	-8 775 216
Deferred income recognition from gains on sale of PP&E	1 736 695	1 389 355	-347 340
Temporary differences through joint production partnerships	218 366 234	237 207 334	18 841 100
Leasing	19 854 221	29 249 099	9 394 878
Provisions	-	-5 040 000	-5 040 000
Total	320 767 515	350 215 956	29 448 441
Tax loss carry-forward	-	-	-
Net temporary differences	320 767 515	350 215 956	29 448 441
	22%	22%	
Calculated deferred tax	69 147 463	77 047 512	7 900 048
Deferred tax in the balance sheet	69 147 463	77 047 512	7 900 048
Deferred tax recognized in the income statement			7 900 048

NOTE 4 - RESTRICTED FUNDS

	Parent company		Group	
	2020	2019	2020	2019
Restricted tax withholding funds (Norway)	2 922 225	2 527 049	3 779 754	3 610 905
Sum	2 922 225	2 527 049	3 779 754	3 610 905

NOTE 5 - SHORT-TERM RECEIVABLES

	Parent company		Group	
	2020	2019	2020	2019
Accounts receivable on group companies				
Accounts receivable consolidated subsidiaries	598 578	482 848	-	-
Accounts receivable on other group companies	799 875	494 960	799 875	494 960

	Parent company		Group	
	2020	2019	2020	2019
Other receivables on group companies				
Måsøval Settefisk AS	8 905 101	57 068	-	-
Måsøval Fishfarm AS	5 854 496	6 956 432		
Gunnar Espnes Fiskeoppdrett AS	2 927 248	5 470 990		
Accrued dividend Måsøval Fishfarm AS	53 357 623	15 655 830		
Accrued dividend Gunnar Espnes Fiskeoppdrett AS	9 966 000	7 590 000		
Accrued dividend Åsen Settefisk AS	-	11 188 465	-	-
Total other receivables on group companies	81 010 468	46 918 785		

No maturity has been agreed on receivables on group companies.

	Parent company		Group	
	2020	2019	2020	2019
Other current receivables				
Prepaid expenses	3 153 046	29 173 682	3 332 470	29 173 682
VAT	-	5 438 231	1 997 334	5 438 231
Other receivables	10 989 305	2 125 630	10 950 630	4 152 674
Måsøval Eiendom AS (ultimate parent company)	5 373 066	5 553 066	60 727 439	5 553 066
Total other current receivables	19 515 417	42 290 609	77 007 873	44 317 653

NOTE 6 - LONG-TERM DEBT, MORTGAGES, ETC.

Borrowings	Parent company		Group	
	2020	2019	2020	2019
Mortgage debt	492 500 000	299 000 000	494 099 912	311 266 576
Leasing debt	88 600 451	90 046 418	103 871 879	109 898 066
Overdraft facility	196 042 669	-	198 566 565	694 840
Total	777 143 120	389 046 418	796 538 356	421 859 482

Assets pledged as collateral	Parent company		Group	
	2020	2019	2020	2019
Accounts receivable	97 682 132	35 174 618	97 682 132	98 859 916
Inventory	316 538 203	291 866 225	361 894 377	315 511 709
Equipment and aquaculture concession	981 167 877	457 349 056	1 092 185 313	554 248 066
Total	1 395 388 212	784 389 899	1 551 761 822	968 619 691

Maturity structure long-term debt	Parent company		Group	
	2020	2019	2020	2019
- less than 1 year	49 383 356	325 736 587	51 914 126	340 983 471
- between 1 and 3	495 182 438	42 437 208	500 600 651	58 908 660
- between 3 and 5 years	17 407 670	12 281 898	22 725 293	12 681 786
- over 5 years	19 126 987	8 590 725	22 731 721	8 590 725
Total	581 100 451	389 046 418	597 971 791	421 164 642

Financial covenants**As of 31 December 2020**

The Group has 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%. 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).

For the period 31.12.20 to 30.06.21, the Group has obtained a waiver from the lender that receivables and liabilities that the group has against shareholder Måsøval Eiendom AS can be netted so that the equity is measured against a balance sheet that is adjusted to reflect only the net debt to Måsøval Eiendom AS. As of 31.12.20, both the parent company and the Group are compliant with the prevailing covenant.

