

ANNUAL REPORT 2023

# *Made by nature*

Pioneered by  Måsøval

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# *About Måsøval*

# Made by nature – pioneered by Måsøval

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

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

With a third generation Måsøval family member at the helm as Chair of the Board, we are setting our sights on producing 35 000 tonnes of salmon a year.

And even though we have already achieved a lot, we are still hungry for further sustainable growth.



A FISH FARMING PIONEER

**est.  
1973**



**35 000  
tonne**

ANNUAL PRODUCTION  
CAPACITY

# Our Values

At Måsøval, we unite around shared values that foster respect for one another, the fish, nature, and the world around us. This dedication forms the foundation of our responsibility as a conscientious food producer, employer, and participant in society.

The following four values serves as our compass in both daily activities and long-term strategic planning.

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## RESPONSIBLE

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

## GENEROUS

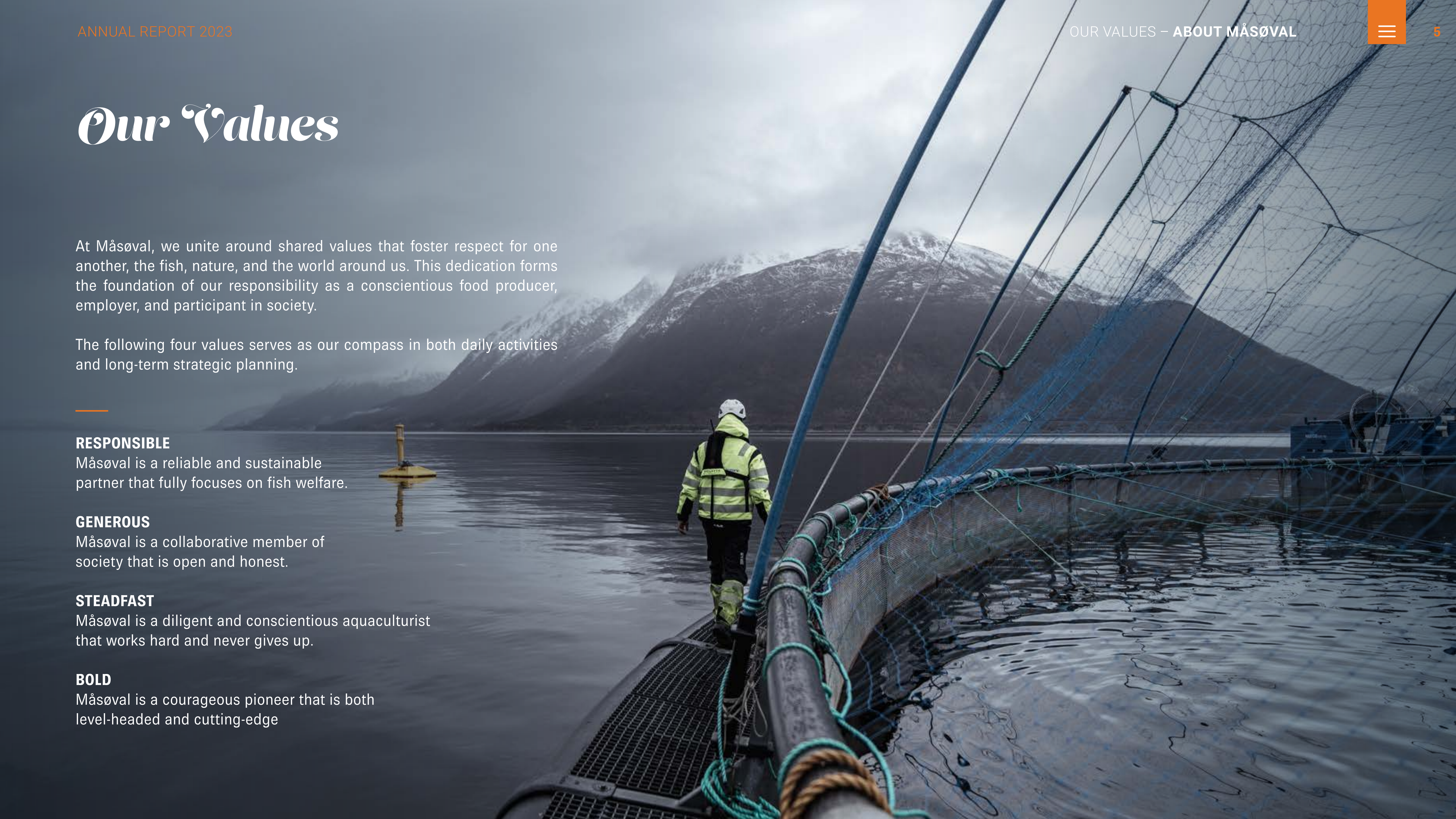
Måsøval is a collaborative member of society that is open and honest.

## STEADFAST

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

## BOLD

Måsøval is a courageous pioneer that is both level-headed and cutting-edge



# Highlights 2023



**8.1**  
million smolt  
released



**24.5** kt  
harvest  
volume



**315**  
dedicated  
employees

«*One Vision*»



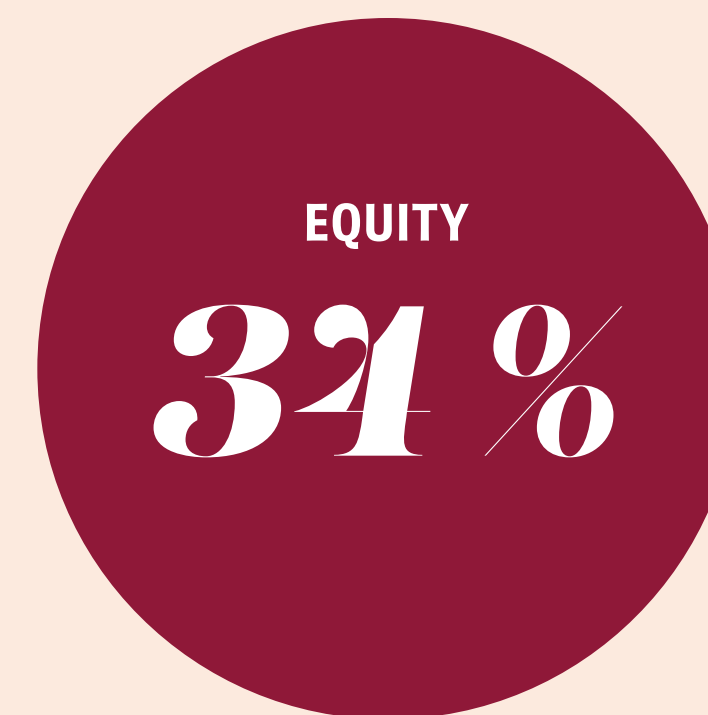
# Key figures 2023

	2023	2022	2021	2020
Harvest volume (tonnes GW)	24 500	21 900	16 900	16 300
MAB volume (own)	12 694	12 694	12 694	8 964
MAB (co-location)	4 773	4 773	2 340	2 340
Smolt release	8 100 000	7 700 000	5 000 000	4 100 000
Mortality %*	12.8 %	16.3 %	9.5 %	6.0 %
Sales (MNOK)	2 400	1 992	1 215	901
EBITDA (MNOK)	666	860	398	309
Operational EBIT (MNOK)**	471	693	292	227
Profit after tax (MNOK)	-133	626	281	110
Adjusted EPS***	1.45	3.50	2.66	0.76
Dividend per share	0.50	0.50	1.00	-
Cash flow from operating activities (MNOK)	447	728	283	196
NIBD (MNOK)	1 805	1 798	1 922	775
Adjusted ROE %	-7 %	36 %	26 %	17 %
Equity/Asset ratio %	34.4 %	39.9 %	32.8 %	37.4 %
NIBD/EBITDA	2.7	2.1	4.8	2.5
Number of full-time employees	315	300	220	116
Number of shares outstanding '000	122 508	122 508	104 176	2 000

\* 12-month rolling average, calculated by the Norwegian Veterinary Institute method

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

\*\*\* Earnings per share excludes "Net fair value adjustments - biological assets" and "One-off implementation effects of resource rent tax"



A portrait of a middle-aged man with grey hair and a full beard, wearing a dark blue jacket over a light blue shirt. He is looking directly at the camera with a slight smile. The background is a soft, out-of-focus blue.

## *A Year of Transformation*

As we turn the page on 2023, it's with a sense of forward momentum and ongoing consolidation that I reflect on the transformative journey undertaken by Måsøval in recent years – a journey that will continue in the years to come. This past year, our focus has been on enhancing operations, improving our biological processes, and strategically restructuring the organisation. Combined with a steadfast and ever-increasing commitment to sustainability and quality, we're persistently positioning ourselves for continued growth and success. The achievements of the past year are a testament to our collective resolve to excel as a responsible producer of high-quality salmon.



### Operational Excellence and Sustainability

In 2023, our continued commitment to operational excellence and sustainability guided our efforts. Through concerted efforts, and with focus on responsible practices, we achieved improvements in fish health and welfare, surpassing the national average survival rate. This is a clear indication of our dedication to not only maintaining but elevating standards of care and operational efficiency. Our smolt facilities adeptly navigated challenges, implemented technical upgrades and strategic vaccine regimes that improved the health status of our smolt production considerably. The service division saw significant investments, enhancing our fleet's technical conditions, operational flexibility, and biosecurity management. These initiatives have strengthened our operational resilience and positioned us for further development and growth. Despite the progress made in 2023, we are still not satisfied, and our efforts will continue with full force into 2024 and beyond.

Aligning with Norway's adoption of the Corporate Sustainability Reporting Directive (CSRD), we have initiated the implementation of CSRD and conducted thorough double materiality analyses. Our aim is to establish a robust framework that will underpin our sustainability reporting efforts in the future. These steps demonstrate our commitment to transparency and responsible corporate behavior, laying the groundwork for comprehensive sustainability reporting..

### Strategic partnerships

Throughout its history, Måsøval has focused on building and maintaining partnerships and collaborations. This approach has led to partnerships, such as those with Trøndelag county and AquaGen, as well as co-location agreements with Frøya Laks. In 2023, we continued this focus across our entire value chain, resulting in growth, improved operational capacity, increased flexibility, and expanded opportunities for both our partners and us. These agreements and partnerships have reinforced our position as a preferred partner in the aquaculture industry.

### Sales and Market

Måsøval's global presence expanded in 2023. All our salmon was marketed and sold through Pure Norwegian Seafood, totalling 24 531 tonnes to 160 customers across 30 nations. This represents a 12% increase in sales volume compared to 2022, highlighting our capacity to scale our business and cater to the diverse needs of our global customer base.

### Record Operational Performance

2023 was yet another landmark year for Måsøval, with record-high turnover. The operational performance alongside a robust market resulted in a turnover of NOK 2 400 million, up from NOK 1 992 million the preceding year. This yielded an operational EBIT\* amounting to NOK 471 million, which is a reduction from the previous year's figure.

Throughout the year, the salmon industry faced several headwinds, such as rising feed prices and biological challenges affecting mortality rates. Despite this, we were able to decrease our mortality rates compared to the prior year. All the while increasing our salmon harvest by 12% compared to 2022, reaching an unprecedented 24 531 tonnes. The price of salmon rose from NOK 79.4 to NOK 84.4, driven by increased demand and stagnant supply growth. However, escalating costs put pressure on margins, with EBIT margins per kilo declining from NOK 33.8 in 2022 to NOK 22.6 in 2023. It's important to consider the timing effect of our depreciating currency, as the NOK's significant depreciation in 2022 led to immediate salmon price increases, while costs gradually inflated, negatively impacting margins throughout 2023.

“ Our efforts have fortified the operational resilience and positioned us firmly for further growth

\*Operational EBIT excluding the impact of the IFRS biomass adjustment

### Commitment to Our People

Måsøval's success is fundamentally driven by our dedicated team. In a year of substantial organisational changes, we've focused on creating a supportive and dynamic environment, welcoming new leaders in our executive management, alongside the introduction of the Head of People and Culture role. This move underscores our commitment to fostering employee growth and organisational effectiveness.

We restructured our middle management in the marine-phase division, adding new roles and promoting many from within, which speaks to our commitment to internal talent development. The strong interest in these positions from both within and outside Måsøval highlights our appeal as an employer.

Our first in-house talent programme saw fifteen employees graduate, with thirteen more currently enrolled, demonstrating the impact of our focus on skill enhancement and professional development.

We were joined by fifteen new colleagues over the course of the year, and while this growth may seem minor compared to the previous years' increases in personnel, it reflects our ongoing commitment to expansion and development. While our efforts to promote diversity continued, there was a slight decrease in the percentage of women in our executive management, attributed to organisational changes that expanded management roles. However, our overall gender composition saw notable improvement, increasing from 19% women in 2022, to 29% in 2023. Workplace safety saw positive trends, with injuries resulting in longer absences decreasing to zero, though reported HSE deviations and adverse events increased, prompting us to reinforce safety measures and implement corrective actions. The overall sickness absence rate declined to 4.6%, reflecting our commitment to employee well-being.

As Måsøval continues to evolve, our dedication to nurturing a culture where every employee can flourish and contribute to our collective achievements remains a top priority.

### Looking forward

As we chart our course for the future, our commitment to improving fish health and welfare remains paramount. We are poised to explore new sites and technologies, intensify our strategic development initiatives, and further optimise our operations to ensure sustainable growth.

Market analyses offer an optimistic outlook, predicting strong demand and favourable prices for 2024 and 2025, supported by moderate global supply growth. Nevertheless, we're mindful of the challenges ahead, particularly with the evolving political landscape affecting taxation. The introduction and subsequent adjustment of a resource rent tax on the marine phase of our operations underscore the uncertainties we face. Despite this, our ever-expanding ambitions, and the anticipation of a strong market fuels our enthusiasm for the future.

In closing, I extend heartfelt gratitude to our dedicated team, whose commitment and hard work have been fundamental to our achievements. Together, we look forward to a future filled with opportunities for growth, innovation, and continued success.

Helge Kvalvik,  
Chief Executive Officer



Our dedication to nurturing a culture where every employee can flourish and contribute to our collective achievements remains a top priority





## *Once a pioneer, always a pioneer*

Karsten Måsøval became one of the first Norwegian aquaculture pioneers when in 1973 he, his brother and father built a small freezer room and nailed together their first net pens. They had no other employees, so worked long days with just a rowboat and raw muscle power. Karsten is not afraid to admit that they sometimes doubted whether this – in the eyes of many – foolhardy venture was worthwhile.

“

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

“

Things haven't always gone smoothly, but we got through it, and today we have a completely different company than when we first started, he says.

Initially, all the net pens were arranged along the shoreline, just a stone's throw away from their garden fence. Since then, operations have undergone significant expansion and evolution. Production has transitioned to more exposed areas, now spanning across eighteen sites along the coast of Trøndelag and Møre. At first, they travelled around Norway and sold the fish personally, but today, Måsøval salmon is enjoyed by millions of people worldwide.

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



# Important strategic events in the group



1973

Establishment of the company by Edvin Måsøval and sons

1977

Initial investment in salmon

1978

Sons, Bjørn and Karsten, assume leadership of the company

1982

Acquisition of a 33% stake in Nordskagfisk

1990

Co-founding of SalMar with Gustav Witzøe after Nordskagfisk's bankruptcy

1997

Acquisition of a 66% stake in Gunnar Espnes Fiskeoppdrett on Frøya

1998

Sale of stake in SalMar  
Acquisition of the first smolt facility

2003

Acquisition of Vikan Fishfarm on Hitra

2004

Acquisition of the smolt facility in Laksåvika, Hitra

2005

Completion of the takeover of Brattøyfisk at Frei  
Establishment of Måsøval Fishfarm with a 63.9% stake

2009

Securing of a new salmon licence

2011

Acquisition of Lernes and its four licences

● = Harvest volume 1000 GWT



● = Harvest volume 1000 GWT

# Måsøval group

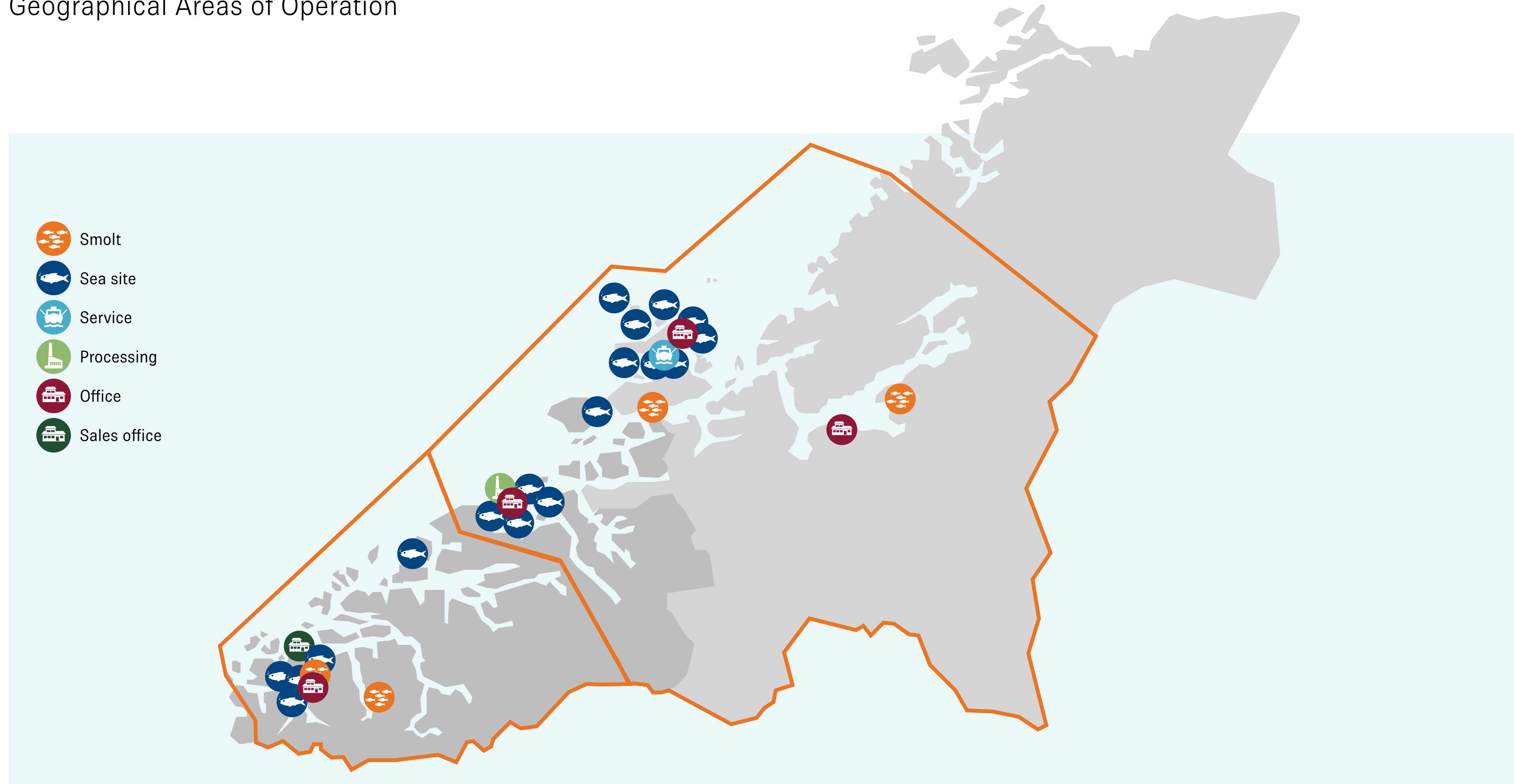


## Company Structure

Måsøval AS	Equity	Description
Måsøval Laksåvika AS	100 %	Acquired in 2004, this facility located on Hitra has an annual production capacity of 2.7 million smolts.
Måsøval Vartdal AS	100 %	Acquired in 2021, formerly known as Vartdal Fiskeoppdrett AS. Operates a smolt and post-smolt facility with a licence for 1 200 tonnes production.
Måsøval Urke AS	100 %	Acquired in 2021, formerly known as Urke Fiskeoppdrett AS. Operates a smolt and post-smolt facility with a licence for 1 200 tonnes of production.
Måsøval Åsen AS	100 %	Acquired in 2019, this facility located in Levanger municipality has an annual production capacity of 2.5 million smolts.
Måsøval Service AS	100 %	Acquired in 2021, formerly known as Stokkøy Skjell AS. As part of a 2022 restructuring, all service operations were consolidated in Måsøval Service AS.
Måsøval Akva AS	100 %	Acquired in 2021 to secure delousing capacity, formerly known as Eidsvaag Akva AS. Following a 2022 restructuring, all significant sea-going vessels, feed barges, and pens were transferred to Måsøval Akva AS.
Måsøval Drift AS	100 %	Acquired in 2021, formerly known as Aqua Farms Vartdal AS. Operates four licences and four sites in Sunnmøre.
Måsøval Lisens AS	100 %	Acquired in 2021, formerly known as Pure Farming AS. The company owns one production licence of 780 tonnes MAB.
Pure Norwegian Seafood AS	65 %	Acquired a majority share in 2021. The sales and processing company operates a harvesting plant located at Averøya. In 2023, all of Måsøval's harvested salmon was sold through Pure Norwegian Seafood.
Western Seaproducts AS	100 %	Acquired in 2021. Operates a harvesting facility in Sunnmøre, harvesting salmon from our sites and cod from cod farmers. Sold to the cod farming company ODE AS in February 2024.
Vartdal Fryseri AS	100 %	Acquired in 2021. Until its shutdown in 2023, it operated a frozen storage facility in Sunnmøre, focused white fish, mainly cod.



# Geographical Areas of Operation



# Operational management

Operational management at Måsøval is focused on ensuring sustainable and responsible practices throughout the value chain by integrating biological expertise and solid planning with environmental, social, and governance (ESG) measures. This involves collecting data and conducting analyses to understand the biological impacts of our aquaculture operations and developing optimal operational plans for the entire value chain. We strive to identify and implement best practices for sustainable aquaculture, prioritising the health and welfare of our fish. Adhering to ESG standards and documentation requirements is crucial as we progress towards further sustainable growth.

“

Upholding Måsøval's core values of responsibility, generosity, steadfastness, and a touch of boldness guides our operational decisions.



### Fish health and welfare

In 2023, we intensified our efforts on fish health and welfare, an endeavour that has already yielded positive results. Reflecting our commitment to transparency, we will report mortality rates using both the GSI method and the Norwegian Veterinary Institute (VI) method going forward. This decision not only aims to provide a more open and comprehensive view of our performance but also shines a light on the variability in mortality rate calculations across the industry. According to the VI method, our mortality rate decreased to 12.8% from 16.3% in 2022, below the national average of 16.7% for 2023. Meanwhile, according to the GSI method, our mortality rate decreased to 6.5% from 8.2% in 2022. These results underscore the positive impact of our intensified focus on fish health and welfare. True to our values of responsibility and steadfastness, this commitment will continue to drive our efforts, with the goal of positioning Måsøval as an industry leader in this essential aspect of aquaculture.

Despite the intense focus on fish health and welfare, production in 2023 encountered biological challenges, and we continuously investigate causes and incorporate lessons learned into improvement efforts. One of our focal areas for 2024 will be to reduce both the need for fish handling and the consequences of handling through strategic development at company and site levels, as well as enhancing expertise across all levels of our operations. Another crucial priority will be to ensure stable conditions for robust smolt production.

Salmon farming also involves utilising other species for biological control of sea lice, so-called cleaner fish. Lumpfish and wrasse are utilised at some of Måsøval’s sea sites, but their use has been reduced through strategic assessment of site suitability regarding environmental conditions and available workforce resources. This is important as cleaner fish have the same welfare requirements as farmed salmon. Despite positive developments in reducing the number of cleaner fish used for biological control of sea lice, maintaining cleaner fish remains challenging, and we continue to seek other effective preventive measures against sea lice.



Mortality rates	2020	2021	2022	2023
Måsøval (GSI*)	4.1 %	5.5 %	8.2 %	6.5 %
Måsøval (VI**)	6.0 %	9.5 %	16.3 %	12.8 %
National average (VI**)	14.8 %	15.5 %	16.1 %	16.7 %

\*12 month rolling mortality rate calculated according to the GSI method

\*\*12 month rolling mortality rate calculated according to the Norwegian Veterinary institute (VI) method

**Impact on ecosystem**

Måsøval’s commitment to environmental stewardship remained steadfast in 2023, as we continued to monitor and assess the impact of our aquaculture operations on the ecosystem. Our focal areas included monitoring feed residues and excrement to prevent potential eutrophication, a concern arising from increased nutrient salts in the water. Weekly monitoring of plankton quantity and species composition, overseen by the Norwegian Food Safety Authority, ensured ongoing vigilance in maintaining environmental health.

At our sites in Møre and Romsdal, we conduct regular assessments of the littoral zone to detect signs of eutrophication and monitor algae species composition throughout each production cycle. Encouragingly, the risk report from the Institute of Marine Research assessed environmental effects from dissolved nutrient salts discharge as ‘good’ in our production areas. However, we remain vigilant, particularly in areas with limited knowledge base, where emissions of particulate organic matter were assessed as ‘moderate’.

Our environmental impact assessments extend beyond production areas, encompassing evaluations of potential effects on fauna and flora. We have proactively implemented measures to protect coral habitats, conducting thorough mappings and risk assessments to avoid any detrimental impacts. Juvenile counts conducted at sites near spawning and nursery areas for cod, wild salmon, and trout have indicated minimal impact from our operations.

The mandatory benthic B-survey, conducted by a third party to assess trends in seabed conditions at our sites, has consistently produced scores ranging from 1.0 to 1.3 across the reporting years, where 1.0 represents the best score attainable and 4.0 the worst. These scores indicate ‘very good’ to ‘good’ conditions at our sites. Persistent good scores affirm the effectiveness of our monitoring and management practices in ensuring the sustainability of our aquaculture operations. Additionally, the results suggest that our farming activities are conducted within the carrying capacity of the sites and do not adversely affect the surrounding marine ecosystem.



	2020	2021	2022	2023
Average B-survey score	1.2	1.3	1.0	1.3

**Escaped fish**

Two incidents of suspected escape were reported in 2023, neither of which was confirmed. Despite our efforts, accurately determining the extent of fish escape remains challenging due to limitations in current stock counting methods. This highlights the need for innovative high-precision technologies to keep track of fish stock, resulting in more accurate reporting of escape incidents.

At Måsøval, we place emphasis on preventive measures and conduct frequent controls to try to detect potential escape incidents early. However, the imprecise nature of current stock counting methods hampers our ability to accurately assess the scale of fish escape incidents. Nevertheless, we remain steadfast in our commitment to exploring solutions and continually improving our practices to minimise the risk of fish escape while also increasing reporting accuracy.

	2020	2021	2022	2023
Number of reported incidents of suspected escape	0	1	4	2
Number of escape incidents with confirmed escape	0	1	2	0
Number of fish escaped	0	1	101	0

**Salmon lice**

Despite being natural parasites, the prevalence of salmon lice poses significant challenges, especially in densely populated salmon farms. Recognising the importance of effective lice control, Måsøval is dedicated to ensuring the welfare of not only our salmon but also the wider ecosystem, including wild salmon and sea trout populations.

Måsøval’s approach to managing salmon lice infestation yielded positive outcomes in 2023. Our proactive measures resulted in a decline in the average number of adult female lice per fish, dropping to 0.16 compared to previous years. Moreover, 99% of our reports remained below the limit. To increase our delousing capacity and deploy more efficient tools, we made a major investment in 2023 to install delousing units on our chartered well boat.

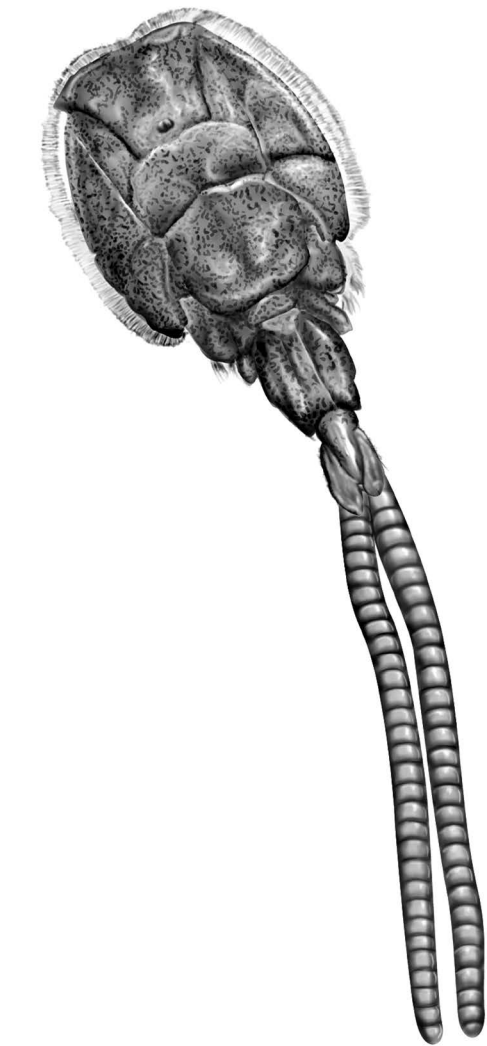
	2020	2021	2022	2023
Average number of adult female lice per fish	0.21	0.21	0.24	0.16
Proportion of reports below the lice limit	94 %	95 %	95 %	99 %

**Climate impact**

Over the course of several years, Måsøval have been actively pursuing the electrification of our marine sites. Our goal is to connect all feed barges to shore power wherever infrastructure allows. In 2023, we expanded our active site count from 14 to 16. Presently, three of our sites remain unconnected to shore power, although one operates on a hybrid system. Looking ahead to 2024, our objective is to electrify an additional two sites.

	2020	2021	2022	2023
Proportion of feed barges connected to shore power	82 %	73 %	71 %	81 %

Note: The reduction in the proportion of feed barges connected to shore power in 2021/2022 is due to acquisitions of new sites, which may initially lack the necessary infrastructure for shore power connection.



“Recognising the importance of effective lice control, Måsøval is dedicated to ensuring the welfare of not only our salmon but also the wider ecosystem.”

# Smolt

Måsøval's smolt production has a clear objective – to run efficient and sustainable land-based operations while producing top-quality smolt. This is an ongoing effort which is carried out daily throughout our smolt facilities. We have been successful in this work, which have been carried out with a strong focus on safety, resulting in few and minor Health, Safety and Environment (HSE) incidents.



### Operational highlights

In 2023, Måsøval's smolt facilities continued to deliver high-quality smolt for our marine-phase operations. However, challenges arose, particularly in the post-smolt production in region West. These challenges were effectively addressed by our competent staff, who collaborated with our marine-phase operations to adjust stocking times for the benefit of the fish, among other solutions. This has resulted in successful smolt deliveries according to the company's needs, all while remaining steadfast in our focus on fish welfare.

In response to the challenges in our smolt operations, several technical upgrades were completed, and additional improvement projects were identified and initiated. These initiatives are expected to yield benefits in terms of improved quality and fish welfare, both on land and at sea. In addition to technical upgrades, we swiftly revised our vaccination strategy to incorporate new available vaccines to address other challenges encountered. These measures had already significantly improved the health status of our smolt production as we entered 2024.

Regarding our legal dispute with authorities concerning the requirement to open the watercourse for anadromous fish at our smolt facility on Hitra, a resolution has finally been reached. We have opted to undertake the requisite measures to facilitate the passage of such fish for the benefit of the environment, thus securing continued operation at the facility.

### External suppliers and agreements

As a buffer to Måsøval's in-house smolt production, we strategically collaborate with external smolt suppliers to increase the flexibility and resilience of our supply chain. Additionally, collaborating with facilities that employ modern recirculating aquaculture systems (RAS) offers our staff the chance to engage with innovative technologies and make well-informed decisions regarding the future of smolt production at Måsøval. Together, this ensures our secure access to smolt and positions us to capitalise swiftly on growth opportunities.



# Fish farming

Måsøval's marine-phase operations are committed to conducting efficient and sustainable salmon farming. Our primary goal is to ensure the optimal health and growth of our farmed fish while upholding strict standards of environmental responsibility and animal welfare.

Our production strategy revolves around maximising the utilisation of permitted production capacity. This entails maintaining the highest possible biomass in the sea while achieving optimal growth rates.

## Operational highlights

Our capacity utilisation remained consistently high, averaging 96% in the first half of 2023. However, challenges arose in sustaining this utilisation rate, resulting in an average of 88% in the latter half. These fluctuations can be attributed to industry-wide biological challenges. While we strive to optimise our capacity utilisation, we remain steadfast in our commitment to safeguarding the welfare of our fish.

“

Despite seasonal and geographical variations, the growth rate of our standing biomass in 2023 was generally positive.





### Organisational Strengthening

Over the past year, Måsøval's marine-phase division underwent significant organisational strengthening through the creation of four new positions: assistant production manager and three area managers (North, Mid, and South).

We are pleased to report that our recruitment process attracted strong interest from both internal and external candidates, reaffirming our reputation as an attractive employer. Furthermore, several of these positions were filled by internal applicants, highlighting the depth of talent and dedication within our organisation.

In response to these structural changes, there was a need to replace site managers who were internally promoted and to introduce additional site managers to departments with expanded responsibilities. We are proud to announce that two of these site managers are women who have been promoted from within the company. Notably, one of them began as an apprentice and progressed through college education to become a site manager.

These organisational changes position us strongly for the future. We remain committed to maintaining our position as a responsible producer of high-quality salmon in a competitive market. As we continue to navigate industry challenges and opportunities, our focus remains on sustainability, innovation, and excellence in salmon farming.

