

The background of the entire page is a high-quality photograph of fresh seafood. In the upper left, a thick, vibrant orange salmon fillet is shown, highlighting its characteristic marbled texture. Below it, a large, white cod fillet is visible, showing its clean, flaky surface. To the right of the cod, a small portion of dark green seaweed is scattered. The entire scene is set against a dark, neutral-toned background, which makes the colors of the fish stand out.

Annual Report 2023



*Norwegian seafood
pioneer since 1899*

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Lerøy in short

All figures in NOK 1 000

Key notes

Key financial figures	2023	2022	2021	2020	2019
Operating revenue	30 869 712	26 645 877	23 073 280	19 959 652	20 426 902
Operational EBIT*/EBIT before pr. value adjustment before 2021	3 335 059	3 471 068	2 603 867	1 949 655	2 734 236
Earnings per share before fair value adjustments	2.91*	3.59	3.08	2.46	3.48
NIBD	5 209 443	4 346 083	3 297 487	3 520 768	2 641 431
Equity ratio	48.0%	56.7%	56.5%	58.5%	58.8%
ROCE before fair value adjustments of biomass	12.6%	14.5%	12.4%	10.5%	15.5%
Harvest volume (GWT)	159 620	174 629	186 635	170 849	158 178
Catch volume in tonnes (HOG)	75 893	71 726	71 521	68 419	62 497
LSG stock price last annual trading day	41.8	55.15	69.00	60.56	58.30
Dividend per share for payment following year	2.5	2.5	2.5	2.0	1.5
Key figures ESG					
Number of employees	6 013	5 972	5 475	4 912	4 693
H1 value/LTIFR	18.73	13.31	15.33	17.23	12.2
Sick leave (%)	6.04	6.68	5.85	6.51	5.20
Scope 3 (tCO ₂ e)	1 021 417	1 038 392	1 157 174	1 284 642	1 292 739
Survival for salmon and trout in the sea, rolling 12 months (%)	91.5	92.5	92.5	92.2	93.4
Number of fish escaped per year, salmon and trout	15 030	10 544	4	208	85
Antibiotics (kg active substance)	0	0	0	18.9	0
Product recalls (number)	3	11	5	0	0

*) before implementation effect of resource tax

About the Group

Lerøy Seafood Group is a global seafood company, with approximately 6 000 employees, that handles 350 000–400 000 tonnes of seafood annually. The Group has a vertically integrated value chain for redfish and whitefish, as well as significant third-party activity.

Values for the future

Our 6 000 employees are our most important resource. Based on our values – honest, open, responsible and creative, we work as One Lerøy to reach our objective of creating the world's most efficient and sustainable value chain for seafood, and our vision to be the leading and most profitable global supplier of high-quality sustainable seafood.

Values for the future



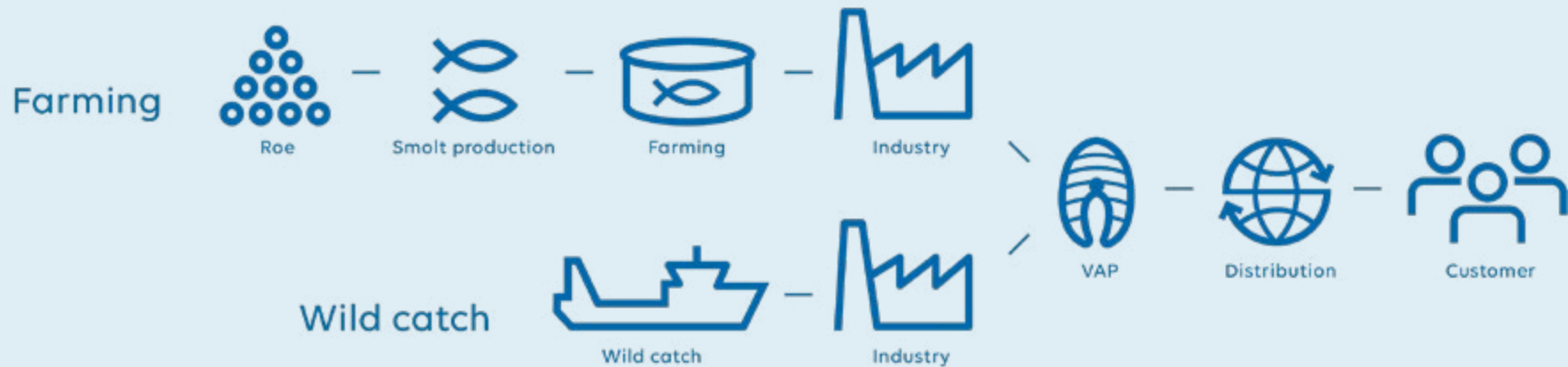
One Lerøy
UNIQUE ALONE
STRONGER TOGETHER

“

In our fully integrated value chain – covering about 70 companies and 6 000 employees – we work together to create the world's most efficient and sustainable value chain for seafood.

Henning Beltestad, CEO

Creating the world's most efficient and sustainable value chain for seafood



Values and strategic priorities

Lerøy has a 125-year history of growth, and we have developed a vertically integrated value chain for redfish and whitefish, as well as significant third party activity.

Throughout our history, we have always believed that value creation depends on access to both knowledge and capital. Our employees are our most important resource.

Every day we provide 5 million meals to 80 countries, and to Norway we supply 1 million meals per week, totalling 350 000–400 000 tonnes of seafood annually.

To ensure food safety for the consumer, we actively work in all stages of the value chain. As a fully integrated seafood supplier, we have the ability to control and quality-assure our products throughout the entire value chain. This way, we can meet the seafood market's increasingly

strict requirements for traceability, food safety, product quality, cost-effectiveness, sustainability, and continuous delivery.

Lerøy has a distinctive position to build the world's most efficient and sustainable value chain for seafood, from raw material to end product.

We, our 6 000 employees, plan to do so.

Local roots, global perspective



Lerøy reports in three segments. Within Wild Catch our 1 000 employees operate 10 trawlers and 10 processing plants in Northern Norway, which in addition to own catches receive regular deliveries from more than 600 fishing vessel in the coastal fleet.

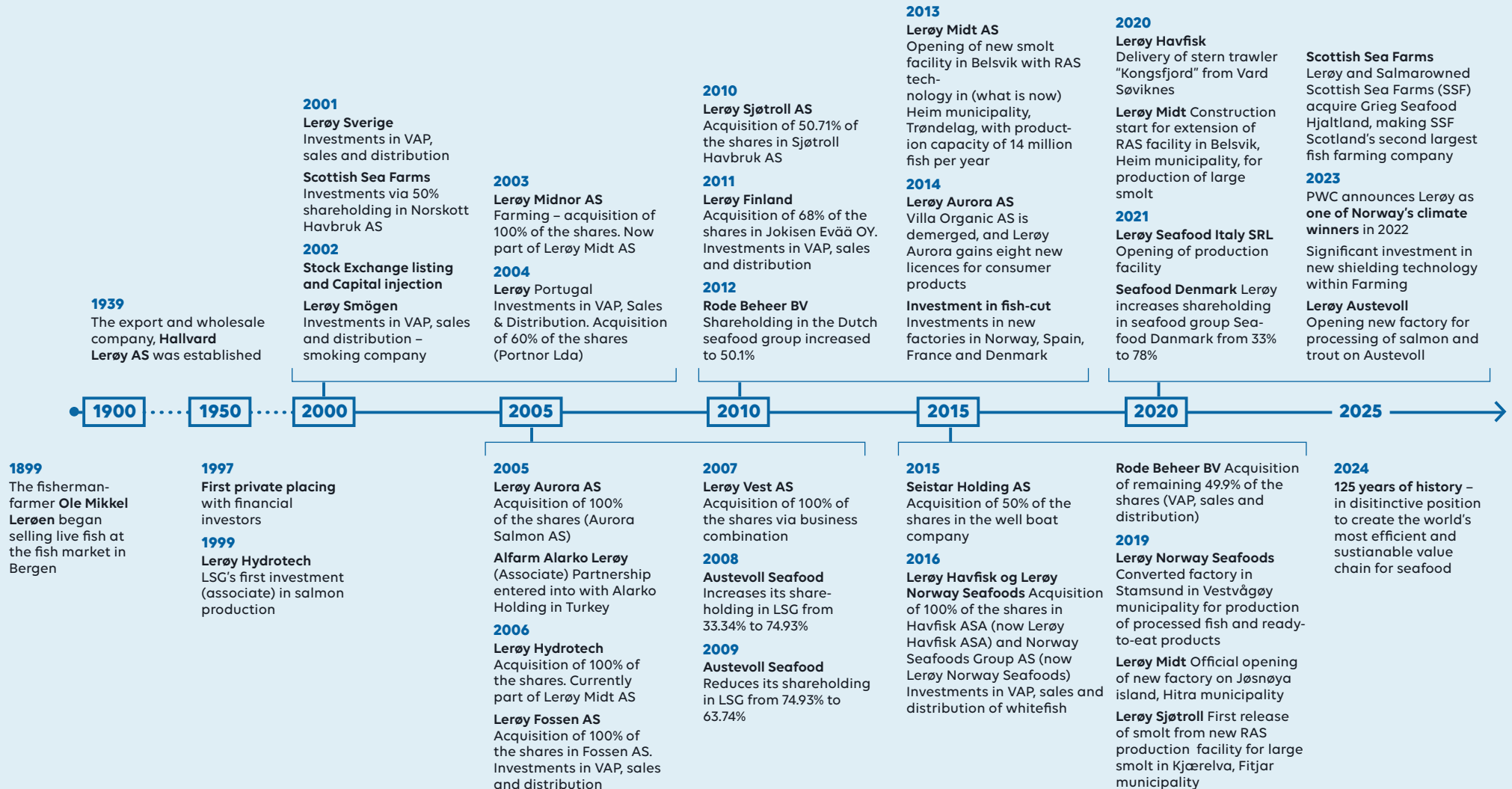
Within Farming, our 1 800 employees operate a fully integrated value chain for the production of salmon and trout in three regions in Norway: Lerøy Sjøtroll (West Coast), Lerøy Midt (Central Norway) and Lerøy Aurora (Northern Norway).

Within downstream operations, Value Added Processing, Sales and Distribution (VAPS&D), we have operations in 14 countries, and our 3 000 employees not only engage in the processing, sale and distribution of the Group's own-produced seafood, but also have significant dealings with third-party suppliers.

In recent years, the Group has increased its focus on its operating model and on clarifying its financial, operational and sustainability targets, which are further described in this annual report. To achieve

our objectives, it is imperative that the Group's most important resource, its employees, work together as "One Lerøy" and thereby increase synergies, improve the sharing of expertise and create a winning culture.

125 years of history

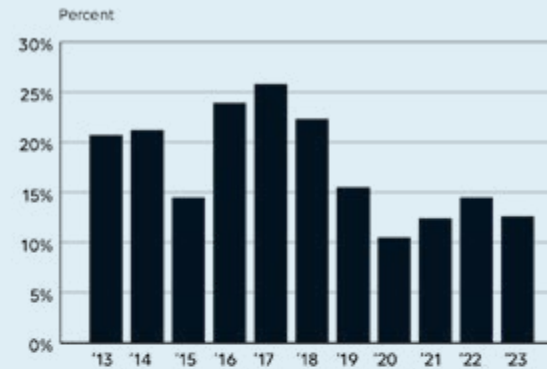


Key figures – financial

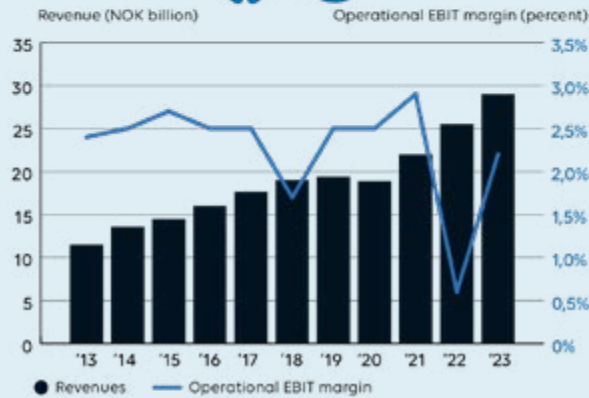
Lerøy Seafood Group



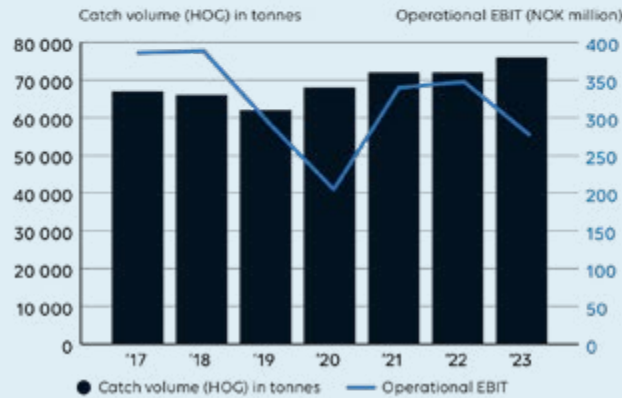
Roce pre FV adjustment



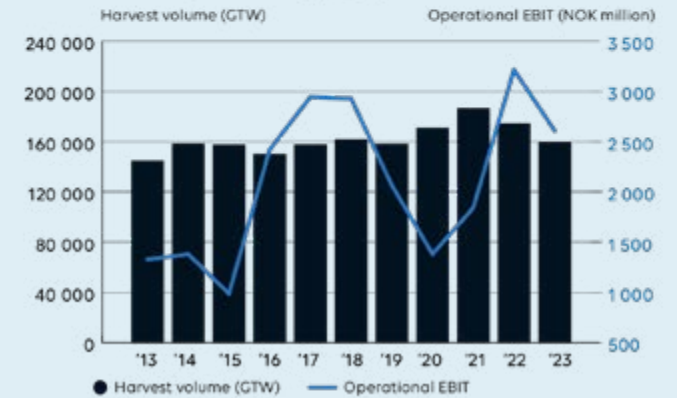
VAP, S&D



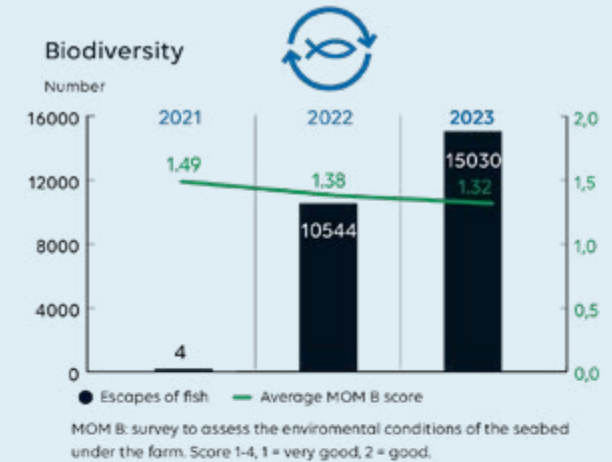
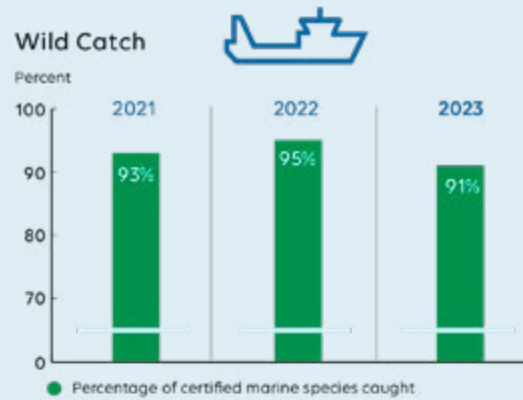
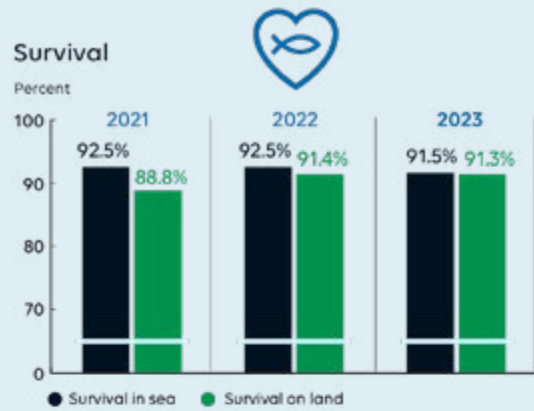
Wild Catch



Farming



Key figures – environment



Fish feed salmon

Kilogram of industrial fish fishmeal (m) and fishoil (o) used per kilo feed

	2021	2022	2023
FFDRm	0.45	0.53	0.58
FFDRo	1.65	1.60	1.52

Climate GHG

Tonnes CO2e

	2021	2022	2023
Scope 1	141 523	169 912	168 064
Scope 2	9 581	8 970	9 759
Scope 3	1 157 174	1 038 392	1 021 417

Audits

Number

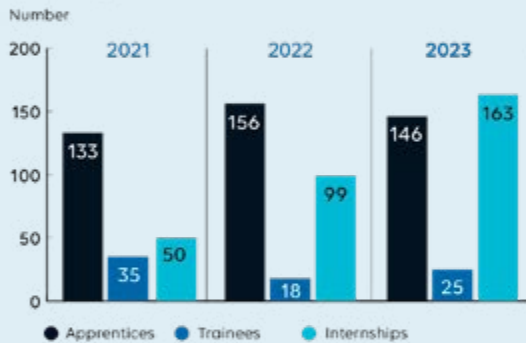
	2021	2022	2023
Supplier	43	50	66
Internal	784	921	973



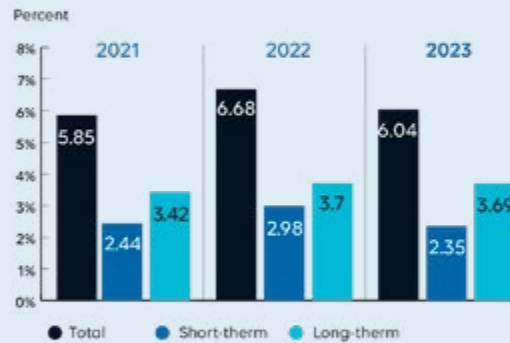
Key figures – social



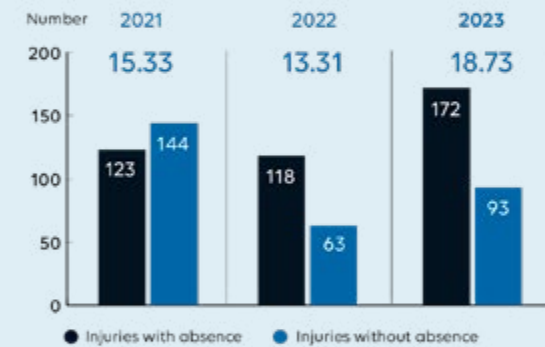
Training and further education



HSE – Sick leave



LTI-H value



Managers in the Group that have completed Lerøy Leadership Program



Managers in the Group with responsibility for personnel





Global Impact, Local Commitment: Elevating Seafood from Fjord to Table

In 2023, the Lerøy Seafood Group continued its mission from the fjords of Norway to tables around the globe. Our integrated approach, from the fjords of Norway to global tables, underscores our pursuit of quality, sustainability, and strategic market growth. Our strategic advancements in Farming, Wild Catch, processing excellence, and our pioneering efforts in the VAP, Sales, and Distribution segment, demonstrates our unwavering commitment to setting new industry standards for sustainable, quality seafood worldwide.



Strategic aspirations

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A year full of learning

2023 was challenging. We gained a lot of insights, and we are heading into a prosperous future, says CEO Henning Beltetsad.



As we look back on 2023, we leave behind us a year where we continued to develop in growth as we have throughout the last 30 years. Last year we passed an income on 30 billion for the very first time in our history. At the same time, 2023 has been a challenging year in some areas. However, we are working in a structured and targeted manner to solve the challenges and continuously creating the world's most efficient and sustainable value chain for seafood. We are always looking for ways to improve our company.

We are developing the company for eternity. And never in our history have we learned so much as we did in 2023. We got new and better insights about technology, handling big sets of data, and gained a lot of new insights.

Highest volume ever for Wild Catch

For Wild Catch it has been a challenging year going in to 2023 with lower quotas for all of our main species. I am very impressed that we have managed to have the highest catch volume ever in this segment, because we have been flexible catching other species than before. Falling quotas have led to higher price levels, which has made it more challenging for the land industry but we see great improvement in operational efficiency in our factories.

VAP, Sales and Distribution

For the VAP, Sales and Distribution segment we leave a rough time behind us due to two years of Covid and extremely volatile prices. There has been a strong increase in raw material prices, which has been demanding for this segment. In 2023 however, we see a significantly better performance through better utilization of the capacity in the factories and a improved market balance. We expect continued improvements in this segment going forward in line with our objectives.

New technology to improvement

In aquaculture, we are very excited to see that our significant investments in new technology are already of massive importance. We have had challenges due to fish health and welfare, and we see that implementing new technology help to solve some major issues in our aquaculture segment.

The new technology that we started to implement last year is working very well, and so far the results are promising.

Lerøy is committed to ensuring sustainable aquaculture, and will continue to roll out these technologies in the near future. The aim is for 35 per cent of the

salmon to be placed in submerged or semi-closed cages by 2024.

I am also eager to notice that our employees have a strong belief and motivation for these solutions, and everyone is working very hard in this direction. Working with our new shielding technology, we have significantly better control on the fish and on its welfare. The shielding of lice will bring down our need for lice treatment and the fish will have better health and welfare.

Attractive employer

Our employees are the Group's most important resource, and we are very proud to be voted as the seafood industry's most attractive employer in Norway in 2023 by over 800 students.

In Lerøy we need to ensure that we have the right skills and right talents for the future. Ever since I started in Lerøy 30 years ago, we have brought in new graduates and let them develop in the company. This is very central for Lerøy. The combination of new talent and our experienced employees is crucial for our future development and success.

Sustainability and sustainable development

We have had some good results in the recent years when it comes to sustainability. The last couple of years we have developed in line with the UN's climate goal and we work very well with this at an operational level throughout the chain. With this we have proven that we take climate action steps that really work. Several

surveys show that Lerøy is among the best in class when it comes to sustainability.

In 2023 Lerøy was also named climate winner by the consulting company PwC for the second year in a row. The PwC index measures the climate work and reporting of the 100 largest companies in Norway, and this shows that Lerøy is one of nine Norwegian companies cutting back in line with the Paris Agreement. Lerøy earned A- score (Leadership) in CDP's Climate Change section and A score (Leadership) in CDP's Supplier engagement rating for its supplier engagement on climate changes. To earn A/A- score from CDP, organisations must show environmental leadership, disclosing action on climate changes as well as demonstrate best practice in strategy and action.

In the sustainability ranking for 2023 from Collier FAIRR, Lerøy comes in second place among the world's 60 largest listed companies that produce meat, fish or dairy products. The score is based on companies' public disclosures of how they manage ESG risks, their policies and practices.

For Lerøy, this is the result of long-term and targeted work throughout the Group.

Digital transformation

We are in a very rapid transition, both we and the world around us. Through 2023, we have worked very well with digital transformation. We still have a long way to go, but this is an important priority, and we work very purposefully with this.



Never in our history have we learned so much as we did in 2023.

Improving together

We are continuously improving using the Lerøy Way method. We have been working on this for the last six years. When we reach the end of 2024, the target is that 93 percent of all units in Lerøy will use this method for improving. In 2025 the entire value chain will work according to Lerøy Way. This gives us a foundation for systematic improvement.

In closing, I must say that I am very proud of Lerøy and all of our employees working steadily and hard to feed the world sustainable seafood. We feel that we carry a huge responsibility to ensure stable jobs in rural areas in all the countries that we operate in. To be able to further develop both the company and the industry, we need support both in the population and with the authorities.

We are very grateful to all our customers, our collaborative partners and everyone making our business more sustainable and supporting our future improvements. Not least, thank you to our board, our leaders and our employees. Without you, there will be no Lerøy.

Strategic development

In 2024, Lerøy will celebrate its 125th anniversary. The Group has a long and proud history, and is positioned in an industry with a bright future ahead.

The seafood business has always been a global industry. Yet, it remains very fragmented, with complex value chains. The last thirty years we have built an integrated value chain. Our strategy has been based on a belief that complex and fragmented value chains are incompatible with the requirements of customers and consumers, with respect to food safety, cost efficiency, traceability, stability, and, increasingly, sustainability.

We have always been a customer-centric company, and our vision requires us to keep developing to become a preferred supplier of seafood on a global scale. Our customers are predominantly within retail and food service, and our aim is to increase their satisfaction and willingness to pay through an efficient and sustainable value chain, with a large product range and customer integration. In turn, this will help our customers gain new market shares.

As we have grown, we have therefore focused on securing access to raw materials that are fully traceable, and have gradually developed an integrated value chain for seafood. We believe value is created in value chains that form an integrated network of competitively priced processes for their customers. Lerøy's goal is to create the world's most efficient and

sustainable value chain for seafood. This involves developing long-term customer relationships and an in-depth understanding of the customer's requirements, continuously improving the processes in the Group's own value chain and developing strong alliances with suppliers.

Throughout our history, we have always maintained the belief that value creation depends on access to both knowledge and capital. Our employees are the Group's most important resource. We are, and wish to remain, an attractive employer, with the capacity to attract employees who have the appropriate skills and attitudes, building an organisation where employees thrive and work together to meet our customers' needs. We have focused on a governance model with substantial local decision-making authority, but we are increasing our focus on sharing best practices across the value chain.

Our Group's existence and growth depend on the confidence of the capital markets and our access to capital. The Group's financial strength and financial structure have been, and will continue to be, adapted to our operational and framework regulations. This includes an understanding that we operate in an


industry which, historically, has been highly cyclical. Our level of capitalisation and business model must reflect this, and although cyclicality can be challenging, it has afforded us substantial opportunities in the past, and will continue to do so in the future. The Group's balance sheet will therefore typically be strong during good periods, and our strategy will be to exploit this for acquisitions in challenging times.

Entering 2024, Lerøy has a unique seafood value chain, with access to high-quality sustainable resources sourced both internally and externally. To an increasing extent, we control the process all the way to the large retailers and food service providers, and we are seeing that sustainability is becoming an increasing competitive opportunity. For retailers and food service providers to reach their own ESG targets (Scope 3, through the value chain), they must rely on committed suppliers. Lerøy is in a distinctive position to create the world's most efficient and sustainable value chain for seafood, from raw material to end product. And we intend to do so.

We operate in three segments

Wild Catch, Farming and VAPS&D.

Strategic priorities

				
Values	Honest, open, responsible and creative			
Vision	The leading and most profitable global supplier of sustainable high-quality seafood			
Goal	The world's most efficient and sustainable value chain for seafood			
Growth platforms				
Strengthen core <ul style="list-style-type: none"> • Increase sales volume to strategic customer • Strengthen sales and production planning • Utilise more of own raw material in own value chain • Increase capacity utilisation • Cost focus in everything we do 		Develop core <ul style="list-style-type: none"> • Create interaction through digitalization, standardization and internal communication • Leading position within sustainability • Volume growth through increasing and stabilising biological production and catch • Win shares in markets with the highest willingness to pay 		New growth platforms <ul style="list-style-type: none"> • Utilise other marine resources through Lerøy Ocean Harvest • Positioned for volume growth in Farming through new technologies • Utilise 100% of the fish • Create radical innovations
Strategic priorities				
Safety first	Develop the people. Strong leadership in a learning, inclusive and innovative organisation	Reduce CO ₂ emissions	Culture for quality and continuous improvement. Lerøy Way is the way we work	Ensure predictable regulations. Building knowledge about our activity

The “Strategy on a page” for Lerøy Group

Safety first

Our employees' safety is our highest priority. For us, it is imperative that our employees return safe from work. By continuously improving our processes through a targeted focus on registering and closing safety observations and learning from them, we will reach our objective.

Develop the people

We aim to be a leading player in a global industry in which changes in framework conditions require flexible employees who are dynamic and willing to learn. Our employees are the Group's most important resource. We aim to attract, retain and develop our talented employees by offering formal and informal courses and training, and by encouraging an increase in internal mobility by enabling employees to explore in-house career opportunities. We will help our managers develop, become positive role models and live up to a standard of leadership based on the Group's values.

Our future growth will depend on our capacity for innovation, development and learning. With a fully integrated seafood value chain, it will be essential to have a culture based on cooperation, sharing expertise and trust in every area, a concept we call "One Lerøy". This is ensured by means of positive interaction, information flow, more standardised systems and clearly defined expectations and goals.

Reduce CO₂ emissions

The Group have set ambitious goals, committing to Science Based Targets to reduce 46% of its overall Scope 1,2 and 3 emissions by 2030, with base year 2019. The Group's ambition is to be climate neutral by 2050.

In order to reach our greenhouse gas emission reduction target, we have initiated two main topics that will contribute to reduction of greenhouse gas emissions in Lerøy. The projects involve development of sustainable, more climate friendly fish feed and transportation solutions.

Culture for quality and continuous improvement

The future development of the company will depend on our ability to deliver a high level of food safety, ensure fish welfare, and achieve continuous improvements and greater operational efficiency. The Lerøy Way, which comprises guiding principles and methods, is our most important tool in improving our operational efficiency and reducing risk. We use this established method to continuously improve our work processes in each entity, across the value chain.

Ensure predictable regulations

Our activity depends on politically adopted framework regulations. We must interact with communities and politicians to ensure knowledge of our activities and our footprint.

Focus on sustainability

Lerøy bases its development on an eternal perspective. To achieve this, the Board of Directors, management and employees must maintain a high focus on sustainability. By continuously improving our processes, we will reduce the footprint of our own value chain. We monitor a number of sustainability variables and will continue to do so for each aspect of our operations.



It's really been fantastic for me to have the opportunity for personal development. Courses and organized training have given me the opportunity to start on a new exciting career path within the same group.

Project Manager IT

Strategic framework and operating model

How we aim to create the world's most efficient and sustainable value chain for seafood.

The Lerøy Way

How we work to ensure stability and improvement in our operations.

The Lerøy Way is based on the Group's values – honest, open, responsible and creative. Furthermore, food safety and employee safety are core elements, as is ensuring the sustainability of our operations financially, environmentally and socially.

The basic principles of the Lerøy Way are that it is imperative to understand where are we, where would we like to be and how to get there, before organising the people and utilising our rules for improvement. This improvement depends on our ability to unify people, processes and machines/technology, which will result in motivated employees, perfect flow, and an ability to improve quality and deliver zero mistakes. If we succeed, this will lead to customer satisfaction. Our end-customers are obviously external, but there are also a lot of important internal customers in our integrated value chain.



Lerøy Way has changed how we are working. It has become our culture. Going back to how we were working before is not an option.

Team leader France

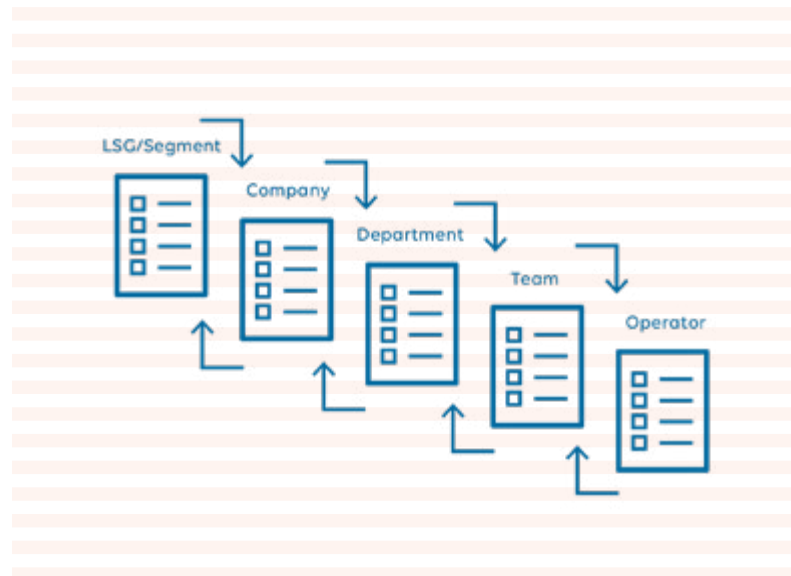


The Lerøy Way: How we work to ensure stability and improvement in our operations

These principles are gradually being implemented across the companies in the value chain. Development is reviewed and measured, and progress is shown in the number of improvement initiatives. Lerøy's objective is for all units to operate under these principles by 2025.

We conduct both internal and external analyses and review both group and segment strategies on an annual basis. These include assessments to identify conditions where Lerøy has an actual or potential material impact on financial results, people or the environment. Such impacts may be caused directly by Lerøy or activities along the length of our value chain. Our materiality assessment is further described in section Materiality topics in this annual report. These analyses are used to improve our strategic decision making, which enables us to define our strategy, short and long-term goals, and strategic initiatives.

The Group's strategy is annually reviewed, broken down by segment, within each segment, and further down to the company and operating level. Performance is followed up at least monthly, with action lists drawn up where there are deviations from targets and expectations.



Example of targets and KPIs: Targets are set at all levels from LSG down to technicians and operators at every farm and in every factory. The targets are followed up through clear meeting structures, with the focus on daily, weekly and monthly action lists, based on the level in the organisation.



We have managed to make our factory's results positive. The Lerøy Way methodology is a key reason for this achievement.

Factory manager Lerøy Norway Seafoods



Nourishing the World, Sustaining the Future

At Lerøy Seafood Group, we're more than just a leading supplier of Norwegian seafood; we're a global force for sustainable food production. Our most important resource, our team of 6000 dedicated employees ensures that over five million meals reach more than 80 markets worldwide every single day. Our journey from fjord to table is a testament to our commitment to quality, sustainability, and innovation.

Targets

At the 2022 Capital markets day, we set some ambitious long-term targets for financial performance, greenhouse gas emission reductions and harvested volume in 2025. We are making progress towards most of our goals. The EBIT target for Wild Catch is under review, due to substantially reduced cod fishing quotas.

 **>50**

bn NOK in revenue
by 2030



#1

EBIT/kg for farming and
VAP, sales and distribution
by 2025



1.25

bn NOK in EBIT for
VAP, sales and distribution
by 2025

 **46%**

reduction in total
GHG emissions by 2030
(baseline 2019)



500

mill NOK in EBIT for
Wild catch



205 000

tonnes harvest
in 2025
(Salmon and Trout in Norway)

Progressing towards very ambitious and stretched targets.

Key developments and initiatives in 2023

Farming

Development in 2022 and 2023 did not meet our expectations, but we are confident measures taken will lead to significant improvement.

The Farming segment comprises the Group's three farming regions in Norway: Lerøy Aurora, located in Troms and Finnmark; Lerøy Midt, located in Nordmøre and Trøndelag; and Lerøy Sjøtroll, located in Vestland. In 2023, the operation had around 1 800 employees and harvested about 160 000 tonnes gutted weight (GWT) of salmon and trout.

Strategy

The results for the Farming segment in 2022 and 2023 have been below expectations, with a reduction in the Group's harvested volume. Such a reduction in volume also has a negative impact on costs. The reduction in volume has been driven by biological challenges, and a thorough analysis has been performed to ensure this trend is reversed. The Farming segment has a long value chain, including genetics, roe, smolt, sea-phase farming and logistics.

The core of the strategy is to reduce risk in each of the steps, to increase biosecurity and fish welfare and, ultimately, to improve results. It is believed that the sum of initiatives across the value chain will have an overall impact that is higher than each of the initiatives individually. In short, optimal selection of genetics and ideal production processes on land will ensure a more

robust smolt, which will lead to more robust fish in our sea farms. Better biosecurity, better fish welfare, lower mortality and higher growth will, in turn, lead to better results.

Key initiatives in Farming Roe and genetics

Our analysis indicates that genetic selection and incubation temperatures for the roe are key for

the salmon's sea-phase performance. A number of measures have already been implemented to ensure this knowledge is operationalised, while some may require further investments in infrastructure.

Smolt

Our analysis and our programme initiative "Biology R&D Freshwater" show that our production protocols have room for improvement. This includes measures at



The "Strategy on a page" for Farming in 2024

several stages of the smolt production process, such as temperature level, and the time of the year when the smolt are transferred to the sea.

A number of initiatives have already been implemented, such as increased cooling capacity at the smolt facilities to comply with updated production protocols at all times of the year, while some will require further investments, which are planned for 2024.

New technologies

Sea lice pose a substantial challenge in the open-sea phase. Sea lice, and the treatments required to comply with the regulatory maximum number of lice per individual fish, have a substantial impact on both growth and fish welfare.

In 2022, a programme initiative called “Coastal Production Technology” was initiated. The programme evaluated a significant number of different technologies intended to shield the farmed fish from sea lice, in order to determine which could be suitable and where the deployment of such new technology would have the greatest impact. As of today, the technologies used across different sites in Norway are much the same. For its part, Lerøy believes that more site-specific technologies will be deployed going forward.

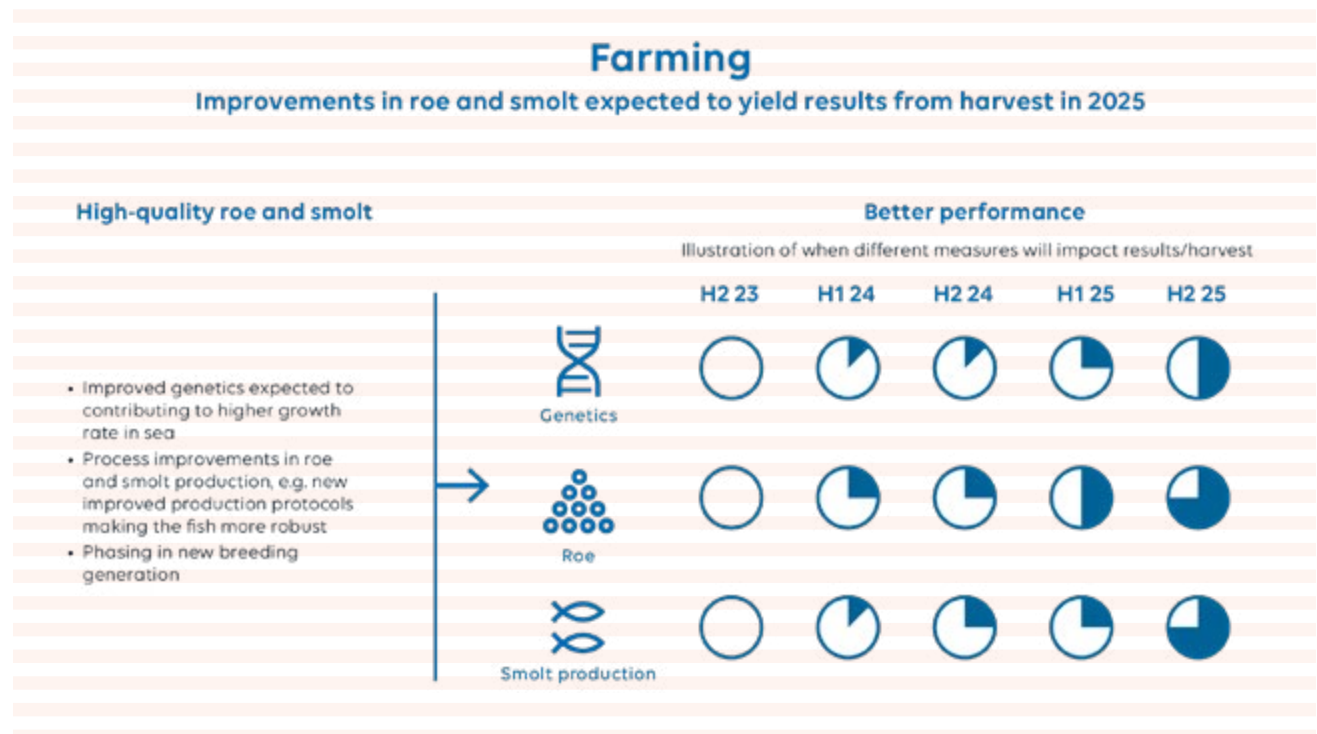
The implementation of such new technologies continued through 2023. This includes four fully submerged installations and one with semi-closed technology. As of today, the plan is to roll out a further 12 installations in 2024, of which 10 are submerged and two are semi-closed. Around one third of Lerøy's salmon will be raised in installations that make use

of “shielding” technologies by the end of 2024. This includes half of the salmon in Lerøy Midt and around a third of the salmon in Lerøy Sjøtroll.

This is expected to significantly reduce the number of sea lice treatments in 2024, with a further reduction to follow in 2025, when more of the fish in these installations reach harvestable size.

Other initiatives

There are also a number of other initiatives. At the segment level, they include implementing the Lerøy Way and improving the structural problem-solving capability (PDCA cycles). On a regional level, they include increasing Lerøy Sjøtroll's production of trout going forward to 2025, since trout is performing better in this region than salmon.



Which initiative will be more important?

The previous image is an indication of when the initiatives within roe, genetics and smolt production are expected to impact the harvested volume.

Lerøy believes that the collective impact of the initiatives will be greater than the sum of their individual effects. Furthermore, initiatives implemented early in the value chain have the potential to significantly influence a large portion of the fish harvested.

Value Added Processing, Sales and Distribution

Substantial improvements in 2023, and progressing towards ambitious targets.

The Value Added Processing, Sales & Distribution (VAPS&D) segment is the downstream operation of Lerøy's fully integrated value chain. It includes not only the processing, sales and distribution of the Group's own-produced products, but also significant business interactions with third party suppliers. Lerøy distributes to more than 80 markets globally and has operations in 14 countries. The segment has around 3 000 employees in all.

Strategy

Extremely high and volatile raw material prices, volatile exchange rates and price increases for other input factors have made downstream operations challenging in recent years. In 2023, the value chain for seafood has gradually adjusted to a higher price level, which,

combined with improved capacity utilization and a number of structured improvement initiatives, has led to a significant increase in earnings in 2023. At the same time, earnings continue to vary significantly between the different units in the segment, offering considerable potential for further earnings improvements.

At the heart of the strategy is the belief that integrated value chains are better suited than fragmented value chains to meet the customers' demands for traceability, product development, sustainability and price. The VAPS&D segment aims to deliver superior customer value.

Key initiatives in VAPS&D

Consequence products in our own value chain

As raw material prices have increased, it is becoming increasingly important to utilise 100% of the fish. This project focuses on developing products and the value chain such that the whole fish is utilised.

Sustainable logistics

Develop logistics chains which are cost effective but also reduce CO₂ emissions. The aim is to improve the transportation of products between units and to the customer.



Planned, strategic projects further increasing value towards 2030



Consequence products in our own value chain

- Utilising 100% of the raw material is imperative to increase sustainability and income.
- Very substantial EBIT effect expected, capex required.



Implementing the Lerøy Way

- Implementing the Lerøy Way principles and changing the way we work, focusing on improvements.
- Substantial EBIT effect expected.



Sustainable logistics

- Yearly improvements in transport of product between units and to customer.
- Targeted yearly reduction of 35k tonnes CO2 equivalent (~3% of total emissions).
- Will also contribute to higher earnings.
- Capex required.



Increased flexibility and price achievements

- Increasing the pre-defined flexibility in our contracts, giving higher price achievement on products.

Implementing the Lerøy Way

Implement the Lerøy Way principles and change the way we work, with increased focus on improvements.

Increased flexibility and price achievement

Increase the flexibility of our contracts and ensure the right raw materials for each product.

Other initiatives

There are a large number of VAP factories and operations, and therefore a large number of initiatives at the local level. However, performance across the units differs significantly. A core focus for 2024 is therefore to improve the weakest performers through close follow-up, improved product profitability calculations and an evaluation of product lines, products and factories.

Which initiative will be more important?

Lerøy succeeds when our customers succeed. The core objective of the projects is to increase the competitiveness of our integrated value chain, including sustainability, so that our customers succeed.

Satisfied customers will drive demand, and we have unutilised capacity at several of our factories. Increased capacity utilisation, with the right product portfolio utilising the optimal raw materials, has substantial potential to increase profitability.

Wild Catch

Lower quotas reduce profitability, but underlying improvements for the land based industry.

The Wild Catch segment consists of Lerøy Havfisk and Lerøy Norway Seafoods (LNWS). Lerøy Havfisk has licences to fish just over 10% of the total Norwegian cod quotas in the zone north of 62 degrees latitude, corresponding to around 30% of the total quota allocated to the trawler fleet. Lerøy Havfisk also owns several processing plants, which are mainly leased out to its sister company LNWS on long-term contracts. Lerøy Havfisk owns trawler licences with an operational obligation linked to LNWS plants. LNWS's primary business is processing wild-caught whitefish. The company has use of 10 processing plants and purchasing stations in Norway, five of which are leased from Lerøy Havfisk. Significant investments have been made in recent years, both to make operations more efficient and to expand the product range. Lerøy Havfisk has around 400 employees and LNWS 600 employees.

Strategy

While the trawler fleet ensures less seasonality than coastal fisheries, seasonality remains a core challenge and makes year-round capacity utilisation in the land-based processing industry difficult. In recent years, Lerøy has made significant investments in land-based processing facilities, focusing on developing products with less seasonality. We must continue to work on reducing seasonal fluctuations for the land-based industry, continuously improve our operations and

building a more efficient value chain for whitefish. This includes better connecting the raw materials, our processing capabilities and our downstream network. Below is the "Strategy on a page" for the Wild Catch segment.

Key initiatives in Wild Catch Implementing the Lerøy Way

The Lerøy Way has been implemented at landbased processing facilities with good results over several years. In 2024, its implementation will also get underway at Lerøy Havfisk.

Using frozen raw materials in processing

Lerøy Havfisk is a supplier of both fresh and frozen fish. The advantage of frozen fish is that it is easier to utilise as a raw material in the land-based industry all year round. Developing processes and products for such usage is a key opportunity to increase capacity utilisation and thus profitability in the land-based processing facilities.

Rebuilding our factories

We have renovated our factory in Båtsfjord, with the focus on new production technology and automation.



The "Strategy on a page" for Wild Catch in 2024

The work was completed in February 2024. The effect will be increased productivity, since we can handle higher volumes with no increase in staff.

We are investing more than NOK 150 million in a new factory in Kjøllefjord, with the focus on new production technology. This will enable us to become a year-round producer of seafood in Kjøllefjord. The capacity and efficiency of the factory will be substantially improved.

Other initiatives

There are a number of initiatives at the company level. For Lerøy Havfisk, this includes participating in projects to explore alternative to fossil fuel, as well as increasing the use of floating trawl nets.

For LNWS, the key initiatives revolve around products, product development and efficiency gains to increase capacity utilisation and thus profitability.

Which initiative will be more important?

In recent years, the quota for the highest value species of cod has been falling, and it is expected to fall further in 2024 and 2025. Lower catch values represent a challenge for Lerøy Havfisk, while LNWS will probably experience higher prices and more competition for available raw materials.

It is imperative that Lerøy is able to continue its efficient wild catch operations, while increasing capacity utilisation on land by scaling up the new processed products that are being launched.

Group Management in Lerøy Seafood Group



Henning Beltestad
CEO



Bjarne Reinert
COO Farming



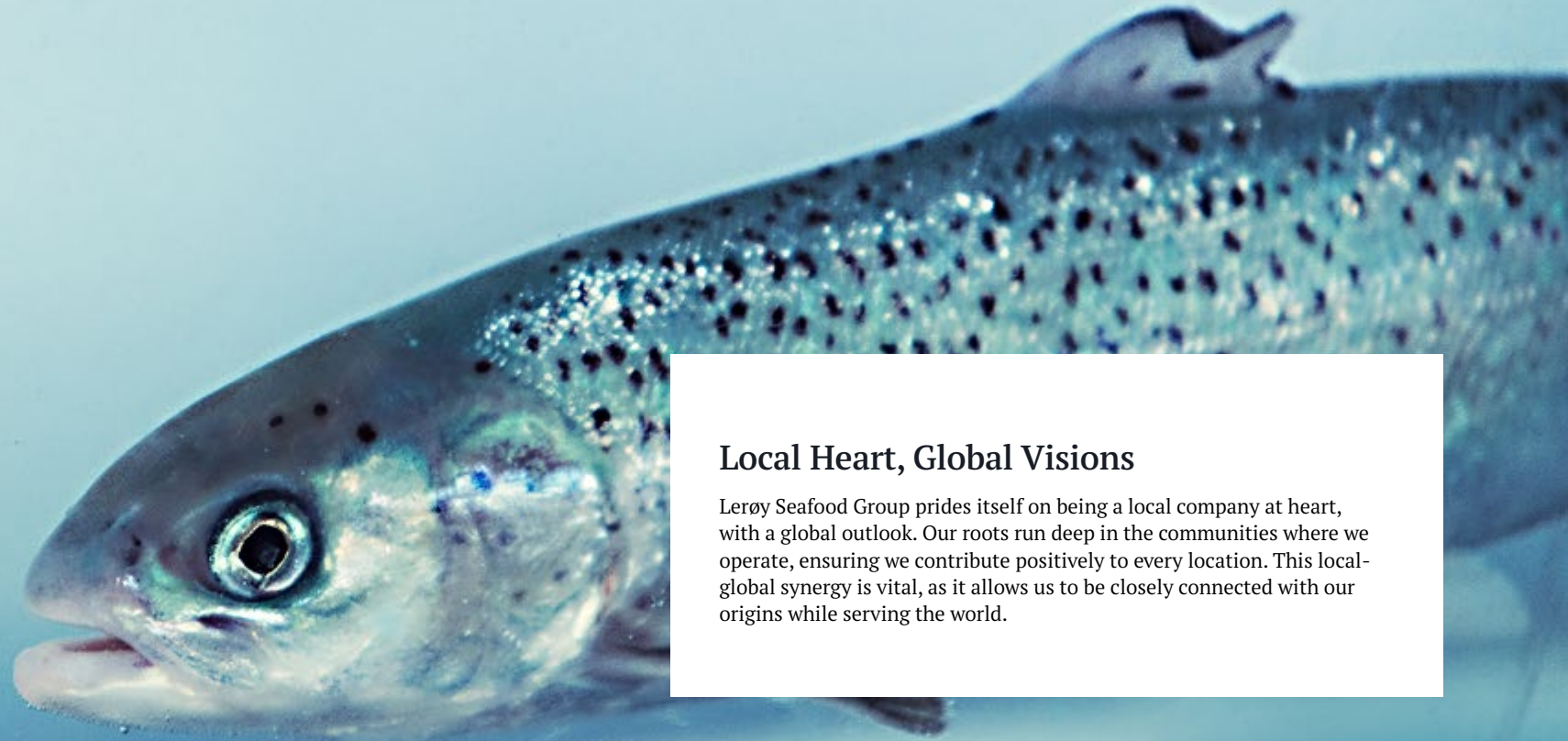
Sjur S. Malm
CFO



Siren Grønhaug
CHRO



Ivar Wulff
COO Sales & Distribution



Local Heart, Global Visions

Lerøy Seafood Group prides itself on being a local company at heart, with a global outlook. Our roots run deep in the communities where we operate, ensuring we contribute positively to every location. This local-global synergy is vital, as it allows us to be closely connected with our origins while serving the world.



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Board of Directors



Chair of the Board
Arne Møgster (1975)

was elected to the Board at the Annual General Meeting on 26 May 2009. He holds a Master of Science (MSc) in International Shipping and a Bachelor's degree in Business and Administration.

Arne Møgster is the CEO of Austevoll Seafood AS, and serves on the boards of several companies in the Austevoll Seafood Group. Prior to joining Austevoll Seafood ASA in 2006, Arne gained extensive experience working within fishing, shipbuilding and the offshore supply market. He was the Managing Director of Norskan AS for three years, with one year based in Brazil.

Through more than a decade of working both as a CEO and a board member for listed companies, Arne has acquired extensive knowledge of a broad range of subjects, including ESG.

Austevoll Seafood is the majority owner of Lerøy Seafood Group. The majority shareholder of Austevoll Seafood is Laco AS. Arne Møgster is a shareholder in Laco AS, and indirectly holds shares in Lerøy Seafood Group ASA. There are some transactions between companies in the Austevoll Seafood Group and Lerøy. These transactions take place according to the arm's length principle and are described in the company's annual report.



Board member
Britt Kathrine Drivenes (1963)

was elected to the Board at the Annual General Meeting on 20 May 2008. She holds a Bachelor of Business Administration from the Norwegian School of Management (BI) and a Master of Business Administration in Strategic Management from the Norwegian School of Economics (NHH). She is CFO of Austevoll Seafood ASA and also serves on the boards of several companies in the Austevoll Seafood Group. She has also been part of the Board in Norwegian Seafood Research Fund, FHF – since 2019. FHF's goal is to create added value to the Seafood industry through industrybased research and development.

Britt Kathrine Drivenes has extensive experience from the fishing industry as well as financing, accounting and ESG. She is the board's designated resource related to ESG. She has previously served as board member in an IT company, and has knowledge within IT and cybersecurity. She owns shares indirectly in Lerøy Seafood Group ASA as a shareholder in Austevoll Seafood ASA.



Board member
Didrik Munch (1956)

was elected to the Board at the Annual General Meeting on 23 May 2012. He has a law degree from the University of Bergen. Didrik qualified as a police officer at the Norwegian Police University College in Oslo and held a number of positions within the Norwegian police force (1977–1986). From 1986 to 1997, he worked in finance, primarily in the DnB bank system, where he eventually joined corporate management as Director for the DnB Corporate Customer division. From 1997 to 2008, Didrik was CEO of Bergens Tidende AS. He was CEO of Schibsted Norge AS (formerly Media Norge AS) from 2008 to 2018 and is currently self-employed. Didrik Munch has served on the boards of a number of companies, both as chair and an ordinary member. He is currently Board Chair of Storebrand ASA, Solstrand Fjordhotell Holding AS and NWT Media AS, and serves on the boards of Grieg Maritime Group AS, SH Holding AS and Jonstadveien 6 AS.

Didrik Munch currently chairs the Audit Committee of Lerøy Seafood Group ASA. He also has comprehensive knowledge within the field of ESG through his extensive experience from the managements and boards of some of Norway's largest companies.

Didrik Munch is an independent director. As at 31 December 2022, he owned no shares in the company.



Board member

Karoline Møgster (1980)

was elected to the Board at the Annual General Meeting on 23 May 2017. She has a law degree from the University of Bergen (Cand.juris.). She also has a Master of Arts in Accounting and Auditing (MRR) from the Norwegian School of Economics (NHH). She has previously worked as a lawyer with Advokatfirmaet Thommessen AS and is now employed as a lawyer in Møgster Management AS in the Laco Group.

Karoline has extensive experience within Corporate Governance and corporate law as well as accounting and financing.

Karoline serves on the board of Laco AS and has board experience from other listed companies. She is also a board member for Fiskebåt Sør. Laco is the ultimate parent company of Lerøy Seafood Group. There are some transactions between companies in the Austevoll Seafood Group and Lerøy. These transactions take place according to the arm's length principle and are described in the company's annual report. Karoline Møgster indirectly owns shares in Lerøy Seafood Group ASA as a shareholder of Laco AS.



Board member

Siri Lill Mannes (1970)

was elected to the Board at the Annual General Meeting on 23 May 2018. Siri Lill has over 20 years experience from television. As a tv-reporter and news anchor for Norway's TV2, she covered a range of major events around the world.

Siri Lill holds a Master's degree in History from the University of Bergen and has also completed studies in Russian and political science. She regularly moderates national and international conferences on topics like cybersecurity, energy, defence, finance and foreign affairs.

Since 2015, she has been moderator for the annual Security Conference by the Norwegian National Security Authority (NSM). In 2017, Siri Lill completed the Senior Executive Course at the Norwegian Defence Security College (Sjefskurset, Forsvarets høgskole).

She is Director of SpeakLab, a communication company based in Bergen. She has served on the board of TV2 and Foto Knudsen, and is currently Board director of JW Eides Stiftelse.

Siri is an independent director. As at 31 December 2022, she owned no shares in the company.



Board member

Hans Petter Vestre (1966)

was elected as an employee representative to the Board at the Annual General Meeting on 24 April 1995. Hans Petter Vestre is a graduate of the Norwegian College of Fishery, University of Tromsø. He started as a sales manager at Hallvard Lerøy AS in 1992, and is currently a team leader at Lerøy Seafood AS.

Hans Petter is a member of the board of Bergen CK (Cycle club), and has received training within both ESG and IT security as an employee at Lerøy.

As at 31 December 2022, Hans Petter Vestre owned 1 200 shares in the company.



Board member

Are Dragesund (1975)

is an investment professional and co-head of Ferd Capital at Ferd AS, one of Norway's largest family-owned investment companies. Prior to joining Ferd in 2015, Are worked at The Norwegian Ministry of Finance, Cardo Partners and The Boston Consulting Group. He is a Norwegian national and graduated from the Norwegian School of Economics (NHH) in 2000. From his career as management consultant and investment professional, Are has extensive experience from the consumer goods and maritime industries. His core competencies are within strategy, finance, M&A and capital markets.

As a former board member of IT security specialist firm Mnemonic AS, Are has a good command of IT security. In addition to Lerøy Seafood Group ASA, Are currently serves on the boards of Nilfisk A/S, Mestergruppen AS and Brav AS. He has previously served on the board of Norkart AS.

Are is an independent director. As at 31 December 2022, Are Dragesund owned no shares in the company.

The Board's report

Lerøy Seafood Group currently has a fully vertically integrated value chain within both redfish and whitefish. It is the leading Norwegian seafood company and therefore one of the world's leading seafood corporations. The Group has a clear ambition to further develop this position in the years to come.

The Group compiles its financial reporting in accordance with the International Financial Reporting Standards (IFRS® Accounting Standards).

In 2023, the Group's revenue surpassed NOK 30 billion for the first time in its history, with an increase of 16% from 2022 to a total of NOK 30.9 billion. The Group's operational EBIT of NOK 3 335 million in 2023 was slightly lower than the corresponding figure of NOK 3 471 million in 2022.

The Wild Catch segment was impacted by a 15% reduction in the cod fishing quota. Its operational EBIT therefore decreased from NOK 348 million in 2022 to NOK 278 million in 2023.

The Farming segment saw both higher prices and costs, but overall lower margins. Together with a reduction in the harvested volume, this resulted in a reduction in operational EBIT from NOK 3 213 million in 2022 to NOK 2 607 million in 2023.

In the VAPS&D segment, there was significant improvement in operational earnings and operational EBIT increased from NOK 156 million in 2022 to NOK 643

million in 2023. This may be attributed to the value chain for seafood gradually adjusting to the higher price level and an improvement in the Group's capacity utilisation.

Overall, this led to an operational EBIT for the Group of NOK 3 335 million in 2023, compared with NOK 3 471 million in 2022. The connection between operational EBIT and the reported EBIT under IFRS Accounting Standards may be seen in Note 5. The biggest adjustment items in the operational EBIT are related to fair value adjustment of the biomass and the Norwegian production tax on the salmon and trout aquaculture sector. EBIT according to IFRS Accounting Standards in 2023 came to NOK 3 227 million, compared to NOK 4 283 million in 2022.

Associated companies represent a substantial value for the Group and include 50% ownership in the UK aquaculture company Scottish Sea Farms/Norskott Havbruk, as well as Seistar, a well boat company. Before a fair value adjustment related to biological assets, associates made an operating loss of NOK 150 million, compared with a profit of NOK 54 million in 2022. The decrease was driven by challenging biological

conditions in the Group's associate, Norskott Havbruk AS, which is the second-largest aquaculture company in the UK. Norskott Havbruk's operations are expected to improve in 2024.

The Group's net financial items for 2023 totalled NOK -484 million, compared with NOK -282 million in 2022.

On 31 May 2023, the Norwegian parliament (the Storting) voted to introduce a resource rent tax, to be levied at the rate of 25% on earnings from the sea-phase production of salmon and trout. This new legislation was implemented retroactively from 1 January 2023. The resource rent tax comes on top of ordinary corporation tax of 22%, giving a total tax rate of 47% for the activity concerned. The resource rent tax expense for 2023 comprises both an implementation effect (non-recurring effect) and the resource rent tax for the period. The total tax on the activities liable for resource rent tax, including the separate production tax, totalled NOK 2,0 billion, which of NOK 1.7 billion is a non-recurring implementation effect. For further details, please see Note 17.

Earnings per share, before a fair value adjustment related to biological assets, and before the implementation of the resource rent tax, came to NOK 2.91 in 2023, compared with NOK 3.59 per share in 2022. At the Annual General Meeting (AGM) in May 2024, the Board of Directors will recommend a dividend

payment of NOK 2.50 per share for 2023, same level as the dividend payment per share for 2022.

The Board's dividend recommendation reflects the Group's robust statement of financial position, satisfactory financing and positive outlook.

In 2023, the return on the Group's capital employed, before a fair value adjustment related to biological assets, totalled 12.6%, compared with 14.5% in 2022.

The Group is financially sound, with a book equity of NOK 19 897 million, equivalent to an equity ratio of 48.0%. In 2023, the cash flow from operating activities totalled NOK 3 337 million, compared with NOK 2 275 million in 2022. With rising prices, particularly driven by the weakening of the Norwegian krone (NOK), the Group has built significant working capital in recent years. Net interest-bearing debt increased to NOK 5 209 million at the close of 2023, up from NOK 4 346 million at year-end 2022.

Net cash flow from investing activities for 2023 totalled NOK -1 229 million, compared with NOK -908 million in 2022. Please note that investments in right-of-use assets are not included in the cash flow from investing activities, as these investments do not generate any initial cash impact. The total investments in own assets, fixed assets leased from credit institutions and intangible assets totalled NOK 1 460 million in 2023, compared with NOK 1 116 million in 2022.

In 2023, the Group paid dividends of NOK 1 529 million, of which NOK 1 489 million were from the parent

company to the shareholders of Lerøy Seafood Group ASA. This corresponds to the level in 2022.

The Group is rated investment grade, with a BBB+ rating. In April 2023, Lerøy issued new green bonds, this is further described in Note 15.

The Group's statement of financial position totalled NOK 41 419 million at 31 December 2023, compared with NOK 37 062 million at 31 December 2022. Over the past twenty years, the Group has based its growth on several factors, including financial flexibility.

The Board of Directors is of the opinion that such financial flexibility is important to enable the Group to generate further profitable, organic growth, carry out strategic acquisitions, establish alliances, and continue the company's dividend policy. This satisfactory financial position supports the Group's ambition to be the leading Norwegian seafood company and one of the world's leading seafood corporations in the future.

The Wild Catch segment

The wholly owned subsidiaries Lerøy Havfisk and Lerøy Norway Seafoods perform the Group's wild catch operations. Lerøy Havfisk has licences to fish just over 10% of the total Norwegian cod quota in the zone north of 62 degrees latitude, corresponding to around 30% of the total quota allocated to the trawler fleet. Lerøy Havfisk's trawler licences have operational obligations linked to land-based processing plants. These processing plants are mainly leased out to its sister company Lerøy Norway Seafoods on long-term contracts. Lerøy Norway Seafoods' primary business is processing wild-caught whitefish. Of its 10 processing

plants and purchasing stations, five are leased from Lerøy Havfisk. Lerøy Norway Seafoods has made significant investments in recent years both to make its operations more efficient and to expand the product range.

In 2023, Lerøy Havfisk had a catch volume of 75 893 tonnes, an increase of 4 167 tonnes compared with 2022. Compared with the year before, however, the company caught a smaller quantity of cod, shrimp and halibut, but a higher quantity of haddock, saithe and redfish, in 2023. Cod is the highest value and most important species for Lerøy Havfisk, and the cod quota for our fleet was down about 15% in 2023 compared with 2022. The average price for cod, redfish and halibut was higher in 2023 than in previous years. However, the market for haddock was challenging in 2023, with lower prices than the year before.

For several years, processing whitefish in Norway has been extremely challenging. Onshore processing facilities made another loss in 2023. As a result of the market dynamics of increasing prices and lower quotas, this loss was higher than in 2022, despite continued signs of improvement in operational KPIs such as yield..

The lower cod quota is a challenge, but the Group's focus on improving the competitiveness of the whitefish industry is a long-term project and continues undiminished. For 2023 as a whole, the segment contributed an operating profit of NOK 278 million, compared with NOK 348 million in 2022.

The Farming segment

The Farming segment is divided into three regions: North Norway, with Lerøy Aurora in Troms and Finnmark; Central Norway, with Lerøy Midt in Nordmøre and Trøndelag; and West Norway, with Lerøy Sjøtroll in Vestland.

2023 was a challenging year for the Group's farming operations, and the Farming segment did not reach its operational targets, such as a harvest volume of 175 000 gutted weight tonnes (GWT) of salmon and trout. The segment harvested about 160 000 GWT of salmon and trout in 2023, well below the 175 000 GWT harvested in 2022, and well below what Lerøy believes its capacity to be. In recent years, a number of initiatives have been launched, including targeted efforts to improve roe and smolt quality as well as implementing new technologies in the sea phase of the farming process. These efforts are described in more detail in the strategy section of this annual report. A common factor is that the long production cycles for salmon means it takes time to see changes reflected in the operations' results. Gradually, in 2024 and into 2025, the Group expected to see significant improvements in biological results, which is the core driver for financial results.

Challenging biological conditions were the core driver for the reduction in harvested volume. For price achievement, the weakening NOK was a significant contributor to a higher price realisation for both salmon and trout. The spot price for salmon increased from NOK 79 per kilo in 2022 to NOK 88 per kilo in 2023, with substantially higher prices in the first half than in the second half, which is the normal seasonal pattern.

There are a number of factors that influence the Group's prices realised compared with the spot price for whole salmon, including contract share, sizes, quality and time of harvest. The contracts are entered into long before the fish are harvested and will therefore reflect the market conditions prevailing at the sale date.

The Group's contract prices were substantially higher in 2023 than in 2022. In total, price realisation on salmon and trout was about NOK 10 per kilo higher than in 2022.

Inflation, driven in part by a weakening NOK which boosted prices, has also taken its toll on costs. In 2023, the Farming segment experienced significant cost increases, driven by more expensive feed but also by the fact that biological results, and consequently the volume harvested, were weaker than expected. In total, the cost per kilo of harvested salmon and trout was about NOK 12 higher in 2023 than in 2022.

In sum, this gave the Farming segment an operational EBIT per kilo of NOK 16.30 in 2023, compared with NOK 18.40 per kilo in 2022. Thus, with a lower volume and a lower margin, the Farming segment's operational EBIT in 2023 totalled NOK 2 607 million, compared with NOK 3 213 million in 2022.

The Value Added Processing, Sales and Distribution (VAPS&D) segment

With its fully integrated, cost-effective value chain for salmon, trout, whitefish and shellfish, Lerøy Seafood Group supplies products that are best suited to the consumers' preferences. Proximity to key markets

and knowledge of the individual customer's needs are therefore of decisive importance if the Group is to boost demand for its main products. In the course of a calendar year, Lerøy distributes a wide range of seafood products from Norway to more than 80 different markets. In addition, the Group has operations that process and distribute a number of market-specific seafood products in their respective local markets. Lerøy Seafood Group aims to further develop its value chain in order to satisfy and increase the consumers' total demand for seafood.

Extremely high and volatile raw material prices, volatile exchange rates and price increases for other input factors have made downstream activities extremely challenging in recent years. The Group is taking a highly structured approach to increasing profitability, and is pleased to see that earnings in 2023 are improved from 2022. The value chain for seafood has gradually adjusted to a higher price level, which, combined with improved capacity utilisation, is providing a significant uplift in earnings.

Revenue grew from NOK 25.5 billion in 2022 to NOK 29.0 billion in 2023. The operational EBIT margin improved from 0.6% in 2022 to 2.2% in 2023. Operational EBIT thereby rose from NOK 156 million in 2022 to NOK 643 million in 2023.

At the same time, the overall operating margin is not high in a historic context, and earnings continued to vary significantly between the different units in the segment in 2023, offering considerable potential for further earnings improvements in 2024.

Joint Ventures and Associates

The Group's joint ventures and associates represent substantial value. The most important are Norskott Havbruk AS (50.0%) and Seistar Holding AS (50.0%).

Norskott Havbruk AS owns 100% of the shares in Scottish Sea Farms Ltd (SSF). SSF is one of the largest aquaculture companies in the UK. 2023 was an extremely challenging year, with significant biological challenges related in part to micro jellyfish. SSF harvested about 25 000 tonnes of salmon in 2023, down from 36 000 tonnes in 2022. The company made an operating loss, before fair value adjustment related to biological assets, of NOK 303 million in 2023, down from an operating profit of NOK 214 million in 2022. At start of 2024, the biological situation has improved, and a significant improvement in both biological and financial results is expected in 2024. Harvested volume in 2024 is expected to total 37 000 tonnes.

The well boat company Seistar Holding AS is an important supplier of services to Lerøy Seafood Group and other aquaculture businesses, primarily in the West Norway region. The company reported an operating profit of NOK 76 million in 2023, a slight increase from the NOK 53 million in 2022. Seistar Holding AS has two new well boats in the pipeline for delivery in 2024.

Structural conditions

The Group aims to generate lasting value through its activities. For this reason, stringent requirements are imposed on risk management and the ability to plan for the long term in the development of sustainable strategic business processes.

Through organic growth and a series of acquisitions carried out since its stock exchange listing on 3 June 2002, the Group has now become one of the world's largest producers of Atlantic salmon and trout. The acquisitions of Havfisk ASA and Norway Seafood Group AS in 2016 made the Group the largest supplier of whitefish in Norway and a major supplier worldwide. In recent years, the Group has also developed and consolidated its position as a key actor in the distribution of seafood in Norway and other major international markets. The Group plays an active role in developing the value chain for seafood, with an increasingly wide global reach. The Group's goal is to create the world's most efficient and sustainable value chain for seafood. Trust-based dialogue with various public authorities, collaboration with suppliers and strategic customers, and a focus on efficiency in our own value chain allow us to create solutions for our end customers that are both cost-effective and innovative.

Lerøy Seafood Group invests in the Norwegian whitefish sector with an eternal perspective. Its processing facilities are reliant on raw materials both from the Group's own trawlers and from suppliers in the coastal fleet. The symbiosis between the onshore industry and the coastal fleet is strong and represents a high level of mutual dependency. Appropriate framework conditions, including predictability, are absolutely crucial if we are to successfully play our part as a responsible industrial organisation. The whitefish sector is subject to seasonal fluctuations and is highly capital-intensive. We firmly believe that we will only be able to build a sustainable industry and create attractive year-round jobs if we have appropriate framework conditions, investment capacity, product development and access to the global market.

Lerøy has participated in meetings and submitted written input to the Norwegian Storting regarding the white paper Meld. St. 7 (2023–2024) Quota Report 2.0; People, Fish, and Community – a quota report for predictability and fair distribution. In our submission, we both explain the activities the company contributes to and highlight the injustices underlying the new report. Today, Lerøy is the largest industrial actor in Norwegian whitefish, with 600 year-round jobs on land. In addition, the company has just over 400 jobs in its fishing fleet. We are important for recruiting to the fishing profession, with our 50 apprenticeships and 40 internships. Lerøy is thus the company in Norway that contributes most to the government's ambition of increased value creation from the raw material and year-round industrial jobs along the coast of Northern Norway. As the only company in Norway, Lerøy has an activity obligation. This means that quota rights at sea are directly linked to industrial jobs on land. When the government proposes redistributions between fleet groups that reduce our quota base, the volume becomes so low that it threatens the jobs in this value chain. When making investment decisions, Lerøy has trusted the politicians' promise of predictability in our framework conditions. Therefore, Lerøy believes that the proposal to take quota from the trawling fleet to the coast fleet must be reversed.

In recent years, the Group has made major investments in facilities for smolt production in order to safeguard the Group's global competitiveness in a long-term perspective. These investments demonstrate not only the capital requirements, but also the level of knowledge demanded by advanced food production of this nature. To succeed, the Group needs a competent

organisation, capital, market access and globally competitive framework conditions.

The Board of Directors believes that the Group's many years of investing in vertical integration, building alliances, developing high-quality products and new markets, quality-assuring its value chain and building its brand will help it continue to create value going forward. It must, however, be stressed that the Storting's decision to introduce a resource rent tax on aquaculture creates barriers to the Group continuing its long-term investments in vertical integration. As well as the tax expense itself, the decision imposes a significant extra administrative burden on the aquaculture industry. The Group will continue working to deliver sustainable value creation via strategic business development, operational efficiency improvements, management training and ongoing employee development. This work will generate growth and ensure continuity of supply, quality and cost efficiency, with scope for increased profitability. Improving operational efficiency at all stages of the value chain is an ongoing process aimed at further strengthening the Group's financial and environmental competitiveness, both nationally and internationally.

The Group's financial position is very strong, and it is important for the Board that the Group retains the confidence of participants in the various capital markets. This confidence was recently affirmed, and reinforced, when the company was awarded an investment-grade credit rating and issued bond loans. Lerøy Seafood Group will continue to selectively consider possible opportunities for investments, business combinations and alliances that could

strengthen the basis for further profitable growth and sustainable value creation. This includes investment opportunities both upstream and downstream, and will require the Group to continuously develop and improve its performance in all segments throughout the value chain.