As of 31 December 2019

The Group had a financing agreement that expired in 2020. The old agreement included a requirement that the borrower and the Group, at all time, should maintain an equity ratio of at least 35%. The pricing of the credit products in the agreement was, like the new agreement, linked to the Group's net interest-bearing debt in relation to operating profit before depreciation (EBITDA).

NOTE 7 - DEBT TO GROUP COMPANIES AND RELATED PARTIES

Liabilities to participants in joint production partnerships	Parent company		Group	
	2020	2019	2020	2019
Gunnar Espnes Fiskeoppdrett AS	6 000 000	6 000 000	-	-
Måsøval Fishfarm AS	12 000 000	12 000 000	-	-
Total	18 000 000	18 000 000	-	-

Debt to participants in joint production partnerships is the partners' equity in the joint ventures. The deposit is risk capital and is not interest-bearing. Repayment is made in the event of a reduction of the deposit obligation or termination of joint ventures.

Current liabilities to group companies	Parent company		Group	
	2020	2019	2020	2019
Gunnar Espnes Fiskeoppdrett AS	25 090 346	18 501 229	-	-
Måsøval Fishfarm AS	48 510 411	41 640 309	-	-
Åsen Settefisk AS	-	11 761 515	-	-
Total	73 600 757	71 903 053	-	-
Måsøval Eiendom AS (accrued group contribution)	112 704 163	64 102 564	-	64 102 564
Accrued interests	-	674 133	-	674 133
Shareholders/related parties	-	108 400	-	108 400

NOTE 8 - INTRA-GROUP TRANSACTIONS

Parent company	2020	2019
Income from subsidiaries	18 794 354	24 685 696
Costs of goods charged by subsidiaries	47 190 282	32 162 953
Other costs charged by subsidiaries	17 897 929	17 771 973
Rental costs to Måsøval Eiendom AS	1 001 400	365 400

NOTE 9 - SHARES IN OTHER COMPANIES

	Parent company		Group	
	2020	2019	2020	2019
Norway Royal Salmon ASA	-	-	-	2 510 335

The Group owned 259 606 shares in Norway Royal Salmon ASA. The shares were classified as non-current financial assets and booked at cost.

In 2020, the shares were sold to Måsøval Eiendom AS (ultimate parent company) with a gain of NOK 52 844 038. The sale price of NOK 55 354 373 was based on market price.

The proceeds from the sale are included in note 5 as a receivable on Måsøval Eiendom AS.

NOTE 10 - OPERATING REVENUES

The Group's operating revenues are largely based on farming, sale of salmon and juvenile fish. Sales are made through external sales companies. Other income is mainly related to aquaculture services. A significant proportion of these service revenues comes from sales to other group companies. The Group's management considers the service business to be an integral part of the farming business. Both Parent company and Group's operations are therefore considered as one integrated operating segment.

NOTE 11 SPECIFICATION OF FIXED ASSETS

Parent company	Goodwill	Licenses etc.	Land and property	Farming facilities and floating installations
Cost at 01.01.	-	254 636 766	3 488 013	134 112 888
Additions	-	489 014 000	2 211 972	33 251 870
Cost at 31.12.	-	743 650 766	5 699 985	167 364 758
Accumulated depreciations and amortizations 01.01.	-	-	1 168 816	52 455 737
Depreciations and amortizations during the year	-	-	90 564	13 838 201
Accumulated depreciations and amortizations 31.12	-	-	1 259 380	66 293 938
Net book value at 31.12	-	743 650 766	4 440 605	101 070 820
Depreciation plan	20%	0%	3-5%	7-15%
Parent company (cont.):		Vessels	Operating equipment	Total
Cost at 01.01.	-	233 579 442	32 211 594	658 028 703
Additions	-	33 729 446	2 649 468	560 856 756
Disposals	-	-550 000	-382 211	-932 211
Cost at 31.12.	-	266 758 888	34 478 851	1 217 953 248
Accumulated depreciations and amortizations 01.01.	-	123 285 926	23 769 168	200 679 647
Reversal of depreciation on disposed assets	-	-151 568	-	-151 568
Depreciations and amortizations during the year	-	19 521 592	2 806 935	36 257 292
Accumulated depreciations and amortizations 31.12	-	142 655 950	26 576 103	236 785 371
Net book value at 31.12	-	124 102 938	7 902 748	981 167 877
Depreciation plan		10%	20%	
Group:	Goodwill	Licenses etc.	Land and property	Farming facilities and floating installations
Cost at 01.01.	18 881 000	284 418 151	5 027 805	242 291 133
Additions		492 781 300	2 211 970	33 858 183
Cost at 31.12.	18 881 000	777 199 451	7 239 775	276 149 316
Accumulated depreciations and amortizations 01.01.	1 881 000	-	2 631 092	101 100 968
Depreciations and amortizations during the year	3 762 000	-	168 078	17 896 555
Accumulated depreciations and amortizations 31.12	5 643 000	-	2 799 170	118 997 523
Net book value at 31.12	13 238 000	777 199 451	4 440 605	157 151 793
Depreciation plan	20%	0%	5-7%	7-15%

