

QUARTERLY REPORT

2021 Q3

*Made
by nature*

Pioneered by  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.**

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

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

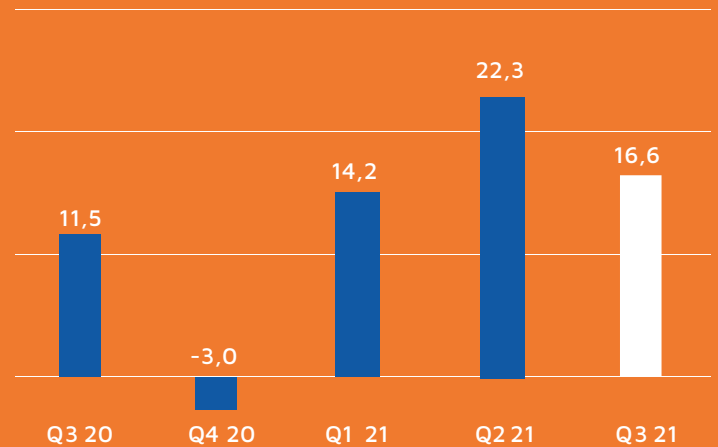


FOTO: ØYVIND NORDAHL NÆSS

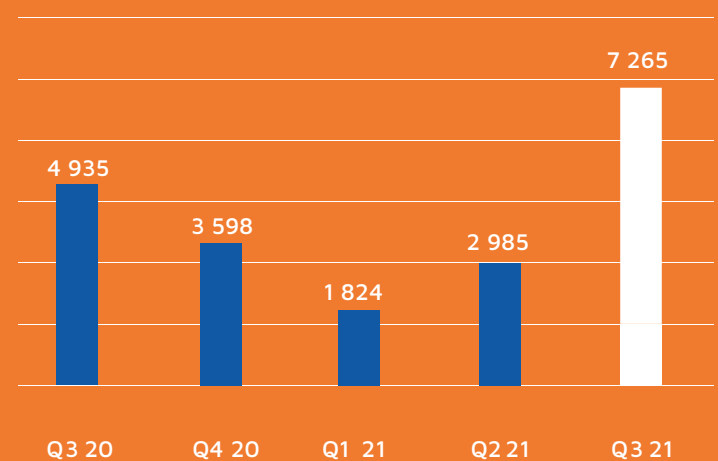


Introduction and summary Q3

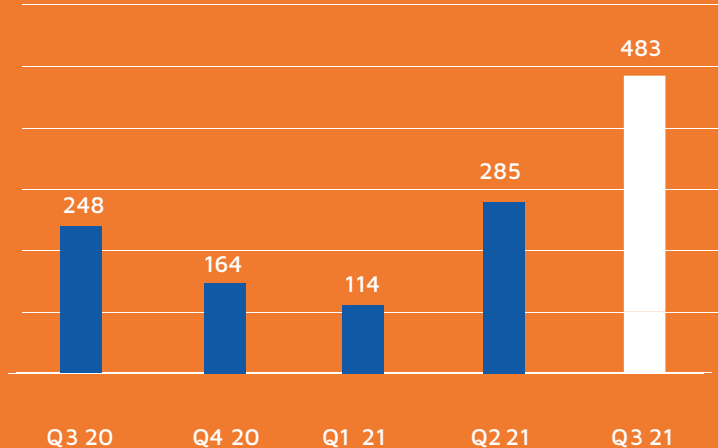
OPERATIONAL EBIT - FARMING SEGMENT (NOK/KG)



HARVESTED VOLUMES (HOG)



TOTAL GROUP REVENUES (MNOK)





Highlights *Q3 2021*

16,6

Farming segment achieved EBIT per kg sold salmon of NOK 16.6 (NOK 11.5 in Q2 2020).

114

Operating revenues of MNOK 483 (MNOK 248 in Q3 2020). Group Operational EBIT of MNOK 114 (MNOK 49 in Q3 2020)

Acquisition of salmon farming operations of Vartdal Invest AS

- For licenses and four locations
- Harvest potential of 6,900 t yearly with run-rate production capacity expected in 2023
- Substantial smolt and post-smolt capacity through modern facilities with proven technology
- Harvesting and freezing facility

7 265

Harvested volumes of 7 265 t in line with guiding after Q2. Estimated harvest of 17 100 t in 2021.

56,5

Achieved salmon prices from the Farming segment ended at NOK 56,5 (NOK 46,2 in Q3 2020).

Key figures

Q3 2021

Consolidated numbers in 1 000 NOK	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Sales revenues salmon	444 416	228 231	787 346	709 236	858 176
Other operating revenues	38 710	19 707	94 301	54 567	69 935
Sum operating revenues	483 126	247 938	881 647	763 803	928 111
Harvested volumes (t HOG)	7 265	4 935	12 075	12 656	16 253
EBITDA	133 464	61 065	240 653	279 926	271 988
Operational EBIT	114 161	48 626	191 190	241 331	221 471
EBIT (1)	111 255	48 626	186 360	241 331	221 471
Profit before tax	89 906	32 351	146 067	211 395	242 444
Profit after tax	70 127	25 234	113 932	164 888	199 139
Net cash flow from operating activities	105 709	100 800	119 787	157 601	131 157
Net interest-bearing debt	1 076 871	732 512	1 076 871	732 512	775 062
Operational EBIT %	23,6 %	19,6 %	21,7 %	31,6 %	23,9 %
Equity ratio	33,2 %	35,7 %	33,2 %	35,7 %	29,5 %
Earnings per share (NOK)	0,65	0,23	1,06	1,53	1,85

(1) Operational EBIT excludes production tax.

2. FINANCIAL PERFORMANCE

(Figures in brackets refer to Q3 2020, unless specified otherwise)

2.1. REVENUES AND RESULTS

The Group achieved operating revenues of MNOK 483 in the third quarter of 2021, the best third quarter in the Group's history. The Group's operational EBIT in Q3 2021 was MNOK 114, an improvement of MNOK 66 compared to the same period last year. The increase in revenues and EBIT is mainly attributable to larger harvested volumes in Q3 2021 (+2 330 t) and higher achieved prices for the farming segment (+NOK 10.2) compared to the corresponding quarter last year. In addition, total revenues and EBIT was positively influenced by acquisitions made in Q2.