Additional information

Page 205 in this annual report for more information about the Group's annual disclosures. Please see the Environmental sustainability section of this report, the TCFD report and the Group's sustainability library for information about external environment and climate. Please see the Social sustainability section of this report, the sustainability library, the Equality, non-discrimination and gender pay report and the remuneration report for information about health, safety, work environment, remuneration and social responsibility.

For more information about corporate governance see the Corporate Governance section of this report. A report according to the Transparency Act will be available on the Group's website before end of June 2024.

Insurance policies have been taken out for the members of the Board of Directors and senior executives to cover their personal liability for compensation for economic loss in connection with exercising their duties (Directors' and management liability). These insurance policies have been subscribed at market terms with a highly rated international insurance company.

Investigations by competition authorities

The European Commission (the "Commission") initiated, on 19 February 2019, an investigation relating to suspicions of anti-competitive cooperation in the market for farmed Norwegian Atlantic salmon.

On 25 January 2024, the Commission announced that it had sent a Statement of Objections ("SO") to several exporters of Norwegian salmon. The SO sets out the Commission's preliminary assessment that the exporters, in some instances, may have exchanged commercially sensitive information in relation to spot market sale of whole Norwegian farmed salmon to the EU in the period 2011-2019. Lerøy Seafood Group is one of the companies that has received the SO.

Lerøy Seafood Group strongly rejects the Commission's allegations. The SO is not a final decision and has been issued in accordance with the Commission's ordinary procedures for such an investigation. The SO includes the Commission's preliminary assessments only. The company has a right of response, and will after carefully reviewing the SO provide its comments to the Commission. The company has cooperated with the Commission throughout the Commission's investigation, and will continue to work constructively with the Commission. It is standard practice that these investigations last several years. It is not possible at this stage to make any statement on whether the case will result in sanctions or other negative consequences for the group, or when the case will end.

In February 2024 a group of British supermarkets issued claims for damages in the UK against several

Norwegian-owned aquaculture companies, including companies in the Lerøy Seafood Group. The Group strongly rejects the claimants' allegations and considers such claims from customers to be baseless. In Europe, this type of claims are first and foremost relevant if the Commission adopts a decision in its ongoing investigation and the decision is upheld. The Group understands that the claims have been issued at this stage in an attempt to interrupt potential limitation of claims under certain laws.

Result and allocations, Lerøy Seafood Group ASA

The financial statements for the company and the Group are submitted on the assumption that the enterprise is a going concern. In 2023, Lerøy Seafood Group ASA reported an annual profit after tax of NOK 1 551 million, compared with NOK 321 million in 2022. The Board will propose the following allocation of the 2023 annual profit (NOK million):

A figure of NOK 2.50 per share to be allocated as a dividend payment, totalling NOK 1 489 million.

To other equity 62 million. Total allocations: NOK 1 551 million. The Group's parent company has a strong financial position, with an equity ratio of 62.9%. The parent company has access to satisfactory financing and liquidity, conforming to the Group's strategy and operating plans.

Market and outlook

Lerøy continues its efforts to realise its communicated goals, which for 2025 include a harvested volume of

205 000 GWT, an EBIT for VAPS&D of NOK 1.25 billion, an EBIT for Wild Catch of NOK 500 million and the most profitable value chain for red fish. The company's goals also include a reduction in greenhouse gas emissions of 46% by 2030.

There will always be significant uncertainty related to predictions about the future.

Lerøy's production of Atlantic salmon was lower than expected in 2023, which affects the estimated volume to be harvested in 2024. Lerøy Seafood Group is confident that the measures and actions implemented will gradually produce an improvement. Over the last decade, the Group has invested heavily in infrastructure, including future-oriented facilities for producing high-quality smolt. There is still work to be done, and it will be some time before the full effects of these investments are seen. A number of measures have been implemented within several areas, for example genetic selection, changes in production processes, temperature control and filter capacities. As with all biological production, the effects of any changes will come gradually. However, the Board expects they will result in higher growth rates, more robust fish and improved survival rates over the course of 2024.

Lerøy has also made significant investments in new technology for the sea-based production phase. Submersible cages and new protective technology are currently being used in both Lerøy Sjøtroll and Lerøy Midt. Implementation of this technology comes with a risk, but it has the potential to provide significant improvements in the form of faster growth and improved survival. At year-end 2023, 12% of the Group's

standing biomass of salmon was in facilities using protective technology. As of today, the plan is that this will gradually be increased to approximately 30% by the end of 2024. The largest fish in submersible cages currently weigh around 2.0 kg and are scheduled for harvesting from late summer/autumn 2024. It is very pleasing to see that the fish benefiting from such technology have to date (April 2024) not required treatment and demonstrate very good fish health. This gives us confidence that the technology will help to substantially reduce the number of treatments, improve fish welfare and boost biological performance, supporting the company's production targets for 2025.

At the end of October 2023, the joint Russian-Norwegian working group for Arctic fisheries reached an agreement on cod and haddock quotas for the Barents Sea for 2024. For 2024 the cod quota is reduced by 34%, haddock is reduced by 43%, saithe fished in the zone north of 62 degrees latitude is reduced by 6%, and saithe fished south of the 62 degrees is increased by 20% for our fleet. As of today the indications are for further reduction in cod quota in 2025. Operating conditions for the Wild Catch segment are challenging, with decreasing quotas and therefore a weakened basis for operations. However, it should be noted that catch quotas have always varied. The Group maintains a consistent focus on improving operational efficiency both at sea and in the onshore processing industry, but the expected reduction in cod quotas will impact earnings from this part of the Group negatively in 2024 and 2025. Such a significant decrease in the cod quota makes achieving the EBIT target of NOK 500 million in the Wild Catch segment in 2025 unlikely.

Lerøy works to develop an efficient and sustainable value chain for seafood – a value chain that not only delivers cost-effective solutions, but also quality, availability, a high level of service, traceability, and competitive climate-related and environmental solutions. Investments in downstream entities in recent years, new industrial facilities in Lerøy Midt and Lerøy Austevoll, a new factory in Stamsund and new factories in Spain, the Netherlands and Italy, are expected to make a positive contribution going forward. The VAPS&D segment has a central position in this value chain. Earnings from the Group's various downstream entities varied significantly in 2023, which also offers substantial potential for overall improvement. Important steps were taken in the right direction in 2023, with purposeful and structured work to improve profitability and return on capital employed. The target for 2025 is challenging but not unachievable, and the Group expects a significant improvement in profitability in 2024 compared with 2023.

Like most forms of food production and other industries, Norwegian aquaculture has the potential to improve, but it is important to remember that the starting point is strong. Norwegian aquaculture is something as rare as a globally competitive regional industry that scores well in terms of environmental, social and economic sustainability. The industry can be part of the global green shift, while safeguarding communities and providing worthwhile jobs along Norway's coastline. This, however, requires politicians to understand the industry, its opportunities and challenges. The resource rent tax is an example of a tax that inhibits growth and constitutes a significant risk to the industry's further development, including weakening its ability

to continue contributing to society. The Board of Directors can only hope that the government will make it possible for the industry to continue developing. This will require joined-up political thinking.

PwC published its latest climate index for Norwegian companies on 15 August 2023. We are proud that the company is one of nine to have cut emissions in 2022, in accordance with the Paris Agreement. This is the second year in a row that Lerøy has featured on this exclusive list.

The Collier FAIRR Protein Producer Index is an index that ranks the world's 60 largest listed producers of meat, fish and dairy products. The producers are assessed on sustainability, encompassing climate footprint, environmental footprint, animal welfare, freshwater consumption, use of antibiotics, social rights etc. These measurements are collated to produce the Collier FAIRR Index. The index for 2023 was announced in November, and Lerøy was ranked as the world's second most sustainable protein producer. This is recognition and external validation of the important work the Group is doing in the area of sustainability through projects, investments and, not least, its focus on sustainability in day-to-day operations.

For 2024, the Group, including joint ventures, currently expects the Farming segment to harvest a total of 193 500 tonnes. The Group also expects to see a further earnings improvement in VAPS&D in 2024. Activities in the Wild Catch segment will be affected by lower quotas.

Throughout 2023, we saw demand for seafood in some market segments being negatively affected by general economic developments, but the overall demand for seafood was strong. Historically, demand for seafood products has held up relatively well in economic downturns. The Group's products are healthy and tasty. Production is sustainable from an economic, social and environmental perspective. Lerøy's Board of Directors and employees hope that the company's framework conditions will not be impaired by political decisions, so that the industry can continue to develop.

The Board of Directors and Group management would like to thank all the Group's employees for their invaluable work during 2023, a challenging operational year.

Shares

Capital structure and dividend policy

The company's capital structure and dividend policy are described in the chapter Corporate Governance.

Dividends

At the company's annual general meeting in May 2024, the Board will propose a dividend of NOK 2.50 per share for 2023. Compared to an earnings per share of NOK 2.91, excluding fair value adjustment of the biomass and the effect of implementing the resource rent tax on aquaculture, this represents a payout ratio of 86%. The dividend for 2022, paid out in 2023, was NOK 2.50 per share.

Buyback of shares

The Board has a mandate to buy back the company's own shares. No buy-backs were carried out in 2023.

Shares

At 31 December 2023, Lerøy Seafood Group ASA had 24 739 shareholders, compared with 22 698 at 31 December 2022.

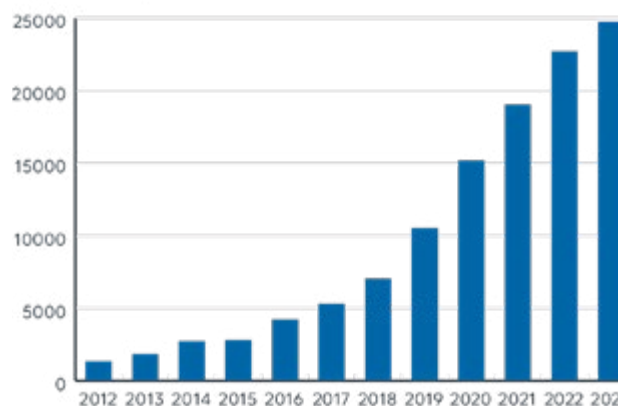
The company had 595 773 680 shares outstanding at 31 December 2023. All shares carry the same rights in the company. Austevoll Seafood ASA is the company's largest shareholder and owns 313 942 810 shares. This corresponds to a shareholding of 52.7%. The company's 20 largest shareholders owned 77.6% of the shares in the company at 31 December 2023. Lerøy Seafood Group ASA owns a total of 297 760 (0.05%) treasury shares.

The price of Lerøy Seafood Group ASA's shares fluctuated between NOK 39.90 and NOK 45.80 in Q4 2023. The price started the quarter at NOK 44.90 and ended it at NOK 41.80

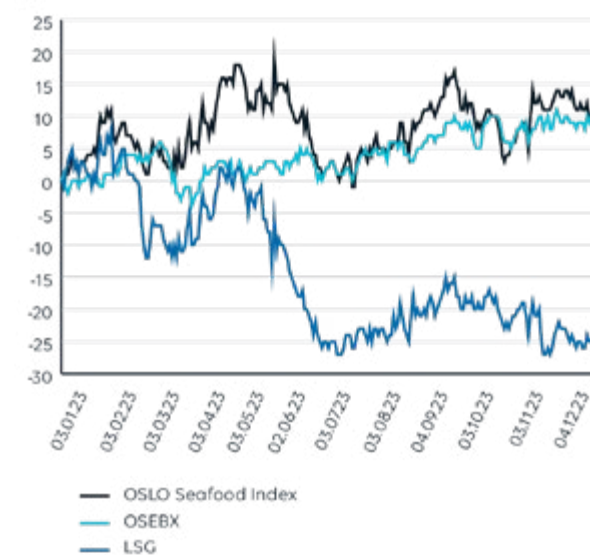
Financial calendar

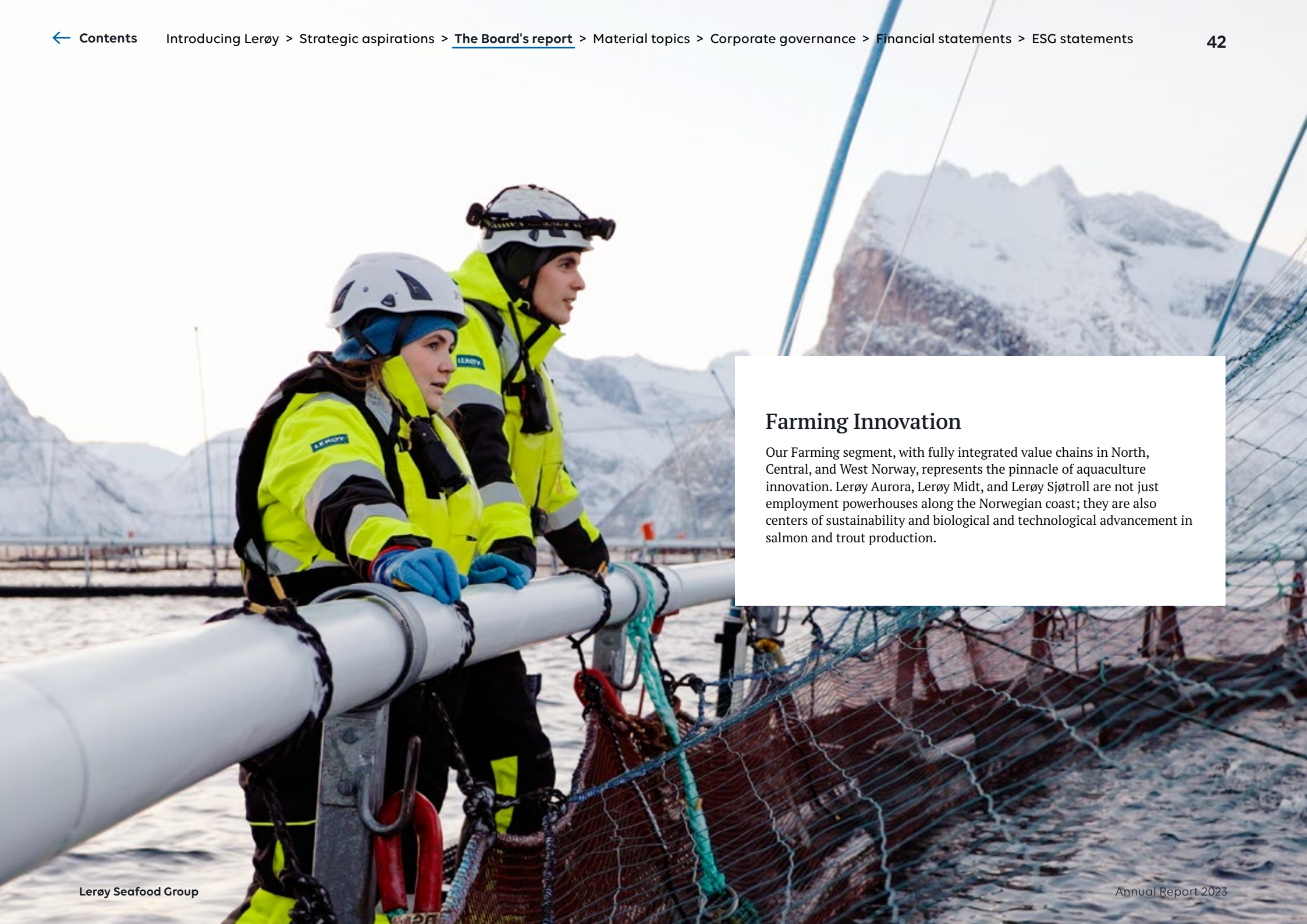
Q1/24 report	15 May
Annual General Meeting	28 May
Ex-dividend	29 May
Record date	30 May
Q2/24 report	21 August
Q3/24 report	14 November
Q4/24	28 Feb 2025

Number of shareholders (Figures in 1000)



Lerøy Seafood Group vs Oslo Seafood index and OSEBX in 2023 (Figures in 1000)





Farming Innovation

Our Farming segment, with fully integrated value chains in North, Central, and West Norway, represents the pinnacle of aquaculture innovation. Lerøy Aurora, Lerøy Midt, and Lerøy Sjøtroll are not just employment powerhouses along the Norwegian coast; they are also centers of sustainability and biological and technological advancement in salmon and trout production.

Risk management

Key risk factors

Good risk management is of decisive importance if the Group is to successfully achieve its vision of being the leading and most profitable global supplier of sustainable, high-quality seafood. Our ability to understand risk is crucial, both preventively

and to ensure that we are in a position to create new opportunities and innovative solutions. Risk management is an integral part of our corporate governance, and is performed at various levels in the Group.

A thorough risk analysis comprising descriptions of strategic (S), financial (F) and operational (O) risk lays the foundations for our strategic efforts.

Below is a list of the most significant risk factors for Lerøy Seafood Group.

Financially related risks

Risk	Type	Description	Potential consequences	Action to reduce risk
Changes in consumer preferences	O	Consumer preferences may change rapidly, causing a reduction in demand for our products – such as a trend towards vegetarianism or veganism.	The consumers choose products that are not in our product range, having an impact on our profitability.	Predict, identify and accommodate changes in consumer preferences. Adapt products to the consumers' preferences. Innovation: Update and renew the product range. Ensure sustainability and reduce reputation risk related to e.g., fish welfare.
Competition and new technology	S+O	The seafood industry is international. This means global competition and a highly dynamic industry.	One premise for Lerøy's survival is that we are the most successful business, over time, in solving our customers' problems. Competitive strengths are absolutely essential for the Group.	Lerøy takes a structured and consistent approach to delivering the best, most efficient, sustainable and innovative solutions to our customers. Lerøy works actively to implement our "Lerøy Way" business system, to ensure we continue to succeed in finding efficient solutions to our customers' problems. We take a structured approach to technology, staying up-to-date with developments and being ready to make use of new technology when it is available.
Credit risk	F+O	A sale is not complete until the customer has made payment.	Good control of credit risk is essential for profitability.	Good sales routines, including approval of customers and credit routines, play a decisive role in minimising credit risk. Close cooperation with various credit insurance companies and use of various tools to minimise risk related to credit. All new customers undergo credit rating procedures.
Currency risk	F	The Group is an international corporation and will be affected by exchange rate fluctuations.	Changes in exchange rates can result in significant changes in the Group's competitiveness and earnings.	The Group has clearly defined routines and a long and successful history in managing risk related to currency.

Financially related risks

Risk	Type	Description	Potential consequences	Action to reduce risk
Customer risk	O	The Group's activities rely on customers.	At Lerøy, we create value via our customers, and customers are absolutely essential for our value creation.	The Group works actively to build long-term, strategic customer relationships in which values for both parties are created over time. The Group has and shall have a wide range of customers in order to minimise risk related to individual customers.
Financial risk	F	The Group relies on access to capital in order to operate.	If the Group loses the confidence of investors in financial markets, it will not be able to finance either new or existing operations.	The Group's comprehensive set of routines and processes for risk management is key to minimising financial risk. Continuous and compliant reports and information describing the Group's development are essential in sustaining and developing confidence.
Interest rate risk	F	The company has debts with floating interest terms.	The company is partly financed by loans with floating interest rates, which may result in an increase in interest expenses.	Use of different fixed-interest instruments, and loans in different currencies. Maintain a strong financial position to allow management of fluctuations in interest rates and market conditions.
Key suppliers	O	The Group does not produce its own feed and relies on third-party suppliers for feed and well boat services for our farming segment.	If a supplier terminates a contract at short notice before the expiration date, the Group might have to source alternatives, driving up costs in the short term.	Close collaboration with key suppliers on long-term contracts, with termination clauses to ensure a steady feed supply.
Liquidity risk	F+O	The Group has exposure as part of an industry with a high level of volatility, affecting earnings and liquidity. Examples include but are not limited to: Fluctuations in the prices for salmon, trout and whitefish. Fluctuations in production and harvest volumes. Changes in feed prices. Feed costs are impacted by price developments for marine raw materials and agricultural products.	Poor or insufficient liquidity.	A financial position suited to our operations. Considerable expertise relating to the markets in which we operate. Good systems for risk control.
Market risk	O	The Group's results are closely linked to developments in the markets for seafood. One key factor here is the price of Atlantic salmon, trout and cod.	Pricing is determined by supply and demand. Major imbalances here will have a substantial impact on Group earnings. The COVID-19 pandemic is one example of a significant change in demand. The Group's earnings will continue to be affected by developments in both supply and demand in the future. Price reductions will also bring about a reduction in the value of the Farming segment's standing biomass.	Active efforts to increase demand for the Group's core products by means of innovative, sustainable and competitive solutions for the end consumer, in close cooperation with strategic customers. This will help increase demand over time. A specific share of revenue as contract sales.

Risks related to our supply chain and production

Risk	Type	Description	Potential consequences	Action to reduce risk
Biological risk	○	Disease and lice can entail increased costs for the company. Norwegian authorities have set upper limits for the number of lice on each fish.	A breach of the cap on lice numbers could result in sanctions from the authorities. If measures are not taken quickly to combat lice and other diseases, expensive treatments may be necessary, with reduced fish welfare and increased costs.	Clear and continuously developed lice strategy. Internal control system designed to minimise risk. Improvements to monitoring (via R&D) in order to detect lice and disease more rapidly.
Corruption	○	The Group operates in regions with an elevated risk of corruption and must actively promote an ethical business culture and anti-corruption measures as an integral part of our corporate responsibility to protect our reputation and stakeholder interests.	Corruption poses a risk to the Group, as it may incur legal sanctions, reputational damage, loss of business opportunities and decreased employee morale.	Zero-tolerance policy towards corruption. Committed to conducting business in accordance with our Business Code of Conduct, applicable laws, regulations, and international guidelines on anti-corruption. Business relations that don't comply with the Business Code of Conduct or policy will be terminated. Employees are trained on ethical business conduct and how to handle ethical dilemmas they may encounter. Concerns about corruption can be reported through independent internal or external channels, including anonymous reporting.
Feed quality	○	Optimal nutritional composition is essential to ensure good animal welfare, fish growth and product quality.	Suboptimal feed composition may result in nutrient deficiencies and reduced growth. Poor feed quality may result in low levels of essential nutrients like vitamins, minerals, and fatty acids in finished products. Presence of undetected harmful contaminants may pose a health risk for fish or, in the worst case, for humans, leading to liability claims.	Close collaboration with feed manufacturers to tailor feed composition to our specifications. Continuous monitoring and testing of feed ingredients and certification of raw materials. Monitoring and analysis of fish to ensure low levels of contaminants in accordance with legislation.
Food safety, product quality, customer satisfaction	○	The Group sells seafood to consumers. The seafood we sell must be safe for consumers to eat.	The Group's sales are reliant on full confidence in food safety. Such confidence is a prerequisite for demand for the Group's products, and therefore its profitability. Any decline in food safety or product quality could have negative repercussions and result in lower customer satisfaction. Publications with a negative message may also affect customer satisfaction.	The Group has comprehensive processes and routines to ensure and verify food safety and a culture for food safety. By using the Lerøy brand on packaging, the Group communicates a focus on quality and food safety throughout the entire value chain. Frequent tests and quality assurance procedures to confirm the required level of product quality. Make demands on the suppliers relating to the quality of raw materials/input factors in our products.

Risks related to our supply chain and production

Risk	Type	Description	Potential consequences	Action to reduce risk
HSE	O	Safety first. The Group shall have safe working conditions for its employees, ensuring that operations can be performed without any risk. This has highest priority.	Higher number of accidents involving injuries and, in the worst case scenario, fatalities.	Considerable focus on training, guidance, mentoring and compliance with procedures. Continuous evaluation and analysis of HSE measurements. HSE review as an integral part of continuous operational follow-up. Group HSE Lead. Leadership development.
Human rights violations	S+F	Lerøy has a very complex value chain, where many people are involved in many different countries.	Breach of our Supplier Code of Conduct and human rights.	See the Group's Sustainability library for further details
IT security risk	O+S	Vulnerable IT infrastructure, digital dependence and unsatisfactory cybersecurity, combined with complex and unknown problems.	Potential threats to the company's finances and reputation, and theft of critical business information.	Focus on preventive IT security work Stringent regime for security updates. Continuous monitoring of specific parts of ICT systems. Plans detailing how the company shall take action during and after a cyberattack. Training and information campaigns.
Smolt strategy/ smolt production	F+O	The Group has invested heavily in top-modern technology and facilities to produce bigger, more robust smolt to shorten the production time in the sea phase for salmon and trout.	Failing to shorten the sea phase or producing robust fish will lead to increased costs related to treatments, delousing and increased mortality.	R&D efforts with industry partners and academia to optimise rearing conditions, biological factors and production strategies.
Sabotage	F+O	Given that some environmental organisations aim to eliminate fish farming or animal production, the risk of sabotage cannot be completely dismissed.	Depending on the form, sabotage may negatively affect fish welfare, lead to escapes, or threaten the safety of our employees.	Continuous dialogue with stakeholders. Safety measures at all our farming facilities include video surveillance and regular visual control of the cages to avoid escape incidents.
Traceability	O	The Group must ensure full traceability for its products in order to ensure reliability, confidence and food safety.	Without traceability, the Group will not have control and will be in breach of regulatory requirements.	Continue to build upon internal requirements, carry out audits and further develop the Group's electronic traceability systems. Fishtrack (online tracking system) with extended tracking solutions for customers (blockchain etc.).

Regulatory risks

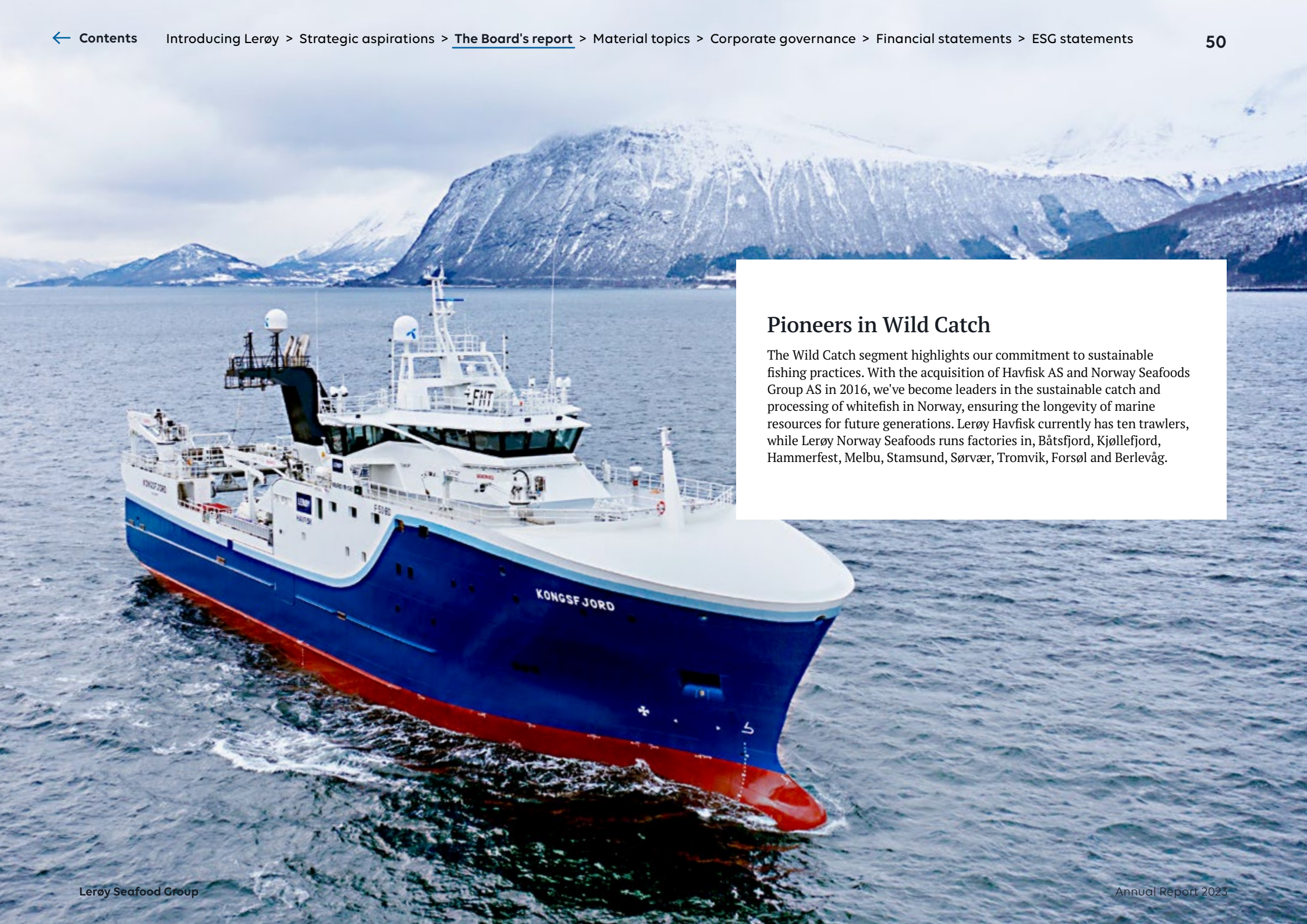
Risk	Type	Description	Potential consequences	Action to reduce risk
Certification requirements	S+O	The consumers appreciate products with certificates, and the grocery chains etc. are increasingly demanding certification.	Loss of market share if Lerøy is not able to offer certification as requested now or in the future. The customers will choose other products with the correct certification.	Take a leading role in terms of existing and new potential certification. Implement stringent requirements for own production and verify this with own certification/ requirements. (STP 86 Salmo Salar).
Change in maximum allowable biomass/licence conditions	O	The Norwegian traffic light scheme may result in reductions to maximum allowable biomass in certain (vulnerable) geographical areas.	Reduced biomass will result in lower production and lower profit.	High operational focus to ensure compliance with framework conditions laid down by authorities. Regular dialogue with authorities. Testing and documentation of seabed conditions and other environmental factors around the sea cages to clearly communicate no/low impact on environment. Continue strategy for onshore smolt/ post-smolt facilities to reduce the period of time the fish are held in open sea cages.
EU competition authorities	F	On 20 February 2019, the EU competition authorities ("the EU Commission") started an investigation into suspected anti-competitive practices in the salmon market. Lerøy Seafood Group ASA is one of the companies named in the case.	See the Board of Directors' report for further comments.	See the Board of Directors' report for further comments.
Resource rent tax	S+F+O	The Norwegian government has introduced a resource rent tax on the sea phase farming of salmon and trout in Norway.	Substantial reduction in the Group's capital base, which is a prerequisite for future development. See the Group's consultation submission for more information: https://www.leroyseafood.com/globalassets/leroy-seafood/about-leroy/news/norge-taper/220401-leroy-horingssvar.pdf .	Ensure policy makers have access to the right information, where consequences of regulatory changes are made clear.
Limitations for production in open sea cages	O+S	In general, stronger focus on reduced environmental impact around sea cages. Canada has introduced a ban on open sea cages in certain areas.	Requirement for closed cages will entail significant investments. May make onshore farming more attractive. Restrictions in terms of locations, sill fjords, prohibitions, distance from river mouths etc..	Regular dialogue with authorities. Testing and documentation of seabed conditions and other environmental factors around the sea cages to clearly communicate no/low impact on environment. Technological developments. Create strategy and plan for onshore smolt/post-smolt facilities and/or closed/ semi-closed facilities.
More stringent requirements on bottom trawling	O	Some interest groups may be critical of bottom trawling.	Bottom trawling can have a negative impact on seabed conditions, which may result in restrictions on use.	Clear guidelines for trawling areas Protection of vulnerable areas. R&D and skills development. Assess use of other fishing equipment.

Regulatory risks

Risk	Type	Description	Potential consequences	Action to reduce risk
Negative media coverage	S+O+F	Both fish farming companies and wild fisheries are subject to criticism from NGOs, research communities and other stakeholders.	Widespread criticism of our operations may negatively affect the public's view of our production and lower the demand for our products, or inspire restrictive legislation affecting our business.	Communication with stakeholders through meetings, annual reporting and environmental reporting through initiatives such as GRI and CDP.
New regulations, compliance with legislation and regulations	O	Breach of legislation and regulations, including codes of conduct. Implementation of new regulations.	Sanctions, penalties, negative impact on the company and earnings.	Continuous training, information campaigns. Close contact with legislative bodies. Monitoring, control and audit.
Political risk	O	The Group is a significant owner of farming licences in Norway and the UK, and of wild catch quotas in Norway.	Changes in framework conditions, including lack of predictability, may inhibit long-term investments and impair competitiveness for the industry and the Group over time.	True to the Group's objectives, Lerøy is a major contributor to the communities where we have operations. Providing information on our industry and operations, and a long-term perspective in the Group's investments and decisions, are prerequisites for a mutual understanding of what it takes to succeed in a global and competitive industry.
Requirement for low/zero emissions from service boats	O	The Government's climate plan 2021–2030 includes a requirement for low or zero emissions from service boats in the aquaculture industry, and will be introduced stepwise from 2024.	Changeover to battery/hydrogen propulsion for service boats.	Closely follow developments to allow the changeover from fossil fuels to alternatives with a lower environmental footprint.
Sustainable change	S+O+F	Uncertainties concerning the successful strategy for achieving sustainable change to low emissions society.	Not possible to achieve necessary cuts in greenhouse gas emissions. The company is not able to satisfy investment requirements. The company does not qualify for the terms and conditions provided by the banks for green loans.	Detailed sustainability strategy with specific ambitions, goals and measures. Continuous and comparable sustainability reporting that is relevant to decisions. Strategic investments in innovative and sustainable solutions.
Trade barriers	O	The seafood industry is international. The Group's operations relating to raw materials mainly take place in Norway, and Norway is a significant exporter of seafood.	Trade barriers have been and will remain a considerable risk factor for the industry. Trade barriers have had and are likely in the future to have an impact on demand for and, consequently, pricing of the Group's products.	By ensuring sales to a large number of markets, the Group is less reliant on individual markets, thereby reducing risk.

Climate and environmental risks

Risk	Type	Description	Potential consequences	Action to reduce risk
Climate transition risk	S+O+F	Increased focus on climate change may drive forward new legislation affecting our operations through carbon taxes, emission caps, green financing etc..	Increased operational costs and loss of future business opportunities if we fail to successfully transition according to new expectations and regulations. Failure to qualify for green loans.	Understand, measure performance and create plans and strategies for further improvements to environmental sustainability. Form alliances, enter into new R&D partnerships and boost existing ones. Finance green and sustainable innovation projects/ research and invest in sustainable and innovative technologies, which are a key element in the transition to a low-emissions society.
"Ghost fishing" and loss of equipment/ plastic in the sea	O	Lerøy fishes with trawls, and the level of loss of fishing equipment with this method is low. Other catch methods than those used by the Group are vulnerable to ghost fishing. This is when lost fishing equipment continues to catch fish after it has been lost in the sea. We work actively with our suppliers to avoid loss of equipment.	Incidents such as oil spills and chemical leaks may severely affect the health and performance of our fish and may ultimately affect our products making them unsafe for human consumption.	Each company in our value chain has its own Quality Department with expert personnel who continuously monitor potentially harmful substances and pollutants in all our products. All farming sites have updated plans and trained personnel in case of emergencies such as local marine pollution.
Physical climate risk	S+O+F	Extreme weather events and temperature levels are expected to increase due to global warming and climate change.	Extreme weather may damage equipment, lead to escapes, or otherwise obstruct our operations, thus driving up operational costs. Rising sea temperatures may affect fish welfare or cause favourable conditions for harmful algae blooms.	Thorough assessments prior to selection of plant and equipment in order to ensure they are appropriate for our operating environments. All farming sites regularly undergo maintenance and supervision to safeguard our facilities from extreme weather conditions. Good understanding of risks to ensure appropriate insurance. Environmental factors such as oxygen concentration and temperature are constantly monitored during feeding and other operations. Risk-based algae monitoring in cooperation with authorities and other parties. Emergency plans to reduce consequences. See the TCFD report for further details.
Raw material availability/ Feed availability / Feed prices	O+F	Availability and prices of raw materials, such as fish oil, fish meal, soybean concentrate and other cereals used in feed, fluctuate with a range of factors such as harvest volumes, weather phenomena and global events, and are likely to be affected by a changing climate.	Global aquaculture production is growing, and increased demand and shortages of feed ingredients will increase feed prices and in turn affect our profitability.	R&D efforts and strategic partnerships to develop new alternative feed ingredients.



Pioneers in Wild Catch

The Wild Catch segment highlights our commitment to sustainable fishing practices. With the acquisition of Havfisk AS and Norway Seafoods Group AS in 2016, we've become leaders in the sustainable catch and processing of whitefish in Norway, ensuring the longevity of marine resources for future generations. Lerøy Havfisk currently has ten trawlers, while Lerøy Norway Seafoods runs factories in, Båtsfjord, Kjøllefjord, Hammerfest, Melbu, Stamsund, Sørvær, Tromvik, Forsøl and Berlevåg.

EU Taxonomy

In the 2022 annual report, Lerøy Seafood Group (LSG) voluntarily reported the relevant eligible activities identified pursuant to Article 8 of the EU Taxonomy Regulation (2020/852) and the supplementing delegated acts. 2023 is therefore the first year LSG submits a full report in accordance with the EU Taxonomy's formal requirements.

LSG's core activities comprise a vertically integrated value chain to produce salmon and trout; catches of whitefish; the processing, purchasing, sales, marketing and distribution of seafood; product development and the development of strategic markets. These activities are not yet covered by the EU Taxonomy, which results in a relatively low share of taxonomy-eligible and taxonomy-aligned economic activities. LSG expects that this will change and develop when its core activities are implemented in the EU Taxonomy at a future date.

However, it is important to specify LSG's high performance of sustainable activities throughout the integrated value chain not covered by the taxonomy, and that these activities are described in more detail in the Sustainability library which can be found on LSG's website (<https://www.leroyseafood.com/>).

The taxonomy process at LSG

Interpretation of regulations and the substance of the criteria has been an important part of implementing the EU Taxonomy at LSG. To build competence and knowledge related to the EU Taxonomy and its reporting requirements, all of the relevant activities

were assessed, even if the KPI was very small or not significant. The interpretation and understanding underpinning the report reflect the best knowledge available at the time.

LSG has approached EU Taxonomy reporting using a step-by-step model.

Step 1 – mapping eligible activities

In step one, LSG has identified all the eligible activities across the environmental objectives. This involves reviewing the company's value chains and identifying turnover, capital expenditures (CapEx) or operational expenditures (OpEx) for activities covered by the regulation in the reporting year in order to obtain a complete overview of the company's financial activities.

Step 2 – determining alignment

Step two involved a review of technical specifications and documentation to assess whether the activity in step 1 achieved the technical requirements of the EU Taxonomy. This also included assessment of the "do no significant harm" criteria, including a physical climate risk assessment for all taxonomy-aligned activities.

This phase required a thorough understanding of the various activities and it was necessary to involve several parts of the organisation, as well as obtain information from any environmental management systems and suppliers. Alignment related to criteria for minimum safeguards was also determined in this step.

Step 3 – linking activities to financial KPIs

This step entailed identifying turnover, investments (CapEx) and costs (OpEx) related to the activities in steps 1 and 2. This involved detailed mapping and assessment of which items in the accounts are to be included in the numerator and denominator for the three different KPIs.

Step 4 – prepare taxonomy report

In step 4, LSG prepared the qualitative part of the taxonomy report that explains the assumptions on which the analysis is based, and otherwise meets the formal requirements in the delegated act on reporting requirements.

Eligibility and alignment

LSG has evaluated alignment with Climate Change Mitigation (CCM). No relevant economic activities have been identified under Climate Change Adaptation (CCA).

LSG has identified 12 eligible activities within the sectors of energy, transport, construction and real estate. Eight of these activities are aligned with the requirements of the taxonomy.

Energy

Eligible activities in the energy sector are all related to the Farming segment in Norway. The activities "Transmission and distribution of electricity (CCM 4.9)", "Storage of electricity (CCM 4.10)", and "Installation and operation of electric heat pumps (CCM 4.16)" are all identified as eligible, based respectively on an upgrading of a power grid for better capacity, installation of a battery pack in a feeding barge, and installation of electric heat pumps in three locations.

The assessment verifies alignment with "Storage of electricity (CCM 4.10)", and "Installation and operation of electric heat pumps (CCM 4.16)".

Transport

Within the transport sector, the following eligible activities have been identified: "Transport by motorbikes, passenger cars and light commercial vehicles (CCM 6.5)", "Freight transport services by road (CCM 6.6)" in the Farming and VAP, Sales and Distribution segment. The activity "Sea and coastal freight water transport, vessels for port operations and auxiliary activities (CCM 6.10)" has been identified in the aquaculture segment.

Most of the vehicles and trucks in CCM 6.5 and CCM 6.6 use fossil fuel and will therefore not be aligned on the basis of emission criteria. However, some of the

electric cars used for personnel transport in CCM 6.5 are assessed as aligned.

For the activity "Sea and coastal freight water transport (CCM 6.10)" there has been an extensive process involving the shipping companies with respect to determining alignment. The results show that none of the well boats used to transport smolt and salmon for slaughter meet the criteria for alignment.

Construction and real estate

Six different eligible activities have been identified in the construction and real estate sector. The activities are found in all the segments (wild catch, aquaculture and VAP), both in Norway and in Europe, and are: "Construction of new buildings (CCM 7.1)", "Renovation of existing buildings (CCM 7.2)", "Installation, maintenance and repair of energy efficiency equipment (CCM 7.3)", "Installation, maintenance and repair of charging stations for electric vehicles in buildings (CCM 7.4)", "Installation, maintenance and repair of renewable energy technologies (CCM 7.6)", and "Acquisition and ownership of buildings (CCM 7.7)".

The aligned activities in the construction and real estate sector are related to the installation of LED lights (CCM 7.3), the installation of electric chargers for cars and trucks (CCM 7.4), and the installation of heat pumps and solar panels (CCM 7.6). The alignment has been evaluated on the basis of documentation from equipment suppliers. The rest of the activities (CCM 7.1/7.2/7.7) in this sector are not aligned.

Compliance with minimum safeguards

The purpose of the minimum social safeguards is to verify establishment of procedures and processes to ensure good corporate governance related to human rights, tax, corruption and bribery, and fair competition. Compliance with social minimum requirements is a prerequisite for assessing an economic activity as aligned.

To ensure compliance with the minimum safeguards criteria, LSG has carried out an in-depth comparison of its current policies and documentation with the requirements in the taxonomy. This includes evaluation of the Principal Adverse Impacts (PAI) indicators given in the Commission Delegated Regulation (EU) 2022/1288 Annex I, Table 1. The PAI indicators relate to social and employee matters, respect for human rights, anti-corruption and anti-bribery.

On the whole, as a global Group, LSG has implemented procedures and policies to ensure that its economic activities are carried out in alignment with the OECD Guidelines for Multinational Enterprises (OECD MNE Guidelines), the UN Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work; and the International Bill of Human Rights. LSG is committed to conducting human rights due diligence in line with the UNGPs, OECD MNE Guidelines and the Norwegian Transparency Act.

Based on this, LSG complies with the minimum safeguards in the taxonomy.

KPIs and accounting policies

The taxonomy uses three key performance indicators whose purpose is to provide an overview of how “green” the company is today and where it is heading. This accords with the requirements set out in the taxonomy, which does not presently cover seafood. The KPIs include the turnover KPI, the capital expenditure (CapEx) KPI and the operating expenditure (OpEx) KPI.

Since 2023 is the first reporting period in which the KPIs must include an assessment of taxonomy alignment, LSG has not presented comparative figures on alignment.

When a CapEx or OpEx was identified as relevant to several economic activities, a differentiation was made to avoid any double counting in the numerator of turnover, CapEx, and OpEx KPIs across the economic activities. This was done in the process of mapping the eligible activities.

The consolidated accounting policies in LSG are presented in their entirety in Note 1 Accounting policies.

Turnover (revenue)

Turnover provides an overview of the current situation and gives the amount of LSG’s revenue derived from eligible and aligned activities. Operating revenue is defined by IAS 1.82(a). Total turnover consists of total revenue from sale of goods, as defined in the IFRS Accounting Standards.

The turnover KPIs are defined as taxonomy-eligible and taxonomy-aligned turnover divided by total turnover.

LSG has no turnover related to eligible economic activities, which therefore means there is 100% non-eligible reporting in this KPI.

Capital expenditure (CapEx)

The CapEx provides the amount of the Group’s investments relating to eligible and aligned activities. Total CapEx consists of additions to fixed assets (including right-of-use assets) and intangible assets. Additions resulting from business combinations are also included. This is further described in Note 7 Intangible assets, Note 8 Leases and Note 9 Fixed assets. Goodwill is not included in CapEx as it is not defined as an intangible asset in accordance with IAS 38. The CapEx KPIs are defined as taxonomy-eligible and taxonomy-aligned CapEx divided by total CapEx.

Installation of electric heat pumps and measures relating to construction make up most of the numerator of the CapEx KPI. The activities defined as aligned make up a small proportion of the total.

LSG has CapEx plans for the coming years, but they are presently not aligned with the requirements set for CapEx plans in the EU Taxonomy. A key reason for this is that only a small proportion of the Group’s activity is currently encompassed by the taxonomy.

Operating expenditure (OpEx)

The OpEx provides an overview of the operation and gives the amount of LSG’s operational expenses relating to eligible and aligned activities.

Operating costs in the denominator are limited to the costs specifically stated in the taxonomy:

- R&D costs
- Short-term leases
- Repair and maintenance costs
- All other direct costs necessary to maintain such assets
- Costs related to renovation of buildings

Research and development costs cover projects that do not meet the specific criteria for capitalisation as intangible assets.

Short-term leases and leases for low value assets are described in Note 8 Leases.

The repair and maintenance cost consists of expenses that do not qualify for capitalisation as part of the relevant asset. The costs specifically stated in the EU Taxonomy are categorised by function. Therefore, these expenses are only partly visible in LSG’s financial reporting, because LSG presents its operating expenses by nature and not by function. Repair and maintenance activities consist of different cost categories by nature, such as payroll expenses, consumables, spare parts and various services included in other operating costs. The total expense related to these activities has been based on both actual costs from some reporting units and estimates from other reporting units. This means that the total cost reported is not necessarily fully consistent. The OpEx KPIs are defined as taxonomy-eligible and taxonomy-aligned OpEx divided by total OpEx.

One aligned activity associated with the definition of OpEx have been identified (installation of LED lights), the rest of the eligible activities are not aligned. The

short-term hire of well boats accounts for the majority of numerators. Some repair and maintenance costs are also included.

LSG's vision is to become the leading and most profitable global supplier of sustainable, high-quality seafood. As of the present date, a small proportion of the Group's activities is taxonomy eligible. However, the taxonomy may eventually become an important management tool to achieve this goal.

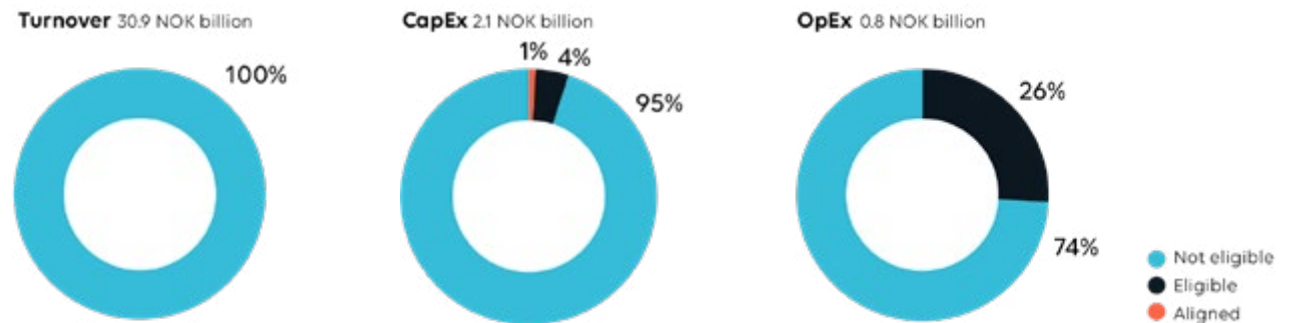
Nuclear and fossil gas-related activities

The table below provides the disclosure requirement for LSG's exposure to nuclear and fossil gas-related activities.

Row	Nuclear energy-related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas-related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cooling and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cooling using fossil gaseous fuels.	No

Performance

The figure below shows the overall performance of eligibility and alignment related to turnover, CapEx and OpEx.



The following tables present LSG's KPIs according to Annex II to the Disclosures Delegated Act for turnover, CapEx and OpEx.

KPI Turnover

All figures in NOK 1 000

Financial year N	2023			Substantial contribution criteria						DNSH criteria									
	Codes	Turnover	Proportion of Turnover, year N	Climate mitigation	Climate adaptation	Water	Circular economy	Pollution prevention	Biodiversity	Climate mitigation	Climate adaptation	Water	Circular economy	Pollution prevention	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) Turnover, year N-1	Category enabling activity	Category transitional activity
Economic activities		NOK	%	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	%	E	T
A. Taxonomy-Eligible Activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		Y	Y	Y	Y	Y	Y	0.00%		
Of which Enabling		0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		Y	Y	Y	Y	Y	Y	0.00%	E	
Of which Transitional		0	0.00%	0.00%							Y	Y	Y	Y	Y	Y	0.00%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
A. Turnover of Taxonomy eligible activities (A.1 + A.2)		0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
B. Taxonomy-Non-Eligible Activities																			
Turnover of Taxonomy-non-eligible activities (B)		30 869 712	100.00%																
Total (A + B)		30 869 712	100.00%																

KPI CapEx

All figures in NOK 1 000

Financial year N	2023			Substantial contribution criteria						DNSH criteria									
	Codes	CapEx	Proportion of CapEx, year N	Climate mitigation	Climate adaptation	Water	Circular economy	Pollution prevention	Biodiversity	Climate mitigation	Climate adaptation	Water	Circular economy	Pollution prevention	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year N-1	Category enabling activity	Category transitional activity
		NOK	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	%	E	T
A. Taxonomy-Eligible Activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Installation and operation of electric heat pumps	CCM 4.16	3 567	0.17%	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.00%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	157	0.01%	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.00%	E	
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	4 362	0.21%	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.00%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	4 103	0.20%	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.00%	E	
Storage of electricity	CCM 4.10	2 247	0.11%	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.00%	E	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1 888	0.09%	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.00%		T
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		16 324	0.79%	0.79%	0.00%	0.00%	0.00%	0.00%	0.00%		Y	Y	Y	Y	Y	Y	0.00%		
Of which Enabling		10 870	0.53%	0.53%	0.00%	0.00%	0.00%	0.00%	0.00%		Y	Y	Y	Y	Y	Y	0.00%	E	
Of which Transitional		1 888	0.09%	0.09%							Y	Y	Y	Y	Y	Y	0.00%		T

Financial year N	2023			Substantial contribution criteria						DNSH criteria									
	Codes	CapEx	Proportion of CapEx, year N	Climate mitigation	Climate adaptation	Water	Circular economy	Pollution prevention	Biodiversity	Climate mitigation	Climate adaptation	Water	Circular economy	Pollution prevention	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year N-1	Category enabling activity	Category transitional activity
Economic activities																			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Acquisition and ownership of buildings	CCA 7.7/CCM 7.7	4 746	0.23%	EL	N	N/EL	N/EL	N/EL	N/EL								0.00%		
Construction of new buildings	CCA 7.1/CCM 7.1/CE 3.1	28 725	1.39%	EL	N	N/EL	EL	N/EL	N/EL								0.00%		
Freight transport services by road	CCA 6.6/CCM 6.6	3 323	0.16%	EL	N	N/EL	N/EL	N/EL	N/EL								0.00%		
Installation and operation of electric heat pumps	CCA 4.16/CCM 4.16	2 178	0.11%	EL	N	N/EL	N/EL	N/EL	N/EL								0.00%		
Renovation of existing buildings	CCA 7.2/CCM 7.2/CE 3.2	45 010	2.19%	EL	N	N/EL	EL	N/EL	N/EL								0.00%		
Transmission and distribution of electricity	CCA 4.9/CCM 4.9	130	0.01%	EL	N	N/EL	N/EL	N/EL	N/EL								0.00%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCA 6.5/CCM 6.5	1 114	0.05%	EL	N	N/EL	N/EL	N/EL	N/EL								0.00%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		85 225	4.14%	4.14%	4.14%	0.00%	3.58%	0.00%	0.00%								0.00%		
A. CapEx of Taxonomy eligible activities (A.1 + A.2)		101 549	4.93%	4.93%	4.93%	0.00%	3.58%	0.00%	0.00%								0.00%		
B. Taxonomy-Non-Eligible Activities																			
CapEx of Taxonomy-non-eligible activities (B)		1 957 947	95.07%																
Total (A + B)		2 059 496	100.00%																

KPI OpEx

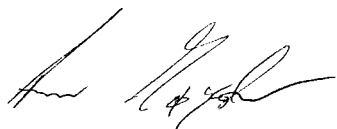
All figures in NOK 1 000

Financial year N	2023			Substantial contribution criteria						DNSH criteria									
	Codes	OpEx	Proportion of OpEx, year N	Climate mitigation	Climate adaptation	Water	Circular economy	Pollution prevention	Biodiversity	Climate mitigation	Climate adaptation	Water	Circular economy	Pollution prevention	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year N-1	Category enabling activity	Category transitional activity
		NOK	%	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N;/EL	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	%	E	T
A. Taxonomy-Eligible Activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	82	0.01%	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.00%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		82	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%		Y	Y	Y	Y	Y	Y	0.00%		
Of which Enabling		82	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%		Y	Y	Y	Y	Y	Y	0.00%	E	
Of which Transitional		0	0.00%	0.00%							Y	Y	Y	Y	Y	Y	0.00%		T

Financial year N	2023			Substantial contribution criteria						DNSH criteria					Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year N-1	Category enabling activity	Category transitional activity
	Codes	OpEx	Proportion of OpEx, year N	Climate mitigation	Climate adaptation	Water	Circular economy	Pollution prevention	Biodiversity	Climate mitigation	Climate adaptation	Water	Circular economy	Pollution prevention				
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Installation, maintenance and repair of energy efficiency equipment	CCA 7.3/CCM 7.3	429	0.05%	EL	N	N/EL	N/EL	N/EL	N/EL							0.00%		
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCA 6.10/CCM 6.10	210 007	25.02%	EL	N	N/EL	N/EL	N/EL	N/EL							0.00%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCA 6.5/CCM 6.5	4 532	0.54%	EL	N	N/EL	N/EL	N/EL	N/EL							0.00%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		214 967	25.62%	25.62%	25.62%	0.00%	0.00%	0.00%	0.00%							0.00%		
A. OpEx of Taxonomy eligible activities (A.1 + A.2)		215 049	25.62%	25.62%	25.62%	0.00%	0.00%	0.00%	0.00%							0.00%		
B. Taxonomy-Non-Eligible Activities																		
OpEx of Taxonomy-non-eligible activities (B)		624 170	74.38%															
Total (A + B)		839 219	100.00%															

Bergen, April 29 2024

The Board of Lerøy Seafood Group ASA



Arne Møgster
Chair of the Board



Didrik Munch
Board member



Karoline Møgster
Board member



Britt Kathrine Drivenes
Board member



Are Dragesund
Board member



Siri Lill Mannes
Board member



Hans Petter Vestre
Board member



Henning Beltestad
CEO



Material topics

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Materiality assessment

Lerøy Seafood Group carried out its first materiality assessment in 2016, with updates in 2020. In the autumn of 2022, the Group performed a completely new materiality assessment in accordance with the requirements set out in the GRI Standards 2021.

- In order to verify the validity of the materiality assessment undertaken in 2022, a review of the assessment was carried out in November 2023. This is an important exercise, since 2023 is the year the sector standard GRI 13 "Agriculture, Aquaculture and Fishing Sectors 2022" is fully implemented. Since there are no specific changes in the Group's value chain in 2023, the review revealed only few changes in the Group's assessment
- The assessment for 2022 included four internal topics, Results and process, Compliance, Customers perspective and Learning and organisational development. These are no longer a part of the materiality assessment but are included in the Groups KPIs. In addition to this we have included "Climate adaption and resilience" as a new topic and changed the name of some of our previous topics. The organisation has not tested the topics on other stakeholders than the Management Team, the Audit Committee and the Board of Directors, as it considers the assessment process to be sufficient in defining the material topics

In order to determine material topics, Lerøy completed the following steps:

- Identified the stakeholders which are the most important to the organisation, customers, suppliers, business partners, employees, regulators and community representatives
- Identified a range of potential material topics, based on own materiality assessment, GRI 13 Sector Standard, Collier FAIRR Protein Producer Index, EU Taxonomy and other relevant frameworks, which the stakeholders had to assess with regard to their relevance to them and the Group
- Conducted the investigation via a survey and through in-depth interviews with stakeholders to get their opinion on significant topics
- Requested the stakeholders to prioritise and assess the importance and impact of significant topics that we suggested to them, and asked them to point out the most relevant ones for Lerøy Seafood Group seen from their perspective
- Assessed the following questions internally for the different topics: How grave is the impact? How widespread is the impact? How hard is it to counteract or remedy the resulting harm?
- Prioritised material issues based on their actual and potential, negative and positive, impacts on the economy, environment and people, including impacts on human rights. The material topics that were defined as relevant are those which the organisation has or can have the greatest positive or negative impact on

Double materiality assessment

For 2024, the Group will report according to EU's Corporate Sustainability Reporting Directive (CSRD). This means that companies must report not only on how their own activities, including their value chain, impact people and the environment (impact materiality), but also how sustainability issues might create financial risks or opportunities for the company (financial materiality). The Group is currently carrying out its first double materiality assessment.

Material topics



Climate emissions

Scope 1, 2, 3

Included in previous reporting period.



Climate adaptation and resilience

Climate change – related risks

New material topic in 2023 (GRI 13)



Biodiversity

Escapes and sea lice

Included in previous reporting period.



Water and effluents

Water withdrawal and risk assessment

Included in previous reporting period.



Waste

Circularity

Included in previous reporting period.



Food security

100 % fish
More food for human consumption

Included in previous reporting period.



Food safety

Product recalls

Included in previous reporting period.



Animal health and welfare

Survival

Changed from "Fish health and welfare".



Occupational health and safety

H1 value/LTIFR and sickness absence rate

Changed from "Health, safety and environment"



Supply chain traceability

Audits and supplier code of conduct

Changed from "Supplier management"



Anti-corruption and Anti-competitive behavior

Fines

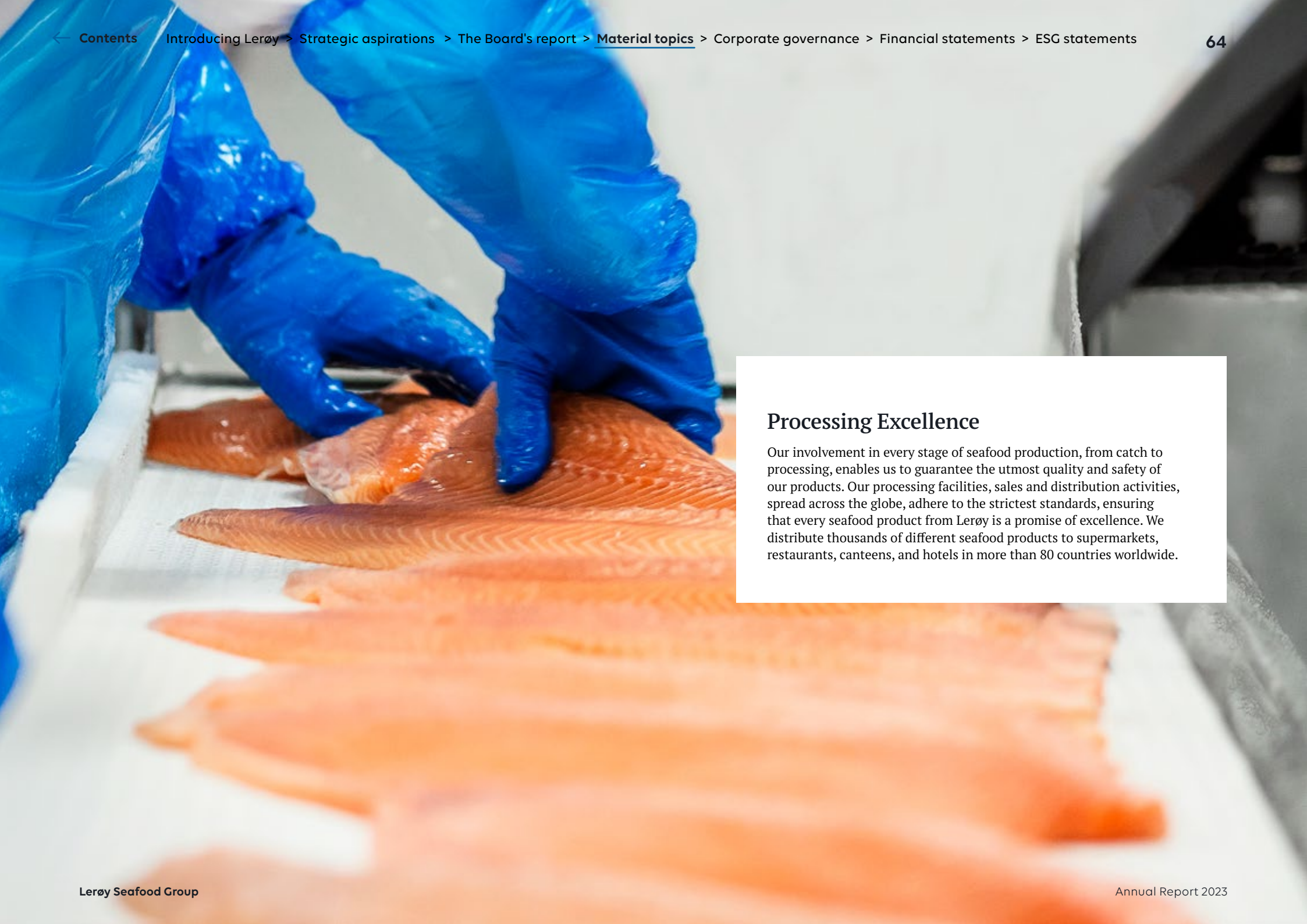
Included in previous reporting period.



Raw materials fish feed

Scope 3

Included in previous reporting period.



Processing Excellence

Our involvement in every stage of seafood production, from catch to processing, enables us to guarantee the utmost quality and safety of our products. Our processing facilities, sales and distribution activities, spread across the globe, adhere to the strictest standards, ensuring that every seafood product from Lerøy is a promise of excellence. We distribute thousands of different seafood products to supermarkets, restaurants, canteens, and hotels in more than 80 countries worldwide.

Environmental sustainability

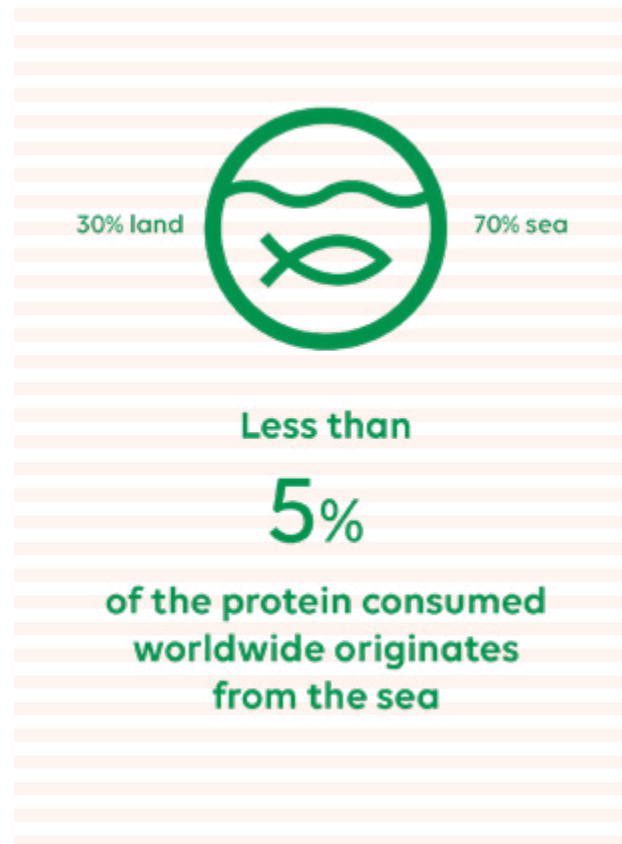
Lerøy Seafood Group operates with an eternal perspective. We will take care of the environment, strive to minimise our adverse impacts and attempt to restore the environment to its initial state.

As a seafood company, both producing in and harvesting from the sea, it is imperative for the Group to keep the oceans clean and healthy. We strive to reduce our carbon footprint and minimise our impact on wild habitats and wild salmon stocks.

Lerøy's goal is to build the most efficient and sustainable value chain for seafood. We work continuously to reduce our carbon footprint throughout the value chain, and have made considerable investments in many areas with that in mind.

The world's growing population, and its expanding middle class, needs more and more food. Today, oceans cover more than 70% of the world's surface, but less than 5% of the protein consumed worldwide originates from the sea. Lerøy considers that the seafood industry has an important role to play in supplying sustainable food for a growing global population.

All types of food production leave an environmental impact. Although seafood releases a relatively small amount of carbon into the atmosphere compared to other types of animal protein production, the Group will strive to find the most sustainable systems for our value chain. Through close cooperation with its customers



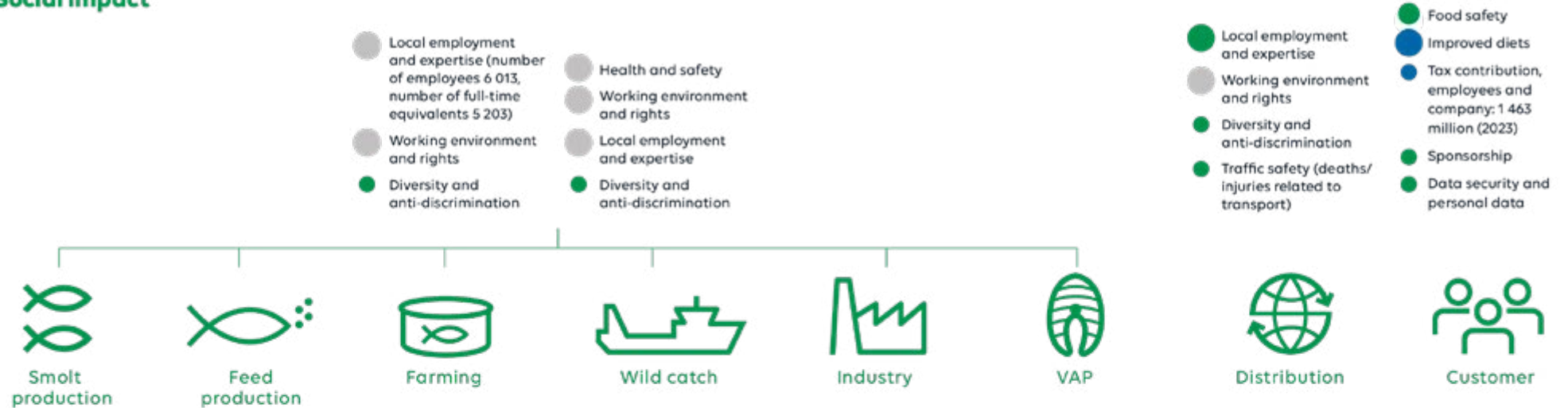
and suppliers, Lerøy Seafood Group is constantly seeking ways to implement improvements that can reduce the Group's environmental footprint.

As a responsible producer of seafood, the Group has an obligation to help sustainably manage our shared natural resources. Without practicing it, the foundation for our business becomes unsustainable. The Group has developed a Sustainability Library on its web page. The library provides an extensive overview of information regarding Lerøy's sustainability efforts, performance and results. The library is an integral part of the Group's annual report and contains both TCFD report as well as GRI Content Index.

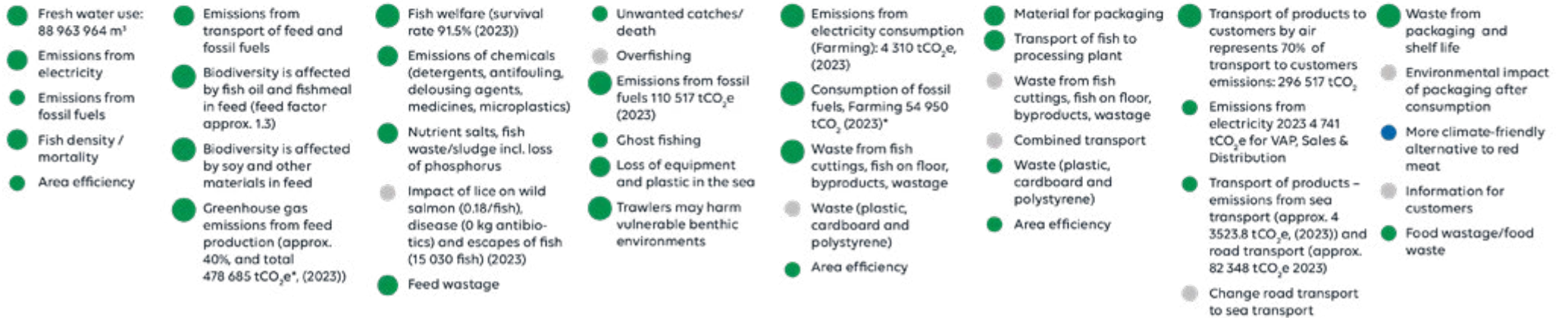
In the annual Protein Producer Index from Coller FAIRR, the Group was ranked No. 2 in 2023, due to overall risk score. The score is based on companies' public disclosures on how it manage ESG risks, their policies and practices. Coller FAIRR Protein Producer Index, assesses 60 of the largest, listed global meat, dairy and aquaculture companies in relation to 10 environmental, social and governance topics aligned with the United Nations Sustainable Development Goals (SDGs) [FAIRR website](#)

Value chain analysis

Social impact



Environmental impact



*) Description of methodology used and assumptions made in developing the greenhouse gas statements can be found at <https://www.leroyseafood.com/en/sustainability/sustainability-library-2023/climate/>

● Low ● Medium ● High ● Positive ● Potential
The size illustrate the impact

Material topics

environmental sustainability

Greenhouse gas (GHG) emissions

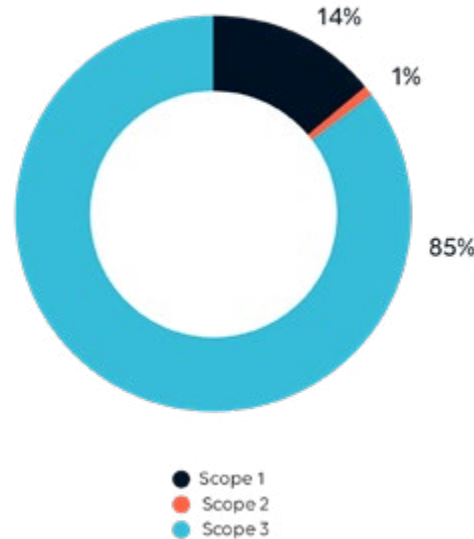
The Group will work systematically to reduce own carbon footprint as well as the carbon footprint of our value chain.

Lerøy participates in the Science Based Targets initiative and has committed to reduce its overall Scope 1, 2 and 3 emissions with 46% by 2030. Lerøy has an ambition to become climate neutral by 2050.



The Group will reduce greenhouse gas emissions with 46% by 2030. Lerøy has an ambition to be climate neutral by 2050.

Scope 1, 2 and 3 emissions (2023)



To achieve this goal, we will explore a range of strategies that focus on reducing our greenhouse gas emissions, help us establish responsible business practices and contribute transitioning to a low-carbon economy. The Group will also explore opportunities that climate change is providing and how climate change is affecting our wide value chain. Lerøy Seafood Group is aware of its duty to contribute to taking action on climate change by reducing its greenhouse gas emissions.

The organisation emits GHG through its operations. Lerøy is performing GHG reporting (Scope 1, 2 and 3) in order to monitor and control own and relevant supply chain emissions and to be able to take appropriate measures for reducing its GHG emissions.

The Group has identified the main sources of its GHG emissions.

In order to reach our greenhouse gas emission reduction target, we have initiated three projects. These projects target our most significant sources of greenhouse gas emissions:

- Sustainable fish feed
- Transportation
- Alternative fuel source

Targets and results

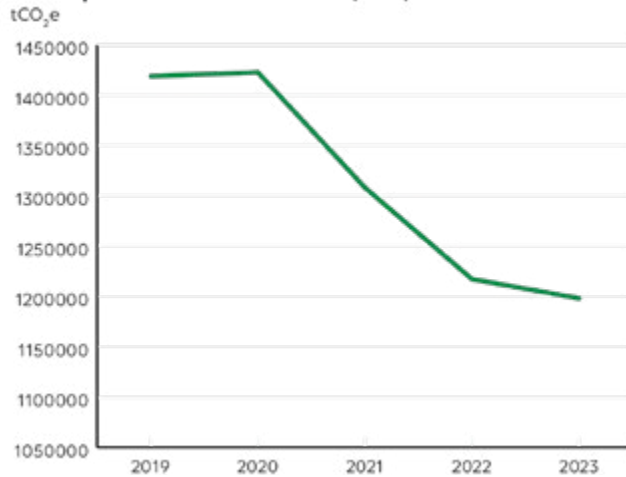
Reduction of greenhouse gas emissions



Development Scope 1, 2 and 3

	2023	2022	2021
Scope 1	168 064	169 912	141 523
Scope 2 (location based)	9 759	8 970	9 581
Scope 3	1 021 417	1 038 392	1 157 174
	1 199 240	1 217 274	1 308 278

Development Climate emissions (GHG)



The Group's CDP scores for 2023:

Climate Change: Lerøy Seafood Group received the score A-. To earn an A/A- score from CDP, organisations must show environmental leadership, disclosing action on climate change as well as demonstrate best practice in strategy and action. This result is higher than the European regional average of B-.

