Made by nature

Pioneered by Måsøval

ANNUAL REPORT 2021

Restatement from NGAAP to IFRS, 29. August 2022

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Report of the Board of Directors

This is the company's first consolidated accounts presented in accordance with IFRS. The Group has previously submitted its annual report for 2021 in accordance with NGAAP. The parent company's financial statements and the segment reports are still made in accordance with NGAAP. For information about the parent company's accounts and a complete annual report please see previously published report at www.masoval.no.

The Group's activities

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

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

The Group's fish farming operations are located in Central Norway with a focus on the area around Frøya, Nordmøre and Sunnmøre. The operations are based on the Group's own licenses with 12,694 tonnes of maximum allowed biomass ("MAB"), and three additional licenses totalling 2,340 tonnes MAB through co-location agreements with two external partners. In addition, the Group has four development licenses totalling 3,120 tonnes MAB in connection with the Aqua Semi development concept, which is awaiting final investment decision.

Significant events in 2021

In 2021, Måsøval has strengthened its position as a future-oriented and growth-ambitious fish farming group. The year was characterized by record high production, good fish health, several investments in sustainable growth and strategic initiatives. The main highlights of the year were:

- A record turnover of NOK 1,215 million, an operating profit of NOK 292 million and a profit before tax of NOK 333 million.
- Harvested 16,888 tonnes of salmon gutted weight (GW).
- Successfully listed on the Euronext Growth stock exchange in June 2021
- Acquired 65% of Pure Norwegian Seafood AS, thereby establishing the Group as an integrated salmon farming company with its own harvesting facility and sales organization.
- Acquired Pure Farming AS, including one license of 780 tonnes MAB.
- Acquired the operational activities of the Vartdal Group including 4 licenses, two smolt and post-smolt facilities and harvesting operations.

As part of the financing of the Group's growth ambitions, Måsøval AS carried out two capital increases of in total NOK 900 million in 2021. In addition, the Group's gross interest-bearing debt has increased from NOK 775 million to NOK 1,922 million. The total credit facility was increased from NOK 1,050 million to NOK 2,150 million. Furthermore, to strengthen the Groups financial possibilities the board does not propose a dividend for 2021.

Sustainable focus and organic growth potential

Aqua Semi

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

The environmental conditions in high-current localities are attractive for salmon due to high water circulation. With steel skirts down to 25 meters, Måsøval expects a significant reduction in lice infestation, also reducing the potential for contagion from neighbouring farms. This will represent a substantial contribution to increased fish welfare, again leading to a sustainable growth in biomass.

After the development permits were awarded, Måsøval and the Vard Group have done considerable work to complete the concept design. Final detailed engineering will be completed during the summer of 2022. The goal is for the first release of fish into the sea to take place during the spring of 2024.

Investment in post-smolt facilities

In December 2021 Måsøval acquired the operational assets of Vartdal Invest AS, including two post-smolt facilities in Vartdal, Sunnmøre. In addition, Måsøval owns a land-based facility on Frøya (Skjelvika) that we plan to renovate to build a post-smolt facility based on flow-through technology and seawater.

The Vartdal facilities have an expected production of 1,450 tonnes post-smolt and the Frøya facility is planned for a production of 930 tonnes fully developed.

The post-smolt projects are considered an important strategic move to increase the flexibility of the Group's smolt strategy and production plan, reduce biological risk, increase utilisation of licenses at sea and ensure access to post-smolt for both ordinary fish farming facilities and Aqua Semi.

Fish health

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

For several years, Måsøval has worked systematically to improve fish welfare throughout the production cycle, from broodstock to harvest. The work has generally been based on the following objectives:

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

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

The Group has demonstrated strong development in terms of fish health and welfare over the last few years. For sea-based production, the 12 months rolling mortality rate in 2021 was significantly less than the average in Production Area 6, while the growth measured in TGC has increased from 2.55 to 3.15 in the period 2016 – 2021. In recent years, the Group has improved the efficiency of its measures against sea lice, with cleaner fish, mechanical systems for sea lice treatment, increased biomass growth (reduced exposure), strengthened monitoring and competence development as the most important individual elements.

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

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

Statement of the annual accounts

The income statement

The Group achieved a record high turnover of NOK 1,215 million in 2021 compared to NOK 901 million in 2020. The Group's operating profit was NOK 292 million (2020: NOK 227 million). The Group's annual profit was NOK 281 million (2020: NOK 110 million).

In 2021, the Group had interest expenses of NOK 50 million (2020: NOK 17 million). The net of financial items was a loss of NOK 44 million in 2021 (2020: loss of NOK 8 million).

The fish farming business

The Group operates licenses with an MAB of 15,034 tonnes at the end of 2021. This includes licenses of 3,712 tonnes purchased in 2021 (Pure Farming AS and Aqua Farms Vartdal AS) and 2,340 tonnes through co-location agreements with Aquagen AS (1,560 tonnes) and Trøndelag county (780 tonnes).

The majority of the Group's financial result derives from the fish farming segment. The segment harvested 16,888 tonnes in 2021 (2020: 16,253 tonnes), an increase of 3.9%. For the harvested volume, the segment achieved an operating profit per kg of NOK 18.8 (2020: NOK 15.4). The price achieved by the segment for sold salmon per kg ended at NOK 58.0 (2020: NOK 52.8), while production costs per kg increased to NOK 39.1 (2020: NOK 37.4).

The sales and processing business

The Group operates its own harvesting facility and sales organisation through Pure Norwegian Seafood AS ["Pure"), which was included in the Group from June 2021. From June to December 2021, Pure harvested 6,807 tonnes of fish and achieved a profit of 1.9 per kg.

In December 2021, the Group acquired a second harvesting facility in Vartdal, Western Seaproducts AS.

Statement of financial position

At the end of 2021, the Group's total capital was NOK 4,530 million up from NOK 1,773 million at the end of 2020.

The main reason for the increase in employed capital is the acquisition of Pure Norwegian Seafood AS, Stokkøy Skjell AS, Pure Farming AS and the Vartdal Group. The Group's total biomass has increased by NOK 298 million due to the build-up of biomass to utilize new MAB, the acquisitions made and fair value adjustments. Trade receivables have increased by NOK 96 million due to significantly higher sales prices of salmon and higher volume and activity in 2021 compared to 2020.

Bank deposits increased by NOK 100 million in 2021.

The Group's net interest-bearing debt per 31.12.2021 was NOK 1,922 million, up from NOK 775 million at the end of the previous year. The increase in net interest-bearing debt is mainly due to the purchase of the previously mentioned companies, the acquisition of minorities in Gunnar Espnes Fiskeoppdrett AS and Måsøval Fishfarm AS, and acquisitions made in June 2021 and December 2021 for a total gross consideration of 1,659 million.

The net increase in equity of NOK 823 million is due to a net profit in the period of NOK 281 million, the acquisition of the minority's shares in Gunnar Espnes Fiskeoppdrett and Måsøval Fishfarm, and two capital increases with gross proceeds of NOK 900 million. Dividends of NOK 22 million have reduced the equity. The Group's equity ratio at the end of 2021 was 32.8% compared to 37.4% at the end of 2020.

Cash flows

The cash flow is adjusted for acquisitions made during 2021. Reader is referred to the notes for additional information.

During the year, the Group had a positive cash flow from operating activities totalling NOK 283 million (up from NOK 196 million in 2020). The positive cash flow is mainly due to profit before tax expense of NOK 333 million, a decrease in other current receivables of NOK 24 million and depreciation of NOK 106 million. Net increase in inventories of NOK 157 million, a decrease in trade payables of NOK 83 million and taxes paid of NOK 13 million have had a negative impact on cash flow.

The Group's net cash flow from investing activities in 2021 amounted to NOK – 1,493 million (2020: NOK -536 million).

Cash flows from financing activities were NOK 1,309 million in 2021 (2020: NOK 234 million). This cash flow is attributable to new long-term debt of NOK 1,200 million and net equity capital increases of NOK 637 million (NOK 900 million in gross proceeds). Repayments of borrowings, net change in overdraft facility, payment of dividends and Group contributions contributed negatively with NOK -528 million to the cash flow from financing activities.

Bank deposits at the end of the period increased by NOK 100 million.

Going concern

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

Research and development

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

- Aqua Semi. A project to develop fish farms that facilitate sustainable growth in areas where current aquaculture technology has not been possible to utilize. In connection with the project, MAS has received development licenses with MAB of 3,120 tonnes. As of 31 December 2021, an investment of NOK 31.1 million has been capitalized on the project.
- Participation in a number of projects concerning lice control, automatic lice counting and infectious diseases.
- Several internal projects to improve feeding, lice control, infection management and the use of digital tools for improved monitoring and operations.

Operational risk and risk management

The fish farming business

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

The biological challenges of the industry are related to smolt quality, mortality, disease development, salmon lice, parasites, algae outbreaks, low oxygen levels, variation in sea temperature and the quality of fish harvested. In 2021, Måsøval avoided persistent disease outbreaks for large parts of the year, but experienced PD (pancreas disease) at several locations in the autumn of 2021. The outbreak was managed satisfactorily.

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

In 2021, a dedicated fish cleaning manager was hired to improve the cleanliness of the Group's fish. All our employees have a strong focus on fish welfare for each species involved in the production.

All sites are continuously monitored to ensure that they are most optimal for salmon production. Måsøval has invested in new equipment that maintain a good standard, and which satisfies our own and the public's requirements in relation to operations, fish health and risk of potential escape.

Risk management is a key responsibility of the management team. The Group has introduced routines and systems for monitoring key risk factors in all business segments. Great emphasis is placed on 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-sites each year and has a strategy of having at least two biologically independent sites per generation. This reduces the risk of a major negative biological event and further contributes to the Group's growth. The Group is continuously working to increase predictability in the terms and permits for its production and seeks to reduce any regulatory risk through continuous dialogue with the relevant administrative bodies.

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

The Aqua Semi development is a complex project. There may be uncertainty associated with the estimated total investment cost and time of completion of the project. The uncertainty associated with these factors was intensified as a result of the corona situation and large currency fluctuations in 2021. The company has implemented measures to reduce this risk by carrying out a detailed engineering of the plant before a final investment decision is made and the construction contract is signed.

Financial risk and risk management

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

Currency risk

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

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

Interest rate risk

The Group's debt carries floating interest rates, which implies that the Group is exposed to changes in interest rates. Floating interest rates have been chosen for two reasons: i) floating interest rates are considered to provide the lowest interest rate in the long run, and ii) floating interest rates provide greater flexibility in dealing with the Group's changes in financing needs as caused by the Group's growth ambitions.

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

Credit risk

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

Liquidity risk

Liquidity risk is a product of the Group's earnings, financial position and available financing in the capital markets and represents the risk that the Group will not be able to meet its current financial obligations. The 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 the liquidity. At the end of 2021 and through 2021 Måsøval has complied with all of its loan covenants. Overall, the Group's liquidity risk is considered to be at an acceptable level.

Corporate governance

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

Måsøval Eiendom AS has taken out a board liability insurance covering all subsidiaries owned more than 50%. The insurance covers the insured's liability for asset losses for claims against the insured during the insurance period as a result of a liability action or omission of the secured in property of the general manager, board member, member of management or equivalent governing body of the Group.

Corporate social responsibility

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

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

An overview of how we take social responsibility is available in the annual reports chapter 3.

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

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

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

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

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

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

Work environment

As of 31 December 2021, the Group had 221 full-time employees. Of these, 112 work in the parent company Måsøval AS. The parent company is headquartered on Frøya.

The aquaculture industry is an industry that has traditionally been dominated by men. As of 31 December 2021, the proportion of women in the Group was 17.5% and the proportion of women in the parent company Måsøval AS was 17.6%. The Group's management consists of 6 men and two women. The Group's board comprise of one woman and three men.

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

Sick leave for 2021 in the Group amounted to 4,8% (2020: 5.7%). 14 injuries were registered in the Group in 2021. One of these were a serious injury. 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 2021, Måsøval AS had the following shareholders.

Shareholder	Holding	Stake
MÅSØVAL EIENDOM AS	85 727 553	69,98 %
VERDIPAPIRFOND ODIN NORGE	9 467 218	7,73 %
VARTDAL INVEST AS	4 761 904	3,89 %
J.P. MORGAN BANK LUXEMBOURG S.A.	4 264 766	3,48 %
HENDEN NYGÅRD HOLDING AS	1 765 456	1,44 %
ABBA HOLDING AS	1 667 176	1,36 %
Morgan Stanley & Co. Int. Plc.	1 652 643	1,35 %
J.P. MORGAN BANK LUXEMBOURG S.A.	1 452 468	1,19 %
VICAMA AS	1 000 000	0,82 %
SONGA ASSET MANAGEMENT AS	879 817	0,72 %
J.P. MORGAN BANK LUXEMBOURG S.A.	871 253	0,71 %
SONGA CAPITAL AS	849 418	0,69 %
HAUSTA INVESTOR AS	667 860	0,55 %
YTTERVÅG AS	608 000	0,50 %
PATRIC INVEST AS	607 902	0,50 %
GÅSØ NÆRINGSUTVIKLING AS	488 700	0,40 %
BETINA I AS	418 963	0,34 %
RBC INVESTOR SERVICES TRUST	363 446	0,30 %
VERDIPAPIRFONDET EIKA ALPHA	323 710	0,26 %
GH HOLDING AS	300 000	0,24 %
Others	4 370 202	3,57 %
Total	**122 508 455**	**100,00 %**

The company has only one class of shares.

Market conditions and the prospects ahead

2021 was an exciting year for Måsøval and the Norwegian salmon industry. Despite the corona crisis, the year ended with record high exports of Norwegian salmon. The company has little influence on the salmon price and the main focus is to ensure low production costs to ensure robustness against fluctuations in the salmon price.

Prices going forward look strong and analysts expect continued strong prices through 2022 and 2023.

The pandemic has had an impact on the value chains that Måsøval is a part of. Continued upward pressure on our costs including feed, are seen. In addition, the Group observe strained value chains and some delivery problems, in particular to technical equipment, and challenges with the delivery of technical equipment for new builds. Måsøval has not had any problems with access to feed and roe, and the most important suppliers expect to be able to deliver in 2022 as well.