Måsøval harvested 7 265 t gutted weight in this quarter. This represents an increase in harvested volumes of 47 percent compared to the corresponding quarter in 2020. The increase in harvested volumes comes as a consequence of the new MTB acquired in 2020 and 2021.

2.2. BALANCE SHEET

At the end of Q3 2021, total assets were MNOK 2 145, a decrease in total assets of MNOK 81 since the previous quarter. This is mainly caused by a decline of MNOK 67 in biological assets. Total property, plant and equipment decreased by MNOK 2 and ended at MNOK 442 (MNOK 444 in Q2 2021). Total non-current assets decreased slightly by MNOK 5. Further, total current assets decreased by MNOK 78 from the end of Q2 2021. The Group's receivables increased by MNOK 2 and cash and cash equivalents decreased by MNOK 19.

The Group's net interest-bearing debt increased by MNOK 25 compared to the end of Q2 2021, as remaining payments from Q2 acquisitions were made.

At the end of the reporting quarter, the Group's total equity was MNOK 712, an increase of MNOK 70 in comparison with the end of Q2 2021. Equity ratio at the end of Q3 2021 was 33.2%, up from 28.8% after Q2 2021.

2.3. STATEMENT OF CASH FLOW

The Group achieved a positive cash flow from operating activities of MNOK 106 during the third quarter of this year. Net cash flow generated by investing and financial activities had, on the other hand, a negative impact on the cash flow. Cash outflows from investment activities are primarily related to payments for property, plant, equipment and amounted to MNOK 14 (MNOK 512). Net cash generated by financing activities in Q3 2021 reached MNOK -110 (MNOK 314). In Q3 2021 the Group raised new non-current borrowings totalling MNOK 10 and spent MNOK 95 on repayment of non-current and current borrowings.

Further, the Group increased the outstanding balance on its overdraft credit facility by MNOK 11. The negative cash flow is mainly related to final payments related to Q2 acquisitions and the listing process.



3. OPERATIONAL PERFORMANCE

The management monitors and allocates resources to the Group's business activities as two operating segments. In addition, overhead costs, related HQ costs and intra-segment transactions are reported as Other/Eliminations.

3.1. SEGMENT INFORMATION - FARMING

(Figures in brackets refer to Q3 2020, unless specified otherwise)

The farming segment achieved sales revenues of MNOK 441 in Q3 2021, of which MNOK 410 were related to the sale of salmon. The increase of MNOK 193 compared to the corresponding period last year is attributable to a larger harvested volume and better prices. Operational EBIT amounted to MNOK 121 (MNOK 57). Operational EBIT per kg harvested salmon arrived at NOK 16.6.

7 265t (4 935t) were harvested in the third quarter of 2021. The sales price per kg was NOK 10.2 higher than the sales price achieved in Q3 2020. The proportion of superior quality was at a similar level as in Q3 2020.

The Group's biomass in sea has decreased by 1 173t since the previous quarter.

Key figures

Consolidated numbers in 1 000 NOK	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Sales revenues salmon	410 118	228 231	694 479	709 236	858 176
Operational EBIT	120 766	56 610	213 293	261 017	250 107
Harvested volumes (t HOG)	7 265	4 935	12 075	12 656	16 253
Sales price per kg salmon	56,5	46,2	57,5	56,0	52,8
Operational EBIT per kg salmon	16,6	11,5	17,7	20,6	15,4
Operational EBIT - %	29,4%	24,8%	30,7%	36,8%	29,1%

3.2. SEGMENT INFORMATION – SALES & PROCESSING

The Sales & Processing (“S&P”) segment achieved sales revenues of MNOK 173 in Q3 2021. The increase of MNOK 71 compared to the corresponding period last year is attributable to higher sales and harvest volume both from Måsøval and other farmers. EBIT ended at MNOK 7 vs MNOK 1 for the same quarter last year.

Key figures

Consolidated numbers in 1 000 NOK	Q3 2021	Q3 2020*	YTD 2021*	YTD 2020*	2020*
Sales revenues salmon	158 475	91 382	302 692	340 910	456 883
Other operating revenues	14 421	10 634	31 392	33 101	45 676
Sum operating revenues	172 896	102 016	334 084	374 011	502 560
Operational EBIT	6 645	1 296	9 279	8 283	13 284
Operational EBIT - %	3,8%	1,3%	2,8%	2,2%	2,6%

* Q3 2020, YTD 2020, 2020, YTD 2021 refer to the result of segment Sales & Processing as if the Group had owned a majority of Pure Norwegian Seafood AS in 2020 and Q1 2021.