Forests: Lerøy Seafood Group earned a C score for its reporting on commodity soy. C is an awareness score, which is European regional average.

Water Security: Lerøy Seafood Group earned a C score. C is an awareness score, which is European regional average.

CDP supplier engagement rating: Lerøy Seafood Group received an A, and is featured on CDP's Supplier Engagement Rating Leadership board. This is higher than the European regional average of B-.

Key initiatives Sustainable fish feed

Raw materials for fish feed represent the largest source of Lerøy's Scope 3 emissions. In 2023 Lerøy entered strategic partnership agreements with fish feed suppliers. Strategic partnerships will enable us to carry out long-term projects as well as reach defined targets such as:

- Use and development of novel feed ingredients such as macroalgae, blue mussels and insect meal which have a low carbon footprint
- Increased utilisation of offcuts and residual raw material from the wild catch segment

- Development of company Ocean Forest, production of macroalgae, mussels and low-trophic species

Transportation

Upstream transportation and distribution are our second-largest contributor to greenhouse gas emissions. Prioritisation and optimisation of transport weight, together with development of new technology is crucial to developing more environmentally friendly transportation solutions, such as:

- Participating in different innovation programmes which aim to develop alternatives to fossil fuels such as marine gas oil, blue hydrogen or ammonia.
- Developing a climate calculator for air transportation, showing the most climate friendly flight routes
- Reducing transportation weight by replacing regular ice with dry ice as a cooling medium
- Increasing the level of processing – higher utilisation of the residual raw material

Examples of initiatives:

- Green Shipping Programme – development of alternative low-emission fuel sources i.e ammonia
- Mixing biofuel into Marine Gas Oils (MGO) without engine changes
- Streamlining operations and optimise fishing gear to use less MGO
- Electrification of fleets, well boats and workboats

Climate adaption and resilience

Lerøy is aware of its duty to contribute to taking climate action by reducing its emissions of carbon dioxide and other greenhouse gases.

Extreme weather events such as flooding, wild fires, drought and extreme heat had significant impacts on human health, ecosystem and infrastructure in 2023.

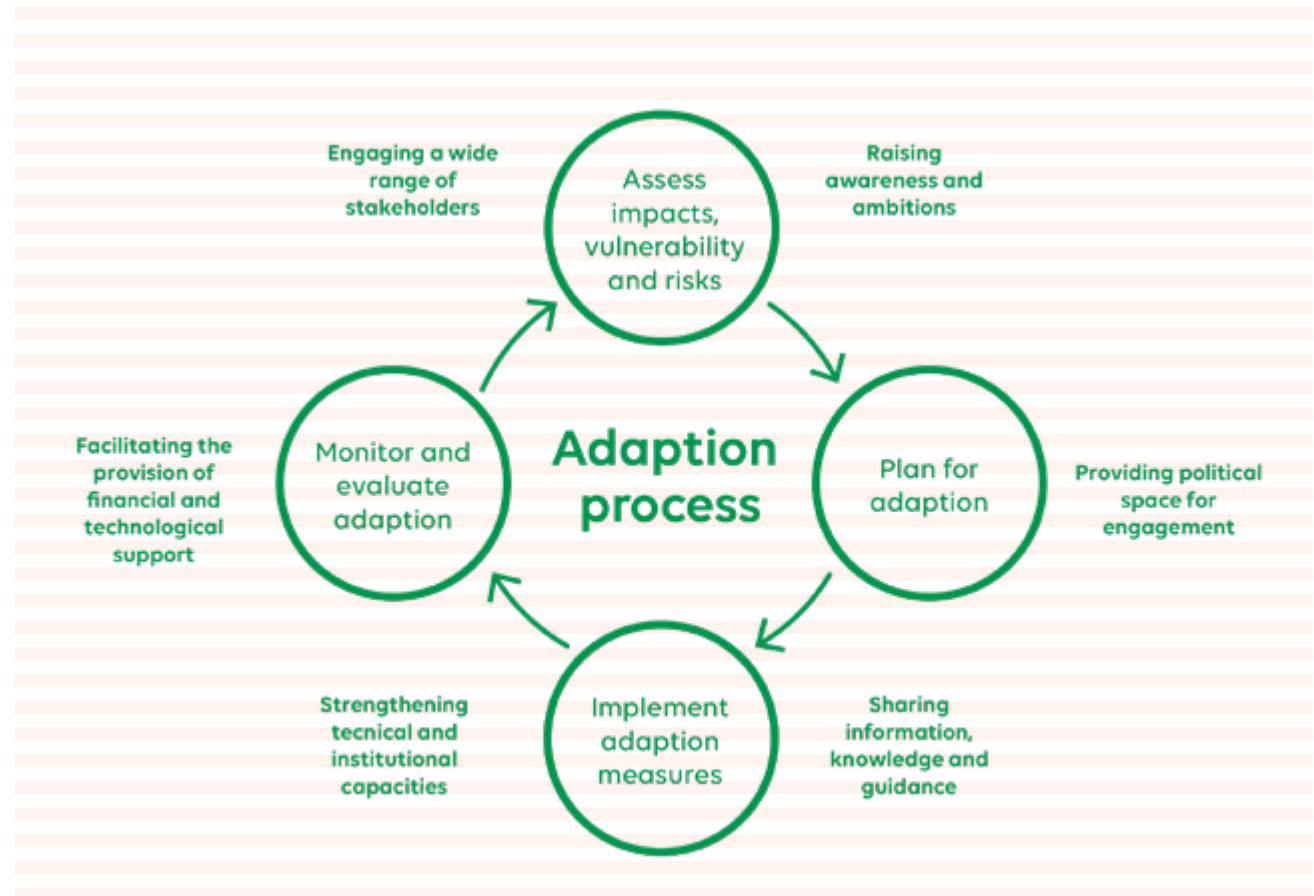
The atmospheric concentrations of carbon dioxide and methane continued to increase and reached record levels in 2023. Climate changes can cause several adverse impacts.

- Rising sea levels
- Extreme weather events
- Loss of biodiversity
- Water scarcity
- Fish health impacts

Targets and results

- Make changes in processes, practices and structures to moderate potential damage or benefit from opportunities associated with climate change
- Report and monitor our performance in accordance with the GHG Protocol
- Perform climate risk and vulnerability assessment as required by the criteria for EU Taxonomy alignment

Please, visit the Group's TCFD report for more information: www.leroyseafood.com



Key initiatives

In 2020/2021, the Group conducted its first climate scenario analysis using the TCFD framework. The analysis was based on in-depth interviews with the Group's 20 key internal and external stakeholders and, in combination with objective climate research correlating to the respective geographical locations, identified LSG's main risks and opportunities related to climate change. The results of the analysis were discussed with the Group's management team and served as building blocks for the Group's climate-related strategy. In Q2 2023, a new assessment/review of the identified risks was completed to evaluate their impact, using a risks and opportunities matrix (R&O Matrix) where time horizon, likelihood of impact, and financial impact were considered.

Types of risk assessed:

- Current & emerging regulation
- Technology
- Market
- Reputation
- Direct operations
- Supply chain
- Chronic physical
- Market shifts
- New positioning
- Collaborative efforts
- Product and services
- Supply chain and/or value chain
- Investment in R&D
- Operations

This analysis puts us in a better position to track developments in individual areas and enables the Group to make contingency plans to avoid adverse impacts in our value chain due to climate change.

Biodiversity

Minimise our adverse impact on marine ecosystems, support their recovery and help secure biodiversity.

It is the Group's ambition to avoid harmful impacts on species caused by our intervention in the natural environment and in fjord systems, including sedimentation and seabeds.

Targets and results

Escapees (number of fish)

Goals		Results				
2024	2023	2023	2022	2021	2020	2019
0	0	15030	10544	4	208	85

Average density, per cage (kg/m3)

Goals		Results				
2024	2023	2023	2022	2021	2020	2019
< 25	< 25	7.7	8	8.7	8.4	8.8

Average fallow period (number of days)

Goals		Results				
2024	2023	2023	2022	2021	2020	2019
> 100	> 100	136	167	142	138	140

Average MOM B score

Goals		Results				
2024	2023	2023	2022	2021	2020	2019
1.3	1.3	1.32	1.38	1.49	1.37	1.55

Localities with GLOBALG.A.P./ASC certificate for farming (%)

Goals		Results				
2024	2023	2023	2022	2021	2020	2019
100	100	100	100	100	100	100

Localities taking part in zone collaboration (%)

Goals		Results				
2024	2023	2023	2022	2021	2020	2019
100	100	100	100	100	100	100

Key initiatives Wild Catch

We apply strict controls to ensure we do not overfish quotas, and everything caught must be brought ashore for inspection. We may experience unintentional by-catches but these are managed, recorded, reported and delivered to shore.

Trawling takes place in separate areas to maximise species diversity. The equipment used is also specially adapted so that fishing can be carried out as optimally as possible. Efforts are constantly being made to further develop the fishing gear, and in recent years we have increased the use of floating trawls.

Lost fishing gear left on the seabed can be a problem if species are caught in the fishing gear. The key risk here is the use of gill-nets, a type of fishing gear not used by our fleet. In 2023, we did not lose any fishing gear.

Farming

To minimise the potential for disease transmission and environmental impact, we use fallow periods of minimum two months per generation (every second year). We work with neighbouring aquaculture sites to create zones with coordinated fallow periods.

In addition to impacting financial results, feed control is a major factor in preventing environmental overload at a site. Each sea cage is fitted with cameras, and specially trained operators continuously monitor and manage the feeding process.

The Group does not operate, lease or manage any farm locations in protected areas or areas of high biodiversity value outside protected areas.

The escape of farmed fish is a key risk for biodiversity loss. The Group invests considerable resources in optimising equipment, control systems and routines specifically to avoid the accidental escape of fish.

All our facilities comply with technical standards (NS 9415:2009 Marine farms), and we work continuously with our suppliers to develop new and better equipment.

We work continuously with control systems through risk analysis, and regularly check the technical condition of the equipment. Through new technology we have established a new system that makes it easy to trace fish should salmon escape. We have contingency plans in the event we experience an actual escape incident.

In 2023, the Group recorded the escape of 15 030 fish. The Group continues to work towards a target of zero escaped fish.

Water and effluents

Access to fresh water is essential for human life and wellbeing, and is an internationally recognized human right

The Group has identified that our operations do not have any significant impact on water bodies subject to permits for water withdrawal and discharge-water quality. However, it is important that we monitor our water consumption carefully and check that we are within the limits we have been allocated. Our most water-intensive operations do not draw water from drinking water sources.

In recent years, the Group has invested significantly in recirculation aquaculture systems (RAS) for its smolt production. These investments have led to a significant

decrease in freshwater withdrawal in its farming operations with about 98%.

The Group is committed to ensuring that all our employees have their basic needs for fresh water met at all our operations. This includes their right to access clean, good-quality, fresh drinking water and sanitation facilities.

Targets and results

- By 2025, achieve a 5% reduction in water withdrawal for units listed as having a medium to high risk of water stress, according to WRI Aquaduct, benchmarked against 2022
- Carry out water stress risk assessment for 100% of own facilities
- The Group has not registered any violations of regulations related to the use or discharge of water in 2023

Key initiatives

- In 2023, Lerøy Seafood Group continued the risk assessment regarding water withdrawal, water discharge and consumption of freshwater for all locations in the Group, using WRI Aquaduct as a tool to identify which of our operations were located in areas with medium to high risk of water stress and water depletion
- Locations identified as being at risk of water stress and/or water depletion, continuously monitor their local impacts. Where necessary, action plans and frameworks are drawn up. This is an ongoing process which has generated actions to reduce water withdrawal and improve the treatment of water discharges

- In connection with onshore hatchery/smolt production facilities, we continued our efforts to switch all flow-through systems to water-saving technology. We also invested in water saving equipment in our downstream operations

CapEx in 2023 includes investments in RAS technology, water saving equipment, waste water treatment facilities and technology, and water efficiency equipment. OpEx in 2023 includes costs related to water permits, water use costs, waste water treatment costs and labour costs. In 2023, the data quality on water-related Opex improved for several companies in the Group, which explains the increase compared to 2022.

Water related CapEx and OpEx

	2023	2022	2021
CapEx	47 270 929 NOK	105 003 702 NOK	125 831 647 NOK
OpEx	31 789 065 NOK	23 447 573 NOK	12 551 294 NOK

Waste

Our waste should always be handled responsibly. We are committed to adopting a circular approach to waste management.

Improving our management and recycling of waste is a continuous priority for the Group. Increasing the percentage of waste sorted for reuse and material recycling will greatly impact the environment through a reduction in the volume of unwanted, hazardous and non-biodegradable waste. In collaboration with our waste handling companies (both in Norway and

Europe), we have implemented sorting regimes at all our locations and strive to make sure that all our waste is handled in a sustainable way by us and the waste recipient. In this, the different waste handling companies, as well as local authorities and national governments, are the main contributors and drivers for change. Without their involvement, dedication and investment, it is difficult to see a significant change in the share of waste being diverted to recycling.

The Group participates in different fora to discuss and find good solutions for implementing the circular economy, also regarding waste.

We are committed to continuing our work with different stakeholders and the UN Global Compact initiative to do what we can to push for change in the national and global regulations for waste handling and sorting. The Group will also continue to audit and follow up our suppliers with respect to waste handling, to make sure that our waste is handled in a legal and sustainable manner.

Targets and results

- Better reporting
- An infrastructure to handle and maintain service for all our locations in Norway
- A clear strategy for recycling
- Increased knowledge and know-how regarding waste sorting and treatment
- New ways to communicate with stakeholders and other third-party organisations through the waste handling company

The recycling of inorganic waste is currently stable at about 45% of the total volume. We aim to increase this share to 50% in 2025 and 65% by 2030.

Cooperation and the development of sustainable solutions together with our waste handling companies will be a priority going forward. At the same time, we aim to optimise waste sorting at our locations. We see that we still have a potential for improvement with respect to effectively sorting and cleaning waste before its disposal.

Key initiatives

Using one strategic partner for all our waste handling in Norway will significantly influence how local and central management works with waste. It will also give us the opportunity to better influence what happens to our waste fractions. We see several opportunities in the future to strengthen our commitment to boosting the level of recycling within the Group, also outside of Norway. We are looking at the possibility of expanding this strategic agreement to also include other Scandinavian countries where we have operations. Circular economy, and new projects related to this, will be emphasized going forward.

Animal health and welfare

The Group works to ensure good fish health and welfare in all aspects of our operations. It is not just a strategic priority or an ethical responsibility, it is at the heart of everything we do.

Fish farmers have a responsibility to ensure that the fish are raised in the best possible conditions, which both protect and promote fish health and welfare. The most significant challenges in recent years have been injuries caused by sea lice treatments, cardiomyopathy syndrome, bacterial diseases and gill disease.

Our operations are based on three pillars:

- Robust fish
- Disease prevention
- Optimal environment

The Group works systematically and purposefully to increase the robustness of its fish stocks. Our main focus is to produce more robust fish during the early stages of their lives when they are living in fresh water on land, thereby making them more resilient when they are transferred to the sea farms.

The Group takes great care to keep groups of fish separated and implement measures at all stages of the fish's life to maximise the chances of them staying healthy. We work on disease management with a focus on prevention. Vaccination is a key part of our programme, and we vaccinate 100% of our fish before they are transferred to the sea.

Sea lice are a natural parasite in seawater and one of the industry's biggest challenges. The Group works to prevent and control sea lice levels, but sometimes we need to treat the fish. In these cases, we strive to do it as gently as possible to ensure good fish welfare and maximise survival. The Group is committed to reducing the number of lice treatments to a minimum, which we believe will have a significant impact on fish health in the future.

We want the fish in our sea cages to thrive, and aim to protect them as much as possible against unnecessary impact and stress. We care about our fish, and willingly accept the ethical responsibilities inherent in farming them. Our ambition is also to make use of procedures to standardise the processes to which the fish are subjected, and to update and implement these as soon as we gain new knowledge. To facilitate this, the entire organisation has rapid and efficient access to new knowledge.

The Group has made significant investments in nearshore production technology in recent years. A combination of submerged and semi-closed cages is now being deployed at selected locations. Please see the strategy section of this report for more details. We believe this will have a positive impact on fish health and lice pressure.

Targets and results

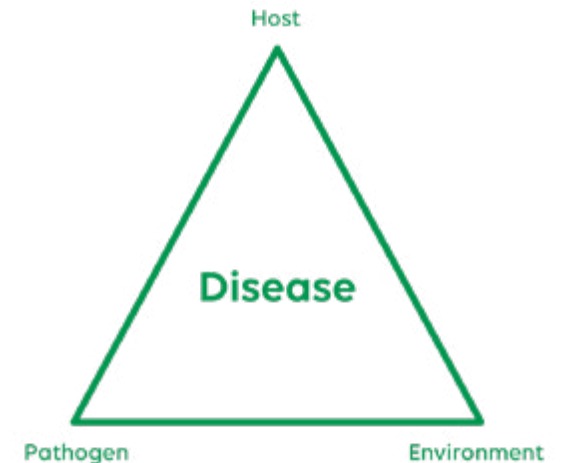
Animal health and welfare

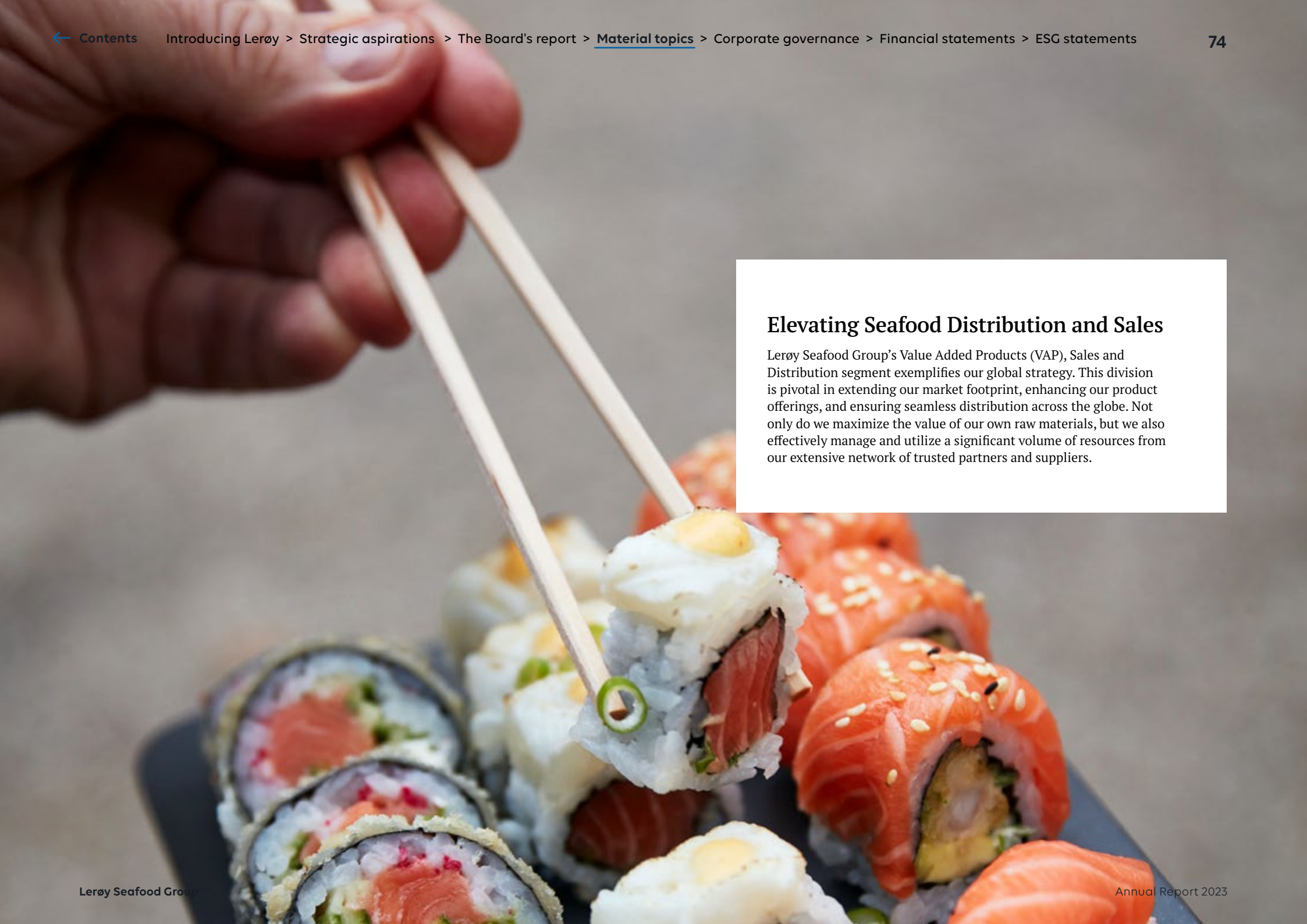
	Goal		Results			
	2024	2023	2023	2022	2021	2020
Survival in sea (%)	94.5	94.5	91.5	92.5	92.5	92.2
Use of antibiotics	0	0	0	0	0	18.99
Compliance with Norwegian regulations for sea lice	100%	100%	100%	100%	100%	100%

Key initiatives

Please see the Strategy chapter of this report for more details about measures to improve fish health and welfare. The Group has initiatives at all stages of the value chain for the production of salmon and trout.

Disease triangle





Elevating Seafood Distribution and Sales

Lerøy Seafood Group's Value Added Products (VAP), Sales and Distribution segment exemplifies our global strategy. This division is pivotal in extending our market footprint, enhancing our product offerings, and ensuring seamless distribution across the globe. Not only do we maximize the value of our own raw materials, but we also effectively manage and utilize a significant volume of resources from our extensive network of trusted partners and suppliers.

Social sustainability

Our 6 000 employees are the Group's most important resource. Together, we provide healthy and delicious high-quality seafood to customers and consumers worldwide, allowing us to make forward-looking and sustainable use of the resources in the sea.

We are proud of our interaction with all our employees throughout the value chain and with our partners, and we are proud of our contributions to society.

In 2023 Lerøy had in total 6 013 employees, an increase from 5 972 in 2022. The entire workforce comprised 39% women and 61% men, in line with the level in 2022. Lerøy operates in a global industry which is subject to continuous developments and extremely tough competition. We are grateful to have so many talented and flexible employees who are willing to learn, improve and help us achieve our goals, solve our future challenge and reinforce the "One Lerøy" culture moving forward.

The company's core values

Lerøy is a value driven company and it is important to ensure that every employee is familiar with the Group's values, what these imply and how they shall guide all our actions.

Lerøy Seafood Group's corporate values are: **honest, open, responsible and creative.** These values are based

on the Group's vision to become the world's leading and most profitable global supplier of sustainable quality seafood.

Manager in Lerøy

Being a manager in Lerøy is a vote of confidence that carries significant responsibility. Extensive internal leadership development programs have been carried out at various levels, where employees from different parts of the Group meet and get to know what it means to be a leader in Lerøy. All leaders are committed to a future-oriented and clear management based on our values and business strategy. Also in 2023, the Group continued to develop and implement programs and tools to ensure that our managers are accountable and skilled in their role and jointly reinforcing the "One Lerøy" culture moving forward.

Lerøy Trainee Program

As a world leading seafood company Lerøy provides unique and exiting career opportunities. In 2023 we launched our own trainee program, where the purpose is to recruit strategic and important competence for the



Having a leadership programme in Lerøy where people from different parts of the value chain can meet and understand that we are better able to resolve joint problems together is very valuable for us.

Head of Finance, Sales and Distribution

Group. Lerøy Seafood Group offers a one-year trainee program which offers a steep learning curve with challenging and exciting tasks in a forward-looking company. The trainee will be assigned to a department according to their educational background and personal interests, and during the trainee period they will be a resident at various departments and companies in the Group. In addition, they will gain a unique insight into Lerøy's value chain by rotating between different departments and a professional and social program consisting of a total of four gatherings in Norway and abroad.

The seafood industry's most attractive employer in Norway

Lerøy has been voted the seafood industry's most attractive employer in 2023! More than 800 students from 12 different colleges and universities in Norway took part in the survey. The survey was carried out by Salmon City – Norway's largest meeting place for students and the aquaculture industry. The fact that students see the industry as an attractive place to work, and especially Lerøy, is something we are very happy and proud about.

Employee Survey

Lerøy strives to develop an inclusive and engaging work environment, and to measure this we conduct an annual employee survey in collaboration with Great Place to Work. The survey is used as a tool in order to ensure that the working environment develops in the right direction, by strengthening leadership, pride and community in Lerøy. This is one of the world's most conducted employee surveys and is based on 30 years of research. To ensure continuous improvement, the results of the survey are followed up locally in each of the companies and at Group level. Employee involvement is a key success factor in this work.

Lerøy People – data driven HR and enhanced employee experience

As part of Lerøy's digital transformation and the overall business strategy, all Lerøy's legal entities in Norway have implemented SAP SuccessFactors as their common HR system for more than 4 000 employees in 2023. Standardisation of master data ensures consistent, accurate and reliable data which establishes base for automated reporting and

improved decision making. An integrated solution for high quality system support to all processes in an employee life cycle is expected to improve the overall employee experience having a positive impact on leadership engagement and turnover rate. With ambitions to keep the position as the preferred employer in the seafood industry.

The successful implementation has been enabled by a transformation of Lerøy's HR organisation introducing a Group function named People & Organisation and a Shared Services center to support all employees, managers and HR.

Meaningful and attractive jobs

The Group has a clear goal to provide a workplace without discrimination built on the Group's core values. This includes focus on increasing the share of woman employees and leaders, and we have in recent years seen an increase in proportion of woman in previously "male-dominated" occupations such as aquaculture and wild catch. Our workforce is international, with a high number of employees from different countries and we work continuously with integration and equal opportunities.

As an example in 2023, Lerøy was named "Maritime Company of the Year" by Aqua Nor in connection with its efforts to challenge the supply industry to produce workwear suitable for women (including pregnant women). As a result, the supplier can now offer workwear tailored to the female body.

For more information visit our [Equality, non – discrimination and gender pay report](#).

Code of Conduct

The Group is aware of its responsibility to society at large, and the environment, to behave in an ethical manner. In addition to its shared values, Lerøy Seafood Group has developed a Code of Conduct, reviewed by the Board and based on the UN Guiding Principles on Business and Human Rights, that aims to establish common principles and regulations for all employees within the Group, its subsidiaries and partners. The Code of Conduct reflects the Group's values and helps its employees and partners choose the correct principles to apply with regard to human rights, business conduct, impartiality, conflicts of interest, political activity, entertaining customers, processing information, confidentiality, relationships with colleagues, business partners, corruption, bribes, whistleblowing, etc. Each employee is individually responsible for applying the Code of Conduct. To help employees make the right decisions, the Group has prepared a training course on the subject.

Fair compensation

The Group complies with the laws applicable in the different countries in which we operate. Our compensation policy means that no employee is paid less than the official national minimum wage. All our employees have employment contracts in which their compensation is specified. Our personnel system and the presence of trade unions ensures that all employees are compensated fairly. The Group also have a supplier code of conduct to ensure that the Group's internal requirements are passed on to the Group's suppliers.

Freedom of association

All our employees are free to organize themselves in unions of their choice, including the right to engage in collective bargaining. The Group keeps a close dialogue with employee representatives, as well as maintains an active cooperation between the company and employees/trade unions.

Whistleblowing

The Group has established a digital channel for whistleblowing. This is a secure electronic system that allows the employees to remain anonymous while expressing their concerns. Whistleblowing is initially processed by an independent third party and further follow-up is coordinated by the Group's whistleblowing committee. Lerøy Seafood Group has also arranged for external whistleblowing through a procedure on the Group's website.

Transparency Act

During 2023/24, the Group conducted due diligence assessments internally and externally, with a special focus on respect for fundamental human rights and decent working conditions. This was part of the implementation of the Norwegian Transparency Act. The results will be published on the Group's website by 30 June 2024. The general public can contact the Group through a contact form on the Group's website to request information according to the Transparency Act.



Involvement of local communities

We are committed to supporting the development of thriving local communities in the areas in which we operate. The Group aims to be an enterprise with local roots, thereby contributing to all local communities, regardless of region and nationality.

The Group is also conscious of its responsibility for its impact on communities where we have no direct activity. These may, for example, be areas where the raw materials for our fish feed are produced. We therefore focus on this in our collaboration with suppliers and subcontractors. Good cooperation with our stakeholders is important to us, and we take all complaints seriously. All complaints have been answered and we have initiated appropriate measures where this has been possible.

The Group's companies are often located in rural/coastal areas, and therefore make significant contributions to employment and income in far-flung local communities. To the best of our knowledge, we have not affected any communities negatively. Through our decentralised organisation, we also contribute to investments in buildings, infrastructure, quays, floating quays and modern equipment in small, local communities. These form the grounds for other local commercial activity.

Local value creation

In 2023, the Group had more than 5 400 suppliers, drawn from more than 250 different municipalities, in Norway alone.



In my mind, one of the best things about Lerøy is that it's a company with plants and facilities spread all along the coast of Norway. We create local jobs in every littel bay and village on Norway's coast. I'm really proud of that!

Production Manager in Stamsund

Total purchasing in Norway, excluding intragroup transactions, amounted to NOK 19.9 billion. Including intragroup transactions, total purchasing came to NOK 38.9 billion.

Employees in Norway paid more than NOK 828 million in tax, while the tax paid by the company came to NOK 635 million.



The Group had more than 5 400 suppliers, drawn from more than 250 different municipalities.

Purchasing in Norway: NOK 20 billion

● Where Lerøy operates
● Suppliers

Material topics social sustainability

Occupational health and safety

We aim to have zero workplace injuries and will never compromise on our employees' safety.

The Group is committed to providing safe and healthy workplaces, by preventing work-related injuries and ill-health, as well as proactively improving its health and safety performance, fulfilling legal and other relevant requirements, and working towards achieving defined health and safety objectives.

The absence of harmful conditions that can cause injury and illness, as well as health-promoting measures, are fundamental principles and rights at work. The promotion of a safe and healthy working environment has significant positive impacts both on direct operations as well as operations in our supply chain. Lerøy is working actively to ensure that the company prevents and mitigates the risk of contributing to adverse impacts on human rights.

The Group is continuously working to develop a strong safety culture, which further pursues the Group's defined health and safety goals. Safety culture in the Group is supported by the Group's values, managerial practices, patterns of activity and competencies – core elements for ensuring and maintaining a sustainable health and safety culture.

Ultimate responsibility for ensuring adequate health and safety management within the Group lies with the



executive management team. Each company within the Group has assigned specific health and safety roles and responsibilities to one or several individuals to ensure sound and consistent health and safety management locally.

In order to protect the health and safety of our employees, manage the topic and related impacts, the Group is actively working to identify and assess risks, report and analyse incidents, and implement safety measures. The effectiveness of the implemented measures is constantly measured and monitored. The ultimate goal of health and safety management is to prevent workplace accidents and injuries, as well as to promote the overall wellbeing of employees. This includes providing training on safety practices and procedures, ensuring compliance with regulations and standards, performing job observations by supervisors/managers, and conducting regular safety audits.

The Group has integrated risk management, including health and safety management, into its day-to-day activities, and views it as an integral part of its governance, strategy and operational processes.

Targets and results

Occupational health and safety	Target 2024	Target 2023	2023	2022	2021
Sick leave (%)	5.60*	5.40	6.04	6.68	5.85
H1 value/LTIFR	0	10.00	18.73	13.31	15.33

Key initiatives

- Create a HSE competence group in Norway
- Work more actively with safety representatives
- Implement a system for HSE audits
- Establish a Lerøy standard for HSE
- Improve methods for learning after incidents
- Increase capacity and competence regarding HSE
- Increase training for management level and other employees
- Implement the Mobile Safe Job (SJA) analysis app

Food safety

Food safety – the core identity of Lerøy.

Food safety refers to the measures taken to ensure that food is safe for human consumption. Ensuring food safety is critical for protecting the health and wellbeing of people and the sustainability of the food industry. Food safety is also critical for public confidence in our products, and therefore also our sales and revenues.

*) The target for 2024 has been revised in relation to the result achieved for 2023

Lerøy checks all products for contaminants and microbiological status throughout the value chain to ensure that all our products are safe to consume. Exceeding food safety thresholds or breaking food safety regulations may result in the production of contaminated food that could harm vulnerable people. It could also lead to food waste. To be able to handle a food safety violation, Lerøy has defined clear recall measures, enabling us to trace and stop a product within four hours. An inadequate recall can result in significant financial losses.

The Group's strategy is to meet or exceed the market's requirement for food safety, quality, product range, cost effectiveness and continuity of supply. This is achieved by coordinating the various elements in the value chain, including the production units, the Group's sales network, sea farms, fishing vessels and fish-processing plants, primarily along the coast of Norway.

The Group is actively involved in all parts of the value chain to ensure the supply of safe products to the consumer. Based on experience gained over many years, we have developed a quality system comprising routines and procedures to ensure the supply of safe products.

As part of the Group's quality assurance routines, we carry out checks on and monitor our manufacturers and partners. This involves specifying requirements for their quality systems and routines, and carrying out analyses, audits and monitoring operations.

All products are checked and verified by Lerøy Seafood Group at different stages throughout the entire production process, extending from the roe in

our aquaculture hatcheries, or the wild caught fish hauled aboard our fishing vessels and landed at the purchasing station, to the finished and boxed product. In certain cases, checks are performed right up to delivery to the customer.

For many years, the Group has pursued a quality assurance strategy that requires 100% of our processing facilities to obtain a GFSI food safety standard (IFS, BRCGS or FSSC 22000).

100% of Lerøy-owned factories supplying whole salmon and trout have a GFSI certification (BRCGS or FSSC 22000).

Targets and results

Food safety	Target 2024	Target 2023	2023	2022	2021
Number of product recalls	0	0	3	11	5

Key initiatives

- Focus on employee training
- Hygienic design
- Perform regular audits (our quality teams carried out more than 1 000 audits in 2023)
- Continue to invest in a live food safety microbiological reporting system
- Increase information and communication activities
- Increase focus on emergency preparedness

Food security

Based on the 1996 World Food Summit, food security is defined as being when all people, at all times, have physical and economic access to sufficient safe and nutritious food to meet their dietary needs and food preferences, and are thereby able to live active and healthy lives.

The UN' Sustainable Development Goals include a goal to reduce food waste by 50% by 2030. The world will need more food in the future, and as a food producer the Group wants to utilise as much as possible of the fish for human consumption. By improving the Group's value chain, Lerøy can use more of our seafood for human consumption. Recently, we have completed several projects in this area, including "Consequence products in the value chain", and a "Fishblood" project, both of which show a significant potential for improvements in sustainability as well as financial performance.

The Farming segment has introduced targeted measures to reduce food loss by minimising fish mortality. This is described in another section of this annual report, and includes efforts along the complete salmon or trout production value chain.

The Wild Catch segment aims to reduce food loss by preserving residual raw materials, producing meal, oil and ensilage that can be returned to Lerøy's value chain. This process involves optimising the production of meal, oil and ensilage on board the Group's trawlers.

The VAP Sales & Distribution segment is taking action to cut food waste handling the fish in a gentle way throughout production, using the entire fish with our

concept, "we use it all". The segment also want to increase the sales and to reduce non-utilised input factors in production and to optimize the shelf life of our products. To highlight the importance of this work, which includes a focus on transitioning to a circular economy, the subsidiary Lerøy Seafood AS has created a new department called "100% Fish".

Targets and results

- To decrease the proportion of raw material that is not used for human consumption by 50% by 2030
- To use 100% of the fish

Key initiatives

- Continue to participate in a government-backed project to investigate measures to reduce food waste by 50% by 2030.
- Continue investing in processing facilities to exploit residual raw materials from Lerøy's own factories to produce different types of processed fish products (fish cakes, fish pudding).
- Increase product shelf life by making use of new CO₂ emitters in consumer packages. A longer shelf life provides improved predictability and less waste.
- Further develop the "we use it all" project, by offering customers different products made from residual raw materials.
- Exploit residual raw materials from the Wild Catch segment as inputs in feed for the Farming segment.
- Implement a new packaging method for whole salmon and salmon fillets. This involves using new technology to enable transport of fresh fish by boat over longer distances, where the shelf life starts when the package is opened. This allows for more control over time and the shelf life of raw materials used in production.

Supply chain traceability

The Group has full traceability for feed and all products.

Full traceability throughout the entire value chain is essential for food safety. If there is a defect in a product without traceability, we would not be able to identify the cause of the nonconformance, take action or be able to trace where the product has been sold for efficient recall from the market.

Lerøy has full traceability for all seafood products, input factors for products and raw materials for salmon and trout feed.

Lerøy's farmed fish tracking system, Fishtrack, which was developed in house, provides all customers with access to online tracking information for a product, all the way from parent fish to processing. In essence, the customer has a CV for the fish they have purchased, including information on broodstock fish, juvenile fish, sea farm location, feed, treatments, quality analyses etc.

The Group can track and block any product on the market within four hours, along with associated raw material batches and batches of finished goods.

For whitefish and wild catches, information on fishing sub-area, fishing gear, catch date, landing date, production date and processing facility is available.

As a responsible buyer, the Group has developed a risk-based approach to supplier management to ensure that our supply chains are sustainable and robust. We are influenced by internal and external factors ranging

from biodiversity to political risks, and we therefore analyse and focus on understanding those factors. Suppliers are an integral part of our operations and we have an obligation to ensure that our suppliers act according to the Group's governing documents. By implementing a structured and standardised approach to supplier management, we are able to verify that our suppliers adhere to our requirements and, if necessary, initiate corrective measures. As a buyer, we have an ethical responsibility to ensure that our suppliers act in accordance with relevant laws and regulations.

We set strict ethical and environmental standards for ourselves as well as our suppliers and subcontractors.

The Group has contractual requirements for its suppliers of fish feed, to make sure that raw materials are managed in a sustainable and ethical manner. Moreover, the Group works with its suppliers to closely monitor fishery improvement programs, fisheries that are at risk of losing certification and catch utilization.

Lerøy requires raw materials to be:

- Fished/ harvested in an ethically sound manner and in compliance with legal frameworks
- Based on sustainable harvesting or fishing
- On a positive trend regarding the percentage certified according to a internationally acclaimed sustainability standard
- In compliance with the ASC feed standard
- Able to trace back to origin (farm/ geographical area/fishery)
- An ever-increasing share of trimmings
- ProTerra/Eurosoy certified and deforestation free value chain for sourced soy

Targets and results

Supply chain traceability	Target 2024	Target 2023	2023	2022	2021
Physical supplier audits	50	50	66	50	43
Internal audits	1000	900	973	921	784
Non-approved audits	0	0	2	0	0
Supplier audits online	278	na	554	na	na
Number of recall tests	35	30	33	43	na

Key initiatives

- Carry out audits
- Carry out recall tests
- Pursue digital transformation
- Increase information and communication activities
- Digitalise the traceability of wild-caught fish

Anti-corruption and Anti-competitive behavior

Working actively to combat corruption and anti-competitive behavior can help uphold the rule of law, promote economic growth, protect human rights, ensure fair competition and build trust in institutions.

Corruption refers to abuse of power for personal gain. The negative effects of corruption are wide-ranging. The Group has zero tolerance for corruption, money laundering and anti-competitive behavior. Lerøy has

developed policies for anti-corruption and anti-money laundering and for sanctions. The Group has also procedures which express the company's core values of integrity and responsibility, and aim to effectively counter corruption, money laundering and anti-competitive behavior. Taking appropriate measures to target these aspects has been defined as one of the Group's priorities.

Implementing measures is an integral part of our corporate responsibility. It helps to protect our reputation and the interests of our stakeholders.

Our Code of Conduct guides our employees and suppliers on the principles to follow when it comes to business practices, equity, conflicts of interest, political activity, entertainment, data processing and confidentiality, relations with business partners, corruption, confidentiality and more. Each employee is responsible for complying with the Code of Conduct.

In 2023, there were no confirmed incidents where contracts with business partners were terminated or not renewed due to corruption-related violations. No public legal cases regarding corruption were brought against the organisation or its employees during the reporting period.

In 2019 The European Commission started an investigation relating to suspicions of anti-competitive cooperation in the salmon market. This case is still ongoing and Lerøy strongly rejects the Commission's allegations.

The Group does not support individual political parties or individual politicians but does engage in public debate when in the interests of the Group.

Targets and results

Anti-corruption and Anti-competitive behavior	Target 2024	Target 2023	2023	2022	2021
Confirmed incidents	0	0	0	0	0

In 2023, there were no confirmed incidents where contracts with business partners were terminated or not renewed due to corruption-related violations. No public legal cases regarding corruption were brought against the organisation or its employees during the reporting period.

The Group does not support individual political parties or individual politicians but does engage in public debate when in the interests of the Group.

Key initiatives

- Focus on employee training
- Establish a corporate policies
- Take a risk-based based approach
- Evaluate the Group's internal structure and organisation
- Continue to screen customers and suppliers for risks



Global Distribution: Bringing Seafood to the World

The VAP, Sales & Distribution segment is where our global reach truly comes to life. With a vast network of wholesalers, factories, and partnerships worldwide, we ensure that our high-quality seafood products are accessible globally, fulfilling our mission to bring the richness of the fjords to tables around the world.

Corporate governance

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Corporate governance report

In this chapter, the Board of Directors of Lerøy Seafood Group will provide a description of its corporate governance, cf. the Norwegian Accounting Act Section 3-3b. The Board of Directors is of the opinion that clear and effective corporate governance is decisive in sustaining and strengthening confidence in the company and contributing to optimal value creation, over time, in a sustainable manner.

The Group's corporate governance is based on the Norwegian Code of Practice for Corporate Governance (NUES), dated 14 October 2021; see also www.nues.no. NUES is based on Norwegian legislation governing limited liability companies, accounting, and securities trading, as well as issuer rules for the Oslo Stock Exchange in force as of 14 October 2021. NUES provides recommendations on corporate governance, which partly elaborates on existing regulation and partly covers areas not addressed by legislation.

The below description follows the same structure as the NUES Code, and all items in the Code are included.

1. Corporate governance report

The Board of Directors of Lerøy Seafood Group prioritises effective corporate governance, with a clear division of responsibilities between shareholders, the Board of Directors, and company management. The goal for Lerøy Seafood Group is for all parts of the Group's value chain to operate and achieve growth and

development according to the Group's strategy for long-term and sustainable value creation for shareholders, employees, customers, suppliers, and society at large.

The company's core values

Lerøy Seafood Group's core values – honest, open, responsible and creative are based on the Group's vision to be the world's leading and most profitable global supplier of sustainable quality seafood. The Group's core activities comprise a vertically integrated value chain for production of salmon and trout; catches of whitefish; processing, purchasing, sales, and marketing and distribution of seafood; product development, and the development of strategic markets. The Group emphasises quality and sustainability in all parts of its value chain.

2. Business

According to Lerøy Seafood Group's Articles of Association, the company's purpose is as follows: fisheries, fish farming, processing, sales, and distribution

within the seafood industry and related industries and operations. Such activities may be performed either directly or via participation in other companies with similar or equivalent objectives, and all activities related thereto. The parent company's Articles of Association reflect the totality of the Group's value chain and core activities. The Group's goals and main strategies are set out in the Group's annual report (go to <https://www.leroyseafood.com/en/investor/reports-and-webcast/annual-reports/>) and can be summarised as follows:

The Group's goal is to create the world's most efficient and sustainable value chain for seafood.

The Board of Directors has a clearly defined goal for the company to create value for its shareholders, employees, and other stakeholders in a sustainable manner. In this regard, the Board will consider economic, social, and environmental factors. Both short- and long-term goals are established together with the corporate management, in addition to strategies that reflect the company's risk profile.

Materiality assessment

The Group made a new assessment in 2022, in accordance with the requirements in the Global Reporting Initiative (GRI) 2021. The purpose of the assessment was to identify significant conditions where Lerøy has an actual or potential (significant) impact on financial results, people, or the environment. This

includes both an impact directly caused by Lerøy and the impact that we have, or may have, throughout our entire value chain.

Code of conduct and guidelines for corporate social responsibility at Lerøy Seafood Group

The Group is aware of its responsibility regarding ethical conduct, society at large, and the environment. In addition to its common values, Lerøy Seafood Group has prepared a Code of Conduct that aims to establish common principles and regulations for all employees within Lerøy Seafood Group, its subsidiaries, and its partners. The Code of Conduct reflects the Group's values and helps its employees and partners choose the correct principles to apply with regard to human rights, business conduct, impartiality, conflicts of interest, political activity, entertaining customers, processing information, confidentiality, relationships with colleagues, business partners, corruption, whistleblowing, bribes, etc. Each employee is individually responsible for practising the Code of Conduct. The Group has prepared an ethics test for employees, to help them make the right decisions.

Each year, the Board of Directors shall revise the guidelines for employees' rights as related to diversity, working conditions, and working environment.

In the first quarter of 2024 the Group carried out due diligence assessments internally and externally, with a special focus on respect for fundamental human rights and decent working conditions, as part of

implementing the Transparency Act. The results will be published on the Group's websites before 30 June 2024.

The Group has developed a web page for suppliers, on the Group's global website. On this page, old and new suppliers can find information about what expectations the Group has of its suppliers. The Group has developed a new Lerøy Supplier Code of Conduct and a Lerøy Supplier Declaration Form that can be found on this supplier webpage. These documents clarify the Group's supplier requirements and will ensure further supplier development, in a sustainable direction. In the documents, special emphasis is placed on promoting the Group's respect for human rights and decent working conditions, as well as measures taken by the Group against corruption and money laundering.

To request information pertaining to the Transparency Act, the general public can contact the Group through a contact form on the Group's webpages at www.leroyseafood.com.

Lerøy Seafood Group has a general rule that the Group, along with all its business partners, shall comply with legislation governing the Group's respective locations, and with the company's own quality systems and procedures. The Group has a principal rule that the strictest requirements shall be met. The company's management is responsible for ensuring compliance with regulations. All employees shall have orderly working conditions, comprising a personal written employment contract, the correct salary, sufficient training, follow-up throughout employment, and the right to organise. The company focuses on equal rights for women and men and has in recent years

witnessed an increase in the number of its female employees. More details regarding the Group's work towards equality, non-discrimination and gender pay to meet reporting obligations (Aktivitets- og redegjørelsesplikten, ARP) are included in the Group's Equality, Non-discrimination and Gender Pay report (ARP) in the Group's sustainability library.

Guidelines support the Group's goal, which is to contribute positively and constructively to human rights, labour rights, and environmental protection, and prevent child labour, both within the Group, in relation to suppliers and subcontractors, and in relation to other trading partners. The company's Code of Conduct is incorporated into agreements with the Group's suppliers and subcontractors.

The Group has established a system for anonymous whistleblowing via a third-party company, for employees who wish to report censurable conditions. In the event of nonconformities, measures shall be implemented to improve the situation. A whistleblowing committee has been established, covering the entire Group. The committee processes cases and implements necessary measures. The Group has also facilitated external whistleblowing via the Group's website, where the whistleblower may choose to be anonymous.

As part of the Group's integrated reporting, the annual report contains a list of focus areas, key performance indicators, and goals related to environmental, social, and economic sustainability. We have developed a sustainability library to describe how the Group works towards social and environmental sustainability.

This library includes key policies for the group and is available on the Group's website, leroyseafood.com.

3. Equity and dividends

Dividend policy

The Board of Directors emphasizes the importance of Lerøy Seafood Group having a clear and predictable dividend policy adapted to the company's goals, strategy, and risk profile. Dividends should be distributed in accordance with the company's financial strength, growth, and profit performance.

Lerøy's aim is to provide its shareholders with competitive returns on invested capital. Lerøy's dividend policy is based on the company at all times having a solid balance sheet, reflecting the outlook for the industry and the company's ability to handle both future liabilities and opportunities. The ambition is for our annual dividends to be stable or increasing in line with long term underlying earnings.

Dividend payment in 2023

The Board of Directors has recommended a dividend of NOK 2.5 per share in 2024. This recommendation reflects the Group's solid financial position and positive outlook. A dividend of NOK 2.50 per share was paid in 2023. Payment of the dividend was submitted for adoption at the company's annual general meeting in May 2023.

Equity and financial goals

The Group is financially sound, with a book equity of NOK 19 897 million as of 31 December 2023. This corresponds to an equity ratio of 48.0%. The number of shares outstanding in the company at 31 December 2023 was 595 773 680. All shares carry the same rights

in the company. As of 31 December 2023, the company owned 297 760 treasury shares.

Ongoing structural changes in the global industry in which the company operates, taken in conjunction with the industry's cyclical nature, demand that the company at all times maintain a satisfactory financial contingency. This in turn requires a positive relationship with the company's shareholders and equity markets. The company has always attached great importance to maintaining the confidence of its financial partners and thus also accessing financing on favourable terms. The financial goals established by the Board and management must be reflected in an established capital adequacy requirement and a required rate of return. The capital adequacy requirement stipulates that the Group's equity ratio shall be at least 30% over time. The Group's long-term goal for earnings is to maintain an annual return on the Group's average capital employed of 18% before tax.

Mandates granted to the Board of Directors

Mandates are granted to the Board of Directors in accordance with the Public Limited Companies Act (Norway); see in particular Chapters 9 and 10 of the Act.

Mandate for the Board to purchase treasury shares

At the annual general meeting on 12 May 2000, the Board was authorised for the first time to purchase treasury shares. Last renewed at the annual general meeting on 23 May 2023, this mandate authorises the acquisition of up to 50 000 000 shares over a period of

eighteen months from the date on which the resolution was adopted.

The Board of Directors is of the opinion that it should retain its right to purchase treasury shares. In future, situations may also emerge in which the Board of Directors finds that the market price of the company's shares does not reflect the company's underlying intrinsic values, the company has sound equity and liquidity, and the Board decides that an investment in treasury shares is an attractive prospect. In such a situation, the purchase of treasury shares may help improve return for the company's investors. At the same time, the stock market generally views the purchase of treasury shares as positive, based on the signals this sends regarding the management's confidence in the company's outlook for the future.

Moreover, the Board of Directors feels that a holding of treasury shares will provide the Board with more leeway for growth via future acquisitions and business combinations and establishing new forms of cooperation.

Finally, the purchase of treasury shares may take place in connection with the possible establishment of a share savings programme for Group employees. A proposal will therefore be submitted to renew the mandate at the annual general meeting on 28 May 2024.

Mandate to increase the share capital by issuing shares for private placings for external investors, employees, and individual shareholders in Lerøy Seafood Group

The Board of Directors has a mandate to increase share capital by up to NOK 5 000 000 by issuing up to 50 000 000 shares in Lerøy Seafood Group ASA, each with a face value of NOK 0.10, through one or more private placings with the company's share- holders and/or external investors. This type of mandate was first established at the annual general meeting of 4 May 1999 and subsequently renewed at the annual general meeting on 23 May 2023. The Board of Directors exercised this mandate on 2 June 2016 and carried out a private placement of 5 000 000 new shares at a face value of NOK 1.00, in addition to the sale of 300 000 treasury shares. The Board of Directors believes it is appropriate to retain this mandate, including authorisation for the Board to deviate from the preference rights of the shareholders. The Group expects to see continued structural changes and internationalisation in its industry. As a result, Lerøy Seafood Group will continuously assess organic growth, possible share-savings programmes for employees, possible acquisition and business combination options, and possible alliances that may lay the foundations for future profitable growth, both to capitalise on the value already created and to position the Group for future value creation.

The mandate will allow the company to achieve the requisite financial leeway to rapidly obtain the necessary liquidity and/or settlement shares that the Board feels are necessary to ensure future profitable

growth. A proposal will therefore be made to renew this mandate at the annual general meeting on 28 May 2023. The Board's mandate is valid for a period exceeding one year and is not limited to specifically defined objectives recommended by the NUES. Principally for operational reasons, this also clearly shows that the company is growth-oriented and that shares are regarded as potential means of payment. This practice is established to ensure the company's optimal strategic business development. However, the company has established the practice of renewing the mandates at each annual general meeting.

4. Equal treatment of shareholders

The company has only one class of shares, and each share carries one vote at the annual general meeting. Shareholder rights are governed by the Norwegian Public Limited Liability Companies Act. Lerøy Seafood Group's Articles of Association and agreements are worded to ensure the equal treatment of shareholders.

Lerøy Seafood Group ASA has a strict policy of providing correct and open information to shareholders, potential shareholders, and other stakeholders.

5. Shares and negotiability

According to the company's Articles of Association, there are no restrictions on the negotiability of Lerøy Seafood Group's shares.

6. General meeting

Lerøy Seafood Group holds its annual general meeting every year before the end of May. Notices of the annual general meeting and the organisation of the meeting

comply with an established practice that Lerøy Seafood Group ASA has followed for many years.

Notice and holding of annual general meeting

On 23 May 2023, Lerøy Seafood Group ASA held its annual general meeting at the company's head office at Lanternen, Thormøhlensgate 51 B in Bergen. The notice of the meeting and a proposed agenda, meeting slip, and proxy form were distributed to all shareholders with a registered address three weeks before the date of the event. The notice of the general meeting was formatted in accordance with the requirements of the Public Companies Act in Norway and the regulation relating to general meetings which governs the content and availability of supporting information. Pursuant to the company's Articles of Association, all documents to be discussed at the general meeting were made available on the company's website – leroyseafood.com – three weeks before the event.

The supporting information was sufficiently detailed and precise to allow shareholders to form a view on all matters to be considered at the meeting. Shareholders were asked to register for the annual general meeting by 16:00 on 19 May 2023. Before the notice of the general meeting was distributed, the Board of Directors and meeting chairperson performed a quality control of the procedures for registration and voting and the proxy form for participation and voting on behalf of other shareholders.

The Chairman of the Board represented the Board of Directors at the general meeting. The CEO and other members of corporate management were also present.

On agreement with the Chairperson of the Nomination Committee, the Chairman of the Board presented the committee's recommendation. To ensure independent chairing, the general meeting appoints a chairperson for the meeting and one person to co-sign the minutes of the meeting.

Holding general meetings

The Norwegian Public Limited Liability Companies Act states that the Board of Directors may choose to hold annual general meetings in person or virtually. If the annual general meeting is held virtually, shareholders may participate in and vote at the general meeting using various methods, without actually being present. Shareholders have the right to take part virtually, unless the Board of Directors finds reasonable grounds to deny this. Moreover, shareholders may vote during a period prior to the annual general meeting, if this is specified in the Articles of Association. In the notice of the general meeting, Lerøy Seafood Group allowed shareholders to vote by proxy at the general meeting. The proxy is designed to permit votes to be cast for each item discussed and for candidates up for election. The company's procedures ensure full control and oversight of participation in and voting at general meetings.

The company publishes the signed set of minutes immediately after the general meeting has been closed.

No extraordinary general meetings were held in 2023.

The Board of Directors is normally represented at general meetings by the Chairman of the Board, who

currently also represents the majority shareholder in Lerøy Seafood Group. Because the capacity for other shareholders to be present at general meetings is very limited, it has not been deemed necessary for all Board members to take part in the general meeting.

7. Nomination Committee

Pursuant to Article 5, paragraph 2 of the company's Articles of Association, the company shall have a Nomination Committee consisting of three members elected by the annual general meeting for a period of two years. The company's Nomination Committee is charged with preparing proposals for the composition of a shareholder-elected Board of Directors and with submitting recommendations to the annual general meeting for appointments to the Board.

At present, the members of the Nomination Committee are Helge Singelstad (Chairman), Benedicte Schilbred Fasmer, and Morten Borge. The company has not established specific guidelines for the Nomination Committee. However, the composition of the Nomination Committee is such that the interests of the shareholders in general are taken into account in that the majority of the committee is independent of the Board and other executive personnel, and the company's Articles of Association also specify the framework for the Committee's work. No Board members or executive personnel in the company are members of the Nomination Committee.

The Nomination Committee makes a recommendation regarding remuneration to the members of the Board. The general meeting makes the final decision regarding

fees to be paid to the members of the company's Board and Nomination Committee.

Information on the members of the Nomination Committee is published at leroyseafood.com. To ensure the best possible basis for their assessments, the Nomination Committee will hold individual conversations with Board members and with the CEO. There is also provision for the Nomination Committee to have contact with the shareholders when recommending candidates and for shareholders to recommend candidates to the committee.

The reasoned recommendation of the Nomination Committee is included in the supporting documentation for the annual general meeting, which is published within the twenty-one-day deadline for notice of the general meeting.

8. Board of Directors, composition and independence

Occupying a central position between owners and management, the Board of Directors' function is to safeguard the shareholders' interests in parallel with the company's need for strategic governance, operational control, and diversity. The function and focus of the Board will always vary somewhat, depending on circumstances within the company and changes to external framework conditions.

The transformation of Lerøy Seafood Group from a family company to a listed limited public company has been guided by the owners' clear awareness of the type of board the company needs. Since the early

1990s, most Board members have been independent of the Group's management team, which protects the Board's ability to challenge management practices. In part because of the Board's composition (size, independence from management and main owners, etc.), it has so far been deemed unnecessary to establish so-called board committees, with the exception of the statutory requirement for an audit committee.

Pursuant to the Norwegian Public Companies Act, the Chief Executive Officer (CEO) is not permitted to be a Board member. The Norwegian Code of Practice is also very clear in its recommendation that neither the CEO nor other executive personnel in the company should be board members. In Lerøy Seafood Group, neither the CEO nor other executive personnel are members of the Board of Directors.

Nomination period and term of office

Both the Chairman of the Board and other Board members are elected for a period of two years at a time. The Nomination Committee submits its recommendation to the general meeting, which appoints the Chairman of the Board and other Board members.

The Group's structure, with independent entities in different regions, is supervised through Group management's participation in the administrative bodies of the various companies. The employees contribute to a positive development in operations as members of the Board in the subsidiaries. The Board has not elected a vice chairman. To date, the Chairman of the Board has always been present. In the

event of his absence, the Board will make satisfactory arrangements for chairing the meeting.

Encouraging Board members to own shares in the company

The majority of Board members in Lerøy Seafood Group own shares in the company, either directly or indirectly.

9. The work of the Board of Directors

The Board of Directors has the ultimate responsibility for company management. This involves supervising day-to-day management and activities in general. The Board's responsibility for the management of the company includes ensuring that the company's activities are soundly organised, drawing up plans and budgets for these activities, keeping itself informed of the company's financial position, and subjecting the company's activities, accounts, and asset management to adequate control. The main aim is to ensure continuous follow-up and the company's further development.

For several years, including its eleven meetings in 2023, the Board has maintained a particular focus on the connection between practical operations and strategic business development. The Board works purposefully together with company management to make the Group the most sustainable, profitable, fully integrated, and international seafood company possible. For a considerable amount of time, this work has been carried out in accordance with our public announcements. The Board's work reflects this strategy, and the results are shown through management implementation. Although the strategic development of the company is a continuous process and part of the

work of the Board of Directors, there are also dedicated strategy meetings. Strategy meetings were held once again in 2023.

Instructions for the Board of Directors and management

In close dialogue with the Board of Directors and the Chairman, a set of instructions has been prepared for the Board of Directors and the work of the CEO. Among other things, the instructions cover how the Board of Directors and the daily management shall handle agreements with related parties. The guidelines indicate that Board members and executive personnel should notify the Board of Directors of any significant interest in an agreement signed by the company. If a company with which a Board member has connections performs work for Lerøy Seafood Group's Board of Directors, the Board specifically addresses the question of independence.

Should transactions with related parties occur, they shall be documented and executed according to the arm's length principle. For significant agreements, an independent valuation shall be obtained. Exemptions may be made for agreements that represent part of the company's normal operations and are based on normal commercial conditions and principles. Agreements with related parties shall be administered to see that these agreements are properly balanced. This is to verify that the company is aware of potential conflicts of interest and has carried out due diligence on such agreements, to prevent assets from being transferred from the company to related parties. The Board of Directors will report on such agreements in the Annual Report.

Independent consideration of matters of a material character in which the Chairman of the Board, Board members, or executive personnel are actively involved

The Chairman of the Board or other Board members shall not process matters that are significant to their own interests or the personal interests of close associates. Such matters are dealt with by the other Board members. The same applies to matters in which the CEO or other executive personnel have a personal interest.

Board committees

Audit Committee

Pursuant to section 6-41 (1) of the Norwegian Public Limited Liability Companies Act, companies listed on the Oslo Stock Exchange are obliged to establish an audit committee which prepares matters for and advises the Board of Directors. Lerøy Seafood Group's Audit Committee consists of Britt Kathrine Drivenes and Didrik Munch (chairperson). The Audit Committee reports to the Chairman of the Board. The Audit Committee conducts quality assurance for internal control and reporting. It is also responsible for the Board of Directors' dialogue with and monitoring of the external auditor.

The auditor reports on his work in writing to the company administration and the Board through the Audit Committee. The Audit Committee held twelve meetings during 2023.

Remuneration Committee

In first quarter of 2024 the board established a remuneration committee existing of the The Chairman of the Board and board member Are Dragesund to

ensure remuneration policy in the group is in line with the company's long-term interest and strategy. The Remuneration Committee will among other update the Group's Guidelines for stipulating salaries and other remuneration of persons in sernor positions.

Evaluation of the Board's work

When recruiting Board members, the company's owners follow a long-standing strategy of assessing the company's need for varied competency, continuity, renewal, and changes in ownership structure. It will always be in the company's interest to see that the composition of the Board accords with the demands made on the Group. The Board conduct annual meetings to review its own work. In these meetings Group management is not present.

10. Risk management and internal control

The Group's activities are varied, depending on each entity's position in the value chain, and consequently require differentiated forms of management and follow-up. Good internal management systems are essential for success and must be continuously developed in order to accommodate fluctuating conditions. The Group's regional structure, with independent entities, and short-term reporting, facilitates good control and a powerful focus. Internal control is based on daily and weekly reports that are summarised into monthly reports tailored to the individual company and the Group. Uniform reporting procedures and formats are required in order to ensure correct reporting from all entities, up to an aggregate level.

As Lerøy Seafood Group is an international seafood corporation with decentralised operations and a significant volume of biological production, the company is exposed to a number of risk factors. The Board of Directors therefore works hard to ensure that the Group implements all measures required to control risk, limit individual risk, and keep risk as a whole within acceptable constraints. Please refer to the chapter on Risk Management in the Board of Directors' report for information on how the Group manages the different risks to which the company is exposed.

Review by the Board of Directors

A significant share of the work of the Board of Directors is to see that the company's management is familiar with and understands the Group's risk areas and manages that risk with appropriate internal control. Frequent evaluations and assessments are conducted of both the management's and the Board's understanding of risk and internal control. The Audit Committee plays an important role in these evaluations and assessments.

Description of the main elements of risk management and internal control related to financial reports

Internal control within the Group is based on the recommendation from the "Committee of Sponsoring Organizations of the Treadway Commissions" (COSO) and covers the control environment, risk assessment, control activities, information and communication, and monitoring. The main purpose of the COSO framework is to identify, evaluate, and manage the company's risk in an efficient and appropriate manner. The content of these different elements is described in detail below.

Control environment

The core of an enterprise is the employees' individual skills, ethical values, and competence, in addition to the environment in which they work.

Guidelines for reporting

On behalf of the CFO, the Chief Accountant for the Group provides financial reporting guidelines to entities within the Group. Similarly, the Head of ESG & Quality, on behalf of the CEO, provides guidelines to entities in the Group for reporting on society and the environment. These guidelines place requirements on both the content of and process for reporting.

Organisation and responsibility

The Chief Accountant for the Group reports to the CFO and is responsible for areas such as financial reporting, budgets, and the internal control of financial reporting within the Group. The Head of ESG & Quality reports to the CEO and is responsible for areas related to sustainability reporting.

The directors of the reporting entities are responsible for continuous financial, social and environmental monitoring and reporting.. Each entity has management groups and functions adapted to their organisation and business. The managers see that appropriate and efficient internal control is implemented and are responsible for compliance with requirements.

The Audit Committee shall monitor the processes related to financial and sustainability reporting and ensure that the Group's internal control and risk management systems function efficiently. The Audit

Committee shall also ensure that the Group has an independent and efficient external auditor.

The financial statements for all companies in the Group are audited by an external auditor, within the framework established in international standards for auditing and quality control.

Risk assessment

Group management, the Chief Accountant for the Group, and the Head of ESG & Quality work with the managers of each reporting entity to identify, assess, and monitor the risk of errors in the Group's reports.

Control activities

The reporting entities are responsible for implementing sufficient control actions to prevent errors in financial and sustainability reporting.

Processes and control measures have been established for quality assurance in reporting. These measures consist of mandates, the division of work, reconciliation/ documentation, IT controls, analyses, management reviews, and Board representation within subsidiaries.

The Group Chief Accountant and the Head of ESG & Quality ensure that reporting takes place in accordance with current legislation, accounting standards, established accounting policies, and the Board's guidelines.

Reporting by Group companies and segments is also assessed continuously, in conjunction with Group management. Analyses are carried out for previous

periods, between different entities, and in relation to other companies within the same industry.

Review by Group management

Group management holds minimum monthly meetings to review such issues as the monthly development in key figures/ KPIs and the strategic action plan.

Reviews by the Audit Committee, Board of Directors, and annual general meeting

On a quarterly basis, the Audit Committee and the Board review the Group's reports. During these reviews, the Audit Committee has discussions with management and the external auditor. At least once a year, the Board meets with the external auditor, outside the presence of the administration.

The Board reviews the interim accounts per quarter as well as the proposal for the financial statements. The financial statements are adopted by the annual general meeting.

Information and communication

The Group strongly emphasises correct and open information to shareholders, potential shareholders, and other stakeholders. For details, ref. Item 13, 'Information and communication'.

Follow-up of reporting entities

Those individuals responsible for entities which issue reports shall ensure appropriate and efficient internal control in accordance with requirements and be responsible for compliance with such requirements.

Group level

Group management, in cooperation with the individuals responsible for reporting, review the financial and sustainability reports issued by the entities and the Group and assess any errors, omissions, and required improvements.

External auditor

The external auditor shall provide the Audit Committee with a description of the main elements of the audit from the previous financial year, particularly significant weak points identified during internal control related to the process of financial and sustainability reporting.

The Board of Directors

The Board, represented by the Audit Committee, monitors the reporting process.

11. Remuneration of the Board of Directors

The remuneration of the Board of Directors is not based on results. Board members elected by the shareholders have no share options. If enterprises with which Board members are associated perform work for the company's Board, the Board specifically addresses the question of independence. The remuneration of the Chairman of the Board and other Board members is recommended by the Nomination Committee and adopted by the general meeting. The annual general meeting on 23 May 2023 adopted annual remuneration for the Board of Directors as follows:

- Chairman of the Board NOK 500 000
- Other Board members NOK 300 000

The Audit Committee's remuneration for additional work performed is NOK 120 000 per year for the committee chairman and NOK 80 000 per year for other members of the committee.

The annual remuneration of the Nomination Committee totalled NOK 45 000 per member.

12. Remuneration of executive personnel

A remuneration report for executives is published annually, highlighting the actual remuneration, remuneration principles and framework. The guidelines regarding salary and other remuneration shall be clear and understandable and contribute to the company's business strategy, long-term interests, and financial capacity. The schemes for salary and other remuneration shall help to align the interests of shareholders and executive personnel, and they shall be simple.

The annual general meeting shall, at minimum every four years, review and approve the Board's guidelines for stipulating salary and other remuneration of persons in senior positions according to the provisions in section 6–16 a of the Public Limited Liability Companies Act and related regulations. Furthermore, the annual general meeting shall hold an advisory vote each year on the Board's statement regarding paid and current remuneration covered by the guidelines prepared according to section 6–16 a of the Public Limited Liability Companies Act, cf. section 6–16 b of the Public Limited Liability Companies Act.

13. Information and communication

Lerøy Seafood Group seeks to provide correct and open information to shareholders, potential shareholders, and other stakeholders. The company discloses inside information in accordance with section 3–1 of the Securities Trading Act, cf. the EU's Market Abuse Regulation (596/2014)

(MAR) Article 17, cf. MAR article 7, and cf. article 2 of the Commission Regulation 2016/1055. Timely, relevant, consistent, and current information is the basis upon which all interested parties assess the value of the company's shares. In addition to disclosing inside information pursuant to MAR, the company will also hold presentations for investors and analysts. Lerøy Seafood Group keeps its shareholders informed via the Board of Directors' report and interim reports and presentations. In addition, press releases are sent out about important events in the company's markets or other relevant circumstances.

Every year, Lerøy Seafood Group publishes the company's financial calendar, showing the dates for the presentation of interim financial statements and the date of the annual general meeting. The date for the payment of dividends is decided at the annual general meeting.

The company's website – leroyseafood.com – is updated constantly with information distributed to shareholders. No specific guidelines have been compiled for the company's contact with shareholders outside the general meeting, because the current integrated practice within this area is deemed satisfactory.

14. Takeovers

Lerøy Seafood Group has no restrictions in its Articles of Association regarding company takeovers. As of 3 June 2002, shares in Lerøy Seafood Group have been quoted on the Oslo Stock Exchange and are freely negotiable within the provisions of Norwegian law. The company has only one class of shares, and each share carries one vote at the annual general meeting. If a takeover bid is made for the company, the Board of Directors will make a statement prior to the expiry of the bid. The Board of Directors' statement will also include a recommendation as to whether the shareholders should accept the bid or not. The Board of Directors will emphasise the equal treatment of shareholders and avoiding unnecessary disturbance to the company's operations.

15. Auditor

Auditing – Annual plan

For a number of years, Lerøy Seafood Group has engaged the services of PwC as Group auditor. The auditor follows an auditing plan reviewed in advance with the Audit Committee and management. The auditor and Audit Committee perform an annual audit of the company's internal control, identifying weak points and recommending improvements. The Board is informed of the general nature of the services that the administration procures from the auditor.

Treatment of financial statements

The auditor holds meetings with the Audit Committee and management after the interim audit and in connection with the company's presentation of interim reports for the fourth quarter. The auditor attends Board meetings where financial and sustainability

statements are to be approved, and also holds a meeting about the annual report with the Board of Directors, at which the management is not present. During these meetings, the auditor reviews any significant changes to the company's accounting policies, evaluates significant accounting estimates, and reviews any material aspects on which the auditor and management disagree. To date, there has been no such disagreement.

Auditor – Other services

To reinforce the Board's work on financial and sustainability reporting as well as with internal control, according to the auditing regulations, the auditor shall present an annual supplementary report to the Audit Committee, in which the auditor declares his/her independence and explains the results of the statutory audit, with information on the audit. The auditor shall also provide written information to the Audit Committee on any services provided other than the statutory audit. The auditing company utilised is a large company that practises internal rotation, in compliance with the requirement for independence.

Moreover, at the Board's discretion, the auditor is available for questions and comments on financial statements and other matters.

Remuneration of the auditor

Fees invoiced by the auditor are presented in a note separate from the financial statements. The company's annual general meeting is also notified of the auditor's remuneration.

Specific guidelines have been prepared for the management's permission to make use of an auditor for services other than auditing. The Audit Committee is continuously informed of the main aspects of the services purchased by the management from the auditor. In addition, services with an estimated total cost exceeding NOK 1 million must be pre-approved by the Audit Committee.