NOTES

Group (cont.):		Vessels	Operating equipment	Total
Cost at 01.01.	-	266 819 417	46 391 337	863 828 843
Additions	-	33 729 446	4 637 565	567 218 464
Disposals	-	-550 000	-382 211	-932 211
Cost at 31.12.	-	299 998 863	50 646 691	1 430 115 096
Accumulated depreciations and amortizations 01.01.	-	135 569 691	33 143 551	274 326 302
Reversal of depreciation on disposed assets	-	-151 568	-	-151 568
Depreciations and amortizations during the year	-	24 382 451	4 307 965	50 517 049
Accumulated depreciations and amortizations 31.12	-	159 800 574	37 451 516	324 691 783
Net book value at 31.12	-	140 198 289	13 195 175	1 105 423 313
Depreciation plan		10%	20%	

Facilities under development are included in Farming facilities with NOK 27 102 548.

Development costs have been reduced by NOK 6 058 020 in grants/R&D incentive schemes (no: SkatteFUNN).

Facilities under development refer to the Aqua Semi project. In 2019, Måsøval Fiskeoppdrett was awarded 4 development licenses to develop the project. The concept is a partially submersible, semi-closed, production unit for salmon built in steel with a production volume of 75 000 m³. The unit will be located at the Fagerholmen site in Frøyfjorden when it is completed. The project plans to complete the detailed engineering study by the summer of 2021 and sign a contract for construction with a development partner during 2021.

The plant is scheduled to be completed and taken into use in 2024. The plant will not be depreciated before completion.

Specification of farming licenses as per 31.12.20	No. of licenses	MAB*) tons	Cost	Net book value
Parent company				
Mid Norway **)	10	9 720	743 650 766	743 650 766
Total Parent company	10	9 720	743 650 766	743 650 766
Subsidiaries				
Midt-Norge Seedfish	2	-	18 904 300	18 904 300
Midt-Norge Farming	3	2 364	14 644 385	14 644 385
Total subsidiaries	5	2 364	33 548 685	33 548 685
Total Group	15	12 084	777 199 451	777 199 451

*) Maximum allowed biomass

**) incl. 4 development licenses, 3 120 tons MAB

The Parent company had an addition of 1 920 tonnes of MAB in 2020. This is split between the purchase of 2 032 tonnes from the Directorate of Fisheries and deductions of 112 tonnes on two licenses in PO5 due to the "traffic light system". All of the Parent company's licenses are located in production areas 5 and 6.

At the beginning of the year, the company held 6 licenses. A total of NOK 21 000 000 has been paid for three of these licenses.

The remaining book value, NOK 233 636 766, relates to acquisition of other concession holders that were merged into the company in 2012.

In 2020, new licenses were purchased, as well as an increase in the volume of existing licenses by 1%. The consideration for purchases and additional volume in 2020 amounts to NOK 492 758 000 for the Group, of which NOK 489 014 000 relates to the Parent company.

NOTES

LEASING

The Group applies NRS 14 Leases, and the leases mainly consist of fish farms and floating installations, boats 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 Group 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 Group 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. Leases for the first twelve months after the balance sheet date are classified as current liabilities.