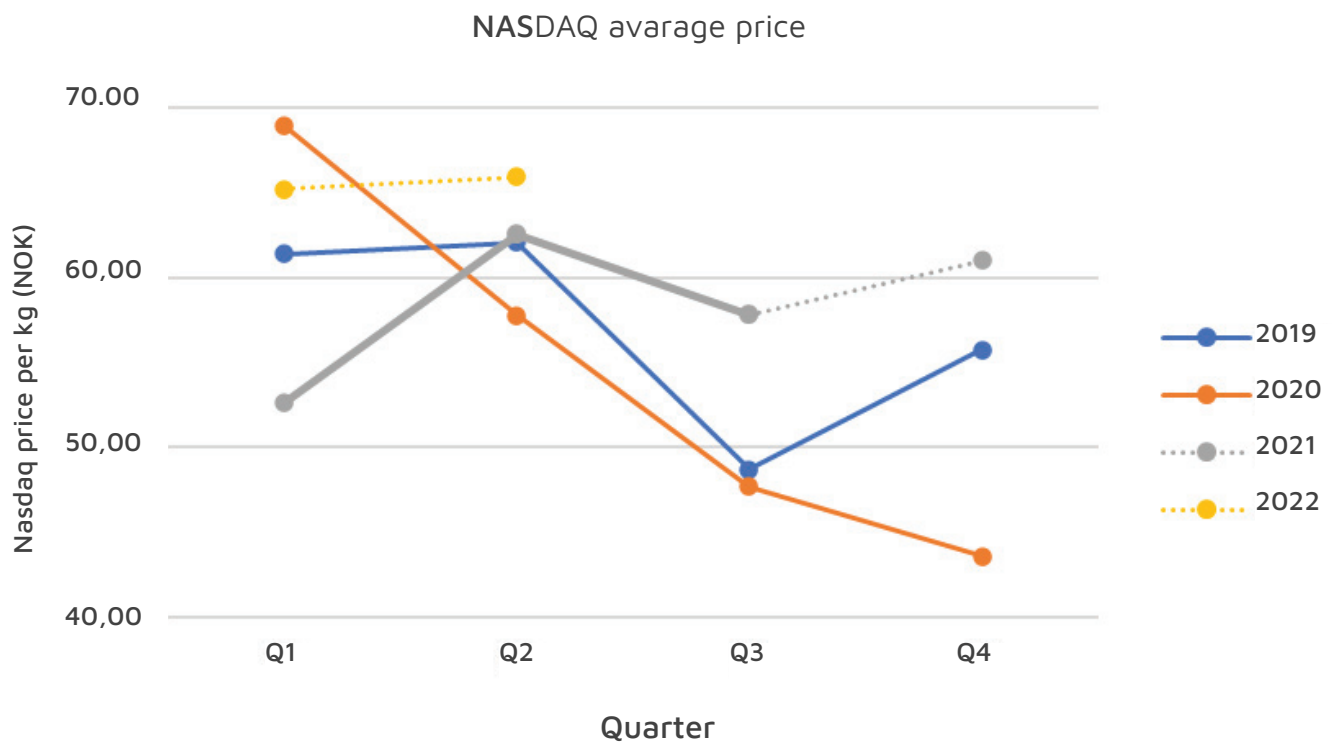
FOTO: ØYVIND NORDAHL NÆSS

4. MARKET OUTLOOK

4.1. PRICE (NASDAQ)

The salmon price in Q3 has decreased slightly in comparison with Q2 2021. However, the salmon price per kg was significantly higher in this quarter compared to the corresponding quarter in 2020.

The COVID-19 pandemic continues to affect the world, including the salmon market, but this does not seem to affect prices negatively. The salmon price is expected to remain strong for the rest of the year. The Fishpool forward price for Q4 this year is NOK 61 and the average forward price in the period of Q1 2022 - Q2 2022 is NOK 66.



5. OTHER MATTERS

5.1. COVID-19 PANDEMIC

The COVID-19 pandemic has not significantly affected the Group's operations during Q3. We have a strong focus on complying with the national and local authorities' infection control rules.

The organization is updated on changes in infection control rules and continuously reminded of current rules. The situation is followed up carefully and in line with the authorities' recommendations and we have mainly kept the measures at a stable level in Q3.

5.2. OTHER PROJECTS

5.2.1 AQUA SEMI

In 2019 Måsøval received 4 development licenses to develop the concept Aqua Semi. Aqua Semi is designed to open up new areas for salmon farming, reduce lice and disease contagion, improve fish health and lower operational costs. The project is still in a development phase. The next milestone of this project is to negotiate and conclude the contract for building the unit. We expect to conclude negotiations during 1H-2022 (for more detailed information see Annual report 2020 pages 16-19).

5.2.2 POST-SMOLT

The Group's post-smolt project is still in a development phase. In 2020, Måsøval acquired a land-based facility and started design work to develop production facilities that can produce up to 900 000 post-smolts of 550 grams in phase 1. In addition, there are development opportunities to double the production capacity. The project is considered to be an important strategic move to increase the flexibility of the Group's smolt strategy and production plans. The main ambition of this project is to develop a production unit that can produce 2 million post-smolts at average weight of 500 grams per year. The Norwegian Food Safety Authority (Mattilsynet) has given approval and we are waiting for approval from the County Governor (Statsforvalteren) in Trøndelag. Our plan is to release the first fish from this project in 2024 (for more detailed information see Annual report 2020 pages 20-23).

5.3 LISTING AT OSLO STOCK EXCHANGE

Måsøval will consider an uplisting to Oslo Stock Exchange in 2022.



6. SHAREHOLDER INFORMATION

As of September 30th 2021, the Company had the following main shareholders:

Consolidated numbers in 1 000 NOK	Holding	Stake
Måsøval Eiendom AS	82 842 553	76,76 %
Verdipapirfond Odin Norge	8 622 000	7,99 %
J.P. Morgan Bank Luxembourg S.A.	2 848 938	2,64 %
Henden Nygård Holding AS	1 519 756	1,41 %
Abba Holding AS	1 519 756	1,41 %
J.P. Morgan Bank Luxembourg S.A.	1 121 932	1,04 %
Morgan Stanley & Co. Int. Plc.	924 828	0,86 %
Songa Asset Management AS	914 817	0,85 %
Songa Capital AS	884 418	0,82 %
Ebe Eiendom AS	785 000	0,73 %
Yttervåg AS	608 000	0,56 %
Patric Invest AS	607 902	0,56 %
Vicama AS	500 000	0,46 %
Hausta Investor AS	382 860	0,35 %
RBC Investor Services Trust	363 446	0,34 %
Portia AS	290 000	0,27 %
Verdipapirfondet Eika Alpha	250 000	0,23 %
Gåsø Næringsutvikling AS	243 000	0,23 %
Verdipapirfondet Holberg Triton	200 000	0,19 %
MP Pensjon PK	200 000	0,19 %
Others	2 289 335	2,12 %
Total	107 918 541	100%



7. EVENTS AFTER THE BALANCE SHEET DATE

7.1. ACQUISITION OF VARTDAL GRUPPEN

7.1.1 TRANSACTION OVERVIEW

Måsøval has entered into an agreement with Vartdal Invest AS to acquire 100% of the shares in its salmon farming operations ("Vartdal Gruppen") for a total enterprise value of MNOK 1 521. Vartdal Gruppen is a fully integrated salmon farmer operating four licenses for production of Atlantic salmon in production area 5 with 3 120t MAB¹. In addition, Vartdal Gruppen owns and operates two modern post-smolt facilities with approximately 15 000 m³ tank capacity, a MAB of 670 t and annual production capacity of 1 200 t. A processing and freezing facility is also part of the transaction.