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Consolidated financial statements

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Key Figures for Lerøy Seafood Group Consolidated

All figures in NOK 1 000

	2023	2022
LSG stock price last annual trading day	41.80	55.15
Dividend paid per share (distribution year)	2.50	2.50
Dividend per share for payment following year	2.50	2.50
Cash flow from operating activities per share	5.60	3.82
Diluted cash flow from operating activities per share	5.60	3.82
NIBD	5 209 443	4 346 083
Equity ratio	48.0%	56.7%
Harvest volume (GWT)	159 620	174 629
Share of slaughtered volume salmon (GWT) from JV (Norskott Havbruk)	12 442	17 968
Catch volume in tonnes (HOG)	75 893	71 726
Operating revenue	30 869 712	26 645 877
Key figures before fair value adjustments related to biological assets		
EBITDA before fair value adjustments	4 694 408	4 520 918
Operational EBITDA	4 831 454	4 797 106
Operating profit (EBIT) before fair value adjustments	3 102 412	3 194 879
Operational EBIT	3 335 059	3 471 067
Pre-tax profit before fair value adjustments	2 468 777	2 966 803
Operating margin before fair value adjustments	10.1%	12.0%
Operational EBIT margin	10.8%	13.0%
Profit margin before fair value adjustments (pre-tax)	8.0%	11.1%
ROCE before fair value adjustments (annualised)	12.6%	14.5%
Earnings per share before fair value adjustments	0.19	3.59
EBIT/kg before fair value adjustments	19.4	18.3
Operational EBIT/kg before fair value adjustments	20.9	19.9
EBIT/kg exclusive Wildcatch, before fair value adjustments	17.7	16.3
Operational EBIT/kg exclusive Wildcatch, before fair value adjustments	19.2	17.9

	2023	2022
Fair value adjustments related to biological assets		
Fair value adjustments related to consolidated companies' inventory (before tax)	124 962	1 088 166
Fair value adjustments related to associates' inventory (after tax)	6 371	11 982
Key figures after fair value adjustments related to biological assets		
EBITDA	4 819 370	5 609 084
Operating profit (EBIT)	3 227 374	4 283 045
Pre-tax profit	2 600 111	4 066 951
Operating margin	10.5%	16.1%
Profit margin (pre-tax)	8.4%	15.3%
ROCE	12.1%	18.1%
Earnings per share	0.46	4.88

Income statement

All figures in NOK 1 000 (period 1.1 – 31.12)

Lerøy Seafood Group Consolidated	Notes	2023	2022
Operating revenue and expenses			
Operating revenue	5/25	30 869 712	26 645 877
Other gains and losses	5	36 473	6 380
Cost of materials	25	18 159 867	16 064 207
Change in stock of biological assets at cost, raw materials and finished products	12	-729 836	-1 656 202
Salaries and other personnel costs	16/22	4 241 029	3 815 833
Other operating expenses	22/27	4 540 717	3 907 502
EBITDA before fair value adjustments related to biological assets		4 694 408	4 520 918
Depreciation on intangibles	7	33 608	33 559
Depreciation on right of use assets	8	588 789	550 056
Depreciation on fixed assets	9	861 490	742 424
Impairment loss on intangibles	7	4 000	0
Impairment loss on fixed assets	9	104 110	0
Operating profit before fair value adjustments related to biological assets		3 102 412	3 194 879
Fair value adjustments related to biological assets	11	124 962	1 088 166
Operating profit (EBIT)		3 227 374	4 283 045
Associates and net financial items			
Income from joint ventures and associates	5/10	-143 308	65 675
Net financial items	23	-483 956	-281 769
Profit before tax		2 600 111	4 066 951
Taxation	17	-2 389 557	-901 829
Annual profit		210 553	3 165 122
Of which controlling interests		272 501	2 906 781
Of which non-controlling interests		-61 948	258 341
Earnings per share	19	0.46	4.88
Diluted earnings per share	19	0.46	4.88

Statement of comprehensive income

All figures in NOK 1 000 (period 1.1 – 31.12)

Lerøy Seafood Group Consolidated	Notes	2023	2022
Profit for the year		210 553	3 165 122
Estimate differences pension plans (including associates)	10/16	-373	-250
Conversion differences that are reclassified to profit and loss in the period	24	1	110
Items that will not be reclassified to the income statement		-372	-140
Translation differences related to subsidiaries	24	78 205	62 911
Translation differences from associates	10/24	95 386	1 918
Change in value of financial instruments (cash flow hedges)	14	28 208	16 124
Change in value from associates	10	-4 443	14 562
Items that may subsequently be reclassified to the income statement		197 356	95 515
Other comprehensive income for the year		196 984	95 375
Comprehensive income for the year		407 537	3 260 497
Of which controlling interests		467 113	3 000 474
Of which non-controlling interests		-59 576	260 023

The items included in comprehensive income are after tax
Notes 1–28 are an integral part of the consolidated financial statements

Statement of financial position

All figures in NOK 1 000

Lerøy Seafood Group Consolidated	Notes	2023	2022
Non-Current Assets			
Deferred tax asset	17	216 307	92 865
Intangibles	7	8 687 051	8 550 168
Right-of-use assets	8/15	2 713 452	2 863 969
Fixed assets	9/15	8 195 987	7 487 389
Shares in associates and joint ventures	5/10/15	1 366 072	1 424 638
Other investments	10/14	13 857	16 699
Non-current receivables	13	116 350	123 314
Total Non-Current Assets		21 309 075	20 559 041
Current Assets			
Biological assets	11/15	8 424 483	7 617 593
Other inventories	12/15	2 398 175	2 307 897
Trade receivables	13/14/15	2 926 481	2 716 977
Other current receivables	13/14/15	2 037 207	555 273
Cash and cash equivalents	14/15	4 323 109	3 304 878
Total Current Assets		20 109 455	16 502 618
Total Assets		41 418 529	37 061 660

Notes 1–28 are an integral part of the consolidated financial statements

All figures in NOK 1 000

Lerøy Seafood Group Consolidated	Notes	2023	2022
Equity			
Share capital	21	59 577	59 577
Treasury shares	21	-30	-30
Share premium reserve		4 778 346	4 778 346
Total paid-in capital		4 837 893	4 837 893
Retained earnings		13 849 240	14 870 817
Non-controlling interests		1 209 412	1 314 983
Total Equity		19 896 545	21 023 693
Long-term liabilities			
Pension liabilities	16	3 700	3 029
Deferred tax	17	5 008 552	2 576 287
Lease liabilities to credit institutions	8/15	916 059	881 201
Lease liabilities to others	8/15	1 146 745	1 272 906
Bond loans	15	2 990 486	1 493 656
Loans from credit institutions	15	3 887 752	3 441 073
Other long-term loans	15	21 847	658
Other long-term liabilities	14/15	0	5 678
Total long-term liabilities		13 975 140	9 674 488
Short-term liabilities			
Short-term part of long term loans and leases	15	1 026 170	999 206
Overdrafts and other short term loans	15	975 792	1 104 780
Trade payables	14	2 556 729	2 076 939
Public duties payable		1 602 862	334 934
Tax payable	17	438 403	952 991
Other short-term liabilities	14/15/18	946 889	894 629
Total short-term liabilities		7 546 844	6 363 479
Total liabilities		21 521 984	16 037 967
Total Equity and liabilities		41 418 529	37 061 660

Notes 1–28 are an integral part of the consolidated financial statements

Bergen, April 29, 2024

The Board of Directors of Lerøy Seafood Group ASA

Arne Møgster
Chairman



Didrik Munch
Board member



Siri Lill Mannes
Board member



Are Dragesund
Board member



Hans Petter Vestre
Employees' representative



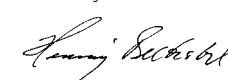
Karoline Møgster
Board member



Britt Kathrine Drivenes
Board member



Henning Beltestad
CEO Lerøy Seafood Group ASA



Statement of changes in equity

All figures in NOK 1 000

Lerøy Seafood Group Consolidated	Share capital	Treasury shares	Share premium reserve	Currency translation differences	Cash flow hedges reserve	Other retained earnings	Non-controlling interests *	Total equity
Equity 31.12.2021	59 577	-30	4 778 346	80 240	9 326	13 269 466	1 126 177	19 323 103
Annual profit 2022						2 906 781	258 341	3 165 122
Comprehensive income for the year				64 939	16 279	12 475	1 682	95 375
Total profit/loss 2022	0	0	0	64 939	16 279	2 919 257	260 023	3 260 497
Transactions with shareholders								
Dividend payments						-1 489 434	-71 217	-1 560 651
Dividend paid on treasury shares						744		744
Total transactions with shareholders	0	0	0	0	0	-1 488 690	-71 217	-1 559 907
Equity 31.12.2022	59 577	-30	4 778 346	145 179	25 605	14 700 033	1 314 983	21 023 693
Annual profit 2023						272 501	-61 948	210 553
Comprehensive income for the year				173 592	27 863	-6 843	2 372	196 984
Total profit/loss 2023	0	0	0	173 592	27 863	265 658	-59 576	407 537
Transactions with shareholders								
Dividend payments						-1 489 434	-39 994	-1 529 429
Dividend paid on treasury shares						744		744
Redemption of non-controlling interests							-6 000	-6 000
Total transactions with shareholders	0	0	0	0	0	-1 488 690	-45 994	-1 534 684
Equity 31.12.2023	59 577	-30	4 778 346	318 771	53 468	13 477 002	1 209 412	19 896 545

* Non-controlling interests. Other components of equity are allocated to Lerøy Seafood Group's shareholders

Treasury shares

Lerøy Seafood Group ASA owns 297 760 treasury shares of a total number of 595 773 680 shares. The ratio of treasury shares is 0.05%. The purchase price paid for treasury shares is split into two different categories, where the nominal value of treasury shares is included in paid-in capital (NOK -30 thousand), and the purchase price exceeding nominal value of treasury shares (NOK -2 389 thousand) is included in retained earnings. The average purchase price for treasury shares is NOK 8.12 per share.

Statement of cash flows

All figures in NOK 1 000 (period 1.1 – 31.12)

Lerøy Seafood Group Consolidated	Notes	2023	2022
Cash flows from operating activities			
Profit before tax		2 600 111	4 066 951
Taxes paid during the period		-634 477	-527 303
Other gains and losses	5	-36 473	-6 547
Depreciation	7/8/9	1 483 886	1 326 039
Impairment loss	7/9	108 110	0
Profit impact joint ventures and associates	10	143 308	-65 675
Change in fair value adjustments related to biological assets	11	-124 962	-1 088 166
Change in inventories/biological assets	11/23	-725 016	-1 638 202
Change in trade receivables	13	-167 594	-542 754
Change in trade payables		441 844	386 505
Change in net pension liabilities	16	671	-365
Net financial items classified as investing or financing activities	23	484 684	281 769
Change in other accruals		-236 845	83 141
Net cash flow from operating activities		3 337 245	2 275 393
Cash flows from investing activities			
Proceeds from sale of fixed assets	9	46 976	24 009
Payments for acquisitions of fixed assets	9	-1 326 118	-911 400
Proceeds from sale of right of use assets	8	789	0
Payments for acquisitions of intangible assets	7	-156	-287
Proceeds from sale of shares in associates and other businesses	10	3 807	1 835
Payments for acquisitions of shares in associates and other businesses	10	-43	-61
Dividend payments received from associates	10	3 405	6 358
Payments for acquisition of Group companies and redemption of minorities	6	-116 020	-58 892
Cash and cash equivalents from business combinations	6	33 763	223
Interest payments received	23	129 774	35 812
Proceeds/payments on other loans (short and long-term)		-5 473	-5 249
Net cash flow from investing activities		-1 229 297	-907 652

Lerøy Seafood Group Consolidated	Notes	2023	2022
Cash flows from financing activities			
Movement in short-term interest-bearing debt	15	-460 976	522 391
Proceeds from establishing new long-term debt	15	2 842 644	264
Downpayments of long-term debt	15	-1 413 436	-914 300
Interest paid and other financial expenses	23	-529 263	-314 457
Dividends paid (net, after dividend on treasury shares)	20	-1 528 685	-1 559 907
Net cash flow from financing activities		-1 089 716	-2 266 009
Net cash flow in the accounting period		1 018 231	-898 268
Cash and cash equivalents at start of period		3 304 878	4 203 146
Cash and cash equivalents at end of period		4 323 109	3 304 878
This consists of:			
Bank deposits, etc.		4 323 109	3 304 878
Of which restricted funds		124 152	125 267
In addition the Group has the following cash capacity:			
Unutilised overdraft/drawdown facilities (short-term only)		3 882 132	2 875 225

Note 1 Accounting policies

All figures in NOK 1 000

Lerøy Seafood Group ASA is registered in Norway with identification number 975 350 940. The business address is Thormøhlens gate 51, 5006 Bergen, Norway. Lerøy Seafood Group ASA is listed on the Oslo Stock Exchange with ticker code LSG. Lerøy Seafood Group ASA is a subsidiary of Austevoll Seafood ASA (52.69%), which in turn is owned (55.55%) by Laco AS. Laco AS is the ultimate parent company.

This section presents consolidated accounting policies and notes for Lerøy Seafood Group ASA. Accounting policies and notes for Lerøy Seafood Group ASA (parent company) are presented separately after the notes to the consolidated financial statements. This separation is necessary in that the Group submits financial statements in accordance with IFRS® Accounting Standards (International Financial Reporting Standards), while the parent company's financial statements are drawn up in accordance with NGAAP (Norwegian Generally Accepted Accounting Principles). The company's consolidated financial statements for the financial year 2023 include the company and its subsidiaries (collectively referred to as "the Group") and the Group's share in joint ventures and associates.

The financial statements were submitted by the Board of Directors on 29 April 2024.

(A) Declaration confirming that the financial statements have been drawn up in accordance with IFRS Accounting Standards

The consolidated financial statements are submitted in accordance with international standards for financial reporting (IFRS Accounting Standards) and interpretations established by the International Accounting Standards Board (IASB) and adopted by the EU.

(B) Basis for preparing the financial statements

The financial statements are presented in NOK and figures are rounded off to the nearest thousand. They are prepared on the basis of the historical cost principle, with the exception of the following assets and liabilities which are carried in the balance sheet at fair value: Biological assets and financial derivatives.

Preparation of financial statements in accordance with IFRS Accounting Standards demands that the administration makes assessments, estimates and assumptions that influence the application of accounting policies and the book values of assets

and liabilities, revenue and costs. Estimates and their associated assumptions are based on historical experience and other factors seen as reasonable under the circumstances. These calculations form the basis for measurement of carrying amounts for assets and liabilities that are not readily available from other sources. The actual result may deviate from these estimates.

Estimates and underlying assumptions are under constant review. Changes in the accounting-related estimates are recognised in the periods in which they occur, provided they apply only to that period. If changes also apply to future periods, the effect is distributed over current and future periods.

Assessments that are made by the administration when applying the IFRS Accounting Standards and that have a significant effect on the financial statements and estimates with a considerable risk of significant adjustments in the next financial year, are described in note about significant accounting estimates and assessments.

The accounting policies discussed below have been consistently applied for all periods presented in the consolidated financial statements.

The consolidated financial statements are drawn up in accordance with IFRS Accounting Standards, while the financial statements for the Norwegian subsidiaries are prepared according to Norwegian Generally Accepted Accounting Principles (NGAAP). Accounts for the foreign subsidiaries are prepared according to accepted accounting policies in the respective countries.

The consolidated financial statements are prepared under the assumption that Lerøy Seafood Group will continue as a going concern.

(C) Principles of consolidation

Subsidiaries

Subsidiaries are all units where the Group has control of the unit's financial and operational strategy, normally through ownership of more than half of all equity with voting rights. Subsidiaries are consolidated from the moment control is obtained and are excluded from consolidation when such control ceases. Transactions, intercompany accounts and unrealised gains or losses between the Group companies are eliminated.

For each business combination after 2009, the group has measured components of non controlling interests in the acquiree at fair value at the acquisition date. This implies that goodwill is recognised also on non-controlling interests proportionate share of the entity's net assets.

The companies that are part of the Group are specified in the note on consolidated companies.

Non-controlling interests

Non-controlling interests are measured at acquisition date either to fair value or their proportionate share of net identified assets, with an option to choose for each acquisition. Non-controlling interests' share of the profit or loss for the year after taxes is shown as a separate item after the annual profit/loss for the Group. The non-controlling interests' share of equity is shown as a separate item under consolidated equity. Transactions with non-controlling interests in subsidiaries are booked as equity transactions. In the event of the purchase or sale of shares from non-controlling interests, the difference between the consideration and the shares' proportional share of the carrying amount for the net assets in the subsidiary against the parent company owners' equity is booked to controlling shareholder's equity.

(D) Operating revenue

Operating revenue is recognised at a point in time when control is passed to the customer. Control is generally passed when delivered to the customer according to the agreed upon Incoterms (contractual terms).

Expected volume discounts are deducted from operating revenue and presented as current provisions. Taxes and duties are also deducted from operating revenue.

The Group records provisions (sales reduction) for quality deviations and returns based on historical numbers and specific information regarding the respective deliveries. The Group delivers, to a large degree, fresh food and returns will therefore usually be registered shortly after the customer has received the goods.

(E) Reporting by segment

Segments are reported at a more aggregated level than for internal reporting to the corporate management due to similar economic characteristics, organisational structure and commercial risk. The Group's reportable segments comprise the following: (1) Wildcatch, (2) Farming and (3) Value-added Processing (VAP), sales and distribution. The last segment is also named VAPS&D or VAPSD for short. Please refer to the note on the consolidated companies and division into operating segments for a complete description of the companies in the different segments, both directly and via indirect ownership.

Wildcatch is reported as one segment. The unit comprises the two sub-groups Lerøy Havfisk AS and Lerøy Norway Seafoods AS. The Lerøy Havfisk Group, owner of the licenses, is subject to a so-called "industrial obligation" in Stamsund, Melbu, Hammerfest, Båtsfjord, Honningsvåg and Kjøllefjord. This implies that the license is linked to operation of the facilities in the respective locations. Lerøy Havfisk has leased out the facilities in these locations to Lerøy Norway Seafoods AS. The lessor is responsible for sustaining

Note 1 cont.

operations. However, if the lessor terminates operations, the license terms oblige Lerøy Havfisk to sustain operations in the specified locations. The two companies, including their subsidiaries, are so heavily integrated with each other, that they are regarded as one operating segment, which also is reflected in the internal reporting.

Farming is reported as one segment but specified on three operating segments. These are:

1. the North Norway region, comprising the Lerøy Aurora AS and Lerøy Aurora Sjø AS
2. the Central Norway region, comprising Lerøy Midt AS and Lerøy Midt Sjø AS
3. the West Norway region (also known as Lerøy Sjøtroll), comprising Lerøy Vest AS, Lerøy Vest Sjø AS, Lerøy Vest Kraft AS, Sjøtroll Havbruk AS, Sjøtroll Havbruk Sjø AS, Lerøy Kjærelva AS, Lerøy Årskog AS, Lerøy Austevoll AS, AUSS Laks AS, Norsk Oppdrettsservice AS and Lerøy Ocean Harvest AS.

These units all operate in the same branch, have the same customers, similar commercial risk and similar processes. Their only distinguishing factor is geography. It has therefore been deemed appropriate to merge these into one operating segment.

Value-added Processing (VAP), sales and distribution is the third segment. This segment comprises several sub-groups and individual entities. These are merged into one reporting segment due to similarities such as same branch, commercial risk and uniform processes.

The Norwegian units are: Lerøy Seafood AS, Lerøy Fossen AS, Lerøy Bulandet AS, Lerøy Sjømatgruppen AS, Lerøy Norge AS, Sirevåg AS, Lerøy Nord AS, Dragøy Grossist AS, Sjømathuset AS, Lerøy Quality Group AS, Lerøy & Strudshavn AS and Wannebo International AS.

The foreign units consist of the Dutch sub-group Lerøy Seafood Holding B.V., that also includes Lerøy Germany GmbH, the Swedish sub-group Lerøy Sverige AB, the Danish sub-group Lerøy Seafood Denmark A/S, the French sub-group SAS Lerøy Seafood France, the Spanish sub-group Lerøy Processing Spain S.L, in addition to Lerøy Seafood USA Inc, Lerøy Portugal Lda, Lerøy Finland OY, Lerøy Turkey, Lerøy Seafood Italy Srl and Lerøy Seafood UK Ltd.

The Norwegian entities Lerøy Seafood Group ASA and Preline Fishfarming System AS are not assigned to any of the segments.

(F) Currency

The consolidated financial statements are presented in NOK, the functional currency for the parent company and the Norwegian subsidiaries. Cash items in foreign currency are valued at the respective rates of exchange at the end of the financial year. Gains and losses on foreign currency related to the purchase and sale of goods are presented as part of the accounting line for "Purchases".

See also item (V) on derivatives, including currency forward contracts utilised to control currency risk.

(G) Intangible assets

Goodwill

Goodwill represents the residual value that cannot be assigned to other assets or liabilities on acquisition of a company or other assets. Deferred tax at date of acquisition on licenses with unlimited lifetime, increases goodwill. Goodwill in respect of the acquisition of subsidiaries is included in intangible assets, while goodwill in connection with the acquisition of associates is included in the item "Shares in associates". From each business combination goodwill is allocated to a cash generating unit (CGU). Goodwill is not amortised (after 1 January 2004), but is reviewed annually for any impairment and carried on the balance sheet at cost price less accumulated write-downs. When assessing the need to write down the value of goodwill, this is allocated to applicable cash-generating units.

Licences/rights

The Group's licenses can be split into two main groups: (1) Licences related to farming and (2) licenses related to wild catches (fishing rights). In addition, the Group has some intellectual property rights.

Licences related to farming are not amortised. Licences are carried at cost price less any accumulated write-downs. Licences are tested annually for impairment. An overview of the different licenses involved in this operating segment, in terms of type, number and volume, is provided in the note on intangible assets. A more detailed explanation supporting the assessment that the assets have an indefinite useful life is provided in item (X) at the end of the description of accounting policies.

Fishing rights (the licenses) are valued at acquisition cost minus any accumulated amortisation and impairment loss. The licenses comprise basic quotas with no time limit and structural quotas with a time limit of 20 and 25 years respectively. The structural quotas have a definite useful life and are amortised over the length of the structural period. The basic quotas have an indefinite useful life and are not amortised, but they are tested annually for impairment. The structural quotas are amortised over the remaining life of the quota until the value is zero, as there is no active market for the rights or any commitment from a third party to acquire the right once its useful life is over. Pursuant to White Paper no. 21 (2006–2007) (Structural policy for the fishing fleet), the structural quotas with pre-specified time limits after expiry of the allocation period will be redistributed among the "cod trawler" group of vessels, thereby becoming part of the vessels' basic quota. This implies that if a vessel has structures that are in accordance with the average for the group of vessels, a vessel will be able to maintain practically the same catch volume once the period for

the structural quotas has expired. More detailed information on licenses/fishing rights is provided in note on intangible assets.

The major share of other intangible assets comprises water rights within farming (smolt production). The Group distinguishes between time-limited water rights, which are amortised over their lifetime, and water rights with no time limit, which are not amortised but are tested annually for impairment. Other intangible assets comprise rights that are amortised over their lifetime (contractual period).

(H) Fixed assets and right-of-use assets

Fixed assets

Fixed assets are measured at acquisition costs less accumulated depreciation and any accumulated impairment loss. The depreciation on fixed assets is allocated linearly over estimated useful life (depreciation period). Significant parts of fixed assets that have different depreciation periods are decomposed and depreciated separately. The estimated average useful life of fixed assets, when decomposed, is estimated as:

- **Land: Lasting value**
- **Buildings and real estate: 20–25 years**
- **Machinery and production equipment: 5–15 years**
- **Vessels: 25 years**
- **Fixtures and other equipment etc.: 2.5–5 years**

Right-of-use assets

Leases are measured as the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate, and recognised from the date the leasing agreement starts. Options for extension periods are included in the leasing calculation when they are reasonably certain to be exercised. At time of initial recognition, the associated right-of-use asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The right-of-use asset is depreciated linearly from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

For contracts containing both lease and non-lease components, the Group allocates the consideration in the contract to the lease and the non-lease components based on their relative stand-alone prices. This mainly applies to the Group's time charter rental agreements of wellboats, where the service element of the contracts is a significant non-lease component. The non-lease component is excluded from the lease accounting and expensed directly in the income statement.

The Group has applied the lease recognition exemptions for short term lease contracts and low-value assets. Short terms leases

Note 1 cont.

represent lease agreements shorter than 12 months from the date of the contract. Low value assets represent lease agreements that are lower than fifty thousand Norwegian kroner. Rent paid on non-recognised leases are presented in the note on leases.

The Group distinguishes between leases with credit institutions and leases with others. The distinction is shown in note on leases. Acquisition of right-of-use assets from leases with credit institutions is considered to be investments in new assets, while acquisition of right-of-use assets from others than credit institutions is not. This distinction is also applied on the debt side, and in the definition of NIBD. See note on APMs for further information.

(I) Biological assets, loss-making contracts and mortality expenses

The Group's biological assets comprise live fish, mainly salmon and trout, at all stages of the life cycle. The fish are divided into two main groups, depending on the stage of the life cycle. At the earliest stage of the life cycle, the fish are classified in group (1) roe, fry and juvenile fish. During this stage, the fish are kept on shore. When the fish are large enough for release to sea, they are classified in group (2) fish in sea. The group for fish in sea also comprises the subgroup for parent fish, utilized to produce roe. As this subgroup is immaterial, it is dealt with in the same way as other fish in sea.

The stock of fish, in addition to salmon and trout, also comprises cleaner fish. This species of fish is utilized during production of salmon and trout as a means of eliminating salmon lice. Despite the significant number of cleaner fish produced by the Group, both the volume and value of this species are relatively low and are immaterial for the consolidated financial statements. To simplify accounting, this species is therefore grouped with roe, fry and juvenile fish.

Biological assets are regulated by IAS 41 Agriculture. The main rule is that biological assets shall be measured at fair value minus sales costs unless fair value cannot be reliably measured. Measurement of fair value is regulated by IFRS 13. 'Fair value' refers to the price that would have been achieved on sale of the asset in an orderly transaction between market participants at the measurement date under the prevailing market conditions.

For roe, fry and juvenile fish, in addition to cleaner fish, historical cost is deemed a reasonable approach to fair value, as there is little biological transformation (IAS 41.24). This assessment must be seen in light of the fact that smolt are currently released to sea at a stage when their weight is still relatively low. At the same time, this group still comprises a limited share of the Group's biological assets measured in terms of both volume and value. If changes emerge in the future implying that the smolt produced are

significantly larger when released to sea, a new assessment will be required.

For fish in sea, the fair value is calculated by applying a cash flow based present value model at level three in the fair value hierarchy in IFRS 13. In line with IFRS 13, the highest and best use of the biological assets is applied for the valuation. In accordance with the principle for highest and best use, the Group considers that the fish have optimal weight for harvest when they have a live weight corresponding to 4 kg gutted weight. For information on recalculation factor from gutted weight to live weight, see note on biological assets. As of 31.12 this corresponds to a live weight of 4.65 kg for salmon and 4.76 kg for trout. Fish with a live weight equal to this or more, are classified as ready for slaughter (mature fish), while fish that have still not achieved this weight are classified as not ready for harvest (immature fish). For fish ready for harvest, the highest and best use is defined as harvesting and selling the fish as quickly as possible in the month following the balance sheet date. For fish not yet ready for harvest, the highest and best use is in principle defined as growing the fish to optimal weight for harvest, then harvesting and selling the fish. The harvest date applied in the valuation may however be brought forward if required by situations at a specific locality. Such situations may involve biological challenges (disease, salmon lice infestation etc.).

The cash flow-based present value model does not rely on historical and company-specific factors. On a hypothetical market with perfect competition, a hypothetical buyer of live fish would be willing to pay as a maximum the present value of the estimated future profit from the sale of the fish when it is ready for harvest. The estimated future profit, taking into account all price adjustments and payable fees for completion, constitutes the cash flow.

Incoming cash flow is calculated as a function of estimated volume multiplied by estimated price. For fish not ready for harvest, a deduction is made to cover estimated residual costs to grow the fish to the optimal weight for harvest. The cash flow is discounted monthly by a discount rate. The discount rate comprises three main components: (1) the risk of incidents that have an effect on cash flow, (2) hypothetical license lease and (3) the time value of money. Please refer to the note on significant accounting estimates and assessments for more detailed information on discounts, and sensitivity analysis.

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

Pricing is based on the Fish Pool forward prices. The reason for this is that the observable forward prices at Fish Pool are recognised as the best approach to a hypothetical price of salmon. The volume of trout sales in Norway is significantly lower, and there are no corresponding observable market prices. Historically, however, trout prices have been closely correlated to salmon prices. The forward prices for salmon are therefore applied as a starting point for estimates of the fair value of trout. The forward price for the month in which the fish is expected to be harvested is applied in order to estimate cash flow. The price stipulated by Fish Pool is adjusted to take into account export costs and clearing costs, and represents the reference price. This price is then adjusted to account for estimated harvest cost (well boat, slaughter and boxing) and transport to Oslo. Adjustments are also made for any estimated differences in size and quality. The adjustments to the reference price are made per locality. Joint regional parameters are applied, unless factors specific to an individual locality require otherwise.

Changes to estimated fair value for biological assets, according to IAS 41, are recorded through profit or loss and presented on the line for fair value adjustments related to biological assets. The accounting line for fair value adjustments related to biological assets in the income statement comprises three elements; (1) change in fair value adjustment of stock of fish in sea, (2) change in fair value of onerous contracts and (3) change in fair value of unrealised gain/loss related to financial purchase and sale contracts for fish in Fish Pool, recognised as value-hedges.

Onerous contracts are contracts where the expenses of fulfilling the contracts are higher than the economic yield the company expects to gain by fulfilling the contracts. The Group enters into contracts related to future deliveries of salmon and trout. As biological assets are recognised at fair value, this fair value will be included in the estimated expenses required to fulfil the contract. As a result, physical delivery contracts where the contractual price is lower than the price on which fair value estimation of the biological assets was based will be defined as onerous contracts according to IAS 37, even if the contractual price is higher than the production costs for the products. The provision is classified as other short-term debt.

As the financial statements also present production costs for the stock of live fish, the reporting of mortality is of significance. Costs related to abnormal mortality are immediately recognised through profit or loss and presented on the line for changes in inventory, while normal waste is classified as part of production costs. Fair value of biological assets is not affected by the principle for reporting mortality costs. The extent to which mortality is normal or abnormal requires assessment. The Group makes use of a common indicator and threshold for all farming units. If in one month mortality at a locality exceeds 1.5% of the incoming

Note 1 cont.

number of fish at the locality, this is classified as an indication of abnormal mortality. A more detailed assessment is then carried out to establish whether mortality is abnormal. These assessments take into account the cause of mortality and the size of the fish. Please refer to the note on biological assets for a more detailed description of mortality costs and incidents that have caused abnormal mortality.

(J) Inventory

Inventories of purchased goods are valued at the lower of acquisition cost and estimated sales value less sales costs. In-house-produced finished goods and semi-finished goods are valued at full production cost. Write-downs are made for quantifiable obsolescence.

(K) Trade receivables and trade payables

Trade receivables and other receivables are carried on the balance sheet at nominal amount after deduction of provision for estimated losses. The Group measures expected credit losses by estimating a lifetime expected loss allowance for all trade receivables. Loans and receivables are classified as short-term debt or current assets unless they mature more than 12 months after the balance sheet date. In that case, they are classified as fixed assets or long-term debt.

(L) Associates and joint ventures

Associates are units where the Group has significant influence but not control, normally between 20% and 50% of voting equity. Joint ventures are investments in companies where the Group has control together with other parties. Cooperation is based on a contractual agreement governing central cooperative factors. Investments in associates and joint ventures are recognised according to the equity method. The investment is capitalised at acquisition cost at the time of purchase. The Group's share of the profit/loss after tax, as well as depreciation/amortisation and write-downs of any added value, are recognised on the income statement and added to the carrying amount of the investment together with the respective share of changes in equity not booked in the income statement, such as dividend. In the income statement, the Group's respective share of profit is shown as a separate financial item, while the assets are shown in the balance sheet as an individual non-current asset. The Group's share of unrealised intercompany profit on transactions between the Group and the respective company is eliminated. Accounting policies for associates and joint ventures are changed whenever necessary to ensure consistency with the accounting policies applied for the Group (IFRS Accounting Standards).

(M) Liquid assets

Liquid assets consist of cash in hand and bank deposits and are valued at the exchange rates on the balance sheet date. In the Cash Flow Statement it is specified how much that is restricted funds.

(N) Pensions

The Group mainly has defined contribution plans, but also a few remaining defined benefit plans that are now closed. In general, the pension plans are financed via payments to insurance companies or pension funds based on periodical actuarial calculations.

A defined contribution plan is a pension plan where the Group pays a fixed amount to a separate legal entity. The Group has no statutory or other obligation to pay additional contributions.

A defined benefit pension plan is one that is not contributory. A typical defined benefit pension plan defines a pension payment that the employee will receive upon retirement. The payment is typically dependent on factors such as age, number of years in the company and wage level.

The capitalised commitment associated with defined benefit plans is the present value of the defined benefits on the balance sheet date less fair value of the pension. Pension liability is calculated annually by an independent actuary according to the straight-line accrual method. The present value of defined benefits is found by discounting estimated future payments by the interest rate on a bond issued by a company with a high credit rating in the same currency as the benefits will be paid, and with a maturity approximately equal to the duration of the associated pension liability. In countries that do not have a liquid market for long-term bonds issued by companies with a high credit rating, the market interest rate for governmental bonds is applied.

(O) Tax

The Norwegian Government enacted a 25% resource rent tax on the income from producing salmon and trout in sea on 31 May 2023. The law applied retroactively from 1 January 2023. The main principles that were established through the OT proposition, are regulated by the Norwegian Tax law chapter 19 - Special rules for taxation of aquaculture activities. The resource rent tax is in addition to the ordinary tax in Norway of 22%. The total nominal tax rate for the eligible activity is 47%, which includes 22% ordinary tax and 25% resource rent tax.

Tax cost in the income statement includes both the tax payable for the period and changes in deferred tax. Deferred tax is calculated at local tax rate for each country based on the temporary differences that exist between accounting and taxable values, as

well as the tax loss carryforward, at the end of the financial year. Temporary tax-increasing and tax-decreasing differences which reverse or may reverse the figures in the same period and within the same tax regime, are offset and booked at net value. Deferred tax is calculated at the nominal tax rate.

(P) Interest-bearing loans and credits

Loans are booked at fair value when the loan is paid out, less transaction costs. In subsequent periods loans are booked at amortised cost calculated by applying the effective interest rate, and any differences between acquisition cost and redemption value are incorporated over the loan period by using the effective interest rate method.

Next year's instalments are classified as short-term debt.

(Q) Dividends

Dividends are booked when adopted by the shareholders' meeting. See also note on dividend per share.

(R) Provisions and other commitments

Provisions are carried on the balance sheet when the Group has an existing legal obligation or implied duty in consequence of an earlier event, and it is probable that a flow of economic resources from the enterprise will be required in order to fulfil such obligation. If the effect is significant, the provision is determined by discounting estimated future cash flows by a discounting rate before tax, which reflects market pricing of the time value of money and the risks specifically associated with the obligation.

(S) Share capital and share premium

Ordinary shares are classified as equity. Expenses directly associated with issuing new shares or options, less tax, are booked under equity as reductions in proceeds received.

When buying back treasury shares, the purchase amount, inclusive of directly ascribable costs, is entered as a change in equity. Treasury shares are presented as a reduction in equity.

(T) Statement of cash flows

The consolidated statement of cash flows shows the total consolidated cash flows broken down by operating, investing and financing activities. Acquisitions of subsidiaries are considered an investing activity. Cash and cash equivalents in the company acquired is deducted. The statement shows how the various activities affect cash reserves. For cash flows in foreign currency, the average rate of exchange is used in the statement. To the extent that changes in the balance sheet figures between financial

Note 1 cont.

years do not match the corresponding figures in the statement of cash flow, this is a result of translation differences linked to changes in rates of exchange.

(U) Financial risk management

Through its activities, the Group is exposed to different types of financial risk: market risk (including currency risk, interest risk, price risk and liquidity risk) as well as credit risk. A further description follows below, describing the Group's financial risk, as well as how it is managed, including use of hedges.

Currency risk

The Group has international operations requiring several different currencies and is thus exposed to currency risk. Forward contracts are used to hedge against the currency risk on trade receivables and agreed upon sales contracts. The forwards contracts are designated as fair value hedges in the financial statements. The hedged items are primarily binding sales contracts in foreign currency, net foreign currency bank deposits, and net trade receivables in foreign currency. The hedged items are adjusted with the change in fair value of the hedged risk. The hedging instruments are the forward contracts, which are also measured at fair value on the balance sheet date. Gains and losses due to change in fair value are presented through profit or loss. An overview of the effect of forward contracts can be found in the note on financial instruments.

Interest risk

The Group's long-term debt is mainly based upon agreements for floating rates of interest, representing exposure to increases in the market interest rate. However, the Group has made use of long-term interest rate swaps to reduce the floating interest rate risk for a share of the Group's long-term debt. The Group receives a floating interest rate and pays a fixed rate through the swap agreements. The interest rate swaps are reported as cash flow hedges. Gains and losses from the effective part of the hedge (the part of the hedge that qualifies for cash flow hedge accounting) are recognised in other comprehensive income. The Group does also use fixed interest loans (bond loan with fixed interests). An overview of the effects in terms of exposure of the Group's borrowings to interest rate changes is provided in the note on loans, mortgages and guarantees.

Price risk

The developments in global salmon and trout prices have a considerable impact on the results achieved by the Group. In order to reduce the price risk, a varying share of the revenue / purchase cost is hedged through purchase and sale forward contracts for salmon (Fish Pool contracts). The changes in fair value of the contracts are recognized in the income statement line item "fair

value adjustments related to biological assets". An overview of the effect of the Fish Pool contracts is provided in the note on financial instruments.

The Group is also exposed to fluctuations in the bunker price. This risk is reduced through entering into forward agreements to purchase bunker (bunker derivatives). Gains and losses from the effective part of the hedge (the part of the hedge that qualifies for cash flow hedge accounting) are recognised in other comprehensive income. An overview of the effect of bunker derivatives is provided in the note on financial instruments.

Liquidity risk

Cash flow prognoses are established for the different operating segments in the Group and are aggregated by the Group's Financial Department. The Financial Department monitors prognoses of the Group's liquidity requirements in order to ensure that the Group has sufficient cash equivalents to fulfil operating commitments while sustaining a sufficient level of flexibility in the form of unutilised, binding loan facilities at all times so that the Group is not in breach of the limits or specified terms and conditions for the Group's loans. Such prognoses take into account the Group's scheduled new loans, compliance with terms and conditions of loans, compliance with in-house objectives for balance sheet figures and, if relevant, external regulatory or legal requirements.

Any excess cash in the Group companies, in addition to what constitutes necessary working capital, is transferred annually to the parent company via Group contributions and dividends. The Group's Financial Department deposits excess cash mainly as bank deposits at special terms with appropriate maturities in order to provide sufficient security and flexibility in relation to the company's growth strategy and dividend policy. For information on cash and cash equivalents together with undrawn credit facilities available to the Group as liquidity buffers to manage liquidity risk, please refer to the statement of cash flow.

The table in note on debt, mortgages and guarantee liability specifies the Group's financial covenants that are not derivatives, and derivative covenants with net settlement, classified in relation to the down-payment schedule. This classification is made in accordance with the contractual maturity date. Derivative covenants are included in the analysis when the contractual maturity date is significant for an understanding of the accrual of cash flows. The figures in the table are non-discounted contractual cash flows.

Credit risk

Credit risk occurs in transactions involving derivatives, deposits with banks and financial institutions in addition to transactions with wholesalers and customers, including outstanding receivables

and fixed agreements. As virtually all the Group's sales to end customers are credit sales, procedures have been established to ensure that the Group companies only sell products to customers with satisfactory credit rating. A credit assessment is performed based on the customer's financial position, history and any other factors of relevance. Individual limits are set for risk exposure, based on internal and external assessments of creditworthiness and guidelines from the Board of Directors. The Group's compliance on these procedures is regularly monitored. Furthermore, almost all of the Group's trade receivables are covered by credit insurance securing about 90% of nominal amounts. The counterparties to derivative contracts and financial placements may only be financial institutions with a high credit rating and other parties who can provide reliable security. See note on receivables for further information on credit risk.

(V) Derivatives and hedge accounting

The company seeks to hedge against currency fluctuations and changes in interest rate by means of derivatives, respectively currency forward contracts, interest rate swaps and bunker derivatives.

Derivatives are carried at fair value at the time of contract and are subsequently adjusted to fair value. The recognition of the associated losses and gains depends on whether the derivative is designated as a hedging instrument and, if so, the type of hedging. Derivatives which are not designated as hedging instruments are recognised at fair value through profit or loss.

Fair value of derivatives is shown in the note on financial instruments. Fair values of derivatives are classified as fixed assets or long-term debt if the hedging object matures in more than 12 months, and as current assets or short-term debt if the hedging object matures in less than 12 months.

The Group documents the relationship between the hedging instrument and the hedged items, including expected hedging efficiency, when entering into hedging derivatives. The Group further documents its risk management strategies related to transactions that are risk hedges.

Changes in fair value of derivatives qualifying for fair value hedging are recognised in the income statement together with the change in fair value of the associated hedged asset or liability. The Group uses fair value hedging to hedge net receivables in foreign currency, net deposits on currency accounts and signed sales contracts in foreign currency. Gains and losses on foreign currency are included in the income statement line "Cost of materials".

The effective share of the change in fair value of derivatives that qualify as hedging instruments for cash flow hedging is recognised through other comprehensive income. Hedging gains

Note 1 cont.

or losses recognised through other comprehensive income and accumulated in equity are re-classified to the income statement during the period in which the hedging object impacts the income statement. The Group makes use of cash flow hedging related to interest rate swaps and bunker derivatives. If the hedge comes to an end, and the expected future transaction is no longer likely, gains and losses are recognised in the income statement under net financial items.

(W) Capital management

The Group's objectives for capital management are to enable the Group to continue as a going concern in order to guarantee returns for the owners and other stakeholders and to sustain an optimal capital structure to allow the Group to reduce capital expenses. Ongoing structural changes in the global industry in which the company operates, seen in conjunction with the cyclical nature of the industry, demand that the company at all times must maintain a satisfactory financial contingency. This in turn requires a close relationship with the company's shareholders and equity markets. The Group has always stressed the importance of maintaining the confidence of its financial partners and thus also access to necessary loan capital on favorable terms.

The Group's financial goals are reflected in quantified parameters for financial adequacy and returns. The requirement for financial adequacy stipulates that the Group's equity ratio, defined as equity/total assets, should be at least 30% over time. The Group's long-term goal for earnings is to generate an annual return on the Group's average capital employed of 18% before tax.

The company's dividend policy implies that, over time, dividends should lie in the region of 30% to 40% of profit after tax. However, care must be taken at all times to ensure that the Group operates in line with satisfactory financial contingency for new and profitable investments. In the long run, value generation will increasingly be in the form of higher share prices rather than in declared dividends. See note on dividend per share for more information.

(X) Indefinite useful life (no amortisation) of licenses

Below is a detailed description of the Group's assessments in situations where the Group has established that an asset has an indefinite useful life, cf. IAS 38.122. Intangible assets with an indefinite useful life are not amortised but tested for impairment once a year as a minimum. Please refer to the note on intangible assets for information on the impairment test.

Licence scheme in Norway

The license scheme for production of salmon and trout in Norway was introduced by the Storting (the Norwegian Parliament) and adopted in the Norwegian Act relating to aquaculture (Aquaculture Act). The Ministry of Trade, Industry and Fisheries is responsible for allocation of aquaculture permits (licenses). All activities involving aquaculture require a license. It is prohibited to farm salmon/trout without a license from the authorities, cf. section 4 of the Aquaculture Act. All licenses are governed by the same regulations (the current Aquaculture Act with provisions) irrespective of when the license was allocated.

LSG's aquaculture permit entitles the Group to produce salmon and trout in delimited geographic areas (localities), according to the prevailing limitations established at any given time regarding the scope of the permit. The Ministry may prescribe detailed provisions relating to the content of the aquaculture licenses by administrative decision or regulations.

The Aquaculture Act is administered centrally by the Ministry of Trade, Industry and Fisheries, and the Directorate of Fisheries is the supervisory authority. Regionally, there are a number of sector authorities that together represent a complete administrative and supervisory authority within the area governed by the Aquaculture Act. The individual county is the regional administrative body, and the Directorate of Fisheries is the appellate body for issues involving localities and licenses.

Main terms and conditions for license type

Since January 2005, the limitations on production established for aquaculture licenses for salmon and trout have been governed according to a scheme known as Maximum Allowable Biomass (MAB). This specifies the maximum biomass in the sea that a license holder can have at any given time. The Group has a sufficient number of localities (locality MAB) in the different regions to achieve a satisfactory exploitation of the Group's total MAB. All commercial licenses for production of salmon and trout in sea are currently operational. The following regulations regarding production limitations apply to the different types of licenses held by the Group:

Grow-out licenses are limited in number, i.e. the enterprises are only granted new licenses or more production volume subsequent to politically adopted allocation rounds. The maximum allowable biomass (MAB) has previously been 780 tonnes of salmon or trout per license. The maximum allowable biomass (MAB) for the counties of Troms and Finnmark (North Norway) has previously been 945 tonnes of salmon or trout per license. Following the political decision taken in 2017 that it should be possible to allocate percentage growth per license based on various conditions, a fixed maximum allowable biomass per license is no longer specified. The system has been named the "traffic

light system". The traffic light system is meant as a permanent framework for mitigating growth in Norwegian aquaculture. In this system the Norwegian coastline was divided into 13 different production areas. With a frequency of 2 years, the different areas are colored red, yellow, or green, based on certain criteria. In areas colored red the maximum production volumes are reduced. In yellow areas there is no change. In green areas, it is opened for growth. A certain portion of the growth are offered to the farmers at a fixed price, while the remaining portion are offered at auction. The farmers are free to choose to purchase the offered growth or not. See note on intangibles, section licenses, for further information about present year's changes.

Green farming licenses are licenses that were awarded in 2015 via a dedicated licensing round. Special conditions were attached to these licenses, mainly concerning environmental improvement measures. The licenses were awarded via open auctions or competitively, based on environmentally focused technology and operating concepts.

Demonstration licenses are licenses defined for special purposes. Demonstration licenses are granted to enterprises in order to share knowledge of the aquaculture industry. Such licenses are often operated in cooperation with a non-commercial entity.

Teaching licenses are another kind of special-purpose license and are allocated to disseminate knowledge of the fish farming industry. The licenses are linked to specific educational institutions and are thus regulated by the county.

Research and development licenses are licenses awarded in connection with research and development projects in the industry, where dedicated licenses are required to carry out the R&D activity.

Slaughter cage licenses are allocated for the use of sea cages for live fish for slaughter. These licenses are linked to a specific location, which is the Group's slaughtering plant for salmon and trout.

Parent fish licenses are also licenses defined for special purposes. Parent fish licenses are granted for the production of salmon roe utilised to produce juvenile fish.

Juvenile fish licenses are licenses to produce juvenile salmon and trout in fresh water that in total authorise the license holder to produce a specific number of juvenile salmon and trout. There are certain limitations on the size of juvenile fish that may be produced according to the individual license. Licences are granted on the basis of a discharge permit for a certain number of fish/ biomass with a maximum allowable feed consumption per year. In situations where the water source is owned by a third party, an agreement is also required governing the right to utilise the water source.

Note 1 cont.

Duration and renewal

Section 5, second paragraph of the Aquaculture Act reads: "The Ministry may prescribe detailed provisions relating to the content of the aquaculture licenses, including the scope, time limitations, etc., by administrative decision or regulations."

In the legislative background to the Aquaculture Act, White Paper no. 61 2004–2005, the following statement can be found on page 59: "It will remain the case that licenses are normally allocated without any specific time limitation. Implementation of such limitations should be reserved for those issues where a time limitation, based on the specific situation, provides for a more complete fulfilment of the Act than if the license were to be allocated without a time limitation."

The duration of licenses is also specified by the Aquaculture Act, which in its most recent revision underlined ownership of licenses by allowing the licenses to be mortgaged to the benefit of the lender.

There are no time limitations specified in LSG's terms for grow-out and juvenile licenses, and they are therefore deemed to be time-indefinite production rights according to the prevailing regulations. This also applies to green licenses.

As the licenses are not bound by a time-limited period, there is no need to apply for their renewal. The licenses are deemed to be valid pursuant to the Aquaculture Act, unless they are revoked in accordance with the Act. Section 9 of the Aquaculture Act describes the grounds for revocation of a license. Section 9 states that licenses may be revoked due to gross contravention of the provisions of the Act. We can confirm that no operative licenses for salmon and trout have been revoked in Norway.

Research and development licenses are time-limited and apply in general for the duration of the project. They are often linked to the life cycle of the salmon, i.e. three years. R&D licenses are managed in close cooperation with research groups, and an application to extend them for a new three-year period can be made after the project has ended.

The parent fish licenses are granted for 15 years at a time, and applications have to be submitted for their renewal, provided that the license holder is still involved in production of parent fish for salmon or trout. Parent fish production is an integral part of LSG's value chain (parent fish production takes place before production of roe and juvenile fish in the value chain) and is therefore closely linked to the breeding system for salmon and trout. The Group's applications for renewal of parent fish licenses have always been approved, in line with the prevailing practice in the industry.

The licenses for slaughter cages are allocated for 10 years at a time. Applications can be submitted for renewal of such licenses provided that they are linked to an approved slaughtering plant

and only utilised to keep fish ready for slaughter in immediate proximity to the slaughtering plant.

The Group's demonstration licenses are allocated for a period of 10 years. Applications can be submitted for renewal of demonstration licenses provided that the terms for the license are met pursuant to the Aquaculture Act.

The Group's teaching licenses have been allocated for 10 years. Applications can be submitted for renewal of teaching licenses provided that the terms for the license are met pursuant to the Aquaculture Act.

Regulations relating to right of use: transfer, lease, moving etc.

All licenses can be transferred pursuant to section 19 of the Aquaculture Act, and can be mortgaged pursuant to section 20 of the Act. An aquaculture register is kept of all aquaculture licenses where transfers and mortgaging are registered. The leasing of aquaculture licenses or license capacity is not permitted. Grow-out licenses and parent fish licenses can be linked to different locations, but there are certain limitations on moving of licenses between the regions defined by the Directorate of Fisheries. In practice, this means that licenses cannot be moved between defined regions, which typically follow county borders. Juvenile fish licenses are attached to one locality – the locality for which the license applies.

Costs related to licenses

Payment has been required for new licenses granted during more recent allocation rounds. The amount of the payment depends on the allocation criteria, including for example a fixed price versus the auction principle. Given that there is no requirement to apply for renewal of licenses, then there are no costs involved in license renewal.

The costs of maintaining aquaculture licenses in Norway are insignificant. There are no annual fees or other types of duties linked to the actual license. However, there are certain fees to be paid for inspection and control of the licenses. Fees also have to be paid to establish new localities and/or to extend/amend localities. As a main rule, an amount of twelve thousand Norwegian kroner is paid per license covered by an application for amendment at locality level, cf. section 2 of the Regulation relating to fees and duties for aquaculture activities. All fees and costs are immediately recognised as an operating expense.

Assessment of economic life

According to past and present legislation and the general interpretation and practice in the industry, Norwegian fish farming licenses are not a time-limited right, and licenses should therefore not be subject to amortisation. Where time-limited R&D licenses,

demonstration licenses and educational licenses are concerned, these are awarded free of charge, so amortisation is normally not relevant. However, in cases where related acquiring or renewing costs are capitalised, they will be subjected to depreciation over the economic life.

Grow-out licenses and juvenile fish licenses

The following factors played a key role in the assessment of whether licenses have an indefinite useful life, with reference to the description of the license types above:

1. No time limitation on the licenses
2. Insignificant expenditure involved in maintaining the licenses
3. High threshold for revocation of licenses; this has never happened in Norway

It has also been noted that the licenses are registered in the public aquaculture register as being without time limitation.

On this basis, the economic life is assessed to be indefinite for the grow-out licenses and juvenile fish licenses, in accordance with IAS 38.90.

Parent fish licenses

As mentioned above, these licenses are granted for 15 years at a time, and applications can be submitted for renewal. In 2007, the duration of parent fish licenses was amended from 10 years to 15 years (amendment to regulation dated 14 August 2007 no. 986). In the consultation document dated 7 June 2007, the Ministry stated the following regarding time limitation for parent fish licenses in item 3.3: "The recommendation implies that the licenses shall be time-limited for a period (...) with clearly defined predictability for extension of new periods. Time-limited licenses may however result in less predictability for the entities than licenses without time limitations. Predictability is key as breeding and parent fish production is a time-consuming and resource-intensive activity, but this is provided for by (...) a fixed-term period with clearly defined predictability for extension."

IAS 38.94 states that if the contractual or legal rights are assigned for a limited period of time that can be renewed, the useful life of the intangible asset should include the renewal period(s) only if there is documented evidence to support that the cost of the renewal for the entity is not significant. IAS 38.96 provides guidelines describing factors that can be included in this assessment. The following factors have been central to LSG's assessment of indefinite useful life for the parent fish licenses:

- a. the entity's licenses have always been renewed. Renewal does not require third-party consent, but is based on factors that are under the control of the entity, i.e. the terms of the license are met and an application for renewal has been submitted before the expiry of the 15-year period. The main condition for renewal

Note 1 cont.

is that parent fish production is carried out in connection with a breeding system. Parent fish production will continue to be an integral part of LSG's value chain, and as such this requirement will be met.

- b. the entity can document fulfilment of the license conditions,
- c. the cost to the entity for renewal is not significant, when compared with the future economic benefits expected to flow to the entity from renewal.

Demonstration licenses

The Group's demonstration licenses are allocated for a period of 10 years. Applications can be submitted for renewal of demonstration licenses provided that the terms for the license are met pursuant to the Aquaculture Act. As with parent fish licenses, this type of license is defined as being for special purposes. Both parent fish and demonstration licenses are a type of activity without any clear time limitation. In principle, the same factors as for parent fish licenses will apply to demonstration licenses.

Teaching licenses

With one exception, the Group's teaching licenses have been allocated for 10 years. Applications can be submitted for renewal of teaching licenses provided that the terms for the license are met pursuant to the Aquaculture Act. The Group has also taken over one teaching license pursuant to an open-ended agreement with an educational institution. Since the agreement has a limited undefined useful life, its duration has been estimated at one year.

(Y) New and amended financial reporting standards

New standards implemented in 2023

None of the changes in the IFRS Accounting Standards with effective date 1 January 2023 had a material effect on the financial statements.

New standards which have not come into effect and where the Group has not opted for early application

Certain new accounting standards and interpretations have been published that are not mandatory for 2023 reporting periods and have not been early adopted by the group. These standards and interpretations are not expected to have a material impact on the group in the future reporting periods and on foreseeable future transactions.

Note 2 Alternative performance measures

(All figures in NOK 1 000)

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

EBIT before fair value adjustments

EBIT before fair value adjustments is an APM utilised by the Group. Pursuant to IFRS Accounting Standards, biological assets (fish in the sea) shall be measured at fair value in the statement of financial position (IAS 41). Estimates of fair value require various assumptions about the future, including price developments. Changes in the market's price expectations may therefore result in major changes in carried value. As this change in value is included in the operating profit or loss (EBIT) as defined in IFRS Accounting Standards, this figure alone is not sufficient to illustrate the Group's performance during the period. The same applies to other items on the statement of financial position related to biological assets, onerous contracts (IFRS 37) and financial fish-pool contracts (IFRS 9). The Group has therefore elected to present operating profit as it would be presented before recognition of the above-mentioned fair value adjustments, as an alternative performance measure. By presenting (1) EBIT before fair value adjustments, (2) fair value adjustments in the period and (3) EBIT after fair value adjustments, the user of the financial statements will easily be able to identify how much of the operating profit comprises changes in fair value (fair value adjustments) and thereby compare performance with other companies in the same industry. The note on biological assets contains a detailed description of how fair value adjustment is calculated and the figures for each component. The following components are included:

	2023	2022
Operating profit (EBIT)	3 227 374	4 283 045
Fair value adjustments	-124 962	-1 088 166
EBIT before fair value adjustments	3 102 412	3 194 879

Fair value adjustments consists of:

1. Change in fair value adjustment on fish in sea
2. Change in fair value adjustment on roe, fry and cleaning fish*
3. Change in fair value adjustment on onerous contracts (salmon and trout)
4. Change in fair value adjustment on Fish Pool contracts (financial contracts on salmon), not regarded as hedges

* For this group historical cost provides the best estimate of fair value.

See note on biological assets for more details.

The APM is used in the income statement, in note 5 on segments and in the calculation of some key figures. It is also referred to in the Board of Director's report.

EBITDA before fair value adjustments

EBITDA before fair value adjustments is an APM. Calculation is identical as the calculation of "EBIT before fair value adjustments" (above).

	2023	2022
EBIT	3 227 374	4 283 045
Depreciations (intangibles, RoU assets and fixed assets)	1 483 886	1 326 039
Impairment loss	108 110	0
EBITDA	4 819 370	5 609 084
Fair value adjustments	-124 962	-1 088 166
EBITDA before fair value adjustments	4 694 408	4 520 918

The APM is used in the income statement

Operational EBIT and operational EBITDA

Operational EBIT and operational EBITDA are 2 APMs utilised by the Group, which are commonly used in the farming industry. In order to meet management's, investor's and analyst's need of information in terms of performance and comparability between peers, these APMs have now been adopted by the group in addition to EBIT before fair value adjustments. In operational

Note 2 cont.

EBIT and operational EBITDA are also some additional items to fair-value adjustments excluded. The **production fee**, implemented from 2021, on slaughtered volume of salmon and trout, has been excluded. This is explained with the fact that the production fee is tax related. It was adopted as an alternative to ground rent tax. Further on, isolated events not expected to reoccur, such as **restructuring costs** and **litigation costs**, are excluded. For practical reasons a materiality threshold of NOK 15 million is applied. This type of cost is not considered relevant for the current operation, and thus not relevant when analyzing the current operation. Finally, change in **unrealized internal margin** on stock, has been excluded. Feedback from investors and analyzits have been that this item is perceived as confusing when evaluating the operational performance of the period. Since it is a non-significant part of the result of the period, it has been excluded from the APMs.

	2023	2022
Operating profit (EBIT) before fair value adjustments	3 102 412	3 194 879
Change in unrealized internal margin	-1 523	-3 322
Production fee	123 849	70 725
Litigation costs	0	208 785
Restructuring costs	14 719	0
Impairment loss related to restructuring	95 602	0
Operational EBIT	3 335 059	3 471 067
Depreciation	1 483 886	1 326 039
Impairment loss, other	12 508	0
Operational EBITDA	4 831 453	4 797 105

Profit before tax and fair value adjustments

Profit before tax and fair value adjustments is an APM utilised by the Group. Pursuant to IFRS Accounting Standards, biological assets (fish in the sea) shall be measured at fair value in the statement of financial position (IAS 41). The APM demonstrates how the result would have been if IAS 41 not had been applied. This implies that the FV adjustment on fish in sea are reversed (eliminated). This includes both the group's own FV adjustment and also the FV adjustments included in the income from associated companies (AC) also applying IAS 41, following the equity method. The components included are:

	2023	2022
Profit before tax	2 600 111	4 066 951
Fair value adjustments	-124 962	-1 088 166
Fair value adj. incl. in income from AC	-6 371	-11 982
Profit before tax and fair value adjustments	2 468 777	2 966 803

It is referred to this APM in the Board of Director`s Report.

Controlling interests share of annual profit before fair value adjustments

Controlling interests (CI`s) share of annual profit (after tax) before fair value adjustments is an APM utilised by the Group. Pursuant to IFRS Accounting Standards, biological assets (fish in the sea) shall be measured at fair value in the statement of financial position (IAS 41). The APM demonstrates how the share of annual profit after tax to LSG`s shareholders would have been if IAS 41 not had been applied. This implies that the CI`s proportional share of FV adjustment on fish in sea are reversed (eliminated). This includes both the group`s own FV adjustment and also the FV adjustments included in the income from associated companies (AC) also applying IAS 41, following the equity method. The components included are:

	2023	2022
CI`s share of annual profit	272 501	2 906 781
CI`s share of fair value adjustments	-152 899	-755 606
CI`s share of fair value adj. incl. in income from AC	-6 371	-11 982
Controlling interests share of annual profit (after tax) before fair value adjustments	113 231	2 139 193

This APM is used in note 19 on earnings per share, for calculation of the key figure earnings per share before fair value adjustments.

Net-interest-bearing debt (NIBD)

NIBD is an APM utilized by the Group. The figure shows how much capital the Group employs and is an important key figure for stakeholders who are planning to grant financing to the Group and for stakeholders who want to value the company. NIBD is defined as interest-bearing commitments, both short-term and long-term, to persons or institutions with the main purpose of providing financing and/or credit, minus interest-bearing cash or cash equivalents.

Since NIBD is an APM, with no common definition from IFRS Accounting Standards, different definitions and versions of this APM exist today in the reporting from the companies. The most important difference relates to the recognition of lease liabilities. Some companies include all lease liabilities in NIBD. Other companies exclude all lease liabilities from their NIBD. And some use a combination. Therefore, it is important to be aware of this difference when comparing between companies. Lerøy Seafood Group use a combination, with an approach that distinct between lease liabilities derived from a financing purpose and lease liabilities that are not.

In practice, this distinction is based on what kind of party the company has made the leasing agreement with. On the date of implementation of IFRS 16, the Group`s financial leasing liabilities was almost only with credit institutions, with the main purpose of providing the Group financing. These agreements shared the principle that the duration of the lease period covered most of the economic lifetime of the asset involved. When it comes to the operational leasing liabilities, these agreements did nearly only concern rentals for well-boats and buildings, from shipping companies and real estate developers, where financing was not the purpose, and where the rental period was much shorter than the economic lifetime of the asset involved.

In the Group`s communication to the capital market about how much cash the Group has spent on investments, and how this is financed, this distinction is of relevance. Therefore, this distinction between leases with credit institutions and leases with others than credit institutions is established and included in the Group`s definition of NIBD.

Lease liabilities to credit institutions are included in NIBD and the Group`s communication of changes in NIBD, while **lease liabilities to others** than credit institutions are not included. The corresponding **right-of-use assets from leases with credit institutions** are included in the Group`s communication of investments, while **right-of-use assets from leases with others** than credit institutions are not included.

Thus, the definition ensures symmetry between what`s reported as the Group`s investments and the accompanying information on how this has been financed. The Group`s NIBD is therefore not impacted from the type of financing, in terms of loans versus leases. This approach also ensures an NIBD basically unimpacted from the implementation of IFRS 16 in 2019. This implies that the Group`s key financial figures that includes NIBD in the calculation, still are comparable over time.

Note 2 cont.

Lease liability consists of	2023	2022
Lease liabilities to credit institutions	1 166 402	1 213 715
Lease liabilities to other than credit institutions	1 432 298	1 542 520
Total lease liabilities	2 598 700	2 756 235

Components included in NIBD	2023	2022
Bond loans	2 990 486	1 493 656
Loans from credit institutions	4 376 805	3 836 664
Lease liabilities to credit institutions	1 166 402	1 213 715
Other long term loans	23 067	2 145
Overdraft and other short term credit	975 792	1 104 780
Bank deposits and cash	-4 323 109	-3 304 878
Net interest bearing debt (NIBD)	5 209 443	4 346 083

See note on debt, mortgages and guarantees for an overview of flows in the period.

It is referred to this APM in the Board of Director`s Report, in key figures and in the note on loans, mortgages and guarantees.

3 different definitions of NIBD, and LSG`s position within these alternatives	2023	2022
NIBD including non of the lease liabilities	4 043 041	3 132 368
NIBD including lease liabilities to credit institutions, The definition applied by LSG:	5 209 443	4 346 083
NIBD including total lease liabilities	6 641 741	5 888 603

When comparing NIBD between companies based on annual accounts, it is important to be aware that the presented NIBD figure is dependent on if lease liabilities is included, partly included, or not included at all. As of today there is no uniform definition among the reporting entities about how this figures should be calculated and presented.

Note 3 Significant accounting estimates and assessments

(All figures in NOK 1 000)

Estimates and assessments are reviewed continuously and are based on historical experience and other factors, including expectations of future events that seem probable in view of present circumstances.

The Group draws up estimates and makes assumptions regarding future events. The accounting estimates from this process will, by definition, rarely be in exact agreement with the final results. Estimates and assumptions with a high risk of significant changes in capitalised values of assets and liabilities during the next financial year are discussed below.

Norwegian resource rent tax scheme

Assumptions made concerning the basis for taxation in the Norwegian resource rent tax scheme is considered an significant accounting estimate. See note 17 for further information.

Value adjustment of biological assets

Biological assets comprise the stock of roe, fry, juvenile fish, cleaner fish and fish in sea. Biological assets are measured at fair value less costs to sell. For a more detailed description of the accounting policies applied, please refer to the description provided under accounting policies and in the note on biological assets.

Valuation is based on a number of different premises, many of which are non-observable. The premises can be categorised in four different groups: (1) Price, (2) Cost, (3) Volume and (4) Discount rate. Figures for the important premises are specified in the note on biological assets.

For fish ready for harvest on the balance sheet date, uncertainty mainly involves realised prices and volume. For fish not ready for harvest, the level of uncertainty is higher. In addition to uncertainty related to price and volume, there will also be uncertainty related to remaining production costs, remaining biological transformation and remaining mortality up to harvest date for this fish.

(1) Price

One important premise in the valuation of fish both ready for harvest and not yet ready for harvest is the projected market price. This is also the premise that historically shows the highest fluctuations. In order to estimate the projected price, the forward prices for superior Norwegian salmon weighing 3–6 kg gutted

weight from Fish Pool are applied. In the Group's opinion, the use of observable prices makes price estimates more reliable and comparable. For fish ready for harvest, the forward price for the following month is applied. For fish not ready for harvest, the forward price for the month when the fish is expected to achieve optimal weight for harvest, is applied. If it is probable on the balance sheet date that the fish will be harvested before it reaches its optimal harvest weight, for example due to biological challenges, an extra price adjustment is required. Such a price adjustment takes into account the fact that the market price per kilo for small fish is lower than for normal-size fish. The price is subsequently adjusted for exporter margins and clearing costs. This applies to fish both ready for harvest and not ready for harvest. Further adjustments are necessary for harvest costs (well boat, slaughtering and packaging services), transport costs to Oslo and quality differences. Adjustments are also made for price differences between salmon and trout, and any other price premium such as for Ecological produced salmon or ASC-certified fish. The adjustments for exporter margin and clearing costs are items estimated by Fish Pool. The adjustment for harvest costs, transport costs and quality differences is based on the Group's historical costs per region and historical quality distribution, while the other adjustments are based on an assessment using historical data and the Group's view of future market developments.

(2) Cost

For fish not ready for harvest, an adjustment is also required for the costs necessary to grow the fish to optimal harvest weight. Estimates related to future costs are based on the Group's prognoses per locality. There is some uncertainty regarding both future feed prices, other costs and biological development (growth, feed factor and mortality). If the estimated costs are higher than expected by a normal enterprise on the market, for example due to long-term agreements previously signed with subcontractors resulting in costs that deviate substantially from the market price, the cost estimates shall be adjusted to reflect the costs expected by a rational enterprise on the market.

(3) Volume

Projected harvest volume is calculated on the basis of the estimated number of fish (individuals) on the balance sheet date minus estimated future mortality, multiplied by the estimated harvest weight. There is some uncertainty involving both the number of fish in the sea on the balance sheet date, remaining mortality and estimated harvest weight. The actual harvest volume may therefore differ from the estimated harvest volume either as a result of changes in biological developments or due to special events, such as abnormal mortality. The estimate for number of fish on the balance sheet date is based on the number of smolt released to sea. The number of smolt is adjusted to take into account uncertainties during counting and actual registered

Note 3 cont.

mortality related to release. The normal estimated harvest weight (optimal harvest weight) is assessed to be the live weight of fish that results in a gutted weight of 4 kg, unless specific conditions exist on the balance sheet date to indicate that the fish have to be harvested before they reach this weight. If this is the case, the estimated harvest weight is adjusted. Projected mortality during the period from the balance sheet date to the date when the fish reach harvest weight is estimated to be 0.45% to 1.10% of the number of incoming fish per month, depending on species and region. For recalculation factor from gutted weight to live weight, see note on biological assets.

(4) Discounting

Every time a fish is harvested and sold, this generates a positive cash flow. In order to simplify matters, all the remaining expenses are allocated to the same period as the income, so there is only one cash flow per locality. The cash flow is allocated to the month when harvest is estimated to take place. The sum of the cash flows from all the localities where the Group has fish in the sea will then be distributed over the entire period of time it takes to farm the fish in the sea on the balance sheet date. With the current size of the smolt released and the frequency of the smolt releases, this period of time may be up to 18 months. The estimated future cash flow is discounted monthly. The level of discount rate applied has a major impact on the estimate of fair value. The discount rate shall take into account a number of factors. The discount factor comprises three main elements: (1) Risk adjustment, (2) License lease and (3) Time value.

4.1. Risk adjustment

The risk adjustment shall reflect the price discount a hypothetical buyer would demand as compensation for the risk assumed by investing in live fish rather than a different investment. The longer it takes to reach harvest date, the higher the risk that something may occur to affect cash flow. Three significant factors could have an impact on cash flow. Volume could change, costs could change and prices could change. The one thing all three factors have in common is that the sample space is unsymmetrical.

4.2. Hypothetical license lease

Salmon and trout farming is not a market with free competition and no barriers to entry. Due to limited access to licenses for farming fish for consumers, such licenses currently have a very high value. For a hypothetical buyer of live fish to take over and continue to farm the fish, he/she would need a license, locality and other permits required for such production. At the time of writing, leasing of licenses is not permitted. However, on a hypothetical market for the purchase and sale of live fish, it has to be assumed that this would be possible. In such a scenario, a hypothetical buyer would claim a significant discount in order to allocate a sufficient share of the returns to the buyer's own licenses or to cover the lease costs for leased licenses. It is difficult to create a

model that would allow a hypothetical annual lease cost to be derived from prices for sold licenses, as the curve in the model would be based on projections of future profit performance in the industry. Moreover, it is a complex process to derive a lease price per shorter unit of time and, in the last instance, per volume, when the license limitations are measured at different levels (location, region and company).

4.3. Time value

Finally, a discount must be made for the time value of the tied-up capital linked to the share of the present value of the cash flow allocated to the biomass. It has to be assumed that a hypothetical buyer would claim compensation for the alternative cost of investing funds in live fish rather than some other type of investment. The production cycle for salmon in the sea currently takes up to 18 months. The cash flow will therefore extend over a similar period. Assuming a constant sales price throughout the period, the cash flow would decrease for each month, as costs are incurred to farm the fish to slaughter weight. The costs increase for every month the fish are in the sea. As such, the effect of deferred cash flow is lower than would be the case if the cash flow had been constant. This component is however deemed important due to the major values the stock of fish represents.

4.4. Evaluation of discount rate

At year end 2023 a 4% monthly discount rate has been applied. The discount rate previous year was also 4%. In the sensitivity analysis below, it is demonstrated how a change in discount rate would impact the value on fish in sea. The change is a result from a periodic review.

As mentioned above, the hypothetical license lease is one of the main elements when setting the discount rate. In the hypothetical license lease price the future expected margin is an important parameter. The margin is calculated as the difference between price and cost in future periods. Thus, the forward price on salmon together with expectations regarding future cost level have a significant impact on the future expected margin. The higher the expectations to the future margins are, the higher a hypothetical license lease price will be. This is explained with the fact that higher margins will increase the fair value on the licenses. If the expectations to the margins drops, this will over time lead to lower hypothetical lease rent, and fair value on the licenses.

How the change in the expectations regarding future margins occurs, has also significance. It is assumed that an unexpected lower (higher) price at date for measurement will not lead to a simultaneously reduction (increase) in hypothetical license lease price for fish in sea, but instead a step by step reduction (increase) in future lease price for new smolt releases. This is explained with the fact that it must be assumed that the lease price for the fish in sea is already negotiated for the period until harvest. When it comes to the production costs it is assumed that changes

in expected future cost level will not impact the value of the biological assets directly, but indirectly as a consequence of the fact that the future hypothetical license lease price will be based on expectations on future margins.

Sensitivity analysis on fair value of fish in sea

The Group considers that four components are key for valuation. These are:

1. weighted average price,
2. projected optimal harvest weight,
3. monthly discount rate and
4. estimated number of fish.

The tables on the next page show a simulated sensitivity to fair value of the biological assets in the event of changes in these parameters:

Note 3 cont.

Sensitivity analysis for weighted average price and expected optimal harvest weight

Average price per kg (NOK)	Change in price per kg (NOK)	Projected optimal harvest weight per fish in kg gwe				
		3.5	3.8	4.0	4.3	4.5
		Change in projected weight per kg gwe				
		-0.50	-0.25	-	0.25	0.50
80.3	-5.00	6 232 451	6 734 460	7 286 187	7 851 841	8 437 822
83.3	-2.00	6 602 947	7 123 933	7 696 299	8 283 011	8 890 675
84.3	-1.00	6 726 446	7 253 758	7 833 003	8 426 735	9 041 626
85.3	-	6 849 944	7 383 582	7 969 707	8 570 458	9 192 577
86.3	1.00	6 973 443	7 513 407	8 106 411	8 714 181	9 343 528
87.3	2.00	7 096 941	7 643 232	8 243 115	8 857 904	9 494 479
90.3	5.00	7 467 437	8 032 705	8 653 227	9 289 074	9 947 332

The table shows the sensitivity in fair value (present value) before provision for loss-making contracts for the parameters price per kg and projected harvest weight per kg gutted weight. For projected harvest weight, the table shows changes in fair value when there is an increase in projected harvest weight of 250 and 500 grams respectively, and for a corresponding reduction, without any change in remaining cost. For price, the change is per NOK gutted weight after adjustment for slaughtering cost, packaging cost, transport cost to Oslo, quality, size and exporter margin.