“  
The organisational changes  
position us strongly for the future

### Our sites

At Måsøval, the quality of our aquaculture sites is paramount, impacting growth potential and providing control over biological and operational aspects. With a portfolio consisting of sites in globally desirable locations, we continually seek to identify new, high-performing sites with substantial carrying capacity, as well as enhancing existing sites. Dedicated resources have been allocated for these purposes to capitalise on emerging opportunities.

Inclusive of sites slated to commence operation in the first half of 2024, Måsøval has 55 380 tonnes of Maximum Allowable Biomass (MAB) at disposal across our own sites. Additionally, in 2023, we entered into co-location agreements with Bjørøya AS on two separate sites, adding 9 360 tonnes of MAB to our operations.



Sites				
Generation <sup>1</sup>	Production Area	Zone	Site	Maximum allowable biomass (MAB)
H1	6	Frøya Sør	Espnestaren	4 680
H1	6	Frøya Sør	Ilsoya	3 120
H1	6	Frøya Sør	Måøydraga <sup>2</sup>	2 340
H1	6	Fosen Nord	Nausttaren <sup>3</sup>	3 120
H1	6	Fosen Nord	Drevflesa <sup>3</sup>	6 240
H0	6	Nordmøre Sør	Kattholmen	3 120
H0	6	Nordmøre Sør	Or	2 340
H0	6	Nordmøre Sør	Gaustad	3 120
H0	6	Nordmøre Sør	Heggeset	2 340
V1	6	Frøya Nord	Fjølværet	3 900
V1	6	Frøya Nord	Langøya	2 340
V1	6	Frøya Nord	Flatøyan	3 120
V0	6	Frøya Øst	Bukkholmen	3 900
V0	6	Frøya Øst	Lamøya	3 120
V0	6	Nordmøre Nord	Hårkallbåen <sup>2</sup>	3 120
V0	5	Aukra	Orholmen	3 120
H0	5	Sunnmøre	Kvangardsnes	3 120
H1	5	Sunnmøre	Slettvika	3 120
V0	5	Sunnmøre	Gjerde	2 340
V1	5	Sunnmøre	Bjørndal	3 120
<b>Total</b>	<b>2</b>	<b>8</b>	<b>18 (20)*</b>	<b>55 380 (64 740)*</b>

\* Numbers in brackets include co-location sites

<sup>1</sup> Generation explained: H0 – Autumn of even years, H1 – Autumn of odd years, V0 – Spring of even years, V1 – Spring of odd years.

<sup>2</sup> Will be operational in 2024.

<sup>3</sup> Co-location on site owned and operated by Bjørøya AS.

# Service

Måsøval's strategy involves maintaining internal readiness for service and technical support, ensuring our ability to swiftly address operational and biological challenges while safeguarding long-term biosecurity through fleet management. The competitiveness of the service department, both in terms of pricing and quality, is paramount and serves as a crucial component of our overall preparedness.

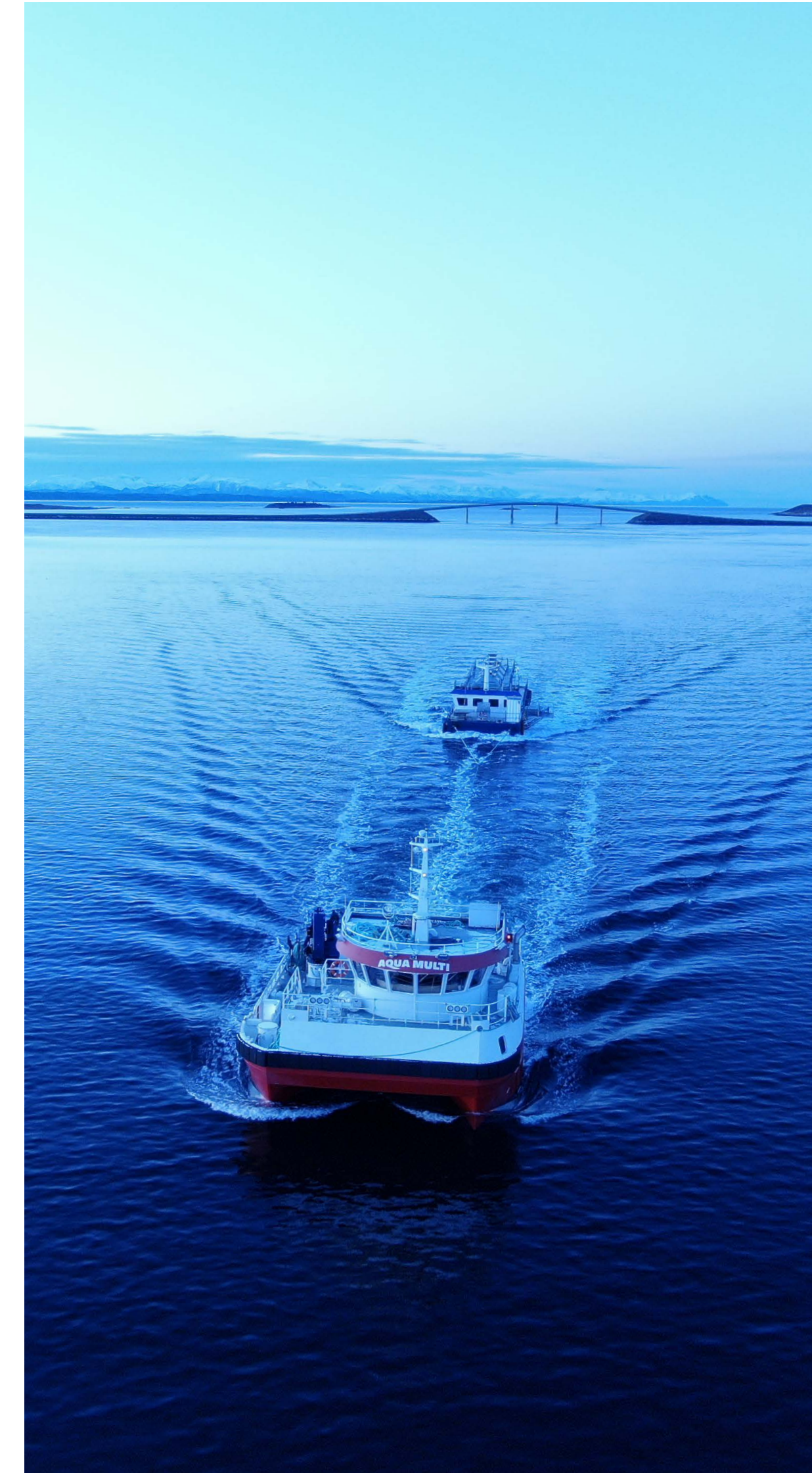
## Operational highlights

As part of Måsøval's strategic initiatives, we recruited two technical inspectors in 2023 to uphold optimal technical conditions of our site boats and service vessels. These hires are instrumental in ensuring compliance with regulations and adherence to the stringent standards set forth by the Norwegian Maritime Directorate. Their expertise plays a pivotal role in safeguarding the integrity and reliability of our operations.

Significant investments were made in 2023, including the installation of two FLS delousing units on the BB Havtrans well boat. This strategic move significantly bolstered capacity and flexibility, particularly during periods of limited external availability. Despite these advancements, a time charter on an additional well boat is under consideration due to intermittent

undercapacity in external resources and treatment methods. Owning our own capacities remains essential for both flexibility and biosecurity concerns. Furthermore, internal diving capabilities were phased out in 2023 and outsourced to Frøya Seaside Service AS, a trusted partner with a proven track record. In line with this transition, a new diving vessel meeting professional standards is currently under construction for delivery in August of 2024.

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Significant investments were made in 2023, including the installation of two FLS delousing units on the BB Havtrans well boat.



## *Sales & Market*

Måsøval's sales department's mission is to maximise economic results by delivering fresh, sustainable, and high-quality salmon to the market. In collaboration with the operational management team, the sales team is responsible for orchestrating seamless transitions from production to harvest and sale. With a focus on optimising agreements and securing competitive terms, we strive to ensure the best outcomes for our products and customers. Through strategic planning and an unwavering adherence to Måsøval's values, we continuously seek growth opportunities and market development.

Måsøval's price strategy focuses on selling a high proportion of salmon on the spot market. This strategy has yielded positive results, particularly amidst the tight conditions experienced in the salmon market since 2021. With supply stagnation and increasing global demand, prices have seen an upward trajectory. Furthermore, the depreciation of the Norwegian Krone has further elevated spot prices in comparison to contract prices.

**160**

customers

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**30**

nations

### Highlights

In 2022, we launched our new brand, “Princess”, which stands out due to its high quality. Princess salmon is meticulously produced to meet the discerning demands of customers in high-end markets, with a steadfast commitment to ensuring optimal fish health, acknowledging its pivotal role in delivering superior quality. Alongside Princess, we also introduced the Diamond brand, adhering to the same exacting standards as Princess but offered in frozen form. Of the total 24 513 tonnes sold in 2023, 754 tonnes comprised Princess salmon, while 179 tonnes were Diamond.

Måsøval’s salmon found their way to 160 customers across thirty nations. A substantial portion was sold to Norwegian companies, predominantly exporters, while 64% was distributed to various other European nations, with a modest 2% reaching Asian markets. The remainder was exported to other parts of the world, showcasing our ability to operate globally and provide premium products to a diverse customer base.



#### Market distribution

Europe	64 %
Norway (mainly exporters)	32 %
Asia	2 %
North America	<1 %
Middle East	<1 %
Others	<1 %
<b>Total</b>	<b>100 %</b>

**Global Salmon Farming Overview**

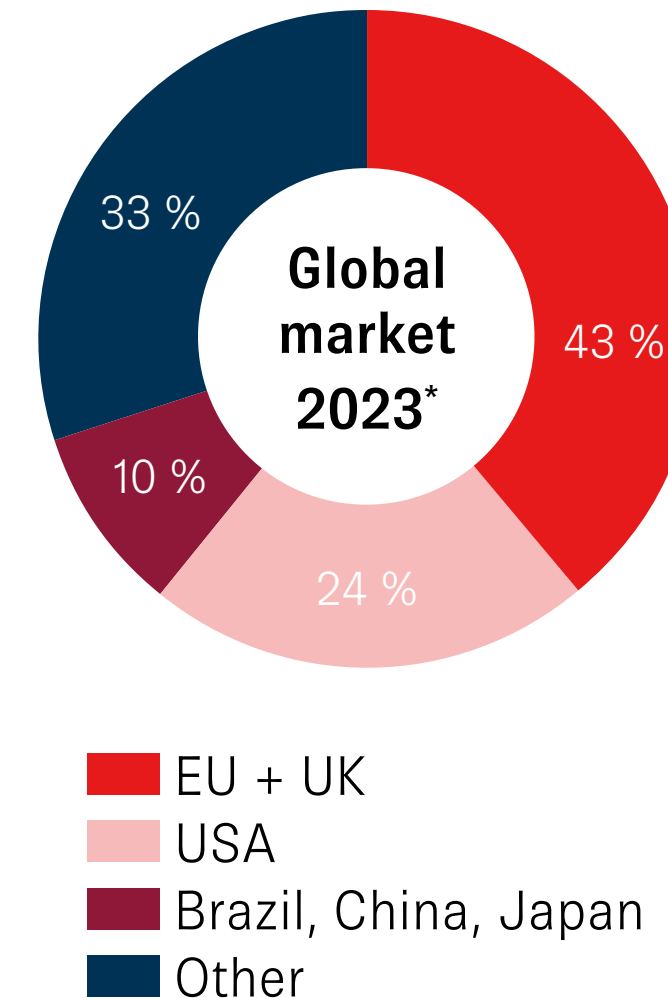
Salmon farming is a significant industry with a few key players and major markets worldwide. Norway stands out as the dominant force, supplying over half of the global farmed salmon market (51% in 2023\*), followed by Chile as the second-largest producer, accounting for a quarter of the market (27% in 2023\*). Other important salmon farming nations include the UK, Canada, the Faroe Islands, Australia, and Iceland.

**Major markets\***

The European Union (EU) and the UK together constitute the most substantial market for salmon, purchasing 43% of the global supply in 2023. The United States follows as the second-largest market, representing 24% of global sales. Brazil, China, and Japan also play significant roles, collectively contributing to 10% of global salmon sales. Notably, the European market primarily sources salmon from European producers, while Brazil relies heavily on imports from Chile. In contrast, the US and Asian markets source salmon from various producers worldwide.

**Market dynamics**

Salmon is predominantly sold fresh, making it perishable with a short shelf life. This, coupled with the industry’s dependency on biological and environmental factors, results in significant short-term supply fluctuations, leading to pronounced price volatility on a week-to-week basis. Seasonal demand variations further impact pricing, with notable fluctuations observed throughout the year. Noteworthy is the annual price increase observed from 2022 to 2023, driven by fundamental market pressures such as stagnant supply growth amidst rising demand and currency effects due to the depreciation of the Norwegian Krone against major currencies.



\*Source: Kontali Edge



## People & Culture

Måsøval's staff encompasses various departments dedicated to supporting the core operations of the organisation. This includes functions such as human resources (HR), communication, health, safety and, environment (HSE) and quality assurance. The objective of our staff is to ensure employee well-being, facilitate effective communication internally and externally, maintain high standards of health and safety, uphold quality standards in production processes, and provide essential administrative support to ensure smooth operations.

In 2023, Måsøval have undergone organisational changes across various departments. While some units saw substantial transformations, others emerged anew, while some remained largely intact. Manoeuvring through these changes can be demanding for both directly and indirectly involved parties. Nonetheless, our employees have exhibited flexibility and resilience, playing a crucial role in fortifying internal processes, and fostering collaboration amidst the transition. In instances where these changes resulted in new positions, internal promotions were common, complemented by fresh recruits.

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In 2023, Måsøval have undergone organisational changes across various departments.

**Health, safety, and environment**

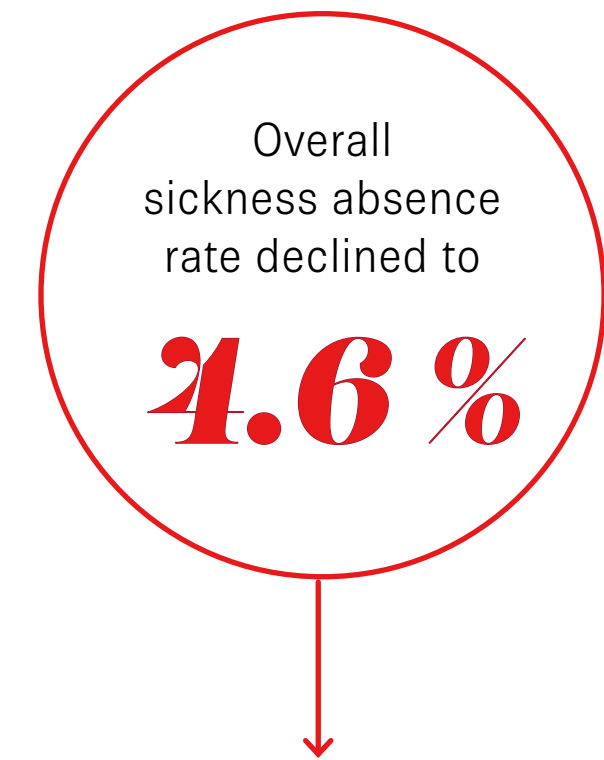
Måsøval saw positive trends in various aspects of workplace safety in 2023. While there was a slight increase in accidents compared to the previous year, notably, injuries resulting in longer absences decreased to zero.

Although the number of reported HSE deviations increased from 2022, this serves as a valuable opportunity for us to reinforce our safety measures and procedures. Similarly, with the number of recorded adverse events remaining unchanged from the previous year, we acknowledge these areas for improvement and are actively implementing corrective actions.

On a positive note, the overall sickness absence rate declined to 4.6%, with short-term sick leave remaining stable at 2.2%. These figures reflect our continuous efforts to promote employee health and well-being. Moving forward, we are committed to further enhancing safety measures and fostering a positive work culture for all our employees.



	2020	2021	2022	2023
Full-time equivalents (FTEs)	116	132	225	264
Injuries resulting in short-term absence	4	5	5	1
Injuries resulting in an absence of more than 16 days	2	3	2	0
Injuries resulting in death	0	0	0	0
Total sickness absence	5.7 %	4.8 %	5.0 %	4.6 %
Short-term sick leave	2.3 %	2.5 %	2.0 %	2.2 %

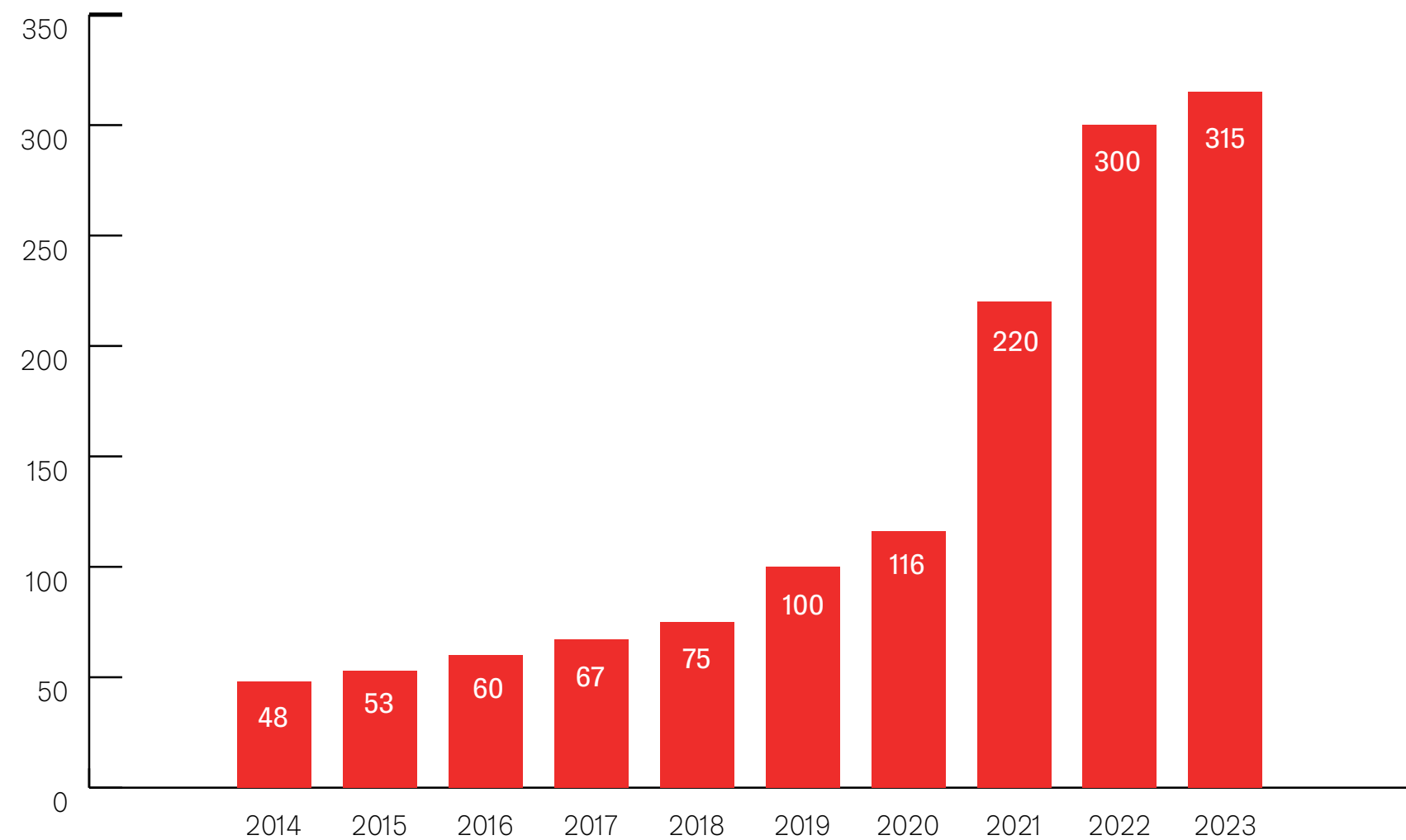




### Recruitment

In 2023, Måsøval saw a modest yet steady increase in workforce, with the number of employees rising to 315 from 300 in the previous year. While this growth may seem minor compared to the previous years' increases in personnel, it reflects our ongoing commitment to expansion and development. As we continue to grow, we remain dedicated to fostering a supportive and dynamic work environment where every employee can thrive and contribute to our shared success.

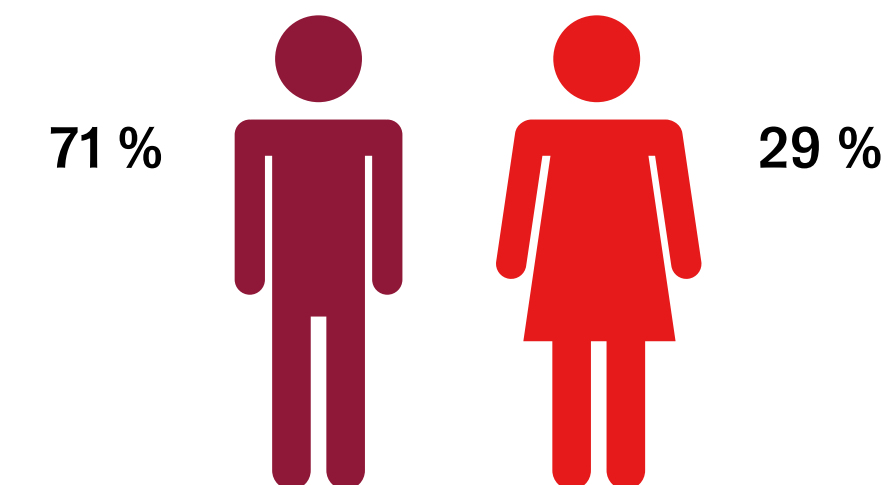
### Development in number of employees



### Diversity and inclusion

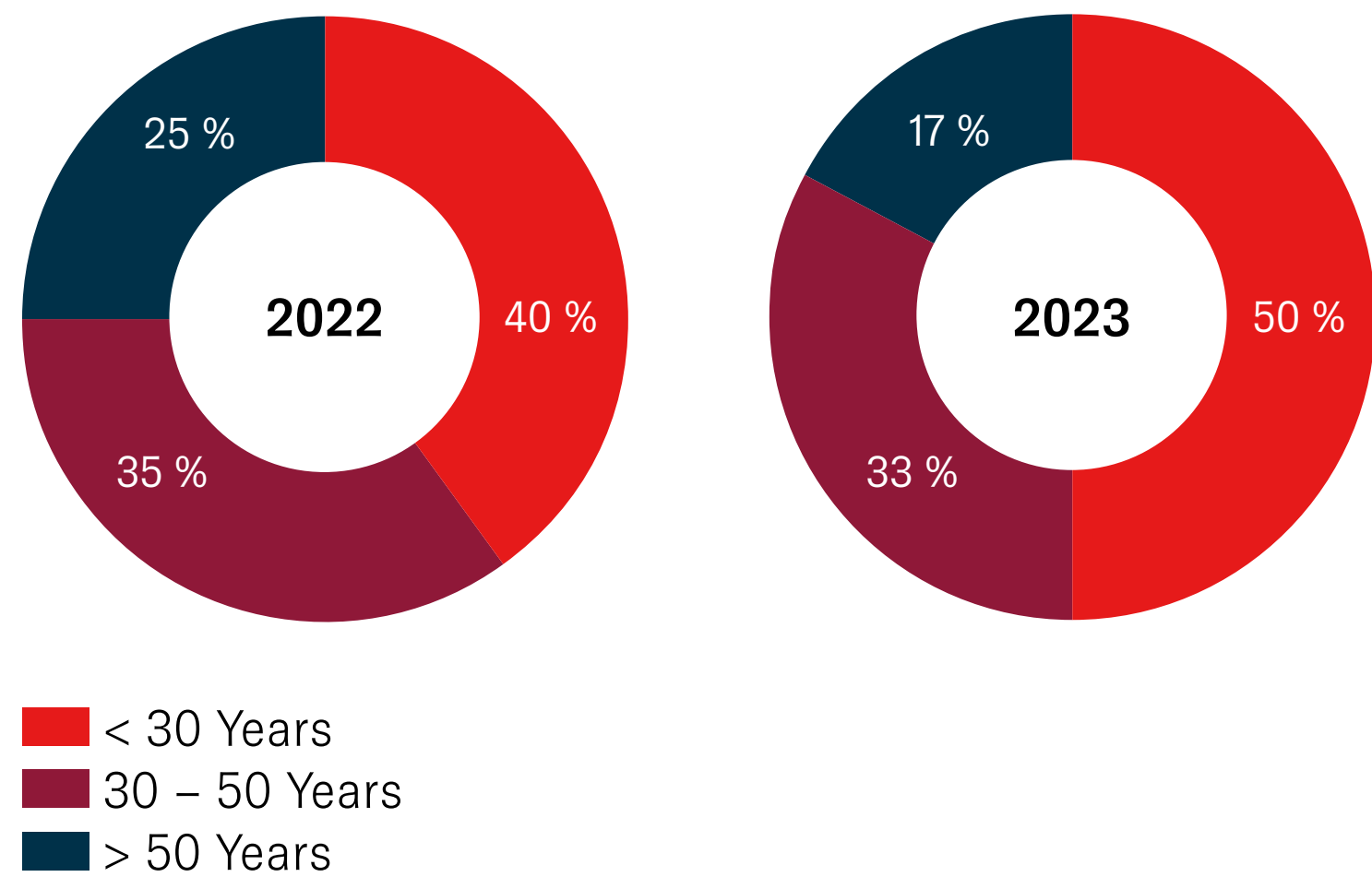
While we continued our efforts to promote diversity and inclusion, there was a slight decrease in the percentage of women in Måsøval's executive management team, from 25% in 2022 to 22% in 2023. This is due to an increase in the size of the management after the aforementioned organisational changes. The board composition remained consistent, with 40% women. Our overall gender composition, on the other hand, saw notable improvements, with the percentage of women increasing from 19% in 2022 to 29% in 2023.

Percentage gender composition/year	2022		2023	
	Men	Women	Men	Women
All employees	81 %	19 %	71 %	29 %
Executive management	75 %	25 %	78 %	22 %
The board of directors	60 %	40 %	60 %	40 %



The proportion of employees under 30 years old increased from 40% in 2022 to 50% in 2023, highlighting Måsøval's efforts to attract and retain young talent. This demographic shift reflects our dedication to embracing a multigenerational workforce and incorporating fresh perspectives into our operations.

**Employee age composition**

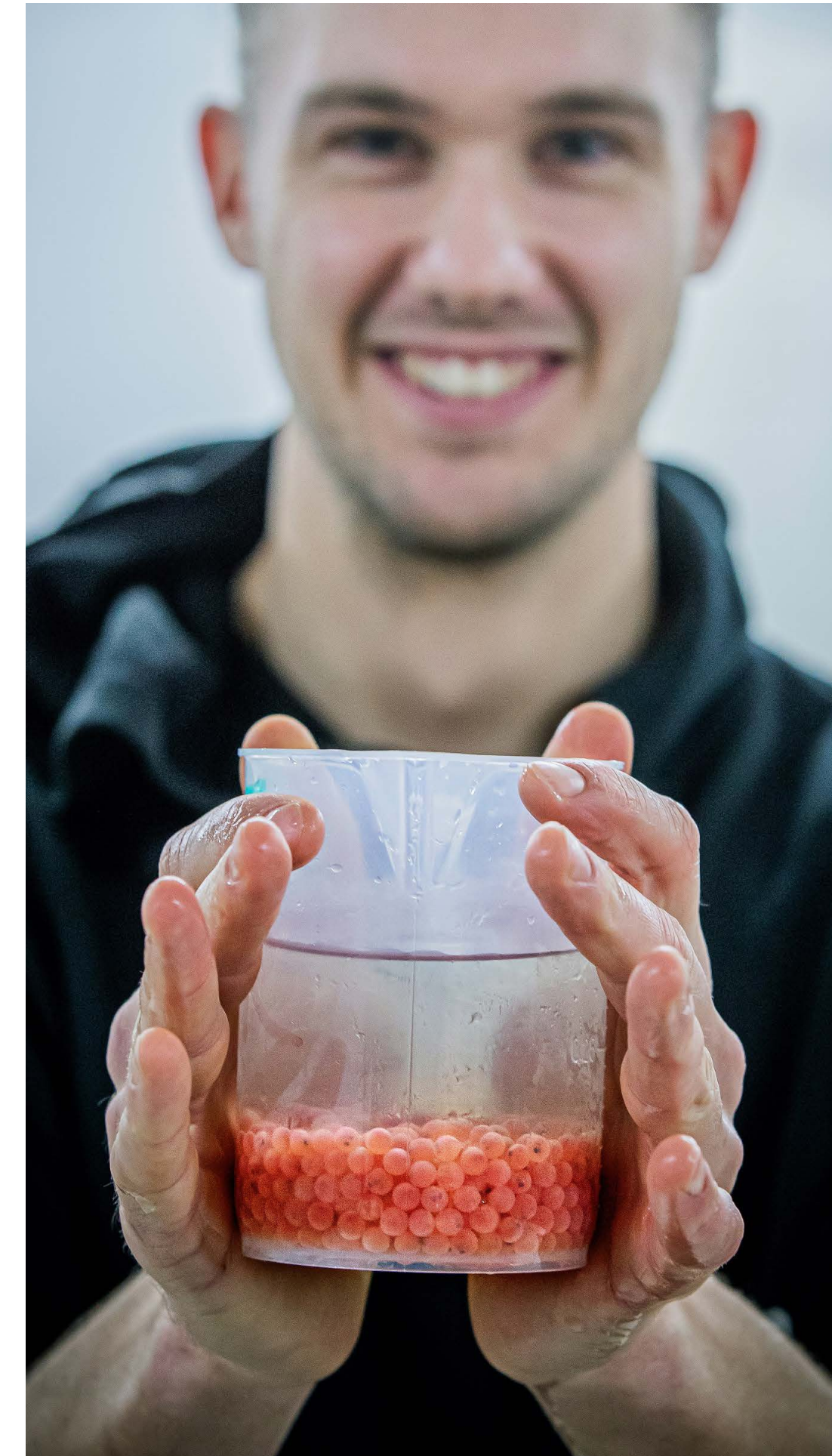
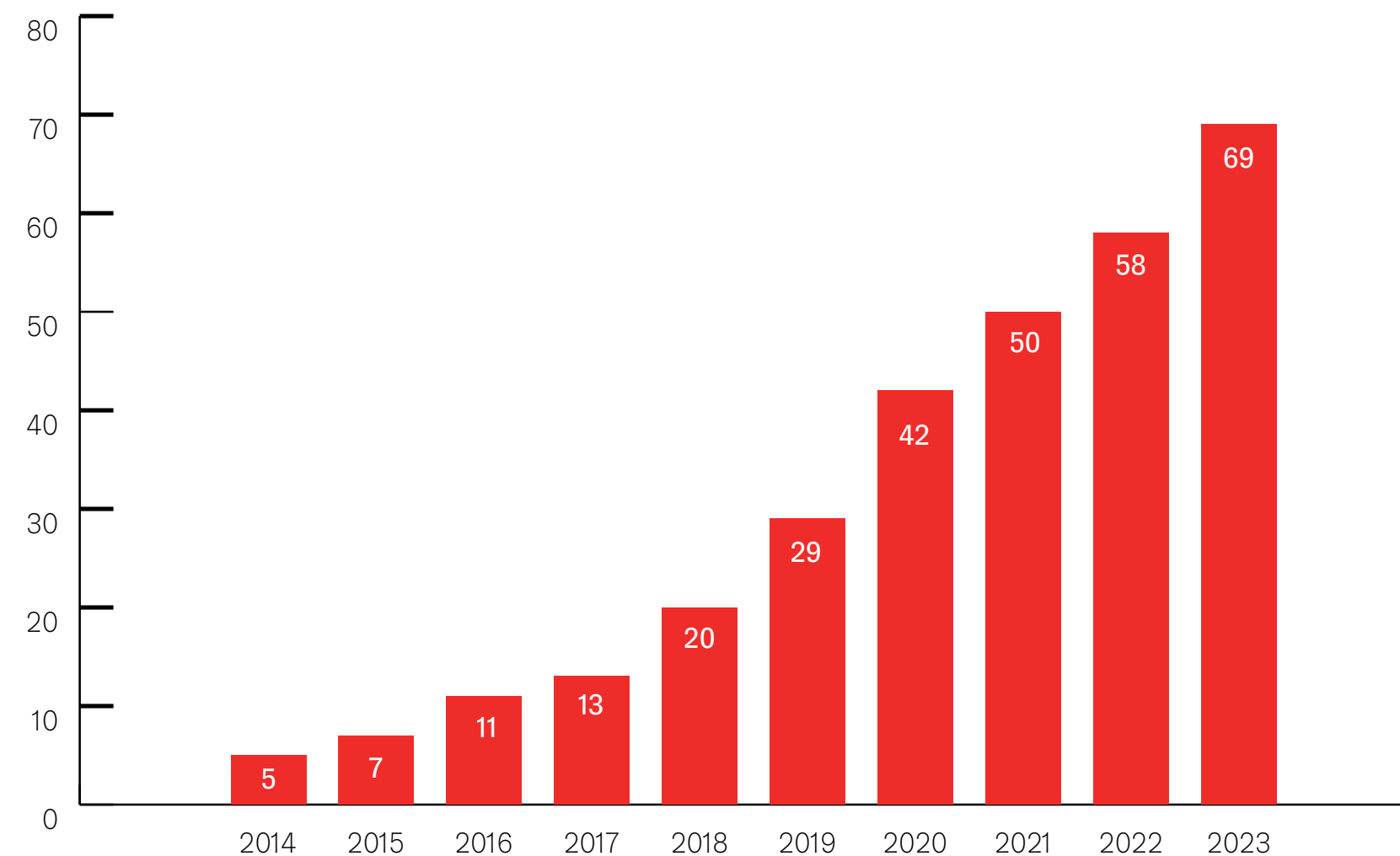


Diversity is integral to Måsøval's growth and success, enhancing decision-making and enriching our collective identity. We remain committed to our ongoing efforts to further increase diversity across all levels of our organisation. By embracing a diverse range of perspectives and experiences, we will continue to thrive as a dynamic and inclusive workplace.