The salmon farming unit of Vartdal Gruppen is valued at MNOK 1 441 and the processing and freezing units are valued at MNOK 80.

The transaction is fully financed through debt facilities from DNB Bank ASA and a share settlement to the seller of MNOK 200 through issuance of 4 761 904 Måsøval shares priced at NOK 42 per share. The seller has agreed to a 6 months lock-up period in relation to the consideration shares.

The transaction has been approved by the Board of Måsøval, but is subject to approval from competition authorities, due diligence, as well as necessary resolutions passed by the extraordinary general meeting of Måsøval in order to increase the share capital and issue the consideration shares. As such the closing of the transaction is expected to occur by end of Q4 2021.

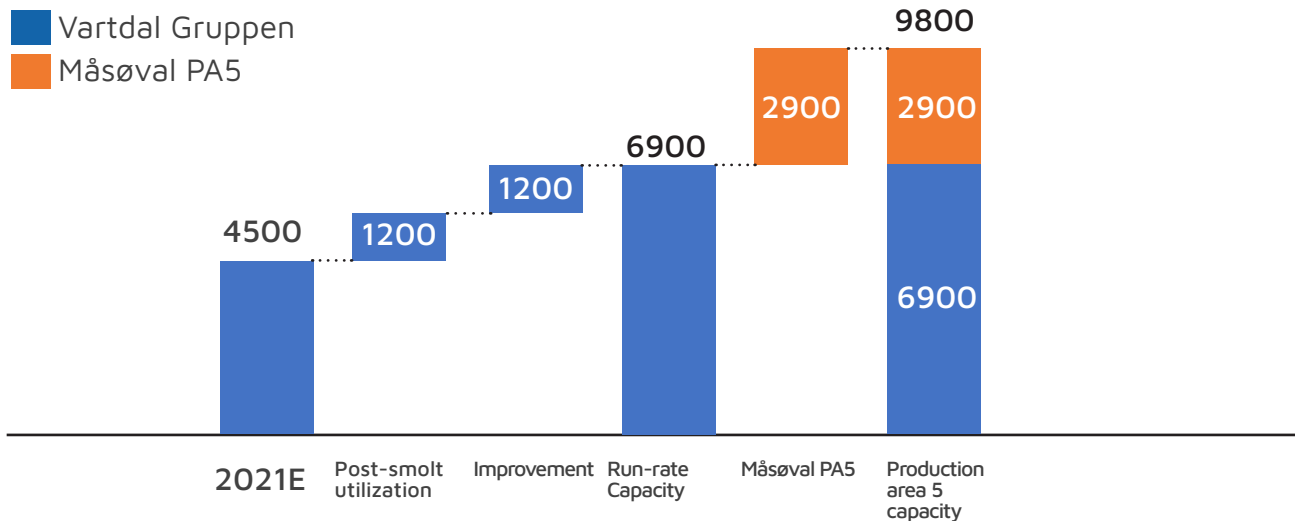
7.1.2 TRANSACTION RATIONAL AND POTENTIAL

Through establishing a robust production unit in production area 5, Måsøval strengthens its market position and operational diversification. Måsøval increases its license portfolio by 6 fully operational licenses with a total MAB of 4 680 t. Måsøval gains access to 670 t MAB in seawater flowthrough post-smolt facility translating to 0.86 licenses, providing full access to 1 200 t high-quality post-smolt. This will further increase production capacity and optimize flexibility with ability to move capacity between production areas. The expected run rate production of Måsøval in production area 5 is 9 800 t by 2023. In addition the production potential of PO6 is 19,600 t.

	Licenses	MAB	Harvest Cap.	Smolt facilities
Måsøval is	2,0	1 560 t	2 900 t HOG	
Vartdal gruppen	4,8	3 790 t	6 900 t HOG	2 units
Total production area 5 capacity	6,8	5 350t	9 800t HOG	2 units

1. Downwards adjusted by 6% to 2 932t due to general biological performance in the area

SUBSTANTIAL PRODUCTION CAPACITY: (T HOG)



The current operations of Måsøval in PO6 has a production potential of 19,600 t, and the production potential of Aqua Semi is 6,000 t. This gives a total, firm potential for Måsøval of 35 400 t HOG when capacity is fully utilized.

Måsøval expects to bring the Vartdal Gruppen unit to a run rate production capacity of 6 900t by 2023 and align cost levels to the general performance of Måsøval’s current operations. This is achievable through utilizing the improved post-smolt access on the back of Vartdal Gruppen’s extensive investments into a top modern and proven facility. Moreover, Måsøval will gain improved biological flexibility between production sites across Måsøval as a whole. Furthermore, Måsøval will adapt best practice biological planning and control procedures to Vartdal Gruppen’s facilities with support from, and integration with, Måsøval’s operational team.

7.2.2 POST-SMOLT BENEFITS

In particular, utilization of the post-smolt facilities can unlock substantial capacity going forward. Firstly, stable temperature and oxygen levels give opportunities to predictable growth and optimization of capacity at the land-based production facility. The use of filtrated saline groundwater also acts like a natural biosecurity barrier to sea lice and pathogens, which in turn promotes healthy growth. Moreover, the use of post-smolt gives a higher flexibility in deciding when to transfer the fish to open cages, year round. When the post-smolt is transferred to the open cage, the time at sea can be reduced by 30 %.