Sensitivity analysis for weighted average price and monthly discount rate applied

Average price per kg (NOK)	Change in price per kg (NOK)	Monthly discount rate (%)				
		2.0%	3.0%	4.0%	5.0%	6.0%
		Change in monthly discount rate (%)				
		-2.0%	-1.0%	0.0%	1.0%	2.0%
80.3	-5.00	8 457 477	7 838 823	7 286 187	6 791 060	6 346 174
83.3	-2.00	8 946 873	8 286 156	7 696 299	7 168 137	6 693 848
84.3	-1.00	9 110 005	8 435 267	7 833 003	7 293 829	6 809 740
85.3	-	9 273 137	8 584 378	7 969 707	7 419 522	6 925 631
86.3	1.00	9 436 269	8 733 489	8 106 411	7 545 214	7 041 522
87.3	2.00	9 599 400	8 882 600	8 243 115	7 670 907	7 157 414
90.3	5.00	10 088 796	9 329 933	8 653 227	8 047 984	7 505 088

The table shows the sensitivity in fair value (present value) before provision for loss-making contracts for the parameters price per kg and monthly discount rate. For the monthly discount rate, the table simulates an absolute change of +/- 1% and +/- 2% (100 and 200 points) respectively.

Note 3 cont.

Sensitivity analysis for weighted average price and number of fish in stock

Average price per kg (NOK)	Change in price per kg (NOK)	Number of fish in stock (million fish)				
		50.2	51.8	52.8	53.9	55.5
		Change in number of fish in stock				
		-5%	-2%	0%	2%	5%
80.3	-5.00	6 730 995	7 064 111	7 286 187	7 508 264	7 841 379
83.3	-2.00	7 120 602	7 466 020	7 696 299	7 926 578	8 271 997
84.3	-1.00	7 250 470	7 599 990	7 833 003	8 066 016	8 415 536
85.3	-	7 380 339	7 733 960	7 969 707	8 205 454	8 559 075
86.3	1.00	7 510 208	7 867 930	8 106 411	8 344 892	8 702 614
87.3	2.00	7 640 077	8 001 900	8 243 115	8 484 330	8 846 153
90.3	5.00	8 029 683	8 403 809	8 653 227	8 902 645	9 276 771

The table shows the sensitivity in fair value (present value) before provision for loss-making contracts for the parameters price per kg and estimated number of fish in stock on the balance sheet date. For the number of fish in stock, the table simulates a change of +/- 2% and +/- 5% in the number of fish per locality for all localities with fish in stock.

Sensitivity analysis for number of fish in stock and monthly discount rate applied

Number of fish in stock (in millions)	Change in number of fish	Monthly discount rate (%)				
		2.0%	3.0%	4.0%	5.0%	6.0%
		Change in monthly discount rate (%)				
		-2.0%	-1.0%	0.0%	1.0%	2.0%
50.2	-5%	8 573 844	7 943 372	7 380 339	6 876 039	6 423 043
51.8	-2%	8 993 420	8 327 975	7 733 960	7 202 129	6 724 596
52.3	-1%	9 133 278	8 456 177	7 851 834	7 310 825	6 825 113
52.8	-	9 273 137	8 584 378	7 969 707	7 419 522	6 925 631
53.4	1%	9 412 995	8 712 579	8 087 581	7 528 218	7 026 149
53.9	2%	9 552 853	8 840 780	8 205 454	7 636 915	7 126 666
55.5	5%	9 972 429	9 225 383	8 559 075	7 963 004	7 428 219

The table shows the sensitivity in fair value (present value) before provision for loss-making contracts for the parameters monthly discount rate and estimated number of fish in stock on the date of the statement of financial position. For the monthly discount rate, the table simulates an absolute change of +/- 1% and 2% (100 and 200 points) respectively. For the number of fish in stock, the table simulates a change of +/- 1%, 2% and 5% in the number of fish per locality for all localities with fish in stock.

Note 4 Consolidated companies and allocation to operating segment

(All figures in NOK 1 000)

The list below shows which companies are included in the consolidated financial statements, and how these are allocated to business area and operating segment. It also shows changes in ownership through the year. Reference is made to the note on subsidiaries in Lerøy Seafood Group ASA's financial statements for more detailed information, including book values.

Company	Ownership	Country	Registered business premises	Year of acquisition	Share 01.01	Share 31.12
Wildcatch						
Lerøy Havfisk AS	Lerøy Seafood Group ASA	Norway	Ålesund	2016	100%	100%
Lerøy Norway Seafoods AS	Lerøy Seafood Group ASA	Norway	Båtsfjord	2016	100%	100%
Melbu Fryselager AS	Lerøy Norway Seafoods AS	Norway	Hadsel	2016	100%	100%
Sørvær Kystfiskeinvest AS	Lerøy Norway Seafoods AS	Norway	Hasvik	2016	51%	51%
Havfisk Finnmark AS	Lerøy Havfisk AS	Norway	Hammerfest	2016	100%	100%
Havfisk Melbu AS	Lerøy Havfisk AS	Norway	Hadsel	2016	100%	100%
Havfisk Stamsund AS	Lerøy Havfisk AS	Norway	Vestvågøy	2016	100%	100%
Nordland Havfiske AS	Havfisk Stamsund AS	Norway	Vestvågøy	2016	53%	53%
Finnmark Havfiske AS	Havfisk Nordkyn AS	Norway	Hammerfest	2016	6%	6%
Nordland Havfiske AS	Havfisk Melbu AS	Norway	Vestvågøy	2016	47%	47%
Finnmark Havfiske AS	Havfisk Finnmark AS	Norway	Hammerfest	2016	78%	78%
Hammerfest Industrifiske AS	Havfisk Finnmark AS	Norway	Hammerfest	2016	60%	60%
Havfisk Båtsfjord AS	Havfisk Finnmark AS	Norway	Båtsfjord	2016	100%	100%
Havfisk Management AS	Havfisk Finnmark AS	Norway	Hammerfest	2016	100%	100%
Havfisk Nordkyn AS	Havfisk Finnmark AS	Norway	Lebesby	2016	100%	100%
Finnmark Havfiske AS	Havfisk Båtsfjord AS	Norway	Hammerfest	2016	13%	13%

Note 4 cont.

Company	Ownership	Country	Registered business premises	Year of acquisition	Share 01.01	Share 31.12
Farming						
Lerøy Aurora AS	Lerøy Seafood Group ASA	Norway	Tromsø	2005	100%	100%
Lerøy Aurora Sjø AS **	Lerøy Aurora AS	Norway	Tromsø	2022	100%	100%
Lerøy Midt AS	Lerøy Seafood Group ASA	Norway	Hitra	2003	100%	100%
Lerøy Midt Sjø AS **	Lerøy Midt AS	Norway	Hitra	2022	100%	100%
Lerøy Vest AS	Lerøy Seafood Group ASA	Norway	Austevoll	2007	100%	100%
Lerøy Vest Sjø AS **	Lerøy Vest AS	Norway	Austevoll	2022	100%	100%
Lerøy Vest Kraft AS	Lerøy Vest AS	Norway	Austevoll	2022	100%	100%
Sjøtroll Havbruk AS	Lerøy Seafood Group ASA	Norway	Austevoll	2010	51%	51%
Sjøtroll Havbruk Sjø AS **	Sjøtroll Havbruk AS	Norway	Austevoll	2022	100%	100%
Lerøy Sjøtroll Kjærelva AS	Lerøy Vest AS	Norway	Austevoll	2017	50%	50%
Lerøy Sjøtroll Kjærelva AS	Sjøtroll Havbruk AS	Norway	Austevoll	2017	50%	50%
Norsk Oppdrettsservice AS	Lerøy Seafood Group ASA	Norway	Flekkefjord	2015	51%	51%
Lerøy Ocean Harvest AS	Lerøy Seafood Group ASA	Norway	Bergen	2018	100%	100%
Lerøy Årskog AS	Lerøy Seafood Group ASA	Norway	Bergen	2021	100%	100%
Lerøy Austevoll AS **	Lerøy Seafood Group ASA	Norway	Austevoll	2023	0%	100% ⁵⁾
AUSS Laks AS	Lerøy Austevoll AS	Norway	Austevoll	2023	0%	100% ⁵⁾

Company	Ownership	Country	Registered business premises	Year of acquisition	Share 01.01	Share 31.12
Value-added processing (VAP), sales and distribution						
Lerøy Seafood AS	Lerøy Seafood Group ASA	Norway	Bergen	1939 *	100%	100%
Lerøy Bulandet AS	Lerøy Seafood AS	Norway	Askvoll	2005	83%	83%
Lerøy Quality Group AS	Lerøy Seafood AS	Norway	Bergen	2006	100%	100%
Lerøy & Strudshavn AS	Lerøy Seafood Group ASA	Norway	Bergen	1927 *	100%	100%
Lerøy Fossen AS	Lerøy Seafood Group ASA	Norway	Bergen	2006	100%	100%

Note 4 cont.

Company	Ownership	Country	Registered business premises	Year of acquisition	Share 01.01	Share 31.12
Value-added processing (VAP), sales and distribution						
Lerøy Nord AS	Lerøy Seafood Group ASA	Norway	Tromsø	2015	51%	100% ¹⁾
Dragøy Grossist AS	Lerøy Nord AS	Norway	Tromsø	2021	51%	51%
Lerøy Norge AS	Lerøy Seafood Group ASA	Norway	Oslo	2018	100%	100%
Sirevaag AS	Lerøy Norge AS	Norway	Hå	2006	100%	100%
Lerøy Sjømatgruppen AS	Lerøy Norge AS	Norway	Bergen	2006	74%	74%
Lerøy Sjømatgruppen AS	Lerøy Nord AS	Norway	Bergen	2015	3%	3%
Sjømathuset AS	Lerøy Seafood Group ASA	Norway	Oslo	2006	100%	100%
Wannebo International AS	Lerøy Seafood Hirtshals A/S	Norway	Hjørring	2021	100%	100%
Lerøy Seafood Hirtshals A/S **	Lerøy Seafood Denmark A/S	Denmark	Hjørring	2021	100%	100%
Lerøy Seafood Denmark A/S	Lerøy Seafood Group ASA	Denmark	Hjørring	2021	78%	78%
Ove Johnsen.Fisk en gros ApS	Lerøy Seafood Denmark A/S	Denmark	København	2021	100%	100%
P. Taabbel & Co A/S	Lerøy Seafood Denmark A/S	Denmark	Thisted	2021	100%	100%
Scan Fish Danmark A/S	Lerøy Seafood Denmark A/S	Denmark	Thisted	2021	100%	100%
Thorfisk A/S	Lerøy Seafood Denmark A/S	Denmark	Norrdjurs	2021	100%	100%
Mondo Mar Marine Foods ApS	Lerøy Seafood Denmark A/S	Denmark	Hanstholm	2023	0%	100% ⁵⁾
Lerøy Schlie A/S	Lerøy Seafood Denmark A/S	Denmark	Hjørring	2021	100%	0% ⁶⁾
Nigra Fiskeeksport A/S	Lerøy Seafood Hirtshals A/S	Denmark	Hjørring	2021	100%	0% ⁶⁾
Lerøy Sverige AB	Lerøy Seafood Group ASA	Sweden	Gothenburg	2001	100%	100%
Lerøy Seafood AB	Lerøy Sverige AB	Sweden	Gothenburg	2001	100%	100%
Lerøy Smøgen Seafood AB	Lerøy Sverige AB	Sweden	Smøgen	2002	100%	100%
Lerøy Seafood Holding B.V.	Lerøy Seafood Group ASA	Netherlands	Urk	2012	100%	100%
Lerøy Seafood Netherlands B.V.	Lerøy Seafood Holding B.V.	Netherlands	Urk	2012	100%	100%
Lerøy Seafood Real Estate B.V.	Lerøy Seafood Holding B.V.	Netherlands	Urk	2012	100%	100%
Lerøy Culinaire B.V.	Rode Retail B.V.	Netherlands	Urk	2012	100%	0% ⁶⁾
Lerøy Seafood Center B.V.	Lerøy Seafood Holding B.V.	Netherlands	Urk	2012	100%	0% ⁶⁾
Lerøy Seafood Convenience B.V.	Lerøy Seafood Holding B.V.	Netherlands	Urk	2012	100%	0% ⁶⁾

Note 4 cont.

Company	Ownership	Country	Registered business premises	Year of acquisition	Share 01.01	Share 31.12
Value-added processing (VAP), sales and distribution						
Lerøy Germany GmbH	Lerøy Seafood Holding B.V.	Germany	Witten	2015	100%	100%
Lerøy Finland OY	Lerøy Seafood Group ASA	Finland	Turku	2011	100%	100%
SAS Lerøy Seafood France	Lerøy Seafood AS	France	Boulogne	2008	100%	100%
SAS Eurosalmon	SAS Lerøy Seafood France	France	Saint Jean d'Ardières	2008	100%	100%
SAS Fishcut	SAS Lerøy Seafood France	France	Saint Laurent Blangy	2008	100%	100%
Lerøy Portugal Lda	Lerøy Seafood Group ASA	Portugal	Lisboa	2005	100%	100%
Lerøy Processing Spain SL	Lerøy Seafood Group ASA	Spain	Madrid	2012	100%	100%
Lerøy Processing Canarias SL	Lerøy Processing Spain SL	Spain	Canarias	2020	100%	100%
Lerøy Canarias SL	Lerøy Processing Spain SL	Spain	Canarias	2023	0%	100% ³⁾
Lerøy Seafood Italy SRL	Lerøy Seafood Group ASA	Italy	Porto Viro	2019	100%	100%
Lerøy Seafood UK Ltd	Lerøy Seafood Group ASA	England	Hull	2022	100%	100%
Lerøy Turkey	Lerøy Seafood Group ASA	Turkey	Istanbul	2015	100%	100%
Lerøy Seafood USA Inc	Lerøy Seafood AS	USA	North Carolina	2016	100%	100%

Company	Ownership	Country	Registered business premises	Year of acquisition	Share 01.01	Share 31.12
Not allocated						
Lerøy Seafood Group ASA	See note on shareholder information		Bergen	1995		
Preline Fishfarming Sys. AS	Lerøy Seafood Group ASA	Norway	Bergen	2015	96%	96%

*) Foundation date. The companies were part of "the old Lerøy group" before Lerøy Seafood Group ASA was founded in 1995

**) The company has changed its name this year. See below for details.

Comments on changes:

- 1) Transactions with non-controlling interests
- 2) Change in ownership within the group
- 3) Foundation of new company
- 4) Business combination – Change from associated company to subsidiary

- 5) Business combination – New company acquired
- 6) Parent–subsidiary merger
- 7) Sale of company
- 8) Liquidation of company

Note 4 cont.

Overview of companies that have changed their names in 2023

New name	Old name	Country
Lerøy Seafood Hirtshals A/S	Brdr.Schlie's Fiskeeksp. A/S	Denmark
Lerøy Austevoll AS	Austevoll Laksepakkeri AS	Norway
Lerøy Aurora Sjø AS	Lerøy Aurora 2 AS	Norway
Lerøy Midt Sjø AS	Lerøy Midt 2 AS	Norway
Lerøy Vest Sjø AS	Lerøy Vest 2 AS	Norway
Sjøtroll Havbruk Sjø AS	Sjøtroll Havbruk 2 AS	Norway

Note 5 Operating revenues and segment information

(All figures in NOK 1 000)

Operating revenue	2023	2022
Sale of goods and services	30 850 804	26 640 669
Lease income	0	253
Damages received	1 880	61
Government grants	17 028	4 894
Total	30 869 712	26 645 877

Other gains and losses	2023	2022
Gain(+)/loss(-) from disposal of fixed assets	22 298	5 697
Gain(+)/loss(-) from termination of leases (disposal RoU-assets)	819	850
Gain(+)/loss(-) from changes in shares in associated companies	13 356	0
Gain(+)/loss(-) from disposal of other non-current financial assets	0	-167
Total	36 473	6 380

Gain(+)/loss(-) from changes in shares in associated companies	2023	2022
Gain(+)/loss(-) from disposal of shares in associated companies	13 356	0
Total	13 356	0

The gain is concerning sale of the associated company Itub AS.

Segments

The Group has the following segments:

1. Wildcatch
2. Farming
3. Value-added processing (VAP), sales and distribution (VAPSD)

Lerøy Seafood Group ASA and Preline Fishfarming System AS are not allocated to any of these segments, and are included in the elimination segment. Farming is divided into three individual regions:

- a. North (Lerøy Aurora AS and Lerøy Aurora Sjø AS)
- b. Central (Lerøy Midt AS and Lerøy Midt Sjø AS)
- c. West (Lerøy Vest AS, Lerøy Vest Sjø AS, Lerøy Vest Kraft AS, Sjøtroll Havbruk AS, Sjøtroll Havbruk Sjø AS, Lerøy Sjøtroll Kjærelva AS, Lerøy Årskog AS, Lerøy Austevoll AS, AUSS Laks AS, Lerøy Ocean Harvest AS and Norsk Oppdrettsservice AS). Region West are also referred to as "Lerøy Sjøtroll".

Further details regarding the different companies in the groups, allocation to segment and level of aggregation are presented in note on consolidated companies. The aggregation level for reporting by region is described in the note on accounting principles.

Note 5 cont.

2022 – Income statement allocated on segment	Wildcatch	Farming	VAPSD	Elimination / unallocated	Total
External operating revenue	1 135 078	247 973	25 262 326	500	26 645 877
Internal operating revenue	1 981 425	12 196 140	241 263	-14 418 829	0
Total operating revenue	3 116 503	12 444 113	25 503 590	-14 418 329	26 645 877
Other gains and losses	-3 214	7 764	2 112	-281	6 380
Operating expenses	2 765 621	9 306 761	25 350 175	-13 965 178	23 457 378
Operating profit (EBIT) before fair value adjustments	347 667	3 145 116	155 527	-453 431	3 194 879
Change in fair value adjustment of fish in sea		1 057 507			1 057 507
Change in fair value of loss-making contracts		30 659			30 659
Total fair value adjustments related to biological assets	0	1 088 166	0	0	1 088 166
Operating profit	347 667	4 233 282	155 527	-453 431	4 283 045
Profit from joint ventures and associates	356	65 537	-218		65 675
Net financial items	-46 037	-201 733	-39 673	5 674	-281 769
Profit before tax	301 986	4 097 086	115 636	-447 757	4 066 951
Tax cost					-901 829
The year's result					3 165 122

2022 – Alternative Performance Measure reconciliation	Wildcatch	Farming	VAPSD	Elimination / unallocated	Total
Operating profit (EBIT)	347 667	4 233 282	155 527	-453 431	4 283 045
Fair value adjustments biological assets		-1 057 507			-1 057 507
Onerous contract provision		-30 659			-30 659
EBIT before fair value adjustments	347 667	3 145 116	155 527	-453 431	3 194 879
Change in unrealized internal margin		-2 832		-490	-3 322
Production fee		70 725			70 725
Litigation costs			0	208 785	208 785
Restructuring costs					0
Impairment loss, not included in operational EBIT	0	0	0	0	0
Other non-operational items					0
Operational EBIT	347 667	3 213 009	155 527	-245 136	3 471 067
Depreciation	207 539	930 539	175 793	12 167	1 326 039
Impairment loss, included in operational EBIT	0	0	0	0	0
Operational EBITDA	555 206	4 143 548	331 320	-232 969	4 797 105

Note 5 cont.

2022 – Key operational figures	Wildcatch	Farming	VAPSD	Elimination / unallocated	Total
Catch volume (HOG) in tonnes	71 726				71 726
Harvest volume salmon and trout (GWT)		174 629			174 629
Share of harvest volume salmon (GWT) from joint ventures		17 968			17 968
Operating margin before fair value adjustments	11.2%	25.3%	0.6%	3.1%	12.0%
Operational EBIT-margin	11.2%	25.8%	0.6%	1.7%	13.0%
Operational EBIT/kg salmon and trout, exclusive Wildcatch segment		18.4	0.9	-1.4	17.9
Operational EBIT/kg catch volume in Wildcatch segment	4.8				4.8
Operational EBIT from all segments /kg slaughtered salmon and trout	2.0	18.4	0.9	-1.4	19.9
EBIT before FV adj./kg salmon and trout, exclusive Wildcatch segment		18.0	0.9	-2.6	16.3
EBIT before FV adj./kg catch volume in Wildcatch segment	4.8				4.8
EBIT before FV adj. from all segments /kg slaughtered salmon and trout	2.0	18.0	0.9	-2.6	18.3

2022 – Depreciation and impairment loss	Wildcatch	Farming	VAPSD	Elimination / unallocated	Total
Depreciation on intangibles	29 137	635	3 787	0	33 559
Depreciation on right of use assets from credit institutions	10 756	183 702	31 440	0	225 897
Depreciation on right of use assets from others	3 381	284 472	28 361	7 944	324 159
Depreciation on fixed assets	164 265	461 730	112 205	4 223	742 423
Total depreciation	207 539	930 539	175 793	12 167	1 326 039
Impairment loss on intangibles					0
Impairment loss on fixed assets					0
Total impairment loss	0	0	0	0	0

2022 – Key amounts from statement of financial position	Wildcatch	Farming	VAPSD	Elimination / unallocated	Total
Assets excluding joint ventures and associates	6 608 072	21 370 133	7 398 335	260 482	35 637 022
Joint ventures and associates	22 419	1 400 865	1 354	0	1 424 638
Total assets	6 630 491	22 770 998	7 399 689	260 482	37 061 660
Total liabilities	2 986 231	9 727 036	5 142 988	-1 818 287	16 037 967
NIBD	993 668	3 283 103	918 075	-848 763	4 346 083
Net investments*	210 319	728 580	158 043	18 646	1 115 588

*) Net investments consist of net addition for (1) fixed assets, (2) intangibles and (3) right-of-use assets from credit institutions. Net investment is total purchase price paid for new assets minus sale price for disposed assets. Right-of-use assets derived from leases with other than credit institutions are not considered to be investments, and are therefore not included.

Note 5 cont.

2023 – Income statement allocated on segment	Wildcatch	Farming	VAPSD	Elimination / unallocated	Total
External operating revenue	1 485 807	591 920	28 789 212	2 773	30 869 712
Internal operating revenue	1 759 148	12 870 528	201 724	-14 831 399	0
Total operating revenue	3 244 955	13 462 448	28 990 936	-14 828 626	30 869 712
Other gains and losses	11 360	1 945	22 543	625	36 473
Operating expenses	2 978 489	11 037 798	28 423 758	-14 636 272	27 803 773
Operating profit (EBIT) before fair value adjustments	277 826	2 426 594	589 721	-191 729	3 102 412
Change in fair value adjustment of fish in sea		167 331			167 331
Change in fair value of loss-making contracts		-42 369			-42 369
Total fair value adjustments related to biological assets	0	124 962	0	0	124 962
Operating profit	277 826	2 551 557	589 721	-191 729	3 227 374
Profit from joint ventures and associates	-2 862	-133 576	-6 869	0	-143 308
Net financial items	-78 635	-270 043	-99 499	-35 779	-483 956
Profit before tax	196 329	2 147 937	483 353	-227 508	2 600 111
Tax cost					-2 389 558
The year's result					210 553

2023 – Alternative Performance Measure reconciliation	Wildcatch	Farming	VAPSD	Elimination / unallocated	Total
Operating profit (EBIT)	277 826	2 551 557	589 721	-191 729	3 227 374
Fair value adjustments biological assets		-167 331			-167 331
Onerous contract provision		42 369			42 369
EBIT before fair value adjustments	277 826	2 426 594	589 721	-191 729	3 102 412
Change in unrealized internal margin				-1 523	-1 523
Production fee		123 849			123 849
Litigation costs					0
Restructuring costs			14 719		14 719
Impairment loss, not included in operational EBIT	0	56 907	38 694	0	95 602
Other non-operational items					0
Operational EBIT	277 826	2 607 351	643 134	-193 252	3 335 059
Depreciation	223 554	1 032 778	207 549	20 006	1 483 886
Impairment loss, included in operational EBIT	8 508	4 000	0	0	12 508
Operational EBITDA	509 888	3 644 129	850 683	-173 246	4 831 454

Note 5 cont.

2023 – Key operational figures	Wildcatch	Farming	VAPSD	Elimination / unallocated	Total
Catch volume (HOG) in tonnes	75 893				75 893
Harvest volume salmon and trout (GWT)		159 620			159 620
Share of harvest volume salmon (GWT) from joint ventures		12 442			12 442
Operating margin before fair value adjustments	8.6%	18.0%	2.0%	1.3%	10.1%
Operational EBIT-margin	8.6%	19.4%	2.2%	1.3%	10.8%
Operational EBIT/kg salmon and trout, exclusive Wildcatch segment		16.3	4.0	-1.2	19.2
Operational EBIT/kg catch volume in Wildcatch segment	3.7				3.7
Operational EBIT from all segments /kg slaughtered salmon and trout	1.7	16.3	4.0	-1.2	20.9
EBIT before FV adj./kg salmon and trout, exclusive Wildcatch segment		15.2	3.7	-1.2	17.7
EBIT before FV adj./kg catch volume in Wildcatch segment	3.7				3.7
EBIT before FV adj. from all segments /kg slaughtered salmon and trout	1.7	15.2	3.7	-1.2	19.4

2023 – Depreciation and impairment loss	Wildcatch	Farming	VAPSD	Elimination / unallocated	Total
Depreciation on intangibles	29 137	635	3 835	0	33 608
Depreciation on right of use assets from credit institutions	7 071	181 044	40 841	106	229 062
Depreciation on right of use assets from others	1 332	317 686	29 927	10 783	359 727
Depreciation on fixed assets	186 014	533 413	132 946	9 117	861 490
Total depreciation	223 554	1 032 778	207 549	20 006	1 483 886
Impairment loss on intangibles		4 000			4 000
Impairment loss on fixed assets	8 508	56 907	38 694		104 110
Total impairment loss	8 508	60 907	38 694	0	108 110
Herby impairmen loss included in operational EBIT	8 508	4 000			12 508

2023 – Key amounts from statement of financial position	Wildcatch	Farming	VAPSD	Elimination / unallocated	Total
Assets excluding joint ventures and associates	6 583 758	24 946 059	9 179 791	-657 150	40 052 457
Joint ventures and associates	10 344	1 355 232	496	0	1 366 072
Total assets	6 594 102	26 301 291	9 180 287	-657 150	41 418 529
Total liabilities	3 016 316	13 654 039	6 730 528	-1 878 899	21 521 984
NIBD	1 047 385	2 841 116	697 517	623 425	5 209 443
Net investments *	319 163	989 904	108 105	42 641	1 459 813

*) Net investments consist of net addition for (1) fixed assets, (2) intangibles and (3) right-of-use assets from credit institutions.

Net investment is total purchase price paid for new assets minus sale price for disposed assets.

Right-of-use assets derived from leases with other than credit institutions are not considered to be investments, and are therefore not included.

Note 5 cont.

Specification per region within Farming

2022 – Income statement allocated on region	North	Central	West	Elimination	Total
External operating revenue	115 552	63 927	68 494		247 973
Internal operating revenue	2 682 656	4 954 440	4 624 657	-65 612	12 196 140
Total operating revenue	2 798 208	5 018 367	4 693 151	-65 612	12 444 113
Other gains and losses	350	3 006	4 407		7 764
Operating expenses	2 058 409	3 547 305	3 769 491	-68 445	9 306 761
Operating profit (EBIT) before fair value adjustments	740 149	1 474 068	928 067	2 833	3 145 116

2022 – Alternative Performance Measure reconciliation	North	Central	West	Elimination	Total
Operating profit (EBIT)	740 149	1 474 068	906 572	1 112 493	4 233 282
Fair value adjustments biological assets	0	0	21 494	-1 079 001	-1 057 507
Onerous contract provision				-30 659	-30 659
EBIT before fair value adjustments	740 149	1 474 068	928 067	2 833	3 145 116
Change in unrealized internal margin				-2 833	-2 833
Production fee	16 244	27 861	26 619		70 725
Litigation costs					0
Restructuring costs					0
Impairment loss, not included in operational EBIT					0
Other non-operational items					0
Operational EBIT	756 393	1 501 929	954 686	0	3 213 008
Depreciation	256 437	315 940	358 162	0	930 540
Impairment loss, included in operational EBIT	0	0	0	0	0
Operational EBITDA	1 012 830	1 817 869	1 312 849	0	4 143 548

2022 – Operational Key figures per region	North	Central	West	Elimination	Total
Volume salmon (GWT)*	40 109	68 793	43 040		151 942
Volume trout (GWT)			22 687		22 687
Total volume	40 109	68 793	65 727		174 629
Operational EBIT/kg slaughtered salmon and trout	18.9	21.8	14.5		18.4
EBIT /kg slaughtered salmon and trout	18.5	21.4	14.1		18.0

Note 5 cont.

2023 – Income statement allocated on region	North	Central	West	Elimination	Total
External operating revenue	145 650	58 060	388 210		591 920
Internal operating revenue	3 388 388	5 116 432	4 435 227	-69 519	12 870 528
Total operating revenue	3 534 038	5 174 492	4 823 437	-69 519	13 462 448
Other gains and losses	-210	11	2 143		1 945
Operating expenses	2 622 418	3 879 282	4 605 617	-69 519	11 037 798
Operating profit (EBIT) before fair value adjustments	911 411	1 295 221	219 963	0	2 426 595

2023 – Alternative Performance Measure reconciliation	North	Central	West	Elimination	Total
Operating profit (EBIT)	911 411	1 295 221	312 871	32 054	2 551 557
Fair value adjustments biological assets	0	0	-92 908	-74 423	-167 331
Onerous contract provision				42 369	42 369
EBIT before fair value adjustments	911 411	1 295 221	219 963	0	2 426 595
Change in unrealized internal margin				0	0
Production fee	34 009	48 842	40 998		123 849
Litigation costs					0
Restructuring costs					0
Impairment loss, not included in operational EBIT	32 907		24 000		56 907
Other non-operational items			0		0
Operational EBIT	978 327	1 344 063	284 961	0	2 607 351
Depreciation	248 909	357 141	426 729	0	1 032 778
Impairment loss, included in operational EBIT	0	0	4 000	0	4 000
Operational EBITDA	1 227 235	1 701 203	715 690	0	3 644 129

2023 – Operational Key figures per region	North	Central	West	Elimination	Total
Volume salmon (GWT)*	43 075	61 308	34 290		138 673
Volume trout (GWT)			20 947		20 947
Total volume	43 075	61 308	55 237		159 620
Operational EBIT/kg slaughtered salmon and trout	22.7	21.9	5.2		16.3
EBIT /kg slaughtered salmon and trout	21.2	21.1	4.0		15.2

*) GWT = Gutted weight in tonnes

Note 5 cont.

Information on product area

Operating revenue in NOK by product area

Operating revenue	2023	%	2022	%
Salmon, whole	14 003 785	45.4	10 756 195	40.4
Salmon, processed	6 915 906	22.4	7 103 589	26.7
Trout, whole	1 222 882	4.0	1 326 857	5.0
Trout, processed	745 733	2.4	684 922	2.6
Whitefish, whole	2 809 582	9.1	2 723 147	10.2
Whitefish, processed	2 383 120	7.7	1 810 750	6.8
Shellfish	1 073 877	3.5	1 073 468	4.0
Pelagic	130 140	0.4	107 909	0.4
Other	1 584 684	5.1	1 059 040	4.0
Total operating revenue	30 869 712	100.0	26 645 877	100.0

Information on currency

Operating revenue in NOK by currency

Operating revenue	2023	%	2022	%
NOK	9 219 442	29.9	8 540 963	32.1
SEK	921 218	3.0	1 042 588	3.9
DKK	681 292	2.2	476 661	1.8
GBP	344 746	1.1	215 113	0.8
EUR	13 534 590	43.8	10 641 559	39.9
USD	4 946 278	16.0	4 360 101	16.4
JPY	856 540	2.8	1 028 364	3.9
Other currency	365 606	1.2	340 529	1.3
Total operating revenue	30 869 712	100.0	26 645 877	100.0

Sales in foreign currency from Group companies in Norway normally take place at an approximate transaction rate (week rates). However, contractual sales are hedged and the sales revenue is adjusted with the effect from the currency forward contracts. Sales from foreign Group companies in foreign currency are in principle translated to NOK on the basis of the accumulated monthly average exchange rate in the accounting period.

Information on geographic area

Sales are allocated to the customers' home country. Assets and investments are distributed according to geographical location.

Operating revenue	2023	%	2022	%
EU	16 842 329	54.6	14 517 993	54.5
Norway	5 661 492	18.3	4 525 572	17.0
Asia	4 485 061	14.5	4 543 804	17.1
USA & Canada	1 508 420	4.9	1 307 861	4.9
Rest of Europe	2 132 118	6.9	1 536 227	5.8
Other	240 291	0.8	214 421	0.8
Total operating revenue	30 869 712	100.0	26 645 877	100.0

Assets	2023	%	2022	%
Norway *	37 464 823	90.4	33 416 210	90.2
EU	3 715 638	9.0	3 447 441	9.3
Other countries	238 068	0.6	198 009	0.5
Total assets	41 418 529	100.0	37 061 660	100.0

Net investments	2023	%	2022	%
Norway	1 394 178	95.5	978 780	87.7
EU	65 443	4.5	135 649	12.2
Other countries	192	0.0	1 159	0.1
Total net investments	1 459 813	100.0	1 115 588	100.0

*) Most of the trade receivables in the subsidiary Lerøy Seafood AS are from customers abroad. At year-end (year end previous year) this amounted to NOK 1 189 573 out of NOK 1 458 421 (NOK 1 137 881 out of NOK 1 387 330). Most of the trade receivables are covered by credit insurance.

Note 6 Business combinations and redemption of non-controlling interests

(All figures in NOK 1 000)

Business combinations in 2023

Denmark

The Group has acquired 100% of the shares in Mondo Mar Marine Foods ApS through the Danish subsidiary Lerøy Seafood Denmark A/S. The company is located in Hanstholm in Denmark, and has processing of white fish as main activity. The company has been consolidated with effect from 01.01.2023. The company is allocated to the VAPS&D segment.

In addition to this, the original purchase price allocation for the Danish parent company Lerøy Seafood Denmark has been changed, due to uncovered accounting manipulation in one of its subsidiaries at date of acquisition, where a substantial part of accounts payable was kept outside the income statement and balance sheet. The equity effect of NOK 37 812 has been added to goodwill.

Norway

Further on the Group has acquired 100% of the shares in Austevoll Laksepakkeri AS with effect from 1st of April 2023. This company was acquired from the Groups parent company Austevoll Seafood ASA. The transaction has been carried out based on arm lenght principles. The company has changed name to Lerøy Austevoll AS. The company is allocated to the Farming segment.

Mondo Mar Marine Foods ApS

Purchase price allocation and acquisition analysis	Reported values of acquired entity	Identified added (or negative) value	Fair value at time for acquisition	Goodwill calculated	Acquisition balance sheet
Deferred tax asset	0	0	0	0	0
Goodwill	0	0	0	63 862	63 862
Right-of-use assets and fixed assets	21 588	0	21 588	0	21 588
Inventory	2 780	0	2 780	0	2 780
Current receivables	44 300	0	44 300	0	44 300
Cash in bank	0	0	0	0	0
Total assets	68 667	0	68 667	63 862	132 529
Equity	35 348	0	35 348	63 862	99 210
Deferred tax	635	0	635	0	635
Non-current liabilities	5 864	0	5 864	0	5 864
Current liabilities	26 819	0	26 819	0	26 819
Total equity and liabilities	68 667	0	68 667	63 862	132 529
NIBD (+)	6 759	0	6 759	0	6 759

Acquisition analysis	100%
Recognized equity in acquired entity	35 348
Net identified added value in the aquired entity	0
Identified value in the aquired entity	35 348
Calculation of goodwill	100%
Consideration paid to seller	85 020
Consideration unpaid, seller credit	14 190
Total consideration	99 210
Identified value in the aquired entity	35 348
Goodwill	63 862

Lerøy Austevoll

Purchase price allocation and acquisition analysis	Reported values of acquired entity	Identified added (or negative) value	Fair value at time for acquisition	Goodwill calculated	Acquisition balance sheet
Deferred tax asset	6 023	1 100	7 123	0	7 123
Goodwill	0	0	0	38 054	38 054
Right-of-use assets and fixed assets	302 781	-3 000	299 781	0	299 781
Inventory	2 040	0	2 040	0	2 040
Current receivables	22 055	0	22 055	0	22 055
Cash in bank	33 763	0	33 763	0	33 763
Total assets	366 662	-1 900	364 762	38 054	402 816
Equity	-9 154	-3 900	-13 054	38 054	25 000
Deferred tax	0	0	0	0	0
Non-current liabilities	5 225	0	5 225	0	5 225
Current liabilities	370 592	2 000	372 592	0	372 592
Total equity and liabilities	366 662	-1 900	364 762	38 054	402 816
NIBD (+)	306 490	0	306 490	0	306 490

Note 6 cont.

Acquisition analysis	100%
Recognized equity in acquired entity	-9 154
Net identified added value in the aquired entity	-3 900
Identified value in the aquired entity	-13 054
Calculation of goodwill	100%
Total consideration	25 000
Identified value in the aquired entity	-13 054
Goodwill	38 054

Redemption of non-controlling interests in 2023.

Non-controlling interests in Lerøy Nord AS has been redeemed with effect from 01.01.2023. The shareholding is therefore increased from 51% to 100%. The consideration paid to non-controlling interests was NOK 6 million. The amount is recognized as a reduction in equity.

Note 7 Intangible assets

(All figures in NOK 1 000)

Reconciliation carrying value, gross value and life

2022	Goodwill	Licences	Other rights	Total
As of 1 January				
Acquisition cost	2 493 337	6 180 141	84 349	8 757 827
Accumulated amortisation	0	-151 464	-52 841	-204 305
Carrying value as of 01.01	2 493 337	6 028 677	31 508	8 553 522
Movements during the year				
Carrying value as of 01.01	2 493 337	6 028 677	31 508	8 553 522
Translation differences	23 282		226	23 508
Additions from business combinations			6 409	6 409
Acquisition of intangible assets			288	288
Disposals				0
Amortisation for the year		-29 137	-4 422	-33 559
Carrying value as of 31.12	2 516 619	5 999 540	34 009	8 550 168
As of 31 December				
Acquisition cost	2 516 619	6 180 141	91 384	8 788 144
Accumulated amortisation		-180 601	-57 375	-237 976
Carrying value as of 31.12	2 516 619	5 999 540	34 009	8 550 168

Note 7 cont.

2022	Goodwill	Licences	Other rights	Total
Assets with unlimited useful life	2 516 619	5 766 078	8 509	8 291 206
Assets with limited useful life		233 463	25 500	258 962
Carrying value as of 31.12	2 516 619	5 999 540	34 009	8 550 168

2023	Goodwill	Licences	Other rights	Total
Movements during the year				
Carrying value as of 01.01	2 516 619	5 999 540	34 009	8 550 168
Translation differences	34 309		297	34 606
Additions from business combinations	139 728		0	139 728
Acquisition of intangible assets			156	156
Disposals				0
Amortisation for the year		-29 137	-4 471	-33 608
Impairment loss of the year			-4 000	-4 000
Carrying value as of 31.12	2 690 656	5 970 403	25 992	8 687 051
As of 31 December				
Acquisition cost	2 690 656	6 180 141	91 976	8 962 773
Accumulated amortisation		-209 738	-61 984	-271 722
Accumulated impairment			-4 000	-4 000
Carrying value as of 31.12	2 690 656	5 970 403	25 992	8 687 051
Assets with unlimited useful life	2 690 656	5 766 078	4 509	8 461 243
Assets with limited useful life		204 325	21 483	225 808
Carrying value as of 31.12	2 690 656	5 970 403	25 992	8 687 051

Note 7 cont.

Specification of intangible assets per acquisition, per segment

2022	Region	Acquisition year	Goodwill	Licences	Other rights	Total
Wildcatch						
Lerøy Havfisk AS		2016		3 514 863 ⁵		3 514 863
Lerøy Norway Seafoods AS		2017	2 646		100	2 746
Total			2 646	3 514 863	100	3 517 609
Farming						
Lerøy Midt AS	Central	2003, 2006 ¹	956 509	700 260		1 656 769
Lerøy Vest AS	West	2007, 2022 ⁷	535 001	502 529	18 717 ^{5,7}	1 056 248
Sjøtroll Havbruk AS	West	2010	205 954	673 513		879 467
Lerøy Aurora AS	North	2005, 2014 ²	134 567	508 572	2 000	645 139
Norsk Oppdrettservice AS	West	2015	13 295	40 000		53 295
Lerøy Årskog AS	West	2021		5 000		5 000
Total			1 845 326	2 429 874	20 717	4 295 917
VAP, sales and distribution						
Lerøy Seafood Denmark A/S		2021	290 335		0	290 335
Lerøy Seafood Holding B.V.		2012 ⁴	149 216			149 216
Sjømatgruppen (grossistene)		2005, 2006	122 460		7 704 ³	130 164
Lerøy Fossen AS		2006	23 976			23 976
Lerøy Finland OY		2011 ⁴	21 215		119 ³	21 334
Lerøy Smøgen Seafood AB		2002, 2003	17 473			17 473
Lerøy Sverige AB (ex. Smøgen)		2001, 2004	12 505			12 505
SAS Hallvard Lerøy		2008	9 979			9 979
Sjømathuset AS		2006, 2009	6 175		1 250 ³	7 425
Lerøy Tyrkia		2015 ⁴	5 068		36	5 104
SAS Eurosalmon		2008	4 697			4 697
Lerøy Seafood AS		1997, 2000	3 976		0	3 976
Lerøy Seafood Italy SRL		2020	0		1 972 ³	1 972
Lerøy Portugal Ltd		2004	524		1 446 ³⁾	1 970
SAS Fish Cut		2003	1 050			1 050
Lerøy Processing Spain		2016	0		664 ³	664
Total		⁴	668 648		13 191³	681 839
Lerøy Seafood Group ASA		2017–2020	54 803⁶	0		54 803
Total			2 516 619	5 999 540	34 009	8 550 168

- 1) Consists of the Midnor acquisition from 2003 and the Hydrotech acquisition from 2006. The companies are now merged.
- 2) Consists of the Aurora acquisition from 2005, the Villa acquisition from 2014, in addition to paid amount for increased volume in 2017, 2018 and 2020
- 3) Rights with a definite useful life and are subject to amortisation.
- 4) Goodwill is adjusted with currency translation differences related to foreign subsidiaries to NOK (IAS 21)
- 5) A certain part of the total value has a definite useful life, and is subject to amortisation.
- 6) Consists of initial costs related to R&D licence granted to LSG ASA, and in process of being accepted. Will be operated by Lerøy Vest AS
- 7) Increase is related to acquisition of water fall rights to a power plant, with indefinite lifetime
- 8) Increase in goodwill due to business combination in sub-group, and change in PPA.

Note 7 cont.

2023	Region	Acquisition year	Goodwill	Licences	Other rights	Total
Wildcatch						
Lerøy Havfisk AS		2016		3 485 727 ⁵		3 485 727
Lerøy Norway Seafoods AS		2017	2 646		100	2 746
Total			2 646	3 485 727	100	3 488 473
Farming						
Lerøy Midt AS	Central	2003, 2006 ¹	956 509	700 260		1 656 769
Lerøy Vest AS	West	2007, 2022 ⁷	535 001	502 529	14 083 ^{5,7}	1 051 613
Sjøtroll Havbruk AS	West	2010	205 954	673 513		879 467
Lerøy Aurora AS	North	2005, 2014 ²	134 567	508 572	2 000	645 139
Norsk Oppdrettsservice AS	West	2015	13 295	40 000		53 295
Lerøy Årskog AS	West	2021		5 000		5 000
Lerøy Austevoll AS	West	2023	38 054			38 054
Total			1 883 380	2 429 874	16 083	4 329 336
VAP, sales and distribution						
Lerøy Seafood Denmark A/S		2021 ^{4,8}	415 872		0	415 872
Lerøy Seafood Holding B.V.		2012 ⁴	159 670			159 670
Sjømatgruppen (grossistene)		2005, 2006	122 460		6 043 ³	128 503
Lerøy Fossen AS		2006	23 976			23 976
Lerøy Finland OY		2011 ⁴	22 701		98 ³	22 799
Lerøy Smøgen Seafood AB		2002, 2003	17 618			17 618
Lerøy Sverige AB (ex. Smøgen)		2001, 2004	12 505			12 505
SAS Hallvard Lerøy		2008	9 979			9 979
Sjømathuset AS		2006, 2009	6 175		0 ³	6 175
Lerøy Tyrkia		2015 ⁴	3 429		12	3 441
SAS Eurosalmon		2008	4 697			4 697
Lerøy Seafood AS		1997, 2000	3 976		0	3 976
Lerøy Seafood Italy SRL		2020	0		1 476 ³	1 476
Lerøy Portugal Ltd		2004	524		1 536 ³	2 060
SAS Fish Cut		2003	1 050			1 050
Lerøy Processing Spain		2016	0		644 ³	644
Total		⁴	804 631	0	9 809³	814 440
Lerøy Seafood Group ASA		2017–2020	54 803⁶	0		54 803
Total			2 690 656	5 970 403	25 992	8 687 051

- 1) Consists of the Midnor acquisition from 2003 and the Hydrotech acquisition from 2006. The companies are now merged.
- 2) Consists of the Aurora acquisition from 2005, the Villa acquisition from 2014, in addition to paid amount for increased volume in 2017, 2018 and 2020
- 3) Rights with a definite useful life and are subject to amortisation.
- 4) Goodwill is adjusted with currency translation differences related to foreign subsidiaries to NOK (IAS 21)
- 5) A certain part of the total value has a definite useful life, and is subject to amortisation.
- 6) Consists of initial costs related to R&D licence granted to LSG ASA, and in process of being accepted. Will be operated by Lerøy Vest AS
- 7) Increase is related to acquisition of water fall rights to a power plant, with indefinite lifetime
- 8) Increase in goodwill due to business combination in sub-group, and change in PPA.

Note 7 cont.

Licences

Licences in the Farming segment

The net book value of licences in the Farming segment is NOK 2 484 676 including the capitalized costs related to the renewal of the R&D licence in Lerøy Seafood Group ASA. Below is

a list of the licences owned by LSG at the end of the financial year according to type, number and volume. The list is based on data registered in the Aquaculture Register.

Salmon and trout licences as of 31.12.2022, commercial and special purpose licences	Region West		Region Central		Region North		Total Group	
	Number	Volume (MTB)	Number	Volume (MTB)	Number	Volume (MTB)	Number	Volume (MTB)
Commercial grow-out licences ¹	57	41 372	53	41 317	25	25 502	135	108 190
Slaughter cage licences	1	780	1	780	2	1 800	4	3 360
R&D licences ²					1	780	1	780
Green farming licences	1	733					1	733
Demonstration licences	1	780	1	780	1	780	3	2 340
Teaching licences ³	1	780			1	390	2	1 170
Parent fish licences ⁴	2	1 560	3	2 340			5	3 900
Land-based grow-out licence ⁵	1	10 000					1	10 000
Total number and volume	64	56 005	58	45 217	30	29 252	152	130 473

Salmon and trout licences as of 31.12.2023, commercial and special purpose licences	Region West		Region Central		Region North		Total Group	
	Number	Volume (MTB)	Number	Volume (MTB)	Number	Volume (MTB)	Number	Volume (MTB)
Commercial grow-out licences ¹	57.0	41 372	53.0	41 317	25.0	25 502	135.0	108 190
Slaughter cage licences	1.0	780	1.0	780	2.0	1 800	4.0	3 360
R&D licences ²			1.5	1 170	1.0	780	2.5	1 950
Green farming licences	1.0	733					1.0	733
Demonstration licences	1.0	780	1.0	780	1.0	780	3.0	2 340
Teaching licences ³	1.0	780			1.0	390	2.0	1 170
Parent fish licences ⁴	2.0	1 560	3.0	2 340			5.0	3 900
Land-based grow-out licence ⁵	1.0	10 000					1.0	10 000
Total number and volume	64.0	56 005	59.5	46 387	30.0	29 252	153.5	131 643

- 1) The commercial grown-out licences are described further below.
- 2) The R&D licences are time-limited with a duration of 3–5 years, from time of project start. The licences have zero purchase price, and therefore no depreciation. The R&D licence allocated to Lerøy Aurora in the table above has a length of 3 years. It legally belongs to Akvaplan Niva (third party), but is operated by Lerøy Aurora. The R&D licence allocated to Lerøy Midt in the table above has a remaining length of 1.5 years. It legally belongs to Nofima (third party), but is operated by Lerøy Midt.
- 3) The teaching licences are considered time-limited with a duration of 10 years. The licences have zero purchase price, and therefore no depreciation. The teaching licence allocated to Lerøy Aurora in the table above legally belongs to Troms- og Finnmark Fylkeskommune (third party), but is operated by Lerøy Aurora.
- 4) One of the parent fish licence owned by Lerøy Midt, is operated by Lerøy Aurora.
- 5) The land-based grow-out licence is owned by Lerøy Årskog AS. The licence permits production of land-based salmon or trout or juvenile fish or a combination, for a total volume of 10 000 tonnes. Theoretically the authorities may withdraw this licence if the production has not started within two years after reward date. The licences was awarded the 25th of March 2019. The risk for withdrawal is considered as low, since the ground work for the plant is started.

For a more detailed explanation of why farming licences are deemed to have an indefinite useful life and are therefore not subject to amortisation, please see item (X) in the note on accounting policies.

Note 7 cont.

Commercial grow-out licences for salmon and trout	Region West		Region Central		Region North		Total Group	
	Number	Volume (MTB)	Number	Volume (MTB)	Number	Volume (MTB)	Number	Volume (MTB)
Status as of 01.01.2022	57	44 013	53	41 317	25	25 502	135	110 831
Changes in 2022								
Temporary deductions in PA / reversal of deduction		-2 641						-2 641
Growth purchased								0
Status as of 31.12.2022	57	41 372	53	41 317	25	25 502	135	108 191
Changes in 2023								
Temporary deductions in PA / reversal of deduction								0
Growth purchased								0
Status as of 31.12.2023	57	41 372	53	41 317	25	25 502	135	108 191
Grow-out licences as of 31.12 per production area (PA)								
PA 3 Yellow	37	27 128					37	27 128
PA 4 Red	20	14 244					20	14 244
PA 5 Red			8	5 866			8	5 866
PA 6 Green			45	35 451			45	35 451
PA 11 Green					17	16 962	17	16 962
PA 13 Green					8	8 540	8	8 540
Status as of 31.12.2023	57	41 372	53	41 317	25	25 502	135	108 191

The colors relate to the "traffic light system". The traffic light system is described in the note on accounting principles under section about licences.

Red area: Temporary reduction in volume of 6% in PO 3 and PO 4, which equals a reduction of 2,641 tons. In 2022 it was the second time PO 4 experienced a reduction in production capacity. The color can change each second year. The color will be subjected to a new evaluation in 2024.

Yellow area: No changes in volume. The color will be subjected to a new evaluation in 2024.

Green area: Is opened for growth. The Group did not buy any growth offered in 2022. The color will be subjected to a new evaluation in 2024.

Other farming licences	Region West		Region Central		Region North		Total Group	
	Number	Volume (million individuals)	Number	Volume (million individuals)	Number	Volume (million individuals)	Number	Volume (million individuals)
Status as of 31.12.2023								
Juvenile fish licences	11.0	34.9	6.0	23.6	1.0	15.2	18.0	73.6
Cleaner fish licences	4.0	9.0	1.0	2.5	1.0	2.5	6.0	14.0
Total	15.0	43.9	7.0	26.1	2.0	17.7	24.0	87.6

It has not been any changes in 2023, and the numbers are the same as per 31.12.2022.

The Group has also licences to cultivate seaweed in Vestland county. These are located in the same geographical area as the licences for salmon farming. The licences allows a cultivation of a total of 1013 decares. Furthermore, the Group have two seaweed licences totalling 830 decares under process of approval. These licences have normally indefinite lifetime. The licences are awarded after an application process, and have no purchase price.

Note 7 cont.

Licences in the Wildcatch segment

Licences (quotas) for wildcatch	NBV in acquired company on date of acquisition	Excess value identified in PPA, and allocated	Accumulated amortisation from date of acquisition	NBV as of 31.12
Basic quotas for cod, shrimp and greater silver	339 806	2 941 594		3 281 400
Structural quotas, cod trawling	414 064		-209 738	204 326
Total	753 870	2 941 594	-209 738	3 485 726

The Wildcatch segment comprises the two sub-groups, Lerøy Havfisk AS and Lerøy Norway Seafoods AS. Lerøy Havfisk AS is a shipowning company, with trawlers involved in wild catches. Lerøy Norway Seafoods AS is involved in the receipt and processing of wild caught whitefish.

The licences in this segment are owned by the sub-group, Lerøy Havfisk AS (vessel owning subsidiaries). The licences are governed by an obligation to supply products to the regions where the licences are located, i.e. Finnmark and Nordland. This implies that buyers in those regions have priority over other buyers of fish. The details of the supply obligation are stipulated in the licence terms for the individual licence unit. This may be a region but could also be a specific buyer. The principle for pricing is the average price realised for the species of fish in question over the past two weeks, taking into account condition, size and quality. Lerøy Havfisk AS is also subject to a so-called "industrial obligation" (obligation to keep the business going) in Stamsund, Melbu, Hammerfest, Båtsfjord, Honningsvåg and Kjøllefjord. This implies that the licence is linked to operation of the facilities in the respective locations. Lerøy Havfisk AS has however leased out the facilities in these locations. The lessee is Lerøy Norway Seafoods AS. The lessee is responsible for sustaining operations. If the lessee terminates operations, the licence terms oblige Lerøy Havfisk AS to sustain operations in the specified locations.

At the end of the financial year, the Lerøy Havfisk group owned 29.6 cod and haddock trawling licences, 31.9 saithe trawling licences, 8 shrimp trawling licences and 2 greater silver licences in Norway. These licences are owned via the subsidiaries Nordland Havfiske AS, Finnmark Havfiske AS and Hammerfest Industrifiske AS. It has not been acquired or sold quotas/licences in 2023.

A licence for cod, haddock and saithe is a licence that entitles the holder to trawl for whitefish in the zone north of 62 degrees latitude and in the North Sea at certain times of the year. Correspondingly, a licence for shrimp and greater silver entitles the holder to fish for shrimp and greater silver. In 2023 (2022), each

vessel was permitted up to four (four) quota units, including the quota connected to the vessel. The volume of fish allowed per licence unit is stipulated annually by the Norwegian Ministry of Trade, Industry and Fisheries. Moreover, transfers may be made between the different groups of vessels throughout the year, in the event that one group of vessels is not able to fish its share of the quota. This is known as "re-allocation". As of end of year 2023 (2022), one cod licence entitled the holder to fish for an annual volume of 979 (1 154) tonnes of cod, 504 (465) tonnes of haddock and 592 (531) tonnes of saithe in the zone north of 62 degrees latitude. When compared with the final volumes per quota, after re-allocations, in 2023 (2022), this is a change of -15% (-18%) for cod, +8 (-20%) for haddock and +11% (+3%) for saithe. During the year, the quota for both haddock and saithe was increased and some quotas were re-allocated for these species. The shrimp and greater silver licences have no limit in terms of volume.

In order to boost profitability for fisheries and reduce the number of vessels in operation, the fisheries authorities have implemented schemes allowing for companies to merge several quota units per vessel in return for the permanent removal of vessels that have handed over their quotas from the registry of fisheries. Each vessel has one cod trawling permit, a so-called basic quota. Vessels can also have so-called structural quotas for cod trawling. In total, one vessel cannot have more than four quotas per fish species. The structural quotas have a limited duration according to the scheme in place when the quota was structured. In principle, there are two schemes for structural quotas, comprising 20 and 25 years' duration. The new scheme for structural quotas was introduced in 2007. Structural quotas allocated before 2007 have a duration of 25 years starting in 2008, while quotas allocated after 2008 have a duration of 20 years.

The main purpose of the structure schemes is to reduce the number of vessels participating in individual fisheries, thereby facilitating improved profitability for the remaining vessels – i.e. improving efficiency within a regulated framework. Moreover,

the schemes are intended to adapt fleet capacity to the basic resources. At the end of the duration of 20 and 25 years respectively, the structural quotas are no longer valid and the total quotas will be distributed among all parties in the regulation group in question, as basic quotas. Basic quotas do not have any time limits.

Lerøy Havfisk AS – and Lerøy Norway Seafoods AS to a limited extent – is involved in fishing in Norway pursuant to the provisions in inter alia the Act relating to the right to participate in fishing and catches (Participant Act). Lerøy Havfisk AS has been given an exemption from the requirement stating that the controlling interest must be an active fisherman. The Participant Act and supporting legislation stipulate inter alia that any changes to ownership of a company that directly or indirectly owns fishing vessels requires approval by the relevant authorities. The Ministry of Trade, Industry and Fisheries' approval of Lerøy Seafood Group ASA's acquisition of the majority shareholding in Lerøy Havfisk AS was granted on the basis of Lerøy Seafood Group ASA's ownership on the date of the approval. The approval also states that no new applications are required for future changes in ownership of Lerøy Havfisk AS, Lerøy Seafood Group ASA and Austevoll Seafood ASA provided that Lerøy Seafood Group ASA continues to own minimum 60% of the shares in Lerøy Havfisk AS and that Austevoll Seafood ASA continues to own minimum 50% of the shares in Lerøy Seafood Group ASA. However, the approval does not allow for changes in ownership that result in Laco AS directly owning less than 55.55% of the shares in Austevoll Seafood ASA. Any significant changes in ownership in Laco AS also require approval. The approval also requires continuation of the prevailing terms related to permits for the vessels and structural quotas, in addition to compliance with the nationality requirement in section 5 of the Participant Act. Pursuant to the nationality requirement in section 5 of the Participant Act, operating permits can only be granted to parties that are Norwegian citizens or have status that equals Norwegian citizenship. According to the second paragraph letr a) of the provision, limited companies, public limited companies

Note 7 cont.

and other companies with limited liability have equal status to Norwegian citizens when the company's head office and Board of Directors are located in Norway, when the majority of the Board members, including the Chairman of the Board, are Norwegian citizens resident in Norway and who have lived in Norway for the last two years, and when Norwegian citizens own shares or stocks corresponding to minimum 6/10 of the company's capital and have voting rights in the company with minimum 6/10 of the votes. Lerøy Havfisk AS, Lerøy Seafood Group ASA and Austevoll Seafood ASA are obliged to submit an overview twice a year detailing the company's shareholders, including specification of the shares held by foreign shareholders. Ultimately, a breach of the above-mentioned licence provisions could result in Lerøy Havfisk AS losing its licence rights.

Other rights

In addition to goodwill and licences, intangible assets also comprise other rights. These rights comprise the following subcategories in each segment:

	Amortisation method	Wildcatch	Farming	VAP, sale and distribution	Total
Time indefinite	none				
Water rights		0	4 409		4 409
Other rights		100			100
Total		100	4 409	0	4 509
Accumulated purchase price		100	4 409	0	4 509
Accumulated amortisation		non	non	non	non
Accumulated impairment			4 000		4 000
Limited	Straight line depr.				
Water rights	25 years		11 674		11 674
Contracts with customers / customer lists	10 years			3 898	3 898
Other rights (software etc.)	3-5 years			5 911	5 911
Total		0	11 674	9 809	21 483
Accumulated purchase price		0	44 973	41 902	86 875
Accumulated amortisation		0	-33 299	-24 076	-57 375
Total other rights		100	16 083	9 809	25 992

Cash-generating units (CGU) and basis for impairment testing

With each acquisition or purchase of assets, goodwill, licences and rights are allocated to the different cash-generating units. Each legal unit in the Group in principle comprises one cash-generating unit. Goodwill and intangible assets with an indefinite useful life are not amortised, but shall be tested for impairment at least once a year and written down if their value can no longer be justified. The management assesses the carrying value of goodwill and intangible assets with an indefinite useful life per CGU at least once a year, and more frequently if there are indications of impairment. Useful life is utilised when establishing recoverable amount.

Farming

The Group's farming regions share the same top management, the same internal customer, and a joint optimisation plan of i.e. slaughter plans. Further on harvest to fulfill the Groups contract sale, is done across the regions. Due to this, the Groups farming business in Norway is regarded as one CGU. The cash generating unit Farming comprises region of Northern Norway, which consists of Lerøy Aurora AS and Lerøy Aurora Sjø AS, the region of Central Norway which consists of Lerøy Midt AS and Lerøy Midt Sjø AS, and the region for Western Norway which consists of the 11 companies Lerøy Vest AS, Lerøy Vest Sjø AS, Lerøy Vest Kraft AS, Sjøtroll Havbruk AS, Sjøtroll Havbruk Sjø AS, Lerøy Sjøtroll Kjærelva AS, Lerøy Årskog AS, Lerøy Austevoll AS, AUSS Laks AS, Norsk Oppdrettservice AS and Lerøy Ocean Harvest AS. The development costs related to the Pipefarm concept, capitalized in Lerøy Seafood Group ASA, a concept that the Group has been offered some licence volume on, but that the Group not yet has accepted, is also included in this CGU.

Wildcatch

In the sub-group Lerøy Havfisk AS, each vessel with its quotas is defined as one cash-generating unit. Despite this, Lerøy Seafood Group classifies the two sub-groups, Lerøy Havfisk AS and Lerøy Norway Seafoods AS, as one joint cash-generating unit. This is justified in that, primarily, quotas are transferred between vessels via the so-called "re-allocations". Secondly, the two sub-groups are mutually dependent with a view to the industrial obligation mentioned above. In addition, the supply obligation has an impact on the two units' co-dependence. On this basis, the two sub-groups are assessed as one joint cash-generating unit.

VAP, sales and distribution

For the Group to succeed in being the first choice of the largest and most well-recognised customers, it is important to be present in the end market. Through local presence the Group can supply the freshest products, portions and packaging adjusted to local requirements and demand, and developing the seafood category even further together with the customers. The Group must also build up enough capacity to supply the volumes that the customer will need. The group has established several fish-cuts in the end markets. A fish-cut means a relatively simple processing activity in addition to the sale office, that perform some specialized value-added processing based on specification set by the customer. The fish-cuts are an integrated part of the value chain, and an important tool for efficient global sale.

The table below displays the distribution of goodwill and intangible assets with an indefinite useful life per CGU, and their sub-units. Impairment tests of goodwill and intangible assets with an indefinite useful life have been summarised below for each CGU in the segment.

Note 7 cont.

Book value of intangible assets	CGU	Goodwill	Licences	Other rights	Total
Farming – Region Northern Norway	Farming	134 567	508 572	2 000	645 139
Farming – Region Central Norway	Farming	956 509	700 260		1 656 769
Farming – Region Western Norway	Farming	792 304	1 221 042	14 083 ²	2 027 429
Farming – Lerøy Seafood Group ASA	Farming	-	54 803 ⁴		54 803
Total Farming	Farming	1 883 380	2 484 676	16 083	4 384 139
Total Wildcatch	Wildcatch	2 646	3 485 727 ³	100	3 488 473
Total VAP, sales and distribution	VAPSD	804 631	-	9 809 ¹	814 440
Grand total		2 690 656	5 970 403	25 992	8 687 051
Book value of intangible assets that are amortised:					225 808
Book value of intangible assets that are not amortised, but tested for impairment:					8 461 243
Total					8 687 051

- 1) Rights with definite useful life and subject to amortisation.
- 2) Rights with indefinite useful life and not subject to amortisation.
- 3) Structural quotas included in this amount, has a definite economic life time, and are subjected to amortisation.
- 4) Capitalised costs related to development licences – in the process of being granted.

Tests of possible impairment loss

The impairment test for cash-generating units is based on estimated present values of future cash flows, and the value of the assets in use. The present value is compared with the book value per cash-generating unit. The present value is calculated on the basis of discounted cash flows over the next five or ten years. And for the period thereafter, a terminal value is estimated. The Gordon growth model is applied to estimate terminal value. The cash flows in the the impairment test are after tax.

The impairment test did not produce grounds for write-down of goodwill or intangible assets with an indefinite useful life in 2023. The management's calculations, were risks and opportunities within environmental sustainability are included, show that this conclusion is robust in the face of reasonable changes in conditions in the future. The critical value for the required rate of return on total assets after tax is between 8.0% and 22.0%

The most significant premises in the test are estimated future volume of catches per species, estimated future prices per species and required rate of return. Quota and price assumptions are key factors in the impairment test of WildCatch. There are a number of species caught, but for key specie cod assumptions include for quota a 32% in 2024, further 30% in 2025, a 20% increase in 2026 and for 2027–2034 an average of quotas from 2020–2025. Cod prices are estimated up 10% in 2025, and 2.5% thereafter. Quotas will naturally fluctuate, and the quota level will have an impact on price.

In farming it has historically until 2012 been a significant production growth per licence in Norway. But from 2012 and until today, there has been very limited growth. The model applied is based on actual production plans for the period until 2025. And after that an assumption of 2% growth in volume until 2029 has been applied. It is assumed no growth in the terminal value.

For the cash-generating unit Farming, the critical value for the required rate of return on total assets after tax is 18.0%. The Farming segment requires an EBIT in the terminal element of an amount of NOK 2.4 per kg. This amount is well below what's historically achieved. The management has also carried out tests of sensitivity related to price, cost and volume. With the implemented WACC and best estimate for the terminal element, the tests show that this value is also robust in the face of changes in these parameters.

For the cash-generating unit VAP, Sales & Distribution, the book values are almost totally justified by the estimated profit/loss for the next five years. It is required a 0.5% EBIT margin in the terminal element, which is very low.

Key premises and sensitivity estimates

Key premises:	2023	2022
Discount rate (WACC) before corporate tax (but after resource rent tax)	9.1%	8.4%
Discount rate (WACC) after tax	7.1%	6.6%
Nominal rate of growth in terminal (from 2029)	2.0%	2.0%

The book value tested below is the share of the carrying value that is not subject to amortisation.

Sensitivity analysis per CGU	Book value tested	Critical value in the terminal element (with WACC implemented)	Critical WACC (after tax)	Implemented WACC (after tax)
Wildcatch	3 284 146	⁸	8.0%	7.1%
Farming	4 339 046	2.4 ^{5,6}	18.0%	7.1%
VAPSD	668 014	0.5% ⁷	22.0%	7.1%
Total	8 291 206			7.1%

- 5) The terminal value for farming is a NOK amount estimated on the basis of EBIT/kg after an explicit period (the terminal component) that gives a total value in use similar to net book value.
- 6) Development licences in process of being granted will be operated by Lerøy Vest.
- 7) The terminal value for VAPSD is a percentage calculated on the basis of the profit margin, after an explicit period (the terminal component) that gives a total value in use similar to net book value.
- 8) For Wildcatch segment it is not calculated a critical value in the terminal element.

Note 8 Leases

(All figures in NOK 1 000)

The right-of-use assets are depreciated on a straight-line basis from the date of commissioning until the end of the useful life of the right-of-use asset or the end of the lease period, whatever comes first. Any extension options that may, with reasonable certainty, be exercised, are included.

The lease payments are divided into two parts: instalment and interest. The interest on the lease liability in each accounting period of the lease period shall be the amount that provides a constant periodic interest rate for the remaining balance of the lease liability (annuity principle).

In the statement of financial position, the Group has chosen to present the right-of-use assets on a separate line. The lease liabilities are classified as long-term and short-term. In addition, the lease liabilities are divided into (1) lease liabilities to credit institutions and (2) lease liabilities to others. Only the lease liabilities to credit institutions are included in the calculation of the alternative performance measurements for net interest-bearing debt (NIBD). A more detailed explanation of this classification is provided in the note relating to alternative performance measurements. The long-term share of the lease liabilities is shown on separate lines in the statement of financial position. The short-term share of the lease liabilities is included in the first-year instalment on longterm liabilities and shown on a separate line in the statement of financial position. The short-term share of long-term liabilities is specified in more detail in the note on long-term liabilities. The interest expense related to the liability is presented under net financial expense. This is specified in more detail in the note on combined items in the financial statements.

Lease costs that were previously presented as commodities and other operating expenses are now presented in the income statement as depreciation and interest expense.

In the statement of cash flows, cash payments for the lease liability's principal (instalment) and cash payments for the lease liability's interest are presented under financing activities. The transaction related to signing new leases has no initial effect on cash.

Note 8 cont.

Right-of-use assets

Right-of-use assets by groups in the notes and agreement partners

2022	Real estate	Buildings	Vessels	Machines, fixtures, equip., etc.	Total right of use assets	Of which from	
						Credit institution	Others
As of 1 January 2022							
Acquisition cost *	61 815	627 918	1 076 250	2 107 903	3 873 886	2 030 753	1 843 133
Accumulated depreciation *	-12 130	-161 677	-287 135	-752 301	-1 213 242	-664 824	-548 419
Carried value 01.01	49 686	466 241	789 115	1 355 602	2 660 643	1 365 929	1 294 714
Financial year 2022							
Carried value 01.01	49 686	466 241	789 115	1 355 602	2 660 643	1 365 929	1 294 714
Translation differences	394	5 005	8	4 585	9 993	8 872	1 121
Addition of new right-of-use assets	1 668	87 138	442 915	267 901	799 622	230 035	569 587
Disposals	-12 521	0	-30 062	-13 651	-56 233	-2 236	-53 997
Depreciation for the year	-6 039	-61 066	-224 751	-258 201	-550 056	-225 897	-324 159
Carried value 31.12	33 188	497 319	977 225	1 356 237	2 863 969	1 376 703	1 487 266
As of 31 December 2022							
Acquisition cost *	50 072	719 370	1 440 697	2 333 140	4 543 278	2 266 062	2 277 216
Accumulated depreciation *	-16 884	-222 051	-463 472	-976 903	-1 679 309	-889 359	-789 950
Carried value 31.12	33 188	497 319	977 225	1 356 237	2 863 969	1 376 703	1 487 266
2023	Real estate	Buildings	Vessels	Machines, fixtures, equip., etc.	Total right of use assets	Of which from	
						Credit institution	Others
Financial year 2023							
Carried value 01.01	33 188	497 319	977 225	1 356 237	2 863 969	1 376 703	1 487 266
Business combinations	0	0	0	10 272	10 272	10 272	0
Translation differences	518	12 240	57	8 870	21 684	14 593	7 091
Addition of new right-of-use assets	3 526	69 237	96 940	242 147	411 851	183 655	228 196
Disposals	-1 001	-2 091	0	-2 445	-5 536	-2 445	-3 091
Depreciation for the year	-5 085	-66 586	-238 988	-278 131	-588 789	-229 062	-359 727
Carried value 31.12	31 146	510 120	835 234	1 336 951	2 713 452	1 353 717	1 359 735
As of 31 December 2023							
Acquisition cost *	52 505	799 715	1 537 466	2 591 748	4 981 434	2 472 555	2 508 879
Accumulated depreciation *	-21 358	-289 595	-702 232	-1 254 797	-2 267 982	-1 118 838	-1 149 144
Carried value 31.12	31 146	510 120	835 234	1 336 951	2 713 452	1 353 717	1 359 735

*) Including translation differences

Note 8 cont.

Lease liabilities

Lease liabilities is divided into long-term and short-term, and by lessor category

2022	Total lease liabilities	To credit institutions			To others		
		Total	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion
Carried value 01.01	2 559 070	1 236 528	246 755	989 773	1 322 542	231 480	1 091 062
Long term portion previous year become short term portion	0		301 438	-301 438		202 141	-202 141
Translation differences	10 573	9 515	0	9 515	1 058	0	1 058
New leasing debt	799 622	230 035	45 218	184 817	569 587	148 163	421 424
Leasing debt terminated in connection with new agreements	-57 088	-2 093	-628	-1 465	-54 995	-16 499	-38 497
Redeemed	-555 942	-260 270	-260 270	0	-295 672	-295 672	0
Carried value 31.12	2 756 235	1 213 715	332 513	881 202	1 542 520	269 614	1 272 906

2023	Total lease liabilities	To credit institutions			To others		
		Total	Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion
Carried value 01.01	2 756 235	1 213 715	332 514	881 202	1 542 520	269 614	1 272 906
Long term portion previous year become short term portion	0	0	202 186	-202 186	0	217 651	-217 651
Changes in payment profile	0	0	-71 665	71 665	0	108 614	-108 614
Business combinations	9 160	9 160	3 174	5 986	0	0	0
Translation differences	20 441	13 337	0	13 337	7 104	0	7 104
New leasing debt	411 851	183 655	36 731	146 924	228 196	34 229	193 967
Leasing debt terminated in connection with new agreements	-6 118	-2 895	-2 027	-869	-3 223	-2 256	-967
Redeemed	-592 869	-250 570	-250 570	0	-342 299	-342 299	0
Carried value 31.12	2 598 700	1 166 402	250 343	916 059	1 432 298	285 553	1 146 745

Payment profile on instalments and interests, see note 15

Note 8 cont.