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

The Group expects a healthy growth rate in 2022 and expects to build biomass to utilize the purchased 2,936 tonnes MAB from the Vartdal Group and to utilise the new post-smolt facilities.

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

Events after the balance sheet date

In accordance with authorisation given by the general assembly on June 9th 2022, the board has decided to pay a dividend of NOK 1 per share.

In August 2022 salmon at location Slettvika was infected with ISA. There was 535 000 fish with average weight of 3.0 kg at the location. The salmon will be harvested as soon as possible with a limited financial impact.

There are no other significant events after the balance sheet date.

Trondheim, 29 August 2021

Lars Måsøval

Lars Måsøval
Chair of the board

Nina Santi

Nina Santi
Director

Ola Loe

Ola Loe
Director

Kari Skeidsvoll Moe
Director

Arnfinn Aunsmo

Arnfinn Aunsmo
Director

Asle Rønning
CEO

Consolidated statement of profit or loss

For the year ended 31 December

(All figures in NOK 1 000)	Note	2021	2020
Operating revenues - sale of salmon	6	1 092 277	858 185
Other revenue	6	123 060	43 007
Total Operating income	**6**	**1 215 337**	**901 192**
Operating expenses			
Cost of goods sold		573 367	402 123
Employee benefits	7	140 722	102 392
Depreciation and amortisation expense	13,14	105 574	82 252
Other operating expenses	8, 14	103 280	87 442
Total operating expenses		**922 943**	**674 209**
Operational EBIT *)	**29**	**292 394**	**226 983**
Production tax		-6 755	-
Profit sharing with co-location partners		-20 654	-22 618
Biological assets - Net fair value adjustment	9, 15	112 264	-71 752
EBIT		**377 249**	**132 612**
Finance income and expense			
Finance income	4, 10, 18	5 728	8 388
Finance expense	4, 10, 18	49 727	16 531
Net finance income and expense		**-43 999**	**-8 143**
Profit before tax		**333 250**	**124 469**
Tax expense	11	51 970	14 046
Net profit for the year		**281 280**	**110 423**
Net profit or loss for the year attributable to:			
Owners of the parent	23	276 721	75 131
Non-controlling interests		4 559	35 292
Net profit for the year		**281 280**	**110 423**
Earnings per share	**23**	**2.66**	**0.76**

Consolidated statement of other comprehensive income

For the year ended 31 December

(All figures in NOK 1000)	**Note**	**2021**	**2020**
Net profit for the year		**281 280**	**110 423**
Items which will not be reclassified to profit and loss			
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	4, 9	-	-6 743
Other comprehensive income		**-**	**-6 743**
Total comprehensive income for the year		**281 280**	**103 680**
Total comprehensive income attributable to:			
Owners of the parent		276 721	68 388
Non-controlling interests		4 559	35 292
Total comprehensive income for the year		**281 280**	**103 680**

*) Excluding production tax, profit sharing and net fair value adjustment on biological assets

Consolidated statement of financial position

As at 31 December

Assets	Note	31.12.2021	31.12.2020	01.01.2020
(All figures in NOK 1 000)				
Intangible assets				
Licenses	12	2 068 766	777 199	284 418
Goodwill	12	438 963	34 568	34 568
Total intangible assets		**2 507 729**	**811 768**	**318 986**
Property, Plant and Equipments				
Property, plant and equipment	13	453 839	168 251	142 881
Right-of-use assets	14	473 841	181 566	216 609
Total Property, Plant and Equipments		**927 680**	**349 817**	**359 490**
Non-current financial assets				
Investments in associated companies	18	-	4 059	5 339
Investments in other equity instruments	4	544	-	62 098
Other non-current receivables		3 752	-	-
Total non-current financial assets		**4 296**	**4 059**	**67 437**
Total non-current assets		**3 439 705**	**1 165 643**	**745 914**
Current assets				
Feed inventory	15	20 049	9 260	8 312
Finished goods	15	6 089	-	-
Biological assets	9, 15	699 558	401 749	440 289
Total inventories		**725 696**	**411 009**	**448 601**
Accounts receivables	16	193 566	97 682	33 589
Other current receivables	26	49 829	77 009	44 318
Total Receivables		**243 395**	**174 691**	**77 906**
Cash and cash equivalents	17	121 252	21 476	128 337
Total Cash and cash equivalents		**121 252**	**21 476**	**128 337**
Total current assets		**1 090 343**	**607 176**	**654 844**
Total assets		**4 530 047**	**1 772 820**	**1 400 757**

Consolidated statement of financial position

As at 31 December

Equity and liabilities	**Note**	**31.12.2021**	**31.12.2020**	**01.01.2020**
(All figures in NOK 1 000)				
Equity				
Share capital	22	30 627	24 700	24 700
Share premium	22	872 432	-	-
Total paid-in equity	**22**	**903 059**	**24 700**	**24 700**
Retained earnings	22	551 923	597 603	594 400
Total equity attributable to owners of the parent company		**1 454 982**	**622 303**	**619 100**
Non-controlling interests	22	30 694	40 836	18 298
Total equity		**1 485 676**	**663 139**	**637 398**
Non-current liabilities				
Deferred tax	11	487 157	115 495	116 749
Liabilities to financial institutions	19, 21	1 560 312	463 795	1 559
Long-term lease liabilities	14, 19, 21	301 632	90 556	123 220
Total non-current liabilities		**2 349 102**	**669 846**	**241 528**
Current liabilities				
Liabilities to financial institutions	19, 21	314 781	228 871	310 402
Short-term lease liabilities	14, 19, 21	103 701	59 152	70 204
Account payables		175 795	65 615	71 352
Income tax payable	11	32 882	13 218	23 589
Other current liabilities	20	68 111	72 979	46 284
Total Current liabilities		**695 270**	**439 835**	**521 831**
Total liabilities		**3 044 372**	**1 109 681**	**763 359**
Total equity and liabilities		**4 530 048**	**1 772 820**	**1 400 757**

Trondheim, 29 August 2021

Lars Måsøval

Lars Måsøval
Chair of the board

Nina Santi

Nina Santi
Director

Ola Loe

Ola Loe
Director

Kari Skeidsvoll Moe
Director

Arnfinn Aunsmo

Arnfinn Aunsmo
Director

Asle Rønning

Asle Rønning
CEO

Consolidated statement of cash flows

For the year ended 31 December

(All figures in NOK 1 000)

	Note	2021	2020
Cash flows from operating activities			
Profit before income tax		333 250	124 469
Tax paid		-13 218	-25 010
Gain on disposal of property, plant and equipment		6 130	-113
Ordinary depreciation	13, 14	105 512	82 252
Interest expenses		2 185	1 881
(Increase)/decrease in inventories	15	-156 624	37 591
(Increase)/decrease in trade receivables	16	64 469	-64 093
Increase/(decrease) in trade payables		-82 700	-5 738
(Increase)/decrease in other current receivables/liabilities		24 100	44 345
Cash generated from operations		**283 103**	**195 584**
Investing activities			
Proceeds from disposal of property, plant and equipment		7 002	894
Payments for property, plant and equipment	13,25	-90 527	-47 993
Payments for intangible assets	12,25	-	-492 781
Payments to other loan receivables		-3 752	-
Proceeds from disposal of other assets		9 087	3 790
Net payment for shares in subsidiaries	25	-1 402 657	-
Change in other investments		-11 703	-
Net cash used in investing activities		**-1 492 549**	**-536 090**
Financing activities			
Proceeds from current and non-current borrowings	21	1 200 000	225 000
Repayment of current and non-current borrowings	21	-86 778	-42 166
Repayment of principal portion of lease liabilities	14,21	-59 972	-70 204
Net change in overdraft facility	21	-18 002	197 872
Capital increase - Equity	25	636 802	-
Acquisition of minorities	24	-212 702	-
Payments of dividends and group contributions	22	-150 126	-76 857
Net cash (used in)/from financing activities		**1 309 221**	**233 645**
Net increase in cash and cash equivalents		**99 775**	**-106 861**
Cash and cash equivalents at beginning of year		**21 476**	**128 337**
Cash and cash equivalents at end of year		**121 251**	**21 476**

Consolidated statement of changes in equity

(All figures in NOK 1 000)

	Note	Share capital	Share premium	Retained earnings	Equity - Owners of parent company	Non-controlling interests	Total Equity
31 December 2019 - NGAAP		**24 700**	**-**	**390 577**	**415 277**	**5 544**	**420 821**
IFRS transition effects	28			203 823	**203 823**	12 754	**216 577**
1 January 2020 - IFRS		**24 700**	**-**	**594 400**	**619 100**	**18 298**	**637 398**
Net profit for the year				75 131	**75 131**	35 292	**110 423**
Other comprehensive Income				-6 743	**-6 743**	-	**-6 743**
Total comprehensive Income for the year				68 388	**68 388**	35 292	**103 680**
Dividends				-	**-**	-12 754	**-12 754**
Group contribution				-64 103	**-64 103**	-	**-64 103**
Other effects				-1 082	**-1 082**	-	**-1 082**
Contributions by and distributions to owners				-65 185	**-65 185**	-12 754	**-77 939**
31 December 2020		**24 700**	**-**	**597 603**	**622 303**	**40 836**	**663 139**
Net profit for the year				276 721	**276 721**	4 559	**281 280**
Other comprehensive Income				-	**-**	-	**-**
Total comprehensive Income for the year				276 721	**276 721**	4 559	**281 280**
Capital increase	22	5 927	872 432	-	**878 359**	-	**878 359**
Acquisition of subsidiaries	25			-	**-**	25 753	**25 753**
Acquisition of minorities	24			-207 551	**-207 551**	-5 178	**-212 729**
Dividends				-	**-**	-35 276	**-35 276**
Group contribution	22			-114 850	**-114 850**	0	**-114 850**
Contributions by and distributions to owners		5 927	872 432	-322 401	**555 958**	-14 701	**541 257**
31 December 2021		**30 627**	**872 432**	**551 923**	**1 454 982**	**30 694**	**1 485 676**

BDO AS
Klæbuveien 127B
7031 Trondheim

Independent Auditor's Report

To the General Meeting in Måsøval AS

Opinion

We have audited the financial statements of Måsøval AS.

The financial statements comprise:	In our opinion:
• The financial statements of the group, which comprise the balance sheet as at 31 December 2021, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.	• The financial statements comply with applicable statutory requirements. • The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by laws and regulations and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors and the Managing Director (management) is responsible for the other information. The other information comprises the Board of Directors' report. Our opinion on the financial statements does not cover the other information.

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 consolidated 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.

Opinion on the Board of Director's report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view, for in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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

Trondheim, 29. August 2022
BDO AS

Arve Garberg
State Authorised Public Accountant

Note: Translation from Norwegian prepared for information purposes only.

NOTE 1 GENERAL INFORMATION AND BASIS FOR PREPARATION

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

The Måsøval AS's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) which have been adopted by the EU and are mandatory for financial years beginning on or after 1 January 2021, and Norwegian disclose requirements listed in the Norwegian Accounting Act as of 31.12.2021.

This consolidated financial statements have been prepared on the basis of previously submitted consolidated financial statements according to local accounting language (NGAAP), and are the company's first financial statements prepared in accordance with IFRS. See note 25 for details on transition effects.

The consolidated financial statements are based on historical cost, with the exception of the following:
- Biological assets valued at fair value
- Financial instruments at fair value through profit or loss and fair value through OCI (derivatives and equity instruments)

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

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

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Preparation of the consolidated financial statement in accordance with IFRS requires the use of several accounting estimates. Furthermore, the application of the Group's accounting principles requires management to exercise judgments. 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.

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

The Group's most important accounting estimates are the following items:
• Fair value of the biological assets
• The fair value of assets and liabilities in business acquisitions
• Impairment of goodwill and other intangible assets

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

Valuation is based on several assumptions that require use of judgment. The key assumptions are harvest volume, price of salmon and the discount rate. Estimated harvest volume is based on the number of fish held at sea farms, adjusted for estimated growth and mortality until the harvesting date. Uncertainty regarding biological development may affect both harvest volume and date of harvesting. Change of harvest date will affect the accounting period in the model.

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

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

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

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

NOTE 3 ACCOUNTING POLICIES

First-time adoption of IFRS

This is Måsøval AS's first consolidated accounts presented in accordance with International Financial Reporting Standards ("IFRS") as adopted by The European Union. The accounting principles described in this note have been used to prepare the company's consolidated accounts for 2021, comparable figures for 2020 and an IFRS opening balance sheet as of 1 January 2020, which is the Group's date of transition from Norwegian accounting principles (NGAAP) to IFRS.

In connection with the preparation of the IFRS opening balance sheet, the Group has made some adjustments to the accounting figures compared to those reported earlier in the Group's annual accounts that were prepared according to NGAAP. The effects of the transition are described in note 28.

Presentation Currency

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

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

Consolidation principles

The Group's consolidated financial statements comprise the parent company and its subsidiaries as of 31 December 2021.

Subsidiaries and non-controlling interests

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

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

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

There is a presumption that if the Group has the majority of the voting rights in an entity, the entity is considered as a subsidiary. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the entity. Including ownership interests, voting rights, ownership structure and relative power, as well as options controlled by the Group and shareholder's agreement or other contractual agreements.

The assessments are done for each individual investment.

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

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

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

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

Eliminations

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

Investment in associates

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

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

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

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

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

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

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

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

Classification of accounting items

Current versus non-current classification

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

The Group classifies an asset as current when it:

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

Or

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

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

The Group classifies a liability as current when it:

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

Or

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

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

Proposed dividends

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

Operational EBIT

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

Revenues

Revenue from the sale of goods

The Group's revenues mainly come from the sale of salmon. Revenue from the sale of goods is recognized at the point in time when control of the goods is transferred to the customer. Revenue is generally recognized on delivery of the goods. The timing of the transfer of risk to the customer depends on the delivery terms in the sales contracts. The normal credit term is 30 days (in rear occasions 60 days can be used) upon delivery.

Revenue from sale of services

The Group recognizes revenue from rendering of services over time, because the customer simultaneously receives and consumes the benefits provided by the Group. The Group recognizes revenue over time by measuring the progress towards complete satisfaction of the services, using either an input or output method. The method applied is the one that most faithfully depicts our progress towards complete satisfaction of the performance obligation.