Furthermore, as the land based production is disconnected from the sea-based MAB-system, Måsøval can utilize this capacity for the larger fish at sea based locations while the post-smolt remains at the land-based facility.



8. CONSOLIDATED FINANCIAL STATEMENTS

8.1. INCOME STATEMENT

Consolidated numbers in 1 000 NOK	Note	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Operating income and expenses						
Revenue	2	444 416	228 231	787 346	709 236	858 176
Other operating income	2,5	38 710	19 707	94 301	54 567	69 935
Total operating revenues		483 126	247 938	881 647	763 803	928 111
Cost of goods and services						
Cost of goods and services		210 519	142 669	475 661	346 214	458 864
Change in biomass and feed inventory		60 177	-5 319	-36 560	-36 418	-48 256
Personell costs		42 561	29 105	103 074	71 117	106 488
Ordinary depreciation	3	19 303	12 439	49 463	38 595	50 517
Other operating expenses		36 405	20 417	98 819	102 964	139 026
Total operating expenses		368 965	199 312	690 457	522 472	706 640
EBITDA		133 464	61 065	240 653	279 926	271 988
Operational EBIT		114 161	48 626	191 190	241 331	221 471
Production tax		2 906	-	4 830	-	-
EBIT		111 255	48 626	186 360	241 331	221 471
Financial income and costs						
Income from associated companies		-	-	-	-	-1 281
Interest income		1 039	384	1 329	1 409	1 435
Other financial income		4	-	921	649	59 851
Interest expenses		8 846	4 006	19 281	12 789	16 389
Profit sharing with co-location partners		11 951	12 646	15 344	19 168	16 424
Other financial expenses		1 358	7	7 681	37	6 220
Net financial items		-21 349	-16 275	-40 293	-29 936	20 973
Profit before income tax		89 906	32 351	146 067	211 395	242 444
Income tax expense		19 779	7 117	32 135	46 507	43 305
Net profit or loss for the period		70 127	25 234	113 932	164 888	199 139
Profit attributable to:						
Group contributions (net of tax)		-	-	-	-	35 276
Owners of parent company		68 392	25 234	111 591	164 888	71 183
Non-controlling interests		1 735	-	2 341	-	16
Total allocations		70 127	25 234	113 932	164 888	106 475

8.2. STATEMENT OF FINANCIAL POSITION

Consolidated numbers in NOK 1000	Note	30.09.2021	30.06.2021	30.09.2020	31.12.2020
Assets					
Intangible assets					
Licenses		965 767	965 767	777 176	777 176
Goodwill		41 643	44 434	14 168	13 238
Total intangible assets	3	1 007 409	1 010 201	791 344	790 414
Property, plant and equipment					
Properties		84 698	86 446	8 674	4 441
Farming facilities, quay facilities, etc.		151 403	144 185	126 281	157 152
Vessels		149 891	154 453	155 798	140 198
Operating equipment, fixture and fittings		56 065	58 526	13 474	13 195
Total property, plant and equipment	3	442 057	443 610	304 226	314 986
Non-current financial assets					
Investments in associated companies		10 850	10 850	5 339	4 059
Investments in other equity instruments		1 079	1 683	2 510	-
Other non-current receivables		536	570	-	-
Total non-current financial assets	1	12 465	13 103	7 850	4 059
Total non-current assets		1 461 932	1 466 914	1 103 420	1 109 459
Inventories					
Feed inventory		13 408	13 155	10 507	9 260
Finished goods		11 065	4 031	-	-
Biological assets		397 620	464 485	361 776	352 634
Total inventories	4	422 093	481 670	372 283	361 894
Receivables					
Trade receivables		140 882	126 212	82 696	97 682
Other receivables		26 980	39 168	51 143	77 031
Total Receivables		167 861	165 380	133 838	174 713
Cash and cash equivalents					
Total current assets		683 514	759 228	537 827	558 084
Total assets		2 145 446	2 226 142	1 641 246	1 667 543

8.3. STATEMENT OF FINANCIAL POSITION (CONT.)

Consolidated numbers in NOK 1000	Note	30.09.2021	30.06.2021	30.09.2020	31.12.2020
Share capital		26 980	26 980	24 700	24 700
Share premium reserve		288 271	288 271	-	-
Total paid-in equity	8	315 251	315 251	24 700	24 700
Other equity		368 589	300 197	508 076	461 761
Non-controlling interests		27 859	26 124	52 737	5 560
Total other equity		396 449	326 322	560 813	467 320
Total equity		711 699	641 572	585 513	492 020
Deferred tax		92 911	102 471	70 569	77 048
Total provisions		92 911	102 471	70 569	77 048
Liabilities to financial institutions		926 542	931 089	612 391	597 972
Total non-current liabilities	6	926 542	931 089	612 391	597 972
Short term liabilities					
Liabilities to financial institutions		243 890	233 316	151 826	198 567
Trade Credits		86 256	136 533	106 527	65 615
Tax payable		17 504	926	43 214	13 218
Payroll tax		8 457	6 050	7 261	14 431
Dividends		-	35 276	8 844	35 276
Other current liabilities		58 187	138 909	55 101	173 396
Total current liabilities		414 294	551 010	372 773	500 503
Total liabilities		1 433 746	1 584 570	1 055 733	1 175 522
Total equity and liabilities		2 145 446	2 226 142	1 641 246	1 667 543