Lease payments

2023	Accounting	2023			2022		
		Lease cost paid	Of which to credit institutions	Of which to others	Lease cost paid	Of which to credit institutions	Of which to others
Lease costs paid on non-carried agreements	Operating cost	36 921	1 664	35 257	9 276	0	9 276
Instalments paid	Reduction in debt	592 869	250 570	342 299	555 942	260 270	295 672
Interest costs paid	Financial cost	116 956	54 551	62 405	106 445	39 445	67 000
Outgoing cash flows related to leases		746 746	306 785	439 961	671 663	299 715	371 948
Lease costs paid on non-carried agreements compromise							
Lease on agreements with exemption for short-term agreements		9 846	1 120	8 726	3 108	0	3 108
Lease on agreements with exemption for low value assets		8 457	544	7 913	3 257	0	3 257
Expenses related to variable lease, not included in the carried amount		18 618	0	18 618	2 911	0	2 911
Total		36 921	1 664	35 257	9 276	0	9 276

Instalments paid, to both credit institutions and to others, are included in downpayments of long-term debt under financing activities in the cash flow statement. See note 15 for reconciliation.

Note 9 Fixed assets

(All figures in NOK 1 000)

Fixed assets

2022	Prepayments to suppliers	Projects in progress	Real estate	Buildings	Vessels (fishing boats)	Machines, fixtures, equip., etc.	Total
Accounting year 2022							
Carrying value 01.01	4 625	677 845	412 730	3 159 645	1 564 551	1 478 083	7 297 480
Allocation of completed projects in progress	-3 960	-712 315	39 064	648 722	0	28 489	0
Foreign currency translation differences	262	18	2 718	17 357	0	13 122	33 476
Business combinations				5 641		128	5 769
Operating assets acquired	417	131 638	18 414	285 257	129 838	345 836	911 400
Disposal				-428		-17 884	-18 312
Depreciation for the year				-286 442	-110 073	-345 909	-742 424
Carrying value 31.12	1 344	97 186	472 926	3 829 752	1 584 316	1 501 865	7 487 389
31 December 2022							
Acquisition cost	1 344	97 186	472 926	5 340 413	2 129 029	4 468 052	12 508 949
Accumulated depreciation				-1 494 819	-544 712	-2 945 526	-4 985 057
Accumulated impairment loss				-15 842		-20 661	-36 503
Carrying value 31.12	1 344	97 186	472 926	3 829 752	1 584 317	1 501 865	7 487 389
2023	Prepayments to suppliers	Projects in progress	Real estate	Buildings	Vessels (fishing boats)	Machines, fixtures, equip., etc.	Total
Accounting year 2023							
Carrying value 01.01	1 344	97 186	472 926	3 829 752	1 584 317	1 501 865	7 487 389
Allocation of completed projects in progress	-102	-98 541	14 985	33 343	0	50 314	0
Foreign currency translation differences	26	1 266	3 750	32 366	0	24 253	61 661
Business combinations				18 913		292 183	311 096
Operating assets acquired	18 634	222 811	19 275	240 138	119 020	706 240	1 326 118
Disposal			-1 647	-10 754		-12 278	-24 678
Depreciation for the year				-347 655	-120 159	-393 675	-861 490
Impairment loss		-32 907		-53 950		-17 253	-104 110
Carrying value 31.12	19 902	189 815	509 289	3 742 154	1 583 178	2 151 650	8 195 987
31 December 2023							
Acquisition cost	19 902	222 723	509 289	5 562 765	2 248 049	5 377 192	13 939 919
Accumulated depreciation				-1 751 121	-664 872	-3 187 736	-5 603 729
Accumulated impairment loss		-32 907		-69 490		-37 806	-140 204
Carrying value 31.12	19 902	189 815	509 289	3 742 153	1 583 178	2 151 650	8 195 987

Note 9 cont.

Specification of impairment loss	Prepayments to suppliers	Projects in progress	Real estate	Buildings	Vessels (fishing boats)	Machines, fixtures, equip., etc.	Total
Restructuring in Spain. Close down of two factories				29 834		8 861	38 695
Restructuring in Norway. Close down of slaughterery				24 000			24 000
Projects stopped due to new resource rent tax		32 907					32 907
Other impairments, machines and equipment				116		8 392	8 508
Total	0	32 907	0	53 950	0	17 253	104 110

For prepayments to suppliers, the right of property is transferred to the Group on time of completion.

For projects in progress, the right of property is transferred to the Group based on progress.

Information on estimated useful life for fixed assets is provided in paragraph (H) in the note on accounting policies.

Information on mortgages for fixed assets is provided in note on loans, mortgages and guarantees.

Leased assets are from 1 January 2019 included in the new group "right-of-use assets". See note on leases.

Note 10 Shares in joint ventures, associates and other investments

(All figures in NOK 1 000)

Shares in joint ventures and associates

Classification

The joint ventures and associated companies in the group are listed in the table below, and each company is allocated to

operating segment. Changes during the year are also included. Net book value is recognised according to the equity method.

The companies defined as joint ventures (from 2022) are classified as material. The remaining companies are defined as associates, and they are classified as not material.

Company	Owner (in LSG group)	Operating segment	Country	Place of business	Ownership / voting share 01.01	Ownership / voting share 31.12	Net book value 31.12
Joint ventures (JV)							
Norskott Havbruk AS – group	Lerøy Seafood Group ASA	Farming	Norway	Bergen	50%	50%	1 076 095
Seistar Holding AS – group	Lerøy Seafood Group ASA	Farming	Norway	Austevoll	50%	50%	260 903
Total classified as material							1 336 998
Associated companies (AC)							
Neset Kystfiske AS	Sørvær Kystfiskeinvest AS	Wildcatch	Norway	Hasvik	34%	34%	1 163
Holmen Fiske AS	Sørvær Kystfiskeinvest AS	Wildcatch	Norway	Hasvik	34%	33%	3 837
Båtsfjord Bedriftshelsetjeneste AS	Lerøy Norway Seafoods AS	Wildcatch	Norway	Båtsfjord	28%	28%	370
Båtsfjord Laboratorium AS	Lerøy Norway Seafoods AS	Wildcatch	Norway	Båtsfjord	34%	34%	401
Itub AS	Lerøy Norway Seafoods AS	Wildcatch	Norway	Ålesund	22%	0%	0 ²
Sørvær Fiskerikai AS	Lerøy Norway Seafoods AS	Wildcatch	Norway	Hasvik	0%	50%	15 ¹
Finnmark Kystfiske AS	Lerøy Havfisk AS	Wildcatch	Norway	Hammerfest	49%	49%	1 694
Vestvågøy Kystrederi AS	Lerøy Havfisk AS	Wildcatch	Norway	Vestvågøy	50%	50%	2 865
Ocean Forest	Lerøy Seafood Group ASA	Farming	Norway	Bergen	50%	50%	204
Kirkenes Processing AS	Lerøy Aurora AS	Farming	Norway	Kirkenes	50%	50%	1
Romsdal Processing AS	Lerøy Aurora AS	Farming	Norway	Midsund	44%	44%	14 822
Norway Salmon AS	Lerøy Midt AS	Farming	Norway	Rørvik	50%	50%	528
Sporbarhet AS	Lerøy Seafood Group ASA	Farming	Norway	Trondheim	27%	27%	2 678
Vågen Fiskeriselskap AS	Sirevaag AS	VAPSD *	Norway	Hå	47%	47%	1
The Seafood Innovation Cl. AS	Lerøy Seafood Group ASA	VAPSD *	Norway	Bergen	20%	20%	435
SCS Industry Aps	Lerøy Seafood Denmark A/S	VAPSD	Denmark	Hirtshals	50%	50%	60
Total classified as not material							29 074
Grand total							1 366 072

*) VAPSD is short for VAP, sales & distribution (VAP = Value Added Processing)

1) Purchase of shares

2) Sale of shares

Note 10 cont.

Carrying value on and income from joint ventures and associated companies

	Seistar Holding AS Group	Norskott Havbruk AS Group	Other associated companies	Total
Acquisition year	2015	2001		
2022				
Income from joint ventures and associates				
Share of this year's profit	20 731	41 492	3 156	65 379
Gain from disposal of associate			296	296
Total	20 731	41 492	3 452	65 675
Fair value adjustments on biological assets (after tax) from JV and AC		11 982		11 982
Income from JV and AC, before fair value adjustments	20 731	29 510	3 452	53 693
Opening balance 01.01	218 682	1 094 884	34 505	1 348 072
Companies acquired			716	716
Companies sold			-10	-10
Share of this year's profit	20 731	41 492	3 156	65 379
Dividend distributed	-6 000			-6 000
Currency translation differences *		1 917	2	1 919
Other changes over equity		14 562		14 562
Closing balance as of 31.12	233 413	1 152 855	38 369	1 424 638

	Seistar Holding AS Group	Norskott Havbruk AS Group	Other associated companies	Total
2023				
Income from joint ventures and associates				
Share of this year's profit	30 489	-167 703	-6 094	-143 308
Fair value adjustments on biological assets (after tax) from JV and AC		6 371		6 371
Income from JV and AC, before fair value adjustments	30 489	-174 075	-6 094	-149 680
Opening balance 01.01	233 413	1 152 855	38 369	1 424 638
Companies acquired			43	43
Companies sold			-9 227	-9 227
Share of this year's profit	30 489	-167 703	-6 094	-143 308
Dividend distributed	-3 000			-3 000
Currency translation differences *		95 386	0	95 386
Other changes over equity		-4 443	5 982	1 539
Closing balance as of 31.12	260 903	1 076 095	29 074	1 366 072

*) Currency translation differences relate to translation for the sub-group Scottish Seafarms, owned by Norskott Havbruk AS, where functional and reporting currency is GBP.

Note 10 cont.

Other information on joint ventures and associates considered material to the Group

Assesment of materiality

Only the two joint venture companies Norskott Havbruk AS and Seistar Holding AS is considered material to the Group.

Information on material transactions

The Group has purchased salmon from Norskott Havbruk Group for NOK 115 million, and purchased wellboat services from Seistar Holding AS for NOK 309 million. See note 25 on related parties for further details.

Information on subsidiaries

Company	Owner (JV or subsidiary of JV)	Operating segment	Country	Ownership / voting share 01.01	Ownership / voting share 31.12
Scottish Seafarms Ltd *	Norskott Havbruk AS	Farming	Scotland	100%	100%
Ettrick Trout Ltd	Scottish Seafarms Ltd	Farming	Scotland	100%	100%
Orkney Sea Farms Ltd	Ettrick Trout Ltd	Farming	Scotland	100%	100%
SSF Hjaltland	Scottish Seafarms Ltd	Farming	Scotland	100%	100%
SSF Shetland	SSF Hjaltland	Farming	Scotland	100%	100%
Isle of Skye Salmon	SSF Hjaltland	Farming	Scotland	100%	100%
Mowi Star AS	Seistar Holding AS	Farming	Norway	100%	100%
Seivåg Shipping AS	Seistar Holding AS	Farming	Norway	100%	100%
Seigrunn AS	Seistar Holding AS	Farming	Norway	100%	100%
Seihav AS	Seistar Holding AS	Farming	Norway	0%	100%
Seistar Prosessfartøy AS	Seistar Holding AS	Farming	Norway	0%	100%

*) Dormant subsidiaries are not included in this table.

Financial information (100%)

The accounting figures for associates, as shown below, are prepared in accordance with IFRS Accounting Standards.

The figures for present year are based on preliminary annual accounts, as the final annual accounts are not submitted.

Consolidated figures	Seistar Holding AS Group		Norskott Havbruk AS Group	
	2023	2022	2023	2022
Revenue	249 715	270 553	2 561 466	3 187 853
Other gains (+) and losses (-)	38 997	0	0	0
Operating profit (EBIT) before fair value adjustments	75 858	53 154	-303 260	214 280
Operating profit (EBIT)	75 858	53 154	-287 475	245 003
Pre-tax profit	62 479	41 506	-481 851	165 813
Annual profit	60 917	40 563	-335 406	82 984
Other comprehensive income	0	0	-8 886	29 124
Fixed assets	740 739	711 007	3 591 919	3 403 086
Current assets	173 121	124 236	2 539 809	1 823 850
Total assets	913 861	835 243	6 131 728	5 226 936
Long-term debt	337 601	366 862	2 396 226	2 080 765
Short-term debt	90 754	43 792	1 583 312	840 460
Total debt	428 354	410 654	3 979 538	2 921 225
Net interest-bearing debt	176 587	267 607	2 803 262	2 037 486
Equity	485 506	424 590	2 152 190	2 305 711

Note 10 cont.

Information on biological assets

Norskott Havbruk AS (group) has farming operations in Scotland, and therefore has biological assets on the balance sheet. The key figures for inventory of fish in the sea for Norskott Havbruk AS group are as follows:

Information on fish in sea and harvested volume in the period, in tonnes	2023		2022	
	Ownership	100%	50%	100%
Total fish in sea (LWT)	27 344	13 672	19 983	9 992
Total harvest volume in the period (GWT):	24 884	12 442	35 936	17 968

Fair value adjustment related to biological assets in the statement of financial position	2023		2022	
	Ownership	100%	50%	100%
Fair value adjustment as of 01.01	32 657	16 328	1 934	967
Fair value adjustment through the income statement	16 337	8 168	30 723	15 361
Fair value adjustment as of 31.12	48 993	24 497	32 657	16 328
Cost price of fish in sea 31.12	1 781 990	890 995	1 261 473	630 737
Cost price of roe, fry and smolt 31.12	134 741	67 370	146 526	73 262
Carrying value of biological assets 31.12	1 965 724	982 862	1 440 656	720 328
Fair value adjustment through the income statement, after tax *	12 743	6 371	23 964	11 982

*) Alternative performance measures (APM), presented as "pre-tax profit before fair value adjustments related to biological assets", are adjusted with this amount.

Other investments

Other shares as of 31.12.2023	Ownership / voting share	Cost price	Fair value	Carrying value
Various minor shareholdings	Insignificant	13 857	13 857	13 857
Total		13 857	13 857	13 857

Considering the immaterial value of the assets, historic cost has been applied as the best estimate for fair value.

Note 11 Biological assets

(All figures in NOK 1 000)

The Group recognises and measures biological assets (fish in sea) at fair value. For salmon and trout, including parent fish, a present value model is applied to estimate fair value. For roe, fry, smolt and cleaner fish, which has a limited value compared with the total stock, historical cost provides the best estimate of fair value.

The fair value of fish in the sea is estimated as a function of the estimated biomass at the time of harvest, multiplied by the estimated sales price at the same time. For fish not ready for harvest, a deduction is made to cover estimated residual costs to grow the fish to optimal harvest weight. The cash flow is discounted monthly by a discount rate. Please refer to note (I) on accounting policies for more detailed information.

The Group enters into contracts related to future deliveries of salmon and trout. As biological assets are recognised at fair value, the fair value adjustment of the biological assets will be included in the estimated expenses required to fulfil the contract. This implies that the Group may experience loss-making (onerous) contracts according to IAS 37 even if the contract price for physical delivery contracts is higher than the actual production cost for the products. In such a scenario, a provision is made for the estimated negative value. The provision is classified in the financial statements as other short-term liabilities. The Group also enters into Fish Pool contracts to hedge prices. The number of such contracts is limited. When utilised, the Fish Pool contracts are recorded as financial instruments on the balance sheet (derivatives), where unrealised gain is classified as other short-term receivables and unrealised loss as other short-term liabilities.

Fair value adjustment recognised in the period related to biological assets comprises: (1) Change in fair value adjustment of biological assets, (2) change in fair value of onerous contracts (loss-making contracts) and (3) change in unrealised gain/loss of financial sale and purchase contracts (derivatives) for fish in Fishpool. The last mentioned adjustment does only include Fish Pool contracts recognized as value hedges.

Recognised fair value adjustment related to biological assets consist of	2023	2022
Change in fair value adjustment of biological assets (fish in sea)	167 331	1 057 507
Change in fair value of onerous contracts	-42 369	30 659
Change in fair value of Fish Pool contracts	0	0
Fair value adjustments related to biological assets	124 962	1 088 166

Note 11 cont.

The balance sheet item and accounting line impacted from the different adjustments mentioned above, is specified below:

Reconciliation of carrying amount of fair value related to biological assets	2023	2022
Fair value adjustment of biological assets 01.01	2 508 145	1 450 638
Change in fair value adjustment on fish in sea	167 331	1 057 507
Fair value adjustment of biological assets 31.12	2 675 476	2 508 145

The balance sheet item is included in biological assets. The accounting line is further specified below.

Reconciliation of carrying amount of onerous contracts	2023	2022
Carrying amount of onerous contracts 01.01	-13 600	-44 259
Change in fair value of onerous contracts	-42 369	30 659
Carrying amount of onerous contracts 31.12	-55 969	-13 600

The balance sheet item is included in other short-term liabilities.

Reconciliation of carrying amount of Fish Pool contracts	2023	2022
Fish Pool contracts 01.01	0	1 836
Change in fair value of Fish Pool contracts included profit and loss	0	0
Change in fair value of Fish Pool contracts – recognised in OCI	0	-1 836
Fish Pool contracts 31.12	0	0

Fish Pool contracts are financial instruments. Fair value of Fish Pool contracts recognised in OCI are presented in note on financial instruments.

Carrying amount of biological assets consist of	2023	2022
Fish in sea at historical cost *	5 294 231	4 632 941
Roe, fry, smolt and cleaner fish at cost *	454 775	476 507
Total biological assets before fair value adjustment	5 749 007	5 109 448
Fair value adjustment of biological assets (fish in sea)	2 675 476	2 508 145
Total biological assets 31.12	8 424 483	7 617 593
Fish in sea at fair value	7 969 707	7 141 086
Roe, fry, smolt and cleaner fish at fair value	454 775	476 507
Total biological assets 31.12	8 424 483	7 617 593

*) Historical cost minus expensed mortality

Reconciliation of carrying amount of biological assets	Roe, fry, smolt and cleaner fish*	Fish in sea (salmon and trout)*	Fair value adjustment	Total biological assets
Biological assets 01.01.2022	362 065	4 231 901	319 546	4 913 512
Changes in 2022				
Increase from biological transformation (released and net growth)	1 300 597	8 186 224		9 486 821
Increase from business combination (acquisition)				0
Reduction due to sale and internal use (smolt and cleaner fish)	-1 191 882			-1 191 882
Reduction due to harvest (salmon and trout)		-7 324 780		-7 324 780
Reduction due to incident-based mortality	-17 750	-347 260		-365 011
Reduction due to accidental release		-156		-156
Net change in fair value (fish in sea)			1 057 509	1 057 509
Biological assets 31.12.2022	476 507	4 632 940	2 508 146	7 617 593
Changes in 2023				
Increase from biological transformation (released and net growth)	1 406 459	9 645 486		11 051 946
Increase from business combination (acquisition)				0
Reduction due to sale and internal use (smolt and cleaner fish)	-1 411 273			-1 411 273
Reduction due to harvest (salmon and trout)		-8 492 135		-8 492 135
Reduction due to incident-based mortality	-16 918	-492 061		-508 979
Reduction due to accidental release		-1		-1
Net change in fair value (fish in sea)			167 331	167 331
Biological assets 31.12.2023	454 775	5 294 230	2 675 477	8 424 483

*) Carrying amount before fair value adjustment (historical cost minus charged mortality)

Note 11 cont.

Reconciliation of volume for stock of fish in sea in LWT (live weight in tonnes)	2023	2022
Live weight of fish in sea at 01.01	97 923	107 242
Changes through the year		
Increase from biological transformation (released and net growth)	202 811	206 684
Increase from business combination (acquisition)	0	0
Reduction due to harvesting	-186 709	-204 369
Reduction due to incident-based mortality	-16 047	-11 630
Reduction due to accidental release	-1	-3
Live weight of fish in sea at 31.12	97 977	97 923

Harvest volume in GWT (slaughter weight in tonnes)	2023	2022
Salmon	138 673	151 942
Trout	20 947	22 687
Total volume	159 620	174 629

The table below shows how the total volume for fish in the sea, live weight measured in tonnes, is distributed by weight:

Groups of biological assets (LWT)	2023	2022
Distribution by live weight		
Fish in sea, 0–1 kg	10 964	10 690
Fish in sea, 1–2 kg	10 454	17 707
Fish in sea, 2–3 kg	34 313	20 597
Fish in sea, 3–4 kg	15 884	35 865
Fish in sea, 4–4.65 kg for salmon / 4–4.8 kg for trout	15 401	12 680
Fish in sea, more than 4.65 kg for salmon / more than 4.8 kg for trout (fish ready for harvest)	10 961	384
Fish in sea, total salmon and trout	97 977	97 923

Distribution according to type of fish	2023	2022
Fish ready for harvest	10 961	384
– Salmon (live weight > 4.65 kg)	10 961	384
– Trout (live weight > 4.8 kg)	0	0
Fish not ready for harvest	87 017	97 539
– Salmon (live weight < 4.65 kg)	72 269	85 007
– Trout (live weight < 4.8 kg)	14 748	12 532
Total volum of fish in sea (LWT):	97 977	97 923
– Salmon	83 229	85 391
– Trout	14 748	12 532
Number of individuals		
Number of individuals, all groups (in 1 000)	52 836	53 951

Parameters applied for calculation of fair value

Price parameters				
2022 – Estimated future price during expected harvesting period	Forward price*	Exporter fee	Clearing cost	Net forward price
Q1 2023	91.75	-0.75	-0.34	90.66
Q2 2023	95.55	-0.75	-0.34	94.46
Q3 2023	76.48	-0.75	-0.34	75.39
Q4 2023	78.22	-0.75	-0.34	77.13
Q1 2024	84.33	-0.75	-0.34	83.24
Q2 2024	87.50	-0.75	-0.34	86.41

*) Quarterly forward prices in 2024 is based on monthly forward prices sourced from Fish Pool at balance sheet date.

Quarterly forward prices in 2025 is based on average price estimates for 2025 from different major analyst companies, made at balance sheet date.

Note 11 cont.

Price parameters				
2023 – Estimated future price during expected harvesting period	Forward price *	Exporter fee	Clearing cost	Net forward price
Q1 2024	108.90	-0.75	-0.34	107.81
Q2 2024	114.40	-0.75	-0.34	113.31
Q3 2024	84.65	-0.75	-0.34	83.56
Q4 2024	87.07	-0.75	-0.34	85.98
Q1 2025	101.83	-0.75	-0.34	100.74
Q2 2025	102.29	-0.75	-0.34	101.20

*) Quarterly forward price based on monthly forward prices sourced from Fish Pool at balance sheet date.

Adjustments are also made for:	2023	2022
Price premium (+/-) for trout	0.00	0.00
Price premium (+/-) for ecological salmon	0.00	0.00
Price premium (+/-) for ASC certified salmon	0.10	0.09
Reduction for quality differences, salmon	-1.27	-1.30
Reduction for quality differences, trout	-1.60	-1.60
Reduction for size differences, salmon	-0.24	-0.26
Reduction for size differences, trout	-0.80	-0.80

Deductions are also made for well boat services, slaughtering and packaging (primary processing), and transport to Oslo from the locality being measured.

Based on the above parameters, an estimated net price is calculated for each locality, and is then included in the cash flow calculation in relation to the assessment of fair value. In connection with the sensitivity analysis conducted in the note on significant accounting estimates and assessments, an estimated average net price is applied to all sizes. This is calculated by dividing the total estimated net sales revenue per locality by the total estimated volume (measured as slaughter weight), based on projected weight on the the date of harvest.

Other parameters	2023	2022
Estimated average net price, all sizes (kr/kg), after primary processing and freight costs	86.3	74.4
Projected mortality in relation to number of individuals per month in North Norway	0.45%	0.45%
Projected mortality in relation to number of individuals per month in Central Norway	0.60%	0.60%
Projected mortality in relation to number of individuals per month in West Norway	1.10%	1.10%
Slaughtering loss for salmon, for recalculation from live weight to gutted weight	14%	14%
Slaughtering loss for trout, for recalculation from live weight to gutted weight	16%	16%
Weight (life weight) for when the fish is considered to be ready for harvest, salmon	4.65 kg	4.65 kg
Weight (life weight) for when the fish is considered to be ready for harvest, trout	4.76 kg	4.76 kg
Discount rate (monthly)	4%	4%

Description of significant cost items originating from an incident, disease or other factor related to biological assets

Accidental releases

For the Group, all accidental release is taken seriously, and the Group's target is zero accidental release. Accidental release may however occur randomly due to unforeseen incidents. All accidental releases are reported to the Directorate of Fisheries, irrespective of the scope of the accident. This applies even if only one individual has escaped. The Group has not experienced any accidental release of economic significance in 2023. The Group had 5 incidents related to escapes in 2023. 1 incident at Lerøy Sjøtroll in connection with treatments where 15 000 fish escaped, 2 incidents located to hole in net at Lerøy Midt and Lerøy Sjøtroll where totally 27 fish escaped, and 2 incidents in connections with lice counting at Lerøy Sjøtroll, where totally 3 fish escaped into the sea. In total only 15 030 individuals escaped from a total stock of approximately 53 million individuals.

Incident-based mortality

The Group defines mortality as abnormal when more than a certain percentage of the total number of fish die in the space of one month. In region West this limit is 2.5% for salmon, and otherwise 1.5%. For more detailed information, see the note on biological assets (I).

Abnormal mortality is defined as incident-based mortality and is charged to the income statement in the period in which it occurs. As in 2022 most of the incident-based mortality in 2023 has been caused by sea lice treatment. However, some mortality has been caused by diseases, like gill disease and CMS, together with weakness from winter wounds.

Fish health, including minimizing mortality, is the cornerstone of the Group's strategy. The positive trend in the number of sea lice treatments and related mortality, continued during first half of 2023, but in the second half of 2023, the number of sea lice treatments have increased, as well as the mortality following the treatments, gill disease and in charge of the jellyfish. The Group works continuously with actions and technology to solve this challenge.

Note 12 Other inventories

(All figures in NOK 1 000)

Other inventories consist of	2023	2022
Feed, packaging materials, auxiliary and other	571 450	533 614
Raw materials, including catches onboard on trawling wessels	259 782	494 886
Work in progress	49 667	49 821
Finished goods / goods for sale	1 523 644	1 237 635
Impairments, including obsolescence	-6 369	-8 059
Total other inventories	2 398 175	2 307 897

Change in stock of biological assets at cost, raw materials and finished products	2023	2022
Biological assets at cost	5 749 007	5 109 448
Total other inventories	2 398 175	2 307 897
Total inventory at cost	8 147 181	7 417 345
Total inventory at cost 01.01	7 417 345	5 761 143
Total inventory at cost 31.12	8 147 181	7 417 345
Change	729 836	1 656 202

Positive change in inventory represents a cost reduction
Negative change in inventory represents a cost increase

Change in inventory included in translation differences related to subsidiaries through OCI	0	0
Change in inventory – through the income statement	729 836	1 656 202

Note 13 Receivables

(All figures in NOK 1 000)

Total receivables

Receivables as of 31.12	Classification	2023	2022
Non-current receivables	Non-current	116 350	123 314
Trade receivables	Current	2 926 481	2 716 977
Other current receivables	Current	2 037 207	555 273
Total		5 080 037	3 395 564

Non-current receivables

Non-current receivables	2023	2022
Loan to associates	14 523	17 796
Loans to employees, including CEOs	4 280	4 290
Loans to fishermen	31 377	37 300
Loans to others	0	1 500
Financial instruments with positive fair value, non-current (see note 14)	42 854	39 160
Deposits (mainly Norges Råfisklag)	17 152	17 013
Other receivables and periodisations	3 164	6 254
Total	116 350	123 314

Non-current receivables by currency	2023	2022
NOK	112 193	121 625
EUR	4 068	1 689
Other currencies	89	0
Total	116 350	123 314

Trade receivables

Trade receivables	2023	2022
Nominal value	2 949 231	2 751 955
Provision for bad debts	-22 751	-34 977
Total trade receivables	2 926 481	2 716 977

The Group normally invoices the agreed transaction price upon delivery of the goods. Payment is typically due within 30–60 days. The Group arranges for third parties to distribute the goods to the customers and carries the incurred distribution costs itself. The customers cover these costs through the agreed transaction price

All but an insignificant part of the Group's trade receivables are covered by credit insurance or other forms of surety. The loss deductible on credit insured trade receivables is 10%.

By the end of February 2024 95.9% of trade receivables (nominal value) had been collected, compared with 94.3% in the previous year. This represents 96.7% of book value, compared with 95.6% in the previous year.

Trade receivables 31.12 – aging	2023	2022
Not due	2 023 376	2 136 733
Due, 0 to 3 months	860 203	548 873
Due, 3 to 6 months	38 096	34 841
Due, more than 6 months	27 556	31 507
Total	2 949 231	2 751 955

Trade receivables 31.12 – provision	2023	2022
Not due	1 225	3 391
Due, 0 to 3 months	3 683	6 070
Due, 3 to 6 months	766	2 454
Due, more than 6 months	17 078	23 063
Total	22 751	34 977

Note 13 cont.

Trade receivables 31.12 – no provision	2023	2022
Not due	2 022 152	2 133 342
Due, 0 to 3 months	856 521	542 803
Due, 3 to 6 months	37 330	32 387
Due, more than 6 months	10 478	8 444
Total	2 926 481	2 716 977

Lifetime expected loss allowance for provision	2023	2022
Not due	0.1%	0.2%
Due, 0 to 3 months	0.4%	1.1%
Due, 3 to 6 months	2.0%	7.0%
Due, more than 6 months	62.0%	73.2%
Total	0.8%	1.3%

Movements in provision for bad debt are as follows:	2023	2022
Provision 01.01	34 977	23 476
Business combinations	0	0
This years change in provisions, recognised in the income statement	-12 823	11 121
Currency translation differences	596	380
Provision 31.12	22 751	34 977

Net loss on account receivables included in the income statement	2023	2022
Net change in provision for bad debt	-12 823	11 121
Receivables written off during the year as uncollectable	7 927	2 914
Receivables written off, recovered	-20	-6 958
Total cost (+) / cost reduction (-)	-4 916	7 076

Included in other operating expenses

Trade receivables by currency	2023	2022
NOK	1 413 288	745 109
SEK	169 705	320 554
DKK	149 344	152 377
GBP	6 685	0
EUR	742 394	1 337 754
USD	77 675	122 877
JPY	335 735	0
Other currencies	31 654	38 306
Total trade receivables	2 926 481	2 716 977

The Group has international operations and is exposed to currency risk in several currencies. Receivables are recognised at market rate on balance sheet date. Forward contracts are utilised to the greatest extent possible to eliminate currency risk related to outstanding trade receivables. See the note on financial instruments.

Other current receivables

Other current receivables are due within a year, and are classified as current assets.

Other current receivables	2023	2022
VAT to be refunded	1 508 189	263 761
Financial instruments measured at fair value (see note 14)	126 599	22 543
Pre-payments	210 252	111 248
Current loans and credits given	22 910	19 823
Other current receivables and periodisations	169 257	137 898
Total	2 037 207	555 273

Other current receivables as of 31.12 by currency	2023	2022
NOK	1 932 773	520 747
SEK	24 676	13 162
DKK	2 363	6 323
EUR	38 268	10 225
USD	33 607	177
Other currencies	5 520	4 639
Total	2 037 207	555 273

Note 14 Financial instruments

(All figures in NOK 1 000)

Financial instruments by category

The following principles have been used for the subsequent measurement of financial instruments in the balance sheet:

31.12.2022	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
Assets:				
Other investments		16 699		16 699
Loans and other long term receivables	84 154		39 160	123 314
Trade receivables and other short term receivables *	2 877 582	22 543		2 900 125
Cash and cash equivalents	3 304 878			3 304 878
Total	6 266 614	39 242	39 160	6 345 016
Liabilities:				
Loans (excl. finance leases)	5 338 143			5 338 143
Lease liabilities to credit institutions	1 213 715			1 213 715
Overdraft facility and other short term loans and credits	1 104 780			1 104 780
Trade payables and other short-term liabilities **	2 547 196		5 812	2 553 008
Total	10 203 834	0	5 812	10 209 646

*) Trade receivables and other receivables excl. advance payments (NOK 108 364) and public duties receivable (NOK 263 761), ref note 13.

**) Trade payables and other debt, excl. statutory liabilities and accrued wages and holiday pay.

31.12.2023	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
Assets:				
Other investments		13 857		13 857
Loans and other long term receivables	73 496		42 854	116 350
Trade receivables and other short term receivables *	3 118 647	126 599		3 245 246
Cash and cash equivalents	4 323 109			4 323 109
Total	7 515 252	140 456	42 854	7 698 562
Liabilities:				
Loans (excl. finance leases)	7 390 358			7 390 358
Lease liabilities to credit institutions	1 166 402			1 166 402
Overdraft facility and other short term loans and credits	975 792			975 792
Trade payables and other short-term liabilities **	3 054 933			3 054 933
Total	12 587 485	0	0	12 587 485

*) Trade receivables and other receivables excl. advance payments (NOK 210 252) and public duties receivable (NOK 1 508 189), ref note 13.

**) Trade payables and other debt, excl. statutory liabilities and accrued wages and holiday pay.

Note 14 cont.

Financial instruments at fair value by level

The table below shows financial instruments at 31.12 at fair value (before tax) according to valuation method. The different levels are defined as follows:

Level 1: Listed price on an active market for an identical asset or liability

Level 2: Valuation based on observable factors other than listed price (used in level 1), either direct (price) or indirect (derived from prices) for the asset or liability

Level 3: Valuation based on factors that are not sourced from observable markets (non-observable premises)

31.12.2022	Level 1	Level 2	Level 3
Assets			
Financial instruments used for hedging			
– Currency forward contracts (fair value hedging) – fair value through profit or loss		22 543	
– Interest rate swaps (cash flow hedging) – fair value through other comprehensive income		39 160	
Other financial instruments			
– Other shares – fair value through profit or loss			16 699
Total	0	61 703	16 699
Herby non-current portion, ref note 13 and note 10	0	39 160	16 699
Herby current portion, ref note 13	0	22 543	0
Liabilities			
Financial instruments used for hedging			
– Currency forward contracts (cash flow hedging) – fair value through other comprehensive income		5 812	
Total	0	5 812	0
Herby non-current portion	0	0	0
Herby current portion, ref note 18	0	5 812	0

31.12.2023	Level 1	Level 2	Level 3
Assets			
Financial instruments used for hedging			
– Currency forward contracts (fair value hedging) – fair value through profit or loss		117 386	
– Bunker derivatives (cash flow hedging) – fair value through other comprehensive income		15 464	
– Interest rate swaps (cash flow hedging) – fair value through other comprehensive income		36 604	
Other financial instruments			
– Other shares – fair value through profit or loss			13 857
Total	0	169 454	13 857
Herby non-current portion, ref note 13 and note 10	0	42 854	13 857
Herby current portion, ref note 13	0	126 600	0
Liabilities			
Financial instruments used for hedging			
– Currency forward contracts (cash flow hedging) – fair value through other comprehensive income			
Total	0	0	0
Herby non-current portion	0	0	0
Herby current portion, ref note 18	0	0	0

Note 14 cont.

Change in fair value on financial instruments included in receivables, debt, profit and loss and OCI

The table below presents the accounting of financial instruments included in receivables and debt.

The financial instruments are recognised at fair value. Depending on type of hedge, the change in fair value is booked either through PL or OCI.

Each type of financial instruments is further explained below the table.

Changes in balance sheet values before tax	Fair value as of 01.01.2023	Fair value through profit or loss	Fair value through other comprehensive income	Currency translation differences	Fair value as of 31.12.2023
Financial instruments included in non-current receivables					
Interest rate swap agreements	39 160		-2 556		36 604
Bunker derivatives	0		6 250		6 250
Total	39 160	0	3 694	0	42 854
Financial instruments included in other current receivables					
Currency forward contracts – recognised hedge objects	3 939	78 640	15 870		98 449
Currency forward contracts – non-recognised hedge objects *	18 604	333	0		18 937
Bunker derivatives	0		9 214		9 214
Total	22 543	78 973	25 083	0	126 599
Financial instruments included in other short-term liabilities					
Currency forward contracts – recognised hedge objects	-5 812		6 219	-407	0
Total	-5 812	0	6 219	-407	0
Net value before tax	55 892	78 973	34 996	-407	169 454
Changes in balance sheet values, net after tax					
Net value before tax	55 892	78 973	34 996	-407	169 454
Deferred tax asset (-) / liability (+), financial instruments	-12 703	-17 374	-6 788	61	-36 803
Net value after tax	43 189	61 599	28 209	-346	132 650
Change in cash flow hedges reserve (as stated in note on changes in equity)			28 209	-346	27 863

*) Non-recognised hedge objects consist of binding sales contracts that are hedged (value hedges). Change in fair value on hedged risk in the hedged period is recognised through profit or loss. The change in fair value on the hedging instrument will have its opposite equal value as a short term receivable or as other short term debt, depending on positive or negative value on the instrument. Information on this will be included in either the note on receivables or other short-term debt, depending on positive or negative value in the instrument.

Note 14 cont.

Changes through OCI after tax, per type of instrument	2023	2022
Changes interest rate swap agreements	-1 994	23 880
Changes currency forward contracts	18 141	-4 940
Changes bunker derivatives	12 062	-1 167
Changes Fish Pool contracts	0	-1 649
Total (ref. Statement of comprehensive income)	28 209	16 124

Currency forward contracts

The value of the Norwegian krone is one of many parameters that have an effect on the Group's competitiveness. The Group has at all times a substantial biomass in the sea that represents future sales. A significant share of the Group's revenue is generated in currencies other than NOK. Revenue by currency is presented in the note on operating segments, and trade receivables by currency is presented in the note on receivables.

In order to minimize the currency risk the Group uses currency forward contracts to hedge both net receivables and signed sales contracts in foreign currency. The majority of the contracts have this purpose. Thus the Group recognises these currency forward contracts as fair value hedging, also for the signed sales contracts, which are off-balance items. The change in fair value on currency forward contracts and hedged foreign exchange gain/loss on firm commitments is recognized as foreign exchange gain/loss classified as cost of materials in the income statement, as it relates to the inventory cycle.

Some currency forward contracts are acquired by foreign VAPS&D entities with the purpose of reducing the currency risk related to external purchases in NOK. The Group recognize these currency forward contracts for purchase contracts as a cash flow hedge. The effective share of the change in value of the derivatives is recorded through other comprehensive income. The gross asset or liability carried is a taxable temporary difference. The change in deferred tax caused by the change in gross carrying amount is also recorded through other comprehensive income, and is therefore not included in the tax cost for the year in the income statement. When realised, the effect is charged to cost of goods.

Financial purchase and sales contracts for salmon (fish pool contracts)

Hedge accounting is applied for the financial purchase and sales contracts for salmon (Fish Pool contracts). Normally, the contracts expire within one year. The fair value of the Fish Pool

derivatives (gross before tax) is carried under the item for "other current receivables" when positive and other short-term liabilities when negative. The effective share of the change in value of the derivatives is recorded through other comprehensive income (cash flow hedging). The gross asset or liability carried is a taxable temporary difference. The change in deferred tax caused by the change in gross carrying amount is also recorded through other comprehensive income, and is therefore not included in the tax cost for the year in the income statement. When realised, the effect is charged to cost of goods.

Financial purchase contracts for bunkers (bunker derivatives)

Hedge accounting is applied for the financial purchase contracts for bunkers (bunker derivatives). Normally, the contracts expire within one year. The fair value of the bunker derivatives (gross before tax) is carried under the item for "other current receivables" when positive and other short-term liabilities when negative. The effective share of the change in value of the derivatives is recorded through other comprehensive income (cash flow hedging). The gross asset or liability carried is a taxable temporary difference. The change in deferred tax caused by the change in gross carrying amount is also recorded through other comprehensive income, and is therefore not included in the tax cost for the year in the income statement. When realised, the effect is charged to bunker cost, which is included in other operating expenses.

Interest rate swaps

Hedge accounting is applied for interest rate swaps. Normally, the contracts expire later than one year. The fair value of interest rate swaps (gross before tax) is carried as a non-current asset under the accounting item for "non-current receivables" if positive, and under the accounting item for "other long term liabilities" if negative. If the agreement has a remaining duration of less than one year, the value is entered under "other current receivables" if positive, and under "other short term liabilities" if negative. The effective share of the change in value of the interest rate swap is recorded through other comprehensive income (cash flow hedging). The gross asset or liability carried is a taxable temporary difference. The change in deferred tax caused by the change in gross carrying amount is also recorded through other comprehensive income, and is therefore not included in the tax cost for the year in the income statement.

At year-end, the Group had the following interest rate swaps:

Agreement 1 from 2020:

NOK 304 688, Start 15 April 2020. Duration 7 years, Terminates 15 April 2027, Interest rate 1.438%, in Lerøy Havfisk AS.

Agreement 2 from 2020:

NOK 304 688, Start 15 April 2020. Duration 7 years, Terminates 15 April 2027, Interest rate 1.440%, in Lerøy Havfisk AS.

Initial hedged amount on each of the two agreements in Lerøy Havfisk AS was NOK 370 313. The amount on the interest rate swap decreases during the life time to reflect the instalments paid on the hedged debt.

The periodic interest payments related to the hedging instrument (interest rate swaps) are calculated as the difference between fixed and floating interest rate multiplied with the nominal value of the agreement. The fixed rate, expectations about the future floating rate, and the remaining life time to expiry, are the most important parameters in the calculation of the fair value. The periodic interest payments related to the hedged item (the long term loans) are calculated as the floating rate plus margin multiplied with the nominal value of the loan.

Note 14 cont.

Change in value on interest rate swaps	2023	2022
Nominal value on interest rate swap agreements		
Nominal amount 01.01	646 875	1 184 375
Agreements expired during the period	0	-500 000
Change in nominal value on existing agreements	-37 500	-37 500
Nominal amount 31.12	609 375	646 875
Book value 01.01		
Fair value of interest rate swaps at 01.01	39 160	8 544
Deferred tax asset related to interest rate swaps	-8 615	-1 880
Net value after tax 01.01	30 545	6 665
Tax rate applied	22%	22%
Change through other comprehensive income		
Change in fair value of interest rate swaps	-2 556	30 616
Change in related deferred tax	562	-6 735
Net change in fair value through other comprehensive income (cash flow hedging)	-1 994	23 880
Tax rate applied	22%	22%
Book value 31.12		
Fair value of interest rate swaps at 31.12	36 604	39 160
Deferred tax asset related to interest rate swaps	-8 053	-8 615
Net value after tax 31.12	28 551	30 545
Tax rate applied	22%	22%
Fair value of interest rate swaps at 31.12 consist of		
Long term receivables	36 604	39 160
Short term liability	0	0
Fair value of interest rate swaps at 31.12	36 604	39 160

Note 15 Loans, mortgages and guarantees

(All figures in NOK 1 000)

Long-term debt

Debt is split on short-term and long-term debt. Payments that matures within 12 months from balance sheet date is presented as short-term debt.

Both short-term and long-term debt consist of interest bearing and non-interest bearing debt. Interest bearing debt is an alternative performance measure (APM). The figure consists of debt with the main purpose of providing financing to the group, together with equity. The items included are specified below. It is also further described in the section about net interest bearing debt (NIBD) in the note on alternative performance measures.

Long-term debt as of 31.12, split on short-term and long-term	Included in interest bearing debt	2023			2022		
		Short-term portion	Long-term portion	Total	Short-term portion	Long-term portion	Total
Pension liabilities		0	3 700	3 700	0	3 029	3 029
Deferred tax		0	5 008 552	5 008 552	0	2 576 287	2 576 287
Lease liabilities to others		285 553	1 146 745	1 432 298	269 614	1 272 906	1 542 520
Lease liabilities to credit institutions	Yes	250 343	916 059	1 166 402	332 514	881 201	1 213 715
Bond loans	Yes	0	2 990 486	2 990 486	0	1 493 656	1 493 656
Loans from credit institutions	Yes	489 053	3 887 752	4 376 805	395 591	3 441 073	3 836 664
Other long-term loans	Yes	1 220	21 847	23 067	1 486	659	2 145
Other long-term liabilities		0	0	0	0	5 678	5 678
Total		1 026 170	13 975 140	15 001 310	999 206	9 674 488	10 673 694
Herby interest bearing debt (of long-term debt)		740 616	7 816 144	8 556 760	729 591	5 816 589	6 546 180

For further description of the basis for classifying debt as interest bearing, see note on alternative performance measures. Pension liabilities is considered to be long-term only, and is further described in note on pension liabilities. Deferred tax is considered to be long-term only, and is further described in note on tax. Lease liabilities is further described in note on leases. Payment profile is described below. Bond loans is described below. Loans from credit institutions is described below. Other long-term loans are loans from suppliers. Other long-term liabilities concerns mainly non-interest bearing long term credit with supplier.

Note 15 cont.

Interest bearing debt and net interest bearing debt (NIBD)

In the table below also current interest bearing debt are included. Total interest bearing debt consists of both long-term and short-term items. Total interest bearing debt is specified by currency below. Bank deposits are interest bearing. Net interest bearing debt (NIBD) is defined as interest bearing debt minus bank deposits. Changes in NIBD during the year is presented in a table below. NIBD is explained in more detail in note on APMs.

	2023			2022		
	Short-term portion of long term debt	Long-term portion of long term debt	Total	Short-term portion of long term debt	Long-term portion of long term debt	Total
Interest bearing debt as of 31.12						
Long-term interest bearing debt						
Lease liabilities to credit institutions	250 343	916 059	1 166 402	332 514	881 201	1 213 715
Bond loans	0	2 990 486	2 990 486	0	1 493 656	1 493 656
Loans from credit institutions	489 053	3 887 752	4 376 805	395 591	3 441 073	3 836 664
Other long-term loans	1 220	21 847	23 067	1 486	659	2 145
Total	740 616	7 816 144	8 556 760	729 591	5 816 589	6 546 180
Short-term interest bearing debt						
Overdrafts	951 951		951 951	1 064 097		1 064 097
Other short term credits	23 841		23 841	40 683		40 683
Total	975 792		975 792	1 104 780		1 104 780
Total	1 716 408	7 816 144	9 532 552	1 834 371	5 816 589	7 650 960
Interest bearing debt as of 31.12 by currency						
NOK	1 327 993	7 574 849	8 902 842	1 396 041	5 578 405	6 974 446
SEK	60 972	45 167	106 139	63 788	47 685	111 474
DKK	239 313	37 100	276 413	200 808	16 490	217 299
EUR	88 130	158 831	246 961	173 502	174 008	347 510
Other currencies	0	197	198	232	0	232
Total	1 716 408	7 816 144	9 532 552	1 834 371	5 816 589	7 650 960
Net interest bearing debt (NIBD) as of 31.12						
Interest bearing debt	1 716 408	7 816 144	9 532 552	1 834 371	5 816 589	7 650 960
Bank deposits	-4 323 109		-4 323 109	-3 304 878		-3 304 878
NIBD	-2 606 701	7 816 144	5 209 443	-1 470 507	5 816 589	4 346 082

Note 15 cont.

	Assets	Current debt	Non-current debt incl. ST-portion				Total
	Bank deposits	Overdrafts and other short term credit	Bond loans	Loans from credit inst.	Leases from credit inst.	Other loans	
Reconciliation of changes in NIBD							
NIBD as of 01.01.2022	-4 203 146	582 390	1 492 431	4 186 882	1 236 528	2 402	3 297 487
Change in bank deposits	898 491						898 491
Cash flows – in		522 390		264			522 654
Cash flows – out				-354 313	-260 269	-324	-614 906
Business combinations	-223				0		-223
New leases from credit institutions					230 035		230 035
Terminated leases with credit institutions					-2 093		-2 093
Currency translation differences				3 831	9 514	67	13 412
Other non-cash movements			1 225				1 225
NIBD as of 31.12.2022	-3 304 878	1 104 780	1 493 656	3 836 664	1 213 715	2 145	4 346 082
Change in bank deposits	-984 468						-984 468
Cash flows – in			1 500 000	1 346 023			2 846 023
Cash flows – out		-460 975		-820 061	-250 570	-506	-1 532 112
Business combinations	-33 763	331 987		5 864	9 160		313 248
New leases from credit institutions					183 655		183 655
Terminated leases with credit institutions					-2 895		-2 895
Currency translation differences				8 314	13 337	65	21 716
Currency gain/loss on NIBD items in foreign currency							0
Other non-cash movements			-3 170			21 364	18 194
NIBD as of 31.12.2023	-4 323 109	975 792	2 990 486	4 376 805	1 166 402	23 067	5 209 443

Reconciliation of cash flows out, as specified above, against the statement of cash flows	2023	2022
Cash flows out – related to downpayment on non-current interest bearing debt (according to table above)	-1 071 137	-614 906
Cash flows out – related to downpayment on non-interest bearing loans	0	-3 728
Cash flows out – related to instalment on lease liabilities to others (according to note 8), not included in NIBD	-342 299	-295 672
Downpayments of long-term debt (according to statment of cash flows)	-1 413 436	-914 306

Note 15 cont.

Bond loans

The Group established 3 new bond loans, each amounting to NOK 500 million, in the bond market the 26th of April 2023, and has total 6 bond loans as of 31.12.2023. The bonds are so called green bonds. This implies that the group have established a green financing framework which covers how the proceeds from the bond loans can be used. The framework is published on the Group's homepage on internet. At year end the Group has qualifying green investments that are significantly higher than the proceeds from the loan. Thus, the Group has already fulfilled it's obligations concerning type of investments.

All three bond loans have no installments during the duration of the loan. The loans have a duration of 5, 6, 7 and 10 years. The loans with duration of 5 and 6 years have floating interest rate, with 4 terms each year. The loans with a duration of 7 and 10 years, have a fixed interest rate, with one annual term. The bond loans are measured at amortized cost. The bond loans are unsecured. Fair value is approximately the same as net book value as of 31.12.

Bond loans as of 31.12.2022	Date of establishment	Duration	Expiery date	Amortizing effect of the period (2022)	Value as of 31.12.2022		
					Nominal value	Unamortized drawing costs	Net book value
NO 0011097305, green bond loan, floating rate NIBOR 3m+1,00 p.a.	17.09.2021	5 years	17.09.2026	525	500 000	-1 969	498 031
NO 0011097297, green bond loan, floating rate NIBOR 3m+1,15 p.a.	17.09.2021	6 years	17.09.2027	438	500 000	-2 078	497 922
NO 0011097339, green bond, fixed rate 3.35% p.a.	17.09.2021	10 years	17.09.2031	262	500 000	-2 297	497 703
Sum				1 225	1 500 000	-6 344	1 493 656

New bond loans in 2023	Date of establishment	Duration	Expiery date	Value of new bond loans in 2023		
				Nominal value	Drawing costs	Net book value
NO 0012899287, green bond loan, floating rate NIBOR 3m+1.50 p.a.	26.04.2023	5 years	26.04.2028	500 000	-1 625	498 375
NO 0012899295, green bond loan, fixed rate 5.10% p.a.	26.04.2023	7 years	26.04.2030	500 000	-1 625	498 375
NO 0012899303, green bond loan, fixed rate 5.315% p.a.	26.04.2023	10 years	26.04.2033	500 000	-1 625	498 375
Sum				1 500 000	-4 875	1 495 125

Bond loans as of 31.12.2023	Date of establishment	Duration	Expiery date	Amortizing effect of the period (2023)	Value as of 31.12.2023		
					Nominal value	Unamortized drawing costs	Net book value
NO 0011097305, green bond loan, floating rate NIBOR 3m+1.00 p.a.	17.09.2021	5 years	17.09.2026	525	500 000	-1 444	498 556
NO 0011097297, green bond loan, floating rate NIBOR 3m+1.15 p.a.	17.09.2021	6 years	17.09.2027	438	500 000	-1 640	498 360
NO 0011097339, green bond, fixed rate 3.35% p.a.	17.09.2021	10 years	17.09.2031	262	500 000	-2 035	497 965
NO 0012899287, green bond loan, floating rate NIBOR 3m+1.50 p.a.	26.04.2023	5 years	26.04.2028	203	500 000	-1 422	498 578
NO 0012899295, green bond loan, fixed rate 5.10% p.a.	26.04.2023	7 years	26.04.2030	156	500 000	-1 469	498 531
NO 0012899303, green bond loan, fixed rate 5.315% p.a.	26.04.2023	10 years	26.04.2033	121	500 000	-1 504	498 496
Sum				1 705	3 000 000	-9 514	2 990 486

Interests expensed, including amortizing effect	2023	2022
Interests	122 646	43 795
Amortizing effect	1 705	1 225
Total	124 351	45 851

Note 15 cont.

Payment profile financial liabilities and interest risk etc.

Payment profile financial liabilities	2024	2025	2026	2027	2028	Later	Total
Instalment profile long-term debt							
Instalments on bond loans	0	0	500 000	500 000	500 000	1 500 000	3 000 000
Instalments on loans from credit institutions	489 053	946 954	387 070	458 204	799 549	1 295 975	4 376 805
Instalments on leasing debt to credit institutions	250 343	232 957	208 939	173 119	118 752	182 291	1 166 400
Instalments on other long-term interest-bearing debt	1 220	8 214	13 633	0	0	0	23 067
Total instalments on long-term interest-bearing debt	740 616	1 188 125	1 109 641	1 131 323	1 418 301	2 978 266	8 566 272
Instalment profile on other long term liabilities							
Instalments on lease liabilities to others than credit institutions	285 553	231 999	204 062	197 619	168 487	344 579	1 432 298
Instalments on other long-term non-interest bearing debt	0	0	0			0	0
Total instalments on long-term non-interest-bearing debt	285 553	231 999	204 062	197 619	168 487	344 579	1 432 298
Interest payment profile long-term debt							
Interest on bond loans	158 175	158 175	150 800	121 488	79 192	195 221	863 051
Interest on loans from credit institutions *	241 607	197 585	156 362	138 266	105 984	140 861	980 665
Interest on leasing debt to credit institutions	57 268	43 977	31 825	21 318	13 292	15 492	183 172
Interest on lease liabilities to others than credit institutions	70 924	56 691	44 699	33 653	23 585	75 047	304 599
Interest on other long-term interest-bearing debt	0	0	0	0	0	0	0
Total	527 974	456 428	383 686	314 725	222 053	426 621	2 331 487

*) The impact from interest swap contracts is included in the amounts.

Payment profile financial liabilities	2024	2025	2026	2027	2028	Later	Total
Other short-term financial liabilities							
Overdraft (interest bearing debt)	951 951						951 951
Other short term credits and loans (interest bearing debt)	23 841						23 841
Accrued interests	76 493						76 493
Trade payables	2 556 729						2 556 729
Other short-term liabilities, excl. tax payable and public duties payable	870 396						870 396
Total	4 479 410	0	0	0	0	0	4 479 410
Grand total	6 033 553	1 876 553	1 697 389	1 643 667	1 808 841	3 749 465	16 809 467

The Group's financial liabilities are classified according to payment profile. Classification is based on contractually agreed date of maturity. The financial liability from the interest rate swap defined as cash flow hedge is included in the estimated interest costs on the hedged item.

Note 15 cont.

Liquidity reserve as of 31.12	2023	2022
Bank deposits	4 323 109	3 304 878
Unutilized drawing facilities	3 911 818	2 875 225
Total	8 234 927	6 180 103

Payment profile interest-bearing debt	2023	2024	2025	2026	2027	2028	Later
Interest-bearing debt 01.01		9 532 552	7 816 145	6 628 019	5 518 378	4 387 055	2 968 754
Instalments on long term interest bearing debt		-740 616	-1 188 125	-1 109 641	-1 131 323	-1 418 301	-2 968 754
Instalments on short term interest bearing debt		-975 792					
Interest-bearing debt 31.12	9 532 552	7 816 145	6 628 019	5 518 378	4 387 055	2 968 754	0

Interest-bearing debt 31.12 secured with fixed interest rate	2023	2024	2025	2026	2027	2028	Later
500.0 MNOK, 17.09.2021 – 17.09.2031 (bond loan)	500 000	500 000	500 000	500 000	500 000	500 000	500 000
500.0 MNOK, 26.04.2023 – 26.04.2030 (bond loan)	500 000	500 000	500 000	500 000	500 000	500 000	500 000
500.0 MNOK, 26.04.2023 – 26.04.2031 (bond loan)	500 000	500 000	500 000	500 000	500 000	500 000	500 000
304.7 MNOK, 15.04.2020 – 15.04.2027 (interest swap agreement)	304 688	285 938	267 188	248 438	0	0	0
304.7 MNOK, 15.04.2020 – 15.04.2027 (interest swap agreement)	304 688	285 938	267 188	248 438	0	0	0
Secured interest-bearing debt	2 109 375	2 071 875	2 034 375	1 996 875	1 500 000	1 500 000	1 500 000
Unsecured interest-bearing debt	7 423 177	5 744 270	4 593 644	3 521 503	2 887 055	1 468 754	2 472 668
Total interest-bearing debt	9 532 552	7 816 145	6 628 019	5 518 378	4 387 055	2 968 754	3 972 668
Portion exposed to interest rate changes	78%	73%	69%	64%	66%	49%	62%

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates	2023	2022
6 months or less	0	0
6–12 months	0	0
1–5 years	609 375	646 875
Over 5 years	1 500 000	497 965
Total secured interest-bearing debt	2 109 375	1 144 840
Total unsecured interest-bearing debt	7 423 177	6 506 120
A change in interest rate of 1% will increase the interest cost in 2024 with approximately:	65 937	65 061

Note 15 cont.

Fair value, borrowing costs

The book value of long-term debt approximates fair value. There are no significant new loan charges that are not amortised over the life of the loan.

Covenants

The Group's main borrowing conditions ("covenants") in the different loan agreements are to maintain an equity ratio of at least 25% and at least 30%. When calculating the equity ratio, the balance sheet value is adjusted for bank deposits and deferred tax associated with licences. There are also some capital adequacy requirements in some of the subsidiaries that are all 30% or lower. Finally, there are requirements regarding a so-called "borrowing base" in Lerøy Midt AS, Lerøy Vest AS and Sjøtroll Havbruk AS for the short-term overdraft facilities. More specifically, this means that the utilisation of the facility must not exceed a certain level of one or more accounting lines. In this case the relevant accounting lines are inventory, trade receivables and other receivables.

The management of LSG is not aware of any companies within the group that has entered into a position where they have become in breach of their covenants in 2023.

Loans secured by mortgages and mortgaged assets

Loans secured by mortgages consists of	2023	2022
Long-term loans from credit institutions, etc.	4 376 805	3 836 664
Other long-term interest-bearing debt	641	2 145
Short-term debt to credit institutions (overdrafts)	951 951	1 064 097
Other short term interest bearing loans and credits	23 841	40 683
Total liabilities secured by mortgages as of 31.12	5 353 238	4 943 589

Mortgaged assets	2023	2022
Trade and other receivables	949 415	1 053 974
Shares in associates (Norskott Havbruk AS)	1 076 096	1 152 856
Biological assets and other goods	9 414 325	7 342 775
Fixed assets	5 832 988	7 014 511
Licences *	1 131 314	1 135 949
Net book value on mortgaged assets as of 31.12	18 404 138	17 700 065

*) Mortgaged licences concern licences owned by Lerøy Midt AS and Lerøy Vest AS.

Guaranties on behalf of third party liabilities

Guaranties as of 31.12	2023	2022
Guaranties on behalf of associated companies	0	7 660
Guaranties on behalf of other third parties	2 671	4 000
Total	2 671	11 660

As an alternative to direct investment, the Group has in some few cases accepted to guarantee on behalf of third party liabilities.

Note 16 Pensions

(All figures in NOK 1 000)

All the Norwegian companies in the Group satisfy the requirements in the Act relating to mandatory occupational pensions (Norwegian: OTP). The schemes are mainly established as defined contribution pension schemes. Most of the benefit schemes have been replaced with contribution schemes together with a paid-up-policy to the previous members. The remaining net liabilities are calculated based on common actuarial assumptions. In addition some companies within the group have some small unsecured schemes which are financed by operations. These schemes are considered to be immaterial regarding further disclosure in the notes. Information on the pension cost for the year is also provided in the note on payroll costs.

Defined benefit scheme	2023	2022
Present value of future pension liabilities	6 896	5 916
Fair value of pension funds	-3 196	-2 887
Net pension liabilities	3 700	3 029

Change in capitalised liabilities	2023	2022
Carrying value as of 01.01	3 029	3 393
Costs booked during the year	1 022	950
Estimate differences recognised through comprehensive income (before tax)	497	333
Pension payments and payments of pension premiums	-848	-1 648
Carrying value at 31.12 defined benefit scheme	3 700	3 029

Total pension cost through profit or loss	2023	2022
Net pension cost, defined contribution scheme	180 885	145 558
Net pension cost, defined benefit scheme	1 022	950
Total	181 907	146 508

Total pension cost through comprehensive income	2023	2022
Net pension cost (before tax) from benefit plans – comprehensive income	497	333
Tax effect	-124	-83
Total pension cost through comprehensive income	373	250

Note 17 Taxation

(All figures in NOK 1 000)

New Resource rent tax on Aquaculture in Norway from 01.01.2023

The Norwegian Government enacted a 25% resource rent tax on the income from producing salmon and trout in sea on 31 May 2023. The law applied retroactively from 1 January 2023. The main principles that were established through the OT proposition, are regulated by the Norwegian Tax law chapter 19 - Special rules for taxation of aquaculture activities. The resource rent tax is in addition to the ordinary tax of 22%. The total nominal tax rate for the eligible activity is 47%, which includes 22% ordinary tax and 25% resource rent tax.

A major difficulty for calculating the tax on resource rent for aquaculture in 2023 has been to separate the sea-based activities that are subject to this tax from other types of aquaculture. This is especially hard in a fully integrated value chain, where both land and sea activities have been done by the same company. Another complicated aspect is that the new law does not apply to non-commercial licenses. This means that the tax on resource rent is charged on income from commercial licenses, but not on income from non-commercial licenses. To comply with the requirement for measuring, documenting and reporting, the Group has arranged the production of salmon and trout that are affected by the new tax on resource rent, in distinct legal entities. The following 4 companies in the Group are part of the tax on resource rent regime:

- Lerøy Aurora Sjø AS (Northern region)
- Lerøy Midt Sjø AS (Central region)
- Lerøy Vest Sjø AS (Western region)
- Sjøtroll Havbruk Sjø AS (Western region)

The resource rent tax cost in 2023 has two main components, the first one is an implementation effect (a one-off effect) and the second one is a resource rent tax cost for the period.

The **implementation effect** amounts to NOK 1.7 billion. The entire effect comes from increased deferred tax on the stock of fish in sea at time of adoption of the new law, 01.01.2023. The deferred tax increase is a consequence from lack

of deduction in resource rent tax for historical cost to stock incurred on the fish in sea up to the time of adoption of the new law. This creates an asymmetry, where the income from the realization of stock is taxed with 47% (ordinary tax + resource rent tax), while only a 22% tax deduction is allowed for the cost (ordinary tax only). This asymmetry does only apply to the stock of fish in the sea at the time of adoption. Costs incurred after that get a full tax deduction of 47%. The asymmetry for fish in sea as of 01.01.2023, leading to the implementation effect, has been seen by politicians as the right way to understand the new law. But it is disputed. And it might not be right. Older tax practice says that deduction in tax for costs should be at the same rate as taxation of the income. A different tax rate for income and cost is unfair, and not following general rules for taxation. But since people from the Authorities have said that deduction will not be given, the group has recorded the tax duty from the imbalance as a deferred tax.

The resource rent tax cost for the period has two components: (1) payable resource rent tax and (2) deferred resource rent tax. The payable resource rent tax for the period is calculated based on the income from producing salmon and trout in the sea, and deducting the related costs. The deductions follow a cash flow approach, which means that the costs are deducted in the same period that they were paid. This might be different from the period that the costs are recognized in the profit and loss statement according to general accepted accounting principles. This causes temporary differences between the accounting profit and the taxable profit. Therefore, a deferred resource rent tax is computed with 25% of the temporary differences. The deferred resource rent tax will change depending on various factors. A key factor is the change in net book value of fish stock in the sea. Another key factor is the net book value of property plant and equipment held by the entities subject to the tax (no such assets 31.12.2023). However, these changes in temporary differences do not affect the overall tax cost. They only affect the year that the tax is payable.

The companies subject to the resource rent tax buys goods and services from, and sell fish to, other group companies. The transfer pricing model applied by the Group pursuant to the OECD transfer pricing guidelines is based on a principle

Note 17 cont.

that the companies subject to the resource rent tax absorbs most variability. As this is a new tax, it is unknown how the tax authorities will assess the methods used and the assumptions made. Management is, therefore, not able to quantify any meaningful sensitivity, caused by a reasonable change in the assumptions applied.

Salmon and trout producers in the sea have to pay a **production fee**. This fee is not an income tax, because it depends on how much they produce, not how much they earn. Thus, the fee is shown as an operating cost in the income statement. But in fact it is a part of the resource rent tax. The fee is an important component in the calculation of resource rent tax payable. As long as it has been produced a harvest volume, the production fee will always have to be paid. And it cannot be deducted from the ordinary tax. But it can be deducted from the resource rent tax if the calculated resource rent tax payable is higher than the production fee. The production fee is the minimum amount of tax that salmon and trout producers in the sea have to pay in addition to the ordinary tax. In other words, it is a matter of naming. Consequently, the production fee is an important part of the total tax burden for aquaculture activity in the sea. The actual tax level is the sum of the production fee, in the bottom, and the resource rent tax cost on the top of it.

Tax cost split on tax payable and deferred tax	2023	2022
Tax payable	82 201	960 011
Change in deferred tax	586 727	-58 182
Implementation effect from new resource rent tax (change in deferred tax)	1 720 629	0
Total	2 389 557	901 829

Tax cost split on ordinary tax and resource rent tax	2023	2022
Ordinary tax cost	608 539	901 829
Resource rent tax cost	1 781 018	0
Total	2 389 557	901 829

Resource rent tax cost and production fee	2023	2022
Implementation effect from new resource rent tax	1 720 629	0
Resource rent tax cost of the period	60 389	0
Production fee	123 849	70 725
Total	1 904 867	70 725

Tax payable	2023	2022
Tax payable from the balance sheet 31.12	438 403	952 991
Tax payable included in tax cost of the year	82 201	960 011
Deviation	356 202	-7 020
Prepaid tax in companies abroad	-9 102	-7 020
Difference between tax payable accrued previous year and the actual tax paid present year	365 304	0
Total	356 202	-7 020

On the date of approval of the annual accounts for 2022, which was in April 2023 before the new resource rent tax was enacted, the Group had calculated the tax payable with a higher tax value on fish in sea then was later applied in the tax filing, which was in June after the new resource rent tax was adopted. The tax law (for ordinary tax) allows a choice of timing when it comes to deduction of costs to stock of fish in sea. The change in choice did not impact the total tax cost, just the allocation between tax payable and deferred tax.

Tax on the Group's pre-tax profit deviates from what it would have been if the Group's weighted average tax rate had been applied. The difference is determined as follows:

Effective tax rate	2023	2022
Pre-tax profit/loss	2 600 111	4 066 951
Tax based on tax rates in the various countries	563 078	897 940
22% of share of profit/loss from associate	31 528	-14 449
22% of net other permanent differences etc.	34 240	9 058
Other differences	-20 307	9 279
Tax cost based on ordinary tax	608 539	901 829
Effective tax rate	23.4%	22.2%
Tax cost included resource rent tax of the period	668 928	901 829
Effective tax rate	25.7%	22.2%
Tax cost included total resource rent tax (including implementation effect)	2 389 557	901 829
Effective tax rate	91.9%	22.2%
Tax cost included total resource rent tax (including implementation effect) and production fee	2 513 406	972 554
Effective tax rate	96.7%	23.9%

Reconciliation of resource rent tax cost	2023
Operating profit in the resource rent taxed companies, included change in fair value	612 682
Tax based on nominal tax rate for resource rent tax (25%)	153 171
Calculated resource rent tax cost of the period	60 389
Difference	-92 782
The difference consist of	
Production fee deducted (the portion that could be utilized)	-82 380
25% of non-deductible operating costs	37 063
25% of deduction for eligible licences purchases in 2018 and 2020	-4 759
25% of utilized amount of the general deduction ("bunnfradrag")	-10 194
Other differences	-32 512
Total	-92 782

Note 17 cont.

Change in book value of deferred tax	2023	2022
Capitalised value 01.01	2 483 422	2 534 273
Implementation effect from resource rent tax	1 720 629	0
Business combination	-6 488	1 390
Tax effect through other comprehensive income	7 956	5 941
Recognized change	586 727	-58 182
Net capitalised value 31.12	4 792 246	2 483 422
Capitalised deferred tax asset (-) *	-216 307	-92 865
Capitalised deferred tax (+)	5 008 553	2 576 287

*) Negative temporary differences that cannot be eliminated against positive temporary differences. Deferred tax asset is presented as a negative amount.

Deferred tax on positive temporary differences(+)	Licences and rights	Operating assets and leases	Goods/biological assets	Receivables	Other differences	Sum
01.01.2022	1 115 247	187 234	1 283 378	0	62 766	2 648 625
Business combination (22%)	1 390	0	0	0	0	1 390
Recognized in the period	-59 263	-4 375	27 188	0	36 275	-175
Deferred tax on records through other comprehensive income	0	0	0	0	5 941	5 941
31.12.2022	1 057 374	182 859	1 310 566	0	104 982	2 655 781
Business combination (22%)	0	635	0	0	0	635
Implementation effect from new resource rent tax	0	0	1 720 629	0	0	1 720 629
Recognized in the period	10 293	15 287	692 250	0	-7 964	709 866
Deferred tax on records through other comprehensive income	0	0	0	0	7 956	7 956
31.12.2023	1 067 667	198 781	3 723 445	0	104 974	5 094 867

Deferred tax on negative temporary differences (-)	Loss carryforward	Operating assets and leases	Goods/biological assets	Receivables	Other differences	Sum
01.01.2022	-16 649	-11 192	0	-3 719	-82 792	-114 352
Recognized in the period	-84 391	-6 540	0	-1 097	34 020	-58 008
31.12.2022	-101 040	-17 732	0	-4 816	-48 772	-172 360
Business combination (22%)	-7 123	0	0	0	0	-7 123
Recognized in the period	-83 452	-42 353	0	2 666	0	-123 139
31.12.2023	-191 615	-60 086	0	-2 150	-48 772	-302 622

Note 17 cont.

Deferred tax	2023	2022
Deferred tax on positive temporary differences 31.12	5 094 867	2 655 781
Deferred tax on negative temporary differences 31.12	-302 622	-172 360
Net	4 792 245	2 483 421

Capitalised deferred tax asset derive mainly from loss carry forwards in foreign entities where the loss is expected to be utilised within a reasonable time. Capitalised deferred tax liabilities derive mainly from Norwegian entities. The applicable tax rates for tax have a variation from 21% to 25%, depending on country.

	31.12.2023			31.12.2022		
	Tax loss carried forward and other temporary differences	Tax rate applied	Recognized amount in deferred tax asset	Tax loss carried forward and other temporary differences	Tax rate applied	Recognized amount in deferred tax asset
Tax loss carried forward and other temporary differences recognized in deferred tax asset:						
Norway – ordinary tax	51 966	22%	11 433	96 300	22%	21 186
Norway – resource rent tax	296 547	32%	94 895			
Sweden	45 799	21%	9 435	51 865	21%	10 684
Denmark				9 572	22%	2 106
USA	97 330	23%	22 386	103 747	23%	23 862
Spain	312 636	25%	78 159	140 110	25%	35 028
Total	804 278		216 307	401 594		92 865

None of the recognized tax loss carried forward have any expiry date. The Group has analysed the probability to utilize the tax loss carried forward. It has been concluded, based on the information today, that it is likely that the recognized tax loss carried forward can be utilized to offset future tax with an equal amount. The Group has also substantial tax loss carried forward positions that is not recognized in the balance sheet. This is the case for France, Finland, Portugal, Italy and a portion of the tax loss carried forward in Sweden.

OECD Pillar II model rules

Lerøy Seafood Group is within the scope of the OECD Pillar Two model rules, which came into effect from January 1st, 2024. The Group is in scope of the enacted or substantively enacted legislation and is in the process of performing an assessment of the Group's potential exposure to Pillar Two Income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on a preliminary assessment, the Group have identified a limited number of jurisdictions where the transitional safe harbour relief does not apply. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions. As provided in the amendments to IAS 12 issued May 2023, the Group applies the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes.

Note 18 Other short-term debt

(All figures in NOK 1 000)

Other short-term debt	2023	2022
Revenues to be recognised in next accounting period	17 897	14 799
Fair value of financial instruments, with due date within a year	0	5 812
Change in value on hedged risk related to binding agreements	18 937	18 604
Onerous contracts (related to fair value adjustment of biological assets)	55 969	13 600
Accrued wages and holiday pay	447 645	418 560
Accrued interest costs	76 493	28 443
Accrued customer bonus	104 200	62 452
Accrued other expenses	217 436	310 257
Provisions for contingencies	0	21 955
Other short term debt (prepayments from customer etc)	8 311	148
Total	946 889	894 629

Accrued other expenses includes freight, claims, treatment expenses on fish in sea, clean up costs for closed sites, bonuses and various other operational and inventory related costs. Accrued freight on products sold is the the largest single item.

