

Parent company financial statements

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Income statement

All figures in NOK 1,000 (periode 1.1 - 31.12)

Lerøy Seafood Group ASA	Notes	2019	2018
Operating revenue and costs			
Operating revenue	1	79,800	69,120
Wages and other personnel costs	10	63,395	45,998
Loss from disposal of fixed assets	4	133	0
Other operating costs	10	113,983	99,630
Depreciation	4	1,390	38
Total operating costs		178,901	145,666
Operating profit		-99,101	-76,546
Financial revenue and costs			
Income from investments in subsidiaries	3	2,003,085	3,094,925
Income from associates	3	265,323	238,896
Change in fair value of financial instruments at fair value	8	24,869	-15,925
Impairment loss on financial assets	4	-151,036	-359,810
Other financial items, net	11	15,449	-29,810
Profit before tax		2,058,589	2,851,729
Total tax cost (-)	9	-363,180	-562,310
The year's profit		1,695,409	2,289,419
Information regarding			
Transferred to (+) / from (-) other equity	2	801,748	1,097,872
Allocated to dividend	2	893,661	1,191,547

Balance sheet

All figures in NOK 1,000

Lerøy Seafood Group ASA	Notes	31.12.19	31.12.18
NON-CURRENT ASSETS			
Intangibles			
Licences	4	40,704	24,951
Deferred tax assets	9	0	8,525
Total intangibles		40,704	33,475
Fixed assets			
Buildings and real estate	4	1,562	1,695
Other fixtures	4	15,557	3,789
Total fixed assets		17,119	5,484
Financial assets			
Shares in subsidiaries	5	7,641,331	7,623,562
Shares in associates	6	302,125	301,989
Shares in other companies	6	10,037	3,941
Loans to subsidiaries	3	152,020	138,720
Total non-current financial assets		8,105,513	8,068,211
Total non-current assets		8,163,336	8,107,171
CURRENT ASSETS			
Receivables			
Receivables from Group companies	3	2,399,198	2,746,905
Other receivables		25,307	11,150
Total receivables		2,424,505	2,758,055
Cash and cash equivalents	7	2,072,963	1,553,251
Total current assets		4,497,468	4,311,306
Total assets		12,660,804	12,418,477

Lerøy Seafood Group ASA	Notes	31.12.19	31.12.18
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	5,969,432	5,167,086
Total retained earnings		5,969,432	5,167,086
Total equity		10,911,897	10,109,553
Long-term liabilities			
Deferred tax	9	1,244	0
Other long-term liabilities	8	30,591	55,460
Total long-term liabilities		31,835	55,460
Long-term debt			
Mortgage debt	7	248,344	320,375
Total long-term debt		248,344	320,375
Short-term debt			
Trade payables		25,832	16,109
Taxes payable	9	304,962	510,106
Public duties payable		3,061	0
Allocated to dividend	2	893,661	1,191,547
Short-term group debt	3	222,509	201,450
Other short-term debt		18,704	13,876
Total short-term debt		1,468,728	1,933,089
Total debt		1,748,907	2,308,924
Total equity and debt		12,660,804	12,418,477

Bergen, 23 April 2020

The Board of Directors of Lerøy Seafood Group ASA



Helge Singelstad
Chairman



Karoline Møgster
Board member



Arne Møgster
Board member



Didrik Munch
Board member




Britt Kathrine Drivenes
Board member



Siri Lill Mannes
Board member



Hans Petter Vestre
Employees' representative



Henning Beltestad
CEO
Lerøy Seafood Group ASA

Statement of cash flows

All figures in NOK 1,000 (periode 01.01–31.12)