Co-location agreements

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

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

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

For two of the licenses, profit after financial expenses is shared with the co-location partner and for the last license Måsøval pays a fixed fee per month. Profit sharing and fixed payments are both classified as "Profit sharing with co-location partners" in the income statement.

Loans and receivables

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

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

Segments

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

Income tax

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

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

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

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

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

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

Research and development

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

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

Biological assets

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

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

The technical model for calculating fair value is a present value model. Present value is calculated for the biomass on each site/project by estimating the future sales value less remaining production costs discounted to the present value at the balance sheet date. The fair value of fish in the sea is calculated in the present value model as a function of the expected biomass at the time of harvest multiplied by the expected sales price. For fish that are not harvestable, estimated remaining costs to breed the fish to its harvestable weight are deducted. Cash flows are discounted monthly using a discount factor. The discount factor consists of three main components: 1) risk for events that affect cash flow, 2) hypothetical license and site rent and 3) the time value of money.

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

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

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

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

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

Costs related to the non-recurring events that cause mortality are expensed in the income statement in the period it occurs. Such costs are included in the operational result. Non-recurring events that cause mortality is defined as an incident of not normal nature that has a significant economic impact. A specific assessment is made of every incident that has caused increased mortality. This assessment is done by the regional management in close dialogue with the group management to ensure consistent classification within the Group. Events defined as non-recurring are for example, outbreaks of disease, algae attack, treatment losses, extreme weather and statutory orders of destruction of salmon that amounts to a significant value for the Group.

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

The Group enters into contracts for future delivery of salmon. Biological assets are recognized at fair value. The fair value adjustment in the income statement includes the change in fair value of the biological assets, expected cost for fulfilling the sales contracts and financial Fish Pool contracts. The Group may have onerous contracts under IAS 37 even if the contract price for physical delivery contracts is higher than the actual production cost of the products. In that case, a provision is made for the estimated negative value. The provisions are classified as other current liabilities.

Fair value adjustment recognized in the financial accounts in the period include 1) changes in the fair value of biological assets, 2) changes in fair value (liabilities) related to onerous contracts and 3) change in unrealized value of financial purchase and sales contracts (derivatives)at Fish Pool. Fish Pool contracts are treated as financial instruments in the balance sheet, where unrealized gains are classified as other receivables and unrealized losses are classified as other current liabilities

Tangible assets

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

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

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

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

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

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

Leases

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

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

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

The group rents office space, machinery, equipment, boats and rafts. The duration of the leases is different, and at expiration the group often purchase of the underlying fixed assets. Purchase options that are likely to be exercised are included in the lease payments used to recognize assets and liabilities

Lease liabilities

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

The lease payments included in the measurement comprise of:

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

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

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

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

Right-of-use assets

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

- The amount of the initial measurement of the lease liability recognized
- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Group. An estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

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

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

Intangible assets

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

Internally generated intangible assets, excluding capitalized development costs, are not capitalized but are expensed as occurred.

The economic life is either definite or indefinite. Intangible assets with a definite economic life are amortized over their economic life and tested for impairment if there are any indications. The amortization method and period are assessed at least once a year. Changes to the amortization method and/or period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life are tested for impairment at least once a year, either individually or as a part of a cash-generating unit. Intangible assets with an indefinite economic life are not amortized. The economic life is assessed annually with regard to whether the assumption of an indefinite economic life can be justified. If it cannot, the change to a definite economic life is made prospectively.

Fish-farming licenses

The Group operates licenses with an MAB of 15,814 tonnes at the end of 2021, of which 3,721 tonnes purchased in 2021. Acquired licenses are capitalized at cost. According to the past and present legislation and general interpretation and practice in the industry the fish-farming licenses are deemed to have an indefinite useful life and are not amortized. They are tested annually for impairment, or more frequently if there is indication of impairment.

Business combinations and goodwill

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

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

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

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

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

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

Impairment testing

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

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

Government grants

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

Financial instruments

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

Financial assets

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Group classified its financial assets in four categories:

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

Financial assets at amortized cost

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

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

Financial assets at fair value through OCI

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

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

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group´s debt instruments at fair value through OCI includes investments in quoted instruments.

Equity instruments designated at fair value through OCI

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

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

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

Derivatives at fair value designated as hedging instruments

Derivatives at fair value are carried in the statement of financial position at fair value with net changes in fair value in profit and loss as financial items.

The category includes foreign exchange contracts and interest rate swaps.

Derecognition of financial assets

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

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

Financial liabilities

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

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

Loans, borrowings and payables

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

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

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

Derecognition of financial liabilities

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

Cash flow hedges

The Group uses only derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The forward premium of currency contracts is excluded from the hedging relationship and is accounted for as cost of hedging.

Fair value hedges and hedges of a net investment is not applicable to the group.

Provision for losses on financial assets

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

Inventories

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

Cash and cash equivalents

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

In the statement of cash flows, the overdraft facility is stated minus the balance of cash and cash equivalents.

Equity and liabilities

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

Interest, dividend, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or income. Amounts distributed to holders of financial instruments that are classified as equity will be recorded directly in equity.

Treasury shares

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

Costs of equity transactions

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

Employee benefits

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

In the case of contribution plans, the company pays contributions to an insurance company. The company has no further payment obligation after the contributions have been paid. The contributions are accounted for as payroll costs. Any prepaid contributions are capitalized as an asset (pension funds) to the extent that the contributions can be refunded or reduce future payments.

The AFP scheme is an unsecured performance-based 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. Måsøval Åsen AS participates in the AFP scheme.

Provisions

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

Contingent liabilities and assets

Contingent liabilities are not recognized in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred.

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

Events after the reporting period

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

Amendments to standards and interpretations with a future effective date

Standards and interpretations that are issued up to the date of issuance of the consolidated financial statements, but not yet effective are disclosed below. The Group's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current

The International Accounting Standards Board has issued amendments to IAS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current.

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The amendments clarify:

- The meaning of right to defer settlement
- That the right to defer must exist at the end of the reporting period
- That classification is not affected by the probability that an entity will exercise its deferral right
- That the terms of a liability would not impact its classification, only if an embedded derivative is an equity instrument itself.

The amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2023. The Group does not intend to early adopt the amendments.

It is expected that the amendments have no effects for the Group.

Amendments to IAS 16 - Proceeds before Intended Use

The amendments prohibit a company from deducting from the cost of property, plant and equipment any proceeds from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such proceeds and related cost in profit or loss.

The amendment must be applied retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, but earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS Standards (March 2018). The Group does not intend to early adopt the amendments.

It is expected that the amendments have no effects for the Group.

Amendments to IAS 8 - Definition of Accounting Estimates

IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

The amendments are effective for annual periods beginning on or after 1 January 2023, but earlier application is permitted. The Group does not intend to early adopt the amendments.

It is expected that the amendments have no effects for the Group.

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting policies

Following feedback that more guidance was needed to help companies decide what accounting policy information should be disclosed, IASB has issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments. The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendments are effective for annual periods beginning on or after 1 January 2023, but earlier application is permitted as long as this fact is disclosed. The Group does not intend to early adopt the amendments.

It is expected that the amendments have no effects for the Group.

Annual Improvements 2018-2020 Cycle (Issued May 2020)

IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. In determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. No similar amendment has been proposed for IAS 39.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

IAS 41 Agriculture - Taxation in fair value measurements

The amendment removes the requirements in IAS 41.22 Agriculture for entities to exclude cash flows for taxation when measuring the fair value of assets applying IAS 41.

An entity applies the amendment to fair value measurements on or after the beginning of the first annual reporting beginning on or after 1 January 2022. Earlier application is permitted.

NOTE 4 FINANCIAL INSTRUMENTS - RISK MANAGEMENT

Financial risk

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

The Group's functional currency is Norwegian Krone (NOK).

Interest rate risk

The Group's debt carries floating interest rates, which implies that the Group is exposed to changes in interest rates. Floating interest rates have been chosen for two reasons: i) floating interest rates are considered to provide the lowest interest rate in the long run, and ii) floating interest rates provide greater flexibility in dealing with the Group's changes in financing needs as caused by the Group's growth ambitions. Given the Groups net interest bearing debt on 31 December 2021, an increase of 100 basis point in the interest rates level would decrease the Group's profit by NOK 19,123 thousand, assuming all other variables constant.

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

Interest rate swaps

Currency	MNOK	Receives	Pays	Date of payment
NOK	21.4	Floating	Fixed	2027
NOK	20.00	Floating	Fixed	2031

Foreign exchange risk

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

As of 31 December 2021, the Group's currency risk is related to outstanding trade receivables and deposits in foreign exchange accounts. For details on outstanding trade receivables, see note 16. The Group has bank accounts in several different currencies, as of 31 December the Group has deposited of EURO 712 thousand, other currency accounts contain insignificant amounts. Outstanding accounts payable is immaterial.

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

Forward rate agreements

Currency	Net purchase/ sale	Term
EURNOK	2.6	3 month

Credit Risk

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

NOTE 4 - continued

Price/liquidity risk

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

Fluctuation in salmon prices and harvesting volume are the most important factors affecting liquidity. In short term the largest single factor associated with liquidity risk will be fluctuations in salmon prices. In longer terms (> 6 months), a major, negative biological event at sea will have the largest effect on the liquidity together with salmon prices. At the end of 2021 and through 2021 Måsøval has complied with all of its loan covenants. Overall, the Group's liquidity risk is considered to be at an acceptable level.

Maturity structure for financial liabilities

Year ended 31 Dec 2021	**Total**	**2022**	**2023**	**2024**	**2025**	**After 2025**
(All figures in NOK 1 000)						
Long-term debt	1 684 074	126 058	125 119	1 427 778	5 119	-
Interest on long-term debt	95 952	40 526	37 386	17 975	64	-
Lease liabilities	405 332	99 112	104 756	97 657	30 879	72 928
Interest on lease liabilities	27 101	9 576	6 893	4 182	2 357	4 092
Accounts payables	175 795	175 795	-	-	-	-
Total	**2 388 255**	**451 068**	**274 155**	**1 547 592**	**38 420**	**77 020**

Year ended 31 Dec 2020	**Total**	**2021**	**2022**	**2023**	**2024**	**After 2024**
(All figures in NOK 1 000)						
Long-term debt	492 900	30 100	30 100	432 600	100	-
Interest on long-term debt	20 103	8 392	7 865	3 816	30	-
Leasing liabilities	149 724	59 057	21 375	19 121	14 875	35 297
Interest on leasing liabilities	8 508	2 858	1 868	1 362	955	1 466
Accounts payables	65 615	65 615	-	-	-	-
Total liabilities	**736 850**	**166 021**	**61 207**	**456 899**	**15 960**	**36 763**

Financial assets by category

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

The Group uses forward currency contracts to hedge against fluctuation in exchange rates that arise during its operational activities and also some interest rate swaps to reduce interest rate risk. These contracts are initially recognized at fair value. Changes in fair value related to instruments which does not qualify for hedge accounting are recognized in profit and loss. The amounts related to currency contracts and interest rate swaps are considered immaterial as of 31 December 2021.

Financial assets measured at fair value in the other comprehensive income

The Group investments in equity instruments are classified as instruments measured at fair value in the other comprehensive income. As of 31 December 2021 the Groups investments in equity instruments are immaterial.

NOTE 4 - continued

Financial assets at amortised cost

Financial assets at amortised cost includes mainly trade and other receivables and cash and cash equivalent.

Trade and other receivables are part of the Group's business model with the sole objective to collect contractual cash flows. Additionally, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount
outstanding, thereby passing the "SPPI test", constituting debt instruments measured at amortised cost.

Financial liabilities at amortised cost

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

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

Year ended 31 Dec 2020	Financial assets at amortized cost	Financial assets at fair value through profit and loss	Total
(All figures in NOK 1 000)			
Accounts receivables	97 682	-	97 682
Cash and cash equivalents	21 476		21 476
Total assets	**119 158**	**-**	**119 158**
Loans	692 666	-	692 666
Financial lease	149 708	-	149 708
Account payables	65 615	-	65 615
Total liabilities	**907 989**	**-**	**907 989**

NOTE 4 - continued

Fair value of financial instruments

Fair value of financial instruments recognized at amortized cost

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

Fair value measurement of financial instruments

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

Level 1: Listed price in an active market for an identical asset or liability
Level 2: Valuation based on other observable factors either directly (price) or indirectly (price-derived) than listed price (used in level 1) for assets or liabilities
Level 3: Valuation based on factors not taken from observable markets (non-observable assumptions)

The Group has two smaller equity investments as of 31 December 2021. These are valued at fair value above OCI. In terms of amount, these investments are not considered material for the consolidated financial statements.

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

As of 1 January 2020, the Group has a shareholding valued at Level 1 booked at MNOK 62.1. These shares had been owned for many years as a strategic investment, but were sold to a related party during 2020. The shareholding consist of shares in a company listed on Oslo Stock Exchange.

NOTE 5 BUSINESS SEGMENTS

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

Management monitors and allocates resources to the Group's business activities as two operating segments, "Farming" and "Sales & Processing". Hence, Måsøval reports the Group's financial performance as two operating segments: "Farming" and "Sales & Processing". The Farming segment includes the purchase of salmon roe, farming on land and sea, related service activities and the sale of salmon to exporters. The Sales and Processing segment includes harvesting activities and the sale of salmon and other species of fish in Norway and for export. Farming sites are located on Frøya, Aukra, Kristiansund and Vartdal. Following the acquisition of the Vartdal Group in December 2021, the Group will from 2022 manage the business as three segments, where Farming is split into Farming Mid and Farming West.

No operating segments have been aggregated to form the above reportable operating segments.

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

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

Information regarding the Group's reportable segments is presented below. Segment are reported according to NGAAP, IFRS adjustments are shown in a separate column.