Note 19 Earnings per share

(All figures in NOK 1 000, with exception of earnings per share)

Earnings per share	2023	2022
This year's earnings to LSG shareholders (NOK 1 000)	272 501	2 906 781
Number of issued shares as of 31.12 (in 1 000)	595 774	595 774
Number of treasury shares as of 31.12 (in 1 000)	-298	-298
Number of outstanding shares as of 31.12 (in 1 000)	595 476	595 476
Average number of outstanding shares (in 1 000)	595 476	595 476
Average number of outstanding shares with dilution (in 1 000)	595 476	595 476
Earnings per share	0.46	4.88
Diluted earnings per share	0.46	4.88

Earnings per share since the date of listing

Year	After fair value adjustment			Before fair value adjustment *		
	Share of profit for the year to LSG shareholders	Earnings per share	Recommended dividend relative to profit	Share of profit for the year to LSG shareholders *	Earnings per share *	Recommended dividend relative to profit *
2023	272 501	0.46	547%	113 231	0.19	1315%
2022	2 906 781	4.88	51%	2 139 193	3.59	70%
2021	2 632 371	4.42	57%	1 834 661	3.08	81%
2020	794 335	1.33	150%	1 467 617	2.46	81%
2019	1 857 172	3.12	48%	2 073 426	3.48	43%
2018	3 437 042	5.77	35%	2 918 324	4.90	41%
2017	1 749 494	2.94	51%	2 919 657	4.90	31%
2016	3 224 143	5.65	24%	2 192 909	3.84	35%
2015	1 179 718	2.16	56%	1 057 767	1.94	62%
2014	1 055 916	1.93	62%	1 312 258	2.40	50%
2013	1 733 352	3.18	31%	1 152 700	2.11	47%
2012	480 797	0.88	79%	278 958	0.51	137%
2011	382 705	0.70	100%	825 625	1.51	46%
2010	1 419 507	2.62	38%	1 193 765	2.21	46%
2009	729 488	1.36	51%	685 940	1.28	55%
2008	124 730	0.23	120%	151 416	0.28	99%
2007	277 014	0.57	35%	279 611	0.58	34%
2006	651 516	1.59	33%	575 141	1.40	37%
2005	319 312	0.87	22%	248 443	0.67	29%
2004	83 402	0.24	36%	82 216	0.24	37%
2003	30 518	0.12	68%	30 518	0.12	68%
2002	25 650	0.11	69%	25 650	0.11	69%
Total	25 367 464	45.13	53%	23 559 025	41.82	58%

*) The amounts are adjusted with the LSG's shareholders (controlling interests) share of fair value adjustment related to biological assets. The adjustment is after tax. Included in the adjustment is also the Groups' share of such adjustments from associates (after tax). Earnings per share before fair value adjustment is an Alternative Performance Measure. For calculation see note on APM's.

Note 20 Dividend per share

(All figures in NOK 1 000, with exception of dividend per share)

Distributed dividend in current financial year

Distributed dividend in 2023, based on 2022 profit, was NOK 2.50 per share. This amounts to NOK 1 489 434.

Recommended dividend

Based on the 2023 profit, a corresponding dividend of NOK 2.50 per share is recommended for distribution in 2024. This amounts to NOK 1 489 434. A final decision will be made by the general meeting on 28 May 2024.

Dividend per share since the date of listing

Year	Dividend recommended			Dividend distributed		
	Number of issued shares 31.12 (in 1 000)	Recommended dividend per share	Recommended dividend	Number of shares as basis for distribution (in 1 000)	Dividend distributed per share	Dividend distributed
2023	595 774	2.50	1 489 434	595 774	2.50	1 489 434
2022	595 774	2.50	1 489 434	595 774	2.50	1 489 434
2021	595 774	2.50	1 489 434	595 774	2.00	1 191 547
2020	595 774	2.00	1 191 547	595 774	1.50	893 661
2019	595 774	1.50	893 661	595 774	2.00	1 191 547
2018	595 774	2.00	1 191 547	595 774	1.50	893 661
2017	595 774	1.50	893 661	595 774	1.30	774 506
2016	595 774	1.30	774 506	545 774	1.20	654 928
2015	545 774	1.20	654 928	545 774	1.20	654 928
2014	545 774	1.20	654 928	545 774	1.00	545 774
2013	545 774	1.00	545 774	545 774	0.70	382 042
2012	545 774	0.70	382 042	545 774	0.70	382 042
2011	545 774	0.70	382 042	545 774	1.00	545 774
2010	545 774	1.00	545 774	535 774	0.70	375 042
2009	535 774	0.70	375 042	535 774	0.28	150 017
2008	535 774	0.28	150 017	535 774	0.18	96 439
2007	535 774	0.18	96 439	535 774	0.40	214 309
2006	427 774	0.50	214 309	427 770	0.18	76 999
2005	393 774	0.18	70 879	378 848	0.08	30 308
2004	344 408	0.09	30 308	344 408	0.06	20 665
2003	344 408	0.06	20 664	294 408	0.06	17 664
2002	294 408	0.06	17 664	194 408	0.06	11 664
Total		23.65	13 554 034		21.10	12 082 384
Recommended dividend to be distributed in 2024					2.50	1 489 434
Accumulated dividend distributed, plus dividend recommended for distribution in 2024					23.60	13 571 818

Note 21 Share capital and shareholder information

The share capital consists of	Total number of shares	Nominal value per share	Book value
Share capital 01.01.2023	595 773 680	0.10	59 577 368
Share capital 31.12.2023	595 773 680	0.10	59 577 368

Lerøy Seafood Group ASA had 24 739 shareholders at 31 December 2023. The corresponding number at year end 2022 was 22 698. All shares confer the same rights in the company. End of 2023 it was 517 foreign shareholders. The corresponding number at year end 2022 was 604. End of 2023 foreign shareholders owned 126 668 545 shares in total, representing 21.3% of the total capital. Corresponding numbers at year end 2022 was 139 783 088 shares, representing 23.4% of the total capital.

Overview of the 20 largest shareholders at 31.12.2022	No. of shares	Ownership
Austevoll Seafood ASA	313 942 810	52.69%
Folketrygdfondet	31 690 298	5.32%
Ubs AG	20 772 025	3.49%
Ferd AS	13 502 548	2.27%
The Bank of New York Mellon SA/NV	9 023 530	1.51%
Pareto Aksje Norge Verdipapirfond	8 313 909	1.40%
State Street Bank and Trust Comp	6 613 857	1.11%
State Street Bank and Trust Comp	5 127 863	0.86%
JPMorgan Chase Bank, N.A., London	5 058 877	0.85%
JPMorgan Chase Bank, N.A., London	4 811 257	0.81%
BNP Paribas Securities Services	4 790 002	0.80%
Verdipapirfond Odin Norge	4 438 261	0.74%
Danske Invest Norske Instit. II.	4 346 124	0.73%
Six Sis AG	4 263 903	0.72%
The Bank of New York Mellon	3 545 086	0.60%
Clearstream Banking S.A.	3 044 253	0.51%
State Street Bank and Trust Comp	2 825 930	0.47%
J.P. Morgan SE	2 788 744	0.47%
J.P. Morgan SE	2 723 515	0.46%
VPF DNB AM Norske Aksjer	2 713 021	0.46%
Total 20 largest shareholders	454 335 813	76.26%
Others	141 437 867	23.74%
Total share capital	595 773 680	100.00%

Overview of the 20 largest shareholders at 31.12.2023	No. of shares	Ownership
Austevoll Seafood ASA	313 942 810	52.69%
Folketrygdfondet	29 835 380	5.01%
Ubs AG	21 030 063	3.53%
Ferd AS	13 502 548	2.27%
Pareto Aksje Norge Verdipapirfond	12 264 509	2.06%
The Bank of New York Mellon SA/NV	7 762 314	1.30%
BNP Paribas	6 900 976	1.16%
State Street Bank and Trust Comp	6 513 118	1.09%
Clearstream Banking S.A.	6 363 355	1.07%
JPMorgan Chase Bank, N.A., London	5 967 021	1.00%
JPMorgan Chase Bank, N.A., London	5 539 937	0.93%
Danske Invest Norske Instit. II.	5 268 861	0.88%
Six Sis AG	4 835 889	0.81%
Verdipapirfond Odin Norge	4 263 903	0.72%
State Street Bank and Trust Comp	3 455 709	0.58%
J.P. Morgan SE	3 205 930	0.54%
UBS Switzerland AG	3 082 229	0.52%
The Northern Trust Comp, London Br	2 921 812	0.49%
FORSVARETS PERSONELLSERVICE	2 921 100	0.49%
VERDIPAPIRFONDET STOREBRAND NORGE	2 788 604	0.47%
Total 20 largest shareholders	462 366 068	77.61%
Others	133 407 612	22.39%
Total share capital	595 773 680	100.00%

Note 21 cont.

Shares owned by members of the Board and their related parties

Chairman of the Board Arne Møgster and Board members Britt Kathrine Drivenes and Karoline Møgster have indirect ownership in Lerøy Seafood Group ASA through the parent company Austevoll Seafood ASA. Arne Møgster and Karoline Møgster own their shares through the ultimate parent company Laco AS.

Board member (employees' representative) Hans Petter Vestre owns 1 200 shares in Lerøy Seafood Group ASA at year end, which is the same number as the previous year.

Shares owned by the Executive Management and their related parties

Name	Position	2023	2022
Henning Beltestad	CEO	64 200	64 200
Sjur Malm	CFO	15 000	15 000
Ivar Wulff	COO VAPSD	12 000	12 000
Bjarne Reinert	COO Farming	2 800	2 800
Siren Grønhaug	CHRO	1 200	1 200
Total		95 200	95 200

The Chief Operating Officer for VAPSD has also indirect ownership in Lerøy Seafood Group ASA through the parent company Austevoll Seafood ASA, where he owns 552 shares.

Note 22 Payroll costs, number of employees, remuneration, loans to employees, etc.

(All figures in NOK 1 000)

Payroll costs	2023	2022
Salary	3 227 321	2 968 050
Employer's national insurance contribution	324 598	256 988
Hired personnel	337 912	274 299
Pension costs	181 907	146 508
Other remuneration	16 718	62 277
Other personnel expenses	152 574	107 710
Total	4 241 029	3 815 833

Employees, including hired personnel	2023	2022
Number of full-time equivalents	5 203	5 092
Number of employees 31.12	6 013	5 972
Number of men employed 31.12	3 680	3 641
Number of women employed 31.12	2 333	2 331
Percentage of women employed 31.12	38.8%	39.0%
Number of hired personnel as of 31.12	671	853

Remuneration of senior executives in 2022	Salary	Bonus	Pension	Other	Total
CEO	3 519	4 600	186	9	8 314
CFO	2 764	2 054	186	9	5 013
COO Farming	2 096	1 120	186	9	3 411
COO VAPSD	2 135	1 120	186	9	3 450
CHRO	1 927	1 120	187	9	3 243

Remuneration of senior executives in 2023	Salary	Bonus	Pension	Other	Total
CEO	3 599	3 100	170	33	6 902
CFO	2 890	2 200	169	30	5 289
COO Farming	2 279	1 200	169	26	3 674
COO VAPSD	2 226	1 200	169	25	3 620
CHRO	2 011	1 200	172	24	3 407

Note 22 cont.

Remuneration of board members totalled NOK 2 175 in 2023 (equally distributed). The remuneration in 2022 was NOK 1 900. The number of Board members has been increased from 6 to 7 persons during 2023.

Remuneration of the nomination committee is unchanged compared to the previous year, and amounts to NOK 135 in 2023. As for the members of the Board, the remuneration per member is equally distributed.

Remuneration of the audit committee is unchanged compared to the previous year, and amounts to NOK 200 in 2023. The remuneration is distributed with NOK 120 for the leader of the committee, and NOK 80 for the member.

A description of the main principles for the company's salary policy is included in the Board of Directors' statement regarding salary and other remuneration of executive personnel.

Mandates granted to the Board of Directors

Mandates are granted to the Board of Directors in accordance with the Public Limited Companies Act (Norway), cf. in particular chapters 8, 9 and 10 of the Act.

The first time the Board was authorised to acquire the company's own shares was at the ordinary general meeting on 12 May 2000. This mandate has been replaced with a new mandate at the ordinary general meeting on 23 May 2023. The mandate remains valid for 18 months from the date on which the resolution was adopted. The Board has authority to acquire up to 50 million shares, each with a face value of NOK 0.1. The lowest price to be paid is NOK 1 per share, and the highest price per share is NOK 100. The mandate has not been exercised in 2023. Renewal of the mandate will be recommended to the general meeting on 28 May 2024.

The Board has authority to increase the share capital by up to NOK 5 000 000 by issuing up to 50 000 000 shares in Lerøy Seafood Group ASA, each with a nominal value of NOK 0.1, through one or more private placings with external investors, employees and some of the company's shareholders. This type of mandate was first established by the ordinary general meeting of 4 May 1999 and subsequently renewed by the ordinary general meeting on 23 May 2023, and is to remain valid for 24 months from the date on which the resolution was adopted. The mandate was not exercised in 2023. It will be recommended that an equivalent mandate be approved by the ordinary general meeting on 28 May 2024.

The Board's powers to distribute shares has a maximum validity exceeding a year, and are not limited to only certain expressed purposes as recommended in the NUES. This is mainly for operational reasons, but also in order to clearly show that the company is growth oriented and that shares are regarded as an important means of payment. This practice is established to ensure an optimum strategic business development for the company. However the Board has established the practice of having the mandates renewed at each ordinary general meeting.

Loans to employees

No loans have been granted to the CEO, Chairman of the Board or other related parties. No single loan or guarantee to employees has been granted for more than 5% of the company's equity.

Auditor

The Group auditor is PricewaterhouseCoopers AS. Fees invoiced from the Group auditor also include the law firm PricewaterhouseCoopers AS and other PricewaterhouseCoopers companies abroad. The auditing fee for the Group's auditor specified below is the agreed fee for the audit of the present year. Other fees concern services received during 2023, and have been as follows:

Fees to auditor	2023	2022
Auditing fees Group auditor	16 437	9 256
Auditing fees other auditors	2 337	1 924
Other certification services Group auditor	3 079	1 341
Other certification services other auditors	0	165
Technical services related to tax filing Group auditor	1 316	1 175
Technical services related to tax filing other auditors	396	20
Other services Group auditor	12 634	6 001
Other services other auditors	725	1 238
Total	36 925	21 120

Other services paid to group auditor for other services in 2023 consists of, among others, ESG related audits, various legal and technical advice, HR related services, assistance related to establishment of framework for ESG reporting, and other.

Note 23 Items that are combined in the financial statements

(All figures in NOK 1 000)

Net financial items

Financial revenue	2023	2022
Interest revenue	129 774	35 812
Currency gain ¹	0	16 803
Income from other investments	405	358
Fair value adjustment on financial instruments (+/-)	728	0
Other financial revenue	4 726	2 665
Total financial revenue	135 634	55 638
Financial costs	2023	2022
Interest costs (specified below)	552 650	321 627
Currency loss	6 691	0
Impairment of long-term financial assets	35 846	0
Other financial costs	24 403	15 780
Total financial costs	619 589	337 407
Net financial items	-483 956	-281 769
Interest costs consist of	2023	2022
Interests on bond loans	122 646	45 851
Interest on long term loans from credit institutions	251 572	140 936
Interest on interest swap agreements	-15 966	-1 407
Interest on lease liabilities to credit institutions	54 551	39 445
Interest on lease liabilities to others	62 405	67 000
Other interest cost	77 441	29 802
Total	552 650	321 627

1) Currency gains and losses related to purchases and sales are presented as a part of the accounting line for cost of materials. Net currency gain in 2023 is NOK 57.4 million. In 2022, net gain was NOK 58.0 million.

Note 24 Currency translation differences

(All figures in NOK 1 000)

Assets and liabilities in foreign enterprises are converted to Norwegian krone according to the exchange rate on balance sheet date. Revenues and expenses from foreign enterprises are converted to Norwegian krone according to the average exchange rate. Translation differences are charged to comprehensive income.

In the event of a disposal of a foreign enterprise, the relevant accumulated translation differences allocated to the parent company's owners are reversed over the income statement. The disposal of a foreign enterprise may take the form either of a whole or partial sale of a subsidiary, joint venture or associate. When selling shares in a subsidiary without losing control, the relative share of the translation difference is transferred to non-controlling interests in the equity statement. For other sale of shares without the loss of joint control or significant influence, the relative share of the accumulated translation difference is reversed over profit or loss.

	LSG shareholders	Non-controlling interests	Total
Accumulated currency translation differences as of 01.01.2022	79 818	423	80 241
Translation differences related to subsidiaries	61 228	1 683	62 911
Translation differences from associates	1 918	0	1 918
Conversion differences that are reclassified to profit and loss in the period	110	0	110
Accumulated currency translation differences as of 31.12.2022	143 074	2 106	145 179
Accumulated currency translation differences as of 01.01.2023	143 074	2 106	145 179
Translation differences related to subsidiaries	75 833	2 372	78 205
Translation differences from associates	95 386	0	95 386
Conversion differences that are reclassified to profit and loss in the period	1	0	1
Accumulated currency translation differences as of 31.12.2023	314 294	4 478	318 772

Note 25 Related parties

(All figures in NOK 1 000)

Transactions and balances with parent company and its related parties

Laco AS is the ultimate parent company. Lerøy Seafood Group ASA is a subsidiary of Austevoll Seafood ASA, which in turn is a subsidiary of Laco AS. Transactions and intercompany accounts with other Group companies in the Laco AS corporation, not covered by Lerøy Seafood Group ASA, are classified as transactions and intercompany accounts with related parties. The same applies to associates and joint ventures of the above.

Transactions and balances with associated companies and joint ventures

Associates and joint ventures owned by Lerøy Seafood Group, and non-controlling interests in subsidiaries, are also classified as related parties.

Transaction and balances with others

In addition, any companies owned by employees, in particular senior executives, are classified as related parties. No transactions of significance between such companies have been identified.

2022	Ownership	Sales	Purchases	Receivables	Liabilities
Transactions with parent company and its related parties:					
Laco AS	"Ultimate parent"	0	3 338	0	4 173
Fitjar Mekaniske Verksted AS	Laco AS (100%)	75	16 157	0	1 640
Pelagia AS	Austevoll Seafood ASA (50%)	46 182	28 475	3 798	2 871
Austevoll Seafood ASA	Laco AS (55.55%)	0	50	0	0
Austevoll Laksepakkeri AS	Austevoll Seafood ASA (100%)	2 417	174 873	297	27 798
Brødrene Birkeland Farming AS	Austevoll Seafood ASA (51.9%)	459	0	0	0
Kobbevik og Furuholmen Oppdrett AS	Brødrene Birkeland Farming AS (100%)	0	77	0	0
Hordalaks Holding AS group	Kobbevik og Furuholmen Oppdrett AS	0	5 742	0	0
Transactions with the Group's own associates and non-controlling interests (NCI) in subsidiaries:					
Norskott Havbruk AS	Lerøy Seafood Group ASA (50%)	300	0	0	0
Scottish Seafarms	Norskott Havbruk AS (100%)	0	168 315	0	14 067
Seistar Holding AS group	Lerøy Seafood Group ASA (50%)	123	269 725	4	1 934
Sporbarhet AS	Lerøy Seafood Group ASA (27.2%)	0	6 215	0	0
Ocean Forest AS	Lerøy Seafood Group ASA (50%)	0	3 166	0	2 380
The Seafood Innovation Cluster	Lerøy Seafood Group ASA (20%)	0	1 656	0	572
Finnmark Kystfiske AS	Havfisk AS (49%)	0	0	8 500	0
Båtsfjord Laboratorium AS	Lerøy Norway Seafoods AS (33.5%)	0	824	0	48
Båtsfjord Bedriftshelsetjeneste AS	Lerøy Norway Seafoods AS (28.2%)	0	11	0	0
Itub AS	Lerøy Norway Seafoods AS (22.3%)	0	5 919	0	185
Neset Kystfiske AS	Sørvær Kystfiskeinvest AS (34%)	0	0	507	0
Holmen Fiske AS	Sørvær Kystfiskeinvest AS (33%)	0	0	1 011	0
Romsdal Processing AS	Lerøy Aurora AS (44.4%)	0	88 346	0	14 626
Kirkenes Processing AS	Lerøy Aurora AS (50%)	0	8 001	7 436	-139
Norway Salmon AS	Lerøy Midt AS (50%)	0	0	2 000	0
Vågen Fiskeriselskap AS	Sirevaag AS (46.5%)	0	0	5 800	0
Total transactions and intercompany accounts with all identified related parties		49 556	780 890	29 353	70 155

Note 25 cont.

2023	Ownership	Sales	Purchases	Receivables	Liabilities
Transactions with parent company and its related parties:					
Laco AS	"Ultimate parent"	0	25 000	0	0
Fitjar Mekaniske Verksted AS	Laco AS (100%)	66	21 280	23	2 270
Pelagia AS	Austevoll Seafood ASA (50%)	106 380	31 383	8 275	2 117
Austevoll Seafood ASA	Laco AS (55.55%)	0	20 078	0	0
Brødrene Birkeland Farming AS	Austevoll Seafood ASA (51.9%)	295	0	0	0
Kobbevik og Furuholmen Oppdrett AS	Brødrene Birkeland Farming AS (100%)	36 035	103 257	79	129 020
Hordalaks Holding AS group	Kobbevik og Furuholmen Oppdrett AS	0	34 244	0	4 371
Transactions with the Group's own associates and non-controlling interests (NCI) in subsidiaries:					
Norskott Havbruk AS	Lerøy Seafood Group ASA (50%)	54	0	17	0
Scottish Seafarms	Norskott Havbruk AS (100%)	0	115 104	0	11 036
Seistar Holding AS group	Lerøy Seafood Group ASA (50%)	95	309 050	4	989
Sporbarhet AS	Lerøy Seafood Group ASA (27.2%)	0	5 004	0	0
Ocean Forest AS	Lerøy Seafood Group ASA (50%)	129	6 500	4 743	2 365
The Seafood Innovation Cluster	Lerøy Seafood Group ASA (20%)	0	1 446	0	16
Finnmark Kystfiske AS	Havfisk AS (49%)	0	0	8 500	0
Sørvær Fiskerikai AS	Lerøy Norway Seafoods AS (50%)	0	0	3 000	0
Båtsfjord Laboratorium AS	Lerøy Norway Seafoods AS (33.5%)	0	916	0	3
Båtsfjord Bedriftshelsetjeneste AS	Lerøy Norway Seafoods AS (28.2%)	0	77	0	0
Itub AS	Lerøy Norway Seafoods AS (22.3%)	0	5 007	0	104
Neset Kystfiske AS	Sørvær Kystfiskeinvest AS (34%)	0	0	509	0
Holmen Fiske AS	Sørvær Kystfiskeinvest AS (33%)	0	0	532	0
Romsdal Processing AS	Lerøy Aurora AS (44.4%)	0	95 226	0	9 704
Kirkenes Processing AS	Lerøy Aurora AS (50%)	0	40 856	8 001	383
Norway Salmon AS	Lerøy Midt AS (50%)	0	0	2 000	0
Vågen Fiskeriselskap AS	Sirevaag AS (46.5%)	0	0	1	0
Total transactions and intercompany accounts with all identified related parties		143 054	814 429	35 684	162 379

NCI means "non controlling interests"

Dividend received from associated companies is specified in the note on associated companies.

Lerøy Seafood Group (Lerøy Vest AS) leases wellboats from Seistar Holding. The leases are recognised in the accounts according to IFRS 16, where leases with a lease period more than one year, is capitalised. The net book value of the right-to-use assets as of 31 December 2023 (2022) is NOK 198.8 million (NOK 242.5 million). The net book value on the lease liability is NOK 215.4 million (NOK 257.7 million). These amounts are not included in the table above. Repayment and interests on capitalized leases with Seistar Holding amounted to NOK 191.3 million (NOK 180.8 million), and are included in the table above as purchases.

Note 26 Events after balance sheet date

On 25 January 2024, the Commission announced that it had sent a Statement of Objections ("SO") to several exporters of Norwegian salmon, including to Lerøy Seafood Group. The SO sets out the Commission's preliminary assessment that the exporters, in some instances, may have exchanged commercially sensitive information in relation to spot market sale of whole Norwegian farmed salmon to the EU in the period 2011-2019.

Lerøy Seafood Group strongly rejects the Commission's allegations. The SO is not a final decision and has been issued in accordance with the Commission's ordinary procedures for such an investigation.

In February 2024 a group of British supermarkets issued claims for damages in the UK against several Norwegian-owned aquaculture companies, including companies in the Lerøy Seafood Group. The Group strongly rejects the claimants' allegations and considers such claims from customers to be baseless.

Please refer to note 27 for further information .

Note 27 Investigation by the competition authorities

The European Commission (the "Commission") initiated, on 19 February 2019, an investigation relating to suspicions of anti-competitive cooperation in the market for farmed Norwegian Atlantic salmon.

On 25 January 2024, the Commission announced that it had sent a Statement of Objections ("SO") to several exporters of Norwegian salmon. The SO sets out the Commission's preliminary assessment that the exporters, in some instances, may have exchanged commercially sensitive information in relation to spot market sale of whole Norwegian farmed salmon to the EU in the period 2011-2019. Lerøy Seafood Group is one of the companies that has received the SO.

Lerøy Seafood Group strongly rejects the Commission's allegations. The SO is not a final decision and has been issued in accordance with the Commission's ordinary procedures for such an investigation. The SO includes the Commission's preliminary assessments only. The company has a right of response, and will after carefully reviewing the SO provide its comments to the Commission. The company has cooperated with the Commission throughout the Commission's investigation, and will continue to work constructively with the Commission. It is standard practice that these investigations last several years. It is not possible at this stage to make any statement on whether the case will result in sanctions or other negative consequences for the group, or when the case will end.

In February 2024 a group of British supermarkets issued claims for damages in the UK against several Norwegian-owned aquaculture companies, including companies in the Lerøy Seafood Group. The Group strongly rejects the claimants' allegations and considers such claims from customers to be baseless. In Europe, this type of claims are first and foremost relevant if the Commission adopts a decision in its ongoing investigation and the decision is upheld. The Group understands that the claims have been issued at this stage in an attempt to interrupt potential limitation of claims under certain laws.

Note 28 Climate risk

Our planet will soon be home to eight billion people, and they need food every day. Not all food can be harvested from nature's own resources. Most food products today require some form of industrial production. Food production, as all other forms of industrial production, results in greenhouse gas emissions. In our efforts to reduce the risk of global warming bringing temperatures in excess of that which our planet can tolerate, it is essential to keep our carbon footprint to an absolute minimum. This is a shared responsibility, and every person and company must evaluate possible measures

they can take, then adapt their behaviour accordingly – if we are to achieve our goal of reducing rising temperatures to a minimum. These measures may be voluntary or mandatory. The authorities have a certain extent of control over the speed of the change-over to a low-emissions society and do so by implementing regulations. However, what measures can be implemented and when, is to be determined by available technology and economy. To prevent economic factors from obstructing developments, the authorities have introduced a number of regulatory measures, including fees. The scope of these regulatory measures and fees related to greenhouse gas emissions is expected to increase in the future.

The transition to a low-carbon economy will come at a cost. The development of and investments in low-emissions technology will require significant capital. At the same time, failing to adapt will also come at a cost and could, in the long term, make it impossible to continue operations. A company's ability to adapt in this context will become its "licence to operate".

Climate risk implies a financial risk in two areas. Firstly, climate risk involves uncertainties surrounding physical climate change (physical risk) caused by global warming. Secondly, climate risk involves the transition to a low-carbon economy, to be achieved via measures and technological developments (transition risk). The company will be affected by both of the above. The consequences of global warming and mandatory measures to limit climate change will represent a cost for the company.

Not only will there be a major focus on how the Group's operations affect the climate, but it is also essential that the Group understands how climate change may affect the Group's operations, including the financial impact on the Group's income, costs and investments. Having a strategy adapted to identified climate risks will help us reduce these costs. At the same time, the transition to a low-carbon economy could bring new opportunities for earnings.

The Group has therefore invested significant efforts in this area in recent years. The Group has established efficient processes for the identification, management, and monitoring of climate risk. This process has been fully adopted by both the Board of Directors and the management. The Group's goal is to be the world's most efficient value chain for sustainable seafood. The Board of Directors has therefore committed to this process by defining ambitious environmental goals, which are also incorporated into the company's strategy. The Group has committed to reduce its greenhouse gas emissions with 46% by 2030, having 2019 as a base year for the reduction. The Group also aims to achieve climate neutrality by 2050. This requires making sound decisions with a view to the environment in daily operations and investment decisions. The Group has introduced several projects involving internal communication and training activities to ensure that all employees are aware of how individual and collective choices in the Group's daily operations can help reducing greenhouse gas emissions. Suppliers are also required to contribute to reduction

of their greenhouse gas emissions, if they want to continue being suppliers to the Group. This process will naturally take some time as the Group has numerous suppliers. It will require charting and changes in agreements before any quantifiable results are achieved. The Group has already agreed on commitments with many suppliers regarding reductions in emissions. When selecting new suppliers, environmental factors are a critical parameter in agreements.

The Group's impact on the environment and climate is continuously monitored and periodically reported, both internally and externally. For more detailed information and figures showing the Group's impact on the environment and climate, please visit to the Group's Sustainability library at www.leroyseafood.com. The Group's TCFD report includes a detailed risk analysis. The TCFD report is updated once a year, and new updates are expected to be completed and published simultaneously with Annual Report 2023. The main conclusions are summarised below, in total and per segment.

Financial impact of climate change

The Group has assessed its climate risk involved regarding its operations, in terms of both physical risk and transition risk. The Group has not incurred any significant costs in 2023 as a result of the impact of climate change. Neither has the Group identified climate-related incidents in 2023 or risk indicating the need to re-estimate the service life or residual value of the Group's assets. For a detailed assessment, please refer to the Group's TCFD report.

Wild Catch and Whitefish

The Group's fisheries are mainly conducted in Norway's northernmost waters. Extreme weather is primarily the greatest physical risk for this activity. If the weather is too extreme, the Group's fishing vessels may not be able to carry out fishing activities. If this was to occur during the high season, the vessels might not be able to catch their full quota for certain fish species within the quota season. This would have a knock-on effect on the processing industry on shore. Extreme weather would imply that the shore-based industry would not receive delivery of the raw materials required for production of products, in turn negatively affecting earnings throughout the entire value chain. The risk of extreme weather significantly affecting the Group's earnings is assessed as low. Changes in temperature are also thought to represent a physical risk. Research supports the claim that an increase in ocean temperatures can bring changes in both migration routes and spawning patterns for different fish species, resulting in changes in where we can fish for the different species. This could complicate the processes of establishing and distributing quotas between fishery nations. In the Group's assessment, the risk of significantly affected earnings caused by the above is low in the short to medium term. In the long term, this risk could increase and must be monitored carefully.

Transition risk has also been identified for this segment. Transition from fossil energy carriers to renewable energy may cause a fall in

Note 28 cont.

the value of capital stock, in turn affecting the Group economically. This value impairment could occur via increased fees for the use of the trawler fleet, regulatory requirements on the types of propulsion systems permitted and, to a certain degree, reputation risk associated with the use of fossil fuels. The Group implements measures to reduce greenhouse gas emissions by making use of the best technology available and making contributions to technological developments. The Group participates in DNV's Green Shipping Programme, where participants have a common goal to develop new environmentally friendly technology. Among other, the following measures are evaluated: use of nitrogen and ammonia, with the potential to reduce greenhouse gas emissions from the largest vessels. There is a high level of uncertainty regarding the use of these types of fuels in relation to the safety of persons on-board and the lack of available capacity for bunkering of these fuel types along the coast. For the time being, we have a wait-and-see approach with regards to our choice of appropriate technologies. We do, however, feel confident that adequate solutions will be available in the near future. In the short and medium term, there are therefore no alternative propulsion systems that can be used for commercial fisheries in the north. Based on the estimated remaining service life of our fleet, and the Group's depreciation plans, the Group has not identified any indications of impairment related to transition risk of neither licences nor fixed assets. Consumers are expected to increasingly demand food with a lower carbon footprint in the future. Wild-caught whitefish has a low carbon footprint. The Group has implemented several measures to further reduce its carbon footprint. These solutions entail an increase in freezer capacity on-board, so that the fleet can spend more time at sea fishing, with fewer trips to and from shore. Also, delivery to Norwegian stations help reducing pollution when compared with transporting raw materials to low-cost countries for further processing. Based on these measures, the Group is of the opinion that reputation risk in this segment is low. In the Group's assessment, the risk of a fall in demand for our products, resulting in value impairment of our stock, is very low. Neither has the Group identified any climate related risk for trade receivables.

Farming:

The Group's farming operations take place along the coast of Norway and are divided into three regions: West, Central and North Norway. For the Farming segment, extreme weather is also seen as the greatest physical risk. Most of the segment's operations take place offshore, and extreme weather could make work on the facilities difficult and increase the risk of damage to production equipment. The risk of damage could also increase the risk of escapes. Extreme weather could also have an indirect impact on the operations. Around 70% of current raw materials for fish feed are vegetable. If temperatures change, the conditions for cultivating these raw materials may change, and this could become critical if alternatives are not found. Scenario analysis also indicates that rising sea temperatures are a long-term risk that requires monitoring. Although the rise in temperatures is slow,

it could have negative economic consequences in the long run term. The Group does expect an increase in biological challenges involving lice infestation, disease, algal bloom and possible new foreign species. Measures required to protect the Group against such changes represent an increase in costs. Rising sea temperatures are also expected to result in more extreme weather. The physical risk associated with aquaculture is still seen as low both in the short, medium and long term.

Transition risk for this segment is also assessed as low. Raw materials for production of fish feed are the largest source of greenhouse gas emissions for this segment. Around 40% of our emissions originate from fish feed. The Group collaborates with the fish feed suppliers in order to develop new ingredients that can be used as raw materials for feed and reduce reducing greenhouse gas emissions. In recent years the segment has also made considerable investments in green technology, most notably the transition from fossil fuel to electric propulsion for its work and service boats. The same applies to the feed barges, now more and more powered by land-based power. A new land-based power station for well boats has been installed at Lerøy Midt's facility at Jøsnøya. As a result, the risk of the Group having new climate-related measures imposed with substantial economic significance is considered as low. Licences, the Group's largest asset and which do not depreciate, are assessed for impairment every year. This assessment implicitly takes climate risk into account. The value of licences depends on having a certain amount of cash flow. Both volume and price are very important parameters in this model. The greatest risk involves prices. A shift in the customer's willingness to pay, due to for example to loss of reputation, could represent a challenge for values. As with wild catches and whitefish, the reputation risk related to the climate is low, as aquaculture has a very low carbon footprint per kg produced food when compared with other sources of protein. The same assessment is carried out for fixed assets and inventories.

VAP, Sales & Distribution

The VAPS&D segment comprises of processing, sales and distribution. Extreme weather in the form of strong winds, substantial rainfall, flooding, drought and fires could cause damage to both factories and key infrastructure. This could potentially have a major impact directly on the Group's operations, but also indirectly via our supply chain, as successful logistics is essential in order to maintain normal operations. The Group's factories are located in areas that, to date, have not been seen as particularly exposed to physical climate risk. There are no indications that this situation has changed. In terms of transport, the Group makes use of external suppliers. As the Group's main market is the EU, most products are transported by road. The Group therefore has a high degree of flexibility in terms of any adaptations required as a result of climate-related incidents, such as flooding or fires.

Transition risk for this segment is, in total, seen as low. However, transition risk is higher within certain areas for this segment. Our second largest source of greenhouse gas emissions is currently air

transport to overseas markets. Emissions from road transport are relatively low. The risk of new regulations relating to air transport is therefore higher. Increased fees or, in the worst-case scenario, a ban on air transport, would have major consequences for sales to these markets. Nonetheless, the Group's main markets are in Europe, and products for these markets are transported by road. The Group collaborates with transport suppliers to reduce greenhouse gas emissions, from both air transport and road transport. The Group has introduced transport of fillets of fish instead of whole fish, providing a significant reduction in greenhouse gas emissions per kg of finished product transported, and is working on different refrigeration solutions for transport. In recent years, the Group has also made substantial investments in measures to reduce energy consumption in its factories. Moreover, the Group has facilitated logistics solutions that will allow sea transport to Europe as an alternative to road transport. In the future, this could possibly be extended to cover overseas markets. The risk of changes in regulations, bringing requirements for substantial new investments in this area, or that would have a significant economic impact on the Group, is therefore seen as low. Practically all the Group's transport services are outsourced. The Group therefore has no means of transport on their balance sheet that could be subject to impairment. When it comes to factories, the Group is of the assessment that they are situated in relatively safe locations. Given the fact that the Group has already made good headway with measures to save on energy consumption, the transition risk for this segment is seen as low. In relation to reputation risk for this segment, the same assessments as for other segments are applied.

A close-up photograph of a hand garnishing a plate of seafood. The plate contains several pieces of salmon, a piece of fried fish, and some green onions. The background is dark and out of focus.

Our Commitment: Sustainable, Quality Seafood for All

Every step we take is guided by our dedication to sustainability, quality, and innovation. From the cold, clear waters of the north, Lerøy Seafood Group provides sustainable, high-quality seafood to the global market. Our Sales & Distribution segment operates from Bergen in Norway, Sweden, Finland, the Netherlands, Spain, France, Portugal, Italy, Turkey, and Shetland Islands. Together, we are setting a new standard for the seafood industry.

Parent company financial statements

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Income statement

All figures in NOK 1 000 (period 01.01–31.12)

Lerøy Seafood Group ASA	Notes	2023	2022
Operating revenue and costs			
Operating revenue	1/3	410 464	192 771
Wages and other personnel costs	11	218 956	174 265
Other operating costs	3/4/11	379 072	262 563
Depreciation	4	9 117	4 223
Total operating costs		607 145	441 051
Operating profit		-196 681	-248 280
Financial revenue and costs			
Income from investments in subsidiaries	3	2 416 994	966 283
Income from investments in joint ventures and associates	3	3 000	6 000
Income from investments in other shares		-492	-1 536
Interest income from subsidiaries	3	42 747	25 037
Change in fair value of financial instruments at fair value	9	728	577
Impairment loss on financial assets (-)	5	-277 545	-356 872
Other financial items, net (-)	12	-53 330	-11 603
Total financial items		2 132 102	627 886
Profit before tax		1 935 421	379 605
Total tax cost (-)	10	-384 405	-58 461
The year's profit		1 551 016	321 145
Information regarding:			
Transferred to (+) / from (-) other equity	2	61 582	-1 168 290
Allocated to dividend	2	1 489 434	1 489 434

Balance sheet

All figures in NOK 1 000

Lerøy Seafood Group ASA	Notes	2023	2022
Non-Current Assets			
Intangibles			
Licences	4	54 803	54 803
Total intangibles		54 803	54 803
Fixed assets			
Buildings and real estate	4	1 562	1 562
Other fixtures	4	53 432	27 677
Prepayments to suppliers related to assets under construction	4	8 048	0
Total fixed assets		63 042	29 239
Financial assets			
Shares in subsidiaries	5	8 414 656	7 948 720
Shares in joint ventures and associates	6	555 455	555 455
Shares and investments in other companies	6	5 290	9 066
Loans to subsidiaries	3	549 105	255 601
Other long-term receivables	7	11 176	32 356
Total non-current financial assets		9 535 682	8 801 198
Total Non-Current Assets		9 653 527	8 885 240
Current Assets			
Receivables			
Receivables from Group companies	3	2 461 910	1 177 058
Receivables from joint ventures and associates	3	4 715	0
Financial instruments	9	728	0
Other receivables	7	16 608	27 663
Total receivables		2 483 961	1 204 721
Cash and Cash Equivalents		2 358 485	2 332 383
Total Current Assets		4 842 447	3 537 104
Total Assets		14 495 973	12 422 345

Balance sheet

All figures in NOK 1 000

Lerøy Seafood Group ASA	Notes	2023	2022
Equity			
Share capital	2	59 577	59 577
Treasury shares	2	-30	-30
Share premium reserve	2	4 778 346	4 778 346
Other paid in capital	2	104 572	104 572
Total paid in capital		4 942 466	4 942 466
Other equity	2	4 177 392	4 115 066
Total retained earnings		4 177 392	4 115 066
Total Equity		9 119 858	9 057 532
Long-Term Liabilities			
Deferred tax asset	10	5 354	6 108
Total long-term liabilities		5 354	6 108
Long-Term Debt			
Bond loans	8	2 990 486	1 493 656
Total long-term debt		2 990 486	1 493 656
Short-Term Debt			
Trade payables	3	67 905	77 321
Taxes payable	10	295 304	9 442
Public duties payable		15 149	10 812
Allocated to dividend	2	1 489 434	1 489 434
Short-term Group debt	3	415 834	229 802
Other short-term debt	8	96 649	48 237
Total short-term debt		2 380 275	1 865 048
Total Debt		5 376 116	3 364 812
Total Equity and Debt		14 495 973	12 422 345

Bergen, April 29, 2024

The Board of Directors of Lerøy Seafood Group ASA

Arne Møgster
Chairman



Didrik Munch
Board member



Siri Lill Mannes
Board member



Are Dragesund
Board member



Hans Petter Vestre
Employees' representative



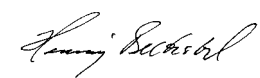
Karoline Møgster
Board member



Britt Kathrine Drivenes
Board member



Henning Beltestad
CEO Lerøy Seafood Group ASA



Statement of cash flows

All figures in NOK 1 000 (period 01.01 – 31.12)

Lerøy Seafood Group ASA	2023	2022
Cash flow from operating activities		
Pre-tax result	1 935 421	379 605
Taxes paid during the period	-9 300	-299 285
Loss/gain on disposal of fixed assets	-625	114
Loss/gain on disposal of shares and other investments	0	167
Depreciation	9 117	4 223
Write-down of financial assets	257 831	356 872
Change in trade receivables	-105 246	-29 012
Change in trade payables	-5 961	39 507
Effect from currency rate changes	7 607	0
Items classified as investing activities	-2 400 280	-972 283
Change in financial instruments recognised at fair value	-728	-577
Other items classified as financing activities	44 532	-13 434
Change in other accruals	12 856	8 944
Net cash flow from operating activities	-254 775	-525 159
Cash flow from investing activities		
Proceeds from sale of fixed assets	625	38
Payments for acquisitions of fixed assets and intangibles	-42 919	-18 684
Payments for acquisitions of Group companies and associates, and capital increases	-84 532	-57 418
Proceeds from sale of shares in other companies	3 776	2 854
Proceeds from previous year's accrual of group contributions and dividends from subsidiaries	944 994	2 038 643
Payment for previous year's accrual of group contribution to subsidiaries	-220 849	-20 250
Proceeds from dividends received during the year from associates	3 000	6 000
Proceeds/payments for short-term intragroup receivables (loans)	291 915	-23 798
Proceeds/payments for long-term intragroup receivables (loans)	-613 660	-191 212
Proceeds/payments for other long-term receivables (loans)	969	-20 752
Net cash flow from investing activities	283 319	1 715 420

Lerøy Seafood Group ASA	2023	2022
Cash flow from financing activities		
Proceeds/payments for short-term credits	0	0
Proceeds from establishing new long-term debt	1 495 125	0
Instalments paid on long-term liabilities	0	0
Net interest paid and financial expenses	-8 877	12 783
Payment of dividends	-1 489 434	-1 489 434
Proceeds from dividends on treasury shares	744	744
Net cash flow from financing activities	-2 442	-1 475 907
Net cash flow for the accounting period	26 102	-285 645
Cash and cash equivalents at the start of the period	2 332 383	2 618 029
Cash and cash equivalents at the end of the period	2 358 485	2 332 383
Consists of:		
Bank deposits etc.	2 358 485	2 332 383
Of which restricted funds	8 394	6 002
In addition Lerøy Seafood Group ASA has the following cash capacity:		
Unutilised overdraft/drawdown facilities	650 000	650 000

Additional information

Net cash flow from operating activities can also be summarised as follows:	2023	2022
Operating profit	-196 681	-248 280
Depreciation	9 117	4 223
Taxes paid during the period	-9 300	-299 285
Change in capital employed	-57 911	18 183
Net cash flow from operating activities	-254 775	-525 159

Note 1 Accounting policies

(A) Comments on accounting policies

The financial statements have been prepared according to the regulations of the Accounting Act of 1998 and good accounting practice. All figures in the notes to the accounts are in NOK 1 000.

(B) Sales revenue

Revenue is booked when earned. Sales of goods and services are therefore normally booked at the time of delivery. The operating revenues derives from fees from shared services delivered to group companies.

(C) Classification and assessment of balance sheet items

Current assets and short-term debt comprise normal items due for payment within one year after balance sheet date, and items related to the circulation of goods. Other items are classified as fixed assets/long-term debt.

Current assets are valued at the lowest of acquisition cost and fair value. Short-term debt is carried at nominal amount at the time it is established.

Fixed assets are valued at acquisition cost, but are written down to fair value when the fall in value is not expected to be temporary. Long-term debt is carried at nominal amount at the time it is established.

(D) Receivables

Trade receivables and other receivables are carried on the balance sheet at nominal amount after deduction of provision for bad debts. Provision for bad debts is made according to individual assessments of the individual receivables.

(E) Short-term investments

Short-term investments (shares and units classified as current assets) are valued at the lower of average acquisition cost and fair value on the balance sheet date. Dividends and other distributions received from the companies are booked as Other financial revenues.

(F) Long-term investments

Long-term investments (shares and units classified as fixed assets) are booked in the balance sheet at acquisition cost. The investments are written down to fair value if a decline in value is not considered to be temporary. Dividends and other distributions received from the companies are booked as Other financial revenues.

(G) Subsidiaries and associates

Subsidiaries are companies in which the Group holds an controlling interest. This is the case for companies in which the Group holds an interest above 50%. In the company financial statements, the subsidiaries are valued according to the cost method.

Associates are companies in which the Group holds an interest of 20–50%, and where the investment is long-term and strategic. In the company financial statements, the associate are valued according to the cost method.

(H) Fixed assets

Fixed assets are booked in the financial statements at acquisition cost less accumulated depreciation. This depreciation is distributed linearly over assumed economic life. Similar policies apply to intangible assets.

(I) Tax

Tax payable in the income statement includes both the tax payable during the period and changes in deferred tax. Deferred tax is calculated at a rate of 22% on the basis of the provisional differences that exist between accounting and taxable values, as well as the assessed deficit to be carried forward at the end of the financial year. Temporary tax-increasing and tax-decreasing differences, which reverse or may reverse the figures in the same period, have been offset and booked at net value.

(J) Interest rate swaps (derivatives)

Hedge accounting has not been applied on the interest rate swaps in Lerøy Seafood Group ASA. The interest rate swaps are measured at fair value, and the change in value is recognised in the profit and loss statement as a financial item.

(K) Currency

The financial statements are presented in NOK, the functional currency for the company. Cash items in foreign currency are valued at the respective rates of exchange at the end of the financial year. See also item (V) in the consolidated accounts on derivatives, including currency forward contracts utilised to control currency risk.

Note 2 Equity

(All figures in NOK 1 000)

2022	Share capital	Treasury shares	Share premium reserve	Other paid in capital	Other equity	Total equity
Equity as of 01.01.2022	59 577	-30	4 778 346	104 572	5 282 612	10 225 077
The year's result to equity					321 145	321 145
Dividend received on treasury shares					744	744
Group contribution given to subsidiaries					-172 262	-172 262
Change in value of shares in subsidiaries due to Group contribution					172 262	172 262
Provision for dividend (kr 2.50 per share)					-1 489 434	-1 489 434
Equity as of 31.12.2022	59 577	-30	4 778 346	104 572	4 115 067	9 057 532

2023	Share capital	Treasury shares	Share premium reserve	Other paid in capital	Other equity	Total equity
Equity as of 01.01.2023	59 577	-30	4 778 346	104 572	4 115 067	9 057 532
The year's result to equity					1 551 016	1 551 016
Dividend received on treasury shares					744	744
Group contribution given to subsidiaries					-319 079	-319 079
Change in value of shares in subsidiaries due to Group contribution					319 079	319 079
Provision for dividend (kr 2.50 per share)					-1 489 434	-1 489 434
Equity as of 31.12.2023	59 577	-30	4 778 346	104 572	4 177 392	9 119 858

Share capital	Total number of shares	Nominal value per share	Book value
Ordinary shares	595 773 680	0.10	59 577 368
Total	595 773 680		59 577 368

Dividend

The Board of Directors will propose that the Annual General Meeting adopts a dividend payment of NOK 2.50 per share.

Number of shareholders

Lerøy Seafood Group ASA had 24 739 shareholders as per 31 December 2023. All shares confer the same rights in the

company. An overview of share capital and the 20 largest shareholders are shown in the note on shareholders for the Group.

Treasury shares

Lerøy Seafood Group ASA owns 297 760 treasury shares of a total number of 595 773 680 shares. The ratio of treasury shares is 0.05%. The purchase price paid for treasury shares is split into

two different categories, where nominal value of treasury shares is included in "paid in capital" (- NOK 30 000), and the purchase price exceeding nominal value of treasury shares (- NOK 2 389 000) is included in "other equity". The average purchase price of own shares is NOK 8,12 per share.

Note 3 Transactions and balances with subsidiaries and associates

(All figures in NOK 1 000)

Income from investments in subsidiaries	2023	2022
Intragroup contributions received from subsidiaries	1 972 000	500 000
Dividend received from subsidiaries	444 994	466 283
Total	2 416 994	966 283

Intragroup contributions received from subsidiaries	2023	2022
Lerøy Aurora AS	840 000	0
Lerøy Midt AS	712 000	500 000
Lerøy Seafood AS	400 000	0
Sjømathuset AS	20 000	0
Total	1 972 000	500 000

Dividend received from subsidiaries	2023	2022
Lerøy Havfisk AS	400 000	350 000
Sjøtroll Havbruk AS	30 547	61 095
Lerøy Seafood Denmark A/S	12 513	23 014
Lerøy Seafood Holding B.V.	1 054	29 949
Norsk Oppdrettsservice AS	880	2 225
Total	444 994	466 283

Income from investments in joint ventures and associates	2023	2022
Dividend received from Seistar Holding AS	3 000	6 000
Total	3 000	6 000

Interest income from subsidiaries	2023	2022
Lerøy Norway Seafoods AS	11 793	6 592
Lerøy Austevoll AS	8 617	0
Lerøy Seafood AS	6 730	0
Lerøy Aurora AS	6 356	9 708
Lerøy Årskog AS	3 967	1 621
Lerøy Turkey	2 332	1 105
Lerøy Sverige AB	1 398	1 284
Lerøy Fossen AS	745	694
Lerøy Norge AS	421	491
Lerøy Ocean Harvest AS	342	120
Lerøy Seafood UK Ltd	47	0
Lerøy Vest AS	0	597
Lerøy Nord AS	0	19
Lerøy Italy SLR	0	2 804
Total	42 747	25 037

Sales to subsidiaries	2023	2022
Lerøy Seafood AS	123 613	57 233
Lerøy Midt AS	85 309	40 438
Lerøy Aurora AS	69 589	27 352
Lerøy Vest AS	51 362	25 553
Sjøtroll Havbruk AS	43 459	19 892
Lerøy Norway Seafoods AS	20 096	5 445
Lerøy Austevoll AS	2 726	0
Sjømathuset AS	2 658	1 198
Lerøy Norge AS	2 381	1 223
Lerøy Seafood USA Inc	1 952	11 970
Lerøy Bulandet AS	923	0
Lerøy Sverige AB	768	724
Lerøy Italy SLR	740	0
Lerøy Fossen AS	721	679
Lerøy Havfisk AS	412	389
Lerøy Sjømatgruppen AS	186	176
Lerøy Seafood UK	171	0
Total	407 066	192 271

Sales to subsidiaries consist of services

Note 3 cont.

Purchases from subsidiaries	2023	2022
Lerøy Seafood AS	2 239	750
Lerøy Vest AS	1 345	960
Sjøtroll Havbruk AS	790	752
Lerøy Norge AS	784	4 110
Lerøy Sverige AB	616	3 744
Lerøy Midt AS	539	1 209
Sjømathuset AS	287	2 396
Lerøy Aurora AS	143	1 195
Lerøy Seafood USA Inc	9	3
Lerøy Seafood Holding BV	0	73
Lerøy Sjømatgruppen AS	0	200
Total	6 752	15 392

Purchase from subsidiaries consist of goods and services.

Sales to joint ventures and associates	2023	2022
Norskott Havbruk AS	0	300
Total	0	300

Sales to joint ventures and associates consist of services.

Purchase from joint ventures and associates	2023	2022
Sporbarhet AS	5 004	6 215
Ocean Forest AS	6 500	3 166
The Seafood Innovation Cluster	888	530
Total	12 392	9 911

Purchases from joint ventures and associates consist of services.

Balances

Long-term loans to subsidiaries	2023	2022
Lerøy Norway Seafoods AS	338 322	0
Lerøy Årskog AS	89 432	85 466
Lerøy Sverige AB	45 963	42 633
Lerøy Turkey	36 309	20 014
Lerøy Fossen AS	18 783	18 038
Lerøy Norge AS	10 080	12 672
Lerøy Ocean Harvest AS	6 964	6 622
Lerøy Seafood UK Limited	3 251	0
Lerøy Seafood Italy SLR	0	70 156
Total	549 105	255 601

Short-term receivables from subsidiaries	2023	2022
Intragroup contributions received from subsidiaries	1 972 000	500 000
Dividend accrued, not yet received, from subsidiaries	0	0
Other short-term receivables from subsidiaries	489 910	677 058
Total	2 461 910	1 177 058

Intragroup contributions received from subsidiaries

For specification see table above in this note under headline Income from investments in subsidiaries.

Dividend accrued, not yet received, from subsidiaries

For specification see table above in this note under headline Income from investments in subsidiaries.

Other short-term receivables from subsidiaries	2023	2022
Lerøy Austevoll AS	197 048	0
Lerøy Seafood AS	187 617	166 303
Lerøy Midt AS	25 821	3 081
Lerøy Aurora AS	22 990	285 289
Lerøy Seafood USA Inc	13 434	11 812
Sjøtroll Havbruk AS	12 578	28
Lerøy Vest AS	12 478	275
Lerøy Norway Seafoods AS	11 175	208 052
Sjømathuset AS	1 814	412
Lerøy Norge AS	1 126	455
Lerøy Bulandet AS	1 125	10
Lerøy Seafood Italy SLR	761	13
Lerøy Sverige AB	621	512
Lerøy Seafood Denmark A/S	270	148
Lerøy Havfisk AS	231	94
Lerøy Sjømatgruppen AS	217	68
Lerøy Processing Spain SL	161	59
Lerøy Fossen AS	75	245
Norsk Oppdrettsservice AS	64	0
Lerøy Seafood Holding B.V.	62	41
Lerøy Turkey	52	20
Lerøy Seafood UK Ltd	47	92
Lerøy Seafood France SAS	44	23
Lerøy Portugal Lda	33	27
Preline Fishfarming Systems AS	30	0
Lerøy Sjøtroll Kjærelva AS	30	0
Lerøy Finland OY	8	0
Total	489 910	677 058

The receivables consists of short term loans, cash advances and group account receivables.

Note 3 cont.

Short-term debt to Group companies	2023	2022
Intragroup contributions distributed	409 076	220 849
Other short-term debt to Group companies	6 758	8 953
Total	415 834	229 802

Intragroup contributions distributed	2023	2022
Lerøy Norway Seafoods AS	222 543	191 902
Lerøy Austevoll AS	89 656	0
Lerøy Vest AS	89 600	0
Lerøy Ocean Harvest AS	7 179	4 354
Lerøy & Strudshavn AS	50	82
Lerøy Quality Group AS	48	85
Lerøy Fossen AS	0	24 426
Total	409 076	220 849

Other short-term debt to Group companies	2023	2022
Lerøy Seafood AS	2 239	6 192
Lerøy Vest AS	1 345	345
Sjøtroll Havbruk AS	790	382
Lerøy Norge AS	784	436
Lerøy Sverige AB	616	295
Lerøy Midt AS	539	352
Sjømathuset AS	287	181
Lerøy Aurora AS	143	124
Lerøy Seafood USA Inc	9	0
Lerøy Ocean Harvest AS	6	397
Lerøy Sjømatgruppen AS	0	250
Total	6 758	8 953

Other short-term debt to Group companies consist of account payables.

Short-term receivables on joint ventures and associated companies	2023	2022
Ocean Forest AS	4 715	0
Total	4 715	0

The receivable consists of amount to be refunded due to too much invoiced for services received

Short-term debt to joint ventures and associated companies	2023	2022
Ocean Forest AS	2 365	2 380
The Seafood Innovation Cluster	0	53
Total	2 365	2 433

The debt relates to services received, and it is included in account payables.

Note 4 Intangibles, fixed assets and leases

(All figures in NOK 1 000)

Intangible assets

Development licences	Total expenses	Expensed as R&D cost	Capitalised as intangible asset
Expenses 2017	6 150	0	6 150
Expenses 2018	18 801	0	18 801
Expenses 2019	15 753	0	15 753
Expenses 2020	14 099	0	14 099
Expenses 2021	4 793	4 793	0
Expenses 2022	1 446	1 446	0
Expenses 2023	1 489	1 489	0
Carrying value at 31.12	62 531	7 728	54 803

The intangible assets consists of capitalized expenses related to development-licences based on the concept "Pipefarm". The project, and Lerøy Seafood Group ASA, has been awarded with a volume of 1350 MTB, which is dependent on developing the proposed project "Pipefarm" which is semi-closed production system. In 2023 work has been done to reduce necessary capital investment to realize the project, as well as work on necessary regulatory framework to utilize this type of technology. Because the project is still not completed, and some uncertainty attached to the project, the management has decided to expense further project costs until the project is finally completed.

The development-licences have a definite life time of 5 years from date of acceptance, but on expiry date it will be subjected to renewal and transformation to an ordinary grow-out licence on request, for a fee amounting to NOK 10 million per licence equivalent (780 MTB). Depreciation will start after the award process is completed.

Note 4 cont.

Fixed assets

2022	Financial leases	Buildings (apartment)	Other fixtures	Total
Acquisition cost per 01.01	121	1 562	18 607	20 290
Additions			18 684	18 684
Disposals			-152	-152
Acquisition cost per 31.12	121	1 562	37 139	38 822
Accumulated depreciations 01.01	121	0	5 238	5 359
The year's depreciation			4 223	4 223
Disposal of accumulated depreciations			0	0
Accumulated depreciations 31.12	121	0	9 461	9 582
Carrying value at 31.12	0	1 562	27 677	29 239
Economic life time	2 years	Indefinite	3-5 years	
Depreciation plan	Linear	n/a	Linear	

2023	Prepayments to suppliers related to assets under construction	Financial leases	Buildings (apartment)	Other fixtures	Total
Acquisition cost per 01.01		121	1 562	37 139	38 822
Additions	8 048	0	0	34 872	42 920
Disposals		-121	0	0	-121
Acquisition cost per 31.12	8 048	0	1 562	72 011	81 621
Accumulated depreciations 01.01		121	0	9 461	9 582
The year's depreciation		0	0	9 117	9 117
Disposal of accumulated depreciations		-121	0	0	-121
Accumulated depreciations 31.12	0	0	0	18 578	18 578
Carrying value at 31.12	8 048	0	1 562	53 432	63 042
Economic life time		2 years	Indefinite	3-5 years	
Depreciation plan	To be allocated	Linear	n/a	Linear	

LSG's share of debt related to the apartment, amounts to NOK 2 million.

Leases

Leases not recognised in the balance sheet

Leases with other than credit institutions are regarded as operational leases. Operational leases are expensed as over the lease period as rent. Head quarter office is rented externally from GC Rieber AS. The rental agreement is for 10 years, beginning December 2018, with an option for additional 10 years. Annual expensed rent amounts to about NOK 13 million.

Note 5 Shares in subsidiaries

(All figures in NOK 1 000)

Changes in subsidiaries and ownership during the period:

Subsidiary	Country	Place of business	Acquisition year	Ownership / voting share 01.01	Merges	Additions	Disposals	Ownership / voting share 31.12
Lerøy Austevoll AS	Norway	Austevoll	2023	0.0%		100.0%		100.0%
Lerøy Seafood UK Ltd	UK	Hull	2022	100.0%				100.0%
Lerøy Årskog AS	Norway	Fitjar	2021	100.0%				100.0%
Lerøy Seafood Denmark A/S	Denmark	Hjørring	2021	77.6%				77.6%
Lerøy Seafood Italy SRL	Italy	Porto Viro	2019	100.0%				100.0%
Lerøy Ocean Harvest AS	Norway	Bergen	2018	100.0%				100.0%
Lerøy Norge AS	Norway	Oslo	2018	100.0%				100.0%
Lerøy Havfisk AS	Norway	Ålesund	2016	100.0%				100.0%
Lerøy Norway Seafoods AS	Norway	Oslo	2016	100.0%				100.0%
Lerøy Turkey	Turkey	Istanbul	2015	100.0%				100.0%
Preline Fishfarming Sys. AS	Norway	Bergen	2015	95.9%				95.9%
Lerøy Nord AS	Norway	Bergen	2015	51.0%		49.0%		100.0%
Norsk Oppdrettservice AS	Norway	Flekkefjord	2015	51.0%				51.0%
Lerøy Processing Spain SL	Spain	Madrid	2012	100.0%				100.0%
Lerøy Seafood Holding B.V.	Netherlands	Urk	2012	100.0%				100.0%
Lerøy Finland OY	Finland	Turku	2011	100.0%				100.0%
Sjøtroll Havbruk AS	Norway	Austevoll	2010	50.7%				50.7%
Lerøy Vest AS	Norway	Bergen	2007	100.0%				100.0%
Lerøy Fossen AS	Norway	Bergen	2006	100.0%				100.0%
Sjømathuset AS	Norway	Oslo	2006	100.0%				100.0%
Lerøy Portugal Lda	Portugal	Lisboa	2005	100.0%				100.0%
Lerøy Aurora AS	Norway	Tromsø	2005	100.0%				100.0%
Lerøy Midt AS	Norway	Hitra	2003	100.0%				100.0%
Lerøy Sverige AB	Sweden	Gothenburg	2001	100.0%				100.0%
Lerøy Seafood AS	Norway	Bergen	1939 *	100.0%				100.0%
Lerøy & Strudshavn AS	Norway	Bergen	1927 *	100.0%				100.0%

*) The date for establishment. The companies were a part of the "old Lerøy-group" before LSG ASA was established in 1995

Companies that has changed its name in 2023

The company Lerøy Austevoll AS, acquired in 2023, was previously named Austevoll Laksepakkeri AS.

Note 5 cont.

Change in book value of shares in subsidiaries

Subsidiary	Net book value in LSG ASA 01.01	Redemption of non-controlling interests	New companies acquired	Establishments and capital increases	Increase in value from Group contributions	Impairment loss (-) / reversal of impairment loss (+)	Net book value in LSG ASA 31.12
Lerøy Havfisk AS	3 090 920						3 090 920
Lerøy Vest AS	1 370 882				69 888		1 440 770
Lerøy Midt AS	1 135 230						1 135 230
Sjøtroll Havbruk AS	540 000						540 000
Lerøy Aurora AS	391 303						391 303
Lerøy Austevoll AS	0		25 000	250 000	69 932	-583	344 349
Lerøy Seafood Holding B.V.	319 707						319 707
Lerøy Norway Seafoods AS	274 395				173 584	-162 755	285 223
Lerøy Seafood Denmark A/S	284 009						284 009
Lerøy Norge AS	169 711					15 576	185 287
Lerøy Fossen AS	68 035					14 182	82 217
Lerøy Seafood AS	58 110				37		58 147
Lerøy Seafood Italy SRL	1			70 156		-16 562	53 595
Lerøy Sverige AB	52 063			42 563		-53 649	40 977
Lerøy Årskog AS	37 037					-3 315	33 722
Lerøy Turkey	28 367					3 211	31 578
Norsk Oppdrettsservice AS	25 000						25 000
Lerøy Finland OY	13 185			10 968		5 927	30 080
Preline Fishfarming Sys. AS	15 311					-881	14 430
Sjømathuset AS	13 925						13 925
Lerøy Nord AS	3 046	6 000				263	9 309
Lerøy Ocean Harvest AS	5 045				5 600	-5 921	4 723
Lerøy & Strudshavn AS	153				39	-39	153
Lerøy Processing Spain SL	48 803					-48 802	1
Lerøy Seafood UK Ltd	4 484					-4 483	1
Lerøy Portugal Lda	1						1
Total	7 948 720	6 000	25 000	373 688	319 079	-257 831	8 414 656

Shares in subsidiaries are valued based on the cost method. As a consequence subsidiaries with weak performance, receiving group contributions or increased equity, will obtain a higher net book value.

Over time this may result in net book values (before impairments) higher than it would have been by adapting the equity method. Due to this, all shares in subsidiaries that had a higher value (based

on the cost method) compared with the equity method, have been impaired. The impairment will be reversed in a later period when the reason for the impairment is no longer present.

Note 5 cont.

Impairment loss on financial assets

Impairment loss on financial assets consist of	2023	2022
Impairment loss on shares in subsidiaries	296 990	356 872
Reversed impairment loss on shares in subsidiaries	-39 159	0
Impairment loss on long term loans	19 714	0
Total	277 545	356 872

Note 6 Shares in joint ventures, associates and others

(All figures in NOK 1 000)

Associates	Place of business	Ownership / voting share 01.01	Ownership / voting share 31.12	Net book value 01.01	Additions (+)	Disposals (-)	Net book value 31.12
Norskott Havbruk AS	Bergen, Norway	50%	50%	468 773			468 773
Seistar Holding AS	Austevoll, Norway	50%	50%	86 500			86 500
Sporbarhet AS	Trondheim, Norway	27%	27%	135			135
Ocean Forest AS	Bergen, Norway	50%	50%	30			30
The Seafood Innovation Cluster AS	Bergen, Norway	20%	20%	16			16
Total				555 455	0	0	555 455

Norskott Havbruk AS and Seistar Holding AS are joint ventures. The other companies are associates. For further information about joint ventures and associates, and value according to equity method, see note on joint ventures and associates in the consolidated financial statements.

Other shares and investments	Net book value 01.01	Additions (+)	Disposals (-)	Net book value 31.12
DNB Private Equity	4 029		-3 776	252
Folgefonn Invest AS	5 000			5 000
Various minor shareholdings	37			37
Total	9 066	0	-3 776	5 290

Lerøy Seafood Group ASA has committed a total of NOK 10 million related to the investment in DnB Private Equity.

Note 7 Other receivables

(All figures in NOK 1 000)

Other long-term receivables	2023	2022
Consists of		
Loans to employees	2 603	2 601
Loans to others (Fiizk Digital AS)	1	19 715
Loans to others (Sportsklubben Brann)	0	500
Advance payments	0	1 029
Deposit account for leased office building	8 572	8 511
Total	11 176	32 356

Other receivables (short term)	2023	2022
Consists of		
Account receivables (external)	728	250
VAT to be received	2 850	11 982
Other short-term receivables (advance payments)	13 029	15 431
Total	16 608	27 663

Loan to the company Fiizk Digital AS (previously named Infront-X Solutions AS), with face value of NOK 19 715, has been written down to NOK 1 due to uncertainty.

Note 8 Loans, mortgages and guarantees

(All figures in NOK 1 000)

Long term loans	2023	2022
Long-term interest-bearing debt		
Bond loans	2 990 486	1 493 656
Total interest-bearing debt at 31.12	2 990 486	1 493 656
Bank deposits	2 358 485	2 332 383
Net interest-bearing debt at 31.12	632 001	-838 727

Repayment profile interest-bearing debt	2023	2022
2024	0	0
2025	0	0
2026	500 000	500 000
2027	500 000	500 000
2028	500 000	0
Later	1 500 000	500 000
Total	3 000 000	1 500 000

Bond loans

The Group established 3 new bond loans, each amounting to NOK 500 million, in the bond market the 26th of April 2023, and has total 6 bond loans as of 31.12.2023. The bonds are so called green bonds. This implies that the group have established a green financing framework which covers how the proceeds from the bond loans can be used. The framework is published on the Group's homepage on internet. At year end the Group has qualifying green investments that are significantly higher than the proceeds from the loan. Thus, the Group has already fulfilled it's obligations concerning type of investments.

All three bond loans have no installments during the duration of the loan. The loans have a duration of 5, 6, 7 and 10 years. The loans with duration of 5 and 6 years have floating interest rate, with 4 terms each year. The loans with a duration of 7 and 10 years, have a fixed interest rate, with one annual termin. The bond loans are measured at amortized cost. The bond loans are unsecured. Fair value is approximately the same as net book value as of 31.12.

Note 8 cont.

Bond loans as of 31.12.2022	Date of establishment	Duration	Expiry date	Amortizing effect of the period (2022)	Value as of 31.12.2022		
					Nominal value	Unamortized drawing costs	Net book value
NO 0011097305, green bond loan, floating rate NIBOR 3m+1,00 p.a.	17.09.2021	5 years	17.09.2026	525	500 000	-1 969	498 031
NO 0011097297, green bond loan, floating rate NIBOR 3m+1,15 p.a.	17.09.2021	6 years	17.09.2027	438	500 000	-2 078	497 922
NO 0011097339, green bond, fixed rate 3.35% p.a.	17.09.2021	10 years	17.09.2031	262	500 000	-2 297	497 703
Sum				1 225	1 500 000	-6 344	1 493 656

New bond loans in 2023	Date of establishment	Duration	Expiry date		Value of new bond loans in 2023		
					Nominal value	Drawing costs	Net book value
NO 0012899287, green bond loan, floating rate NIBOR 3m+1,50 p.a.	26.04.2023	5 years	26.04.2028		500 000	-1 625	498 375
NO 0012899295, green bond loan, fixed rate 5.10% p.a.	26.04.2023	7 years	26.04.2030		500 000	-1 625	498 375
NO 0012899303, green bond loan, fixed rate 5.315% p.a.	26.04.2023	10 years	26.04.2033		500 000	-1 625	498 375
Sum					1 500 000	-4 875	1 495 125

Bond loans as of 31.12.2023	Date of establishment	Duration	Expiry date	Amortizing effect of the period (2023)	Value as of 31.12.2023		
					Nominal value	Unamortized drawing costs	Net book value
NO 0011097305, green bond loan, floating rate NIBOR 3m+1.00 p.a.	17.09.2021	5 years	17.09.2026	525	500 000	-1 444	498 556
NO 0011097297, green bond loan, floating rate NIBOR 3m+1.15 p.a.	17.09.2021	6 years	17.09.2027	438	500 000	-1 640	498 360
NO 0011097339, green bond, fixed rate 3.35% p.a.	17.09.2021	10 years	17.09.2031	262	500 000	-2 035	497 965
NO 0012899287, green bond loan, floating rate NIBOR 3m+1.50 p.a.	26.04.2023	5 years	26.04.2028	203	500 000	-1 422	498 578
NO 0012899295, green bond loan, fixed rate 5.10% p.a.	26.04.2023	7 years	26.04.2030	156	500 000	-1 469	498 531
NO 0012899303, green bond loan, fixed rate 5.315% p.a.	26.04.2023	10 years	26.04.2033	121	500 000	-1 504	498 496
Sum				1 705	3 000 000	-9 514	2 990 486

Note 8 cont.

Interests expensed, including amortizing effect	2023	2022
Interests	122 646	43 795
Amortizing effect	1 705	1 225
Total	124 351	45 851

Financial covenants

The bond loans have a financial covenant were the issuer shall ensure that the Group, on a consolidated basis, maintains an equity ratio of minimum 30%. Lerøy Seafood Group ASA has the same type of covenant on the undrawn liquidity reserves.

Mortgages and guaranties	2023	2022
Mortgaged assets		
Shares in subsidiaries	859 707	859 707
Shares in associates	774 273	468 773
Total book value of mortgaged assets 31.12	1 633 980	1 328 480
Guarantees and sureties	32 100	32 100

Mortgaged assets

The mortgage loans to credit institutions are settled. But the pledged assets are still pledged as security for the overdraft loan facility. The overdraft facility is undrawn, and there is no debt to the credit institution at year end.

Guarantee and surety liability

Lerøy Seafood Group ASA has posted a guarantee of NOK 30 000 for Lerøy Aurora AS in favour of Innovasjon Norge. Lerøy Seafood Group ASA has also posted a guarantee of NOK 2 100 in favour of VPS/Nordea.

Lerøy Seafood Group ASA also has joint and several liability for outstanding VAT together with Lerøy Seafood AS, which is included in the joint VAT registration.

Other commitments

Lerøy Seafood Group ASA has entered into a 10 year rental agreement for the office facilities, which started to run from November 2018, with an option for additional 10 years. Annual minimum rent is approximately NOK 13 000. Lerøy Seafood Group ASA has also committed a total of NOK 10 000 related to the investment in DnB Private Equity. In addition Lerøy Seafood Group ASA has a joint liability for debt related to the apartment in Sandbrogaten 3 in Bergen, Norway, amounting to NOK 2 000.