8.4. STATEMENT OF CASH FLOW

Consolidated numbers in NOK 1000	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Profit before income tax	89 906	32 351	146 067	211 395	242 444
Tax payable	-43	-13 040	-25 053	-26 882	-25 010
Gain on disposal of property, plant and equipment	-	-	-	-	-113
Ordinary depreciation	19 303	12 439	49 463	38 595	50 517
(Increase)/decrease in inventories	59 577	-6 647	-60 198	-44 549	-34 160
(Increase)/decrease in trade receivables	-14 669	98 112	-43 199	-49 107	-64 093
Increase/(decrease) in trade payables	-50 277	3 721	20 641	35 175	-5 738
(Increase)/decrease in other current receivables	1 912	-26 138	32 066	-7 027	-32 690
Net cash from operating activities	105 709	100 800	119 787	157 601	131 157
Proceeds from disposal of property, plant and equipment	-	-	-	-	894
Payments for property, plant and equipment	-14 958	-27 771	-170 007	-51 905	-567 218
Payments for intangible assets	-	-484 022	-223 522	-492 758	-
Payments to acquire financial assets	-	-	-	-	3 791
Proceeds from disposal of shares	604	-	604	-	-
Net cash (used in)/generated by investing activities	-14 355	-511 793	-392 926	-544 663	-562 534
Proceeds from non-current borrowings	10 137	513 957	429 379	529 044	176 807
Proceeds from current borrowings	-	-	-	-	26 694
Repayment of non-current borrowings	-14 683	-299 057	-100 809	-337 818	-
Repayment of current borrowings	-80 722	-48 827	-115 209	-48 018	-
Net change in overdraft facility	10 574	151 826	45 323	151 131	197 872
Proceeds of equity	-	-	300 000	-	-
Repayment from equity	-	-	-178 184	-	-
Payments of dividends and Group contributions	-35 276	-3 910	-35 276	-3 910	-76 857
Net cash (used in)/generated by financing activities	-109 972	313 989	345 224	290 430	324 516
Net increase/decrease in bank deposits	-18 617	-97 004	72 084	-96 631	-106 860
Bank deposits at the beginning of the period	112 178	128 709	21 476	128 337	128 337
Bank deposits at the end of the period	93 560	31 705	93 560	31 705	21 476

8.5. STATEMENT OF EQUITY

Consolidated numbers in NOK 1000	Share capital	Share premium reserve	Other equity	Total	Non- controlling interests	Total
Equity 31.12.2020	24 700	-	461 761	486 461	5 560	492 020
Net income	-	-	111 591	111 591	2 341	113 932
Emission/floatation costs	-	-9 449	-	-9 449	-	-9 449
Principle change cost of biomass inventory	-	-	-12 534	-12 534	-	-12 534
Capital increase	2 280	297 720	-	300 000	-	300 000
Aqcuisition of subsidiaries	-	-	-	-	25 519	25 519
Aqcuisition of non-controlling interests	-	-	-192 229	-192 229	-5 560	-197 788
Equity at 30.09.2021	26 980	288 271	368 589	683 840	27 859	711 699

FRØYA, 17 NOVEMBER 2021



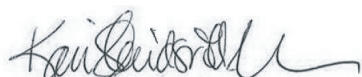
LARS MÅSØVAL
Chair of the board



JOHN BINDE
Board member



OLA LOE
Board member



KARI SKEIDSVOLL MOE
Board member



ARNFINN AUNSMO
Board member



ASLE RØNNING
CEO

9. NOTES

NOTE 1 ACCOUNTING PRINCIPLES

These condensed consolidated quarterly financial statements have been prepared in accordance with the Accounting Act of 1998.07.17 and generally accepted accounting principles in Norway. The quarterly reports do not include all the information required by an annual financial report and therefore must be read in conjunction with the 2020 consolidated financial statements of the Group. These consolidated financial statements are available upon request from the Group's headquarters at Frøya or from the Group's website, <https://en.masoval.no/investor/reports-and-presentations>.

The condensed consolidated quarterly financial statements are unaudited. As a result of rounding differences, numbers or percentages may not add up to the total. In these quarterly financial statements, the Group has used the same accounting principles as described in the 2020 consolidated financial statements of the Group.

NOTE 2 OPERATING SEGMENTS

The management monitors and allocates resources to the Group's business activities as two operating segments: Farming and Sales & Processing. In addition, overhead costs, related HQ costs and intra-segment transactions are reported as Other/Eliminations. 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, Hitra, Aukra, Hustadvika and Kristiansund.

(1000 NOK)	Q3 2021				Q3 2020*			
	Farming	Sales & processing	Other/eliminations	Total	Farming	Sales & processing	Other/eliminations	Total
Sales revenues salmon	410 118	158 475	-124 177	444 416	228 231	-	-	228 231
Other revenues	31 278	14 421	-6 989	38 710	19 707	-	-	19 707
Total revenues	441 396	172 896	-131 166	483 126	247 938	-	-	247 938
Operating expenses	307 637	165 054	-123 029	349 662	180 147	-	6 725	186 873
Depreciation and amortization	12 994	1 196	5 113	19 303	11 180	-	1 259	12 439
EBITDA	133 760	7 841	-8 137	133 464	67 790	-	-6 725	61 065
Operational EBIT	120 766	6 645	-13 250	114 161	56 610	-	-7 984	48 626
Production tax	2 906	-	-	2 906	-	-	-	-
EBIT	117 860	6 645	-13 250	111 255	56 610	-	-7 984	48 626
EBIT-%	26,7 %	3,8 %		23,0 %	22,8 %			19,6 %
Volume harvested	7 265	2 548			4 935			
Sales price per kg salmon	56,5	62,2			46,2			
Operational EBIT per kg salmon	16,6	2,6			11,5			

* Starting January 2021, Måsøval has allocated Group overhead and associated costs to the segment Other/eliminations. 2020 figures for Farming has been restated to follow the same principles as 2021. Acquired companies during 2021 (Stokkøy Skjell and Pure Farming) are not included in 2020 figures for Farming.

* The Sales & Processing operating segment was acquired during 2021. The entities comprising the Sales and Processing segment generated total revenues of MNOK 102 and EBIT of MNOK 1 in Q3 2020.