Year ended 31 Dec 2021	**Farming**	**Sales & processing**	**Other / eliminations*)**	**IFRS adjustments**	**Måsøval Group**
(All figures in NOK 1 000)					
Internal operating revenue - sale of goods and services	268 170	-	-268 170	-	-
External operating revenue - sale of goods and services	711 034	405 739	-	-24 495	1 092 278
Other operating revenues	100 541	32 685	-14 445	4 280	123 061
Total operating revenues	**1 079 744**	**438 425**	**-282 615**	**-20 215**	**1 215 339**
Operating expenses	711 883	422 358	-246 787	-69 651	817 803
Depreciation and amortization	49 772	2 860	15 827	36 681	105 140
Operational EBIT	**318 089**	**13 206**	**-51 655**	**12 755**	**292 396**
Operational EBIT-%	29.5 %	3.0 %			24.1 %
Volume harvested	16 888	6 807			
Sales price per kg salmon	58.0	59.6			
Operational EBIT per kg salmon	18.8	1.9			

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

NOTE 5 - continued

Year ended 31 Dec 2020	Farming	Sales & processing	Other / eliminations*)	IFRS adjustments	Måsøval Group
(All figures in NOK 1 000)					
External operating revenue - sale of goods and services	858 176	-	-	-	858 176
Other operating revenues	69 935	-	-	-26 920	43 015
Total operating revenues	**928 111**	**-**	**-**	**-26 920**	**901 191**
Operating expenses	632 522	-	23 601	-64 167	591 956
Depreciation and amortization	45 482	-	5 035	31 736	82 253
Operational EBIT	**250 107**	**-**	**-28 636**	**5 511**	**226 982**
Operational EBIT-%	26.9 %				25.2 %
Volume harvested	16 253				
Sales price per kg salmon	52.8				
Operational EBIT per kg salmon	15.4				

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

NOTE 6 REVENUES

Disaggregation of Revenue

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

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic date; and
- enable users to understand the relationship with revenue segment information provided in note 5

Revenues based on geographic location of customers	2021	2020
(All figures in NOK 1 000)		
Norway	865 207	889 057
Europe, without Norway	299 373	12 135
Asia	46 594	-
Other countries	4 163	-
Total	**1 215 337**	**901 192**

Revenues by product or service	2021	2020
(All figures in NOK 1 000)		
Sale revenue salmon	1 092 277	858 185
Other revenue	123 060	43 007
Total	**1 215 337**	**901 192**

Operating revenues

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

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

Other revenue

Other revenue consist of income from harvesting activities, sale of smolt and sale of services related to fish farm activities.

NOTE 7 EMPLOYEE BENEFIT EXPENSES

(All figures in NOK 1 000)	2021	2020
Salaries	121 821	86 897
Payroll tax	8 404	4 416
Pension expenses	8 300	7 302
Social cost	2 021	657
Other expenses	176	3 120
Total	**140 722**	**102 392**
Number of employees at year end	221	116

Key management and board - compensation 2021

(All figures in NOK 1 000)	Salary	Bonus	Pension	Fees	Other	Total
CEO	1 963	1 714	81	-	304	4 062
Group management (excluding CEO)	6 791	2 045	405	-	484	9 725
Total compensation to management	**8 754**	**3 759**	**486**	**-**	**788**	**13 787**
Board				1 013	-	1 013

Key management and board - compensation 2020

(All figures in NOK 1 000)	Salary	Bonus	Pension	Fees	Other	Total
CEO	2 027	1 299	88	-	326	3 740
Group management (excluding CEO)	6 330	674	394	-	432	7 830
Total compensation to management	**8 357**	**1 973**	**482**	**-**	**758**	**11 570**
Board				780	-	780

Pension

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

Audit fees

Audit fees to the auditors in the group entities is as follows (excluding VAT)	2021	2020
(All figures in NOK 1 000)		
Statutory audit	881	447
Other assurance services	113	89
Other non-assurance services	762	185
Total	**1 756**	**721**

NOTE 8 OTHER OPERATING EXPENSES

	2021	2020
(All figures in NOK 1 000)		
Lease payments	2 151	3 780
Maintenance	41 509	31 860
Energy	10 061	4 402
Freight	33 030	602
Public fees	281	166
Renovation	2 959	2 665
Professional fees	11 452	4 589
Other	1 837	39 377
Other operating expenses	**103 280**	**87 442**

NOTE 9 FAIR VALUE ADJUSTMENTS

The groups biomass are valued at fair value less costs to sell, in accordance with IAS 41 Agriculture. Fair value adjustments are part of the Groups operating profit/loss, but are presented on a separate line to provide a better understanding of the Groups profit /loss on sold goods.

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

Specification of fair value adjustments in the income statement	**2021**	**2020**
(All figures in NOK 1 000)		
Change in fair value of the biomass	112 264	-71 752
Change in fair value - foreign currency forward contracts	494	-
Change in fair value recognised in Net profit or loss for the year	**112 758**	**-71 752**
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	-	-6 743
Change in fair value recognised in Other comprehensive income	**-**	**-6 743**
Change in fair value recognised in Total comprehensive income for the year	**112 758**	**-78 495**

Specification of fair value adjustments in the balance sheet	**2021**	**2020**	**01.01.2020**
(All figures in NOK 1 000)			
Fair value adjustments of the biomass	209 931	60 672	132 425
Fair value adjustments Equity instruments	-	-	59 587
Fair value adjustments other financial instrument	140	-	-
Net change in fair value in the balance sheet	**210 071**	**60 672**	**132 425**

NOTE 10 FINANCE INCOME AND EXPENSE

Finance income	2021	2020
(All figures in NOK 1 000)		
Interest income	234	1 435
Net income from associated companies	-1 309	-1 281
Foreign exchange gains	601	-
Other finance income	6 202	8 234
Total finance income	**5 728**	**8 388**

Finance expenses	2021	2020
(All figures in NOK 1 000)		
Interest on debts and borrowings	21 267	11 053
Interest from leases	5 561	5 453
Foreign exchange losses	834	-
Loss from sale of associated company	10 800	-
Other finance expense	11 265	25
Total finance expense	**49 727**	**16 531**

NOTE 11 INCOME TAX

Income tax expense:	**2021**	**2020**
(All figures in NOK 1 000)		
Current income tax	37 497	13 218
Changes in deferred tax	36 660	14 931
Net tax effect of group contribution	-22 187	-14 103
Total income tax expense	**51 970**	**14 046**

Temporary differences and tax positions	**2021**	**2020**	**Changes**
(All figures in NOK 1 000)			
Licenses	1 293 871	18 881	1 274 990
Fixed assets	167 596	197 204	-29 608
Deferred income recognition from gain on sale of PP&E	6 673	1 389	5 284
Temporary differences through joint production partnerships	5 997	237 207	-231 210
Current assets	487 721	114 295	373 426
Biological assets	209 931	49 114	160 817
Leasing	42 563	26 777	15 786
Provisions	-	-5 040	5 040
Group contribution	-	-114 850	114 850
Total temporary differences and tax positions	**2 214 352**	**524 977**	**1 689 375**
Temporary differences and tax positions not included in the basis for deferred tax	-	-	-
Basis for deferred tax	2 214 352	524 977	1 689 375
Net deferred tax	**487 157**	**115 495**	**371 663**
Change in deferred tax as a result of acquisitions *)			-357 190
Change in deferred tax from Group contribution			22 187
Deferred tax recognized in the income statement			**36 660**

*) Mostly related to identified added value on licenses and tangible assets

Reconciliation of effective tax rate	**2021**	**2020**
(All figures in NOK 1 000)		
Profit before tax	333 250	124 469
Income tax based on applicable tax rate (22%)	73 315	27 383
Non taxable items (1)	842	766
Net tax effect of group contribution	-22 187	-14 103
Income tax expense	**51 970**	**14 046**
Effective tax rate	15.6 %	11.3 %

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

NOTE 12 INTANGIBLE ASSETS

	Goodwill	Fish-farming licenses	Total intangible assets
(All figures in NOK 1 000)			
Cost as of 31.12.2019	34 568	284 418	318 986
Additions	-	492 781	492 781
Cost as of 31.12.2020	34 568	777 199	811 767
Additions through business combinations	404 395	1 291 567	1 695 962
Cost as of 31.12.2021	438 963	2 068 766	2 507 729
Carrying amount as of 31.12.2019	**34 568**	**284 418**	**318 986**
Carrying amount as of 31.12.2020	**34 568**	**777 199**	**811 767**
Carrying amount as of 31.12.2021	**438 963**	**2 068 766**	**2 507 729**
Carrying amount of assets with indefinite life	438 963	2 068 766	2 507 729

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

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

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

Company/Group	Acquisition year	Acquisition cost	Recognized Goodwill
(All figures in NOK 1 000)			
Måsøval Åsen AS	2019	83 662	34 568
Stokkøy Skjell AS	2021	23 619	6 260
Pure Norwegian Seafood AS	2021	59 411	4 616
Pure Farming AS	2021	216 192	50 440
Vartdal Group (5 companies)	2021	1 376 949	343 079
Total		**1 759 833**	**438 963**

Specification of farming licenses		No. of licenses	MAB*) Tonnes	Cost	Net book value***)
(All figures in NOK 1 000, except No. Of licenses and MAB Tonnes)					
Farming Mid**)	Smolt	2		18 881	18 881
Farming Mid**)	Farming	12	11 416	1 019 735	1 019 735
Farming West	Smolt	2		163 000	163 000
Farming West	Farming	6	4 398	867 150	867 150
Total Group		**22**	**15 814**	**2 068 766**	**2 068 766**

*) Maximum allowed biomass

**) Including 4 development licenses related to the Aqua Semi project (3,120 tons MAB)

***) Part of the excess value of licenses purchased through the acquisition of the Vartdal Group is allocated to the Farming Mid segment. The acquisition adds value to the Farming Mid segment by increased flexibility on production and reduced risk as a result of increased geographical spread in locations.

Total MAB can be utilized collectively between production area 5 (Farming West) and 6 (Farming Mid)

NOTE 12 - continued

Annual testing for impairment of goodwill

The Group's operations are strongly related to each other and identified added values and goodwill in the event of acquisitions are largely valued based on synergies and an integrated business. All production management, evaluation of harvesting plans, etc. are treated as one production unit in the Group. Although the synergies and close integration the Group will monitor the business as three segments after the acquisition of the Vartdal Group. There is thereby identified three cash flow generating units (CGU): "Farming West", "Farming Mid" and "Sales & processing".

Based on the synergies and close integration the Group has made an allocation of identified added value on licenses and Goodwill to existing segments.

Based on the assumption that the acquisition simplifies logistics and planning in operation at sea, goodwill regarding acquisition of processing facilities and sales organisation is allocated to the respective farming segments.

Part of the excess value on licenses and identified goodwill regarding the acquisition of the Vartdal Group is allocated to the Farming Mid segment. The acquisition adds value to the Farming Mid segment by increased flexibility in production planing and reduced risk as a result of increased geographical spread in locations.

Intangible assets by CGU as of 31.12.2021	**Goodwill**	**Licenses**	**Total**
(All figures in NOK 1 000)			
Farming Mid	181 654	1 038 616	1 220 270
Farming West	257 309	1 030 150	1 287 459
Sales & processing *)	-	-	-
Total as of 31.12.21	**438 963**	**2 068 766**	**2 507 729**

*) Identified goodwill regarding the acquisition of the Sales & Processing segment is considered to belong to the Farming segments based on the fact that ownership of the entire value chain simplifies production planning throughout the value chain. Thereby the goodwill related to the "Sales & processing" are allocated to the two CGU's Farming West (NOK 11.5 million) and Farming Mid (NOK 4.6 million).

Annual impairment test of goodwill and licenses

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

Estimated future cash flows are based on budgets and forecast for the next 5 years and a terminal value. Terminal value is calculated using a growth rate of 2.0 per cent reflecting the future estimated inflation.

Estimated value will be affected by the following key assumptions:

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

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

Operational EBITDA per kg salmon is highly volatile due to the fluctuation in the price of salmon. Estimated salmon prices are based on actual long-term price levels in the market in which the fish are sold. Production costs are more stable and are estimated based on historical costs adjusted for inflation and known changes. In the impairment test we have used a terminal value of NOK 20.68 in Farming West and NOK 22.76 in Farming Mid.

NOTE 12 - continued

Harvest volume are estimated on the basis of current production and harvesting plans adjusted for expected increases in future output given current licenses.

The impairment test did not give indications for write downs of the book value of the licenses at 31 December 2021. There are significant positive differences between estimated recoverable amounts and book values.

Sensitivity

The following changes in key assumption would result in the value in use being equal to the carrying amount.

		Fish farming West	Fish farming Mid
EBITDA margin per kg (NOK)	Change in EBITDA per kg (NOK)	-9.67	-14.81
Discount rate (percent)	Change in percentage points	5.0	10.8
Future harvest volume (tonnes)	Percentage change in volume	-45.1 %	-61.8 %

Any changes in key assumption that would result in the value in use being equal to the carrying amount is consider to exceed reasonable changes.