**Employee development**

We continued our steadfast commitment to employee development in 2023. This dedication is reflected in the significant increase in the number of employees obtaining craft certificates in aquaculture. From a mere five certified employees in 2014, the total number has surged to an impressive sixty-nine by the end of 2023. Craft certificates not only validate employees' expertise but also empower them to excel in their roles and contribute effectively to our collective success.

**Craft certificates**





The inaugural class of our talent programme, consisting of fifteen talented employees, successfully completed the programme in fall of 2023, with thirteen new talents currently enrolled in the second round. Commenced in November 2023, this round is slated for completion by September 2024.

Thomas, a participant from the inaugural class, shared his reflections on his experience in the talent programme:

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*"In October 2022, I received the news that I was one of the chosen participants for Måsøval's inaugural talent programme. Excitement mingled with uncertainty as I embarked on this new venture, unsure of what lay ahead. Little did I know, it would shape me and my career in profound ways. Over the course of a year, the talent programme evolved beyond a series of sessions; it became a journey of personal growth. Through workshops and mentorship, I discovered facets of myself previously unexplored, learning to harness my potential not just for the company's benefit but for my own advancement too.*

*One particular challenge stands out: the organisational analysis assignment. Tasked with mapping out the intricacies of Måsøval, we delved deep, uncovering both its challenges and strengths, and presenting our findings to the executive management – which was a challenge in itself. Furthermore, we had the opportunity to create individual projects aimed at improving our respective departments and subsequently benefiting Måsøval. Crafting improvement initiatives for my department honed my leadership skills, teaching me the art of collaboration, guidance, and motivation.*

*The talent programme pushed me beyond my comfort zone, compelling me to step forward and voice my thoughts. Olaf's mentorship became a catalyst for change, nudging me to embrace opportunities instead of shying away.*

*Today, I stand taller and more confident than before, grateful for the doors the talent programme has opened. It's not just a milestone in my career; it's a testament to the power of encouragement and transformative potential within each of us."*

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As we look ahead, our ongoing efforts to promote employee development and skill acquisition will remain a top priority, ensuring that our workforce remains well-equipped to meet the challenges of the dynamic aquaculture industry.

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Today, I stand taller and more confident than before, grateful for the doors the talent programme has opened.

### Community engagement

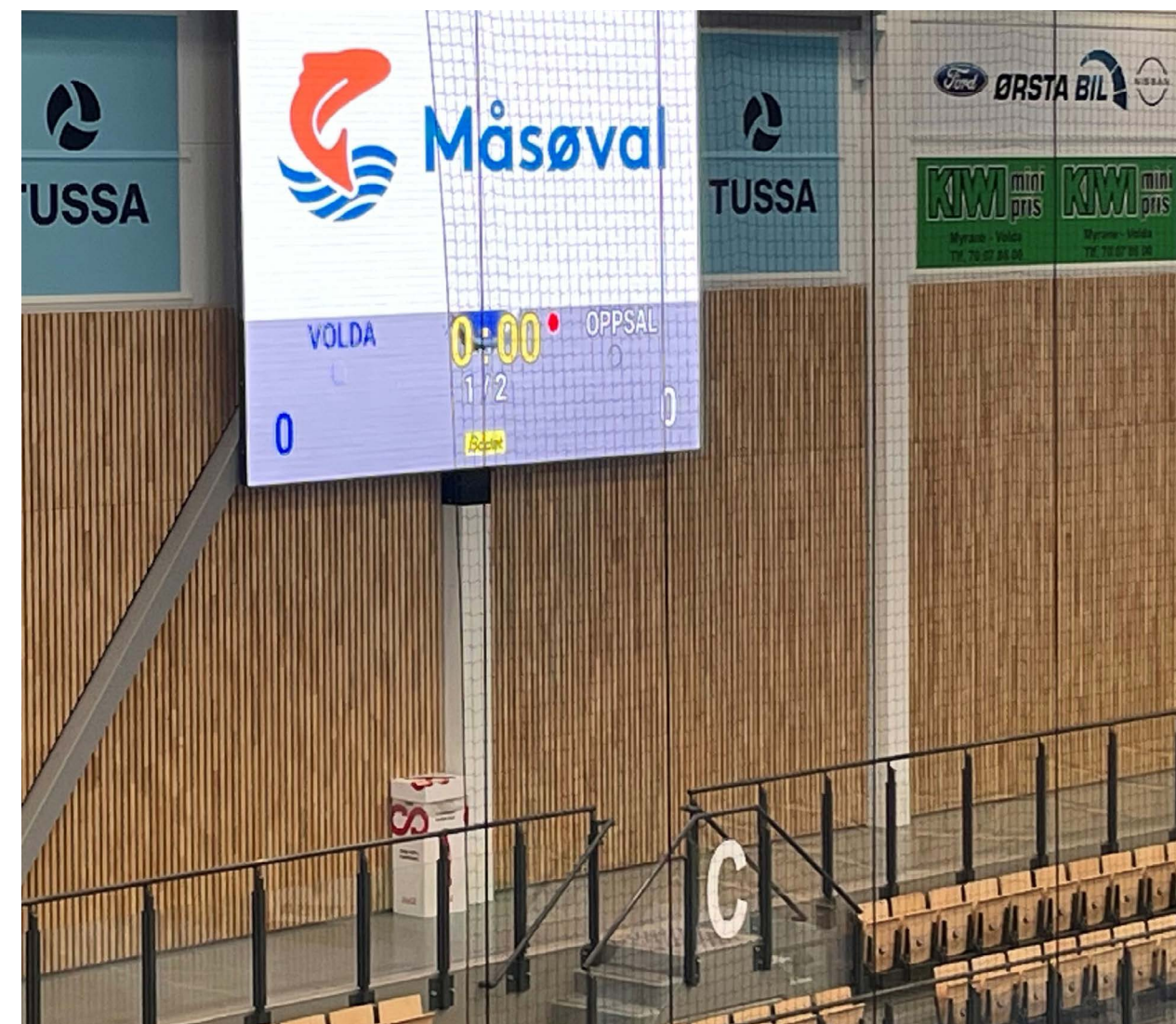
Måsøval has a rich history of supporting local communities across our eleven host municipalities. Each year, we allocate funds to groups and associations in these areas, particularly those focused on engaging and inspiring children and youth through voluntary initiatives. We also lend our support to activities benefiting students in primary, secondary, and high schools, as well as regional events that foster community cohesion, such as theatre performances and revues.

Through partnerships with schools, nurseries, and various organisations, our objectives are twofold: to cultivate supportive and nurturing environments for children and young people and to introduce them to the captivating landscapes of coastal Norway and the intricacies of the aquaculture industry. Our aim is to foster communities that are positive, inclusive, and generous, offering enriching experiences and sharing knowledge about salmon farming, especially with young people, so they can grasp the entire value chain of our industry.

In 2023, we remained committed to supporting initiatives aimed at children and youth, primarily focusing on the areas where we operate.

Total paid out (NOK)

587 890



In 2023, we remained committed to supporting initiatives aimed at children and youth, primarily focusing on the areas where we operate.



# *Strategy*



# Our goals

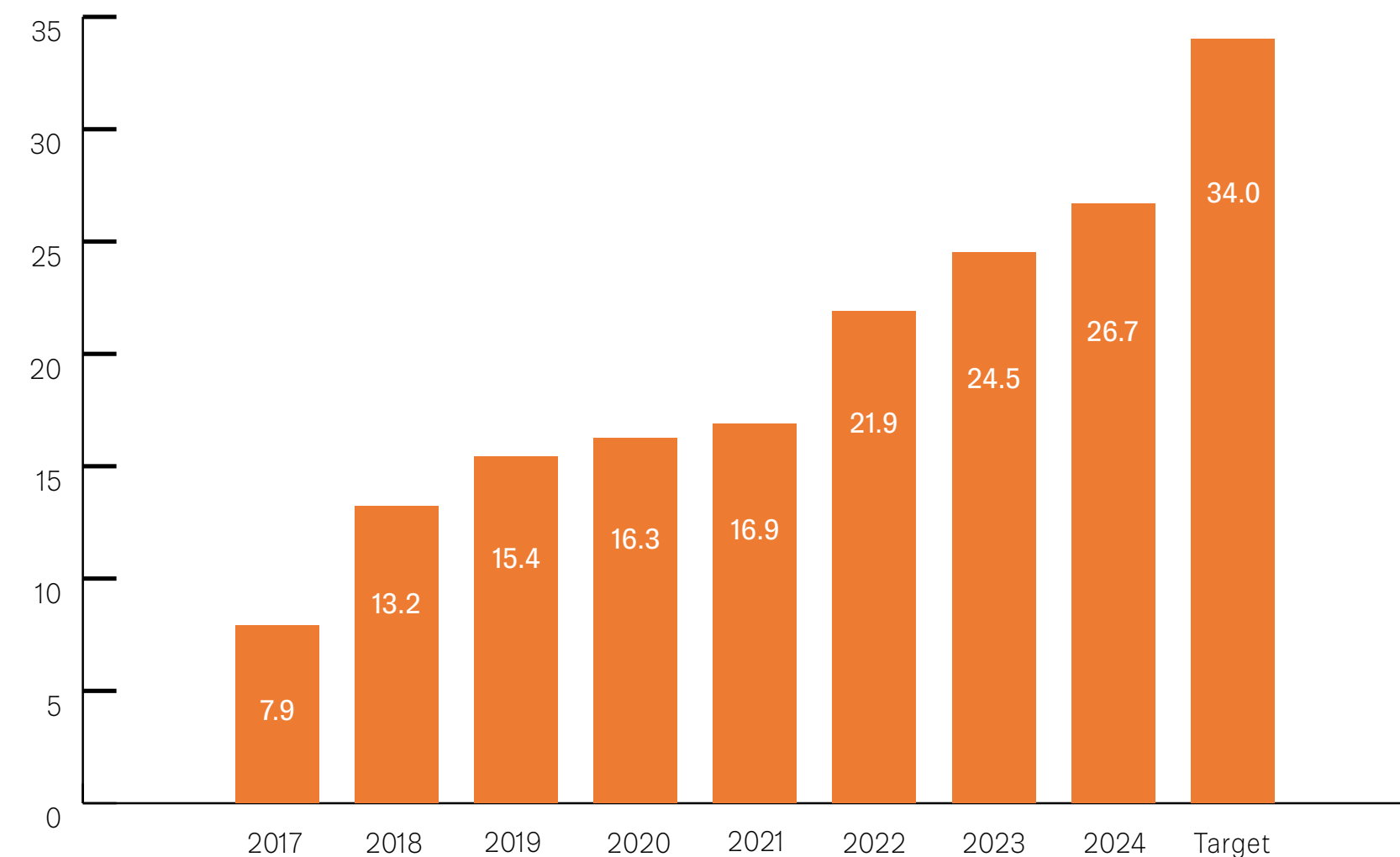
Måsøval is a rapidly growing company. From 2016 to 2023, we achieved an average annual increase in harvested volume of 17%. This growth has been fueled through expanding our licence portfolio, acquisition of companies, strategic co-location agreements, and optimising production.

## Healthy salmon grow faster

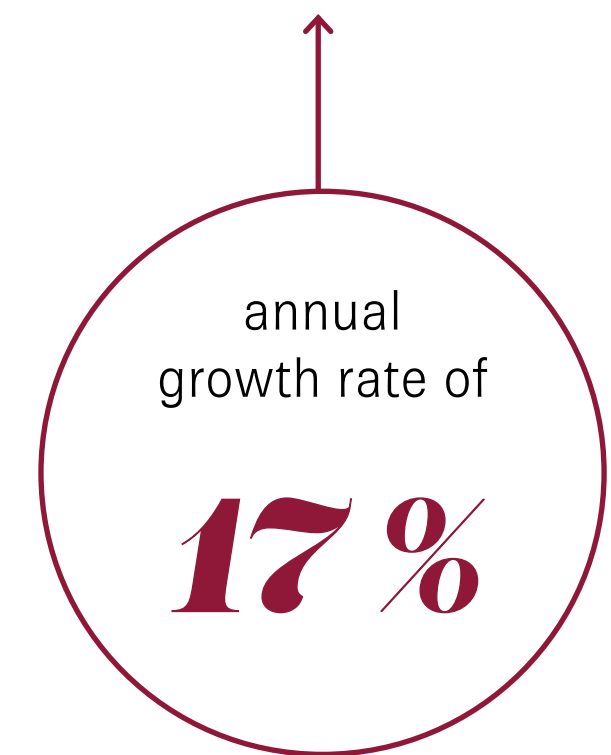
At Måsøval, our ability to utilise every single tonne of our capacity - through improved fish health, reduced mortality, and increased growth rates - positions us strongly to realise our future ambitions.

Currently, we are over halfway through our 10-year growth strategy and remain dedicated to actively pursuing and developing suitable opportunities as they emerge.

Harvest volume (thousand tonnes - gutted weight)



Existing conventional licenses



# Development and strategic projects

Over the past years, Måsøval has achieved remarkable growth in production volume, workforce, infrastructure, and geographical spread. At the same time, we have strengthened our capacity for strategic development across the value chain.

## Sites – sea-based farming

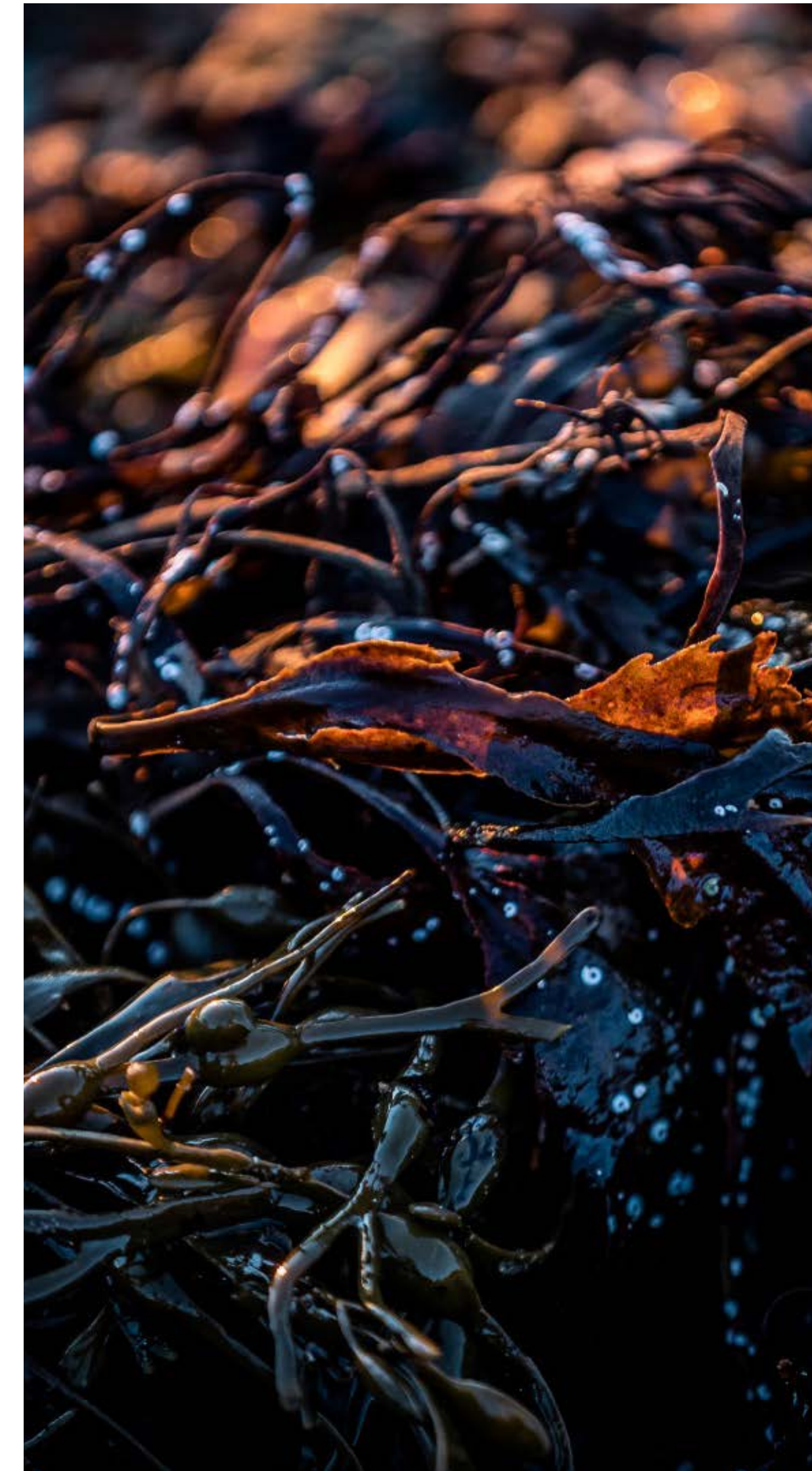
Our marine-phase operations are located in two production areas (PAs): PA5 and PA6, spanning between the municipalities of Volda and Frøya. As of 31 December 2023, we have a total of sixteen operational sites. In 2023, we intensified our efforts to develop the site portfolio. We have participated in developing a data model for analysing the quality of existing sites and potential new ones. The main targets are:

1. To identify opportunities for optimising existing sites by adjusting orientation and coordinates, as well as applying for increased production capacity.
2. To identify optimal coordinates for new sites.

The analysis evaluates optimal environmental conditions for salmon growth, such as topography, water temperature, wave exposure, and current speed. These are examples of key aspects to ensure superior biological performance, operational efficiency, and profitability. We also consider the availability of infrastructure, logistics, and local communities to ensure that we can remain a responsible and steadfast farmer for our fish, people, and communities. In 2023, we applied for one site close to Frøya and began work on applications for up to six new sites in PA5 and PA6, as well as a range of applications regarding existing sites.

## Production technology – sea-based farming

To optimise the utilisation of our sites and licences, and to position ourselves for new opportunities in terms of expansion and diversification, we continuously evaluate the potential of new production technology. Måsøval will seek to implement and develop alternative farming methods to reduce biological risks related to sea lice and infectious diseases. The industry must enable new tools over time to reduce environmental impact and increase production capacity. In 2023 we did a systematic review of various concepts in the market, including semi-closed and submersible pens. We aim to increase our efforts in this area through 2024.



### Capacity – smolt production

Currently, Måsøval owns four efficiently operated land-based smolt facilities that utilises flow-through technology. We also collaborate closely with external suppliers of high-quality smolt to meet our demand. Through 2023, we conducted a major strategic project to increase our smolt production according to our future needs. We have identified several opportunities for establishing a larger scale, state-of-the-art RAS facility in PA6, while optimising our existing facilities in the meantime. In 2024, we will refine our strategy and conduct a feasibility study for a new facility.

### Capacity – vessels

Our rapid expansion has brought increased demands for vessel capacity, especially when it comes to well boats and alternative tools for sea lice treatments. In 2023, we intensified our efforts to meet the short- and long-term demands of the company. We expect to unveil new capacities during 2024, enabling a stronger and more versatile service division.

### Capacity – harvest, sales, and processing

Throughout the last year, we have worked heavily on developing a holistic strategy for sales and processing. We have conducted thorough studies on existing and potential new facilities, resulting in the accepted bid for Ulvan, MOWI's harvesting facility in Hitra municipality. The geographical positioning and capacities of Ulvan are well-suited for Måsøval's current demands and future growth ambitions. It enables us to optimise our market strategy, ensure even better emergency preparedness, and increase profitability over time.

### Digital Transformation and IT Operations

In 2022, Måsøval embarked on a digitalisation project. The following year, we developed our own data platform to enhance decision-making, automate processes, and enhance collaboration and communication in our operations.

This initiative has resulted in the automation of key operational planning processes, leading to improved data accuracy, and allowing staff more time to address operational risks. Furthermore, critical environmental data, such as weather conditions, tides, and wave patterns, have been standardised and consolidated for better insights.

Concurrently, we launched an initiative with our IT operations provider to ensure the safety and efficiency of our IT systems. This included standardising network setups with fail-over solutions to enhance the security of our operations, in addition to ensuring stable operations without interruptions.







## *An attractive employer with local roots*

For over five decades, Måsøval has thrived as a family-owned business, with strong ties between owners and employees. This close-knit dynamic enables us to quickly adapt to new developments. Moreover, as the Norwegian aquaculture industry operates under rigorous governmental regulations, our responsive structure ensures compliance and efficiency.

We are committed to creating an inclusive, safe, and supportive workplace environment. From competency strategies and robust HSE procedures to employee development initiatives, we prioritise the growth and well-being of our workforce. Through diverse recruitment practices and ongoing education, we aim to empower our employees to excel both professionally and personally.

### **Competency Strategy**

Significant work has been done on Måsøval's overarching competency strategy, which places a strong emphasis on competency and employee development for staff at all levels of the organisation. This will continue to be a key focus area forward, including the continuation of our talent and leadership development programmes.

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Our ongoing efforts to support and motivate our employees in obtaining craft certificates remain a key priority.

## Recruitment

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

Measuring diversity can be difficult and requires insight. In late 2023, we introduced a human resource management system that will give us better statistics on equality, inclusion, and diversity across the organisation.

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

## Employee development

Salmon farming is ultimately about the interaction between salmon, nature, and people. To be successful, it is essential to continually develop the skills of our staff, empowering them to master their roles and expand their expertise over time. The industry's rapid pace of innovation imposes strict demands on Måsøval's collective expertise, necessitating a focus on both current and future challenges. Consequently, ongoing education serves as a vital tool for us, not only fostering individual growth but also opening new career avenues, thereby strengthening motivation. Our emphasis on internal recruitment further reinforces this motivation.

In 2022, we introduced a talent programme designed to cultivate employees who can make meaningful contributions to the workplace. The programme aims to empower participants to carry out their tasks with greater insight, precision, and ownership, while also preparing them to

take on new responsibilities and foster better collaboration. Throughout the talent programme, participants work on both personal development through improvement projects in collaboration with their immediate supervisor, and collectively analyse organisational aspects, presenting their findings to the executive management team.

## Craft Certificates

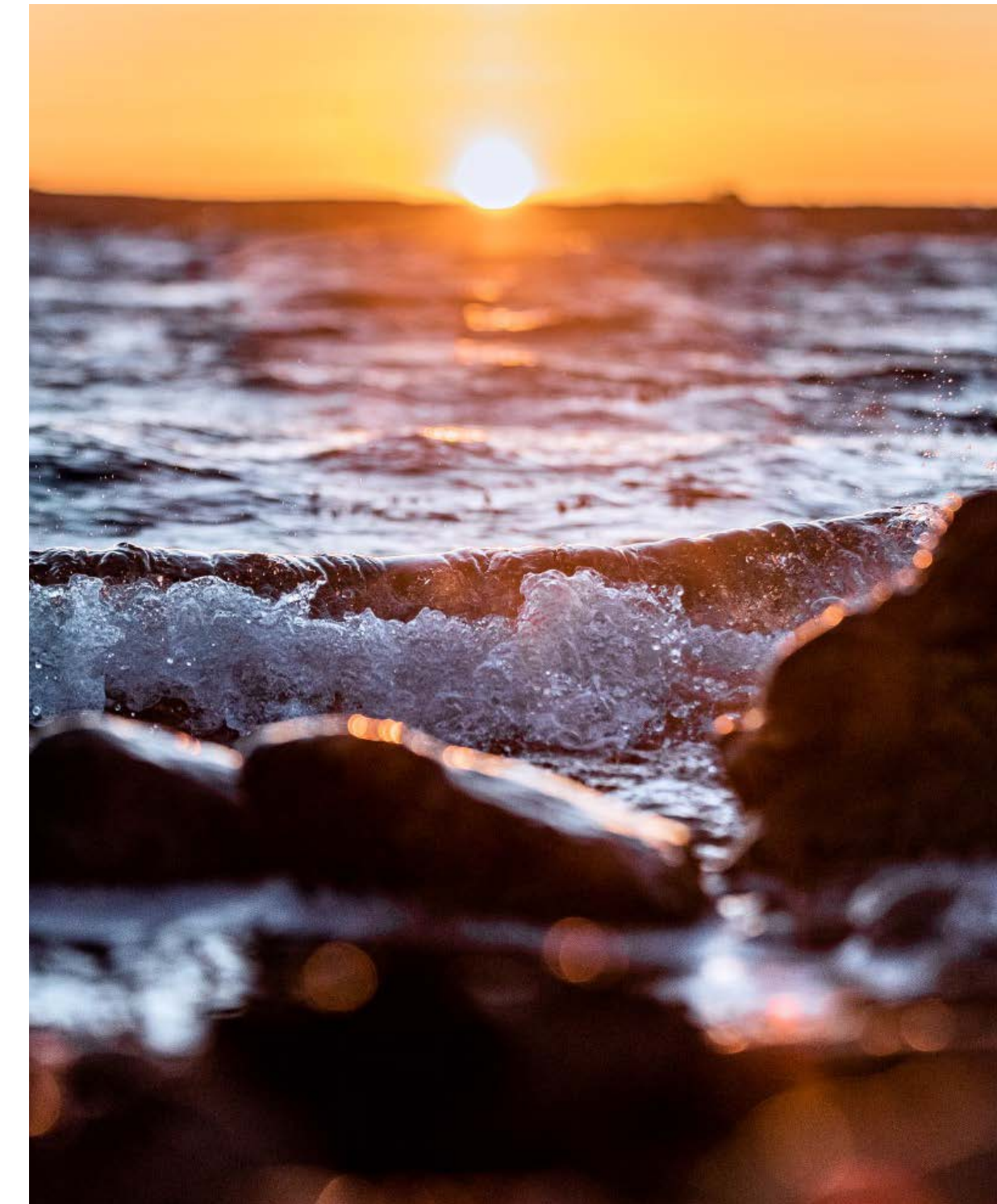
Craft certificates are regarded as one of the most effective ways in our industry to enhance expertise comprehensively, grounded in established standards. As an accredited training establishment, Måsøval welcomes 8 – 10 apprentices annually. By shouldering half of each apprentice's training programme, we ensure that every individual receives the support they deserve. Måsøval commits to this responsibility by allocating dedicated resources.

Over the years, we have actively encouraged and facilitated our employees to pursue craft certificates in aquaculture. Our sustained focus in this area has yielded tangible results, with a notable increase in the proportion of certified staff within our ranks. Our ongoing efforts to support and motivate our employees in obtaining craft certificates remain a key priority.

## Working in Måsøval

While Måsøval has always aimed to work in harmony with nature, we also recognise the importance of considering the human aspects. That is why we have established clear ethical guidelines outlining the expected working practices for both managers, employees, and partners.

Måsøval's ethical guidelines serve as a compass in our daily operations, guiding us to maintain safety, protect the environment, and navigate complex situations. These guidelines outline clear principles to promote awareness of our values and personal conduct, fostering a culture of mutual respect among employees regardless of differences. It is essential to understand that the true value of these guidelines lies in the actions we take every day, reflecting our commitment to ethical behaviour in the workplace.



By shouldering half of each apprentice's training programme, we ensure that every individual receives the support they deserve.



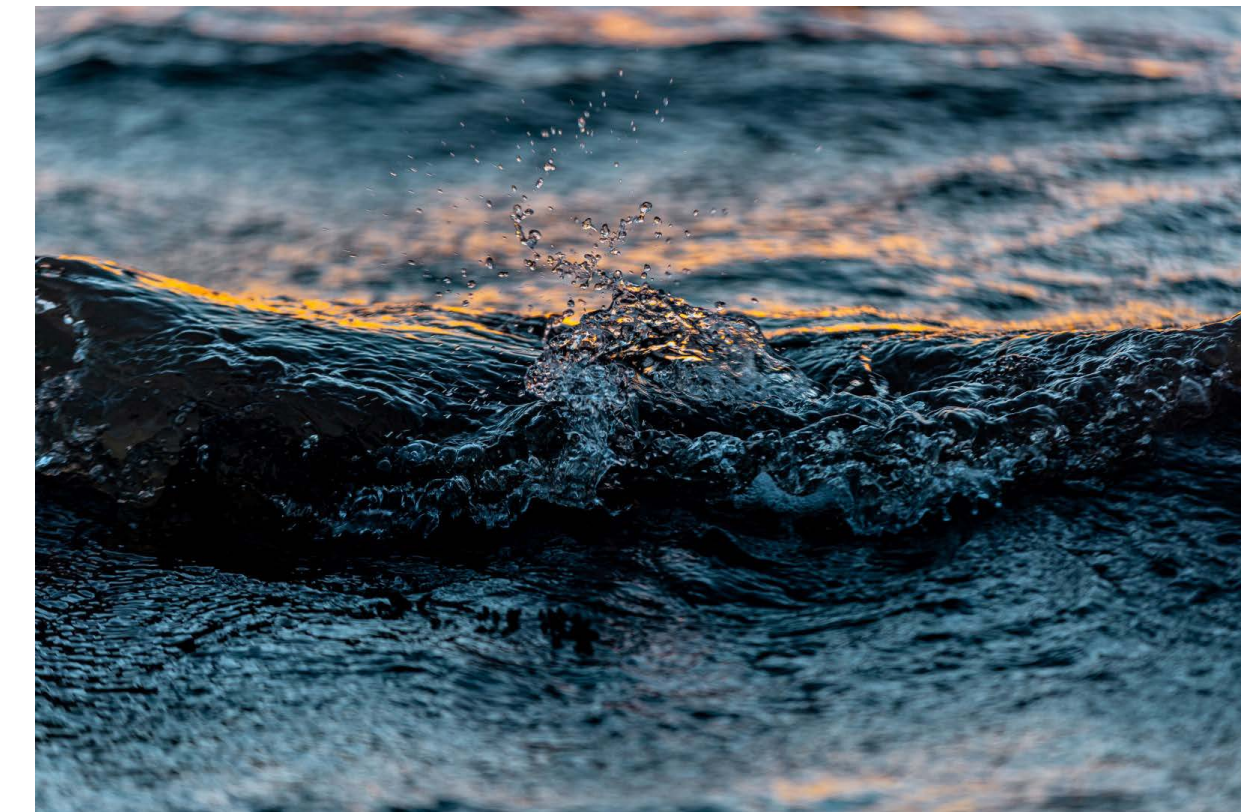
### Health, safety, and environment

Working in nature often presents challenging and potentially hazardous conditions, underscoring the importance of robust procedures to foster a safe and positive work environment. This commitment extends throughout our organisation, addressing both mental and physical well-being.

We have clear instructions for our operations to reduce the possibility of work accidents and material damage. When incidents arise, they are always investigated by the working environment committee. These procedures undergo regular review, with focused improvement measures implemented as needed.

Our employees are exposed to risk on a daily basis. We work closely with the forces of nature and often handle equipment with great forces. To prevent injuries and accidents, we continuously work to risk assess our work tasks and implement risk-reducing measures wherever possible. At Måsøval, we prioritise safety and strive to prevent serious injuries and fatalities through rigorous safety protocols and continuous improvement efforts.

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



We have a zero-tolerance policy towards serious injury and fatalities.

# *Salmon with a low environmental impact*



Fish farming operations can have significant environmental implications, including water pollution, habitat destruction, and biodiversity loss. Adopting sustainable practices helps minimise these negative impacts, preserving aquatic ecosystems and ensuring the long-term health of fish populations and surrounding environments. Sustainable fish farming involves efficient use of resources such as water, feed, and energy. By implementing practices that minimise resource consumption and waste generation, Måsøval can improve operational efficiency and reduce costs over the long term. Climate change poses significant challenges to aquaculture, including changing water temperatures, ocean acidification, and extreme weather events. Sustainable fish farming practices, such as site selection, species diversification, and adaptation measures, can help us build resilience to climate-related risks.

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

### **Salmon lice**

Salmon lice are a natural parasite on wild-raised salmon. Our goal is to prevent salmon lice from negatively affecting wild salmon and sea trout. There is a major national campaign to combat salmon lice in Norway and low limit values

have been set to prevent a negative impact on wild salmon populations. In 2017, the Norwegian authorities introduced a traffic light system to monitor the level of lice on wild fish and indicate whether farmers in a production area are allowed to increase, maintain, or reduce their production.

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

### Climate-friendly food production

Salmon is a cold-blooded fish species, with neutral buoyancy. These properties make salmon different from livestock on land in that they use less energy to produce heat and to counteract the force of gravity. That saved energy is instead used to efficiently convert feed into muscle and protein. In addition, the edible yield is very high. The carbon footprint for farmed salmon delivered to different markets is between 4.8 and 28 kg of CO<sub>2</sub> per kg of edible product delivered to the retailer. The key factors contributing to differences in carbon footprint across products and markets are:

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

After air freight, feed production is the most important contributor and approx. 75% of total emissions prior to processing are due to feed production. (SINTEF, 2022) From a climate perspective, this means that farmed salmon has a lower environmental footprint in comparison to most other farmed animals.

### Fish feed

Fish feed is the single largest input across our production chain and has an environmental impact on both climate and biodiversity. The raw materials for the feed we use are sourced from all over the world by our feed suppliers and we set strict requirements for them to source sustainable raw materials from both fisheries and agriculture. When feeding the fish at our sites and facilities, it is our responsibility to minimise feed waste to prevent resource loss and environmental degradation.

### Preventing fish escapes

Over the past four decades, farmed salmon has undergone domestication, resulting in genetic distinctions from its wild counterparts. Preserving the genetic integrity of wild salmon is imperative, necessitating measures to prevent the escape of farmed salmon from our sites.