(1000 NOK)	YTD 2021				YTD 2020*			
	Farming	Sales & Processing	Other/eliminations	Total	Farming	Sales & Processing	Other/eliminations	Total
Sales revenues salmon	694 479	228 543	-135 676	787 346	709 236	-	-	709 236
Other revenues	76 730	25 419	-7 848	94 301	54 567	-	-	54 567
Total revenues	771 209	253 963	-143 524	881 647	763 803	-	-	763 803
Operating expenses	522 327	242 904	-124 237	640 994	467 967	-	15 910	483 877
Depreciation and amortization	35 589	2 390	11 484	49 463	34 819	-	3 776	38 595
EBITDA	248 882	11 058	-19 287	240 653	295 837	-	-15 910	279 926
Operational EBIT	213 293	8 669	-30 772	191 190	261 017	-	-19 686	241 331
Production tax	4 830	-	-	4 830	-	-	-	-
EBIT	208 463	8 669	-30 772	186 360	261 017	-	-19 686	241 331
EBIT-%	27,0 %	3,4 %		21,1 %	34,2 %			31,6 %
Volume harvested	12 075	3 581			12 656			
Sales price per kg salmon	57,5	63,8			56,0			
Operational EBIT per kg salmon	17,7	2,4			20,6			

* Starting January 2021, Måsøval has allocated group overhead and associated costs to the segment Other/eliminations. 2020 figures for Farming has been restated to follow the same principles as 2021.

* The Sales & Processing operating segment was acquired during 2021. The entities comprising the Sales and Processing segment generated total revenues of MNOK 334 and EBIT of MNOK 9 YTD 2020.

(1000 NOK)	2020*			
	Farming	Sales & Processing	Other/eliminations	Total
Sales revenues salmon	858 176	-	-	858 176
Other revenues	69 935	-	-	69 935
Total revenues	928 111	-	-	928 111
Operating expenses	632 522	-	23 601	656 123
Depreciation and amortization	45 482	-	5 035	50 517
EBITDA	295 589	-	-23 601	271 988
Operational EBIT	250 107	-	-28 636	221 471
Production tax	-	-	-	-
EBIT	250 107	-	-28 636	221 471
Volume harvested	16 253			
Sales price per kg salmon	52,8			
Operational EBIT per kg salmon	15,4			

* Starting January 2021, Måsøval has allocated group overhead and associated costs to the segment Other/eliminations. 2020 figures for Farming has been restated to follow the same principles as 2021. Acquired companies (Stokkøy Skjell and Pure Farming) are not included in 2020 figures for Farming.

* Sales and processing 2020: Sales: MNOK 503/ EBIT: MNOK 13

NOTE 3 FIXED ASSETS

(1000 NOK)	Property, plant and equipment	Goodwill	Licenses	Total
Book value at 31.12.2020	314 986	13 238	777 176	1 105 400
Additions	170 007	34 932	188 590	393 530
Depreciation and amortization	-42 936	-6 527	-	-49 463
Net book value at 30.09.2021	442 057	41 643	965 767	1 449 466

(1000 NOK)	Property, plant and equipment	Goodwill	Licenses	Total
Book value at 30.06.2021	443 610	44 434	965 767	1 453 811
Additions	14 958	-	-	14 958
Depreciation and amortization	-16 511	-2 792	-	-19 303
Net book value at 30.09.2021	442 057	41 643	965 767	1 449 466

NOTE 4 BIOMASS

Inventory, including biomass, is recognized at cost.

Book value of inventory (1000 NOK)	30.09.2021	30.06.2021	30.09.2020	31.12.2020
Feed inventory	13 408	13 155	10 507	9 260
Finished goods	11 065	4 031	-	-
Biological assets	397 620	464 485	361 776	352 634
Total	422 093	481 670	372 283	361 894

NOTE 5 TRANSACTIONS WITH RELATED PARTIES

The Group has had the following transactions with related parties:

Goods and services sold (1000 NOK)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Laxar Fiskeldi	9 301	5 078	19 182	11 638	12 437
Måsøval Eiendom AS	508	452	1 438	1 802	2 252
Flamek Eiendom AS	18	15	59	15	30
Goods and services purchased (1000 NOK)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Sørskaget Holding AS	360	-	1 080	-	-
Flamek Eiendom AS	300	135	900	270	645
Måsøval Eiendom AS	731	250	1 055	751	1 001



FOTO: ØYVIND NORDAHL NÆSS

NOTE 6 FINANCIAL COVENANTS AS OF 30 SEPTEMBER 2021

The Group's financing agreement includes requirements that the borrower and the Group must, at all times, maintain an equity ratio of at least 30%, and have an interest coverage ratio of at least 4.0x. Furthermore, the pricing of the credit products in the agreement is linked to the Group's net interest-bearing debt in relation to operating profit before depreciation (EBITDA).

For the period 01.04.21 up to and including 31.12.21, the group has obtained a waiver from the lender where the minimum equity ratio is 25%. Both the parent company and the group are compliant with the prevailing covenant.

NOTE 7 CO-LOCATION

The Group operates 2 licences on behalf of one external concession holders through an agreement on co-location.

For the co-location agreements, revenues and costs generated by the relevant licences are recognized in the income statement as ordinary production in line with the Group's other activities.

The biomass is recognized in the consolidated accounts.

The licence holder's share of profits generated on the relevant licences is expensed as "other financial expenses".



FOTO: ØYVIND NORDAHL NÆSS

NOTE 8 SHAREHOLDERS

Ownership structure – the 20 largest shareholders as of 30.09.2021:

Shareholder	Holding	Stake
Måsøval Eiendom AS	82 842 553	76,76 %
Verdipapirfond Odin Norge	8 622 000	7,99 %
J.P. Morgan Bank Luxembourg S.A.	2 848 938	2,64 %
Henden Nygård Holding AS	1 519 756	1,41 %
Abba Holding AS	1 519 756	1,41 %
J.P. Morgan Bank Luxembourg S.A.	1 121 932	1,04 %
Morgan Stanley & Co. Int. Plc.	924 828	0,86 %
Songa Asset Management AS	914 817	0,85 %
Songa Capital AS	884 418	0,82 %
Ebe Eiendom AS	785 000	0,73 %
Yttervåg AS	608 000	0,56 %
Patric Invest AS	607 902	0,56 %
Vicama AS	500 000	0,46 %
Hausta Investor AS	382 860	0,35 %
RBC Investor Services Trust	363 446	0,34 %
Portia AS	290 000	0,27 %
Verdipapirfondet Eika Alpha	250 000	0,23 %
Gåsø Næringsutvikling AS	243 000	0,23 %
Verdipapirfondet Holberg Triton	200 000	0,19 %
MP Pensjon PK	200 000	0,19 %
Others	2 289 335	2,12 %
Total	107 918 541	100,00 %