NOTE 13 PROPERTY, PLANT AND EQUIPMENT

	Properties	Farming facilities and floating installations	Vessels	Operating equipment	Total
(All figures in NOK 1 000)					
Cost as of. 31.12.2019	5 028	110 776	188 707	46 391	350 902
Additions	2 212	33 409	7 735	4 638	47 993
Disposals	-	-	-550	-382	-932
Cost as of 31.12.2020	7 240	144 185	195 892	50 647	397 964
Additions	57 425	16 103	-0	16 999	90 527
Additions through business combinations	151 838	65 725	5 195	15 253	238 011
Disposals	-5 327	-	-2 780	-	-8 107
Cost as of 31.12.2021	211 176	226 013	198 307	82 899	718 395
					-
Accumulated depreciation and impairments as of 31.12.2019	2 631	66 707	105 540	33 144	208 021
Depreciation	168	5 951	11 416	4 308	21 843
Disposals	-	-	-152	-	-152
Accumulated depreciation and impairments as of 31.12.2020	2 799	72 658	116 804	37 452	229 713
Depreciation	2 867	12 745	17 877	2 985	33 607
Disposals	-129	-	-1 502	-	-1 502
Accumulated depreciation and impairments as of 31.12.2021	5 537	85 403	133 179	40 437	264 556
Carrying amount as of 31.12.2019	**2 397**	**44 069**	**83 168**	**13 248**	**142 881**
Carrying amount as of 31.12.2020	**4 441**	**71 527**	**79 088**	**13 195**	**168 251**
Carrying amount as of 31.12.2021	**205 639**	**140 610**	**65 128**	**42 462**	**453 839**
Economic life	5 - 7 year	7 - 15 year	3 - 7 year	3 - 7 year	
Depreciation method	Linear	Linear	Linear	Linear	

NOTE 14 RIGHT-TO-USE ASSETS AND LEASE LIABILITIES

Right of use asset

The Group's leased assets include offices and other real estate. The Group's right of use assets are categorized and presented in the table below:

Right of use assets	**Vessel**	**Land and buildings**	**Other**	**Total**
(All figures in NOK 1 000)				
At 1 January 2020	118 344	96 865	1 400	216 609
Additions	23 198	1 944	224	25 366
Amortisation	-47 008	-13 257	-144	-60 409
At 31 December 2020	**94 534**	**85 552**	**1 480**	**181 566**
At 1 January 2021	94 534	85 552	1 480	181 566
Additions	182 446	36 354	14 431	233 231
Additions through business combinations	17 783	80 827	32 402	131 012
Amortisation	-51 193	-17 521	-3 253	-71 967
At 31 December 2021	**243 570**	**185 211**	**45 060**	**473 841**
Economic life/lease term	5 - 15 year	3 - 7 year	3 - 7 year	
Amortisation method	Straight line	Straight line	Straight line	

Lease liabilities

Undiscounted lease payments and year of payment	**2021**	**2020**
(All figures in NOK 1 000)		
Less than 1 year	103 701	59 152
1-3 years	216 429	44 384
3-5 years	53 726	44 572
more than 5 years	31 477	1 600
Total undiscounted lease payments	**405 333**	**149 708**

Changes in lease liabilities	
(All figures in NOK 1 000)	
At 1 January 2020	193 424
Additions	26 488
Interest expenses	5 453
Lease payments	-75 657
At 31 January 2020	**149 708**
At 1 January 2021	149 708
Additions	315 597
Interest expenses	5 561
Lease payments	-65 533
At 31 January 2021	**405 333**

NOTE 14 - continued

Specification of lease liabilities	2021	2020
(All figures in NOK 1 000)		
Current lease liabilities	103 701	59 152
Non-current lease liabilities	301 632	90 556
Total	**405 333**	**149 708**

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

Lease payment expensed

	2021	2020
(All figures in NOK 1 000)		
Expensed lease payment for short-term leases and low value leases	138	197
Variable lease payments	2 013	3 583
Total lease payments expensed	**2 151**	**3 780**

NOTE 15 BIOLOGICAL ASSETS AND OTHER INVENTORIES

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

Book value of biological assets and inventory	**31.12.2021**	**31.12.2020**	**01.01.2020**
(All figures in NOK 1 000)			
Feed inventory	20 049	9 260	8 312
Finished goods	6 089	-	-
Total other inventory	**26 138**	**9 260**	**8 312**
Biological assets	699 558	401 748	440 289
Total biological assets and other inventory	**725 696**	**411 008**	**448 601**

Fair value

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

Book value of biological assets recognised at fair value	**31.12.2021**	**31.12.2020**	**01.01.2020**
(All figures in NOK 1 000)			
Biological assets held at sea farms at cost	413 634	313 935	271 996
Fair value adjustment of biological assets	209 931	60 672	132 425
Total biological assets held at sea by fair value	**623 565**	**374 607**	**404 421**
Roe and smolt at cost	75 993	27 140	35 868
Total biological assets	**699 558**	**401 748**	**440 289**

Change in the book value of biological assets held at sea farm carried at fair value	**2021**	**2020**
(All figures in NOK 1 000)		
Biological assets held at sea farm 1 Jan	374 607	404 421
Increase from acquisitions	105 706	-
Increase resulting from production/purchase	651 160	595 616
Reduction resulting from sale/harvesting	-620 173	-553 676
Reduction resulting from incident-based mortality	-	-
Net fair value adjustment	112 264	-71 753
Biological assets held at sea farm Dec	**623 565**	**374 607**

NOTE 15 - continued

Incident-based mortality

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

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

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

Biological assets held at sea farms 31. Dec 2021	Biomass (tonnes)	Cost	Fair value adjustment	Carrying amount
< 1 kg (LW)	2 027	119 688	14 017	133 705
1-4 kg	9 457	293 946	195 913	489 860
> 4 kg (GW)	-	-	-	-
Biological assets held at sea farms	11 483	413 634	209 931	623 565
Roe, fry, smolt and arctic char fish at cost		75 993	-	75 993
Biological assets total	11 483	489 627	209 931	699 558

Biological assets held at sea farms 31. Dec 2020	Biomass (tonnes)	Cost	Fair value adjustment	Carrying amount
< 1 kg (LW)	-	5 216	-	5 216
1-4 kg	8 150	301 624	67 452	369 077
> 4 kg (GW)	217	7 095	-6 780	315
Biological assets held at sea farms	8 367	313 935	60 672	374 607
Roe, fry, smolt and arctic char fish at cost		27 140	-	27 140
Biological assets total	**8 367**	**341 075**	**60 672**	**401 748**

Biological assets held at sea farms 1. Jan 2020	Biomass (tonnes)	Cost	Fair value adjustment	Carrying amount
< 1 kg (LW)	1 801	96 052	38 049	134 101
1-4 kg	5 490	164 712	92 776	257 488
> 4 kg (GW)	317	11 231	1 600	12 831
Biological assets held at sea farms	7 609	271 996	132 425	404 421
Roe, fry, smolt and arctic char fish at cost		35 868	-	35 868
Biological assets total	**7 609**	**307 864**	**132 425**	**440 289**

NOTE 15 - continued

The fair value calculation is based on following forward prices:

Expected harvesting period:	Forward price 31.12.2021
Q1-2022	68.70
Q2-2022	68.20
Q3-2022	56.40
Q4-2022	62.30
Q1-2023	65.00
Q2-2023	65.50
Q3-2023	55.00
Q4-2023	56.50

Expected harvesting period:	Forward price 31.12.2020
Q1-2021	50.30
Q2-2021	56.80
Q3-2021	53.70
Q4-2021	55.80
Q1-2022	60.30
Q2-2022	63.40
Q3-2022	52.80
Q4-2022	55.50

Discount rate

The discount rate at 31.12.2020 and 31.12.2021 was 5 % per month, which reflects the biomass capital cost, risk and synthetic license fees and site rental charges. Discount rate at 1.1.2020 was 6 % per month.

Sensitivity assessment

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

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

NOTE 16 ACCOUNTS RECEIVABLES

Accounts receivables

	2021	2020
(All figures in NOK 1 000)		
Accounts receivables at face value as of 31.12	194 004	97 682
Less: Provision for impairment of accounts receivables	438	-
Net accounts receivables	**193 566**	**97 682**

	2021	2020
Receivables written off during the year	645	-
Changes in provision during the year	-362	-
Impairment loss during the year	**283**	**-**

Provisions for losses as of 31 December 2021 are largely based on an overall assessment of outstanding accounts receivables, a specific provision has also been made for accounts receivable at a nominal amount of NOK 65 thousand. Total provision was NOK 438 thousand.

Maturity profile trade receivables

	Not due	<30d	30-60d	60-90d	>90 d	Total
(All figures in NOK 1 000)						
Accounts receivables 2021	167 692	11 524	2 588	1 541	10 221	193 566
Accounts receivables 2020	88 537	3 940	2 824	861	1 520	97 682

At 31 December 2021, accounts receivables of NOK 26 million were past due date but not impaired. There have been no earlier defaults on these customers obligations to the Group. Around 10 million of claims overdue more than 90 days relate to related parties. Separate agreements have been entered into regarding the payment of these outstanding.

There have been no credit losses in the Group until 2020. All provisions in 2021 is related to the subsidiary Pure Norwegian Seafood AS (PNS). Provisions are based on an individual assessment of all significant receivables and an individual provision where this is deemed necessary. Credit losses are measured on the basis of expected loss over the remaining life of the exposure, and not based on a 12-month expected loss. Historical losses in PNS have been low.

PNS also has also entered into credit insurance agreements. There are separate agreements on each customer. The terms are approximately the same, but the framework varies. Formally, the claims have been transferred to a factoring company under a factoring agreement. The factoring company is thus formally policyholder in this context. A standard insurance covers up to 90% of receivables within the limit of credit of up to 90 days.

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

Foreign currency exposure receivables:

	2021	2020
(All figures in NOK 1 000)		
EUR	58 624	-
JPY	6 407	-
USD	5 280	-
CHF	260	-
NOK	122 995	97 682
Total book value accounts receivables	**193 566**	**97 682**

NOTE 17 CASH AND CASH EQUIVALENTS

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

	31.12.2021	**31.12.2020**	**01.01.2020**
(All figures in NOK 1 000)			
Bank deposits, unrestricted	115 164	17 696	124 726
Bank deposits, restricted	6 088	3 780	3 611
Cash and cash equivalents in the statement of financial position	**121 252**	**21 476**	**128 337**

NOTE 18 INVESTMENTS IN ASSOCIATED COMPANIES

	Tjeldbergodden Rensefisk AS	Pure Shipping AS
Ownership	**30%**	**30%**
(All figures in NOK 1 000)		
Opening balance as of 01.01.20	5 339	-
Share of profit/(loss) 2020	-1 281	-
Closing balance as of 31.12.20	**4 059**	**-**
Additions	-	11 159
Share of profit/(loss) 2021	-1 309	-
Realized loss on disposal	-	-7 326
Disposals	-2 750	-3 833
Closing balance as of 31.12.21	**-**	**-**

Tjeldbergodden Rensefisk AS was owned by Måsøval AS and sold during 2021.

NOTE 19 INTEREST-BEARING DEBT

The Groups credit facility total MNOK 1,997 of which a revolving facility of MNOK 550, repayments loans MNOK 1,184, an overdraft facility of MNOK 300 (of which 180 is drawn) and a factoring agreement of MNOK 50 (of which MNOK 13 is drawn). Revolving facility and repayments loans expires 28 November 2023.

Interest on the debt is floating and linked to the 3-month NIBOR plus a margin.

Non-current borrowing	**2021**	**2020**	**2019**
(All figures in NOK 1 000)			
Mortgage debt	1 560 312	463 795	1 559
Non-current liabilities for right-of-use assets	301 632	90 556	123 220
Total non-current borrowing	**1 861 944**	**554 351**	**124 779**

Next years instalment on non-current debt	**2021**	**2020**	**2019**
(All figures in NOK 1 000)			
Mortgage debt	121 137	30 305	309 708
Overdraft facility	193 644	198 566	694
Current liabilities for right-of-use assets	103 701	59 152	70 204
Total current borrowing	**418 482**	**288 023**	**380 606**

Total borrowing	**2021**	**2020**	**2019**
(All figures in NOK 1 000)			
Mortgage debt	1 681 449	494 100	311 267
Overdraft facility	193 644	198 567	695
Total liabilities for right-of-use assets	405 333	149 708	193 424
Total	**2 280 426**	**842 375**	**505 386**

Mortgage-backed liabilities	**2021**	**2020**	**2019**
(All figures in NOK 1 000)			
Mortgage debt	1 681 449	494 100	311 267
Overdraft facility	193 644	198 567	695
Total mortgage-backed liabilities	**1 875 093**	**692 667**	**311 962**

Carrying amount of pledged assets

	2021	**2020**	**2019**
(All figures in NOK 1 000)			
Accounts receivables	193 566	97 682	33 589
Inventories	725 696	411 009	448 601
Equipment and aquaculture licenses	2 522 605	945 450	427 299
Total carrying amount of pledge assets	**3 441 867**	**1 454 142**	**909 489**

NOTE 19 - continued

Maturity structure long term debt

	2021	2020	2019
(All figures in NOK 1 000)			
less than 1 year	225 170	89 457	379 911
between 1 and 3 years	1 747 874	503 853	97 093
between 3 and 5 years	55 993	26 165	15 235
over 5 years	60 370	24 332	12 452
Total	**2 089 407**	**643 807**	**504 691**

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).

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 20 OTHER CURRENT LIABILITIES

Other current liabilities	**2021**	**2020**	**2019**
(All figures in NOK 1 000)			
Public duties payable	-4 571	14 431	7 267
Accrued payroll related items	33 046	28 936	15 622
Other short term liabilities	39 635	29 612	23 395
Total other current liabilities	**68 110**	**72 979**	**46 284**

NOTE 21 NOTES SUPPORTING THE CASH FLOWS

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

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

	Non-current loans and borrowings	Non-current Lease liabilities	Current loans and borrowings	Current Lease liabilities	Total
(All figures in NOK 1 000)					
At 1 January 2020	1 559	123 220	310 402	70 204	505 385
Cash flows					
Down-payment of loans	-	-	-42 166	-	-42 166
New loans	225 000	-	-	-	225 000
Net change in overdraft facility	197 872	-	-	-	197 872
Net lease payments	-	-	-	-70 204	-70 204
Non-cash flows					
- New lease agreement	-	26 488	-	-	26 488
- Reclassification short/long term	39 364	-59 152	-39 364	59 152	-
At 31 December 2020	**463 795**	**90 556**	**228 872**	**59 152**	**842 375**

NOTE 22 SHARE CAPITAL AND SHAREHOLDERS

	2021	2020	2019
(All figures in NOK 1 000)			
Share capital	30 627	24 700	24 700
Share premium	872 432	-	-
Total paid in capital	**903 059**	**24 700**	**24 700**

	No. Of shares	Face value	Book value
Ordinary shares	122 508 455	0.25	30 627

In June 2021, a share split was carried out, reducing the share's par value from NOK 12,350 per share to NOK 0.25 per share. The number of shares were increased from 2,000 to 98,800,000.

Later in June, in connection with the IPO, a share issue was conducted in which 9,118,541 new shares were issued at a price of NOK 32.9. Making a total share capital increase of TNOK 2.280 and a share premium of TNOK 297.720.

In December, in connection with the acquisition of the Vartdal group, a new share issue was carried out of 4,761,904 shares at a price per share of NOK 42 to the seller of the Vartdal Group (Vartdal Invest AS), and a private placement of 9,828,010 shares at a price per share of NOK 40.7. Totalling new share capital of TNOK 3.647 and a share premium of TNOK 596.352 for both issues.