Right to use assets

The group 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 interest implied in the lease, or, if it can not be easily determined, the Group's marginal borrowing rate as discounting which is generally the case for the Group. 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

The group 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 and group:

Parent company	Vessels	Farming facilities and floating installations	
Cost at 01.01.	142 416 214	63 281 488	
Additions	24 794 485	-	
Cost at 31.12	167 210 699	63 281 488	
Accumulated depreciations and amortizations 01.01.	79 765 681	15 246 019	
Depreciations and amortisations in the year	11 166 482	5 656 170	
Accumulated depreciations and amortizations 31.12	90 932 163	20 902 189	
Net book value at 31.12	76 278 536	42 379 299	
Group	Vessels	Farming facilities and floating installations	
Cost at 01.01.	171 569 104	63 281 488	
Additions	24 794 485	-	
Cost at 31.12	196 363 589	63 281 488	
Accumulated depreciations and amortizations 01.01.	87 962 362	15 246 019	
Depreciations and amortizations in the year	16 027 341	5 656 170	
Accumulated depreciations and amortizations 31.12	103 989 703	20 902 189	
Net book value at 31.12	92 373 886	42 379 299	
	Parent company	Group	
	2020	2019	2020
Leasing obligations	88 600 451	90 046 418	103 871 879
			2019
			109 898 066

NOTE 12 - SHARE CAPITAL, SHAREHOLDER INFORMATION AND EQUITY

The share capital in

Måsøval Fiskeoppdrett AS as of 31.12 consists of:	No. of shares	Face value	Book value
Ordinary shares	2 000	12 350	24 700 000
Total	2 000		24 700 000

The shares have equal rights in the company.

Ownership structure

Shareholders as of 31.12 were:	Ordinary shares	Ownership	Share of vote
Måsøval Eiendom AS	2 000	100%	100%
Total	2 000	100%	100%

Parent company:	Share capital	Share premium	Other equity	Total equity
Equity per 1.1.	24 700 000	-	387 520 114	412 220 114
Net profit for the year			158 466 429	158 466 429
Group contributions			-92 663 324	-92 663 324
Equity as of 31.12.	24 700 000	-	453 323 218	478 023 218

Group	Share capital	Other equity	Total equity	Owners of parent company	Non-controlling interest
Equity per 1.1.	24 700 000	396 121 145	420 821 145	420 266 736	554 410
Net profit for the year	-	199 138 734	199 138 734	163 846 779	35 291 955
Dividends	-	-35 276 377	-35 276 377	-0	-35 276 377
Group contributions	-	-92 663 324	-92 663 324	-92 663 324	-
Equity as of 31.12.	24700000	467 320 178	492 020 178	491 450 190	569 988

NOTE 13 - INVESTMENT IN SUBSIDIARIES

As of 31.12, the parent company had following shares in other subsidiaries:

	Book value	No. of shares	Ownership	Net profit 2020	Total equity
G. Espnes Fiskeoppdrett AS	99 000	990	66%	15 144 784	1 059 795
Måsøval Fishfarm AS	17 453 650	285	64%	83 500 975	3 502 529
Måsøval Settefisk AS	24 635 015	1 000	100%	2 580 749	35 797 617
Åsen Settefisk AS	83 662 341	13 255	100%	6 957 198	36 315 085
Eidsvaag Akva AS	4 532 345	3 000	100%	2 305 230	6 376 170
	130 382 351				

Dividends and group contributions from subsidiaries recognized as financial income in the parent company:

	2020	2019
Måsøval Fishfarm AS	53 357 623	7 590 000
Gunnar Espnes Fiskeoppdrett AS	9 966 000	15 655 830
Total	63 323 623	23 245 830

The companies' head office is on Frøya.

NOTE 14 - INVESTMENT IN ASSOCIATED COMPANY

Associated companies:	Tjeldbergodden Rensefisk AS
Ownership	30%
Opening balance as of 01.01.19	5 312 152
Share of profit/(loss) 2019	27 249
Closing balance as of 31.12.19	5 339 401
Share of profit/(loss) 2020	-1 280 702
Closing balance as of 31.12.20	4 058 698

Share of profit/(loss) 2020 is based on unaudited financial statements of the associated company.