We have a constant focus on escape prevention and are pleased that we have had few cases of escapes in recent years. Research shows that working operations where the interaction between human choices and actions, technology, natural forces, and organisations is highest, these pose the greatest risk of escape.

That is why we emphasise training and good planning before carrying out activities that involve handling salmon. We have a highly experienced internal service division and skilled operations managers on-site who prepare and manage the work operations.

At our smolt facilities, double protection of drains has reduced escape risk considerably. Our facilities have had escape technical reports drawn up and are checked by an independent body.

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



We have a responsibility to preserve the genetic integrity of wild salmon.

# *Healthy and fresh fish for consumers*

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

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





### Fish health and welfare

Farmed salmon will thrive given optimal health and favourable environmental factors. Rapid growth reduces the risks of disease and sea lice infestations. This, in turn, indirectly affects mortality rates by minimising the time fish

spend in open pens. Therefore, Måsøval consider growth as an indirect indicator of fish welfare. In addition, we assess various factors such as sea lice levels, disease outbreaks, causes of mortality, and environmental parameters to evaluate biological performance and ensure fish health.

At Måsøval, expertise in fish health and welfare is highly prioritised. We find that increased knowledge significantly boosts employee motivation, which results in a positive reinforcing effect. Expertise is vital to always ensure the best possible conditions for the fish and contributes to ongoing operational development. Consequently, we maintain close collaboration with leading industry professionals and support research initiatives through knowledge sharing and financial backing. At Måsøval, fostering good fish health is a collective responsibility, with every employee contributing on a daily basis. Weekly interdisciplinary biology meetings between operational units and management provide a forum for reviewing key metrics in biology, health, and environmental conditions, forming the basis for decision-making to ensure effective biological control and consistent production. We systematically address the most significant biological challenges, whether related to mortality causes or environmental and production conditions. This ensures the proper allocation of resources to tackle the foremost challenges in production at any given time.

Fish health and welfare will always be one of the most challenging aspects of fish farming. Over the last few years, both the industry and we ourselves have encountered new obstacles that have led to a negative trend in this area. How we learn about and address these challenges will lay the foundation for the years to come. We know that achieving excellent biological control and providing our fish with positive living conditions results in healthy salmon that grow well. This work is essential not only for generating profits to further develop the company but also for upholding our commitment as a sustainable food producer.



Expertise is vital to always ensure the best possible conditions for the fish and contributes to ongoing operational development.

**Food safety**

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

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

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

All of the fish processing facilities that we use are HACCP-certified to ensure that health hazards that could pose a risk to food safety are eliminated or reduced to an acceptable level. The facilities undertake frequent tests to ensure that limit values are not exceeded. Annually, our routines for recalling products are also tested against the processing plant and sales office. While our objective is to avoid recalls altogether, we stand ready to implement them if required.

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

and GlobalGAP audits by independent certification service providers and accept inspections from authorities and customers on-demand.

**Product quality**

At Måsøval, we embrace a vision where excellence is not just a goal but a natural outcome - made by nature and pioneered by our dedication. Our commitment to this vision is evident in our relentless pursuit of producing the finest quality salmon, tailored to satisfy even the most discerning consumers worldwide.

We have established rigorous quality standards aimed at further elevating the quality of our salmon. These standards form the basis of our prestigious Princess brand, known for its exceptional quality.

Focused on meeting the exacting standards of discerning customers in premium markets, Princess prioritises superior fish health as a fundamental aspect of quality production. Our dedication to sustainability is ingrained in the Princess standard, which encompasses selection based on genetics, GMO-free feed, and a steadfast focus on fish health and welfare. By selecting only the best-performing salmon and implementing responsible farming practices, such as maintaining optimal density and providing nutrient-rich feed, we ensure that Princess salmon possesses exceptional attributes, including vibrant colour, low fat content, and exquisite texture. These concerted efforts culminate in a product that not only meets but exceeds customer expectations. Our sales department plays a pivotal role in efficiently distributing Princess salmon to discerning consumers worldwide.



Made by nature, pioneered by our dedication.





# *Sustainability*



# Sustainability

The United Nations (UN) recognises the importance of sustainable aquaculture to address global food security, promote economic development, and protect marine and freshwater ecosystems. Sustainable aquaculture contributes to several Sustainable Development Goals (SDGs), including Goal 2 (Zero Hunger), Goal 14 (Life Below Water), and Goal 15 (Life on Land). By providing a source of nutritious food, creating employment opportunities, and reducing pressure on wild fish stocks, sustainable aquaculture can help advance the SDGs related to poverty alleviation, food security, and ecosystem conservation.

Overall, corporate sustainability is essential for fish farming companies like Måsøval to ensure environmental stewardship, regulatory compliance, market competitiveness, and social responsibility. By integrating sustainability into our business strategies and operations, we can achieve long-term viability while minimising our environmental footprint and maximising our positive contributions to society.



### CSRD and double materiality analysis

In 2022, Måsøval's sustainability themes were identified through materiality analysis in line with the global reporting initiative (GRI) standard. During 2023, the Corporate Sustainability Reporting Directive (CSRD) was officially adopted by the EU institutions. It introduces new reporting requirements for companies, including mandatory reporting on a wider range of sustainability topics, such as social and governance issues, and requires companies to use digital reporting formats to enhance accessibility and comparability. Norway, while not an EU member, will align with this regulation due to its close economic ties and participation in the European Economic Area (EEA).

We welcome this initiative as it will improve transparency on non-financial reporting and make it more comparable with a common reporting standard for all companies and businesses. Although we conducted a thorough survey of our ESG impact in 2022, CSRD also establishes methods for conducting a double materiality analysis. When the directive was proposed in Norway, we wanted to implement this method before we proceeded further with the GRI-reporting standard.

Our double materiality analysis assesses the impact of environmental, social, and governance (ESG) factors on both financial performance (financial materiality) and broader societal and environmental contexts (non-financial materiality). This approach recognises that Måsøval can have significant impacts on society and the environment, which can, in turn, affect our financial performance, and vice versa. By considering both financial and non-financial materiality, a double materiality analysis provides a comprehensive understanding of the sustainability-related risks and opportunities.

The analysis and assessments will be an important basis for our strategic decision-making processes and further monitoring of impact, risks, and opportunities. We have therefore chosen to invest time and resources to establish a well-grounded basis for Måsøval's reporting going forward.



While CSRD sets the legal framework and reporting obligations, the European Sustainability Reporting Standard (ESRS) are standards that define the roadmap for compliance. ESRS specify the information that an undertaking shall disclose about its material impacts, risks and opportunities in relation to environmental, social, and governance sustainability matters. The standard includes 10 sub-topics and 37 sub-subtopics that address environmental, social, and governance topics. In our double materiality analysis, we have identified and assessed 212 impacts, risks, and opportunities (IROs) within the topics. After the assessment, we have defined 25 of the sub-subtopics as material for Måsøval.

Environment (E)					Social (S)				Governance (G)
E1	E2	E3	E4	E5	S1	S2	S3	S4	G1
Climate change	Pollution	Water and marine resources	Biodiversity and ecosystems	Circular economy	Own workforce	Workers in the value chain	Affected communities	Consumers and end-users	Business conduct
Climate change adaptation	Pollution of air	Water	Direct impact drivers of biodiversity loss	Resources inflows, including resource use	Working conditions	Working conditions	Communities' economic, social and cultural rights	Personal safety of consumers and/or end-users	Corporate culture
Climate change mitigation	Pollution of water	Marine resources	Impact on the state of species	Resource outflows related to products and services	Equal treatment and opportunities for all	Other work-related rights			Protection of whistle-blowers
Energy	Pollution of living organisms and food resources		Impact and dependencies on ecosystem services	Waste					Animal welfare
	Pollution of microplastics								Corruption and bribery

“ We have chosen to invest time and resources to establish a well-grounded basis for Måsøval’s reporting going forward.

Result of the double materiality analysis – sub-subtopics of medium and high materiality for Måsøval. The colour gradient indicates the materiality score given, with darker colours representing higher scores.

After completing the new double materiality analysis, we will begin the intensive work of gathering data and measuring our impact according to ESRS. Our first goal is to complete a greenhouse gas accounting according to the GHG Protocol. We will also conduct a gap analysis on our policies and implement actions where needed.

### Transparency act

At Måsøval, responsibility extends far beyond our immediate operations. We recognise the importance of fostering sustainability throughout our entire value chain, collaborating closely with our suppliers to uphold ethical and environmentally conscious practices. Embracing the principles of circular economy, we acknowledge that materials and energy are integral components of a continuous cycle. Hence, we persist in our pursuit of innovative strategies to advance our goal of being as climate neutral as possible.

Central to our sustainability strategy is the careful consideration of raw materials sourced by our feed suppliers. While prioritising quality and competitiveness, we remain vigilant in ensuring that the origins of feed materials align with our commitment to ethical sourcing. We firmly believe that responsibility across the value chain is essential for driving meaningful progress towards sustainability. By encouraging our suppliers to share our dedication to ethical and sustainable practices, we aim to create a supply chain characterised by fair labour conditions and environmental stewardship.

In 2023, we took significant strides in transparency by publishing our statement on the Transparency Act, which can be found at our website [www.masoval.no](http://www.masoval.no). This declaration underscores our commitment to openness and accountability, as we strive to fulfil our duty of disclosure and provide stakeholders with insight into our due diligence processes. Moving forward, we remain dedicated to transparently documenting our efforts to uphold ethical standards and drive positive change throughout our entire value chain.



A man in a high-visibility yellow jacket is standing on the blue railing of a boat. He is looking down at something in his hands. The background shows a large, snow-covered mountain range under a cloudy sky. The water of the sea is visible in the foreground.

# *Corporate governance*

# Corporate governance

Måsøval's goal is to have a high standard of corporate governance that strengthens public confidence in the company. Owners and shareholders must have confidence that the company is managed through the application of sound business ethics that will also create long-term value. The Group aims to be open in its communications and provide relevant and accurate information about its activities and results, both to shareholders, stakeholders, and society in general.



An effective governance structure is essential for conducting business responsibly and safeguarding the values of the Group and its stakeholders across dimensions.





## *Corporate governance at Måsøval*

Måsøval AS is a publicly listed company with the following objectives, as outlined in article 3 of its articles of association: “The company’s business is to farm salmon and trout, as well as value-added processing and sale of these products, and any activities naturally belonging to such companies, including participation in other companies.”

Måsøval maintains a significant presence in various local communities. Måsøval as a group is aware of its social responsibility as an employer, a producer of safe and healthy food, a protector of financial value, and a steward of the environment. Through comprehensive corporate governance, internal processes such as risk management, internal controls, and financial results are integrated with the other management processes in the business. This integration gives the Group the ability to react, manage, and, if necessary, adjust to new opportunities and threats. In turn, this aids in ensuring that the Group acts responsibly towards its stakeholders, both internal and external.

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Måsøval’s goal is to have a high standard of corporate governance that strengthens public confidence in the company.



An effective governance structure is essential for conducting business responsibly and safeguarding the values of the Group and its stakeholders across dimensions such as people, the environment, and prosperity. Responsibility for the management and control of the company is divided among shareholders at the Annual General Meeting, the Board of Directors, and the CEO, in compliance with the Norwegian Companies Act, other relevant laws and ordinances, rules governing stock market companies, the articles of association, and the Board's internal documents.

As Måsøval has evolved from a small family-owned company to a larger group listed on Euronext Growth, the need for comprehensive and clearly defined governance has increased. Continuous efforts are made to develop policies and systemise management across all operations to ensure that confidence in the Group's responsible management and strategic direction is instilled among owners, employees, and other stakeholders.

The Group will provide reports and public access to information about its business operations, including compliance with human rights and decent labour conditions, both within the organisation and across the Group's value chains.

### **Risk management and internal controls**

To mitigate potential risks and safeguard against adverse outcomes, robust control systems and risk management processes have been implemented and continue to be refined by the Group. Through diligent risk assessment, readiness to address challenging situations and mitigate negative incidents is enhanced. While personnel safety and fish welfare are prioritised, a comprehensive approach to risk management is adopted, encompassing environmental, climatic, financial, and reputational concerns.

The Board of Directors assumes responsibility for ensuring the effectiveness of the Group's risk management systems and internal controls, as well as compliance with regulatory requirements. These systems are designed to

facilitate seamless operations, accurate financial reporting, and adherence to relevant laws and regulations.

Aligned with industry standards, proactive measures to address potential health, safety, and environmental incidents are prioritised in the Group's risk management strategy, leveraging technology for operational efficiency and security. Continuous monitoring by managers at all levels ensures swift response and adaptation to evolving risks. Compliance with statutory and regulatory frameworks is overseen by the CEO, supported by internal controls for financial reporting and ongoing audits to address non-conformities and identify improvement opportunities.

The Group's foremost risk pertains to the biological development of smolt and marine-phase fish stocks. Internal controls are meticulously structured to align with regulations and the company's objectives of continuous improvement and growth. Shared objectives for internal controls encompass various facets, including the working environment, fish health and welfare, escape prevention, pollution control, food safety, and water resource management.

### **Regulatory risk**

Salmon farming is subject to diverse regulatory oversight frameworks at municipal, county, and state levels. These regulations embody societal and governmental expectations for responsible, sustainable salmon production. The Group is committed to transparency, aiming to exceed regulatory standards by openly disseminating information regarding operations and their environmental implications.

Regulatory risk presents multifaceted challenges, encompassing both noncompliance and the potential impact of regulatory changes on operations. Shifts in laws and regulations can escalate operational and transportation costs, posing financial risk to the Group. Given the reliance on operational efficiency for sustained growth, continuous vigilance is required to address regulatory shifts.



To mitigate potential risks and safeguard against adverse outcomes, robust control systems and risk management processes have been implemented and continue to be refined by the Group.

The Group's operations hinge on maintaining necessary aquaculture licences and site permits, necessitating ongoing compliance efforts across the Group. Heightened scrutiny of environmental, social, and governance issues underscores the importance of stringent compliance measures.

Taxation policies pose significant regulatory risk for the Group. Recent developments have witnessed the Norwegian government implementing a resource rent tax specifically targeting salmon farming at sea, with a tax rate of 25%. This tax, applicable solely to farming activities at sea under commercial licences, introduces additional financial considerations for the Group. The Group has proactively adjusted its financial strategies to accommodate the impact of the resource rent tax. While uncertainties persist due to unresolved details in tax regulations, financial planning continues to adapt in response to evolving regulatory landscapes.

### Commercial risk

The Group has identified and is exposed to a spectrum of commercial risks, which are mitigated through a variety of policies, practices, and instruments. These encompass comprehensive insurance coverage for biological and physical assets, including credit and personnel insurance. Stringent risk assessment protocols govern both land and sea operations to pre-emptively address potential vulnerabilities.

Among the primary risks are fluctuations in market prices. Price volatility due to changes in supply and demand for farmed Atlantic salmon exerts profound influence on the Group's revenue streams and overall financial trajectory. Predominantly engaging in spot market sales, with a minor fraction (5-10%) secured via fixed price contracts, the Group maintains adaptability to market dynamics while striving to uphold sustainable growth.

Integral to the Group's resilience strategy is the proactive management of biological, operational, and environmental risks inherent in fish farming at



sea. Key risk factors include the period post-transfer from land to sea, pre-harvesting phases, and intensified operational activities like delousing and splitting of pens. While comprehensive mitigation measures are enacted, variations in key performance indicators will persist across sites and geographic regions.

Compliance with regulatory thresholds for sea lice infestations stands as a critical imperative, with deviations posing multifaceted risks, including compromised fish welfare, higher operating costs, and potential regulatory sanctions. Disease outbreaks further amplify operational complexities, precipitating direct losses, compromised product quality, and diminished production capacity.

The Group's operational continuity is contingent upon the reliability and consistency of its supply chain partners, particularly feed suppliers. Mitigating exposure to abrupt contract terminations, the Group maintains supplier agreements with multiple feed suppliers to ensure operational resilience in the face of unforeseen disruptions.



The Group has proactively adjusted its financial strategies to accommodate the impact of the resource rent tax

# Executive management



**Helge Kvalvik**  
CEO

Helge holds a master's degree in marine technology from the Norwegian University of Science and Technology (NTNU), combined with a master's degree in corporate finance from the Norwegian School of Economics (NHH). Prior to joining Måsøval in 2023, he gained experience from several different industries in various senior management positions. During the last decade he was a CEO within the shipping industry. Helge enjoys spending time with his family, travelling, and honing his culinary skills.



**Anders Hagestande**  
CFO

Anders holds a master's degree in finances from the Norwegian School of Economics (NHH). Before joining Måsøval in 2023, he gained extensive experience in the aquaculture sector, serving as financial controller, and as CFO in companies across the seafood value chain. In his spare time, Anders likes to attend pub quizzes, play board games, or venture into the great outdoors with his faithful furry friend.



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

Harry has a craft certificate in fish farming and a two-year education in fisheries technology. Most importantly, he has over 30 years' experience in the aquaculture industry, with over 13 years dedicated to Måsøval. In his spare time, Harry finds fulfilment in raising and caring for multiple dogs.



**Lars Jørgen Ulvan**  
Head of Smolt

Lars Jørgen holds a Cand. scient. degree in marine resources and aquaculture from the Norwegian University of Science and Technology (NTNU). With a background as a biologist specialising in Atlantic Cod juveniles, he later served as CEO of Nordland Rensefisk before assuming his current role at Måsøval in 2019. Outside of work, Lars Jørgen finds joy in exploring the wonders of nature with his son.



**Henny Førde**  
Head of Biology, Planning and ESG

Henny has a master's degree in marine biology and aquaculture from the Norwegian University of Science and Technology (NTNU). Starting at Måsøval in 2014, she progressed through roles in biological control and sales management before assuming her current role as Head of Biology, Planning, and ESG. Henny is most content when boating around the beautiful islands of Hitra and Frøya.



**Ingar Kyrkjebø**  
Head of Service

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



**Andreas Skagøy**

Head of Development and Strategic Projects

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



**Remy Strømskag**

Head of Sales and Processing

Remy holds a bachelor's degree in marine engineering from the Norwegian University of Science and Technology (NTNU). Before joining Måsøval in 2023, he served as the Factory director at Nutrimar AS. He also gained valuable sales experience during his tenure at SalMar ASA. Outside of work, Remy enjoys spending time at his second home on the island of Sula, near Frøya, where he can appreciate beautiful sunsets, indulge in fishing, and cherish moments with his family.



**Sandra Holm**

Head of People and Culture

Sandra is a registered nurse with expertise in healthcare management and holds an MBA in economics and management, specialising in sustainable aquaculture strategy. Before joining Måsøval in 2023, she accumulated experience in personnel management within the public sector. Transitioning into the aquaculture sector, she honed her skills in HR and management at ScaleAQ. Sandra is known for her dedication and sociability, finding fulfilment at home, her cabin, and during travels. She particularly enjoys engaging in strategic board games, where both her best and worst traits may emerge.

# Board of directors



**Lars Måsøval**  
Chair of the board

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



**Kari Skeidsvoll Moe**  
Director

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



**Ola Loe**  
Director

Ola Loe has about 30 years' experience in the aquaculture, finance, and management industries. He has been Chief Finance Officer at Norway Royal Salmon for 13 years and is currently the director of strategy and development at Måsøval Eiendom. Prior to 2009, he worked at auditors, KPMG, and Arthur Andersen & Co, and has been responsible auditor for Fjord Seafood, Mowi, Cermaq and Norway Pelagic, among others, as well as a group auditor for several listed companies.



**Nina Santi**  
Director

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



**Roger Granheim**  
Director

Roger Granheim has a diploma in economics from BI and has completed a management program from AFF/Solstrand. He is now CEO of Frøy Kapital and holds several board positions in various industries. Previously, Granheim has, among other things, been CEO of Torghatten ASA, Fosen ASA and ErgoRunit AS. Lives in Trondheim.



**Martin Staveli**  
Deputy director

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



## *Investor relations*

Måsøval places great importance on communication with shareholders, investors, and analysts to ensure the financial markets and shareholders receive accurate and timely information. This transparency serves as the foundation for evaluating the company's worth. All stakeholders have equal access to information. All notifications issued to the stock exchange are accessible through the company's website, [www.masoval.no](http://www.masoval.no), on the Oslo Stock Exchange's news site, [www.newsweb.no](http://www.newsweb.no), and via news agencies. Responsibility for shareholder communications between general meetings rests with the CFO.

### **IR contact in Måsøval**

Anders Hagestande, CFO

[anders.hagestande@masoval.no](mailto:anders.hagestande@masoval.no)

+47 41 58 21 38



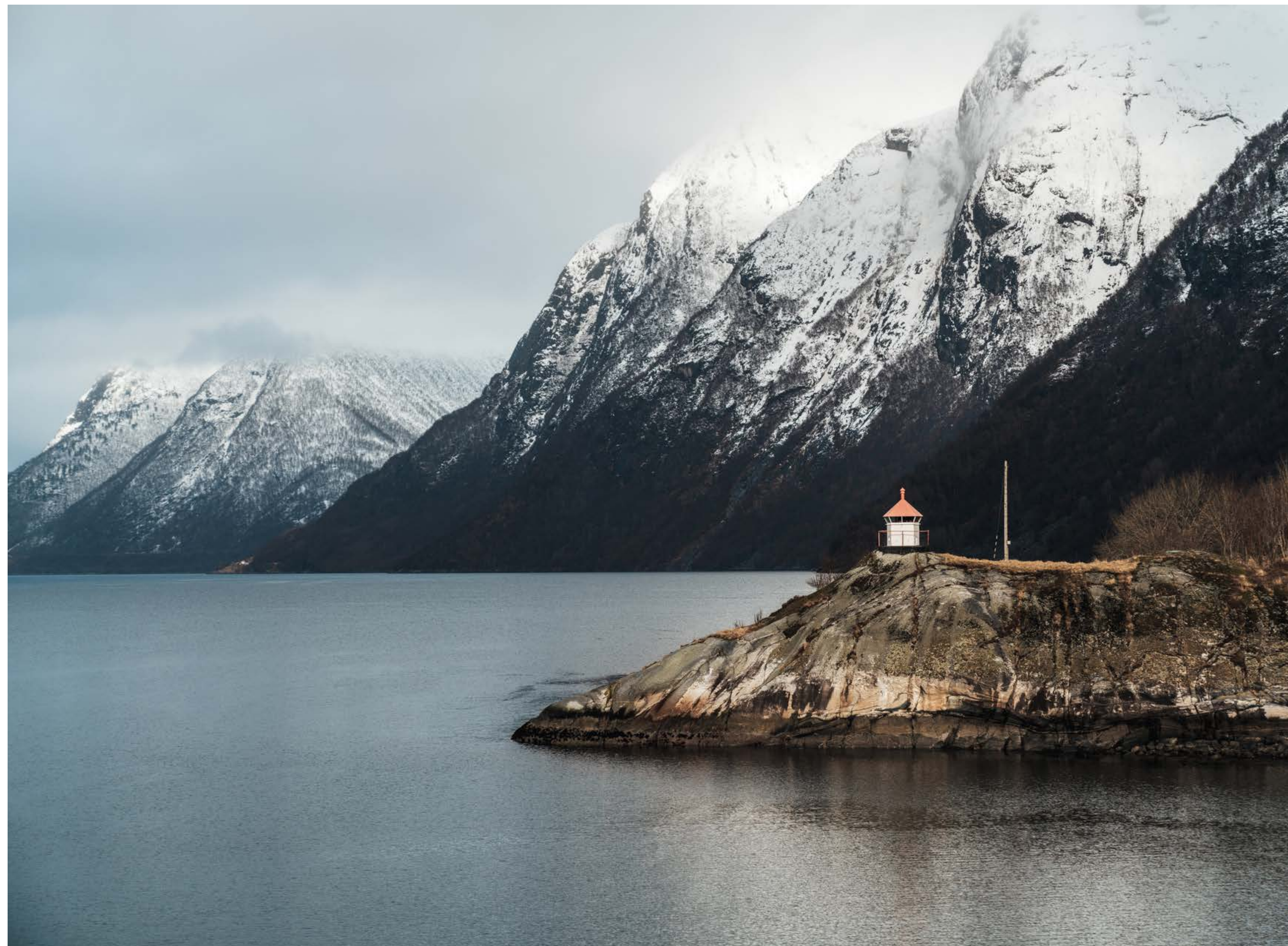
This transparency serves as the foundation for evaluating the company's worth.



# *Financial information*

Måsøval conducts investor presentations concurrently with the release of its quarterly reports. These presentations are accessible to all and offer insight into the Group's operational and financial performance for the preceding quarter. Presentations, along with their corresponding reports, can be found on the Group's website, [www.masoval.no](http://www.masoval.no), and on the news site of the Oslo Stock Exchange.

The Group intends to adhere to the Oslo Stock Exchange's guidelines by publishing quarterly reports within 60 days from the end of each quarter.



# Financial calendar 2024

Every year, Måsøval releases a financial calendar detailing the dates of publication for the Group's quarterly and annual reports. The calendar can be accessed on the Group's website, [www.masoval.no](http://www.masoval.no), and is also available on the Oslo Stock Exchange's website. The calendar is published prior to 31 December each year.

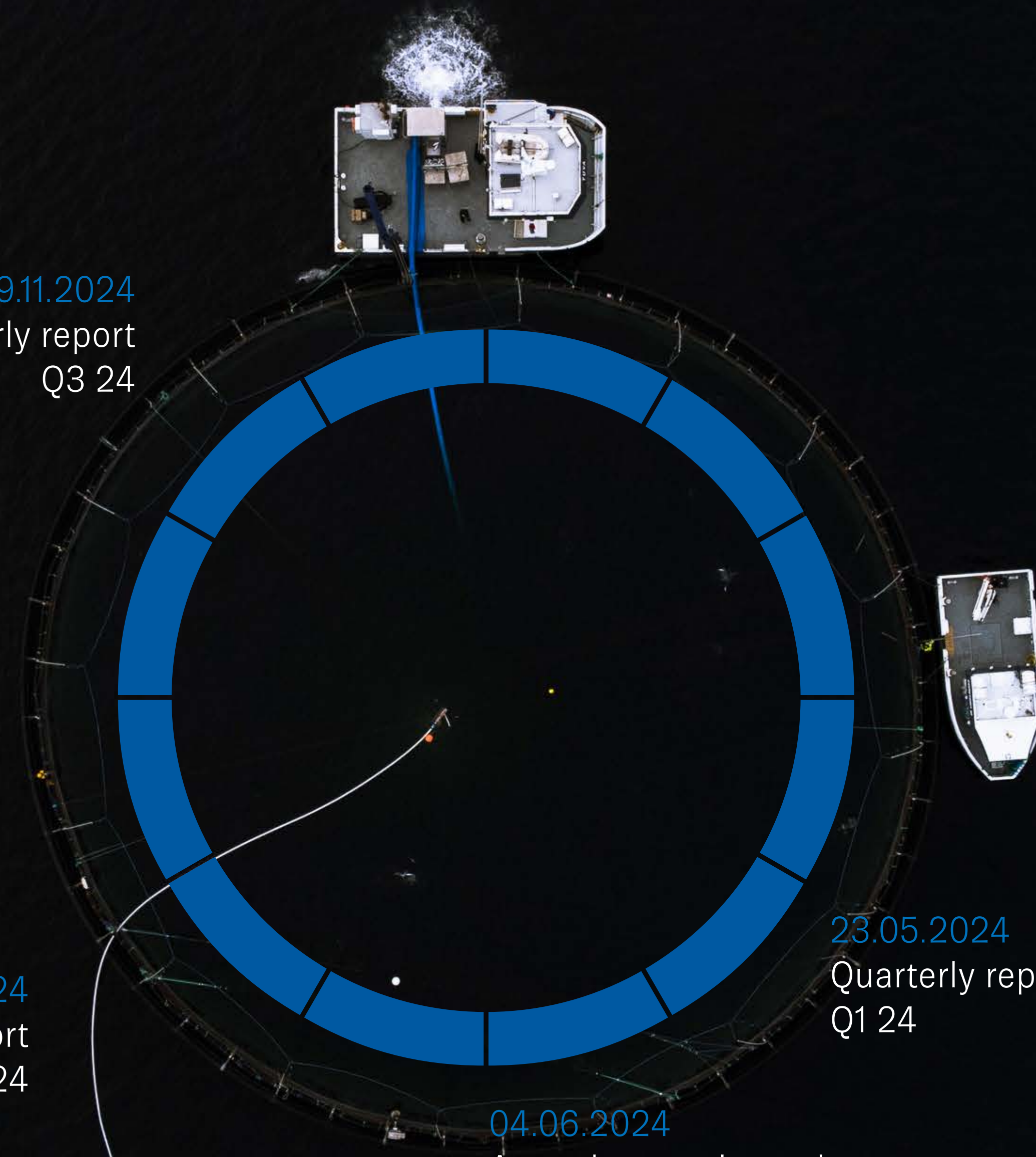
Please bear in mind that dates may be subject to change. Any changes will be announced through the aforementioned channels.

19.11.2024  
Quarterly report  
Q3 24

27.08.2024  
Quarterly report  
Q2 24

23.05.2024  
Quarterly report  
Q1 24

04.06.2024  
Annual general meeting



# Share price development

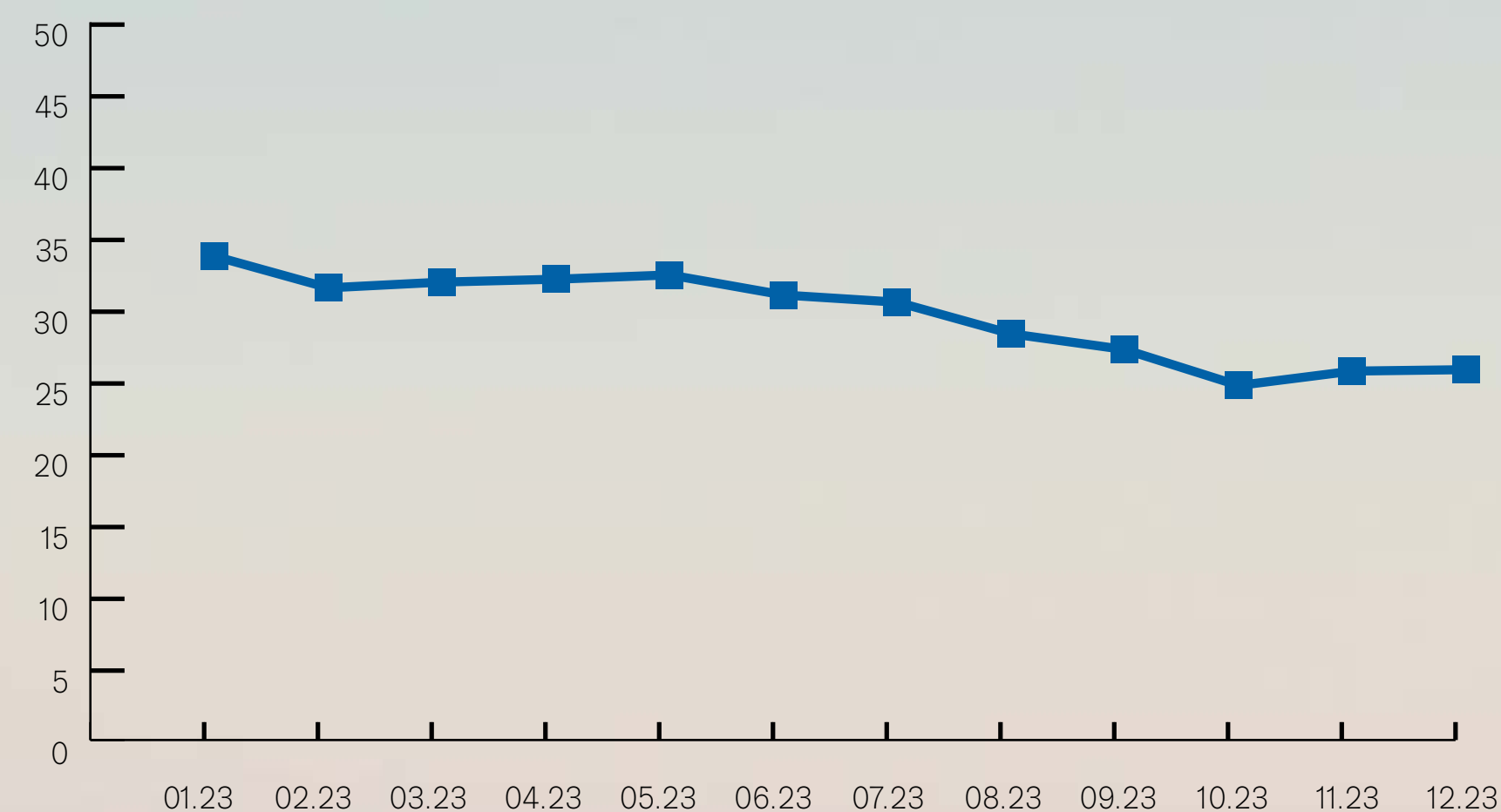
Since the Norwegian government's introduction of a resource tax on salmon farming in autumn of 2022, Måsøval AS has navigated through a challenging market environment significantly influenced by the uncertainty surrounding the tax scheme's structure. The subsequent discussions around this tax led to volatility in stock prices within the whole aquaculture sector throughout the year.

In 2023, our stock price fluctuated, with a 52-week range between NOK 24.8 and NOK 34.9. The stock closed at NOK 26.00 on the last trading day reported, marking a decrease from the year's high but also an increase from the low.

## Technical information

- As at 31 December 2023, Måsøval AS comprised 122 508 455 shares, with each share having a face value of NOK 0.25, and 1 176 shareholders.
- The company's ticker on the Oslo Stock Exchange is MAS.

Price at closing NOK





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Made by nature –  
pioneered by Måsøval.