NOTE 9 ALTERNATIVE PERFORMANCE MEASURES

The consolidated financial statements of the Group are prepared in accordance with the Accounting Act of 1998.07.17 and generally accepted accounting principles in Norway. Alternative performance measures (APM) are issued supplementary in order to provide useful and important information to the users of financial statements. The Group applies the following APMs:

NET INTEREST-BEARING DEBT

Net interest-bearing debt is specified as non-current and current liabilities to financial institutions and dividends less cash and cash equivalents of the Group. The measure is used for the calculation of return on capital employed.

(1000 NOK)	30.09.2021	30.06.2021	30.09.2020	31.12.2020
Non-current liabilities to financial institutions	926 542	931 089	612 391	597 972
Current liabilities to financial institutions	243 890	233 316	151 826	198 567
Cash and cash equivalents	93 560	112 178	31 705	21 476
Net interest-bearing debt	1 076 871	1 052 227	732 512	775 062

EQUITY RATIO

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

(1000 NOK)	30.09.2021	30.06.2021	30.09.2020	31.12.2020
Equity	711 699	641 572	585 513	492 020
Total assets	2 145 446	2 226 142	1 641 246	1 667 543
Equity ratio	33,2 %	28,8 %	35,7 %	29,5 %

OPERATIONAL EBIT

Operational EBIT is defined as the difference between operating revenues and operating expenses.

(1000 NOK)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Operating revenues	483 126	247 938	881 647	763 803	928 111
Operating expenses	368 965	199 312	690 457	522 472	706 640
Operational EBIT	114 161	48 626	191 190	241 331	221 471

EBIT

EBIT is calculated as an operational EBIT less production tax which was introduced in Norway from 01.01.2021. Production tax is directly dependable on the harvested volumes in the period.

(1000 NOK)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Operating revenues	483 126	247 938	881 647	763 803	928 111
Operating expenses	368 965	199 312	690 457	522 472	706 640
Operational EBIT	114 161	48 626	191 190	241 331	221 471
Production tax	2 906	-	4 830	-	-
EBIT	111 255	48 626	186 360	241 331	221 471

EBITDA

Earnings before interest, tax, depreciations and amortizations (EBITDA) is one of the key measures of the Group's profitability. EBITDA is calculated as the sum of operational EBIT plus depreciation and amortization.

(1000 NOK)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Operational EBIT	114 161	48 626	191 190	241 331	221 471
Depreciation and amortization	19 303	12 439	49 463	38 595	50 517
EBITDA	133 464	61 065	240 653	279 926	271 988

OPERATIONAL EBIT PER KG SALMON (SEGMENT FARMING)

Operational EBIT per kg harvested salmon is a central performance measure of segment Farming. The measure is a key indicator of the segment's profitability. Operational EBIT per kg salmon is calculated as operational EBIT divided by the harvested volumes.

(1000 NOK)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	2020
Operating revenues	441 396	247 938	771 209	763 803	928 111
Operating expenses	320 630	191 328	557 916	502 786	678 005
Operational EBIT	120 766	56 610	213 293	261 017	250 107
Harvested volumes (t HOG)	7 265	4 935	12 075	12 656	16 253
Operational EBIT per kg salmon	16,6	11,5	17,7	20,6	15,4

FORWARD-LOOKING STATEMENTS

This presentation contains certain forward-looking information and statements. Such forward-looking information and statements are based on the current, estimates and projections of the Company or assumptions based on information currently available to the Company. Such forward-looking information and statements reflect current views with respect to future events and are subject to risks, uncertainties and assumptions. The Company cannot give assurance to the correctness of such information and statements. These forward-looking information and statements can generally be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use terminology such as “targets”, “believes”, “expects”, “aims”, “assumes”, “intends”, “plans”, “seeks”, “will”, “may”, “anticipates”, “would”, “could”, “continues”, “estimate”, “milestone” or other words of similar meaning and similar expressions or the negatives thereof.

By their nature, forward-looking information and statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements that may be expressed or implied by the forward-looking information and statements in this presentation. Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, the Company’s actual financial condition or results of operations could differ materially from that or those described herein as anticipated, believed, estimated or expected.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including market prices of farmed Atlantic salmon, trade obstacles towards its export markets, regulatory changes and numerous biological, operational and natural risks related to fish farming operations at sea. For the recent acquisition of the Vartdal Group in production area 5 (“PA 5”) there are several specific risks, such as; a dependency on a successful integration and implementation of operating standards and procedures applicable for the Måsøval Group, including most importantly planning and biological control, the ability to maintain key personnel after acquisition, and unknown risk elements in the acquired entities as may not be uncovered in the due diligence or fully coverable under the agreed warranties. The acquired operations are located in PA 5, which is currently subject to a downwards capacity adjustment of 6% due to the general biological risk profile in the area, the timing of a reversal is unknown, and no assurance can be given that such downward adjustment will be reversed, and subject to future biological risk profile, PA 5 can also be downwards adjusted further (an additional 6%).

Any forward-looking information or statements in this presentation speak only as at the date of this presentation. Except as required by the Oslo Stock Exchange rules or applicable law, the Company does not intend, and expressly disclaims any obligation or undertaking, to publicly update, correct or revise any of the information included in this presentation, including forward-looking information and statements, whether to reflect changes in the Company’s expectations with regard thereto or as a result of new information, future events, changes in conditions or circumstances or otherwise on which any statement in this presentation is based.

Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements.



FOTO: ØYVIND NORDAHL NÆSS

Made by nature

Pioneered by  Måsøval