Group contributions of NOK 114.9 million and dividends of NOK 35.3 million were approved and disbursed in 2021. These distributions were based on the annual accounts for 2020.

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

NOTE 22 - continued

Shareholders

The company’s 20 largest shareholders as at 31 December 2021 were:

	No. of shares	% of total
Måsøval Eiendom AS	85 727 553	69.98%
Verdipapirfondet Odin Norge	9 467 218	7.73%
Vartdal Invest AS	4 761 904	3.89%
J.P. Morgan Bank Luxembourg S.A.	4 264 766	3.48%
Henden Nygård Holding AS	1 765 456	1.44%
Abba Holding AS	1 667 176	1.36%
Morgan Stanley & Co. Int. Plc.	1 652 643	1.35%
J.P. Morgan Bank Luxembourg S.A.	1 452 468	1.19%
Vicama AS	1 000 000	0.82%
Songa Asset Managemnet AS	879 817	0.72%
J.P. Morgan Bank Luxembourg S.A.	871 253	0.71%
Songa Capital AS	849 418	0.69%
Hausta Investor AS	667 860	0.55%
Yttervåg AS	608 000	0.50%
Patric Invest AS	607 902	0.50%
Gåsø Næringsutvikling AS	488 700	0.40%
Betina I AS	418 963	0.34%
RBC Investor Services Trust	363 446	0.30%
Verdipapirfondet Eika Alpha	323 710	0.26%
GH Holding AS	300 000	0.24%
Total 20 largest shareholders	**118 138 253**	**96.43%**
Total other shareholders	4 370 202	3.57%
Total number of shares 31.12.2021	**122 508 455**	**100.00%**

NOTE 22 - continued

Shares owned by members of the board and senior executives: *)

		No. of shares	% of total
Lars Måsøval	Chairman of the board	42 435 139 1)	34.64%
Arnfinn Aunsmo	Board Member	9 200 2)	0.01%
Ola Loe	Board Member	6 150	0.01%
Kari Skeidsvoll Moe	Board Member	3 039	0.00%
Anders Måsøval	Deputy Board Member	42 435 139 1)	34.64%
Asle Rønning	CEO	57 285 3)	0.05%
Gunnar Aftret	CFO	16 425	0.01%
Harry Osvald Hansen	Head of farming	7 598	0.01%
Eldar Henden	CEO - PNS	1 667 176 4)	1.36%
Ingar Kyrkjebø	Head of service	2 127	0.00%
Henny Førde	Head of Sales and Logistics	4 559	0.00%
Andreas Skagøy	Head of Fish Health	5 179	0.00%
Berit Flåmo	Head of Communication	9 118	0.01%
Lars Jørgen Ulvan	Head of Smolt	1 215	0.00%

1) Lars and Anders Måsøval owns indirectly through Måsøval Eiendom AS, where they have an indirect ownership of 49.5 per cent each.

2) Arnfinn Aunsmo owns indirectly through Barkbekken AS which he owns 100 per cent.

3) Asle Rønning owns indirectly through AR-Invest AS which he owns 100 per cent.

4) Eldar Henden owns indirectly through ABBA Holding AS which he owns 100 per cent.

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

NOTE 23 EARNINGS PER SHARE

Basic earnings per share is based on the earnings attributable to shareholders of the company and the weighted average number of ordinary shares outstanding for the year, less ordinary shares purchased by the company and held as treasury shares.

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

Earnings per share	**2021**	**2020**
Net profit or loss for the year attributable to owners of the parent company	276 721	75 131
No. Of shares outstanding as at 1 Jan	2	2
Share split June 7 (face nominal decreased from NOK 12,350 to NOK 0.25)	98 798	
Share issue June 15	9 118	
Share issue December 20	14 590	
No. Of shares outstanding as at 31 Dec	122 508	2
Weighted average number of shares outstanding through the year (basic and diluted) *)	**104 176**	**98 800**

**) Calculated based on an assumption that the stock split occurred on 1.1.2020*

Earnings per share		
Basic and diluted	2.66	0.76

NOTE 24 CONSOLIDATED COMPANIES

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

Parent company: Måsøval AS

Subsidiaries 2021	**Head office**	**Ownership**
Måsøval Settefisk AS	Frøya	100%
Måsøval Åsen AS	Åsen	100%
Eidsvaag Akva AS	Frøya	100%
Stokkøy Skjell AS 1)	Frøya	100%
Pure Norwegian Seafood AS 2)	Averøy	65%
Pure Farming AS 2)	Averøy	100%
Aqua Farms Vartdal AS 3)	Vartdal	100%
Urke Fiskeoppdrett AS 3)	Vartdal	100%
Vartdal Fiskeoppdrett AS 3)	Vartdal	100%
Western Seaproducts AS 3)	Vartdal	100%
Vartdal Fryseri AS 3)	Vartdal	100%

1) Acquired in April 2021

2) Acquired in June 2021

3) Acquired in December 2021

Subsidiaries 2020	**Head office**	**Ownership**
Måsøval Settefisk AS	Frøya	100%
Måsøval Åsen AS (Åsen Settefisk AS)	Åsen	100%
Gunnar Espnes Fiskeoppdrett AS *)	Frøya	66%
Måsøval Fish Farm AS *)	Frøya	64%
Eidsvaag Akva AS	Frøya	100%

**) In 2021, the Group acquired the minority interests in Gunnar Espnes Fiskeoppdrett AS and Måsøval Fish Farm AS and the companies were merged into Måsøval AS. See note 25 for a more detailed description.*

ACQUISITION OF MINORITIES

Gunnar Espnes Fiskeoppdrett AS and Måsøval Fish Farm AS

The minority interests in the subsidiaries Måsøval Fishfarm AS (36.1%) and Gunnar Espnes Fiskeoppdrett AS (34.0%) were bought by Måsøval AS in March 2021 for a total of NOK 212.7 million. After the acquisition of the minorities, the companies were merged with Måsøval AS.

NOTE 25 BUSINESS COMBINATIONS

The group acquired a total of 8 companies in 2021 that is incorporated in the consolidated financial statement for 2021. Stokkøy Skjell AS was acquired in April , Pure Farming AS and Pure Norwegian Seafood AS (65%) were acquired in June and 5 companies in the Vartdal Group were acquired in December 2021. In addition, the Group has acquired minority interests in Gunnar Espnes Fiskeoppdrett AS and Måsøval Fish Farm AS during 2021.

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

Stokkøy Skjell AS

Stokkøy Skjell AS is a service company that provide services to the aquaculture business in the Group. The company has 8 employees and provides diving services to the Group. The company's assets consist of boats and associated equipment. See note 12 for further details regarding acquisition analyses, identified added values and goodwill.

The shares where bought from Patric Invest AS in April and the consideration comprised a combination of cash and 607,903 new shares issued in Måsøval AS at a subscription price of NOK 32.90 per share.

Adjusted for depreciation of added value, the company contributes a profit of NOK -0.8 million to the Group in 2021.

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

Pure Farming AS

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

Måsøval AS agreed to buy the company in April 2021. The final takeover took place after Måsøval AS was listed on Euronext Growth in June 2021. The shares in the company was acquired from Abba Holding AS and Henden Nygård Holding AS together with 65 % of the shares in Pure Norwegian Seafood AS. The consideration comprised a combination of cash and new shares issued in Måsøval AS at a subscription price of NOK 32.9 per share. See description under Pure Norwegian Seafood for details.

Adjusted for depreciation of added value, the company contributes a profit of NOK 12.4 million to the Group in 2021.

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

NOTE 25 - continued

Pure Norwegian Seafood AS

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

Måsøval agreed to buy 65 percent of the shares in the company in April 2021. The final takeover took place after Måsøval AS was listed on Euronext Growth in June 2021. The shares in the company was acquired from Abba Holding AS and Henden Nygård Holding AS together with the shares in Pure Farming AS. The consideration comprised a combination of cash and 655,220 new shares issued in Måsøval AS at a subscription price of NOK 32.90 per share.

Adjusted for depreciation of added value and other elimination effects, the company contributes a profit of NOK 13.5 million to the Group in 2021.

Acquisitions effect on the balance sheet	**Carrying amount**	**Adjustment to fair value**	**Fair value**
(All figures in NOK 1 000)			
Property, plant and equipment	62 543	20 981	83 524
Other non-current assets	77 074	-	77 074
Inventory and biological assets	4 960	-	4 960
Other current assets	55 315	-	55 315
Deferred tax asset/liability	-3 102	-4 616	-7 718
Non-current liabilities	-82 017	-	-82 017
Current liabilities	-55 152	10 800	-44 352
Net identifiable assets and liabilities	**59 621**	**27 165**	**86 786**
Goodwill			4 616
Non-controlling interests			25 753
Total consideration			**65 649**

NOTE 25 - continued

Vartdal Group

Vartdal Group consist of 5 companies. Aqua Farms Vartdal AS operates 4 licenses totalling 3,092 tonnes MAB. Urke Fiskeoppdrett AS and Vartdal Fiskeoppdrett AS each operate their own smolt/post-smolt facility and have a total of 2 licenses for smolt/post-smolt production. Western Seaproducts AS operate a harvesting facility and Vartdal Fryseri AS operates a freezing facility. The Vartdal Group had an average of 37 full-time equivalents through 2021. The companies adds a fully integrated fish-farming business in production area 5 to the Måsøval Group. See note 12 for further details regarding acquisition analyses, identified added values and goodwill.

The companies were bought from Vartdal Invest AS in late December 2021. The consideration comprised a combination of cash and 4,761,904 new shares issued in Måsøval AS at a subscription price of NOK 42.0 per share.

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

Acquisitions effect on the balance sheet	**Carrying amount**	**Adjustment to fair value**	**Fair value**
(All figures in NOK 1 000)			
Licenses	8 600	1 094 400	1 103 000
Property, plant and equipment	166 436	97 413	263 849
Inventory and biological assets	109 511	36 994	146 505
Other current assets	98 889	-	98 889
Deferred tax asset/liability	-32 949	-270 338	-303 287
Non-current liabilities	-48 568	-	-48 568
Current liabilities	-227 518	-	-227 518
Net identifiable assets and liabilities	**74 401**	**958 469**	**1 032 870**
Goodwill			343 079
Total consideration			**1 375 949**

NOTE 26 RELATED PARTY TRANSACTIONS

The Group is owned 70% by Måsøval Eiendom AS and is part of the Måsøval Eiendom Group which also consists of several other companies. Transactions with related parties also include transactions with other companies in the Måsøval Eiendom Group and consists mainly of the sale of accounting services, rental of land bases and rental of wellboats.

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

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

Transactions with related parties in 2021	**Sales**	**Purchase**	**Receivables**	**Liabilities**
(All figures in NOK 1 000)				
Måsøval Eiendom AS	1 591	1 236	6 607	107
Sørskaget Holding AS	164	1 200	131	125
Sørskaget Bolig	195	996	163	272
Laxar Fiskheldi EHF	26 718	-	19 304	-
Flamek Eiendom AS	30	-	37	-

Transactions with related parties in 2020	**Sales**	**Purchase**	**Receivables**	**Liabilities**
(All figures in NOK 1 000)				
Måsøval Eiendom AS	2 263	1 001	63 915	-
Laxar Fiskheldi EHF	12 437	-	612	-
Flamek Eiendom AS	30	675	6	-

Shares in Norwegian Royal Salmon ASA has been sold in 2020 to related party Måsøval Eiendom AS.

NOTE 27 EVENTS AFTER THE REPORTING DATE

This annual report is a reworking of previously prepared financial statements prepared in accordance with NGAAP. The conversion to IFRS has been carried out based on the regulations in IFRS 1 and new information is taken into account in accordance with the regulations.

Allocation of added values has been updated in accordance with new information on conditions present at acquisition times. The fair value of biomass is calculated based on forward prices available on the respective balance sheet dates.

Final settlement regarding the purchase of the Vartdal Group was made in March 2022. The purchase price was reduced by a total of NOK 10.2 million. Otherwise, no significant events have been identified after the balance sheet date, and we have not identified any assets or liabilities to which conditional outcomes relate.

In accordance with authorisation given by the general assembly, the board has decided to pay a dividend of NOK 1 per share.

Salmon at location Slettvika is infected with ISA. There was 535,000 fish with average weight of 3.0 kg at the location. The salmon will be harvested as soon as possible.

Restated annual accounts in accordance with IFRS have been approved at the board meeting on 29 August 2022

NOTE 28 FIRST TIME ADOPTION OF IFRS

Note Explanation of transition to IFRS

This is the company's first consolidated accounts presented in accordance with IFRS. The Group has previously submitted its annual report for 2021 in accordance with NGAAP. This is a reworking with the aim of preparing for a possible uplisting to the Main List on Oslo Stock Exchange (OSE).

The accounting principles described in note 3 have been used to prepare the company's consolidated accounts for 2021, comparable figures for 2020 and an IFRS opening balance sheet as at 1 January 2020, which is the Group's date of transition from Norwegian accounting principles (NGAAP) to IFRS.

In connection with the preparation of the IFRS opening balance sheet, the Group has made some adjustments to the accounting figures compared to those reported earlier in the Group's annual accounts that were prepared according to NGAAP. The effect of the transition from NGAAP to IFRS on the Group's financial position, the Group's results and the Group's cash flow is explained in greater detail in this note.

IFRS 1 "First-time adoption of IFRS" has been applied and the following exemption provisions have been used:
- According to Appendix C1 the Group has decided to restate the acquisition of Måsøval Åsen AS in 2019 and all later acquisitions.
- According to Appendix D9 the Group has applied IFRS 16 on the basis of facts and circumstances existing at the date of transition and the value of the lease liability and right to use assets are calculated bases on remaining lease payments.
- According to Appendix D23 the Group has elected to apply IAS 23 from the transition date.

IFRS 1 states that estimates in accordance with IFRSs at the date of transition to IFRSs shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

In connection with the restatement to IFRS, we carried out a review of the discretionary allocation of added values by the acquisition of Måsøval Åsen AS and obtained an external assessment of the value of the property. This resulted in a reallocation of added values by moving NOK 9.5 million from the value of the building to Goodwill.