## *The Board of Directors' report*

### **The Group's activities**

Måsøval operates as a responsible farmer of high-quality salmon, headquartered on the island of Frøya in the Trøndelag region of Norway. Value creation occurs through the synergy of natural resources, skilled farmers, knowledge, and technology, as exemplified by the vision, “Made by nature – pioneered by Måsøval”. The commitment to environmental sustainability, social responsibility, and ongoing improvement has been integral to Måsøval's success in the past five decades. As Måsøval celebrated its 50th anniversary in 2023, the dedication to these principles was reaffirmed and will continue to guide the company's future growth.

The Group's farming segment is divided into two regions: Mid and West, with Mid comprising Production Area 6 and West comprising Production Area 5. Alongside production on the company's own licences with a maximum allowable biomass (MAB) of 12 694 tonnes, Måsøval collaborates with three external partners through co-location agreements, resulting in an additional production of 4 773 tonnes.

### Significant events in 2023

In 2023, Måsøval solidified its position as an ambitious, forward-thinking, and growth-driven salmon farming company. The year was characterised by a focus on operational improvements, with an intensified effort on structured fish health management. Due to the long production cycle of salmon, the outcome of these initiatives will become more apparent in the future.

- Achieved record-high production, harvesting a volume 12% greater than that of 2022.
- Invested in new FLS delousing units, installed on the chartered well boat, enhancing delousing capacity, efficiency, and ultimately, fish health.
- Implemented a new vaccine regime for smolt, providing protection against the Moritella bacteria, the primary causative agent of winter ulcers.
- Strengthened biosecurity measures through increased service operations conducted by the company's own vessels.

### Organisational changes

Several organisational changes were implemented in 2023 to fortify the Group's management. Executive management saw transformation with the appointments of new leaders: CEO, CFO, and Head of Harvesting and Sales, alongside the establishment of the position as Head of People and Culture. Additionally, the middle management structure of the marine-phase division was enhanced with the introduction of three area manager positions (North, Mid, and South) and new site managers. Notably, the

Group's commitment to internal talent development is evidenced by the fact that all area managers and the majority of site managers were appointed from within the organisation.

### Fish health

Fish health and welfare are paramount concerns for the Group, reflecting the commitment to ethical and socially responsible farming practices. Maintaining optimal biological control, minimising mortality, promoting robust biomass growth, and preventing diseases are essential for both operational efficiency and fulfilling the ethical obligations the company has as animal caretakers.

Over the years, the Group has methodically worked towards improving fish welfare across the entire production cycle, from egg to harvest. These efforts have been guided by specific objectives:

- Reducing mortality rates
- Optimising biomass growth to shorten the residence time in open net pens
- Implementing effective measures against sea lice
- Enhancing biosecurity measures
- Ensuring consistent good water quality in our smolt and post-smolt facilities
- Improving smolt and post-smolt quality
- Strengthening risk management systems

These objectives are defined through strategic projects, anchored in the company's daily operations and through collaborative efforts with external partners. The Group remains steadfast in its commitment to advancing fish health and welfare. In recent years, notable progress has been made in combating sea lice through the introduction of cleaner fish, mechanical treatment systems, enhanced biomass growth, improved monitoring systems, and competence development. As a result of these efforts, a reduction in mortality rates was observed in 2023, and additional measures have been implemented to decrease it further.

## Statement of the Annual Accounts

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

### Consolidated statement of profit or loss

The Group achieved a record-high turnover of NOK 2 400 million in 2023, compared to NOK 1 992 million in 2022. The Group's operational EBIT amounted to NOK 471 million (NOK 693 million in 2022). The Group's annual net loss was NOK 134 million (profit of NOK 626 million in 2022). In 2023, the Group had financial expenses of NOK 154 million (NOK 92 million in 2022).

The net of financial items resulted in a cost of NOK 129 million in 2023 (NOK 82 million in 2022). The increase in financial expenses is primarily attributable to higher interest rates.

The majority of the Group's core activities are conducted in the parent company Måsøval AS, Måsøval Drift AS (previously Aqua Farms Vartdal AS), Pure Norwegian Seafood AS and the Group's four smolt production companies.

### The fish farming segment

At the end of 2023, the Group operates licences with a total MAB of 17 467 tonnes. This includes licences for 2 433 tonnes through co-location with Frøya Laks AS, 1 560 tonnes through co-location with AquaGen AS, and 780 tonnes through co-location with Trøndelag county.

The fish farming segment constitutes the main source of the Group's results. The segment harvested 24 531 tonnes in 2023 (compared to 21 879 tonnes in 2022), marking a 12% increase. The segment achieved

an operational EBIT per kilogram of NOK 22.6 for the harvested volume (compared to NOK 33.8 in 2022). The price obtained by the segment for sold salmon per kilogram reached NOK 84.4 (compared to NOK 79.4 in 2022), while production costs per kilogram rose to NOK 61.8 (compared to NOK 45.6 in 2022). The primary reason for the rise in production costs is the depreciation of the Norwegian Krone coupled with limited availability of marine raw materials due to the El Niño weather pattern in South America, leading to inflated feed prices. Additionally, the implementation of a new vaccine regime resulted in increased smolt costs.

### The sales and processing segment

The Group operated two harvesting facilities in 2023: Pure Norwegian Seafood in the Mid region and Western Seaproducts in the West region. In addition to salmon, this division also harvests cod and halibut for external customers. All of the Group's salmon sales in 2023 were handled through our own sales organisation at Pure Norwegian Seafood. The sales and processing division achieved an operational EBIT of NOK 0.47 per kilogram of sold fish.

In 2024, the Group reorganised its harvesting capacities by selling Western Seaproducts to the cod farmer ODE AS and acquiring the TL45 harvesting plant from Mowi ASA.

### Consolidated statement of financial position

At the end of 2023, the Group's total assets stood at NOK 5 160 million, representing an increase from NOK 4 987 million at the end of 2022. The primary reason for this increase in capital is attributed to a higher level of accounts receivable at year end. The Group's total biomass decreased by NOK 67 million. Bank deposits amounted to NOK 10 million at the end of 2023, a reduction of NOK 28 million. As of 31 December 2023, the Group's net interest-bearing debt was NOK 1 805 million, showing a slight increase from NOK 1 798 million at the end of the prior year. The increase in interest-bearing debt is linked to seasonal fluctuations in net working capital.



The Group experienced a net decrease in equity of NOK 195 million, stemming from a net loss in the period amounting to NOK 133 million and dividend payments totalling NOK 61 million. The net loss is attributed to the one-time implementation effect of the resource rent taxation, effective from 1 January 2023, amounting to 243 million. As of the end of 2023, the Group's equity ratio stood at 34.4%, compared to 39.9% at the end of 2022.

### Consolidated statement of cash flows

Throughout 2023, the Group generated a positive cash flow from operating activities amounting to NOK 447 million, showing a decrease from NOK 728 million in 2022. The net change in working capital was NOK -11 million compared to NOK -285 last year. Taxes paid in 2023 was NOK 51.2 million.

The Group's net cash flow used on investing activities in 2023 amounted to NOK 100 million (compared to NOK 202 million in 2022). The primary investments were directed towards acquiring FLS delousing units and property and plant assets in Vartdal.

Cash flows used on financing activities amounted to NOK 376 million in 2023 (compared to NOK 610 million in 2022). This cash flow is attributable to repayment of long-term debt of NOK 327 million, a change in the overdraft facility of NOK 159 million, repayment of principal portion of lease liabilities of NOK 139, and dividend payments of NOK 61 million. New long-term debt of NOK 420 million contributed positively to the cash flow. Bank deposits at the end of the period decreased by NOK 29 million, resulting in a balance of NOK 10 million.

### Financial position

Pure Norwegian Seafood, a subsidiary owned 65% by the Group is financed on a stand-alone basis. The company's bank loan agreement has a covenant requiring a minimum equity level. A combination of high sales volume and accounts receivables overdue resulted in the company ending the year with equity level lower than the covenant requirements.

The Group bank financing has a cross default clause; if a subsidiary is in breach with covenant and the defaulted loan amount exceeds NOK 25 million, the Group bank financing will also be in default. Both the subsidiary bank and Group financing bank issued waivers in January 2024. As a consequence of the cross default, the Groups long term bank loan of NOK 1 242 million has been reclassified to current liabilities.

### 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.



Måsøval's goal is to have a high standard of corporate governance that strengthens public confidence in the company.



## Operational risk and risk management

Various risks are inherent in the Group's business activities, with the risk of adverse biological events affecting salmon in the marine-phase being the most impactful. The biological challenges affecting the industry as a whole include issues related to smolt quality, mortality rates, disease outbreaks, salmon lice and other parasites, algae blooms, oxygens levels, sea temperature variations, and the quality of harvested fish. In 2023, Måsøval effectively managed a pancreas disease (PD) outbreak at two sites.

The Group maintains a strong focus on identifying the causes of biological challenges and implementing necessary mitigation measures. Recent investments have been made to secure in-house capabilities for tasks such as lice handling, silage capacity, well boat services, and service vessels. In 2023, the delousing capacity was further strengthened with the installation of an FLS delousing unit on the chartered well boat. Additionally, all employees prioritise fish welfare for each species involved in production.

Continuous monitoring ensures that all sites are optimal for salmon production. Investments in new equipment maintain high operational standards, meeting both internal and external requirements. To enhance monitoring and analytical capabilities, the Group is investing in a new data platform for automating data capture, handling, reporting, and analysis.

Risk management is a key responsibility of the executive management team. Routines and systems are in place to monitor key risk factors across all business segments. External audits, such as those conducted by GlobalGAP, and internal audits of sites and facilities ensure compliance with quality protocols and defined standards.

The Group transfers multiple generations of smolt and post-smolt to sea sites annually, aiming for at least two biologically independent sites per generation to mitigate major negative biological events and foster growth. Efforts are ongoing to increase predictability in production terms and permits, with a focus on reducing regulatory risks through continuous dialogue with relevant administrative bodies.

The Group's financial position and future are significantly influenced by the price of farmed salmon, which historically has shown considerable fluctuations. The Group's strategy avoids hedging the salmon price, as this could increase risk in the event of unfavourable price trends coupled with major biological events.

### Political risk

Following a regime characterised by relatively stable taxation and regulatory frameworks, the Group now faces an elevated level of political risk, particularly concerning taxation. The significant change in 2023 was the introduction of a resource rent tax specifically targeting the marine phase of fish farming operations on commercial licences. Initially proposed at 35%, the tax rate was retroactively reduced to 25% in May of 2023. Numerous details regarding the practical implementation of the tax remain unresolved, raising uncertainties about potential future changes in taxation policies.

The aquaculture industry is subject to extensive regulation concerning licences, access to sea- and land-based sites, as well as fish and operational management. The Group adopts a proactive approach to identifying and maintaining favourable sites, with daily monitoring of fish health. Operations are overseen through a quality system to ensure compliance with relevant laws.



### Financial risk and risk management

The Group encounters various financial risks, including currency, interest rate, credit, and liquidity risks. To manage these, the Group diligently monitors its exposure and has implemented procedures to mitigate risks to acceptable levels.

The Group has board liability insurance which covers Board of Directors, CEO, and executive management.

### Currency risk

The Group faces currency risk primarily through its subsidiary, Pure Norwegian Seafood AS, as a major portion of its sales is denominated in foreign currencies. Fluctuations in exchange rates pose both direct and indirect economic risks. To mitigate these risks, the company maintains currency accounts for all significant foreign exchange transactions, allowing for active management of timing adjustments. Furthermore, foreign exchange revenues associated with fixed-price contracts are hedged through the subscription of forward contracts.

The Group ensures compliance with hedging conditions when posting futures contracts and reconciles income recognition with the hedging instrument.

### Interest rate risk

The Group's debt carries floating interest rates, exposing it to changes in interest rates. This approach is chosen for its potential long-term cost benefits and flexibility in addressing changes in financing needs due to the Group's growth ambitions.

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

### Credit risk

The Group's subsidiary, Pure Norwegian Seafood AS, constitutes the majority of the Group's exposure to credit risk, which is primarily managed through continuous monitoring by the company's Financial Manager and the use of credit insurance to secure most accounts.

### Liquidity risk

Liquidity risk arises from the Group's earnings, financial position, and available financing, posing the risk of inability to meet current financial obligations. Short term liquidity risk is influenced by fluctuations in harvested volumes and salmon prices, while longer-term liquidity (i.e. over six months) may be impacted by major negative biological events at sea. Overall, the Group maintains liquidity risk at an acceptable level.

### Internal controls

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 detect key figures that deviate from expectations. These are reviewed monthly.



## Organisation, Sustainability, and Social Responsibility

The Group will ensure long-term profitability through sustainable food production. The Group places sustainable development of food production at the forefront of its social responsibility initiatives.

As a participant in the industry, the Group recognises its responsibility in contributing to global sustainability efforts. The Group will maintain its focus on aligning its activities with national and supranational initiatives, such as the UN's Sustainable Development Goals and the EU's taxonomy.

With Norway's alignment with the Corporate Sustainability Reporting Directive (CSRD), adopted by the EU in 2023, the Group has initiated the implementation of the methods directed by CSRD before further developing sustainability reporting according to the Global Reporting Initiative (GRI) standard. The aim in the coming year is to establish a well-grounded framework for reporting going forward.

Nevertheless, the Group's sustainability efforts are reflected throughout the annual report, covering a range of topics including social, environmental, and governance issues.

Contribution to local communities, which provide land and sea for the Group's operations, is a key focus area. This is primarily achieved through sponsorship of local activities targeting children and young people, emphasising local sourcing, and providing employment opportunities.

The Group has a zero-tolerance policy for corruption. Measures include requiring approval from at least two individuals for all payments and negotiating major agreements with a team of at least two individuals. Multiple-person routines are also established for processes involving licences, permits, and other regulatory requirements to ensure compliance. Environmental impact is minimised, with the use of onshore electricity.

## Fundamental human rights

The Group is committed to upholding fundamental human rights throughout the value chain and across all areas of business. Governed by the Norwegian Transparency Act, which sets out the framework to safeguard these rights, the Group is dedicated to maintaining high standards of transparency. In 2023, we took significant strides by publishing our initial statement under the Transparency Act. This statement is subject to annual revisions to reflect ongoing improvements and developments. The updated statement will be published on our website, [www.masoval.no](http://www.masoval.no), by the end of the second quarter each year.

## Work environment

As of 31 December 2023, the Group had 315 full-time employees, with 126 employed in the parent company Måsøval AS, headquartered on Frøya. The reduction in the number of employees in Måsøval AS is attributed to changes in company structure within the service division.

Traditionally, the aquaculture industry has been male-dominated. As of 31 December 2023, the proportion of women in the Group was 23% and in the parent company Måsøval AS, it was 29%, both showing an increase from 2022. The Group's executive management comprises seven men and two women, while the Board consists of two women and three men.

The Group is committed to providing a safe and inclusive workplace, promoting gender equality, acknowledging and respecting the unique value of each individual. The Group does not accept any form of harassment or discrimination based on gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age, or political opinion. The Group seeks to provide equal employment opportunities, as reflected in its recruitment efforts, where the proportion of women has increased.



The Group is committed to upholding fundamental human rights throughout the value chain and across all areas of business.

Considering the industry's historical male dominance, the Group actively works to achieve a more balanced gender representation, ensuring equal pay for equal work and implementing salary scales based on experience, tenure, and education level. In 2023, male employees earned an average of NOK 643 063, compared to NOK 571 873 for female employees, with median pay at NOK 585 750 for males and NOK 518 344 for females. The difference primarily stems from fewer females in managerial positions. Efforts have been and continue to be made to develop female talent for such roles, resulting in a reduction in pay disparity during 2023. Additionally, the Group offers free vocational training opportunities to employees within their respective fields, along with tailored development programmes for both management and non-managerial personnel. During 2023, two female employees were promoted to site managers from within the Group. Notably, one of these were a participant in the inaugural class of the Group's talent programme, while the other started as an apprentice before progressing through higher education to become a site manager.

The incidence of part-time positions within the Group remains low, as it is standard practice to hire primarily for full-time roles. Consequently, the percentage of employees working part-time decreased from 12.5% at the close of 2022 to 11.1% by the end of 2023. Among these figures, 8.9% of female employees and 11.7% of male employees hold part-time positions. Notably, all employees in the parent company Måsøval AS were employed in full-time roles in 2023. Temporary positions are utilised for weekend shifts, with a deliberate effort to recruit a higher proportion of young women as part of a strategy to attract more female talent into to the industry. To further increase gender diversity, the Group actively recruits female apprentices. In 2023, five out of nine apprentices were women. Efforts to address discrimination and promote gender equality will continue through the Working Environment Committee (AMU) in 2024 to ensure employee participation.

The sickness absence rate in the Group amounted to 4.6% in 2023, compared to 6.4% in 2022. 18 injuries were registered, compared to 10 the prior year.

The Group has a strong focus on correct reporting of accidents and near-misses and works systematically to reduce risks. Additionally, the Group aims to reduce the rate of sickness absence by increasing its focus on HSE.

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

In 2023, the global supply volume of salmon decreased by 2% compared to 2022. As demand grew, this led to a tightening of the market balance for salmon, resulting in higher prices. Kontali, a research company, estimates that the global salmon supply volume is set to grow by a modest 1% in 2024. We observe resilient demand in the market. The combination of limited supply growth and sustained demand growth makes us optimistic about market fundamentals and future price prospects.

Costs increased substantially in 2022 and the first half of 2023 due to a weaker NOK and higher prices for feed ingredients. Specifically, the market for marine ingredients was tight due to low catches and yields of Peruvian Anchoveta, while prices for plant-based ingredients fell in 2023 after initially soaring due to the Ukrainian war. Feed prices are expected to be stable or decline in 2024, due to higher quotas for Anchoveta in Peru. Costs decreased in the second half of 2023, and we anticipate further reductions in 2024, contingent on biological performance.

Måsøval is expected to harvest between 25 700 and 26 700 tonnes GW in 2024.

Måsøval estimates a CapEx level of MNOK 320, primarily driven by the expansion of sites and the acquisition of the harvesting plant TL45. Måsøval currently has all necessary financing facilities and liquidity for the CapEx plan and dividend payments.

The future outlook remains positive from the Board of Directors' perspective.

### Pure Norwegian Seafood AS (PNS)

Måsøval, as a supplier to PNS, became suspicious of irregularities at PNS on 20 October 2023. Prior regulatory inspections, control, and audits had not uncovered the issues. Through Måsøval's board representatives in PNS, immediate action was taken through board instructions to completely halt the irregular activity, freeze storage was sealed, and affected products were recalled. Organisational measures were taken promptly, and new and reinforced procedures were implemented at PNS.

EY was engaged to conduct an independent and thorough investigation. The Food Safety Authority (Mattilsynet) was notified in early November, and communication with the authority has been maintained throughout the investigation. The investigation was concluded in January, and the results have been handed over to the relevant authorities for any further investigations they may undertake. In brief, the investigation reveals that PNS has allowed certain customers to buy frozen salmon that, according to Norwegian regulations, is not suitable for human consumption. Sold fish includes fish that either should have been discarded/ensiled, or production graded fish that should be elaborated in secondary processing before export. The investigation estimates that this turnover of fish not suitable for human consumption constituted just under 1% of the total volume of fish and approximately 0.5% of PNS' revenue over the last three years. Måsøval, as a supplier to PNS, has not gained any profit or participated in any other earnings related to these activities at PNS. The mentioned activities were halted in October 2023. After the investigation and other inquiries until now, there have been no indications that the irregularly traded products have affected people's health. The revealed issues at PNS

have no direct impact on Måsøval AS: they have marginal financial effect on the Group. As Måsøval assesses the consequences beyond this, they will primarily be related to potential public sanctions that may affect PNS.

### The financial statement of Måsøval AS

Total operating revenues increased to NOK 1 804 million in 2023 from NOK 1 700 million in 2022. Operating expenses was NOK 1 513 million and thereby giving an operational EBIT of NOK 291 million.

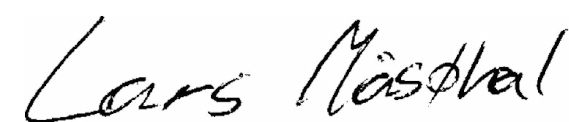
Måsøval AS received group contributions of NOK 98 million and had interest expenses of NOK 120 million. The total tax expense for 2023 included resource rent tax was NOK 198 million.

The net profit for 2023 for the parent company Måsøval AS was NOK 48 million. Måsøval AS recognised total assets of NOK 4 133 million year end. Total non-current assets was NOK 2 646 million and total current assets was NOK 1 487 million. Included in non-current assets is Investments in subsidiaries of NOK 1 820 million. Equity totalled to NOK 1 477 million at the end of the year and the equity ratio was 35,7% Non-current liabilities was NOK 1 339 million, current liabilities NOK 1 082 million and total provisions was NOK 235 million.

The profit is proposed to be allocated as follows:

Dividend payment	NOK 61 254 229
Transferred to other equity	NOK -12 827 802
<b>Total allocations</b>	<b>NOK 48 426 427</b>

Trondheim, 18 April 2024



Lars Måsøval  
Chair of the board



Roger Granheim  
Director



Kari Skeidsvoll Moe  
Director



Nina Santi  
Director



Ola Loe  
Director



Helge Kvalvik  
CEO

# *Financial Statement and Results*

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# *Consolidated Financial Statement of Måsøval Group*

**Consolidated statement of profit or loss**

For the year ended 31 December

	Note	2023	2022
(All figures in NOK 1 000)			
Operating revenues – sale of salmon	6	2 279 560	1 898 525
Other revenue	6	120 788	93 606
<b>Total operating income</b>	<b>6</b>	<b>2 400 348</b>	<b>1 992 132</b>
<b>Operating expenses</b>			
Cost of goods sold		1 165 918	681 866
Employee benefits	7	242 882	196 794
Depreciation and amortisation expense	13, 14	194 773	166 166
Other operating expenses	8, 14	325 346	253 862
<b>Total operating expenses</b>		<b>1 928 918</b>	<b>1 298 687</b>
<b>Operational EBIT<sup>*)</sup></b>		<b>471 429</b>	<b>693 444</b>
Impairments	13	-43 955	–
Production tax	3	-18 824	-8 861
Profit sharing with co-location partners	3	-24 627	-46 219
Biological assets – Net fair value adjustment	9, 15	-91 281	246 150
<b>EBIT</b>		<b>292 743</b>	<b>884 514</b>
<b>Finance income and expense</b>			
Finance income	4, 10, 18	25 543	9 963
Finance expense	4, 10, 18	154 046	91 826
<b>Net finance income and expense</b>		<b>-128 503</b>	<b>-81 863</b>
<b>Profit before tax</b>		<b>164 240</b>	<b>802 651</b>
Tax expense	11	297 636	176 389
<b>Net profit for the year</b>		<b>-133 396</b>	<b>626 262</b>
*) Excluding production tax, impairments, profit sharing and net fair value adjustment on biological assets			
<b>Net profit or loss for the year attributable to:</b>			
Owners of the parent	23	-135 901	620 959
Non-controlling interests		2 505	5 303
<b>Net profit for the year</b>		<b>-133 396</b>	<b>626 262</b>
<b>Basic and diluted earnings per share<sup>**)</sup></b>	<b>23</b>	<b>1.45</b>	<b>3.50</b>

\*\*) Earnings per share excludes "Net fair value adjustments - biological assets" and "One-off implementation effects of resource rent tax"

**Consolidated statement of other comprehensive income**

For the year ended 31 December

	Note	2023	2022
<small>(All figures in NOK 1 000)</small>			
<b>Net profit for the year</b>		<b>-133 396</b>	<b>626 262</b>
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	-	-
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>-133 396</b>	<b>626 262</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		-135 901	620 959
Non-controlling interests		2 505	5 303
<b>Total comprehensive income for the year</b>		<b>-133 396</b>	<b>626 262</b>
<b>Basic and diluted earnings per share <sup>*)</sup></b>	<b>23</b>	<b>1.45</b>	<b>3.50</b>

\*) Earnings per share excludes "Net fair value adjustments - biological assets" and "One-off implementation effects of resource rent tax"



**Consolidated statement of financial position**

As at 31 December


Assets	Note	31.12.2023	31.12.2022
<small>(All figures in NOK 1 000)</small>			
<b>Intangible assets</b>			
Licences	12	2 068 766	2 068 766
Goodwill	12	428 390	428 390
<b>Total intangible assets</b>		<b>2 497 156</b>	<b>2 497 156</b>
<b>Property, Plant and Equipments</b>			
Property, plant and equipment	13	463 896	467 918
Right-of-use assets	14	521 803	529 366
<b>Total property, plant and equipments</b>		<b>985 699</b>	<b>997 284</b>
<b>Non-current financial assets</b>			
Investments in other equity instruments	4	5	5
Other non-current receivables		262	416
<b>Total non-current financial assets</b>		<b>267</b>	<b>421</b>
<b>Total non-current assets</b>		<b>3 483 122</b>	<b>3 494 861</b>
<b>Current assets</b>			
Feed inventory	15	23 159	23 987
Finished goods	15	25 470	13 661
Biological assets	9, 15	1 093 324	1 159 932
<b>Total inventories</b>		<b>1 141 952</b>	<b>1 197 580</b>
Accounts receivables	16	427 760	173 771
Other current receivables		97 808	82 230
<b>Total receivables</b>		<b>525 569</b>	<b>256 001</b>
Cash and cash equivalents	17	9 568	38 473
<b>Total cash and cash equivalents</b>		<b>9 568</b>	<b>38 473</b>
<b>Total current assets</b>		<b>1 677 089</b>	<b>1 492 054</b>
<b>Total assets</b>		<b>5 160 211</b>	<b>4 986 915</b>

**Consolidated statement of financial position**

As at 31 December

Equity and liabilities	Note	31.12.2023	31.12.2022
<small>(All figures in NOK 1 000)</small>			
<b>Equity</b>			
Share capital	22	30 627	30 627
Share premium	22	872 432	872 432
<b>Total paid-in equity</b>	<b>22</b>	<b>903 059</b>	<b>903 059</b>
Retained earnings	22	852 715	1 049 915
<b>Total equity attributable to owners of the parent company</b>		<b>1 755 774</b>	<b>1 952 974</b>
Non-controlling interests	22	38 502	35 997
<b>Total equity</b>		<b>1 794 276</b>	<b>1 988 971</b>
<b>Liabilities</b>			
Deferred tax	11	795 629	564 448
Liabilities to financial institutions	19, 21	–	1 150 827
Long-term lease liabilities	14, 19, 21	294 937	328 138
<b>Total non-current liabilities</b>		<b>1 090 566</b>	<b>2 043 413</b>
Liabilities to financial institutions	19, 21	1 502 618	417 486
Short-term lease liabilities	14, 19, 21	150 196	130 808
Account payables		355 244	221 557
Income tax payable	11	113 071	98 633
Other current liabilities	20	154 241	86 047
<b>Total current liabilities</b>		<b>2 275 369</b>	<b>954 530</b>
<b>Total liabilities</b>		<b>3 365 935</b>	<b>2 997 943</b>
<b>Total equity and liabilities</b>		<b>5 160 211</b>	<b>4 986 915</b>

Frøya, 18 April 2024

Lars Måsøval  
Chair of the boardRoger Granheim  
DirectorKari Skeidsvoll Moe  
DirectorNina Santi  
DirectorOla Loe  
DirectorHelge Kvalvik  
CEO

**Consolidated statement of cash flows**

For the year ended 31 December

	Note	2023	2022
<small>(All figures in NOK 1 000)</small>			
<b>Cash flows from operating activities</b>			
Profit before income tax		164 240	802 651
Tax paid		-51 234	-33 544
Gain on disposal of property, plant and equipment		-2 780	-
Gain on sale of shares		-	-1 039
Ordinary depreciation	13, 14	194 773	166 166
Impairments	13	43 955	-
Interest expenses		89 496	69 662
Calculated interest costs, leasing		19 607	9 143
Fair value adjustments - biological assets	15	91 281	-246 150
(Increase)/decrease in inventories	15	-35 653	-225 734
(Increase)/decrease in trade receivables	16	-253 675	19 795
Increase/(decrease) in trade payables		133 687	45 762
(Increase)/decrease in other current receivables/liabilities		53 247	121 775
<b>Cash generated from operations</b>		<b>446 944</b>	<b>728 487</b>
<b>Investing activities</b>			
Proceeds from disposal of property, plant and equipment		2 976	-
Payments for property, plant and equipment	13	-103 314	-202 097
Payments for intangible assets	12	-	-1 230
Proceeds from disposal of other assets		-	1 578
<b>Net cash used in investing activities</b>		<b>-100 338</b>	<b>-201 749</b>
<b>Financing activities</b>			
Proceeds from current and non-current borrowings	21	419 925	26 844
Repayment of current and non-current borrowings	21	-327 009	-436 183
Payment of interest expenses on borrowings		-109 803	-69 662
Repayment of principal portion of lease liabilities	14,21	-138 759	-110 268
Net change in overdraft facility	21	-158 611	102 559
Capital increase - Equity	22	-	-298
Payments of dividends	22	-61 254	-122 508
<b>Net cash (used in)/from financing activities</b>		<b>-375 511</b>	<b>-609 517</b>
<b>Net increase in cash and cash equivalents</b>		<b>-28 905</b>	<b>-82 779</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>38 473</b>	<b>121 252</b>
<b>Cash and cash equivalents at end of year</b>		<b>9 568</b>	<b>38 473</b>
Available credit on overdraft facility		188 295	27 959

**Consolidated statement of changes in equity**

	Note	Share capital	Share premium	Retained earnings	Equity – Owners of parent company	Non-controlling interests	Total Equity
(All figures in NOK 1 000)							
<b>31 December 2021</b>		<b>30 627</b>	<b>872 432</b>	<b>551 923</b>	<b>1 454 982</b>	<b>30 694</b>	<b>1 485 676</b>
Net profit for the year		–	–	620 959	<b>620 959</b>	5 303	<b>626 262</b>
Other comprehensive Income		–	–	–	–	–	–
Total comprehensive Income for the year				620 959	<b>620 959</b>	5 303	<b>626 262</b>
Dividends		–	–	-122 508	<b>-122 508</b>		<b>-122 508</b>
Cost of equity increase*	22	–	–	-459	<b>-459</b>	–	<b>-459</b>
Contributions by and distributions to owners		–	–	-122 967	<b>-122 967</b>	–	<b>-122 967</b>
<b>31 December 2022</b>		<b>30 627</b>	<b>872 432</b>	<b>1 049 915</b>	<b>1 952 974</b>	<b>35 997</b>	<b>1 988 971</b>
Net profit for the year		–	–	-135 901	<b>-135 901</b>	2 505	<b>-133 396</b>
Other comprehensive Income		–	–	–	–	–	–
Total comprehensive Income for the year		–	–	-135 901	<b>-135 901</b>	2 505	<b>-133 396</b>
Dividends		–	–	-61 254	<b>-61 254</b>	–	<b>-61 254</b>
Other		–	–	-45	<b>-45</b>	–	<b>-45</b>
Contributions by and distributions to owners		–	–	-61 299	<b>-61 299</b>	–	<b>-61 299</b>
<b>31 December 2023</b>		<b>30 627</b>	<b>872 432</b>	<b>852 715</b>	<b>1 755 774</b>	<b>38 502</b>	<b>1 794 276</b>

\*) Related to the capital increase in December 2021

# Notes

TO THE CONSOLIDATED FINANCIAL  
STATEMENT OF MÅSØVAL GROUP

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## NOTE 1 – GENERAL INFORMATION AND BASIS FOR PREPARATION

Måsøval is a Norwegian private limited company headquartered at Sistranda, Frøya. The company's shares are listed on the Euronext Growth of the Oslo Stock Exchange under the ticker symbol MAS.

Måsøval AS' consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, along with the relevant interpretations mandatory for annual financial statements as of 31 December 2023.

The consolidated financial statements have been prepared on a going concern basis. They are based on historical costs, except for the following items:

- Biological assets, which are valued at fair value.
- Financial instruments at fair value through profit or loss (including derivatives) and fair value through other comprehensive income (OCI) for equity instruments.

The principles used to determine fair value are detailed in:

- Note 2, Critical Accounting Estimates and Judgements
- Note 3, Accounting Policies Note 4, Financial Instruments  
- Risk Management

The consolidated financial statements have been prepared using uniform accounting principles for similar transactions and other events under similar circumstances. The accounting principles applied in preparing these consolidated financial statements are described in Note 3, Accounting Policies.

## NOTE 2 – CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in accordance with IFRS requires the application of various accounting estimates. Additionally, applying the Group's accounting principles requires management to exercise judgement. Accounting items that depend on or are sensitive to subjective assessments are described in the notes to better explain the complexity and the basis of these assumptions.

Estimates are determined based on the most probable outcomes, utilising management's best knowledge and the most current information available at the time of reporting. Changes in key assumptions may lead to significant adjustments to the carrying amounts of assets and liabilities, equity, and the profit for the year. Estimates are regularly reviewed, and modifications in accounting estimates are incorporated in the period in which the changes occur.

The Group's most significant accounting estimates are associated with the following items:

- Fair value of biological assets
- Fair value of assets and liabilities in business acquisitions
- Impairment of goodwill and other intangible assets
- Resource rent tax

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

Biological assets at the Group's marine sites are measured in accordance with IAS 41 and IFRS 13. The principles for calculating fair value are described in Note 3, Accounting Principles.

The determination of the fair value of biological assets depends on forward-looking information, where several key assumptions require subjective judgement. Key assumptions that significantly affect valuation include estimated harvest volume, remaining costs of production, market prices, and the discount rate.

Harvest volume is projected based on the number of fish held at sea and production models developed to predict the salmon's growth and mortality until harvest. Uncertainty regarding biological performance may affect harvest volume, harvesting dates, costs, and price achievement.