Restricted funds

Restricted funds included in bank deposits equals to NOK 8 394.

Other short term debt	2023	2022
Consist of		
Salary and other personel expenses	46 337	41 847
Accrued interest expenses	47 946	6 390
Other short term liabilities	2 365	0
Total	96 649	48 237

Note 9 Financial instruments

(All figures in NOK 1 000)

Currency forward contract

Lerøy Seafood Group ASA has entered into a currency forward contract, of GBP 5 million, running from 21.12.2023 until 27.09.2024. The contract hedges the value of a 6 months loan to the associated company Norskott Havbruk AS, given 4 January 2024. Hedge accounting has not been applied. The financial instrument is recognised at fair value. The change in value on the financial instrument is booked through profit and loss.

Interest rate swap contract

An interest rate swap with a duration of 10 years, with a fixed amount of NOK 500 million, expired in January 2022. There are no remaining interest rate swaps as of 31 December 2023. The financial instrument has been recognised at fair value. The change in value on the financial instrument has been booked through profit and loss.

Financial instruments	2023	2022
Interest rate swap contract		
Net book value as of 01.01	0	-577
New financial instruments acquired in the period	0	0
Change in fair value booked through profit and loss	0	577
Net book value as of 31.12	0	0
Currency forward contract		
Net book value as of 01.01	0	0
New financial instruments acquired in the period	0	0
Change in fair value booked through profit and loss	728	0
Net book value as of 31.12	728	0
Total		
Net book value as of 01.01	0	-577
New financial instruments acquired in the period	0	0
Change in fair value booked through profit and loss	728	577
Net book value as of 31.12	728	0

Note 10 Taxation

(All figures in NOK 1 000)

Permanent differences	2023	2022
Dividends received (including the 3% added on the tax base)	-447 071	-468 023
Impairment loss on financial assets	257 831	356 872
Other permanent differences	1 759	1 705
Total permanent differences	-187 481	-109 446

Calculation of tax payable cost	2023	2022
Profit before tax	1 935 421	379 605
Permanent differences	-187 481	-109 446
Change in temporary differences (through profit and loss)	3 430	-6 392
The year's taxation base for tax payable, before intragroup contributions paid	1 751 370	263 767
Tax rate, nominal	22%	22%
Tax payable cost	385 301	58 029

Taxation base and calculation of tax payable in balance sheet	2023	2022
The year's taxation base for tax payable, before intragroup contributions paid	1 751 370	263 767
Intragroup contributions paid	-409 076	-220 849
The year's taxation base for tax payable	1 342 294	42 918
Tax rate, nominal	22%	22%
Tax payable, after intragroup contributions paid	295 305	9 442

Tax payable booked in the balance sheet	2023	2022
Tax payable cost	385 301	58 029
Tax payable reduction from intragroup contributions paid	-89 997	-48 587
Tax payable in the balance sheet	295 305	9 442

Overview of temporary differences	2023	2022
Temporary differences where changes are recognised in profit and loss		
Intangibles	54 803	54 803
Buildings and other fixed assets	11 039	7 599
Financial instruments, total	0	0
Amortized borrowing cost bond loan	9 514	6 344
Provision for accrued costs	-47 899	-37 080
Gain/loss account	-3 118	-3 897
Temporary differences 31.12 where changes are recognised in profit and loss	24 338	27 768

Deferred tax	2023	2022
Total temporary differences	24 338	27 768
Tax rate, nominal	22%	22%
Deferred tax liability (+) / asset (-)	5 354	6 109

The year's tax cost consists of	2023	2022
Tax payable in the tax cost before intragroup contributions paid	385 301	58 029
Change in deferred tax where changes are recognised in profit and loss	-755	1 406
Estimation deviation related to previous years	-142	-974
Total tax cost	384 405	58 461
Effective tax rate	19.9%	15.4%

The year's tax cost can also be split on the following components	2023	2022
Tax payable in the balance sheet	295 305	9 442
Tax payable reduction from intragroup contributions paid	89 997	48 587
Change in deferred tax where changes are recognised in profit and loss	-755	-5 758
Too little(+) / much(-) accrued tax payable previous year	-141	6 110
Change in earlier years tax filing	0	80
Total tax cost	384 406	58 461

Reconciliation of tax cost in the income statement	2023	2022
22% of profit before tax	425 793	83 513
22% of permanent differences	-41 246	-24 078
Estimation deviation previous years	-142	-974
Total tax cost	384 405	58 461

Estimation deviation related to previous years consists of	2023	2022
Too little(+) / much(-) accrued tax payable previous year	-141	6 110
Change in earlier years tax filing	0	80
Too little (+) / much (-) accrued deferred tax previous year	-1	-7 164
Total	-142	-974

Note 11 Payroll costs, number of employees, remuneration, loans to employees, etc.

(All figures in NOK 1 000)

Payroll expenses	2023	2022
Salaries, holiday pay and bonuses	169 732	133 760
Employer's contribution	24 117	16 458
Hired personnel	9 083	6 476
Remuneration to the Board of Directors	2 175	1 900
Pension costs *	8 058	7 780
Other remunerations / nomination committee	335	335
Other personnel costs	5 456	7 556
Total	218 956	174 265
Number of full-time equivalents (average)	155	106
Number of female employees 31.12	77	45
Number of male employees 31.12	106	81
Number of employees 31.12	183	126
Female representation (%)	42%	36%

For a specification of remuneration of senior executives in Lerøy Seafood Group ASA, see note on payroll expenses in the consolidated financial statements

*) Defined contribution pension scheme

Auditor

Fees from the Group auditor PricewaterhouseCoopers AS, the law firm PricewaterhouseCoopers AS and other foreign PriceWaterhouseCoopers firms, were as follows:

Fees paid to auditor	2023	2022
Auditing fees Group auditor	2 871	2 162
Other services Group auditor	15 424	6 767
Total	18 295	8 929

Other services paid to group auditor for other services in 2023 consists of, among others, ESG related audits, various legal and technical advice, HR related services, assistance related to establishment of framework for ESG reporting, and other. Assurance services of NOK 2,9 million is included in other services.

Note 12 Items that are combined in the financial statements

(All figures in NOK 1 000)

Financial revenue	2023	2022
Other interest income	86 494	35 569
Currency exchange gain	0	10 654
Other financial income	69	0
Total financial revenue	86 563	46 223

Financial costs	2023	2022
Interest cost	125 644	48 847
Currency exchange loss	7 607	0
Other financial costs	6 641	8 980
Total financial costs	139 893	57 826
Other financial items, net	-53 330	-11 603

Note 13 Related parties

(All figures in NOK 1 000)

Transactions and balances with parent company and its related parties

Laco AS is the ultimate parent company. Lerøy Seafood Group ASA is a subsidiary of Austevoll Seafood ASA, which in turn is a subsidiary of Laco AS. Transactions and intercompany accounts with other Group companies in the Laco AS corporation, not covered by Lerøy Seafood Group ASA, are classified as transactions and intercompany accounts with related parties. The same applies to associates and joint ventures of the above.

Transaction and balances with other related parties

In addition, any companies owned by employees, in particular senior executives, are classified as related parties. Also significant non-controlling interests may be considered as related parties.

2022	Ownership	Sales	Purchases	Receivables	Debt
Transactions and balances with parent company and its related parties					
Laco AS	"Ultimate parent"	0	3 338	0	4 173
Austevoll Seafood ASA	Laco AS (55.55%)	0	50	0	0
Total		0	3 388	0	4 173

2023	Ownership	Sales	Purchases	Receivables	Debt
Transactions and balances with parent company and its related parties					
Laco AS	"Ultimate parent"	0	25 000	0	0
Austevoll Seafood ASA	Laco AS (55.55%)	0	0	0	0
Total		0	25 000	0	0

Lerøy Seafood Group ASA acquired the company Austevoll Laksepakkeri AS (now named Lerøy Austevoll AS) from Laco AS 1 April 2023 for NOK 25 million. See note on business combinations in the consolidated financial statement for further details. No other related party transactions of significance are identified.

Responsibility statement from the Board of Directors and CEO

We declare, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2023 are prepared in conformance with current, applicable accounting standards, and give a good and fair view of the company's and the Group's assets, liabilities, financial position and profit or loss as a whole. We also declare that the annual report gives a fair view of the company's and the Group's development and position, together with a description of the principle risks and uncertainties facing the entity and the Group.

Bergen, April 29, 2024

The Board of Directors of Lerøy Seafood Group ASA

Arne Møgster
Chairman



Didrik Munch
Board member



Siri Lill Mannes
Board member



Are Dragesund
Board member



Hans Petter Vestre
Employees' representative



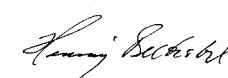
Karoline Møgster
Board member



Britt Kathrine Drivenes
Board member



Henning Beltestad
CEO Lerøy Seafood Group ASA



Independent Auditor's Report



To the General Meeting of Lerøy Seafood Group ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lerøy Seafood Group ASA, which comprise:

- the financial statements of the parent company Lerøy Seafood Group ASA (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Lerøy Seafood Group ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity and 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.

Our opinion is consistent with our additional report to the Audit Committee.

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.

With the exception of preparation of financial statements for three non-significant group subsidiaries for financial years 2020, 2021 and 2022, to the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 30 years from the election by the general meeting of the shareholders on 20 May 1994 for the accounting year 1994.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Group's business activities are largely unchanged compared to last year. *Measurement of the quantity of biological assets* and *Valuation of biological assets* has the same characteristics and risks as in the prior year and continues to be in our focus. The Norwegian Government enacted a new resource rent tax on aquaculture in 2023. As such, *Resource rent tax on aquaculture* was identified as a new key audit matter this year.

Key Audit Matter	How our audit addressed Key Audit Matter
<p>Measurement of the quantity of biological assets</p> <p>As described in the financial statement, Lerøy Seafood Group ASA measures biological assets to their fair value according to IAS 41. At the balance sheet date, the fair value of biological assets was TNOK 8 424 483, of which TNOK 5 749 007 is historical cost and TNOK 2 675 476 is adjustment to fair value.</p> <p>Biological assets comprise inventory of ova (eggs), juveniles, cleaner fish, brood stock and fish held for harvesting purposes (on growing stage) and relate to the Farming segment. Measured at fair value, biological assets constitute approximately 20% of the Group's total assets on 31 December 2023.</p> <p>We focused on measurement of biological assets (biomass), emphasising live fish held for harvesting purposes, because it constitutes a significant part of the Group's biological assets. Furthermore, there is an inherent risk of error in the measurement of both number of fish and biomass, as the biological assets, by nature, are difficult to count, observe and measure due to lack of sufficiently accurate measuring techniques that at the same time do not affect fish health. As a result, there is some uncertainty related to the number of fish and biomass in the sea. The Group has established control procedures for measurement of both number of fish and biomass.</p> <p>See note 1 Accounting policies part (i) and note 11 to the consolidated financial statement for further information on measurement of biological assets.</p>	<p>For audit of significant inventories, the International Audit Standards (ISAs) require that we participate at inventory counts, provided that it is practicable. Due to the nature of the biological assets and the described difficulty related to counting, observing, and measuring the fish and the biomass, we have performed alternative audit procedures to obtain sufficient appropriate audit evidence regarding the inventory's existence and condition.</p> <p>The Group's biomass system includes information about the number of fish, average weight and biomass per site. We reconciled the movement in the inventory of fish held for harvesting purposes (in number and biomass) for the farming units in the period. The movement in number of fish is the total of smolt stocked, mortality, other loss and harvested fish, whereas the movement in biomass is the total of stocked biomass, net growth in the period and harvested biomass. We focused particularly on number of smolt stocked and net growth in kilo as this has the most significant impact on the measurement at the balance sheet date.</p> <p>We reviewed the Group's routines related to recording of the number of smolt stocked. To test the accuracy of the number of fish registered in the biomass system, we tested a selection of recorded smolt stocked against the number of fish according to supporting documentation. Examples of supporting documentation were invoice from smolt supplier, vaccination report or well boat count. We also reviewed and tested the Group's routines for continuous registration of mortality.</p> <p>The period's net growth corresponds to the feed consumption in the period divided by the feed conversion rate. The feed consumption is closely related to the purchase of</p>



Valuation of biological assets

The fluctuations in fair value estimate that arise, for instance, due to change in market prices may have a significant impact on the operating result for the period. The Group therefore presents the effect of value adjustments connected to biological assets as a separate line item before the operating result.

We focused on valuation of biological assets due to the size of the amount, the complexity and judgement involved in the calculation, and the impact of the value adjustment on the result for the year.

See further information on valuation of biological assets in note 1 Accounting policies part (i), 3 and note 11 to the consolidated financial statements.

feed in the period. To assess the feed consumption and the feed purchase in the period, we reviewed the Group's routines for reconciliation of feed inventory and tested a sample of feed purchases throughout the year against incoming invoices from feed suppliers. We also assessed the accumulated feed conversion rate of the inventory against our expectation based on historic figures for the individual region. Where the feed conversion rate was significantly higher or lower than expected, we obtained further documentation and explanations. Our work substantiated that the net growth had been reasonably assessed.

To challenge the historical accuracy of the Group's biomass estimates, we reviewed the harvest deviation for the period. Harvest deviation is defined as the difference between harvested biomass (in kilos and numbers) and estimated biomass according to the Group's biomass systems. We also reviewed harvest deviation after the balance sheet date to assess the correctness of fish ready to be harvested on 31 December 2023. We found the deviations overall to be limited and in accordance with expectations.

We assessed and found that the disclosures in relevant notes were in accordance with the requirements in the accounting standards.

We reviewed the Group's calculation model for valuation of biological assets by comparing it against the criteria in IAS 41 and IFRS 13 and found no obvious deviations.

We examined whether the biomass and number of fish used in the Group's model for calculation of fair value of biological assets corresponded with the Group's biomass systems and tested if the model made mathematical calculations as intended.

After having tested if these basic elements were in place, we assessed whether the assumptions used by management in the model were reasonable. We did this by discussing the assumptions with management and comparing them to among other things, historical data, available industry data and observable prices. We found the assumptions to be reasonable.

We assessed and found that the disclosures in the notes appropriately explained the methods for valuation of biological assets, and that the information was in accordance with the requirements in the accounting standards.



Resource rent tax on aquaculture

The introduction of a new, and to some extent, complex taxation model for aquaculture effective from 1 January 2023 resulted in an increased risk of errors in the financial statement. The risk was related to the basis for taxation in an integrated value chain. The regulation requires the tax to be derived based on an estimate of how much of the value creation occurs at sea, as the resource rent tax is a special tax on the value creation that occurs in the sea phase of the production cycle. This means that management, to a greater extent than before, must separate the value creation from the production process in the phases: before sea, in sea, and post sea. Even though the estimate, as any other estimate, is dependent on the use of a considerable amount of judgement, it differs from other estimates by being a new area of taxation, where the rules have not yet been tested. Consequently, management's judgement is more challenging to substantiate.

See note 17 where management explains how the resource rent tax is derived, and the judgements and estimates this is based on.

We gained an understanding of management's processes related to the calculation and accounting of resource rent tax, including management's processes to estimate value creation in the sea.

We assessed management's selection and application of method, the key assumptions and the data applied by management in preparing the estimate that forms the basis for the resource rent tax. Among other, we assessed the choice of method, assumptions, judgements and underlying data that substantiate management's judgement and choice of assumptions. In addition, we assessed whether key assumptions that the estimate is based on were consistent with each other and with those applied in other accounting estimates, for example those related to the valuation and measurement of biological assets, or with related assumptions applied in other areas of the Group's business activities.

We tested the mathematical accuracy of the calculated resource rent tax and underlying estimates.

We assessed and found that the note disclosures appropriately explained how the resource rent tax for 2023 was derived, as well as the underlying application of judgement.

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 appears 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.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.



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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Lerøy Seafood Group ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 5967007LIEEXZXJ2JK50-2023-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Bergen, 29 April 2024

PricewaterhouseCoopers AS

A handwritten signature in blue ink, appearing to read 'Sturle Døsen', is written over a light blue horizontal line.

Sturle Døsen
State Authorised Public Accountant

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Additional reporting

Additional reporting

Lerøy Seafood Group reports every year to satisfy legal requirements and to ensure that our stakeholders' interests are covered. More reports and additional information can be downloaded via the Group's website www.leroyseafood.com. Overall, this constitutes integrated reporting for the Group.

Annual report

This document constitutes the complete statutory annual report for the year 2023 for Lerøy Seafood Group, prepared in compliance with the Norwegian Accounting Act. The report provides a comprehensive explanation of the group's strategy, operational model, and value creation. The statutory annual report is scheduled for presentation and subsequent adoption at the Ordinary General Meeting in 2024. The annual report has been prepared in accordance with both International Financial Reporting Standards and the Norwegian Accounting Act.

Materiality assessment

Lerøy Seafood Group relies on the International Integrated Reporting Council's definition of materiality. Information deemed material for providers of financial capital in their decision-making is included in the Annual Report and in the Group's Sustainability Library on the Group website. <https://www.leroyseafood.com/en/sustainability/sustainability-library-2023/> The material topics are being of such relevance and importance that they could substantially influence the assessments of the Group's ability to create value over the short, medium and long term.

TCFD report

The Group presents their TCFD, Task Force on Climate related Financial Disclosure, report as a part of the Groups annual report. The TCFD report is a framework for reporting climate-related opportunities and risk factors for the Group and how these are handled. Opportunities and risks are assessed in the short, medium and long term. TCFD report 2023 is available here: <https://www.leroyseafood.com/en/investor/reports-and-webcast/annual-reports/>

Equality, non-discrimination and gender pay report

Lerøy presents their Equality, non-discrimination and gender pay report for Lerøy's Norwegian companies, according to employer's activity duty and the duty to issue a statement regarding its work on equality and anti-discrimination. The report assesses the status of gender equality in the Group's Norwegian companies including its gender pay analysis, as well as its work on promotion of equality and combat discrimination. <https://www.leroyseafood.com/en/investor/reports-and-webcast/annual-reports/>

Remuneration report

The report presents a comprehensive overview of remuneration paid to members of the Board and executive personnel, in accordance with Norwegian legislations. The report includes the Group's remuneration principles and framework, as well as an overview of salary and other remuneration paid to members of the Board and executive personnel. <https://www.leroyseafood.com/en/investor/corporate-governance/generalmeetings/>

Statement transparency act

Lerøy Seafood Group will publish a "Transparency act report" on the Group's website within the 30 th of June 2024. This report gives an overview of Lerøy Seafood Group's efforts to promote fundamental human rights and decent working conditions under the Norwegian Transparency Act. The Group's report from 2022/2023 is available here: <https://www.leroyseafood.com/en/investor/reports-and-webcast/transparency-act-report/>.

Sustainability library

Lerøy Seafood Group have chosen to include as much of its sustainability reporting as possible in a library on its website. Here you will find information on various areas related to the environment, people and business management. The library is searchable and easy to navigate in. The library is available here: <https://www.leroyseafood.com/en/sustainability/sustainability-library-2023/>

GRI report

As a part of the Groups sustainability reporting the Group reports in accordance with GRI, (Global Reporting Initiative). Sustainability reporting standards GRI is an international independent standards organisation that helps businesses, governments and other organizations understand and communicate their impact on issues such as climate change, human rights and governance. It is a recognized framework for reporting on environmental, social and governance related issues. The framework has been developed following negotiations between various groups – business, trade unions, organisations and research environments. You will find the Groups GRI report for 2023 here: www.leroyseafood.com

Social statement

Social statement	2023	2022	2021
Employees			
Employees, total (number)	6 013	5 972	5 475
Employees, own (number)	5 342	5 119	4 770
Employees, hired (number)	671	853	705
Employees, women (number)	2 333	2 331	2 023
Employees, men (number)	3 680	3 641	3 452
Temporary employees (number)	768	747	
Part-time employees (number)	757	783	
Turnover rate (%)	11.56*	9.54	13.9
Turnover rate, women (%)	41.01	34.56	33.38
Turnover rate, men (%)	58.99	65.44	66.62
Turnover rate, younger than 30 (%)	29.93	40.35	36.53
Turnover rate, aged 30–50 (%)	51.22	44.56	46.78
Turnover rate, older than 50 (%)	18.85	15.09	13.27
Turnover rate – Norway (%)	8.16		
Turnover rate – International (%)	17.97		
New recruits (%)	17.68	6.63	17.66
New recruits, women (%)	47.98	38.64	38.26
New recruits, men (%)	52.02	61.36	61.74
New recruits, younger than 30 (%)	39.70	51.26	52.02
New recruits, aged 30–50 (%)	47.88	38.64	39.61
New recruits, older than 50 (%)	12.42	10.10	8.38
Managers in the Group with responsibility for personnel (number)	502	460	419
Managers, women (%)	25.10	29.10	23.39
Managers, men (%)	74.90	70.90	76.61
Employees with occupational injury insurance (%)	100.00	100.00	100.00
Members of trade unions (number) **	1 564	1 664	1 587
Employees covered by collective bargaining agreement, own (%)	70.93	67.51	71.0

*) This number does not include turnover of seasonal employees with an end date in their contract and turnover in connection with the closure of factories/locations.

***) This number provides an overview of those who have actively chosen to share information on whether they are a member of a trade union. Some national legislations prohibit employers from asking whether an employee is in a trade union.

Social statement	2023	2022	2021
Employees covered by collective bargaining agreement, own – Norway (%)	67.61	67.84	48.00
Employees covered by collective bargaining agreement, own – International (%)	79.12	66.83	
Employees with employment contract (%)	100	100	
Response rate on employee survey from Great Place to Work (%)	82	86	83
Training and further education			
Employees who have received training in business ethics (%)	100	100	100
Managers in the Group that have completed Lerøy Leadership Program	79	108	98
Apprentices (number)	146	156	133
Trainees (number)	25	18	35
Internships (number)	163	99	50
Certificate of apprenticeship achieved with employer (number)	78	83	49
HSE			
Sick leave (%)	6.04	6.68	5.85
Short-term sick leave (%)	2.35	2.98	2.44
Long-term sick leave (%)	3.69	3.70	3.42
H1/LTIFR value	18.73	13.31	15.33
Injuries with absence (number)	172	118	123
Injuries without absence (number)	93	63	144
Near misses (number)	1 041	1 001	680
Safety observations (number)	6 940	5 289	3 273
Reported near misses per man years, RUI (number)	1.60	1.20	0.86
Fatal accidents (number)	0	0	1
Companies with employee representatives on working environment committee (%)	73.33	65.52	50.00
Risk assessment completed in relation to risk of employees developing antibiotic resistance	Yes	Yes	Yes
Social Responsibility			
Feedback from stakeholders, positive/negative (number)	18	15	54
Incident of corruption (number)	0	0	0

Environmental statement

Social statement	2023	2022	2021
Fines (number)	2	4	1
Internal whistleblowing cases (number)	9	17	9
Cases involving harassment (number)	3	13	
Cases involving sexual harassment (number)	2	2	
Cases involving breach of CoC / Policies (number)	4	2	
External whistleblowing cases (involving harassment number)	1	3	
Cases related to Norwegian Transparency Act	3	5	
New suppliers that were screened using environmental criteria (%)	16.73	14	11.5
New suppliers that were screened using social criteria (%)	16.73	14	11.5
Audits, supplier (number)	66	50	43
Audits, internal (number)*	973	921	784
Non-approved supplier audits (number)	2	0	0
Product recalls (number)	3	11	5
Number of product processing factories with GFSI certification (%)	93	92	88
Markets without market access (number)	1	1	1
Total tax contributions from the Group and the employees (NOK million)	1 463	1 138	1 034
Purchases in Norway, excl. intragroup purchases (NOK billion)	19.9	18.9	12.9
Suppliers in Norway (number)	5 404	5 137	4 070
Municipalities in Norway in which purchases have been made (number)	247	299	287
Participation in collaborative groups for aquaculture	Yes	Yes	Yes
Participation in collaborative fora for fisheries	Yes	Yes	Yes
Support for humanitarian organisations	Yes	Yes	Yes

*) Audits related to various schemes, agencies and internal resources

Environmental statement	2023	2022	2021
Survival			
Survival in sea (%)	91.5	92.5	92.5
Survival on land (%)	91.3	91.4	88.8
Antibiotics			
Antibiotics used in sea (kg active substance)	0	0	0
Antibiotics used on shore (kg active substance)	0	0	0
Top 6 disease that has caused mortality (number of million fish/biomass tonnes)			
Treatments (number of million fish/biomass tonnes)	1.1/2 544	1.3/3 296	–
CMS (number of million fish/biomass tonnes)	1/3 698	0.9/3 729	0.9/3 653
Bacterial wounds (number of million fish/biomass tonnes)	2.2/4 346	10/2 666	0.9/1 923
Pasteurellosis (number of million fish/biomass tonnes)	–	0.8/3 030	–
Mechanical injuries (number of million fish/biomass tonnes)	0.9/1 910	0.7/1 915	0.7/1 504
Loss of circulation (number of million fish/biomass tonnes)	–	0.5/1 250	0.7/1 664
Gill infection (number of million fish/biomass tonnes)	1.7/4 385	–	–
Tenacibaculum (number of million fish/biomass tonnes)	–	–	1.0/229
Unspecified (number of million fish/biomass tonnes)	1.1/2 128	–	0.6/1 057
Lice			
Average number of fully grown lice per fish in LSC Farming (number)	0.18	0.18	0.18
Cages treated for lice (number)	1 772	1 853	1 576
Volume Of delousing agents used via feed (kg active substance)	9.09		
Slice	9.09	8.27	14.08
Volume Of delousing agents used via bath(kg active substance)	26 625.6		
Alpha max	0	1.42	0.83
Azasure	0	0	16.80
Salmosan	66.5	44.50	103.40
Ectosan	3 131.0	1 507	3 050
Hydrogen peroxide	23 428.2	0	1 728 720

Average number of fully grown lice per fish per company	2023				2022				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Lerøy Aurora	0.11	0.06	0.06	0.11	0.12	0.05	0.04	0.07	0.15	0.07	0.07	0.11
Lerøy Midt	0.13	0.13	0.28	0.26	0.16	0.16	0.27	0.26	0.17	0.1	0.28	0.18
Lerøy Sjøtroll	0.17	0.14	0.23	0.21	0.2	0.13	0.25	0.24	0.2	0.15	0.28	0.22
LSG Farming	0.15	0.12	0.19	0.27	0.17	0.12	0.22	0.21	0.18	0.12	0.24	0.18

	2023	2022	2021
Biodiversity			
Escapes of fish (number)	15 030	10 544	4
Average density, per cage (kg/m ³)	7.70	8.0	8.70
Average fallow period (number of days)	136	167	142
Average MOM B score	1.32	1.38	1.49
Percentage of localities with GLOBALG.A.P./ASC certificate for farming (%)	100	100	100
Localities taking part in zone collaboration (%)	100	100	100
Fish feed			
FFDRm, salmon	0.58	0.53	0.45
FFDRo, salmon	1.52	1.60	1.65
Marine raw materials/vegetable raw materials (%)	31/69	29/71	33/67
ProTerra certificate soy (%)	83	100	100
Traceable soy in value chain (%)	100	100	100
Share of deforestation-free soy protein concentrate from Brazil with traceability (%)	100	100	100
Total certified raw materials (%)	48.00	42.00	49.20
Marine raw materials certified (MSC+IFFO/Marine trust including FIP) (%)	97.00	94.60	92.50
Wild Catch			
MSC-certified marine species caught (%)	91	95	93
Water			
Water withdrawal LSG (m ³)	88 423 891.8	96 775 397	
Water discharge LSG (m ³)	88 368 527.3	96 630 139	
Consumed water LSG (m ³)	55 364.5	145 258	
Consumed water in water stressed areas	10 833	3 023	-

	2023	2022	2021
Waste			
Food waste industry: reduction in fish on floor and unsold products (kg)	307 771	293 893	167 383
Food waste wildcatch – increased production of meal, il and ensilage (kg)	5 332 280	4 840 000	5 439 000
Non-organic waste, recycled, reused or material recovered (%)	44.96	47.25	53.31
Plastic consumption			
Volume of plastic purchased (kg)	7 964 812	8 392 168	6 029 351
Climate – GHG			
Scope 1 (tCO ₂ e)*	168 064	169 912	141 523
Scope 2 (tCO ₂ e) (location based)	9 759	8 970	9 581
Scope 3 (tCO ₂ e)	1 021 417	1 038 392	1 157 174
SUM Scope 1,2 and 3	1 199 240	1 217 274	1 308 278
Scope 2 (tCO ₂ e) (market based)	58 359	44 843	49 209
Biogenic emissions from Scope 1 (tCO ₂ e)	1 290	-	-
Biogenic emissions from Scope 3 (tCO ₂ e)	304	-	-
Transport			
Transported by road (%)	53	79	75
Transported by sea (%)	19	12	14
Transported by air (%)	29	9	11
Breaches of legislation and regulations related to the environment (%)	0	0	1

*) Description of methodology used and assumptions made in developing the greenhouse gas statements can be found at <https://www.leroyseafood.com/en/sustainability/sustainability-library-2023/climate/>

Global Reporting Initiative Index for 2023

Background

Lerøy Seafood Group reports its sustainability performance in accordance with the Global Reporting Initiative (GRI). The GRI Standards are the world's most widely used standards for sustainability reporting, comprising of principles, guidelines and performance indicators that companies can use to measure and report on different impacts. The GRI Standards enable an organisation to report information on its most significant impacts on the economy, environment and people (including impacts on their human rights), and how the organisation manages these impacts. The vast majority of stakeholders are familiar with the standards.

GRI standards are organised hierarchically, in three categories:

1. Universal standards
2. Sector standards
3. Topic-specific standards
 - Series 200: Economic
 - Series 300: Environmental
 - Series 400: Social



Universal standards are set mandatory disclosure requirements, sector standards lay out reporting requirements for the sector the organisation is representing, as well as topic-specific standards which are selected according to the nature of the business and its impact. GRI 13 is a new sector standard for Agriculture, Aquaculture, and Fishing sectors. For 2023, the Group is required to use this standard when determining its material topics and when determining what information to report for the material topics.

The UN's 17 Sustainable Development Goals (SDGs) have contributed to fostering sustainable development, particularly in recent years. Like many other businesses, the Group takes an active

approach to sustainability and is a signatory of the UN Global Compact.

Scope

The GRI reporting includes all active companies, with associated employees, in the Group.

Input

The information presented in the GRI Content Index is sourced from our various business systems for reporting, figures in the areas of finance, society and the environment. Information deriving from external sources is referred to accordingly.

External assurance

The GRI Content Index is reviewed in house and presented to the Audit Committee and Board of Directors of Lerøy Seafood Group. The Group has contracted an external company to review and verify its reporting, to confirm that it is correct and complies with the GRI standards. We have engaged PwC, which is also the Group's independent auditor, to conduct this review.

A selection of ESG indicators is included in the independent auditor's review (External Assurance).

These indicators are:

- Sick leave (%)
- Near misses (number)
- Safety observations (number)
- H1/LTIFR value
- Escapes of fish (number)
- Average number of fully grown lice per fish in LSG Farming (number)

- Antibiotics used in seawater (kg active substance)
- Antibiotics used on shore (kg active substance)
- Volume of delousing agents used via bath (kg active substance)
- Volume of delousing agents used via feed (kg active substance)
- Survival at sea (%)
- Survival on shore (%)
- Average density per sea cage (kg/m³)
- Percentage of certified marine species caught (%)
- Average MOM B score
- FFDRm, salmon
- FFDRo, salmon
- Share of deforestation-free soy protein concentrate from Brazil with traceability (%)
- Percentage of marine raw materials certified (MSC+IFFO/Marine trust including FIP) (%)
- Percentage of new suppliers screened using environmental criteria (%)
- Percentage of new suppliers screened using social criteria (%)
- GHG accounting: Scope 1, 2 and 3

Management

Lerøy Seafood Group's vision is: "We shall be the leading and most profitable global supplier of sustainable, high-quality seafood." Through GRI reporting, we demonstrate our economic, environmental and social sustainability efforts. By establishing specific targets within these areas, we can continue to improve, forging a clear path towards our goals and vision.



	1	2	3	6	7	8	11	12	13	14	15	16	17
Biodiversity		●		●				●		●	●		
Water and effluents				●				●		●			
Waste								●					
Animal health and welfare											●		
Emissions			●		●			●		●	●		
Climate adaption and resilience	●	●							●				
Raw Materials Fish Feed			●			●		●	●	●			●
Occupational health and safety			●			●							
Food safety		●	●										
Food security		●											●
Supply chain traceability								●		●		●	
Anti-competitive behavior												●	
Anti-corruption												●	

Table Linkages between the material topics and SDF's

Stakeholder dialogue

Lerøy's values are honest, open, responsible and creative. It is therefore essential for us to maintain a positive and open dialogue with all our stakeholders. Thus Lerøy discovers what our stakeholders are interested in and concerned about, and can communicate how it works in the different areas. By maintaining continuous dialogue, we work together on improvements within individual areas, which also strengthens expertise in the individual company. Dialogue with stakeholders helps Lerøy to make progress towards its goal of being the most sustainable supplier of high-quality seafood.

In the last few years, there has been an attention and interest from different stakeholder groups, particularly regarding sustainability reporting. We reply questions and take part in discussions with different stakeholder groups several times a week. This is a continuous process. We believe that our day-to-day communication provides us with a good sufficient overview of the concerns of our most important stakeholders.

The stakeholder overview is based on our experience, gained over several years of dialogue with different groups. This includes collaboration projects, meetings, conferences, lectures, dialogue via different media, research by IPSOS on behalf of Lerøy, audits and other platforms. The different stakeholders are selected on the basis of the impact they have on our operations and the economic, environmental and social impact Lerøy has on the stakeholders. In order to fulfil the different stakeholders' reporting requirements, we have implemented indicators for the different areas.

These are referred to in the GRI Content Index.

Table – Stakeholder dialogue

Stakeholder groups	Focus area	Collaboration platform	Year	Quarter	Week
Financial institutions	Earnings	Interim presentations/ meetings		x	
	Compliance	Seminars	x		
	Climate	Interim presentations		x	
	Sustainability	Visits to facilities	x		
		Web			x
		Dialogue	x		
Insurance company	Earnings	Meetings	x		
	Compliance	Seminars	x		
	Climate	Interim presentations		x	
	Sustainability	Visits to facilities	x		
		Web			x
		Dialogue	x		
Shareholders Analysts Investors	Earnings	Investor forum	x	x	
	Compliance	Conferences	x	x	
	Climate	Seminars	x		
	Risk	Web		x	
	Reputation	Dialogue			x
	Sustainability		x		
	Dividends				

Stakeholder groups	Focus area	Collaboration platform	Year	Quarter	Week
The Board of Directors	Earnings	Meetings	x	x	
	Compliance	Seminars	x	x	
	Climate	Conversations	x	x	
	Risk				
	Reputation				
	Sustainability				
	Dividends				
Employees	Sustainability	Intranet			x
	Earnings	Web			x
	Reputation	Newsletters			x
	Working environment	Reports		x	x
	Development	Meetings	x		
	E-learning	x			
Authorities	Compliance	Meetings	x		
	Climate	Presentations	x	x	
	Sustainability	Various fora	x		
	Employment	Collaboration projects	x		
	Taxes and duties	Audits	x		
	Food safety	Web			x
	Framework conditions				

Stakeholder groups	Focus area	Collaboration platform	Year	Quarter	Week
Customers	Product	Dialogue			x
	Food safety	Meetings	x		x
	Sustainability	Seminars	x		
	Earnings	Project collaboration	x		
	Expertise	Partnership	x		
	Ethics	Web			x
	Product quality	Presentations	x	x	
	Certifications	Audits	x		
		Trade shows	x		
		Visits	x		
Suppliers	Earnings	Dialogue			x
	Ethics	Meetings			x
	Long-term perspective	Seminars	x		
		Project collaboration	x		
		Partnerships	x		
		Web			x
		Presentations	x	x	
		Audits	x		
		Visits	x		

Stakeholder groups	Focus area	Collaboration platform	Year	Quarter	Week
NGOs	Sustainability	Dialogue			x
		Meetings	x		
		Seminars	x		
		Presentations	x	x	
		Collaboration projects	x		
		Web			x
		Visits	x		
Neighbours	Local ripple effects	Dialogue	x		
	Employment	Meetings	x		
	Sustainability	Interim presentations	x	x	
	Contributions to infrastructure	Web			x
Local authorities	Local ripple effects	Dialogue	x		
	Employment	Meetings	x		
	Sustainability	Presentations		x	
	Contributions to infrastructure	Web			x
	Visits				
	Framework conditions				

Stakeholder groups	Focus area	Collaboration platform	Year	Quarter	Week
Media	Sustainability	Press releases		x	
	Current cases related to different topics	News			x
	Ripple effects	Dialogue		x	
	Environmental footprint	Meetings		x	
		Visits		x	
		Web		x	
		Travel		x	

GRI Content Index (2023)

Statement of use	Lerøy Seafood Group ASA has reported in accordance with the GRI Standards in the period 01.01.2023 - 31.12.2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022

GRI 2: General Disclosures (2021)			
	Disclosure	Reference	Comment
The organization and its reporting practices –	2-1 Organizational details	https://www.leroyseafood.com/en/about-us/about-leroy/	Information: Lerøy Seafood Group ASA, Bergen, Norway Lerøy Seafood Group ASA is privately owned company listed on Oslo Stock Exchange. The Group has its operations in Norway, Sweden, Denmark, Finland, France, the Netherlands, Portugal, Spain, Italy, Turkey and the United Kingdom. The Company has sales offices in China, Japan and the United States
	2-2 Entities included in the organization's sustainability reporting	Sustainability library 2023 – Governance – About Lerøy – Group Management	Information: ESG reporting is consolidated on Group level. Companies without employees or active operations do not report ESG related information
	2-3 Reporting period, frequency and contact point		Information: Annual reporting for both sustainability and financial reporting. (01.01.23 – 31.12.23) Publication date for report: 4/30/2024 Contact point: Anne Hilde Middtveit, Head of ESG & Quality (anne.hilde.middtveit@leroy.no)
	2-4 Restatements of information		No restatements of information
	2-5 External assurance	Annual report 2023 – Consolidated ESG statement – Independent statement regarding Lerøy Seafood Group ASA's sustainability reporting Annual report 2023 – Consolidated ESG statement – Global Reporting Initiative Index for 2023	
Activity and workers	2-6 Activities- value chain and other business relationships	https://www.leroyseafood.com/en/about-us/value-chain/ Sustainability library 2023 – Governance – Supplier Management Sustainability library 2023 – Governance – About Lerøy – Customer Perspective Sustainability library 2023 – Governance – About Lerøy – Membership of Interest Groups and Associations	Information: No significant changes compared to previous reporting period
	2-7 Employees	Sustainability library 2023 – Social – People – Our Employees	
	2-8 Workers who are not employees	Sustainability library 2023 – Social – People – Our Employees	

GRI 2: General Disclosures (2021)			
	Disclosure	Reference	Comment
Governance	2-9 Governance structure and composition	Sustainability library 2023 – Governance- About Lerøy – Governance Structure and Composition	
	2-10 Nomination and selection of the highest governance body	Sustainability library 2023 – Governance- About Lerøy – Governance Structure and Composition – Nomination Committee	
	2-11 Chair of the highest governance body	Sustainability library 2023 – Governance- About Lerøy – Governance Structure and Composition	
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability library 2023 – Governance- About Lerøy – Governance Structure and Composition- Role of the highest governance body in overseeing the management of impacts	
	2-13 Delegation of responsibility for managing impacts	Sustainability library 2023 – Governance- About Lerøy – Governance Structure and Composition- Delegation of responsibility for managing impacts	
	2-14 Role of the highest governance body in sustainability reporting	Sustainability library 2023 – Governance- About Lerøy – Governance Structure and Composition- Role of the highest governance body in sustainability reporting	
	2-15 Conflict of interest	Sustainability library 2023 – Governance- About Lerøy – Governance Structure and Composition- Conflict of Interest	
	2-16 Communication of critical concerns	Sustainability library 2023 – Governance- Business ethics – Compliance – Reporting of Critical Concerns Sustainability library 2023 – Governance – Business ethics – Whistleblowing – Internal whistleblowing cases in 2023	
	2-17 Collective knowledge of the highest governance body	Sustainability library 2023 – Governance- About Lerøy – Governance Structure and Composition- Collective knowledge of the highest governance body	
	2-18 Evaluation of the performance of the highest governance body	Sustainability library 2023 – Governance – About Lerøy – Governance structure and Composition – Evaluation of the performance of the highest governance body	
	2-19 Remuneration policies	Sustainability library 2023 – Governance – About Lerøy – Governance Structure and Composition – Remuneration Policies – Salary and other remuneration of persons in senior positions – Remuneration report 2023	
	2-20 Process to determine remuneration	Sustainability library 2023 – Governance – About Lerøy – Governance Structure and Composition – Remuneration Policies – Salary and other remuneration of persons in senior positions Remuneration Report 2023	
2-21 Annual total compensation ratio		Omission: Information for 2-21(a-c) incomplete. The company has developed Equality, Non-Discrimination and Gender Pay Report which includes information on all Norwegian companies that have more than 50 employees, however information regarding annual total compensation ratio for the whole Group is currently not available. It is estimated that Lerøy will be able to report this information in 2025. Lerøy has implemented a single payroll system for its Norwegian companies in 2024. During 2025 the single payroll system will be implemented in companies outside Norway thus ensuring that Lerøy is able to report on this parameter from 2025	

GRI 2: General Disclosures (2021)			
	Disclosure	Reference	Comment
Strategy-policies and practices	2-22 Statement on sustainable development strategy	Annual report 2023 – Strategic aspirations – A year full of learning	
	2-23 Policy commitments	Sustainability library 2023 – Policies – Human Rights Sustainability library 2023 – Social- People – Human Rights Sustainability library 2023 – Governance – Business ethics – Compliance – Lerøy's Business Code of Conduct https://www.leroyseafood.com/en/about-us/code-of-conduct/	
	2-24 Embedding policy commitments	Sustainability library 2023 – Governance – Business Ethics – Compliance – Lerøy's Business Code of Conduct, Supplier Code of conduct	
	2-25 Processes to remediate negative impacts	Sustainability library 2023 – Governance – Business ethics – Whistleblowing	
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability library 2023 – Governance – Business ethics – Whistleblowing	
	2-27 Compliance with laws and regulations	Sustainability library 2023 – Governance – Business ethics – Compliance – Compliance reporting Sustainability library 2023 – Governance – Business ethics – Whistleblowing	
	2-28 Membership associations	Sustainability library 2023 – Governance – About Lerøy – Membership of interest groups and associations	
	Stakeholder engagement	2-29 Approach to stakeholder engagement	Sustainability library 2023 – Governance – About Lerøy – Stakeholders
2-30 Collective bargaining agreements		Sustainability library 2023 – Social – People – Fair Working Conditions	
GRI 3: Material topics (2021)			
3-1 Process to determine material topics		Sustainability library 2023 – Governance – About Lerøy – Material Topics Annual report 2023 – Material topics – Materiality assessment	
3-2 List of material topics		Annual report 2023 – Material topics – Materiality assessment Sustainability library 2023 – Governance – About Lerøy – Material Topics	

GRI 3: Material topics 2021

	Standard	Reference	Sector standard ref#	Comment
Emissions	GRI 3: Material topics (2021) Disclosure 3-3 Management of material topics	Sustainability library 2023 – Environment – Climate Sustainability library 2023 – Policies – Climate and Energy Consumption Sustainability library 2023 – About Lerøy – Stakeholders	13.1.1	
	GRI 305: Emissions (2016)			
	305-1 Direct (Scope 1) GHG emissions	Sustainability library 2023 – Environment – Climate – Greenhouse Gas Emissions	13.1.2	
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability library 2023 – Environment – Climate – Greenhouse Gas Emissions	13.1.3	
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability library 2023 – Environment – Climate – Greenhouse Gas Emissions	13.1.4	
	305-4 GHG emissions intensity	Sustainability library 2023 – Environment – Climate – Greenhouse Gas Emissions	13.1.5	
	305-5 Reduction of GHG emissions	Sustainability library 2023 – Environment – Climate – Greenhouse Gas Emissions	13.1.6	
	305-6 Emissions of ozone-depleting substances (ODS)	Sustainability library 2023 – Environment – Climate – Greenhouse Gas Emissions	13.1.7	Information: The Group does not produce a significant amount of ODS and therefore does not report production of ODS
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Sustainability library 2023 – Environment – Climate – Greenhouse Gas Emissions	13.1.8	
	Standard	Reference	Sector standard ref#	Comment
Climate adaptation and resilience	GRI 3: Material topics (2021) Disclosure 3-3 Management of material topics	Lerøy Seafood Group – TCFD Report 2023 – Strategy Lerøy Seafood Group – TCFD Report 2023 – Risk Management Lerøy Seafood Group – TCFD Report 2023 – Scenario Analysis Sustainability library 2023 – About Lerøy – Stakeholders Sustainability library 2023 – Climate Related Risks and Opportunities – TCFD 2023 Report Sustainability library 2023 – Policies – Climate and Energy Consumption Lerøy Seafood Group – TCFD Report 2023 – Metrics and Targets	13.2.1	
	GRI 201 Economic Performance (2016)			
	201- 2 Financial implications and other risks and opportunities due to climate change	Lerøy Seafood Group – TCFD Report 2023 – Strategy Lerøy Seafood Group – TCFD Report 2023 – Metrics and Targets Sustainability library - Climate – Climate Related Risks and Opportunities – TCFD 2023 Report	13.2.2	

	Standard	Reference	Sector standard ref#	Comment
Biodiversity	GRI 3 Material topics (2021) Disclosure 3-3 Management of material topics	Sustainability library 2023 – Environment – Biodiversity Sustainability library 2023 – Policies: – Marine ecosystems and biodiversity, Control of salmon lice, Use of medication, Use of antimicrobial agents, Escapes	13.3.1	
	GRI 304: Biodiversity (2016)			
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Sustainability library 2023 – Environment – Biodiversity – Impact on red list species and protected areas and habitats	13.3.2	
	304-2 Significant impacts of activities-products- and services on biodiversity	Sustainability library 2023 – Environment – Biodiversity – How we work in the area	13.3.3	
	304-3 Habitats protected or restored	Sustainability library 2023 – Environment – Biodiversity – Quotas Sustainability library 2023 – Environment – Biodiversity – Seabed Condition	13.3.4	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Sustainability library 2023 – Environment – Biodiversity – Escapes Sustainability library 2023 – Environment – Biodiversity – Impact on red list species and protected areas and habitats	13.3.5	
	Additional sector disclosure			
	Information on species produced and fishing products used in feed	Sustainability library 2023 – Environment – Fish Feed	13.3.6	
	Lerøy KPIs			
	Average MOM B score	Sustainability library 2023 – Environment – Biodiversity – Seabed Conditions		KPI definition: Average result of the last MOM B survey on locations in operation in 2023
	Average fallow period (number of days)	Sustainability library 2023 – Environment – Biodiversity – Seabed Conditions		KPI definition: Average number of fallow days
	Percentage of certified marine species caught (%)	Sustainability library 2023 – Environment – Certifications and Licenses – Certification Fisheries		KPI definition: Percentage of MSC certified species caught in 2023
	Escapes (number)	Sustainability library 2023 – Environment – Biodiversity – Escapes		KPI definition: Total number of fish escaped
Average density per cage (kg/m ³)	Sustainability library 2023 – Environment – Biodiversity – Seabed Conditions		KPI definition: Kilo of salmon per cubic meter of seawater in one cage	

	Standard	Reference	Sector standard ref#	Comment
Water and effluents	GRI 3 Material topics (2021) Disclosure 3-3 Management of material topics	Sustainability library 2023 – Environment – Water and Waste Management – Water and Effluent Management Sustainability library 2023 – Policies – Freshwater Use	13.7.1	
	GRI 303: Water and Effluents (2018)			
	303-1 Interactions with water as a shared resource	Sustainability library 2023 – Environment – Water and Waste Management – Water and Effluent Management	13.7.2	
	303-2 Management of water discharge-related impacts	Sustainability library 2023 – Environment – Water and Waste Management – Water and Effluent Management	13.7.3	
	303-3 Water withdrawal	Sustainability library 2023 – Environment – Water and Waste Management – Water and Effluent Management, Table 2, Table 3, Table 4, Table 5	13.7.4	
	303-4 Water discharge	Sustainability library 2023 – Environment – Water and Waste Management – Water and Effluent Management, Table 2, Table 3, Table 4, Table 5	13.7.5	
	303-5 Water consumption	Sustainability library 2023 – Environment – Water and Waste Management – Water and Effluent Management, Table 4	13.7.6	
	Standard	Reference	Sector standard ref#	Comment
Waste	GRI 3: Material topics (2021) Disclosure 3-3 Management of material topics	Sustainability library 2023 – Environment – Water and Waste Management – Waste Management Sustainability library 2023 – Policies – Waste management and sorting policy	13.8.1	
	GRI 306: Waste (2020)			
	306-1 Waste generation and significant waste-related impacts	Sustainability library 2023 – Environment – Water and waste management – Waste Management	13.8.2	
	306-2 Management of significant waste-related impacts	Sustainability library 2023 – Environment – Water and waste management – Waste Management	13.8.3	
	306-3 Waste generated	Sustainability library 2023 – Environment – Water and waste management – Waste Management, Table 2	13.8.4	
	306-4 Waste diverted from disposal	Sustainability library 2023 – Environment – Water and waste management – Waste Management, Table 2, Table 3, Table 4	13.8.5	
	306-5 Waste directed to disposal	Sustainability library 2023 – Environment – Waste and waste management – Waste Management, Table 2, table 5, table 6	13.8.6	
	Lerøy KPIs			
Volume of plastic purchased (kg)	Sustainability library 2023 – Environment – Water and Waste Management – Food Waste – Plastic Waste – Targets and Results			

	Standard	Reference	Sector standard ref#	Comment
Food security	GRI 3: Material topics (2021) Disclosure 3-3 Management of material topics	Sustainability library 2023 – Environment – Water and waste management – Food waste/Food security Sustainability Library 2023 – Policies – Food waste	13.9.1	
	Additional sector disclosure			
	Report the total weight of food loss in metric tons and the food loss percentage, by the organization's main products or product category, and describe the methodology used for this calculation.	Sustainability library 2023 – Environment – Water and waste management – Food waste/Food security	13.9.2	
	Lerøy KPIs			
	Increase production of oil- meal and ensilage (kg)	Sustainability library 2023 – Environment – Water and waste management – Food waste/Food security		
	Reduction in fish on floor and unsold products (kg)	Sustainability library 2023 – Environment – Water and waste management – Food waste/Food security		

	Standard	Reference	Sector standard ref#	Comment
Food safety	GRI 3: Material topics (2021) Disclosure 3-3 Management of material topics	Sustainability Library 2023 – Social – Products – Food safety Sustainability Library 2023 – Social – Products – Preparedness and recall of products Sustainability Library 2023 – Products – Traceability Sustainability Library 2023 – Policies – Food safety Sustainability library 2023 – About Lerøy – Stakeholders	13.10.1	
	GRI 416: Customer health and safety (2016)			
	416-1 Assessment of the health and safety impacts of products and services categories	Sustainability Library 2023 – Products – Healthy products – Surveillance of undesirable substances and fatty acid profile	13.10.2	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Library 2023 – Social – Products – Preparedness and recall of products – How we measure our impact	13.10.3	
	Additional sector disclosure			
	Product recalls (number)	Sustainability Library 2023 – Social – Products – Preparedness and recall of products	13.10.5	
	Percentage of locations with Global Gap/ ASC certificate (%)	Sustainability Library 2023 – Social – Group quality system – Internal audit and certifications	13.11.2	
	Percentage of factories with GFSI certificate (%)	Sustainability Library 2023 – Social – Group quality system – Internal audit and certifications	13.10.4	

	Standard	Reference	Sector standard ref#	Comment
Food safety	Lerøy KPIs			
	Traceability tests conducted for production facilities	Sustainability Library 2023 – Social – Products – Traceability		
Animal health and welfare	GRI 3: Material topics (2021) Disclosure 3-3 Management of material topics	Sustainability library 2023 – Environment – Fish Health and Fish Welfare Sustainability library 2023 – Policies – Fish Health and Fish Welfare, Algae Monitoring , Cleaner Fish, Use of Antimicrobial Agents, Control of Salmon Lice	13.11.1	
	Additional sector disclosure			
	% of production volumes of third party standards	Sustainability library 2023 – Environment - Certifications and licenses – Certifications farming	13.11.2	
	Survival in sea (%)	Sustainability library 2023 – Environment – Fish health and fish welfare – Survival rate	13.11.3	KPI definition: (1–12 months rolling mortality)*100 12 months rolling mortality= (total number of mortalities in sea last 12 month – total number of culled fish due to illness or similar and not in harvest figures)/(closing number of fish in sea + total number of mortalities in last 12 months + total number of harvested fish in last 12 months + total number of culled fish in sea)
	Survival on land (%)	Sustainability library 2023 – Environment – Fish health and fish welfare – Survival rate	13.11.3	KPI definition: (number of mortalities in fresh water (excluding number of culled fish due to illness or similar in fresh water))/(number of mortalities in fresh water (included number of culled fish due to illness or similar in fresh water) + number of fish in fresh water sold + number of outgoing stock of fish in fresh water)
	Lerøy KPIs			
	Number of cages treated (for sea lice)	Sustainability library 2023 – Environment – Fish health and welfare – Sea lice – Targets and results		KPI definition: Total number of cages treated for lice in 2023
	Average number of fully grown lice per fish in LSG Farming	Sustainability library 2023 – Environment – Fish health and fish welfare, Sea Lice, Targets and results		KPI definition: Average result of all counting's of adult female lice per fish, in all companies
	Antibiotics used in sea (kg active substance)	Sustainability library 2023 – Environment – Fish health and fish welfare, Antibiotics, Targets and results		KPI definition: Antibiotics used in sea (kg active substance)
Antibiotics used on land (kg active substance)	Sustainability library 2023 – Environment – Fish health and fish welfare, Antibiotics, Targets and results		KPI definition: Antibiotics used on land (kg active substance)	

	Standard	Reference	Sector standard ref#	Comment
Animal health and welfare	Volume of delousing agents used via bath (kg active substance)	Sustainability library 2023 – Environment – Fish health and fish welfare, Sea Lice – Targets and results		KPI definition: Amount of (kg), active substance used as delousing agent via bath
	Volume of delousing agents via feed (kg active substance)	Sustainability library 2023 – Environment – Fish health and fish welfare, Sea Lice – Targets and results		KPI definition: Amount of (kg), active substance used as delousing agent in feed
	Standard	Reference	Sector standard ref#	Comment
Occupational health and safety	GRI 3: Material topics (2021) Disclosure 3-3 Management of material topics	Sustainability Library 2023 – People – Occupational Health and Safety – Positive and Negative Impacts of the Material Topic, Health and Safety Policy, Health and Safety Culture, Health and Safety Management, Occupational Health and Safety Performance Indicators 2023 Sustainability library 2023 – Policies – Occupational Health and Safety Policy	13.19.1	
	GRI 403: Occupational Health and Safety (2018)			
	403-1 Occupational health and safety management system	Sustainability Library 2023 – People – Occupational Health and Safety- Health and Safety Culture, Health and Safety Management, Occupational Health and Safety related Compliance	13.19.2	
	403-2 Hazard identification- risk assessment- and incident investigation	Sustainability Library 2023 – People – Occupational Health and Safety – Quality Management, Incident Reporting and Risk Management Sustainability library – Policies- Occupational Health and Safety Policy	13.19.3	
	403-3 Occupational health services	Sustainability Library 2023 – People – Occupational Health and Safety – Occupational Health and Promotion of Employees' and Workers' Health	13.19.4	
	403-4 Worker participation- consultation- and communication on occupational health and safety	Sustainability Library 2023 – People – Occupational Health and Safety – Employee and Worker Participation	13.19.5	
	403-5 Worker training on occupational health and safety	Sustainability Library 2023 – People – Occupational Health and Safety – Incident Reporting and Risk Management	13.19.6	
	403-6 Promotion of worker health	Sustainability Library 2023 – People – Occupational Health and Safety – Occupational Health and Promotion of Employees' and Workers' Health	13.19.7	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Library 2023 – People – Occupational Health and Safety – Incident Reporting and Risk Management	13.19.8	

	Standard	Reference	Sector standard ref#	Comment
Occupational health and safety	403-8 Workers covered by an occupational health and safety management system	Sustainability Library 2023 – People – Occupational Health and Safety – Health and Safety Management, Incident Reporting and Risk management	13.19.9	
	403-9 Work-related injuries		13.19.10	Omission: Information for 403-9 (a-g) incomplete. The company is reporting work-related injuries; however it is not able to report the number of work-related injuries for employees and/or workers. The information is reported on a consolidated basis. Lerøy has started to report high-consequence work-related injuries in 2024.
	403-10 Work-related ill health		13.19.11	Omission: 403-10 (a-e) due to confidentiality constraints. The organization is not collecting information on employees' workers' ill health as the organization cannot require the employees' workers' to report this type of information due to personal data privacy reasons.
	Lerøy KPIs			
	Sick leave (%)	Sustainability Library 2023 – People – Occupational Health and Safety – Occupational Health and Safety Performance Indicators 2023		KPI definition: Sick leave percentage – number of sick days x 100/number of possible working days
	Near misses (number)	Sustainability Library 2023 – People – Occupational Health and Safety – Occupational Health and Safety Performance Indicators 2023		KPI definition: Number of all registered near misses in Lerøy QMS (Quality Management System)
	Safety observations (number)	Sustainability Library 2023 – People – Occupational Health and Safety – Occupational Health and Safety Performance Indicators 2023		KPI definition: Number of all registered safety observations in Lerøy QMS (Quality management system)
	H1/LTIFR	Sustainability Library 2023 – People – Occupational Health and Safety – Occupational Health and Safety Performance Indicators 2023		KPI definition: Frequency of injuries H1/LTIFR = Number of injuries with absence x 1 000 000 / Total number of working hours

	Standard	Reference	Sector standard ref#	Comment
Supply chain traceability	GRI 3: Material topics (2021) Disclosure 3-3 Management of material topics	Sustainability library 2023 – Governance – Supplier Management Sustainability Library 2023 – Policies – Procurement	13.23.1	
	GRI 308: Supplier Environmental Assessment (2016)			
	308-1 New suppliers that were screened using environmental criteria (%)	Sustainability library 2023 – Governance – Supplier Management – Target per KPI and results per KPI		Change from 2022: New suppliers with procurement threshold >5000 EUR evaluated
	GRI 414: Supplier Social Assessment (2016)			
	414-1 New suppliers that were screened using social criteria (%)	Sustainability library 2023 – Governance – Supplier Management – Target per KPI and results per KPI		Change from 2022: New suppliers with procurement threshold >5000 EUR evaluated
	Additional sector disclosures			
	Describe the level of traceability in place for each product sourced, for example, whether the product can be traced to the national, regional, or local level, or a specific point of origin (e.g., farms, hatcheries, and feed mill levels).	Sustainability library 2023 – Social - Products – traceability Sustainability library 2023 – Environment – Fish feed	13.23.2	
	Report the percentage of sourced volume certified to internationally recognized standards that trace the path of products through the supply chain, by product and list these standards.	Sustainability library 2023 – Environment – Fish feed Sustainability library 2023 – Environment – Certifications and Licenses – Certification Fisheries Sustainability library 2023 – Environment – Certifications and Licenses – Certification Farming	13.23.3	
Describe improvements projects to get suppliers certified to internationally recognized standards that trace the path of products through the supply chain to ensure that all sourced volume is certified	Sustainability library 2023 – Environment – Fish feed Sustainability library 2023 – Governance – Supplier Management	13.23.4		

	Standard	Reference	Sector standard ref#	Comment
Anti-competitive behaviour	GRI 3: Material topics (2021) Disclosure 3-3 Management of material topics	Sustainability library 2023 – Governance – Business ethics – Anti-Corruption Sustainability Library 2023 – Policies – Anti-Corruption Sustainability library 2023 – Governance-Business ethics – Compliance	13.25.1	
	GRI 206: Anti-competitive behaviour (2016)			
	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly	Sustainability library 2023 – Governance – Business ethics – Compliance reporting Annual report 2023 – Financial statements – Consolidated financial statements – Note 27	13.25.2	

	Standard	Reference	Sector standard ref#	Comment
Anti-Corruption	GRI 3: Material topics (2021) Disclosure 3-3 Management of material topics	Sustainability library 2023 – Governance – Business ethics – Anti-Corruption Sustainability Library 2023 – Policies – Anti – Corruption Sustainability library 2023 – Governance – Business ethics – Compliance	13.26.1	
	GRI 205: Anti-Corruption (2016)			
	205-1 Operations assessed for risks related to corruption	Sustainability library 2023 – Governance – Business ethics – Anti-Corruption Sustainability library 2023 – Governance – Business ethics – Compliance	13.26.2	
	205-2 Communication and training about anti-corruption policies and procedures	Sustainability library 2023 – Governance – Business ethics – Compliance	13.26.3	
	205-3 Confirmed incidents of corruption and actions taken	Sustainability library 2023 – Governance – Business ethics – Anti-Corruption	13.26.4	

	Standard	Reference	Sector standard ref#	Comment
Raw materials fish feed	GRI 3: Material topics (2021) Disclosure 3-3 Management of material topics	Sustainability library 2023 – Environment – Fish Feed Sustainability library 2023 – Policies – Fish Feed		
	Lerøy KPIs			
	Percentage of certified marine raw materials (%)	Sustainability library 2023 – Environment – Fish Feed – Targets and Results		KPI definition: Marine raw materials (MSC+IFFO/ Marine trust including FIP) (%) used in feed in 2023
	Total percentage of certified raw materials (%)	Sustainability library 2023 – Environment – Fish Feed – Targets and Results		KPI definition: Total share of certified raw materials in feed
	FFDRm- salmon	Sustainability library 2023 – Environment – Fish Feed – Targets and Results		KPI definition: FFDRm= (%fishmeal in feed from forage fisheries) * (eFCR)/24
	FFDRo- salmon	Sustainability library 2023 – Environment – Fish Feed – Targets and Results		KPI definition: FFDRo= (% fishoil in feed from forage fisheries) * (eFCR)/ 5,0 or 7,0 depending on the species
	Share of deforestation free soy protein concentrate from Brazil with traceability (%)	Sustainability library 2023 – Environment – Fish Feed – Targets and Results		KPI definition: Share of deforestation free soy protein concentrate from Brazil, with traceability out of total volume of soy protein concentrate purchased from Brazil (%)

Topics in the applicable GRI Sector Standards determined as *not material*

	Topic	Explanation
13.4	Natural ecosystem conversion	<p>The Group's farming of salmon and trout takes place in the sea along the Norwegian coast, and therefore does not affect mangroves, saltmarshes, wetlands, savannas or other terrestrial ecosystems. The use of freshwater for smolt production in Norway is regulated and thus the impact on lake and river ecosystems is negligible.</p> <p>Lerøy has an indirect impact on natural ecosystem conversion through its suppliers, especially suppliers of fish feed raw material. Lerøy is actively working towards ensuring and improving the sustainability of agricultural raw materials used in fish feed and has signed the Cerrado manifesto, and requires soy to be ProTerra/Eurosoy certified.</p>
13.5	Soil health	<p>Lerøy's land-based facilities take up relatively little space and are mostly situated in areas already regulated for industrial activity and has no agricultural activity. Therefore, Lerøy has little direct impact on soil health. Lerøy has an indirect impact on soil health through its suppliers, especially suppliers of fish feed raw material. Lerøy is actively working towards ensuring and improving the sustainability of agricultural raw materials used in fish feed and has signed the Cerrado manifesto, and requires soy to be ProTerra/Eurosoy certified.</p>
13.6	Pesticides use	<p>The pesticides in use in Lerøys operations are mainly to combat sea-lice in our farming operations. Only a small amount of active substance is used in delousing operations as there has been a trend towards using mechanical delousing treatment instead of chemical bath treatments in Lerøy, and in the salmon farming industry as a whole. The chemical agent with the highest volume of emitted substance in 2023 was hydrogen peroxide, which quickly dissociates in the marine environment. With the introduction of closed and semi-closed production technology in Lerøy, the use of pesticides is expected to further decrease as these production forms is expected to lower the need for delousing procedures.</p>

Topics in the applicable GRI Sector Standards determined as *not material*

	Topic	Explanation
13.12	Local communities	<p>Many of the Group's companies are located in decentralised areas, making significant contributions to employment and income in the local communities.</p> <p>Of the Group's water withdrawal, only 0.008% was drawn from groundwater sources in 2023. Most of the surface water used in our operations is drawn from sources in Norway, and to the Group's knowledge there has been no adverse impacts on local communities from surface water use.</p> <p>Hazardous wastes of small quantities are stored safely and within regulations in storage lockers design for the purpose. Throughout the Group, waste handling companies handle and transport in accordance with relevant regulations. To the best of our knowledge there have been no adverse impacts on local communities from improper handling of hazardous material.</p> <p>The Group has not discovered breaches of rights of indigenous peoples directly caused by the organization. Lerøy works continuously to ensure a discrimination-free environment, where every employee and worker is treated equally, independently of their gender, age, sexual orientation, origin, ethnicity, skin color, language, religion or personal philosophy.</p>
13.13	Land and resources rights	<p>Resource rights held by LSG are mainly constituted by aquaculture licences and fishing quotas. To the Group's knowledge no local communities have been physically or economically displaced as a result of activity related to these quotas. On the contrary Lerøy remains a positive force in the local communities it operates as a considerable tax-payer, and employer.</p>
13.14	Rights of indigenous peoples	<p>The Group has not discovered breaches of rights of indigenous peoples directly caused by the organization. Lerøy, however, recognizes its responsibility to ensure rights of indigenous peoples in our supply chain. It requires that relevant suppliers document incidents of violations involving the rights of indigenous peoples as well as that appropriate remediation and grievance mechanisms are in place.</p>

Topics in the applicable GRI Sector Standards determined as <i>not material</i>		
	Topic	Explanation
13.15	Non-discrimination and equal opportunity	<p>At the end of 2023, the workforce comprised 39% women and 61% men across the Group. The gender ratio has been stable over several years, but in recent years we have seen an increasing trend in the number of female workers. Lerøy's work on equality and diversity is embedded in its overarching strategy, and increasing the proportion of women in the workforce and in management positions is a strategic KPI scorecard. The Group has set itself a target of 40% women in leading roles by 2030.</p> <p>Lerøy works continuously to ensure a discrimination-free environment, where every employee and worker is treated equally, independently of their gender, age, sexual orientation, origin, ethnicity, skin color, language, religion or personal philosophy.</p> <p>One of the Group's goals is to provide a workplace without discrimination because of disabilities.</p> <p>The Group has an international working environment and a number of our employees have cross-cultural backgrounds.</p>
13.16	Forced or compulsory labour	<p>To the best of our knowledge, Lerøy has no registered cases of forced or compulsory labour. Both the Group's Business Code of Conduct as well as Supplier Code of Conduct states that there is a zero-tolerance policy towards forced or compulsory labour. The Group is performing supplier social assessment and completes supplier screening using social criteria such as prevalence of forced or compulsory labour.</p>
13.17	Child labour	<p>To the best of our knowledge, Lerøy has no registered cases of child labour. Both the Group's Business Code of Conduct as well as Supplier Code of Conduct states that there is a zero-tolerance policy towards child labour. The Group is performing supplier social assessment and completes supplier screening using social criteria such as prevalence of child labour.</p>
13.18	Freedom of association and collective bargaining	<p>The Group supports and promotes freedom of association and recognizes the right to collective bargaining. Furthermore, Lerøy encourages its employees to organize themselves in unions of their choice. Employees not covered by collective bargaining agreements have identical working conditions and terms of employment as those who are organized in unions of their choice.</p> <p>The Group keeps a close dialogue with employee representatives, as well as cooperates actively with its employees/ trade unions.</p> <p>The Group provides information about the right to freedom of association, collective bargaining and participation in trade unions.</p>

Topics in the applicable GRI Sector Standards determined as <i>not material</i>		
	Topic	Explanation
13.20	Employment practices	<p>The Group supports and promotes freedom of association and recognizes the right to collective bargaining. Furthermore, Lerøy encourages its employees to organize themselves in unions of their choice. Employees not covered by collective bargaining agreements have identical working conditions and terms of employment as those who are organized in unions of their choice.</p> <p>The Group keeps a close dialogue with employee representatives, as well as cooperates actively with its employees/ trade unions.</p> <p>The Group provides information about the right to freedom of association, collective bargaining and participation in trade unions.</p> <p>The Group is performing regular reporting and monitoring of its employment practices. All employees and workers have a secure, written employment contract which defines the employment terms and conditions as well as employment benefits. Fundamental principles and rights at work are respected. Lerøy practices ethical recruitment hiring employees and workers lawfully and in a fair, transparent manner that respects their dignity and human rights.</p>
13.21	Living income and living wage	<p>Salaries paid to employees/ workers shall as a minimum comply with national minimum wage provisions or the industry standard and shall always be sufficient to cover basic needs. Salary and payment of salary shall be agreed upon in writing before employment starts. This agreement shall be in a format which the employee can understand. Disciplinary deductions from salary are not permitted.</p>
13.22	Economic inclusion	<p>Lerøy is operating in rural areas providing economic opportunities for local communities. The company contributes implicitly to development of infrastructure and other services in the areas.</p> <p>When selecting its suppliers the Group also considers the potential supplier's sustainability performance and ambitions.</p> <p>Small-scale producers (farmers or fishers) however are not key suppliers of the Group.</p>
13.24	Public policy	<p>Lerøy Seafood Group ASA and all its underlying subsidiaries are politically neutral. We do not affiliate with any political party in any country, and we do not make political donations to political parties or to any candidate running for office, nor sell products or provide services that endorse political parties. We provide information directly to stakeholders or through our memberships of trade or policy focused organizations. Such policy engagement and political activities must always comply with Lerøy's Code of Conduct and all applicable laws.</p>

Independent statement regarding Lerøy Seafood Group ASA's sustainability reporting



To the Board of Directors of Lerøy Seafood Group ASA

Independent Practitioner's Assurance Report on the sustainability reporting

We have undertaken a limited assurance engagement in respect of Lerøy Seafood Group ASA's GRI Index for 2023 and defined ESG indicators for the period 1 January 2023 - 31 December 2023 (the Subject Matter).

- Lerøy Seafood Group ASA's GRI Index for 2023 is an overview of which Sustainability Topics Lerøy Seafood Group ASA considers material to its business and which ESG indicators they use to measure and report its sustainability performance. The GRI Index for 2023 also contains a reference to where the material sustainability information is reported within the Annual Report 2023 or at Lerøy Seafood Group ASA's website. Lerøy Seafood Group ASA's GRI Index is available in the Annual Report 2023. We examined whether Lerøy Seafood Group ASA has developed a GRI Index for 2023 and whether mandatory disclosures were presented in accordance with the Standards published by The Global Reporting Initiative (www.globalreporting.org/standards) (criteria).
- ESG indicators are indicators that Lerøy Seafood Group ASA measure and control. The measurement of the ESG indicators are determined by topic-specific disclosure requirements from GRI or own disclosures as specified by Lerøy Seafood Group ASA and explained in the GRI Index (Criteria). We have for selected ESG indicators examined whether these are calculated, estimated and reported in accordance with the criteria. The ESG indicators in scope for assurance are presented in the chapter Global Reporting Initiative Index for 2023, paragraph "External Assurance" in the Annual Report 2023.

Management's Responsibility

Management is responsible for the preparation of the Subject Matter Information in accordance with the applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a Subject Matter Information that is free from material misstatement, whether due to fraud or error.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions to different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to express a conclusion on the Subject Matter Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 revised – «Assurance Engagements other than Audits or Reviews of Historical Financial Information» and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements (ISAE) 3410 revised – «Assurance Engagements on Greenhouse Gas Statements», issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement in accordance with ISAE 3000 and ISAE 3410 involves assessing the suitability in the circumstances of management's use of the Criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement of the Subject Matter Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and, among others, included:

- meetings and interviews with representatives from Lerøy Seafood Group ASA responsible for the GRI Index and the ESG indicators,
- assessment of completeness of GRI sustainability disclosures,
- evaluating internal controls and procedures for reporting ESG indicators,
- collecting and reviewing relevant supporting information and data which substantiates the calculation and estimation of selected ESG indicators,
- evaluating the completeness of the selected ESG indicators and controlling whether the calculation and estimation of the selected ESG indicators are accurate.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the Criteria.



We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

- Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Lerøy Seafood Group ASA's GRI Index for 2023 is not, in all material respects, developed in accordance with the requirements of the Standards published by The Global Reporting Initiative;
- Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Lerøy Seafood Group ASA's ESG indicators are not, in all material aspects, calculated, estimated and reported in accordance with the definitions provided in the Standards published by The Global Reporting Initiative or in the GRI Index.

Bergen, 29 April 2024
PricewaterhouseCoopers AS

A handwritten signature in blue ink that reads 'Hanne S. Johansen'.

Hanne Sælemyr Johansen
State Authorised Public Accountant



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