Key figures associated company	Tjeldbergodden Rensefisk AS	
	2020 (unaudited)	2019
Operating revenues	16 108 679	21 729 868
Operating costs excl. depreciation	16 533 435	18 533 502
Depreciation	4 537 562	3 188 083
Operating profit/(loss)	-4 962 318	8 283
Net financial items	-510 082	-515 492
Result before taxes	-5 472 400	-507 209
Fixed assets	19 527 482	18 345 687
Current assets	12 101 326	13 513 092
Total Assets	31 628 808	31 858 779
Equity	10 743 533	15 012 540
Long-term debt	11 131 382	12 596 896
Short-term debt	9 753 893	4 249 344
Total equity and debt	31 628 808	31 858 780

NOTE 15 - CO-LOCATION

The group operates 3 licenses 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 licenses are recognized in the income statement as ordinary production in line with the group's other activities.

Biomass related to one co-location agreement is not recognized as part of the Group's biomass, but in the partner's own financial statements. For the second co-location agreement, the biomass is recognized in the consolidated accounts.

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

NOTE 16 - SHARE OF PROFIT TO PARTICIPANTS IN JOINT PRODUCTION PARTNERSHIPS

Parent company:

A joint production partnership agreement has been entered into between Måsøval Fiskeoppdrett AS, Gunnar Espnes Fiskeoppdrett AS and Måsøval Fishfarm AS. The profit from the joint production partnership is distributed between the participants according to their respective concession volumes. The principal party in the joint production partnerships is Måsøval Fiskeoppdrett AS and all income and expenses associated with the joint production partnership are included in the parent company's accounts. The silent stakeholders' profit share is recorded as an item before ordinary profit before tax. The payment obligation is recognized as a current liability.

Group:

In the consolidated financial statements, all significant transactions related to the joint production partnership have been eliminated and the non-controlling interests' share of the group's profit is attributed to the non-controlling interests' share of the group's equity.

RECIPES

Creamy Fish Soup

MADE BY NATURE
PIONEERED BY LARS & TONE

Lars is third generation Måsøval and chair of the board in the company. He and his wife Tone agree that salmon can be cooked in so many different ways. Imagination is really your only limitation. Fish soup is a year-round favourite that can include almost any ingredients you like. But salmon is obligatory, of course.

INGREDIENTS:

60 g butter
1 onion, chopped
1 medium-sized carrot, sliced into short, thin strips
½ large red bell pepper, sliced into short, thin strips
1 small leek, cleaned and sliced thinly
1 fennel, cleaned and sliced thinly
1 litre fish stock or bouillon
250 g salmon
250 g cod
250 g shrimp, mussels or other tempting ingredients, optional
2,5 dl double cream
Juice of ½ lemon
Salt and pepper
Parsley, finely chopped

LARS AND TONE'S METHOD:

Melt the butter in a large pot over medium heat. Add the chopped onion and let it cook until soft and translucent. Stir in the rest of the vegetables and fry them for 2 minutes. Add the fish stock and let the mixture simmer for another couple of minutes, so that the vegetables soften ever so slightly, but are still relatively firm. Add the cream and lemon juice and stir. Add salt and pepper to taste. Drizzle with chopped parsley and serve immediately. Serve with some delicious bread on the side, if you like.

Salt and pepper
Parsley, finely chopped





Salmon wrap trail food!

Made by nature
PIONEERED BY ASLE

Asle Rønning is the CEO of Måsøval. Although he's a keen hiker, he's also a bit of a foodie. Especially when it comes to salmon dishes, of course!

INGREDIENTS:

6-8 tortillas
3 dl crème fraîche or sour cream
3 tsp. horseradish (or store-bought horseradish sauce)
1 small head of romaine salad (or frillice or rocket)
1 spring onion
1 mango
350 g Måsøval smoked salmon

ASLE'S METHOD:

Mix grated horseradish or ½ tube of horseradish sauce with sour cream or crème fraîche. Mill some pepper on top. Slice the smoked salmon into thin, appetizing slices. Slice the mango lengthwise and chop the lettuce (you don't need to chop the rocket).

Now, simply spread horseradish cream onto the tortillas and add salmon, lettuce and mango. Roll the tortilla together and wrap it up or pack it in a lunchbox for later – or enjoy it straight away.