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

The remaining production costs are estimated based on budgets and monthly updated forecasts.

Future cash flows are discounted at a monthly discount rate. In addition to risk-free interest rates and a risk premium, a hypothetical licence fee has been added to the discount rate to reflect the costs of using licences to produce salmon. These costs involve considerable discretionary judgements. See Note 15, Biological Assets and Other Inventories, for further details.

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

The purchase price of acquired entities must be allocated to reflect the fair value of acquired assets and liabilities. These allocations require management to exercise significant judgement in selecting valuation

methods, assumptions, and estimates. To determine the fair value of assets for which there is no active market, alternative valuation methods may be used. Excess value is recognised in the consolidated balance sheet as Goodwill. Allocation of the purchase price may be updated if the Group receives new information regarding fair value at the date of the transaction within 12 months after the acquisition date. There were no new acquisitions in 2023.

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

At least annually, or upon indications of impairment, the Group conducts an impairment test on goodwill and licences. Licences and goodwill, which are deemed to have an indefinite economic life, constitute a substantial portion of the Group's assets. Both are subject to an annual impairment test. Estimated future cash flows are based on budgets and forecasts and are influenced by the following key assumptions: discount rate, EBIT per kg (salmon price and production costs), and estimated future harvest volume. See Notes 3, Accounting Principles, and 12, Intangible Assets, for further details regarding accounting principles and calculations.

#### **Resource rent tax**

The resource rent tax was approved by the Norwegian Parliament in May 2023 with effect from 1 January 2023. Måsøval has incorporated both the implementation effect as of 1.1.23 and the resource rent tax expenses for the period in the annual report. Both the effects of implementation and the annual tax expenses payable are estimates based on our best knowledge and the information available at the time this report is published. The estimates are highly uncertain as the tax forms have still not been published at the time of submitting this annual report, and the interpretation of established rules are still unclear. See note 11 for further details.

## NOTE 3 – ACCOUNTING POLICIES

### Presentation currency

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

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

### Consolidation principles

The Group's consolidated financial statements comprise the parent company and its subsidiaries as of 31 December 2023.

### Subsidiaries and non-controlling interests

An entity is deemed to be under the control of the Group when the Group is exposed to or holds rights to variable returns from its engagement with the entity, and possesses the authority to influence the entity's decisions in a manner that impacts the Group's returns.

Therefore, the Group controls an entity if, and only if, the Group meets all the following criteria:

- It has a controlling influence over the entity
- It has exposure, or rights, to variable returns from its involvement with the entity
- It can leverage its influence over the entity to impact the Group's returns

Control over an entity is presumed if the Group holds the majority of the voting rights, thereby generally considering the entity a subsidiary.

If the Group holds less than a majority of the voting or similar rights of an investment entity, it considers all relevant facts and circumstances to assess whether it has a controlling influence over the entity. This assessment includes considerations of ownership interests, voting rights, ownership structure, relative power, options controlled by the Group, and any shareholder agreements or other contractual arrangements.

The Group reassesses whether it controls an entity if facts and circumstances indicate changes in any of the three criteria listed above.

### Business combinations and Consolidation

Business combinations are accounted for using the acquisition method. For more information, see Note 25, Business Combinations. Consolidation of a subsidiary begins when the Group obtains control of it and ends when control is lost.

Profit or loss and each component of OCI are attributed to the equity holders of the parent and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Adjustments are made to the financial statements of subsidiaries to align their accounting policies with those of the Group.

Non-controlling interests are 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 during consolidation.



**Investment in associated companies**

The Group have previously had investments in associated companies. Associated companies are entities in which the Group has significant influence, but not control or joint control, over financial and operational management.

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

As of 31 December 2023, the Group has no investments in associated companies.

**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.

An asset is classified as current if the Group:

- Expects to realise 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 realise 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.

A liability is classified as current if the Group:

- Expects to settle the liability within its normal operating cycle
  - Holds the liability primarily for the purpose of trading
- or
- It is due to be settled within twelve months after the reporting period
  - 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 recognised as liabilities on the balance sheet when the company is irrevocably obliged to pay the dividends, normally after approval at the Annual General Meeting.

**Operational EBIT**

Operational EBIT, which includes adjustments for production tax, fair value adjustments, and profit sharing with co-location partners, is among the Group's key performance indicators (KPIs). These components are itemised separately within the income statement to provide clear insight into the earnings derived from sales during the period. This presentation method ensures transparency and aids in the analysis of operational performance. For further details, refer to Note 29, Alternative Performance Measures.

## Revenues

### Revenue from the sale of goods

The Group's revenues primarily derive from the sale of salmon. Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, typically upon delivery. The specific timing of the transfer of risks to the customer is determined by the delivery terms specified in the sales contracts. The normal credit term is 30 days, although on rare occasions, terms may extend to 60 days.

### Revenue from sale of services

The Group recognises revenue from the rendering of services over time as the customer simultaneously receives and consumes the benefits provided. Revenue is recognised progressively, by measuring the progress towards the complete satisfaction of the service, using either an input or an output method. The chosen method most faithfully depicts the Group's progress towards fulfilling the performance obligation.

### Co-location agreements

The Group has several co-location agreements under which it performs farming services on a total of six licences owned by partners. This includes three commercial licences where partners have stocked fish at our sea sites, and we provide farming services. Additionally, there are two broodstock licences and one educational licence operated by the Group on behalf of two external licence holders. The accounting treatment for these co-location agreements is determined based on the specifics of each agreement.

For commercial permits, the Group performs farming services and invoices accrued costs to the counterparties on an ongoing basis, recorded as a

claim on the counterparty in the balance sheet. Our share of the profit from commercial licences is recognised as "Other income" in the profit and loss statement. For broodstock and educational licences, the concession holders' share of profits generated is expensed as "Profit sharing with co-location partners."

### Loans and receivables

Loans and receivables are financial assets with fixed payments, including account receivables. They are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost, less any impairment losses. Account receivables are due from customers following ordinary sales of goods and have typical credit terms of 30 to 60 days. They are classified as current assets and initially recognised at the transaction price as defined in IFRS 15.

### Segments

For management reporting purposes, the Group is organised into business units based on its activities and has two operating segments: "Farming" and "Sales & Processing." Financial information related to these segments is presented in Note 5, Business Segments.

### Income tax

The tax expense includes tax payable and changes to deferred tax. Deferred tax assets are calculated on all differences between the book values and tax values of assets and liabilities, except for:

- Temporary differences linked to goodwill that are not tax deductible.
- Temporary differences related to investments in subsidiaries, associated companies, or joint ventures where the Group controls the timing of reversal, which is not expected in the foreseeable future

Deferred tax assets are recognised to the extent it is probable that sufficient taxable profit will be available to utilise the tax asset. The companies recognise or reduce previously unrecognised deferred tax assets as it becomes probable or less likely, respectively, that they will be utilised. Deferred tax and deferred tax assets are measured based on expected future tax rates where temporary differences have arisen and are recognised at their nominal value and classified as non-current assets (or long-term liabilities) in the balance sheet.

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

#### **Resource rent tax**

The resource rent tax was approved by the Norwegian Parliament in May 2023, effective from 1 January 2023. Måsøval has incorporated both the implementation effects as of 1 January 2023 and the resource rent tax expenses for the period into the annual report. Both the implementation effects and the annual expenses are estimates based on our best knowledge and are highly uncertain, as the tax forms have not yet been published at the time of submitting this annual report, and the interpretation of established rules remains unclear. For further details, see Note 11, Tax Expenses and Deferred Tax. The production fee during the period is directly deductible from the payable resource rent tax.

#### **Production fee**

A production fee amounting to NOK 0.40 per kilogram gutted weight was introduced in Norway with effect from 1 January 2021. From 1 January until 30 June 2023 the production tax was NOK 0.56 per kilogram, and from 1 July until 31 December 2023 the production tax was NOK 0.90 per kilogram. To highlight the performance of underlying operations before deduction of the production fee, Måsøval has chosen to report it on a separate line in the income statement below Operational EBIT.

#### **Research and development**

Expenses relating to research activities are recognised in the statement of comprehensive income as they are incurred. Expenses relating to development activities are capitalised to the extent that the product or process is technically and commercially viable, and the Group has sufficient resources to complete the development. Capitalised costs include materials, direct wage costs, and a proportion of directly attributable overheads. Capitalised development costs are recognised at cost minus accumulated amortisation and impairment losses and are amortised on a straight-line basis over their estimated useful lives

#### **Biological assets**

Biological assets comprise live fish stocks. Under IAS 41, biological assets are recognised 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 recognises the production cost incurred at the balance sheet date.

Eggs, fry, and smolt are valued at historical cost, deemed the best estimate of fair value due to minimal biological conversion.

The technical model for calculating fair value is a present value model, which estimates the future sales value minus the remaining production costs, discounted to present value at the balance sheet date. The fair value of each generation of fish in the sea at each individual site is calculated using this model. This calculation is based on the expected biomass at the time of harvest multiplied by the expected sales price. For fish that are not yet harvestable, the estimated remaining costs to raise the fish to harvestable weight are deducted. Cash flows are discounted monthly using a discount factor that accounts for risk, hypothetical licence and site rent, and the time value of money.

Expected biomass (volume) is based on the estimated number of individuals at sea, adjusted for expected mortality until harvesting and multiplied by the expected harvest weight per individual. Although the unit of measurement is the individual fish, for practical reasons, calculations are performed at the site level. Live weight is converted to gutted weight to ensure comparable pricing.

Prices are calculated based on forward prices from Fish Pool. The average forward price for the month in which the fish is expected to be harvested, as well as the months before and after, is used in calculating expected cash flows. The price quoted by Fish Pool, adjusted for export costs, serves as 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 at the site level. Estimated remaining production costs represent the cost estimate a rational operator would assume if they were to purchase the immature fish for the purpose of raising them to harvestable size.

The present value model used for valuing the biological assets stipulates that compensation for licence rent is deducted from the inventory value in the form of a premium in the monthly discount rate, rather than a separate cost item. This approach ensures that rent costs correlate with the price and value of the licence.

The principle of highest and best use, as stipulated by IFRS 13, forms the basis for valuation and classification. In the fair value calculation,

optimal harvest weight is defined according to harvest plans. Changes in fair value adjustments are recognised in the income statement on a separate line for fair value adjustments and included in the consolidated net operating results.

Costs related to non-recurring events that cause mortality are expensed in the income statement in the period in which they occur. Such costs are included in the operating results. Non-recurring events that cause mortality, such as disease outbreaks, algae attacks, treatment losses, extreme weather, and statutory orders for the destruction of salmon, are defined as incidents that are not of a normal nature and that have a significant economic impact. A specific assessment is made of every incident that has caused increased mortality. This assessment is undertaken by the regional management in close dialogue with the Group's management to ensure consistent classification within 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 the future delivery of salmon. Biological assets are recognised at fair value. The fair value adjustment in the income statement includes the change in fair value of the biological assets and the expected cost for fulfilling the sales contracts.

### Tangible assets

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

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

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets:

Properties	5 – 7 years
Farming facilities and floating installations	7 – 15 years
Vessels	3 – 15 years
Operating equipment	3 – 10 years

The depreciation period and method are reassessed annually. A residual value is estimated at each year-end, with any changes recognised as a change in estimate.

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

### Leases

At the commencement date of a lease, the Group recognises a lease liability and a corresponding right-of-use asset for all lease agreements in which it is the leaseholder, except for:

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

For these leases, the Group recognises the lease payments as other operating expenses in the statement of profit or loss as they are incurred.

The Group rents premises, feed barges, net pens, vessels, and other related assets. Lease durations vary, and at expiration, the Group often purchases the underlying fixed assets. Purchase options likely to be exercised are included in the details of the lease payments used to recognise assets and liabilities.

### Lease liabilities

The lease liability is recognised 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 includes the non-cancellable period, along with periods covered by an option either to extend or to terminate the lease, when it is reasonably certain that the Group will 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 of the commencement date
- The 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.

Variable lease payments are not included in the lease liability. Instead, the Group recognises 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 recognised
- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Group.

The Group applies the depreciation requirements in IAS 16, Property, Plant and Equipment, in depreciating the right-of-use asset. Additionally, IAS 36, Impairment of Assets, is applied to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

### **Intangible assets**

Intangible assets acquired separately are carried at cost. The costs of intangible assets acquired through an acquisition are recognised at their fair value in the Group's opening balance sheet. Capitalised intangible assets are recognised at cost, less any amortisation and impairment losses.

The Group's intangible assets consist primarily of fish farming licences and goodwill. Further details are provided below.

Internally-generated intangible assets, excluding capitalised development costs, are not capitalised but are expensed as they occur.

Intangible assets are considered to have either a definite or indefinite economic life. Those with a definite economic life are amortised over their economic life and tested for impairment if any indications arise. The amortisation method and period are assessed at least annually. Changes to the amortisation method and/or period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life are not amortised but are tested for impairment at least annually, either individually or as part of a cash-generating unit. The assumption of an indefinite economic life is assessed annually to determine if it remains justifiable. If not, a transition to a definite economic life is made prospectively.

### **Fish-farming licences**

The Group operates licences with a Maximum Allowable Biomass (MAB) of 17 467 tonnes at the end of 2023. Acquired licences are capitalised at cost. Based on past and current legislation, along with general interpretation and practice in the industry, fish farming licences are deemed to have an indefinite useful life and are not amortised. They are tested annually for impairment, or more frequently if there is any 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 consists of cash and stocks issued in Måsøval AS.

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

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

Goodwill is recognised as the aggregate of the consideration transferred and the amount of any non-controlling interest. It is 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 recognised as income immediately on the acquisition date.

### **Impairment testing**

Impairment testing of intangible assets involves 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 the book value.

### **Government grants**

Government grants are recognised when there is reasonable assurance that the company will comply with the conditions attached to them and that the grants will be received. Operating grants are recognised systematically over the grant period. Grants are offset against the expenses they are intended to compensate. Investment grants are capitalised and recognised systematically over the useful life of the related asset. Investment grants are recognised either as deferred income or as a deduction from 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 into three categories:

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

### Financial assets at amortised cost

The Group measures financial assets at amortised 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 amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised as profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade receivables and other short-term deposits. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15, Revenue from contracts with customers.

### Equity instruments designated at fair value through OCI

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

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised 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 chose to classify irrevocably its listed and non-listed equity investments under this category.

### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognised (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 recognised initially at fair value. Loans, borrowings and payables are recognised at fair value net of directly attributable transaction costs. Transaction costs are amortised 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 amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised 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 amortisation 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 derecognised when the obligation under the liability is discharged, 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 recognised in the statement of profit or loss.

**Provision for losses on financial assets**

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

**Inventories**

Inventories (other than biological assets) are recognised at the lowest of either 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 in the bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

**Equity and liabilities**

Financial instruments are classified as liabilities or equities 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 classified as equity will be recorded directly as equity.

**Treasury shares**

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

**Costs of equity transactions**

Transaction costs directly related to an equity transaction are recognised 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 capitalised as an asset (pension funds) to the extent that the contributions can be refunded or can 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 recognised 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 recognised 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 recognised 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 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 at the end of the reporting period, but which will affect the company's financial position in the future, are disclosed if significant.

### **Changes in accounting policies and disclosures**

No changes or amendments in IFRS effective for the 2023 financial statements or later have impact on the consolidated financial statement of the Group.

## NOTE 4 – FINANCIAL INSTRUMENTS – RISK MANAGEMENT

**Financial risk**

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

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

**Interest rate risk**

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

Given the Groups net interest-bearing debt on 31 December 2023 of NOK 1 805 million, an increase of 100 basis point in the interest rates level would decrease the Group's profit by NOK 18 million, assuming all other variables are constant.

The subsidiary PNS's loan portfolio currently has a combination of floating rate and fixed interest bonds. As of 31 December 2023, PNS has a long-term debt of NOK 57.4 million (including financial leasing), of which a total of NOK 38.6 million is secured by interest rate swaps. Interest rate swaps have quarterly maturities up to their expiry date.

Interest rate swaps	Contract amount		Book value		Receives	Pays	Expire date
	2023	2022	2023	2022			
MNOK	18.6	20.0	0.7	0.7	Floating	Fixed	2027
MNOK	20.0	20.0	2.1	2.2	Floating	Fixed	2031

### Foreign exchange risk

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

As of 31 December 2023, 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.

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

Forward rate agreements	Currency	Currency amount		Book value (MNOK)	
		2023	2022	2023	2022
Forward currency contracts – cash flow hedging	EUR (Million)	31.0	6.9	10.1	-1.7
Forward currency contracts – cash flow hedging	USD (Million)	0.2	0.2	0.1	0.1
Forward currency contracts – cash flow hedging	GBP (Million)	0.7	0	0.3	0

**Credit Risk**

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

**Price/liquidity risk**

Liquidity risk is a product of the Group's earnings, financial position and available financing in 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 developments through budgets and updated forecasts.

Fluctuations in salmon prices and harvesting volumes are the most important factors affecting liquidity. In the short-term, the largest single factor associated with liquidity risk will be fluctuations in salmon prices. In the long-term (> six months) a major negative biological event at sea will have the largest effect on the liquidity, together with salmon prices.

The Group has a total of MNOK 1 365 in long term debt as of 31 december 2023, divided at two different loans facilities, Måsøval facility and Pure Norwegian Seafood facility (PNS facility).

The Måsøval loan facility as of december 2023 has the following requirements. The borrower and the Group must, at all times, maintain an equity ratio of at least 30% and an interest coverage ratio of at least 4.0. Furthermore, the pricing of the credit products in the agreement is linked to the Group's net interest-bearing debt (NIBD) in relation to operating profit before depreciation and amortisation (EBITDA). Debt on operational leases according to IFRS 16 are not included in NIBD for the purpose of calculating the NIBD/EBITDA ratio, see Alternative Performance Measurements for further details.

Måsøvals bank financing has also a cross default clause; if a subsidiary is in breach with covenant and the defaulted loan exceeds MNOK 25, Måsøvals bank financing will also be in default.

Pure Norwegian Seafood, a subsidiary owned 65% by Måsøval is financed on a stand-alone basis, the PNS facility. The company's bank loan agreement has a covenant requiring a minimum equity level. At the end of 2023 PNS AS had a bank loan of MNOK 28.2 and was in breach with its loan covenants. The equity ratio in PNS was below the covenant because of high sales volumes in December and thereby high volume of accounts receivables as at December 31. Both the subsidiary bank and the Group financing bank issued waivers in January 2024. As a consequence of the cross default breach the Groups long term bank loan of MNOK 1 242 has been reclassified to current liabilities at 31 December 2023. See note 19 for further details. Overall, the Group's liquidity risk is considered to be at an acceptable level.

## Maturity structure for financial liabilities

Year ended 31 Dec 2023	Total	2024	2025	2026	2027	After 2027
(All figures in NOK 1 000)						
Long-term debt *)	1 365 026	123 059	123 059	1 099 773	3 031	16 104
Interest on long-term debt	170 637	78 210	70 826	17 645	1 057	2 899
Lease liabilities	445 133	150 196	72 955	69 430	49 858	102 695
Interest on lease liabilities	74 840	23 342	16 597	12 101	8 286	14 514
Short term credit facility	137 592	137 592	–	–	–	–
Derivatives	–	–	–	–	–	–
Accounts payables	355 244	355 244	–	–	–	–
<b>Total</b>	<b>2 548 472</b>	<b>867 643</b>	<b>283 437</b>	<b>1 198 948</b>	<b>62 232</b>	<b>136 212</b>

\*) Presupposes here the original repayment plans, based on received waivers from the banks

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

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

## Financial assets by category

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

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

### 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 2023 the Groups investments in equity instruments are immaterial.

### Financial assets at amortised cost

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

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

### Financial liabilities at amortised cost

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

## Financial assets and liabilities by category

Year ended 31 Dec 2023	Financial assets at amortised cost	Financial assets at fair value through profit and loss	Total
<small>(All figures in NOK 1 000)</small>			
Investments in other equity instruments	–	5	5
Derivatives	–	13 246	13 246
Accounts receivables	427 760	–	427 760
Cash and cash equivalents	9 568	–	9 568
<b>Total assets</b>	<b>437 328</b>	<b>13 251</b>	<b>450 579</b>
Loans	1 502 618	–	1 502 618
Financial lease	445 133	–	445 133
Account payables	355 244	–	355 244
<b>Total liabilities</b>	<b>2 302 995</b>	<b>–</b>	<b>2 302 995</b>

Year ended 31 Dec 2022	Financial assets at amortised cost	Financial assets at fair value through profit and loss	Total
<small>(All figures in NOK 1 000)</small>			
Investments in other equity instruments	–	5	5
Derivatives	–	1 228	1 228
Accounts receivables	173 771	–	173 771
Cash and cash equivalents	38 473	–	38 473
<b>Total assets</b>	<b>212 244</b>	<b>1 233</b>	<b>213 476</b>
Loans	1 568 313	–	1 568 313
Financial lease	458 946	–	458 946
Account payables	221 557	–	221 557
<b>Total liabilities</b>	<b>2 248 815</b>	<b>–</b>	<b>2 248 815</b>



## Fair value of financial instruments

### Fair value of financial instruments recognised at amortised cost

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

### Fair value measurement of financial instruments

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

- Level 1: Listed price in an active market for an identical asset or liability
- Level 2: Valuation based on other observable factors - either directly (price) or indirectly (price-derived) than the 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 2023. These are valued at fair value through P&L. In terms of amount, these investments are not considered material for the consolidated financial statements.

Financial derivatives recognised at fair value are interest rate swaps and forward rate agreements. As of 31 December 2023, the net value of these instruments amounted to an asset of TNOK 13 246 (TNOK 1 228 in 2022). The fair value of the interest rate swaps is calculated by banks and is determined based on the net present value of future cash flows using quoted interest rate curves at the balance sheet date. The calculations obtained from the banks have been tested for reasonableness by the Group management. The fair value of these derivatives is classified as Level 2 in the fair value hierarchy. Fair value of investments in equity instruments listed on a regulated market are classified as Level 1 in the fair value hierarchy, while other equity instruments are at Level 3.

## NOTE 5 – BUSINESS SEGMENTS

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

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

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

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

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

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

Year ended 31 Dec 2023	Farming Mid	Farming West	Farming	Sales & processing	Other / eliminations <sup>*)</sup>	Måsøval Group
<small>(All figures in NOK 1 000)</small>						
Internal operating revenue – sale of salmon	1 435 827	628 424	2 064 251	–	-2 064 252	-0
External operating revenue – sale of salmon		5 795	5 795	2 273 765		2 279 560
Other operating revenues	112 447	6 522	118 970	103 584	-101 766	120 788
<b>Total operating revenues</b>	<b>1 548 274</b>	<b>640 742</b>	<b>2 189 016</b>	<b>2 377 349</b>	<b>-2 166 017</b>	<b>2 400 348</b>
Operating expenses	974 696	508 522	1 483 218	2 351 858	-2 100 930	1 734 146
Depreciation and amortisation	141 124	10 143	151 267	13 652	29 854	194 773
<b>Operational EBIT</b>	<b>432 454</b>	<b>122 077</b>	<b>554 531</b>	<b>11 839</b>	<b>-94 941</b>	<b>471 429</b>
Operational EBIT-%	27.9 %	19.1 %	25.3 %	0.5 %		19.6 %
Volum harvested	16 886	7 645	24 531	25 150		
Sales price per kg salmon	85,0	83,0	84,4	90,4		
Operational EBIT per kg salmon	25,6	16,0	22,6	0,5		

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

Year ended 31 Dec 2022	Farming Mid	Farming West	Farming	Sales & processing	Other / eliminations <sup>*)</sup>	Måsøval Group
<small>(All figures in NOK 1 000)</small>						
Internal operating revenue – sale of salmon	1 476 270	248 300	1 724 570	–	-1 724 570	–
External operating revenue – sale of salmon	–	11 734	11 734	1 886 791	–	1 898 525
Other operating revenues	70 946	2 065	73 011	61 613	-41 018	93 606
<b>Total operating revenues</b>	<b>1 547 216</b>	<b>262 099</b>	<b>1 809 315</b>	<b>1 948 404</b>	<b>-1 765 588</b>	<b>1 992 132</b>
Operating expenses	748 595	194 749	943 344	1 918 188	-1 729 010	1 132 522
Depreciation and amortisation	111 875	15 150	127 025	10 154	28 987	166 166
<b>Operational EBIT</b>	<b>686 746</b>	<b>52 200</b>	<b>738 946</b>	<b>20 062</b>	<b>-65 565</b>	<b>693 444</b>
Operational EBIT-%	44.4 %	19.9 %	40.8 %	1.0 %		34.8 %
Volum harvested	17 612	4 268	21 879	22 141		
Sales price per kg salmon	83.8	60.9	79.4	85.2		
Operational EBIT per kg salmon	39.0	12.2	33.8	0.9		

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

## NOTE 6 – REVENUES

**Disaggregation of Revenue**

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

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

Revenues based on geographic location of customers	2023	2022
(All figures in NOK 1 000)		
Norway	761 738	837 339
Europe, without Norway	1 528 092	1 069 949
Asia	88 074	66 136
Other countries	22 444	18 708
<b>Total</b>	<b>2 400 348</b>	<b>1 992 132</b>

Revenues by product or service	2023	2022
(All figures in NOK 1 000)		
Sale revenue salmon	2 279 560	1 898 525
Other revenue	120 788	93 606
<b>Total</b>	<b>2 400 348</b>	<b>1 992 132</b>

**Operating revenues**

Operating revenues consist of revenue from sale of salmon either on spot rates or from fixed price contracts. Sales are recognised 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, sales of smolt and sales of services related to fish farming activities.

## NOTE 7 – EMPLOYEE BENEFIT EXPENSES

	2023	2022
(All figures in NOK 1 000)		
Salaries	200 692	165 934
Payroll tax	21 628	16 109
Pension expenses	9 598	8 074
Social cost	5 075	5 643
Other expenses	5 888	1 034
<b>Total</b>	<b>242 882</b>	<b>196 794</b>
Number of full-time employees at year end	315	300

Key management and board – compensation 2023	Salary	Bonus <sup>*)</sup>	Pension	Fees	Other	Total
(All figures in NOK 1 000)						
CEO	2 781	–	99	–	249	3 129
Group management (excluding CEO)	7 603	1 858	502	–	786	10 749
<b>Total compensation to management</b>	<b>10 384</b>	<b>1 858</b>	<b>601</b>	<b>–</b>	<b>1 035</b>	<b>13 878</b>
<b>Board of Directors</b>				<b>1 439</b>	<b>–</b>	<b>1 439</b>

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

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

**Pension**

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

## NOTE 8 – OTHER OPERATING EXPENSES

	2023	2022
(All figures in NOK 1 000)		
Lease payments <sup>*)</sup>	2 970	2 278
Maintenance	66 792	76 095
Energy	30 556	25 668
Freight	109 562	89 655
Public fees	2 734	1 107
Renovation	8 307	6 162
Professional fees	35 128	15 790
Other	69 296	37 107
<b>Other operating expenses</b>	<b>325 346</b>	<b>253 862</b>

<sup>\*)</sup> Short-term and variable lease, see note 14

Production tax is reported on a separate line in the income statement.  
Total production tax amounted to NOK 18 824 thousand in 2023  
(NOK 8 861 thousand in 2022)

**Audit fees**

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

Audit fees	2023	2022
(All figures in NOK 1 000)		
Statutory audit	1 991	1 297
Other assurance services	241	394
Other non-assurance services	903	840
<b>Total</b>	<b>3 135</b>	<b>2 531</b>

## NOTE 9 – FAIR VALUE ADJUSTMENTS

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

Specification of fair value adjustments in the income statement	2023	2022
(All figures in NOK 1 000)		
Change in fair value of the biomass	-91 281	246 150
Change in fair value – foreign currency forward contracts	5 557	1 088
<b>Change in fair value recognised in Net profit or loss for the year</b>	<b>-85 724</b>	<b>247 238</b>
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	–	–
<b>Change in fair value recognised in Other comprehensive income</b>	<b>–</b>	<b>–</b>
<b>Change in fair value recognised in Total comprehensive income for the year</b>	<b>-85 724</b>	<b>247 238</b>

Specification of fair value adjustments in the balance sheet	2023	2022
(All figures in NOK 1 000)		
Fair value adjustments of the biomass	364 800	456 081
Fair value adjustments Equity instruments	–	–
Fair value adjustments other financial instrument	6 785	1 228
<b>Net change in fair value in the balance sheet</b>	<b>371 585</b>	<b>457 309</b>

## NOTE 10 – FINANCE INCOME AND EXPENSE

Finance income	2023	2022
(All figures in NOK 1 000)		
Interest income	17 552	8 000
Net income from associated companies	5 557	–
Foreign exchange gains	991	359
Other finance income	1 443	1 604
<b>Total finance income</b>	<b>25 543</b>	<b>9 963</b>

Finance expenses	2023	2022
(All figures in NOK 1 000)		
Interest on debts and borrowings	124 097	78 386
Interest from leases	27 560	12 700
Foreign exchange losses	1 296	520
Other finance expense	1 092	220
<b>Total finance expense</b>	<b>154 046</b>	<b>91 826</b>



## NOTE 11 – TAX EXPENSES AND DEFERRED TAX

Taxes includes both ordinary corporate tax and resource rent tax. Resource rent tax for the period is our best estimate based on current available information. The estimate is highly uncertain as legal requirements are still to be finalised by government authorities. See note 3 for more details regarding accounting principles.

Taxable income	2023	2022
Profit before tax	164 240	802 651
Non taxable items <sup>1)</sup>	11 432	-884
Changes in temporary differences	126 036	-353 326
<b>Taxable income</b>	<b>301 708</b>	<b>448 441</b>

<sup>1)</sup> Includes non-taxable income such as capital gains and dividendes from associated companies and non-deductible costs such as representation and gifts

Income tax expense	2023	2022
(All figures in NOK 1 000)		
Current ordinary income tax	66 376	105 065
Resource rent tax, payable	46 695	–
Changes in deferred ordinary tax	-27 728	71 324
Change in deferred resource rent tax	-30 260	–
<b>Total tax expense</b>	<b>55 083</b>	<b>176 389</b>
Resource rent tax, implementation	242 553	–
<b>Total tax expense<sup>2)</sup></b>	<b>297 636</b>	<b>176 389</b>

<sup>2)</sup> Including implementation effects resource rent tax

Temporary differences and tax positions	2023	2022	Changes
(All figures in NOK 1 000)			
Licences	1 463 635	1 463 635	–
Fixed assets	97 117	164 088	-66 971
Current assets	-3 686	-7 243	3 557
Biological assets	1 137 198	956 885	180 313
Leasing	25 286	9 575	15 711
P/L-account	-539	-523	-16
Group contribution	-73 660	-29 127	-44 533
Cut-off interest deduction	-882	–	-882
<b>Total temporary differences and tax positions</b>	<b>2 644 469</b>	<b>2 557 290</b>	<b>87 179</b>
Temporary differences and tax positions not included in the basis for deferred tax	7 058	8 384	-1 326
<b>Basis for deferred tax</b>	<b>2 651 527</b>	<b>2 565 674</b>	<b>85 853</b>
<b>Net deferred tax</b>	<b>583 336</b>	<b>564 448</b>	<b>18 888</b>
Change in defered tax from Group contribution			9 797
<b>Deferred tax recognised in the income statement</b>			<b>28 685</b>

Temporary differences and tax positions – resource rent tax	2023	2022	Changes
(All figures in NOK 1 000)			
Biological assets	849 171	970 210	-151 787
<b>Total temporary differences and tax positions</b>	<b>849 171</b>	<b>970 210</b>	<b>-121 039</b>
<b>Net deferred resource rent tax</b>	<b>212 293</b>	<b>242 553</b>	<b>-30 260</b>

Reconciliation of effective tax rate – Ordinary corporation tax	2023	2022
(All figures in NOK 1 000)		
Profit before tax	164 240	802 651
Income tax based on applicable tax rate (22 %)	36 133	176 583
Non taxable items <sup>1)</sup>	2 515	-194
<b>Income tax expense</b>	<b>38 648</b>	<b>176 389</b>
Effective tax rate	23.5 %	22.0 %

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

Reconciliation of effective tax rate – Resource rent	2023
(All figures in NOK 1 000)	
Group EBIT	292 743
Resource rent tax based on applicable tax rate (25 %)	73 186
<b>Resource rent tax effects:</b>	
Net income from smolt production	-13 069
Net income from sales and processing	-2 960
Net income from licences outside the resource rent tax regime	-12 730
Production fee	4 706
Income from service operations	-13 690
Other effects	-185
<b>Resource rent tax expense, including production fee</b>	<b>35 258</b>
Paid production tax	-18 824
<b>Resource rent tax expense, excluding production fee</b>	<b>16 435</b>
Effective resource rent tax rate, excluding production fee	5.6 %

## NOTE 12 – INTANGIBLE ASSETS

	Goodwill	Fish-farming licences	Total intangible assets
<small>(All figures in NOK 1 000)</small>			
<b>Cost as of 31.12.2021</b>	438 963	2 068 766	2 507 729
Pro&contra settlement Vartdal Group	-10 574	–	-10 574
<b>Cost as of 31.12.2022</b>	<b>428 389</b>	<b>2 068 766</b>	<b>2 497 155</b>
<b>Cost as of 31.12.2023</b>	<b>428 389</b>	<b>2 068 766</b>	<b>2 497 155</b>
<b>Carrying amount as of 31.12.2021</b>	<b>438 963</b>	<b>2 068 766</b>	<b>2 507 729</b>
<b>Carrying amount as of 31.12.2022</b>	<b>428 389</b>	<b>2 068 766</b>	<b>2 497 155</b>
<b>Carrying amount as of 31.12.2023</b>	<b>428 389</b>	<b>2 068 766</b>	<b>2 497 155</b>
Carrying amount of assets with indefinite life	428 389	2 068 766	2 497 155

Goodwill and Licences are defined as having an indefinite useful economic life and are not depreciated, but rather are tested for impairment at least annually and whenever there is an indication that an asset may be impaired.