In connection with the final settlement of the shares in the Vartdal group, a renewed assessment of added values was carried out and a total of NOK 22.4 million was allocated from farming facilities to goodwill. This was based on some unforeseen challenges with existing equipment that entailed a need for new investments.

NOTE 28 - continued

Reconciliation of transitional effects

Reconciliation of statement of financial positions at 1 January 2020

			01.01.2020	
	Note	**NGAAP**	**Effect of transition to IFRS**	**IFRS**
(All figures in NOK 1 000)				
Assets				
Licenses		284 418	-	284 418
Goodwill	**A**	17 000	17 568	34 568
Total intangible assets		**301 418**	**17 568**	**318 986**
Property, plant and equipment	**A , B**	288 084	(145 203)	142 881
Right-of-use assets	**B**	-	216 609	216 609
Total Property, Plant and Equipments		**288 084**	**71 406**	**359 490**
Investments in associated companies		5 339	-	5 339
Investments in other equity instruments	**C**	2 510	59 587	62 097
Total non-current financial assets		**7 849**	**59 587**	**67 436**
Total non-current assets		**597 351**	**148 561**	**745 912**
Feed inventory		8 312	-	8 312
Biological assets	**D**	319 423	120 866	440 289
Total inventories		**327 735**	**120 866**	**448 601**
Trade receivables		33 589	-	33 589
Other current receivables		44 318	-	44 318
Total Receivables		**77 907**	**-**	**77 907**
Cash and cash equivalents		128 337	-	128 337
Total Cash and cash equivalents		**128 337**	**-**	**128 337**
Total current assets		**533 979**	**120 866**	**654 845**
Total assets		**1 131 330**	**269 427**	**1 400 757**

NOTE 28 - continued

	Note	NGAAP	Effect of transition to IFRS	IFRS
Equity and liabilities				
Share capital		24 700	-	24 700
Total paid-in equity		**24 700**	**-**	**24 700**
Other equity	**A,B,C,D,H**	390 577	203 823	594 400
Total retained earnings		**390 577**	**203 823**	**594 400**
Non-controlling interests	**H**	5 544	12 754	18 298
Total non-controlling interests		**5 544**	**12 754**	**18 298**
Total Equity		**420 821**	**216 577**	**637 398**
Liabilities				
Deferred tax	**B,D,E,H**	70 569	46 181	116 750
Liabilities to financial institutions	**F**	421 165	(419 606)	1 559
Long-term IFRS 16 lease liabilities	**G**	-	123 220	123 220
Total non-current liabilities		**491 734**	**(250 205)**	**241 529**
Liabilities to financial institutions	**F**	695	309 708	310 403
Short-term IFRS 16 lease liabilities	**G**	-	70 204	70 204
Trade payables		71 352	-	71 352
Income tax payable		23 589	-	23 589
Dividends	**H**	12 754	(12 754)	-
Other current liabilities	**H**	110 385	(64 103)	46 282
Total Current liabilities		**218 775**	**303 055**	**521 830**
Total liabilities		**710 509**	**52 850**	**763 359**
Total equity and liabilities		**1 131 330**	**269 427**	**1 400 757**

NOTE 28 - continued

Reconciliation of statement of financial positions at 31 December 2020

		31.12.2020		
	Note	NGAAP	Effect of transition to IFRS	IFRS
(All figures in NOK 1 000)				
Assets				
Licenses		777 199	-	777 199
Goodwill	**A**	13 238	21 330	34 568
Total intangible assets		**790 437**	**21 330**	**811 767**
Property, plant and equipment	**A , B**	314 986	(146 735)	168 251
Right-of-use assets	**B**	-	181566	181566
Total Property, Plant and Equipments		**314 986**	**34 831**	**349 817**
Investments in other equity instruments		4 059	-	4 059
Total non-current financial assets		**4 059**	**-**	**4 059**
Total non-current assets		**1 109 482**	**56 161**	**1 165 643**
Feed inventory		9 260	-	9 260
Biological assets	**C**	352 637	49 114	401 751
Total inventories		**361 897**	**49 114**	**411 011**
Trade receivables		97 682	-	97 682
Other current receivables		77 008	-	77 008
Total Receivables		**174 690**	**-**	**174 690**
Cash and cash equivalents		21 476	-	21 476
Total Cash and cash equivalents		**21 476**	**-**	**21 476**
Total current assets		**558 063**	**49 114**	**607 177**
Total assets		**1 667 545**	**105 275**	**1 772 820**

NOTE 28 - continued

	Note	NGAAP	Effect of transition to IFRS	IFRS
Equity and liabilities				
Share capital		24 700	-	24 700
Total paid-in equity		**24 700**	**-**	**24 700**
Other equity	**A,B,C,D,G**	461 761	135 842	597 603
Total retained earnings		**461 761**	**135 842**	**597 603**
Non-controlling interests	**G**	5 560	35 276	40 836
Total non-controlling interests		**5 560**	**35 276**	**40 836**
Total Equity		**492 021**	**171 118**	**663 139**
Liabilities				
Deferred tax	**B,D,E,G**	77 048	38 448	115 496
Liabilities to financial institutions	**E**	597 972	(134 177)	463 795
Long-term IFRS 16 lease liabilities	**F**	-	90 556	90 556
Total non-current liabilities		**675 020**	**(5 173)**	**669 847**
Liabilities to financial institutions	**E**	198 567	30 305	228 872
Short-term IFRS 16 lease liabilities	**F**	-	59 152	59 152
Trade payables		65 615	-	65 615
Income tax payable		13 218	-	13 218
Dividends	**G**	35 276	(35 276)	-
Other current liabilities	**G**	187 827	(114 850)	72 977
Total Current liabilities		**500 503**	**(60 669)**	**439 834**
Total liabilities		**1 175 523**	**(65 842)**	**1 109 681**
Total equity and liabilities		**1 667 544**	**105 276**	**1 772 820**

NOTE 28 - continued

Reconciliation of statement of comprehensive income for 2020

	Note	2020 NGAAP	Effect of transition to IFRS	2020 IFRS
(All figures in NOK 1 000)				
Revenues from contract with customers		858 176	-	858 176
Other operating income	A	69 936	(26 920)	43 016
Total Operating income		**928 112**	**(26 920)**	**901 192**
Cost of goods sold	A	458 864	(34 404)	424 460
Change in biomass and feed inventory	A	-48 256	25 919	-22 337
Personnel costs	A	106 488	(4 096)	102 392
Depreciation and amortisation expense	A,B,C	50 517	31 735	82 252
Other operating expenses	A,B	139 026	(51 584)	87 442
Total operating expenses		**706 639**	**(32 430)**	**674 209**
Operational EBIT		**221 473**	**5 510**	**226 983**
Profit sharing with co-location partners	A	-	(22 618)	(22 618)
Biological assets - Net fair value adjustment	D	-	(71 752)	(71 752)
EBIT		**221 473**	**(88 861)**	**132 612**
Finance income	E	60 006	(51 618)	8 388
Finance expense	A	-39 033	22 501	-16 532
Net finance income and expense		**20 973**	**(29 117)**	**(8 144)**
Profit before tax		**242 446**	**(117 978)**	**124 468**
Tax expense	F	**43 305**	**(29 259)**	**14 046**
Net profit or loss for the year		**199 141**	**(88 719)**	**110 422**
Other comprehensive Income				
Items which will not be reclassified to profit and loss				
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	E	-	(6 743)	(6 743)
Other comprehensive income		**-**	**(6 743)**	**(6 743)**
Total comprehensive income for the year		**199 141**	**(95 462)**	**103 679**
Net total comprehensive income for the year attributable to:				
Owners of the parent		199 125	(118 000)	81 125
Non-controlling interests		16	22 538	22 554
Total comprehensive income for the year		**199 141**	**(95 462)**	**103 679**

NOTE 28 - continued

Reconciliation of consolidated cash flow year ended 31 December 2020

	Note	2020 NGAAP	Effect of transition to IFRS	2020 IFRS
(All figures in NOK 1 000)				
Cash flows from operating activities				
Profit before income tax		242 446	(117 978)	124 468
Tax payable		(25 010)	-	(25 010)
Gain on disposal of property, plant and equipment		(113)	-	(113)
Ordinary depreciation	A, B	50 517	31 735	82 252
(Increase)/decrease in inventories	C	(34 160)	71 751	37 591
Interest expenses	B	-	1 881	1 881
(Increase)/decrease in trade receivables		(64 093)	-	(64 093)
Increase/(decrease) in trade payables		(5 738)	-	(5 738)
(Increase)/decrease in other current receivables/ liabilities	D	(32 692)	77 038	44 346
Cash generated from operations		**131 157**	**64 427**	**195 584**
Investing activities				
Proceeds from disposal of property, plant and equipment		894	-	894
Payments for property, plant and equipment	B	(567 218)	519 225	(47 993)
Payments for intangible assets	B	-	(492 781)	(492 781)
Proceeds from disposal of other assets		3 790	-	3 790
Net cash used in investing activities		**(562 534)**	**26 444**	**(536 090)**
Financing activities				
Proceeds from current and non-current borrowings	E	203 501	21 499	225 000
Repayment of current and non-current borrowings	E	-	(42 166)	(42 166)
Repayment of principal portion of lease liabilities	B, E	-	(70 204)	(70 204)
Net change in overdraft facility		197 872	-	197 872
Payments of dividends and group contributions		(76 857)	-	(76 857)
Net cash (used in)/from financing activities		**324 516**	**(90 871)**	**233 645**
Net increase in cash and cash equivalents		**(106 861)**	**-**	**(106 861)**
Cash and cash equivalents at beginning of year		**128 337**	**-**	**128 337**
Cash and cash equivalents at end of year		**21 476**	**-**	**21 476**

NOTE 28 - continued

Notes to the reconciliation of transitional effects 01.01.2020

A) Goodwill (IFRS 3, IAS 12 and an NGAAP correction)

The Group has chosen to implement IFRS 3 for all its acquisitions as from 30.06.2019 by applying the transitional rule in IFRS 1. As a result of this, it is in accordance with IFRS no longer permitted to amortise goodwill as from 1 January 2020, and goodwill is instead to be tested annually for impairment. This is different to NGAAP, according to which goodwill is assessed as an asset with a definite useful life and is amortised over its expected useful life financial lifetime.

In addition, tax effects on added value of identifiable assets have been calculated according to IFRS, see note E). This deferred tax effect results in an increased Goodwill of NOK 6 million in the Group.

A reallocation of identified added values has also been carried out. When converting to IFRS, we discovered that too much of the added value had been allocated to the building stock. A valuation was obtained on the property and based on this, MNOK 9.5 was reallocated from property, plant and equipment to Goodwill. This is classified as an correction of an error according to NGAAP and not an IFRS-effect.

B) "Right-to-use assets" and "Property Plant and equipment"(IFRS 16)

IFRS 16 Leases was implemented as of 1 January 2020 (Transition date).

Leases treated as operational leases under NGAAP are recorded in the balance sheet in accordance with IFRS 16, in total the book value of "Right-to-use assets" as of 01.01.2020 is MNOK 81. Associated lease obligations were recognised as IFRS 16 liabilities and net deviations were recognised against other equity, adjusted for deferred tax.

Property, plant and equipment classified as financial leasing according to NGAAP are reclassified to "Right-to-use assets according to IFRS 16. In total, fixed assets, booked at a value of MNOK 136, were reclassified to "Right-to-use assets". Associated rental obligations were continued and next year's instalments were classified as short-term liabilities.

C) Investment in other equity instruments (IFRS 9)

All financial investments are assessed at fair value through other comprehensive income, according to IFRS. The adjustment of MNOK 59.6 reflects a positive adjustment in fair value and are recorded in other equity.

D) Biological Assets (IAS 41)

According to IFRS, biological assets are measured at fair value. According to NGAAP these assets where measured at cost, see note 15 for details.

The Group has used a fair value model in order to calculate the fair value of biomass at transition date. The adjustments of MNOK 120.9 reflects a positive adjustment in value of biomass compared to NGAAP. The fair value adjustment is recorded in other equity adjusted for deferred tax.

E) Deferred tax (IAS 12)

According to IAS 12 the Group has calculated deferred tax on added value on all identifiable assets. In total, deferred tax liability on identifiable assets amounts to MNOK 6.2. In addition, deferred tax on reclassified dividends (see note H)entails an increased deferred tax liability of MNOK 14.1 and deferred tax on unrealised changes in the value of the biomass (see note D) amounts to MNOK 26.6.

F) Liabilities to financial institutions (IFRS 9)

According to IFRS 9 next years instalment on long-term liabilities must be reclassified to short-term liabilities. The Groups main loan agreement expires during 2021, therefore all material long term-debt is reclassified to short term debt.

G) Lease liabilities (IFRS 16)

According to IFRS 16, the rental obligations are recorded in line with the corresponding right-to-use asset, see note 14 for details regarding classification and valuation.

NOTE 28 - continued

H) Dividend

According to IFRS, the proposed dividend and Group contributions are an equity item not a liability. According to NGAAP, proposed dividend is a liability item. Total dividend and group contribution (net of tax) of MNOK 62.8 (of which 12.8 MNOK related to non-controlling interests) is reclassified to Equity as of 1.1.2020.

NOTE 28 - continued

Notes to the reconciliation of transitional effects 31.12.2020

A) Goodwill (IFRS 3, IAS 12 and an NGAAP correction)

The Group has chosen to implement IFRS 3 for all its acquisitions as from 30.06.2019 by applying the transitional rule in IFRS 1. As a result of this, it is in accordance with IFRS no longer permitted to amortise goodwill as from 1 January 2020, and goodwill is instead to be tested annually for impairment. This is different to NGAAP, according to which goodwill is assessed as an asset with a definite useful life and is amortised over its expected useful life financial lifetime.

See Note A to the "Reconciliation of transition effects 1.1.2020" for more details.

B) "Right-to-use assets" and "Property Plant and equipment"(IFRS 16)

IFRS 16 Leases was implemented as of 1 January 2020 (Transition date).