Salmon al fresco

Made by nature
PIONEERED BY ANDREAS

Andreas Skagøy is Måsøval's Head of Fish Health and is really the outdoor type. In his opinion, good food makes a great hike even better. This is Andreas' famous recipe for Veidemannlaks - salmon in the hunter-gatherer style.

INGREDIENTS:

350 g Måsøval salmon
1 large carrot
1 clove of garlic
3 spring onions
2-3 tablespoons of fresh, chopped dill
1 lemon wedge
2-3 tbs. butter
salt and pepper
aluminium foil

ANDREAS' METHOD:

Prepare all your ingredients before you go hiking. Slice the salmon into two pieces. Coarsely cut the spring onions, but thinly slice the carrot and garlic. Place all the ingredients into spill proof containers and put them in your pack.

When you find a nice spot, light a campfire. You should let the fire burn for a little while, so that you have a nice, even bed of embers for cooking. This will make cooking al fresco both easy and rewarding!

Wrap the salmon, butter and vegetables in aluminium foil. Place the foil packet onto the hot embers and let it cook for 8-12 minutes. Flip the packet over halfway through. Pay attention, though – if the temperature is too intense, just pull the packet to the side, where there is less heat.

When the salmon and the vegetables are done, simply unwrap the packet and add dill, salt, pepper and lemon to taste. To round off the meal in true hunter-gatherer style, use the embers to brew some delicious coffee with your campfire coffee pot.



Salmon al forno

Made by nature
PIONEERED BY BERIT

Berit Flåmo is the former mayor of Frøya, and current Head of Communications in Måsøval. Berit eats salmon at least once a week, and often turns to this quick and easy everyday recipe.

INGREDIENTS:

800 g salmon fillet
salt and pepper
oil for frying
8 potatoes (in wedges)
2 bell peppers, in chunks
1 leek, in rings

BERIT'S METHOD:

Sear and season the salmon in a frying pan. Remove the salmon from the pan. Fry and season the potato wedges in the pan before transferring them to an ovenproof dish. Place the salmon fillets and the vegetables on top of the potato wedges and place the dish into the oven at 200°C. Bake until the dish is lightly browned, approx. 10 min.

Serve with sour cream, lemon or a green salad, depending on what you have at hand.



Salmon taco

Made by nature
PIONEERED BY BRAGE

Brage Madsvåg is one of our many aquaculture technicians, who make sure that our salmon grow and thrive. He insists that salmon taco beats the competition hands down. This is his favourite recipe.

INGREDIENTS:

1 lime
4-5 tbsp. taco seasoning mix
0-5 dl olive oil
600 gr Måsøval skinless salmon fillets
4 tortillas
2 avocados
mixed lettuce
5-6 cherry tomatoes, halved
finely chopped coriander
2 dl sour cream

BRAGE'S METHOD:

Wash and grate the limes with a zester or a regular grater. Squeeze the lime juice into a bowl, together with the lime zest. Mix the taco seasoning, oil, lime juice and grated lime zest together into a marinade.

Slice the salmon into strips 1-2 cm wide and about 5 cm long. Place the salmon strips in a plastic bag together with the marinade. Refrigerate for 20 minutes.

Guacamole: Halve the avocados. Remove the pits and scrape out the avocado flesh with a spoon. Add the avocado flesh to a bowl and squeeze the lime juice over it. Mash everything together and add garlic, coriander and sour cream. Add chili powder, salt and pepper to taste.

Tacos: Fill the tortillas with lettuce, guacamole, salmon, sour cream and anything else you fancy. Fish tacos can be either fried or grilled. Brage prefers to put the tacos under the broiler for 2-3 minutes to make them nice and crispy. If you prefer a more conventional taco, fry or grill the salmon on high heat for 2-3 minutes. Heat the tortillas and let everyone make their own taco with the lettuce, tomatoes, guacamole, fresh coriander and salmon. Maybe add a dollop of sour cream on top.



Salmon pizza

Made by nature
PIONEERED BY MARTIN

Pizza without salmon is like pizza without cheese, says Martin. Martin is a Trondheim boy born and bred, but has spent many summers and weekends out here on the islands and has sampled most of the local delicacies. And smoked salmon from Garnvik is perfect for an unforgettable culinary experience.