The value of goodwill is primarily related to synergies, the assembled workforce and their competency as well as high growth expectations. All fish-farming licences and fixed assets are collateralised for the Group's external bank loans.

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

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

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

<sup>\*)</sup> Maximum allowed biomass

<sup>\*\*)</sup> Including four development licences related to the Aqua Semi project (3,120 tonnes MAB)

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

### Annual testing for impairment of goodwill

The Group's operations are strongly related to each other and identified added values and goodwill in the event of acquisitions are largely valued based on synergies and being an integrated business. All production management, evaluation of harvesting plans, etc. are treated as one production unit in the Group.

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

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

Intangible assets by CGU as of 31.12.2023	Goodwill	Licences	Total
(All figures in NOK 1 000)			
Farming	428 389	2 068 766	2 497 155
Sales & processing <sup>*)</sup>	–	–	–
<b>Total as of 31.12.23</b>	<b>428 389</b>	<b>2 068 766</b>	<b>2 497 155</b>

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

### Annual impairment test of goodwill and licences

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 the estimated value in use. Impairment testing is performed annually as of 31 December and when circumstances indicate that the carrying value may be impaired.

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

Estimated value will be affected by the following key assumptions:

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

The discount rate used reflects managements estimate of the risk associated with the business. The discount rate is an estimated average capital cost of the Group (WACC) and is calculated at 6.4 percent. Capital costs are calculated by considering the risk-free interest rate, the market risk premium in the equity market and the company's average interest rate on borrowing. Capital costs are adjusted to reflect conditions at individual cash flow generating units, such as particular risks and interest rate differentials.

Operational EBITDA per kilogram salmon is highly volatile due to the fluctuation in the price of salmon. Estimated salmon prices are based on actual long-term price levels in the market in which the fish is sold. Production costs are more stable and are estimated based on historical costs adjusted for inflation and known changes. In the terminal value, an estimated Operational EBITDA margin per kilogram of NOK 20.50 has been used.

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

The impairment test does not give indications for write-downs of the book value of the licenses at 31 December 2023. There are significant positive differences between estimated recoverable amounts and book values.

### Sensitivity

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

		Segment
Assumption:	Change:	Farming
EBITDA margin per kg (NOK)	Change in EBITDA per kg (NOK)	-11.00
Discount rate (percent)	Change in percentage points	5.4
Future harvest volum (tonnes)	Percentage change in volume	-7 456

## NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

	Properties	Farming facilities and floating installations	Vessels	Operating equipment	Total
(All figures in NOK 1 000)					
<b>Cost as of 31.12.2021</b>	<b>211 176</b>	<b>226 013</b>	<b>198 307</b>	<b>82 899</b>	<b>718 395</b>
Additions	10 911	109 073	56 236	25 877	202 097
Reclassifications <sup>*)</sup>	-92 541	58 550	-62 489	-3 339	-99 819
Disposals	–	-12 701	-711	-4 090	-17 502
<b>Cost as of 31.12.2022</b>	<b>129 546</b>	<b>380 935</b>	<b>191 343</b>	<b>101 347</b>	<b>803 171</b>
Additions	26 599	25 756	30 070	17 932	100 357
Reclassifications <sup>*)</sup>	8 879	55 045	500	-46 178	18 246
Disposals	–	–	-4 320	–	-4 320
<b>Cost as of 31.12.2023</b>	<b>165 024</b>	<b>461 736</b>	<b>217 593</b>	<b>73 101</b>	<b>917 454</b>
<b>Accumulated depreciation and impairments as of 31.12.2021</b>	<b>5 537</b>	<b>85 403</b>	<b>133 179</b>	<b>40 437</b>	<b>264 556</b>
Depreciation	10 379	46 515	11 484	7 220	75 598
Disposals	–	-4 543	–	-358	-4 901
<b>Accumulated depreciation and impairments as of 31.12.2022</b>	<b>15 916</b>	<b>127 375</b>	<b>144 663</b>	<b>47 299</b>	<b>335 253</b>
Depreciation	13 402	84 651	9 638	14 060	121 751
Impairments <sup>**)</sup>	–	43 955	–	–	43 955
Disposals	–	–	-3 446	–	-3 446
<b>Accumulated depreciation and impairments as of 31.12.2023</b>	<b>29 318</b>	<b>212 026</b>	<b>150 855</b>	<b>61 359</b>	<b>453 558</b>
<b>Carrying amount as of 31.12.2021</b>	<b>205 639</b>	<b>140 610</b>	<b>65 128</b>	<b>42 462</b>	<b>453 839</b>
<b>Carrying amount as of 31.12.2022</b>	<b>113 630</b>	<b>253 560</b>	<b>46 680</b>	<b>54 048</b>	<b>467 918</b>
<b>Carrying amount as of 31.12.2023</b>	<b>135 706</b>	<b>249 710</b>	<b>66 738</b>	<b>11 742</b>	<b>463 896</b>
Economic life	5 – 7 year	7 – 15 year	3 – 15 year	3 – 10 year	
Depreciation method	Linear	Linear	Linear	Linear	

<sup>\*)</sup> Reclassification also includes reclassification from owned assets to leased assets

<sup>\*\*)</sup> Impairment of investments in the development project Aqua Semi

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

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

**Right of use asset**

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

Right of use assets	Properties	Farming facilities <sup>*)</sup>	Vessel	Other	Total
<small>(All figures in NOK 1 000)</small>					
At 1 January 2022	–	185 211	243 570	45 060	473 841
Reclassification <sup>**)</sup>	72 849	26 970	–	–	99 819
Additions	1 443	16 323	36 397	4 095	58 258
Amortisation	-7 659	-26 656	-61 911	-4 721	-100 947
Disposals	–	–	-154	-1 451	-1 605
<b>At 31 December 2022</b>	<b>66 633</b>	<b>201 848</b>	<b>217 902</b>	<b>42 983</b>	<b>529 366</b>
<b>At 1 January 2023</b>	<b>66 633</b>	<b>201 848</b>	<b>217 902</b>	<b>42 983</b>	<b>529 366</b>
Reclassification <sup>**)</sup>	16 713	-32 980	-15 507	12 684	-19 090
Additions	1 598	27 749	119 701	10 621	159 669
Amortisation	-7 164	-25 700	-80 939	-3 174	-116 977
Disposals	-29 881	-989	–	-295	-31 165
<b>At 31 December 2023</b>	<b>47 899</b>	<b>169 928</b>	<b>241 157</b>	<b>62 819</b>	<b>521 803</b>
Economic life/lease term		5 – 15 year	3 – 7 year	3 – 7 year	
Amortisation method		Straight line	Straight line	Straight line	

<sup>\*)</sup> In 2021 Farming facilities also includes some properties, reclassified in 2022

<sup>\*\*)</sup> Reclassification also includes reclassification from owned assets to leased assets

## Lease liabilities

Undiscounted lease payments and year of payment	2023	2022
(All figures in NOK 1 000)		
Less than 1 year	150 196	130 808
1-3 years	141 931	163 162
3-5 years	80 307	92 576
more than 5 years	72 699	72 400
<b>Total undiscounted lease payments</b>	<b>445 133</b>	<b>458 946</b>

Changes in lease liabilities	
(All figures in NOK 1 000)	
At 1 January 2022	405 333
Additions	163 881
Interest expenses	12 700
Lease payments	-122 968
<b>At 31 December 2022</b>	<b>458 946</b>
At 1 January 2023	458 946
Additions	124 946
Interest expenses	27 560
Lease payments	-166 319
<b>At 31 December 2023</b>	<b>445 133</b>

Specification of lease liabilities	2023	2022
(All figures in NOK 1 000)		
Current lease liabilities	150 196	130 808
Non-current lease liabilities	294 937	328 138
<b>Total</b>	<b>445 133</b>	<b>458 946</b>

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

Lease payment expensed	2023	2022
(All figures in NOK 1 000)		
Expensed lease payment for short-term leases and low value leases	155	146
Variable lease payments	2 816	2 132
<b>Total lease payments expensed</b>	<b>2 971</b>	<b>2 278</b>
Lease payments financial lease	166 319	122 968
<b>Total lease payments</b>	<b>169 290</b>	<b>125 246</b>



## NOTE 15 – BIOLOGICAL ASSETS AND OTHER INVENTORIES

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

Book value of biological assets and inventory	31.12.2023	31.12.2022
<i>(All figures in NOK 1 000)</i>		
Feed inventory	23 159	23 987
Finished goods	25 470	13 661
<b>Total other inventory</b>	<b>48 629</b>	<b>37 648</b>
Biological assets	1 093 324	1 159 932
<b>Total biological assets and other inventory</b>	<b>1 141 952</b>	<b>1 197 580</b>

**Fair value**

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

Book value of biological assets recognised at fair value	31.12.2023	31.12.2022
<i>(All figures in NOK 1 000)</i>		
Biological assets held at sea farms at cost	636 274	619 854
Fair value adjustment of biological assets	364 800	456 081
<b>Total biological assets held at sea by fair value</b>	<b>1 001 074</b>	<b>1 075 934</b>
Smolt and postsmolt at cost	92 250	83 998
<b>Total biological assets</b>	<b>1 093 324</b>	<b>1 159 932</b>

Change in the book value of biological assets held at sea farm carried at fair value	2023	2022
<i>(All figures in NOK 1 000)</i>		
Biological assets held at sea farm 1 Jan	1 075 934	623 565
Increase resulting from production/purchase	1 505 524	1 091 908
Reduction resulting from sale/harvesting	-1 489 104	-885 689
Net fair value adjustment	-91 281	246 151
<b>Biological assets held at sea farm Dec</b>	<b>1 001 074</b>	<b>1 075 935</b>

**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-downs. The assessment relates to the number of fish and is carried out at site level. Incident-based mortality is recognised under cost of goods sold in the consolidated statement of comprehensive income.

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

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

Biological assets held at sea farms 31. Dec 2023	Biomass (tonnes)	Cost	Fair value adjustment	Carrying amount
< 1 kg	2 905	282 239	-593	281 646
1 – 4 kg	7 095	306 976	282 928	589 904
> 4 kg	1 865	47 059	82 465	129 524
Biological assets held at sea farms	11 865	636 274	364 800	1 001 074
Smolt and post-smolt at cost	–	92 250	–	92 250
<b>Biological assets total</b>	<b>11 864</b>	<b>728 524</b>	<b>364 800</b>	<b>1 093 324</b>

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

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

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

Expected harvesting period:	Forward price 31.12.2023	Expected harvesting period:	Forward price 31.12.2022
Q1-2024	106.27	Q1-2023	91.75
Q2-2024	111.77	Q2-2023	95.55
Q3-2024	82.02	Q3-2023	76.48
Q4-2024	84.43	Q4-2023	78.22
Q1-2025	95.87	Q1-2024	84.33
Q2-2025	97.87	Q2-2024	87.50
Q3-2025	77.87	Q3-2024	73.50
Q4-2025	77.87	Q4-2024	76.50

### Discount rate

The discount rate at 31.12.2023 and 31.12.2022 was five percent per month, which reflects the biomass capital cost, risk and synthetic licence fees and site rental charges.

### Sensitivity assessment

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

2023	Increase	Effect on estimated fair value 31.12.2023	Decrease	Effect on estimated fair value 31.12.2023
Change in forward price	5 NOK per kg	84 717	5 NOK per kg	-84 717
Change in discount factor	1 %	-52 506	1 %	56 968
Change in harvesting time	1 month earlier	15 827	1 month later	-30 210
Change in biomass	1 %	10 411	1 %	-10 308

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

## NOTE 16 – ACCOUNTS RECEIVABLES

Accounts receivables	2023	2022
(All figures in NOK 1 000)		
Accounts receivables at face value as of 31.12	429 470	177 054
Less: Provision for impairment of accounts receivables	1 710	3 283
<b>Net accounts receivables</b>	<b>427 760</b>	<b>173 771</b>

Accounts receivables	2023	2022
(All figures in NOK 1 000)		
Receivables written off during the year	3 144	1 574
Changes in provision during the year	-1 573	2 845
<b>Impairment loss during the year</b>	<b>1 571</b>	<b>4 419</b>

Maturity profile trade receivables	Not due	<30d	30-60d	60-90d	>90 d	Total
(All figures in NOK 1 000)						
Accounts receivables 2023	331 582	75 721	2 453	4 298	13 706	427 760
Accounts receivables 2022	127 930	28 529	480	3 853	12 979	173 771

At 31 December 2023, accounts receivables of NOK 96 million were past their due date, but not impaired. There were no earlier defaults on these customer's obligations to the Group. Around NOK 14 million of claims overdue more than 90 days relate to related parties. Separate agreements have been entered into regarding the payment of these outstanding amounts.

All provisions both in 2022 and 2023 are related to the subsidiaries Pure Norwegian Seafood AS (PNS) and Western Seaproducts AS (WSP). Provisions are based on an individual assessment of all significant receivables and an individual provision where this is deemed necessary. Credit losses are measured on the basis of the expected loss over the remaining life of the exposure, and not based on a 12-month expected loss. Historical losses in PNS and WSP have been low.

PNS mitigates credit risk through credit insurance agreements, cash sales, and a 'know your customer' approach to minimise losses. The terms are approximately the same, but the framework varies. Formally, the claims have been transferred to a factoring company under a factoring agreement. The factoring company is, therefore, formally the policyholder in this context. There is no transfer of credit risk to the factoring company.

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

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

Foreign currency exposure receivables:	2023	2022
(All figures in NOK 1 000)		
EUR	207 844	90 736
GBP	12 383	0
JPY	2 980	1 693
USD	12 069	6 589
CHF	206	61
<b>Total foreign currency receivables</b>	<b>235 482</b>	<b>99 079</b>
NOK	192 279	74 691
<b>Total book value accounts receivables</b>	<b>427 761</b>	<b>173 771</b>

Receivables by location of customers	2023	2022
(All figures in NOK 1 000)		
Norway	168 473	46 600
Europe, without Norway	245 124	118 547
Asia	7 214	8 417
Other countries	6 949	207
<b>Total book value accounts receivables</b>	<b>427 760</b>	<b>173 771</b>

## NOTE 17 – CASH AND CASH EQUIVALENTS

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

	31.12.2023	31.12.2022
(All figures in NOK 1 000)		
Bank deposits, unrestricted	-1 387	29 619
Bank deposits, restricted <sup>*)</sup>	10 955	8 854
<b>Cash and cash equivalents in the statement of financial position</b>	<b>9 568</b>	<b>38 473</b>

<sup>\*)</sup> Restricted bank deposits consist of tax withholdings.

In addition the Group has an overdraft facility with a limit of MNOK 300, of which MNOK 112 is drawn as at 31 December

## NOTE 18 – INVESTMENTS IN ASSOCIATED COMPANIES

As of 31.12.2023, the Group has no shares in associated companies.

## NOTE 19 – INTEREST-BEARING DEBT

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

The Måsøval facility at 31 December 2023 totaled NOK 2 140 million, comprising a revolving credit facility of NOK 500 million, a term loan of NOK 1 340 million and an overdraft facility of NOK 300 million (of which NOK 112 million is drawn). The Pure facility consists of a factoring agreement of NOK 100 million (of which NOK 26 million is drawn) and a term loan of NOK 28 million.

The Måsøval facility revolving credit facility and term loan expire 28 February 2026, with two one-year extension options. These options are uncommitted and are subject to approval by the lenders.

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

Pure Norwegian Seafood's (PNS) loan portfolio currently has a combination of floating and fixed interest loans. The company's interest rate sensitivity is adapted to an appropriate hedging level when using interest rate swaps. Total lending in PNS at 31 December 2023 was NOK 28 million. See note 4 for further details.

Non-current borrowing	2023	2022
(All figures in NOK 1 000)		
Long-term debt <sup>*)</sup>	1 241 967	1 150 828
Non-current liabilities for right-of-use assets	294 937	328 138
<b>Total non-current borrowing</b>	<b>1 536 903</b>	<b>1 478 966</b>

<sup>\*)</sup> Presupposes here the original repayment plans, based on received waivers from the banks

Next years installment on non-current debt	2023	2022
(All figures in NOK 1 000)		
Long-term debt <sup>*)</sup>	123 059	121 283
Overdraft facility	137 592	296 202
Current liabilities for right-of-use assets	150 196	130 808
<b>Total current borrowing</b>	<b>410 847</b>	<b>548 293</b>

<sup>\*)</sup> Presupposes here the original repayment plans, based on received waivers from the banks

Total borrowing	2023	2022
(All figures in NOK 1 000)		
Long-term debt <sup>*)</sup>	1 365 026	1 272 111
Overdraft facility	137 592	296 202
Total liabilities for right-of-use assets	445 133	458 946
<b>Total</b>	<b>1 947 751</b>	<b>2 027 259</b>

<sup>\*)</sup> Presupposes here the original repayment plans, based on received waivers from the banks

Mortgage-backed liabilities	2023	2022
(All figures in NOK 1 000)		
Long-term debt <sup>*)</sup>	1 365 026	1 272 111
Overdraft facility	137 592	296 202
<b>Total mortgage-backed liabilities</b>	<b>1 502 618</b>	<b>1 568 313</b>

<sup>\*)</sup> Presupposes here the original repayment plans, based on received waivers from the banks

Carrying amount of pledged assets	2023	2022
(All figures in NOK 1 000)		
Accounts receivables	427 760	173 771
Inventories	1 141 952	1 197 580
Equipment and aquaculture licences	2 532 662	2 536 684
<b>Total carrying amount of pledged assets</b>	<b>4 102 375</b>	<b>3 908 035</b>

Maturity structure of long term debt	2023	2022
(All figures in NOK 1 000)		
less than 1 year	273 255	243 825
between 1 and 3 years	1 365 216	1 301 291
between 3 and 5 years	80 849	106 026
over 5 years	90 839	79 914
<b>Total</b>	<b>1 810 159</b>	<b>1 731 057</b>

## Financial covenants

### As of 31 December 2023

The "Måsøval facility" as of December 2023 has the following requirements: The borrower and the Group must, at all times, maintain an equity ratio of at least 30 percent and an interest coverage ratio of at least 4.0.

Furthermore, the pricing of the credit products in the agreement is linked to the Group's net interest-bearing debt (NIBD) in relation to operating profit before depreciation and amortisation (EBITDA). Debt on operational leases according to IFRS 16 is not included in NIBD for the purpose of calculating the NIBD/EBITDA ratio.

Furthermore there is a cross default clause; if a subsidiary is in breach with covenant and the defaulted loan amount exceeds MNOK 25, the

Group bank financing will also be in default. The "Pure facility" has a requirement of equity ratio of at least 25 percent.

A combination of high sales volume and accounts receivables overdue resulted in Pure Norwegian Seafood AS ending the year with equity level lower than the covenant requirements. Both the subsidiary bank and Group financing bank issued waivers in January 2024. As a consequence of the cross default the Groups long term bank loan of MNOK 1 242 has been reclassified to current liabilities as at December 31. See "Alternativ Performance Measurements" for further details.

### As of 31 December 2022

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

## NOTE 20 – OTHER CURRENT LIABILITIES

Other current liabilities	2023	2022
(All figures in NOK 1 000)		
Public duties payable	17 084	12 022
Accrued payroll related items	29 798	34 107
Other short term liabilities	107 359	39 918
<b>Total other current liabilities</b>	<b>154 241</b>	<b>86 047</b>

## NOTE 21 – NOTES SUPPORTING THE CASH FLOWS

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

	Non-current loans and borrowings	Non-current Lease liabilities	Current loans and borrowings	Current Lease liabilities	Total
<small>(All figures in NOK 1 000)</small>					
At 1 January 2023	1 150 827	328 138	417 486	130 808	2 027 259
<b>Cash flows</b>					
Downpayment of loans	-326 360	–	-649	–	-327 009
New loans	417 500	–	2 425	–	419 925
Net change in overdraft facility	–	–	-158 611	–	-158 611
Net lease payments	–	–	–	-138 759	-138 759
<b>Non-cash flows</b>					
- New lease agreement	–	124 946	–	–	124 946
- Reclassification short/long term	-1 241 967	-158 147	1 241 967	158 147	–
<b>At 31 December 2023</b>	<b>–</b>	<b>294 937</b>	<b>1 502 618</b>	<b>150 196</b>	<b>1 947 751</b>

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



## NOTE 22 – SHARE CAPITAL AND SHAREHOLDERS

	2023	2022
(All figures in NOK 1 000)		
Share capital	30 627	30 627
Share premium	872 432	872 432
<b>Total paid in capital</b>	<b>903 059</b>	<b>903 059</b>
	<b>No. Of shares</b>	<b>Face value</b>
Ordinary shares	122 508 455	0,25
		<b>Book value</b>
		30 627

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

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

There have been no changes to the share capital during 2023.

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

## Shareholders

The company's 20 largest shareholders as of 31 December 2023 were:	No. of shares	% of total
Måsøval Eiendom AS	85 727 553	69.98 %
Verdipapirfond Odin Norge	10 142 218	8.28 %
Vartdal Invest AS	4 761 904	3.89 %
J.P. Morgan SE	2 761 669	2.25 %
Henden Nygård Holding AS	1 800 057	1.47 %
ABBA Holding AS	1 677 176	1.37 %
Morgan Stanley & Co. Int. Plc.	1 652 643	1.35 %
J.P. Morgan SE	1 275 405	1.04 %
Frøy Kapital AS	1 255 132	1.02 %
Vicama AS	1 000 000	0.82 %
Hausta Investor AS	875 933	0.71 %
GH Holding AS	816 620	0.67 %
Verdipapirfondet Holberg Triton	690 000	0.56 %
Patric Invest AS	611 252	0.50 %
Yttervåg AS	380 036	0.31 %
Jaras Invest AS	290 000	0.24 %
Amarillo AS	249 093	0.20 %
Småge Eiendom AS	241 387	0.20 %
Storø Invest AS	227 964	0.19 %
Nordnet Livsforsikring AS	224 426	0.18 %
<b>Total 20 largest shareholders</b>	<b>116 660 468</b>	<b>95.23 %</b>
Total other shareholders	5 847 987	4.77 %
<b>Total number of shares 31.12.2023</b>	<b>122 508 455</b>	<b>100.00 %</b>

Shares owned by directors of the board and senior executives <sup>*)</sup>		No. of shares	% of total
Lars Måsøval <sup>1)</sup>	Chair of the board	42 863 777	34.99 %
Roger Granheim <sup>2)</sup>	Director	–	0.00 %
Ola Loe	Director	6 150	0.01 %
Kari Skeidsvoll Moe	Director	3 039	0.00 %
Martin Staveli	Deputy director	18 237	0.01 %
Helge Kvalvik <sup>3)</sup>	CEO	12 000	0.01 %
Harry Osvald Hansen	Head of Farming/Sea	7 598	0.01 %
Ingar Kyrkjebø	Head of Service	2 127	0.00 %
Henny Førde	Head of Biology, Planning and ESG	4 559	0.00 %
Andreas Skagøy	Head of Development and Strategic Projects	5 179	0.00 %
Lars Jørgen Ulvan	Head of Smolt	1 215	0.00 %

1) Lars Måsøval owns indirectly through Måsøval Eiendom AS, where he controls 50 per cent of the shares directly and indirectly through personal related parties.

2) Roger Granheim is the CEO of Frøy Kapital AS, which has 1 255 132 shares in Måsøval AS.

3) Helge Kvalvik owns indirectly through Storeskjeret 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 are 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	2023	2022
Net profit or loss for the year attributable to owners of the parent company	-135 901	620 959
Net fair value adjustments, after tax	71 199	-191 997
One-off implementation effects of resource tax	242 553	–
<b>Adjusted net profit of loss for the year attributable to owners of the parent company</b>	<b>177 851</b>	<b>428 963</b>
<b>Weighted average number of shares outstanding through the year (basic and diluted)<sup>1)</sup></b>	<b>122 508</b>	<b>122 508</b>
<b>Earnings per share</b>		
Basic and diluted	1.45	3.50

## NOTE 24 – CONSOLIDATED COMPANIES

The following companies are included in the consolidated financial statement for 2022 and 2023.

Parent company: Måsøval AS

Subsidiaries 2022 and 2023	Head office	Ownership
Måsøval Laksåvika AS	Frøya	100 %
Måsøval Åsen AS	Åsen	100 %
Måsøval Akva AS	Frøya	100 %
Måsøval Service AS	Frøya	100 %
Pure Norwegian Seafood AS	Averøy	65 %
Måsøval Lisens AS (prev. Pure Farming AS)	Averøy	100 %
Måsøval Drift AS (prev. Aqua Farms Vartdal AS)	Vartdal	100 %
Måsøval Urke AS (prev. Urke Fiskeoppdrett AS)	Vartdal	100 %
Måsøval Vartdal AS (prev. Vartdal Fiskeoppdrett AS)	Vartdal	100 %
Western Seaproducts AS <sup>1)</sup>	Vartdal	100 %
Vartdal Fryseri AS	Vartdal	100 %

1) Sold in February 2024

## NOTE 25 – BUSINESS COMBINATIONS

In connection with the ongoing reorganisation of the group, two auxiliary companies were founded which will be used to achieve the final group structure. Otherwise, no changes have been made during 2023.

## NOTE 26 – RELATED PARTY TRANSACTIONS

The Group is owned 70 percent by Måsøval Eiendom AS and is part of the Måsøval Eiendom Group which also consists of several other companies. The ultimate parent, Måsøval Eiendom AS, is owned by Anders Måsøval (50 percent), Synne Konstane Måsøval (38.6 percent) and Lars Måsøval (11.4 percent).

Transactions with related parties also include transactions with other

companies in the Måsøval Eiendom Group and consist mainly of the sale of accounting services, rental of land bases and rental of 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 2023		Sales	Purchase	Receivables	Liabilities
<small>(All figures in NOK 1 000)</small>					
Måsøval Eiendom AS	Parent company	1 102	1 577	6 767	102
Sørskaget Holding AS	Owned by Måsøval Eiendom AS (100 %)	918	2 028	183	385
Sørskaget Bolig	Owned by Måsøval Eiendom AS (100 %)	133	–	180	–
Ice Fishfarm EHF	Indirectly controlled by Måsøval Eiendom AS <sup>*)</sup>	28 410	224	21 094	273
Flamek Eiendom AS	Indirectly owned by Måsøval Eiendom AS (90 %)	468	3 099	49	274

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

<sup>\*)</sup> Controlled through the ownership of the majority of the shares in Ice Fish Farm AS

## NOTE 27 – EVENTS AFTER THE REPORTING DATE

**Demerger and triangular merger process**

A condition for completion of the Internal Reorganisation is that the Company receives a binding advance tax ruling ("BFU") from the tax authorities confirming that the Internal Reorganisation can be completed with tax continuity. The Company has received a BFU where the tax authorities conclude that the outlined deduction of assets acquired in 2023 means that the Internal Reorganisation cannot be carried out with tax continuity. The deduction has limited value for the Company, and therefore the Company has requested a new binding advance ruling from the tax authorities. Subject to such confirmation from the tax authorities, the Internal Reorganisation will then be implemented.

**New harvest facility - Ulvan**

Mowi ASA accepted the bid from Måsøval AS to acquire the harvesting facility at Ulvan in Hitra Municipality. The intention of Måsøval is to continue the harvesting operations and increase the harvesting capacity within the Group. Final agreement and completion are subject to customary terms and conditions, but the parties aim to complete the transfer by early April 2024.

**Pure Norwegian Seafood AS (PNS)**

Måsøval, as a supplier to PNS, became suspicious of irregularities at PNS on 20 October 2023. Prior regulatory inspections, controls, and audits had not uncovered the issues. Through Måsøval's board representatives in PNS, immediate action was taken through board instructions to completely halt the irregular activity, freeze storage was sealed, and affected products were recalled. Organisational measures were taken promptly, and new and reinforced procedures were implemented at PNS.

EY was engaged to conduct an independent and thorough investigation. The Food Safety Authority (Mattilsynet) was notified in early November,

and communication with the authority has been maintained throughout the investigation. The investigation was concluded in January, and the results have been handed over to the relevant authorities for any further investigations they may undertake.

In brief, the investigation reveals that PNS has allowed certain customers to buy frozen salmon that, according to Norwegian regulations, is not suitable for human consumption. Sold fish includes fish that either should have been discarded/ensiled, or production graded fish that should be elaborated in secondary processing before export. The investigation estimates that this turnover of fish not suitable for human consumption constituted just under 1% of the total volume of fish and approximately 0.5% of PNS's revenue over the last three years. Måsøval, as a supplier to PNS, has not gained any profit or participated in any other earnings related to these activities at PNS. The mentioned activities were halted in October 2023. After the investigation and other inquiries until now, there have been no indications that the irregularly traded products have affected people's health. The revealed issues at PNS have no direct impact on Måsøval; they have a marginal financial effect on the group. As Måsøval assesses the consequences beyond this, they will primarily be related to potential public sanctions that may affect PNS.

**Western Seaproducts AS**

Western Seaproducts a fully owned subsidiary of the group was sold to Ode ASA in February. A seller credit was issued to the buyer with a maturity of 5 years. The buyer has committed not to harvest any salmon at the processing plant.

**Complaint regarding exhibition licence accepted**

Måsøval Lisens AS, a wholly-owned subsidiary of Måsøval AS, filed a complaint on 2 March 2020 to the Ministry of Trade, Industry and Fisheries, against the Fisheries Directorate's rejection on 11 February 2020, of their application for an exhibition licence. On 23 February 2024, the Ministry has informed Måsøval Lisens AS that the complaint has been accepted and that a permission can be given for an exhibition licence of 780 tons MTB for a period of 10 years from the issuance of the permit document. The Fisheries Directorate will supplement the Ministry's decision by formulating appropriate conditions in light of the Ministry's assessments and conclusions. It will take time before an exhibition licence can potentially be applied, and there will be uncertainty regarding whether it can be used depending on the final conditions from the Fisheries Directorate and other sector authorities, and whether Måsøval Lisens AS can fulfill those.

**Måsøval appeals in a case regarding compensation for misdiagnosis**

Måsøval AS filed a lawsuit against the State, claiming compensation of MNOK 29.8 for the losses the company incurred after the facility Kattholmen was misdiagnosed with PD SAV3 in August 2019. The case went to trial in November 2023.

On 23 December 2023, a judgement was rendered in the case, which was served to the parties on 29 December 2023. The court's conclusion is that the State, represented by the Ministry of Trade, Industry, and Fisheries, is ordered to pay Måsøval MNOK 12.8 in compensation for loss of earnings and incurred expenses as a result of the misdiagnosis, plus accrued interest and delay interest. Costs incurred from the trial have been booked, while no compensation have been accrued as income because of the verdict.

The State appealed the verdict on 2 February 2024 and Måsøval submitted an independent appeal in the case 5 February 2024.

**Other matters**

The board of directors has proposed a dividend of NOK 0.50 per share for the financial year 2023.

These annual account's in accordance with IFRS, have been approved at the board meeting on 18 April 2024.

No other significant events has occurred after 31 December 2023.