Leases treated as operational leases under NGAAP are recorded in the balance sheet in accordance with IFRS 16, in total the book value of "Right-to-use assets" as of 31.12.2020 is MNOK 43. Associated lease obligations were recognised as IFRS 16 liabilities and net deviations were recognised against other equity, adjusted for deferred tax.

Property, plant and equipment classified as financial leasing according to NGAAP are reclassified to "Right-to-use assets according to IFRS 16. In total, fixed assets, booked at a value of MNOK 138, were reclassified to "Right-to-use assets". Associated rental obligations were continued and next year's instalments were classified as short-term liabilities.

C) Biological Assets (IAS 41)

According to IFRS, biological assets are measured at fair value. According to NGAAP these assets where measured at cost, see note 15 for details.

The Group has used a fair value model in order to calculate the fair value of biomass at transition date. The adjustments of MNOK 49.1 reflects a positive adjustment in value of biomass compared to NGAAP. The fair value adjustment is recorded in other equity adjusted for deferred tax liabilities.

D) Deferred tax (IAS 12)

According to IAS 12 the Group has calculated deferred tax on added value on all identifiable assets. In total, deferred tax liability on identifiable assets amounts to MNOK 6.0. In addition, deferred tax on reclassified dividends (see note G) entails an increased deferred tax liability of MNOK 22.2 and deferred tax on unrealised changes in the value of the biomass (see note C) amounts to MNOK 10.8.

E) Liabilities to financial institutions (IFRS 9)

According to IFRS 9 next years instalment on long-term liabilities must be reclassified to short-term liabilities.

F) Lease liabilities (IFRS 16)

According to IFRS 16, the rental obligations are recorded in line with the corresponding right-to-use asset, see note 14 for details regarding classification and valuation.

G) Dividend

According to IFRS, the proposed dividend and Group contributions are an equity item not a liability. According to NGAAP, proposed dividend is a liability item. Total dividend and group contribution (net of tax) of MNOK 127.9 (of which 35.3 MNOK related to non-controlling interests) is reclassified to Equity as of 1.1.2020.

NOTE 28 - continued

Notes to the reconciliation of statement of comprehensive income for 2020

A) Revenue from contracts with customers (IFRS 15)

The Group operates 3 licenses on behalf of two external concession holders through agreements on co-location.

For one of the agreements the Group is considered to have control over the biomass. Revenue and costs generated on the relevant licenses are recognized in the income statement as ordinary production in line with the groups other activities. The counterparts net income share is recognized in the income statement as “Profit sharing with co-location partners” reclassified from Finance expenses.

For the other co-location agreement the external part is considered to have control over the biomass. Thereby the biomass is not recognize as part of the Group’s biomass, gross income and costs are deducted from the income statement and the net income share is recognised as other operating income.

B) “Right-to-use assets” and “Property Plant and equipment”(IFRS 16)

IFRS 16 Leases was implemented as of 1 January 2020 (Transition date).

Leases treated as operational leases under NGAAP are recorded in the balance sheet in accordance with IFRS 16. Lease payments on operational leasing (MNOK 40.6) are reversed and calculated depreciation (MNOK 38.3) and interest (MNOK 1.9) is posted.

C) Goodwill (IFRS 3)

According to IFRS 3 goodwill is not depreciated. Depreciation on goodwill after NGAAP is reversed according to IFRS 3. Net depreciation of reversed goodwill amounts to MNOK 3.8.

D) Biological assets (IAS 41)

According to IAS 41, biological assets are measured at fair value. According to NGAAP these assets where measured at cost, see note 15 for details. Change in fair value through the year is recognized in a separate line in the income statement, the adjustment in 2020 is negative with MNOK 71.8. Se note 3 and 15 for details regarding fair value calculations.

E) Investment in other equity instruments (IFRS 9)

All financial investments are assessed at fair value through other comprehensive income, according to IFRS. In 2020 an investment was realized with a net profit of MNOK 52.8 according to NGAAP, however, due to unrealised changes in fair value of MNOK 59.6 in the opening balance, the sale of the shares results in an accounting loss in accordance with IFRS in 2020. Accounting gain posted after NGAAP (MNOK 52.8) is reversed and net accounting loss (MNOK 6.7) is taken over OCI.

F) Deferred tax (IAS 12)

The change in the fair value of biomass results in a reduction in deferred tax of NOK 15.8 million, while the changed deferral of dividends results in an increase in deferred tax of NOK 8.1 million. In addition, there are some minor changes in deferred tax and a total reduction of deferred tax liability of MNOK 7.3.

Notes to the reconciliation of consolidated cash flow for 2020

A) Goodwill (IFRS 3)

Depreciation of goodwill in accordance with NGAAP of MNOK 4.4 has been reversed as Goodwill shall not be depreciated under IFRS.

B) "Right-to-use assets" and "Property Plant and equipment"(IFRS 16)

Leases treated as operational leases under NGAAP are recorded in the balance sheet in accordance with IFRS 16. Lease payments on operational leasing (MNOK 40.6) are reversed and calculated depreciation (MNOK 38.3) and interest (MNOK 1.9) is posted.

C) Biological assets (IAS 41)

According to IAS 41, biological assets are measured at fair value. According to NGAAP these assets where measured at cost, see note 15 for details. Change in fair value through the year is recognized in a separate line in the income statement, the adjustment in 2020 is negative with MNOK 71.8. Se note 3 and 15 for details regarding fair value calculations.

D) Investment in other equity instruments (IFRS 9)

All financial investments are assessed at fair value through other comprehensive income, according to IFRS. In 2020 an investment was realized with a net profit of MNOK 52.8 according to NGAAP, however, due to unrealised changes in fair value of MNOK 62.4 in the opening balance, the sale of the shares results in an accounting loss in accordance with IFRS in 2020. Accounting gain posted after NGAAP (MNOK 52.8) is reversed and net accounting loss (MNOK 9.6) is taken over OCI.

E) Reclassification of borrowings (IFRS 9 and IFRS 16)

Next year's instalment of long-term debt has been reclassified to current liabilities in accordance with IFRS 9. Rental obligations are posted in accordance with IFRS 16 as a debt in the balance sheet.

NOTE 29 ALTERNATIVE PERFORMANCE MEASURES

The Group presents its financial statements in accordance with International Financial Reporting Standards (IFRS). In addition, management has established alternative performance measures (APMs) to provide useful and relevant information to users of the financial statements. These APMs have been established to provide greater understanding of the Group's underlying performance, and do not replace the consolidated financial statements prepared in accordance with IFRS. The performance parameters have been reviewed and approved by the Group's management and Board of directors. Alternative performance measures may be defined and used in other ways by other companies. The Group applies the following APMs:

Net interest-bearing debt
Net interest-bearing debt is defined as the net of long-term debt, short-term debt, bank deposits and interest-bearing receivables. The measure is useful and necessary information to investors and other users of the financial statements to assess the net of the interest-bearing external capital used to finance the group. The measure is used to calculate return on capital employed and highlights the Group's ability to take on more debt.

	31.12.2021	31.12.2020	01.01.2020
(All figures in NOK 1 000)			
Non-current liabilities to financial institutions	1 861 944	554 351	124 779
Current liabilities to financial institutions	418 482	288 023	380 606
Liabilities related to operational lease	-236 906	-45 836	-83 526
Cash and cash equivalents	-121 252	-21 476	-128 337
Net interest-bearing debt	**1 922 268**	**775 062**	**293 522**

Equity ratio
Equity ratio is calculated by dividing total equity including minorities by the total assets and it is expressed as a percentage. The measure is useful to the users of financial statements in terms of understanding how much of a company's assets are funded by equity and borrowings.

	31.12.2021	31.12.2020	01.01.2020
(All figures in NOK 1 000)			
Equity	1 485 676	663 139	637 398
Total assets	4 530 047	1 772 820	1 400 757
Equity ratio	**32.8 %**	**37.4 %**	**45.5 %**

Operational EBIT (Earnings before interest and tax)

Operational EBIT an important performance measure for the Group and is useful to users of the financial statement to evaluate the profitability of sold goods and the production. Operating EBIt is calculated before fair value adjustments, production tax, profit sharing with co-location partners and financial expenses and taxes.

	2021	2020
(All figures in NOK 1 000)		
Operating profit (EBIT)	**377 249**	**132 612**
Production tax	6 755	-
Profit sharing with co-location partners	20 654	22 618
Biological assets - Net fair value adjustment	-112 264	71 752
Operational EBIT	**292 394**	**226 982**

NOTE 29 - continued

Operational EBIT per kg salmon

Operational EBIT per kg is defined as a central performance measure for the Group. The measure is used to evaluate the profitability of sold goods and the operations of the Group. The performance measure is useful to users of the financial statements to evaluate the profitability of sold goods and the production. The measure is calculated for each segment before unallocated costs and non-recurring events, fair value adjustments, income from associated companies, financial expenses and taxes. The measure is expressed per kg harvested volume. Harvested volume includes volume from operations with co-location partners.

	Farming		Sales & processing	
	2021	**2020**	**2021**	**2020**
(All figures in NOK 1 000)				
Operating revenue	1 079 744	928 111	438 425	-
Operating expenses	761 655	678 004	425 218	-
Operational EBIT	**318 089**	**250 107**	**13 206**	**-**
Volume harvested	16 888	16 253	6 807	-
Operational EBIT per kg salmon	**18.8**	**15.4**	**1.9**	**-**

Se note 5 “Operating segments” for details.

NOTE 30 RESTATEMENT OF 2021

Explanation of restatement

This annual report has been prepared in accordance with IFRS and is a restatement of the previously submitted annual report published on 26 April 2022. The previously submitted annual report was prepared in accordance with the NGAAP. See note 28 for further details regarding the transition and the effects on the opening balance as at 1 January 2020.

Below is a statement showing the effects of reworking the income statement for 2021 and the balance sheet as of 31 December 2021. See Note 28 for a more detailed description of the effects per line in the financial statements.

Restatement of statement of comprehensive income for 2021

	2021 NGAAP	Effect of transition to IFRS	2021 IFRS
(All figures in NOK 1 000)			
Revenues from contract with customers	1 116 773	-24 496	1 092 277
Other operating income	118 781	4 279	123 060
Total Operating income	**1 235 555**	**-20 218**	**1 215 337**
Cost of goods sold	611 983	-38 616	573 367
Change in biomass and feed inventory	-24 797	24 797	-
Personnel costs	141 437	-715	140 722
Depreciation and amortisation expense	68 460	36 680	105 140
Other operating expenses	158 831	-55 117	103 714
Total operating expenses	**955 914**	**-32 971**	**922 942**
Operational EBIT	**279 641**	**12 753**	**292 394**
Production tax	-6 755	-	-6 755
Profit sharing with co-location partners	-	-20 654	-20 654
Biological assets - Net fair value adjustment	-	112 264	112 264
EBIT	**272 886**	**104 364**	**377 250**
Finance income	5 728	-	5 728
Finance expense	-68 565	18 838	-49 727
Net finance income and expense	**-62 837**	**18 838**	**-43 999**
Profit before tax	**210 049**	**123 201**	**333 250**
Tax expense	45 750	6 220	51 970
Net profit or loss for the year	**164 299**	**116 981**	**281 280**

NOTE 30 - continued

Other comprehensive Income			
Items which will not be reclassified to profit and loss			
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	-	-	-
Other comprehensive income	**-**	**-**	**-**
Total comprehensive income for the year	**164 299**	**116 981**	**281 280**
Net total comprehensive income for the year attributable to:			
Owners of the parent	159 874	116 846	276 720
Non-controlling interests	4 425	135	4 560
Total comprehensive income for the year	**164 299**	**116 981**	**281 280**

NOTE 30 - continued

Restatement of Balance as of 31.12.2021

	12/31/2021		
	NGAAP	Effect of transition to IFRS	IFRS
(All figures in NOK 1 000)			
Assets			
Licenses	2 060 767	8 000	2 068 767
Goodwill	157 691	281 272	438 963
Total intangible assets	**2 218 457**	**289 272**	**2 507 729**
Property, plant and equipment	766 321	-312 483	453 838
Right-of-use assets	-	473 841	473 841
Total Property, Plant and Equipments	**766 321**	**161 358**	**927 679**
Investments in associated companies			-
Investments in other equity instruments	544	-	544
Other non-current receivables	3 752	-	3 752
Total non-current financial assets	**4 296**	**-**	**4 296**
Total non-current assets	**2 989 074**	**450 630**	**3 439 704**
Feed inventory	20 049	-	20 049
Finished goods	6 089	-	6 089
Biological assets	489 627	209 931	699 558
Total inventories	**515 765**	**209 931**	**725 697**
Trade receivables	193 566	-	193 566
Other current receivables	49 829	-	49 829
Total Receivables	**243 395**	**-**	**243 395**
Cash and cash equivalents	121 252	-	121 252
Total Cash and cash equivalents	**121 252**	**-**	**121 252**
Total current assets	**880 412**	**209 931**	**1 090 343**
Total assets	**3 869 486**	**660 561**	**4 530 047**

NOTE 30 - continued

	NGAAP	Effect of transition to IFRS	IFRS
Equity and liabilities			
Share capital	30 627	-	30 627
Share premium	872 432	-	872 432
Total paid-in equity	**903 059**	**-**	**903 059**
Other equity	416 869	135 053	551 922
Total retained earnings	**416 869**	**135 053**	**551 922**
Non-controlling interests	30 656	38	30 694
Total non-controlling interests	**30 656**	**38**	**30 694**
Total Equity	**1 350 584**	**135 091**	**1 485 675**
Liabilities			
Deferred tax	195 829	291 328	487 157
Liabilities to financial institutions	1 865 581	-305 268	1 560 312
Long-term IFRS 16 lease liabilities	-	301 632	301 632
Total non-current liabilities	**2 061 410**	**287 691**	**2 349 101**
Liabilities to financial institutions	180 564	134 217	314 781
Short-term IFRS 16 lease liabilities	-	103 701	103 701
Trade payables	175 795	-	175 795
Income tax payable	32 882	-	32 882
Other current liabilities	68 251	-139	68 112
Total Current liabilities	**457 492**	**237 779**	**695 271**
Total liabilities	**2 518 902**	**525 470**	**3 044 372**
Total equity and liabilities	**3 869 486**	**660 562**	**4 530 047**