INGREDIENTS:

pizza dough, preferably cold-proofed, but you can also use store-bought dough
crème fraîche 35% fat
finely chopped red onion
grated cheese (try a combination of Parmesan and Jarlsberg)
slices of smoked salmon (if you use raw salmon, you need to salt it first)
pepper

MARTIN'S METHOD:

Spread a layer of crème fraîche on the dough and cover with generous amounts of cheese and red onion. Slice the smoked salmon into small cubes and add it to the pizza, together with some pepper.

Ideally, you should use a pizza oven for this, but you can also use a regular oven (preheat and use a tray on the lowest rack). Set the oven to its maximum temperature. If possible, use both the bottom oven heating element and the hot air function.

Sprinkle chopped dill, spring onions and a few drops of premium olive oil on top before serving. Buon appetito



Salmon tartare

Made by nature
PIONEERED BY HARRY

Harry Osvald Hansen is Måsøval's Head of Production. Harry likes to cook, but that doesn't mean that he's actually any good at cooking, he says. But as long as you stick to fresh salmon loins from Frøya, the end result will always be a success.

INGREDIENTS:

Tartare:
300 g salmon, cubed
1 red onion, finely chopped
1 tbsp. grated horseradish
juice of half a lemon

Salad:

1 grated, green apple
5 tbsp. chives
2 small heads of romaine lettuce
olive oil

1 tsp. lemon juice

Maldon salt

Horseradish cream sauce:

2 dl sour cream

1 tbsp. horseradish

a pinch of salt

HARRY'S METHOD:

Mix the cubed salmon together with the red onion and the horseradish. Squeeze the lemon over the top. Add salt, pepper and more lemon juice to taste. Mix the salad. Whip the horseradish and sour cream into a firm cream. Salt to taste. A simple and delicious dish!



Sashimi à la Werkland

Made by nature
PIONEERED BY ERLING

Erling Grøtan is Head of Operations at Måsøval. This recipe was given to him by a friend of his, Håvard Werkland, who is one of the country's top chefs.

INGREDIENTS:

If you're having 4 people over for dinner, use 1 kg skinless salmon fillet. Slice the salmon into 1 cm thick slices and lay them out on a serving platter.

Sauce:

4 tbsp. tapioca
3 dl soy sauce
3 tbsp. sesame oil
1/2 cucumber
1 bunch of spring onion
2 limes
1 pot of coriander
2 green chillies
salt
sesame seeds

ERLING'S METHOD:

Bring a large pot of water to the boil and boil the tapioca for 7 minutes.

Strain the tapioca and rinse it under cold water. Add the tapioca to the soy sauce. Leave the tapioca to marinate for at least 1 hour. Peel the cucumber and core it with a spoon. Dice the cucumber flesh.

Finely chop the spring onions and the green chillies. Slice the avocado into cubes immediately before serving. After 1 hour, add the cucumber to the soy sauce. Add sesame oil and the juice from 1-2 limes to taste.

ARRANGEMENT:

Stir the sauce and spoon it over the salmon. Layer the avocado cubes on top of the salmon. Sprinkle green chiles and spring onions on top, and round the dish off by adding sesame seeds and fresh coriander. (You can also add cubed mango if you like.)



Oven-baked salmon with potato and pea purée

Made by nature
PIONEERED BY FREDERIC OG EVIE

Husband and wife Frederic and Evie Kullin enjoy cooking together. Evie works as an HR adviser at Måsøval, while Frederic works as an aquaculture technician.

INGREDIENTS:

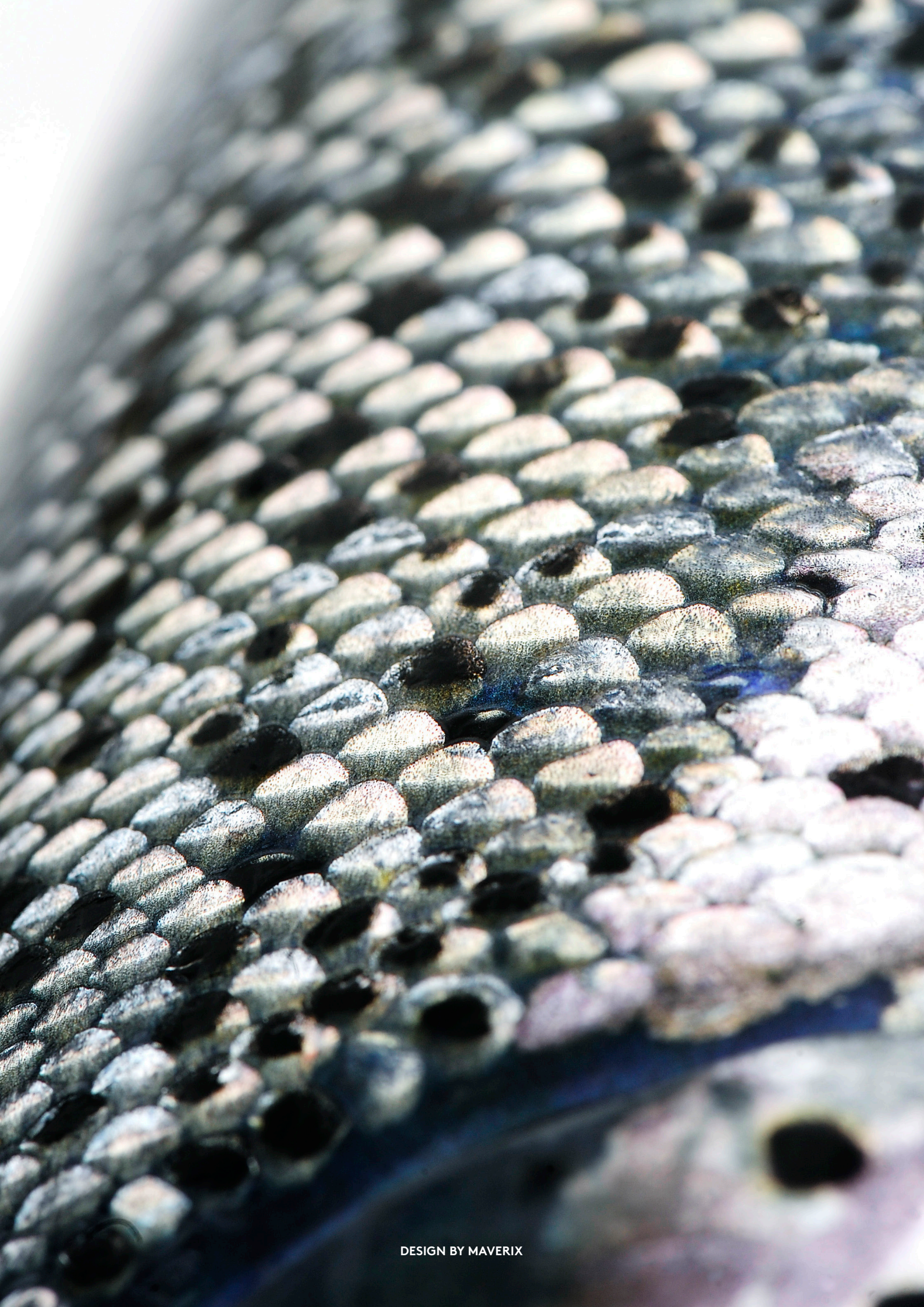
800-1 000 g salmon fillet
1 kg potato
1/2 onion
500 g petite peas
300 g butter
1 dl double cream
lemon
0.5 dl Japanese soy sauce
salt and pepper
thyme

KULLIN'S METHOD:

Start by finely chopping the onion and melting 200 grams of butter in a small saucepan. Brown the onion in the butter whilst preparing the rest of the dish, since that's the most time-consuming part. Grease an ovenproof dish and add the fillets skin-side down. Season with pepper, thyme, a few lumps of butter and three slices of lemon.

Bake the salmon at 175°C for about 20 min, depending on the thickness of the fillets. Peel and cube the potatoes and boil them until soft. Use a potato press (available from IKEA or a kitchen store) to make an airy and light potato purée.

Boil the peas and strain them. Add approx. 50 g butter and 1 dl heated double cream. Blend the peas with a stick blender. Add salt, pepper and lemon juice to taste. When the onion turns brown, add 0.5 dl soy sauce.



DESIGN BY MAVERIX