# *Financial Statement of Måsoval AS*

## Statement of profit and loss

	Note	2023	2022
<small>(All consolidated figures in NOK 1000)</small>			
<b>Operating income and expenses</b>			
Revenue	1, 2	1 690 877	1 496 777
Other operating income	1, 2	113 468	203 140
<b>Total operating revenues</b>		<b>1 804 345</b>	<b>1 699 917</b>
<b>Cost of goods and services</b>	1, 8	1 140 490	920 760
Change in biomass and feed inventory		29 687	-161 757
Personell costs	3	110 018	94 774
Depreciation and impairments	4	66 370	54 350
Other operating expenses	1, 2, 5	166 829	182 376
<b>Total operating expenses</b>		<b>1 513 394</b>	<b>1 090 504</b>
<b>Operational EBIT</b>		<b>290 951</b>	<b>609 413</b>
Production tax		14 976	7 255
Profit sharing with co-location partners		24 624	44 238
<b>EBIT</b>		<b>251 351</b>	<b>557 920</b>
<b>Financial income and costs</b>			
Group contribution from subsidiaries		97 567	–
Group interest income	6	2 183	5 130
Interest income		14 314	6 884
Other financial income		776	689
<b>Total financial income</b>		<b>114 840</b>	<b>12 703</b>
Interest expenses		119 543	78 952
Other financial expenses		33	747
<b>Total financial expenses</b>		<b>119 576</b>	<b>79 699</b>
<b>Net financial items</b>		<b>-4 736</b>	<b>-66 996</b>
<b>Profit before income tax</b>		<b>246 615</b>	<b>490 925</b>
Income tax expense	9	198 188	108 188
<b>Net profit or loss for the period</b>		<b>48 426</b>	<b>382 737</b>
<b>Profit attributable to:</b>			
Dividends		61 254	183 763
Allocated to (+)/from(-) retained earnings		-12 828	198 974
<b>Total allocations</b>		<b>48 426</b>	<b>382 737</b>



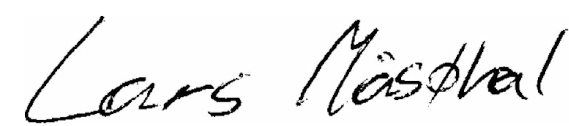
## Statement of financial position

	Note	2023	2022
<small>(All consolidated figures in NOK 1000)</small>			
<b>Assets</b>			
<b>Intangible assets</b>			
Licences	4, 8	758 295	758 295
Goodwill	4	7 123	10 816
<b>Total intangible assets</b>		<b>765 418</b>	<b>769 111</b>
<b>Property, plant and equipment</b>			
Properties	4	7 655	7 982
Farming facilities, quay facilities, etc.	4	20 983	61 002
Vessels	4	1 430	14 311
Operating equipment, fixture and fittings	4	30 547	19 867
<b>Total property, plant and equipment</b>		<b>60 615</b>	<b>103 162</b>
<b>Non-current financial assets</b>			
Investments in subsidiaries	6	1 820 464	1 820 304
<b>Total non-current financial assets</b>		<b>1 820 464</b>	<b>1 820 304</b>
<b>Total non-current assets</b>		<b>2 646 497</b>	<b>2 692 577</b>
<b>Inventories</b>			
Feed inventory	10	15 124	18 953
Biological assets	10	504 851	506 679
<b>Total inventories</b>		<b>519 975</b>	<b>525 631</b>
<b>Receivables</b>			
Accounts receivables	11	681 102	361 074
Other receivables	11	8 613	17 914
Receivables on group companies	11	271 753	171 378
<b>Total receivables</b>		<b>961 467</b>	<b>550 366</b>
Cash and cash equivalents	12	5 298	3 394
<b>Total current assets</b>		<b>1 486 741</b>	<b>1 079 391</b>
<b>Total assets</b>		<b>4 133 237</b>	<b>3 771 968</b>

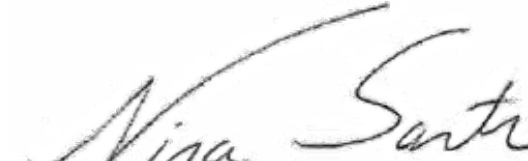
## Statement of financial position

	Note	2023	2022
(All consolidated figures in NOK 1000)			
<b>Equity</b>			
Share capital	13	30 627	30 627
Share premium	13	872 432	872 432
<b>Total paid-in equity</b>		<b>903 059</b>	<b>903 059</b>
Other equity		574 057	586 885
<b>Total other equity</b>		<b>574 057</b>	<b>586 885</b>
<b>Total equity</b>	<b>13</b>	<b>1 477 116</b>	<b>1 489 944</b>
<b>Liabilities</b>			
<b>Provisions</b>			
Deferred tax	9	234 798	116 119
<b>Total provisions</b>		<b>234 798</b>	<b>116 119</b>
<b>Non-current liabilities</b>			
Liabilities to financial institutions	14	1 339 025	1 248 517
<b>Total non-current liabilities</b>		<b>1 339 025</b>	<b>1 248 517</b>
<b>Current liabilities</b>			
Liabilities to financial institutions	14	119 216	315 927
Trade creditors	7	569 595	360 146
Tax payable	9	106 272	69 169
Tax withholding and other deductions		7 256	12 323
Dividends		61 254	61 254
Liabilities to group companies	7	117 386	62 925
Other current liabilities		101 318	35 645
<b>Total current liabilities</b>		<b>1 082 298</b>	<b>917 389</b>
<b>Total liabilities</b>		<b>2 656 122</b>	<b>2 282 025</b>
<b>Total equity and liabilities</b>		<b>4 133 237</b>	<b>3 771 968</b>

Frøya, 18.04.2024


Lars Måsøval  
Chair of the board

Roger Granheim  
Director

Kari Skeidsvoll Moe  
Director

Nina Santi  
Director

Ola Loe  
Director

Helge Kvalvik  
CEO

## Statement of cash flow

	2023	2022
(All consolidated figures in NOK 1000)		
Profit before income tax	246 615	490 925
Tax payable	-42 406	-20 969
Gain on disposal of property, plant and equipment	–	-9 486
Ordinary depreciation	22 415	54 350
Impairments	43 955	–
(Increase)/decrease in inventories	5 656	-169 172
(Increase)/decrease in trade receivables	-320 028	-163 932
Increase/(decrease) in trade payables	209 449	189 399
(Increase)/decrease in other current receivables/liabilities	-5 220	60 090
<b>Net cash from operating activities</b>	<b>160 436</b>	<b>431 204</b>
Proceeds from disposal of property, plant and equipment	14 552	4 169
Payments for property, plant and equipment	-34 682	-37 720
Payments to Group loan receivables	-50 664	–
<b>Net cash (used in)/generated by investing activities</b>	<b>-70 794</b>	<b>-33 552</b>
Proceeds from current and non-current borrowings	417 500	–
Repayment of current and non-current borrowings	-320 397	-515 130
Repayments from Group borrowings	-12 349	92 984
Net change in overdraft facility	-111 238	135 574
Proceeds of equity	–	–
Payments of dividends and group contributions	-61 255	-122 508
<b>Net cash (used in)/generated by financing activities</b>	<b>-87 738</b>	<b>-409 080</b>
<b>Net increase/decrease in bank deposits</b>	<b>1 904</b>	<b>-11 428</b>
Bank deposits at the beginning of the period	3 394	14 822
<b>Bank deposits at the end of the period</b>	<b>5 298</b>	<b>3 394</b>

# Notes

TO THE FINANCIAL STATEMENTS  
OF MÅSØVAL AS

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## ACCOUNTING PRINCIPLES

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

### **Use of estimates**

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

### **Co-location agreements**

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

### **Sales revenue**

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

### **Classification of balance sheet items**

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

### **Purchase cost**

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

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

### **Intangible assets and goodwill**

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

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

**Fixed assets**

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

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

**Impairment of fixed assets**

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

**Other long-term equity investments**

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

**Inventory**

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

**Receivables**

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

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

**Debt**

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

**Pensions**

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

**Tax**

Calculated tax includes both ordinary corporate tax and resource rent tax.

*Corporate tax*

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

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

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

*Resource rent tax*

The resource rent tax was approved by the Norwegian Parliament in May 2023 with effect from 1 January 2023. Måsøval has incorporated both the implementation effects as of 1.1.23 and the resource rent tax expenses for the period in the annual report. Both the implementation effects and the annual expenses are estimated based on our best knowledge. The estimates are highly uncertain as the tax forms have still not been published at the time of submitting this annual report, and the interpretation of established rules are still unclear. See note 9 for further details.

The production fee in the period is directly deductible in the payable resource rent tax.

**Cash flow statement**

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

## NOTE 1 – INTRA-GROUP TRANSACTIONS

Måsøval AS	2023	2022
(All figures in NOK 1 000)		
<b>Income</b>		
Sales income from subsidiaries	1 690 715	1 496 777
Other revenue from subsidiaries	113 630	101 702
<b>Total</b>	<b>1 804 345</b>	<b>1 598 478</b>
<b>Costs</b>		
Costs of goods charged by subsidiaries	85 291	92 961
Rental costs equipment	38 794	–
Other costs charged by subsidiaries	163 274	169 381
Rental costs to Måsøval Eiendom AS	4 763	3 809
<b>Total</b>	<b>292 122</b>	<b>266 151</b>

## NOTE 2 – OPERATING REVENUES

By business area	2023	2022
(All figures in NOK 1 000)		
Sales revenues salmon	1 690 877	1 496 777
Other revenues	113 468	203 140
<b>Total</b>	<b>1 804 345</b>	<b>1 699 917</b>
<b>Geographical distribution</b>	<b>2023</b>	<b>2022</b>
(All figures in NOK 1 000)		
Norway	1 804 345	1 670 552
Other countries	–	29 366
<b>Total</b>	<b>1 804 345</b>	<b>1 699 917</b>



## NOTE 3 – PERSONNEL COSTS

Personnel costs	2023	2022
(All figures in NOK 1 000)		
Salary costs	90 429	75 676
Pension costs	5 237	8 647
Social costs	2 317	3 605
Payroll tax	7 097	6 066
Other	4 937	781
<b>Total</b>	<b>110 018</b>	<b>94 775</b>
Number of FTE's	126	124

**Pension agreements**

The company is obliged to have an occupational pension scheme pursuant to the Act relating to compulsory occupational pensions. The company's pension plans satisfy the requirements of this Act. The company has defined contribution pension schemes for all employees in the Group.

Remuneration to the board and management of the Group	2023		2022	
	CEO	Board	CEO	Board
(All figures in NOK 1 000)				
Management in Måsøval AS	3 129	1 439	5 905	2 153
<b>Total</b>	<b>3 129</b>	<b>1 439</b>	<b>5 905</b>	<b>2 153</b>

The chairman of the board of the parent company does not have a bonus agreement or agreement on remuneration upon termination of the board position. The CEO of the parent company has a bonus agreement. Payment on the bonus agreement is linked to the Group's results.

## NOTE 4 – SPECIFICATION OF FIXED ASSETS

Måsøval AS	Goodwill	Licences etc.	Total Intangible Assets
(All figures in NOK 1 000)			
Cost at 01.01.23	15 829	758 295	774 124
<b>Cost at 31.12.23</b>	<b>15 829</b>	<b>758 295</b>	<b>774 124</b>
Accumulated depreciations and amortisations 01.01.	5 012	–	5 012
Depreciations and amortisations during the year	3 693	–	3 693
<b>Accumulated depreciations and amortisations 31.12.23</b>	<b>8 705</b>	<b>–</b>	<b>8 705</b>
<b>Net book value at 31.12.23</b>	<b>7 123</b>	<b>758 295</b>	<b>765 418</b>
Depreciation plan	5 years		

Måsøval AS	Land and property	Farming facilities and floating installations <sup>*)</sup>	Vessels	Operating equipment <sup>*)</sup>	Total Property, plant and equipment
(All figures in NOK 1 000)					
Cost at 01.01.23	8 322	96 484	24 476	33 091	162 373
Additions	13	18 694	–	16 093	34 800
Disposals <sup>**)</sup>	–	-2 235	-15 308	-1 855	-19 398
<b>Cost at 31.12.23</b>	<b>8 335</b>	<b>112 943</b>	<b>9 168</b>	<b>47 329</b>	<b>177 775</b>
Accumulated depreciations and amortisations 01.01.23	339	35 483	10 165	13 224	59 211
Disposals <sup>**)</sup>	–	318	-3 144	-1 902	-4 728
Impairment	–	43 445	–	–	43 445
Depreciations and amortisations in the year	340	12 716	716	5 460	19 232
<b>Accumulated depreciations and amortisations 31.12.23</b>	<b>679</b>	<b>91 962</b>	<b>7 737</b>	<b>16 782</b>	<b>117 160</b>
<b>Net book value at 31.12.23</b>	<b>7 655</b>	<b>20 983</b>	<b>1 431</b>	<b>30 547</b>	<b>60 615</b>
Depreciation plan	3-5 years <sup>***)</sup>	7-15 years	3-5 years	10 years	

<sup>\*)</sup> Figures include capitalised leased assets.

<sup>\*\*)</sup> Including minor reclassifications between groups of assets

<sup>\*\*\*)</sup> No depreciation of land

The majority of disposals 2023 are sales to the subsidiary Måsøval Akva AS in connection with the restructuring of the Group in order to organise equipment and service activities in its own legal entities.

Måsøval AS – Specification of farming licences as per 31.12.23	No. of licences	MAB <sup>*)</sup> tons	Cost	Net book value
<small>(All figures in NOK 1 000, except No. of licences)</small>				
Production area 5	2	1 466	160 000	160 000
Production area 6 <sup>**)</sup> (incl. 4 development licences, 3 120 tonnes MAB)	13	10 636	598 295	598 295
<b>Total Måsøval AS</b>	<b>15</b>	<b>12 102</b>	<b>758 295</b>	<b>758 295</b>

\*) Maxium allowed biomass

\*\*\*) incl. 4 development licences, 3 120 tons MAB

There have been no changes in licences in 2023. All licences are located in production areas 5 and 6.

## Leasing

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

### Right to use assets

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

### Lease obligations

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

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

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

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

Måsøval AS	Farming facilities and floating installations	Equipment	Total leased assets
<i>(All figures in NOK 1 000)</i>			
Cost at 01.01.23	13 794	1 800	15 594
Reclassification			–
Additions	–	1 128	1 128
Disposals	-10 199	–	-10 199
<b>Cost at 31.12.23</b>	<b>3 595</b>	<b>2 928</b>	<b>6 523</b>
Accumulated depreciations and amortisations 01.01.23	10 498	570	11 068
Disposals <sup>*)</sup>	-10 271	224	-10 047
Depreciations and amortisations in the year	2 453	605	3 058
<b>Accumulated depreciations and amortisations 31.12.23</b>	<b>2 680</b>	<b>1 399</b>	<b>4 079</b>
<b>Net book value at 31.12.23</b>	<b>915</b>	<b>1 529</b>	<b>2 444</b>

<sup>\*)</sup> Including minor reclassifications between groups of assets

	2023	2022
<i>(All figures in NOK 1 000)</i>		
Leasing obligations	2 323	6 017

**NOTE 5 – OTHER OPERATING EXPENSES**

Other operating expenses	2023	2022
<i>(All figures in NOK 1 000)</i>		
Rent	70 247	85 483
Maintenance	42 852	40 959
Energy	12 263	11 435
Freight	724	707
Public fees	2 139	672
Renovation	1 310	1 130
Professional fees	27 784	8 212
Other	9 509	33 777
<b>Total</b>	<b>166 829</b>	<b>182 376</b>

Fees to the auditor	2023	2022
<i>(All figures in NOK 1 000)</i>		
Audit fees	988	1 989
Technical assistance and other attestations	241	17
Other non-audit services	903	419
<b>Total</b>	<b>2 132</b>	<b>2 425</b>

## NOTE 6 – INVESTMENT IN SUBSIDIARIES

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

Måsøval AS	Head Office	Book value	Ownership	Net profit 2023 <sup>*)</sup>	Total equity <sup>*)</sup>
<small>(All figures in NOK 1 000)</small>					
Måsøval Laksåvika AS	Frøya	24 635	100 %	6 478	34 942
Måsøval Åsen AS	Åsen	83 662	100 %	18 197	48 722
Måsøval Akva AS	Frøya	4 532	100 %	23 482	38 852
Måsøval Service AS	Frøya	24 075	100 %	9 930	9 976
Pure Norwegian Seafood AS	Averøy	59 911	65 %	10 092	94 555
Måsøval Lisens AS (prev. Pure Farming AS)	Frøya	216 192	100 %	15 091	49 665
Måsøval Drift AS (prev. Aqua Farms Vartdal AS)	Vartdal	1 121 904	100 %	13 263	105 641
Måsøval Urke AS (prev. Urke Fiskeoppdrett AS)	Vartdal	159 426	100 %	13 569	29 445
Måsøval Vartdal AS (prev. Vartdal Fiskeoppdrett AS)	Vartdal	101 841	100 %	-770	15 199
Western Seaproducts AS <sup>**)</sup>	Vartdal	18 607	100 %	158	2 612
Vartdal Fryseri AS	Vartdal	5 518	100 %	96	4 874
Two empty relief companies related to reorganisation	Frøya	160	100 %	–	160
<b>Total</b>		<b>1 820 464</b>			

<sup>\*)</sup> Based on an estimated tax expense

<sup>\*\*)</sup> Sold in february 2024

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

	2023	2022
(All figures in NOK 1 000)		
Måsøval Urke AS	–	7 444
Måsøval Akva AS	–	10 446
Måsøval Vartdal AS	–	9 480
Vartdal Fryseri AS	–	569
Western Seaproducts AS	–	1 187
<b>Total</b>	<b>–</b>	<b>29 126</b>

Group contributions received from subsidiaries related to accrued earnings during the ownership period are recognised as financial income.

In connection with the submission of tax return for 2022, several changes were made to group contributions after the annual accounts for 2022 were presented. Group contributions received for 2022 totalling TNOK 23,928 will thus be recognised as income in 2023. Group contributions received for 2023 will also be recognised as income in 2023.

Received group contribution	2023	2022 <sup>*)</sup>
(All figures in NOK 1 000)		
Måsøval Laksåvika AS	5 266	12 838
Måsøval Åsen AS	11 335	6 756
Måsøval Lisens AS	20 021	1 844
Måsøval Service AS	9 915	2 490
Måsøval Urke AS	3 439	–
Måsøval Vartdal AS	12 945	–
Måsøval Akva AS	10 718	–
<b>Total</b>	<b>73 639</b>	<b>23 928</b>

<sup>\*)</sup> Recognised as income in 2023



## NOTE 7 – DEBT TO GROUP COMPANIES AND RELATED PARTIES

Accounts payable on group companies	2023	2022
(All figures in NOK 1 000)		
Accounts payable consolidated subsidiaries	75 059	46 089
Accounts payable on other group companies	849	18 782
<b>Current liabilities to group companies</b>	<b>2023</b>	<b>2022</b>
(All figures in NOK 1 000)		
Måsøval Akva AS	53 596	13 918
Måsøval Service AS	1 087	–
Måsøval Lisens AS (prev. Pure Farming AS)	2 520	–
Vartdal Fryseri AS	2 817	569
Måsøval Urke AS	7 444	18 491
Måsøval Vartdal AS	9 480	12 732
Måsøval Laksåvika AS	7 210	–
Måsøval Åsen AS	32 045	13 193
Western Seaproducts AS	1 187	4 022
<b>Total</b>	<b>117 386</b>	<b>62 925</b>

Group contributions from 2022 were settled in January 2024 and Group contribution from 2021 were settled in 2023.

## NOTE 8 – CO-LOCATION AGREEMENTS AND PROFIT SHARING

The Group has several co-location agreements and performs farming services on a total of 6 licences owned by partners. This applies to 3 commercial licences where the partner has put out fish at our (sea) sites and we perform farming services. Furthermore, there are 2 broodstock licences and 1 education licence where the group operates on behalf of two external licence holders through co-location agreements. Accounting treatment of the co-location agreements is considered separately based on the content of the agreements.

The biomass related to the broodstock licences and the educational licence is recognised in the consolidated accounts. For the commercial permits, we perform farming services and invoice accrued costs to the counterparty on an ongoing basis. This is recorded on the balance sheet as a claim on the counterparty.

Our share of the profit regarding the commercial licences is recognised as "Other income" in the profit and loss. For the broodstock and educational licences the licence holders' share of profits generated on the relevant licences is expensed as "Profit sharing with co-location partners".

## NOTE 9 – TAXES

Taxes includes both ordinary corporate tax and resource rent tax. Resource rent tax for the period is our best estimate based on current available information. The estimate is highly uncertain as legal requirements are still to be finalised by government authorities. Specification of differences between accounting and tax profit before tax expense and taxable income:

Ordinary corporate tax	2023	2022
(All figures in NOK 1 000)		
Profit before tax expense and group contribution	246 615	490 925
Group contributions to subsidiaries	–	-29 126
Permanent differences	16 348	837
Change in temporary differences	48 864	-148 230
Interest rate limitation	762	–
<b>This year's taxable income – Corporate tax</b>	<b>312 589</b>	<b>314 406</b>

Resource rent tax	2023
(All figures in NOK 1 000)	
Operational EBIT	290 951
Depreciation licences bought in 2020	-30 514
Net income licences outside resource rent tax regime	-75 547
Investments 2023	-8 678
Impairments outside resource rent tax regime	44 895
Net other income/expenses outside resource rent tax regime	31 583
Change in temporary differences	41 604
Deduction corporate tax	-63 490
<b>This year's taxable income – Resource rent tax</b>	<b>230 803</b>
Basic tax deduction	-38 634
<b>This year's taxable income – Resource rent tax</b>	<b>192 170</b>
Payable resource rent tax	61 590
Paid production fee	-18 824
<b>Net payable resource rent tax excluding production fee</b>	<b>42 767</b>

Specification of tax expense	2023	2022
(All figures in NOK 1 000)		
Payable tax (22 %)	68 770	69 169
Change in deferred tax	-10 918	32 611
Tax effect of group contributions	–	6 408
<b>Total corporate tax expense</b>	<b>57 852</b>	<b>108 188</b>
Resource rent tax, payable	42 767	–
Change in deferred resource rent tax	-10 401	–
<b>Total tax expense</b>	<b>90 218</b>	<b>108 188</b>
Resource rent tax, implementation	107 971	–
<b>Total tax expense, including implementation effects resource rent tax</b>	<b>198 188</b>	<b>108 188</b>

Specification of temporary differences:

Ordinary corporate tax	31.12.2022	31.12.2023	Change
(All figures in NOK 1 000)			
Current assets	506 679	504 851	-1 828
Fixed assets	-9 910	-55 687	-45 777
Licences	169 764	169 764	–
Temporary differences through joint production partnerships	7 058	7 058	–
Leasing	-199	121	320
Interest rate limitation	–	-762	-762
Deferred profit and loss account	–	-1 580	-1 580
<b>Total</b>	<b>673 391</b>	<b>623 765</b>	<b>-49 626</b>
Tax loss carry-forward	–	–	–
<b>Net temporary differences</b>	<b>673 391</b>	<b>623 765</b>	<b>-49 626</b>
<b>Deferred tax in the balance sheet</b>	<b>148 146</b>	<b>137 228</b>	<b>-10 918</b>

Resource rent tax	31.12.2022	31.12.2023	Change
(All figures in NOK 1 000)			
Biological assets	431 883	390 279	-41 604
<b>Total</b>	<b>431 883</b>	<b>390 279</b>	<b>-41 604</b>
<b>Deferred resource rent tax in the balance sheet</b>	<b>107 971</b>	<b>97 570</b>	<b>-10 401</b>

## NOTE 10 – BIOMASS

Inventory, including biomass, is recognised at cost.

Book value of inventory	2023	2022
(All figures in NOK 1 000)		
Feed inventory	15 124	18 953
Biological assets	504 851	506 679
<b>Total</b>	<b>519 975</b>	<b>525 631</b>

## NOTE 11 – SHORT-TERM RECEIVABLES

Accounts receivable on group companies	2023	2022
(All figures in NOK 1 000)		
Accounts receivable consolidated subsidiaries	370 734	207 468
Accounts receivable on other group companies	849	18 782
<b>Other receivables on group companies</b>	<b>2023</b>	<b>2022</b>
(All figures in NOK 1 000)		
Måsøval Laksåvika AS	18 104	7 498
Måsøval Åsen AS	18 091	–
Western Seaproducts AS	16 261	14 717
Måsøval Vartdal AS	92 234	73 728
Måsøval Urke AS	14 219	24 284
Måsøval Drift AS	51 959	51 148
Måsøval Akva AS	10 718	1
Måsøval Service AS	21 419	1
Måsøval Lisens AS	21 865	1
Flamek Eiendom AS	314	–
Måsøval Eiendom AS	6 569	–
<b>Total other receivables on group companies</b>	<b>271 753</b>	<b>171 378</b>

No maturity has been agreed on receivables on group companies.

Other current receivables	2023	2022
(All figures in NOK 1 000)		
Prepaid expenses	4 325	7 704
Other receivables	4 288	10 210
<b>Total other current receivables</b>	<b>8 613</b>	<b>17 914</b>

## NOTE 12 – RESTRICTED FUNDS

Restricted funds	2023	2022
(All figures in NOK 1 000)		
Restricted tax withholding funds (Norway)	5 295	4 818
<b>Sum</b>	<b>5 295</b>	<b>4 818</b>

## NOTE 13 – SHARE CAPITAL, SHAREHOLDER INFORMATION AND EQUITY

The share capital in Måsøval AS as of 31.12 consists of:	No. of shares	Face value	Book value
(All figures in NOK 1 000)			
Ordinary shares	122 508 455	0.25	30 627
<b>Total</b>	<b>122 508 455</b>		<b>30 627</b>

The shares have equal rights in the company.

Måsøval AS	Share capital	Share premium	Other equity	Total equity
(All figures in NOK 1 000)				
Equity per 11.	30 627	872 432	586 885	1 489 944
Net profit for the year	–	–	48 426	48 426
Allocated dividends	–	–	-61 254	-61 254
<b>Equity as of 31.12.</b>	<b>30 627</b>	<b>872 432</b>	<b>574 057</b>	<b>1 477 116</b>

## Ownership structure – the 20 largest shareholders as of 31.12.2023

Shareholder	Holding	Stake
(All figures in NOK 1 000)		
Måsøval Eiendom AS	85 727 553	69.98 %
Verdipapirfond Odin Norge	10 142 218	8.28 %
Vartdal Invest AS	4 761 904	3.89 %
J.P. Morgan SE	2 761 669	2.25 %
Henden Nygård Holding AS	1 800 057	1.47 %
ABBA Holding AS	1 677 176	1.37 %
Morgan Stanley & Co. Int. Plc.	1 652 643	1.35 %
J.P. Morgan SE	1 275 405	1.04 %
Frøy Kapital AS	1 255 132	1.02 %
Vicama AS	1 000 000	0.82 %
Hausta Investor AS	875 933	0.71 %
GH Holding AS	816 620	0.67 %
Verdipapirfondet Holberg Triton	690 000	0.56 %
Patric Invest AS	611 252	0.50 %
Yttervåg AS	380 036	0.31 %
Jaras Invest AS	290 000	0.24 %
Amarillo AS	249 093	0.20 %
Småge Eiendom AS	241 387	0.20 %
Storø Invest AS	227 964	0.19 %
Nordnet Livsforsikring AS	224 426	0.18 %
Others	5 847 987	4.77 %
<b>Total</b>	<b>122 508 455</b>	<b>100.00 %</b>

## NOTE 14 – LONG-TERM DEBT, MORTGAGES, ETC.

Borrowings	2023	2022
(All figures in NOK 1 000)		
Long-term debt	1 336 702	1 242 500
Leasing debt	2 323	6 017
Overdraft facility	119 216	315 927
<b>Total</b>	<b>1 458 241</b>	<b>1 564 444</b>

Assets pledged as collateral	2023	2022
(All figures in NOK 1 000)		
Accounts receivable	681 102	361 074
Inventory	504 851	506 679
Equipment and aquaculture licence	818 910	862 162
<b>Total</b>	<b>2 004 863</b>	<b>1 729 915</b>

Maturity structure long-term debt	2023	2022
(All figures in NOK 1 000)		
– less than 5 year	1 339 025	1 248 517
– over 5 years		–
<b>Total</b>	<b>1 339 025</b>	<b>1 248 517</b>

**Financial covenants****As of 31 December 2023**

The Måsøval facility as of december 2023 has the following requirements. The borrower and the Group must, at all times, maintain an equity ratio of at least 30% and an interest coverage ratio of at least 4.0. Furthermore, the pricing of the credit products in the agreement is linked to the Group's net interest-bearing debt (NIBD) in relation to operating profit before depreciation and amortisation (EBITDA).

Debt on operational leases according to IFRS 16 are not included in NIBD for the purpose of calculating the NIBD/EBITDA ratio, see Alternative Performance Measurements for further details.

Måsøvals bank financing has also a cross default clause; if a subsidiary is in breach with covenant and the defaulted loan exceeds MNOK 25, Måsøvals bank financing will also be in default.

Pure Norwegian Seafood, a subsidiary owned 65% by Måsøval is financed on a stand-alone basis. The company's bank loan agreement has a covenant requiring a minimum equity level. A combination of high sales volume and accounts receivables overdue resulted in the company ending the year with equity level lower than the covenant requirements. Both the subsidiary bank and Måsøvals financing bank issued waivers in January 2024.

**As of 31 December 2022**

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

Måsøvals bank financing has also a cross default clause; if a subsidiary is in breach with covenant and the defaulted loan exceeds MNOK 25, Måsøvlas bank financing will also be in default.

Both the Group and the subsidiary, Pure Norwegian Seafood, complied with all loan covenants both at the end and through 2022.

**NOTE 15 – PUBLIC GRANTS**

There have been no projects with public grants either in 2022 or 2023

**NOTE 16 – EVENTS AFTER BALANCE SHEET DATE**

There have been several events after the reporting date. All events are described in note 27 to the consolidated financial statement for Måsøval Group.

# *Independent Auditors Report*





**KPMG AS**  
Sjøgangen 6  
N-7010 Trondheim

Telephone +47 45 40 40 63  
Internet www.kpmg.no  
Enterprise 935 174 627 MVA

To the General Meeting of Måsøval AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Måsøval AS, which comprise:

- the financial statements of the parent company Måsøval AS (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of profit and loss and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Måsøval AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

### Basis for Opinion

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

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Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslø	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandnessjøen	Tynset
Bergen	Haugesund	Stavanger	Ulsøivik
Bodø	Karvik	Stord	Ålesund
Drammen	Kristiansand	Straume	



### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

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

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

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.



- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Trondheim, 18 April 2024

KPMG AS

Yngve Olsen  
State Authorised Public Accountant

# *Alternative Performance Measurements of Masoval Group*

## ALTERNATIVE PERFORMANCE MEASURES

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

**Net interest-bearing debt**

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

	31.12.2023	31.12.2022
(All figures in NOK 1 000)		
Non-current liabilities to financial institutions	294 937	1 478 965
Current liabilities to financial institutions	1 652 814	548 293
Liabilities related to operational lease	-132 991	-190 718
Cash and cash equivalents	-9 568	-38 473
<b>Net interest-bearing debt - Group</b>	<b>1 805 192</b>	<b>1 798 068</b>

**Equity ratio**

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

	31.12.2023	31.12.2022
(All figures in NOK 1 000)		
Equity	1 794 276	1 988 971
Total assets	5 160 211	4 986 915
<b>Equity ratio</b>	<b>34.8 %</b>	<b>39.9 %</b>

**Operating EBIT (Earnings before interest, tax and other financial costs and income)**

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. Operational EBIT is calculated before fair value adjustments, production tax, profit sharing with co-location partners and financial expenses and taxes.

	2023	2022
(All figures in NOK 1 000)		
<b>EBIT</b>	<b>292 743</b>	<b>884 514</b>
Impairments	43 955	–
Production tax	18 824	8 861
Profit sharing with co-location partners	24 627	46 219
Biological assets - Net fair value adjustment	91 281	-246 150
<b>Operational EBIT</b>	<b>471 429</b>	<b>693 444</b>

### Operating EBIT per kilogram of salmon

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

	Farming		Sales & processing	
	2023	2022	2023	2022
(All figures in NOK 1 000)				
Operating revenue	2 189 016	1 809 315	2 377 349	1 948 404
Operating expenses	1 634 485	1 070 369	2 365 510	1 928 342
<b>Operational EBIT</b>	<b>554 531</b>	<b>738 946</b>	<b>11 839</b>	<b>20 062</b>
Volume harvested	24 531	21 879	25 150	22 141
<b>Operating EBIT per kilogram of salmon</b>	<b>22.6</b>	<b>33.8</b>	<b>0.5</b>	<b>0.9</b>

See note 5 “Operating segments” for details.



# *Appendix*

# Glossary

Term	Abbreviation	Description
Biomass		The amount of fish biomass at any time (measured in kilos or tonnes)
Closed holding pen/closed harvesting pen		Closed pens or cages located close to the processing plants that provide a biologically safe and secure environment for fish awaiting processing.
Corporate Sustainability Reporting Directive	CSRD	An EU initiative aimed at enhancing the transparency and consistency of sustainability reporting among large companies. It expands upon the existing Non-Financial Reporting Directive (NFRD) and requires certain companies to disclose information on environmental, social, and governance (ESG) matters in their annual reports. CSRD aims to encourage sustainable business practices, improve stakeholder trust, and facilitate informed decision-making.
Flow-Through System	FTS	Systems that operate with a continuous supply of fresh water from a natural water source. Wastewater is treated before being discharged back into the environment.
	FLS	Delousing technology that utilises ejector pumps on a vessel to flush sea lice off the salmon using seawater. FLS is a chemical- and medicine-free alternative for the removal of sea lice.
Full Time Equivalent	FTE	A unit of measurement used to work out the total number of full-time hours work by all employees. Also referred to as person-years.
Generation		Traditionally, the release of salmon is divided into two generations per year, often referred to as spring fish (one-year-olds) and autumn fish (zero-year-olds).
Global Good Agricultural Practices	GlobalGAP	An international standard for farm production. The GlobalGAP certification covers: Food safety and traceability, Environment (including biodiversity), Workers' health, safety, and welfare, Animal welfare. Includes Integrated Crop Management (ICM), Integrated Pest Control (IPC), Quality Management System (QMS), and Hazard Analysis and Critical Control Points (HACCP).



## Glossary continues

Term	Abbreviation	Description
Global Reporting Initiative	GRI	A widely used framework for sustainability reporting. It provides guidelines and principles for organisations to measure and report their environmental, social, and governance (ESG) performance. GRI aims to promote transparency, accountability, and comparability in sustainability reporting across various sectors and industries worldwide.
Greenhouse Gases	GHG	Atmospheric gases that trap heat from the sun, warming the Earth. They include CO <sub>2</sub> , methane, nitrous oxide, and fluorinated gases, primarily from human activities, driving climate change.
Gutted Weight	GW	The weight of harvested fish after the entrails have been removed.
Maximum Allowable Biomass	MAB	The maximum biomass a company is permitted to have present in the sea. MAB is regulated at two levels: at individual sites, and the total amount for the company.
Pancreas Disease	PD	A viral illness that reduces growth and increases mortality.
Production Area	PA	A traffic-light system for regulating capacity in Norwegian salmon and trout production. The coast is divided into 13 areas, in which environmental factors regulate capacity. Area 5 is from Stadt to Hustadvika and Area 6 is between Nordmøre and Sør-Trøndelag.
Recirculating Aquaculture System	RAS	Closed-loop systems that recycle and treat water for fish or aquatic organism cultivation. They optimise water usage, minimise environmental impact, and enable intensive fish farming in controlled conditions.
Sustainable Development Goal	SDG	A set of 17 interconnected global objectives designed to address pressing social, economic, and environmental challenges facing humanity. Adopted by all UN member states in 2015 as part of the 2030 Agenda for Sustainable Development.
Thermal Growth Coefficient	TGC	A common growth model in fish farming that takes the size of the fish and the variations in water temperature into account.
Time Charter	TC	A contractual agreement in the shipping industry where a vessel is leased to a charterer for a specific period, during which the charterer has control over the vessel's operations and pays a predetermined rate for its use.





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