Lerøy Seafood Group ASA	2019	2018
Cash flow from operating activities		
Pre-tax result	2,058,589	2,851,729
Taxes paid during the period	-510,970	-630,131
Loss/gain on disposal of shares in subsidiaries and associated companies	0	6,279
Depreciation	1,390	38
Write-down of financial assets	151,036	359,810
Change in trade receivables	-6,093	-544
Change in trade payables	1,537	27,128
Effect from currency rate changes	-1,979	1,347
Items classified as investing activities	-2,276,290	-3,337,363
Change in financial instruments recognised at fair value	-24,869	15,925
Other items classified as financing activities	-5,837	28,463
Change in other accruals	-8,695	-12,695
Net cash flow from operating activities	-622,049	-690,015
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of fixed assets	0	821
Payments for acquisitions of fixed assets and intangibles	-28,911	-23,301
Proceeds from disposal of Group companies and associates	0	8,749
Payments for acquisitions of Group companies and associates	-232	-135,687
Proceeds from sale of shares in other companies	7,882	-1,848
Proceeds from previous year's accrual of group contributions and dividends from subsidiaries	2,827,445	3,424,151
Payment for previous year's accrual of group contribution to subsidiaries	-187,064	-158,253
Proceeds from dividends received during the year from associates	265,323	245,200
Proceeds/payments for short-term intragroup receivables (loans)	-470,548	-75,710
Proceeds/payments for long-term intragroup receivables (loans)	-13,300	-91,910
Proceeds/payments for other long-term receivables (loans)	0	3,167
Net cash flow from investing activities	2,394,500	3,195,379
CASH FLOW FROM FINANCING ACTIVITIES		
Instalments paid on long-term liabilities	-70,052	-969,499
Net interest paid and financial expenses	8,265	-32,979
Payment of dividends	-1,191,547	-893,661
Proceeds from dividends on treasury shares	596	447
Net cash flow from financing activities	-1,252,739	-1,895,692
Net cash flow for the accounting period	519,712	609,672
Cash and cash equivalents at the start of the period	1,553,251	943,580
Cash and cash equivalents at the end of the period	2,072,963	1,553,251
<i>This consists of</i>		
Bank deposits etc.	2,072,963	1,553,251
Of which restricted funds	1,886	1,204
Unutilised overdraft/drawdown facilities	1,100,000	1,150,000
Additional information	2019	2018
<i>Net cash flow from operating activities can also be summarised as follows</i>		
Operating profit	-99,101	-76,546
Depreciation	1,390	38
Taxes paid during the period	-510,970	-630,131
Change in capital employed	-13,368	16,624
Net cash flow from operating activities	-622,049	-690,015

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) Associates

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 is 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)

The company seeks to hedge against fluctuations in interest rate by making use of interest rate swaps. Derivatives are carried at fair value at the time the derivative contract is signed, then subsequently at fair value. The company utilises cash flow hedging when recognising interest rate swaps. The effective share of the change in fair value of derivatives which qualify as hedging instruments for cash flow hedging is recognised in equity. Hedging gains or losses which are recognised in equity are re-classified to the income statement during the period in which the hedging object has an impact on the income statement. Gains or losses related to the effective share of the interest rate swaps which secure loans with a floating rate of interest are recognised under Financial Items. Interest rate swaps are considered to be a derivative. The fair value of a derivative is classified as a fixed asset or long-term debt if the remaining maturity of the hedging object is more than 12 months, and as a current asset or short-term debt if the remaining maturity of the hedging object is less than 12 months. The company uses the market to marked value calculated by the credit institution as basis for the accounting.

(F) 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)

2018	Share capital	Treasury shares	Share premium reserve	Other paid in capital	Other equity	Total equity
Equity as of 01.01.2018	59,577	-30	4,778,346	104,572	4,037,317	8,979,782
The year's result to equity					2,289,419	2,289,419
Dividend received on treasury shares					447	447
Reversal of cumulative value change in interest swap when hedging expires					31,452	31,452
Group contribution given to subsidiaries					-144,039	-144,039
Change in value of shares in subsidiaries due to Group contribution					144,039	144,039
Provision for dividend					-1,191,547	-1,191,547
Equity as of 31.12.18	59,577	-30	4,778,346	104,572	5,167,088	10,109,553

2019	Share capital	Treasury shares	Share premium reserve	Other paid in capital	Other equity	Total equity
Equity as of 01.01.2019	59,577	-30	4,778,346	104,572	5,167,088	10,109,553
The year's result to equity					1,695,409	1,695,409
Dividend received on treasury shares					596	596
Group contribution given to subsidiaries					-168,708	-168,708
Change in value of shares in subsidiaries due to Group contribution					168,708	168,708
Provision for dividend					-893,661	-893,661
Equity as of 31.12.19	59,577	-30	4,778,346	104,572	5,969,432	10,911,897

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

Based on the increasing uncertainty relating to assessment of future global economic development, due to the ongoing corona pandemic, Covid 19, the Board of Directors will propose that the Annual General Meeting adopts a dividend payment of NOK 1.50 per share. The Board of Directors will also request authorisation from the Annual General Meeting to pay up to NOK 0.80 per share as dividend before the end of the present year.

Number of shareholders

Lerøy Seafood Group ASA had 10,520 shareholders as per 31 December 2019. 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	2019	2018
Intragroup contributions received from subsidiaries	1,704,505	2,528,865
Dividend received from subsidiaries	298,580	566,034
Gain from disposal of subsidiaries	0	26
Total income from investments in subsidiaries	2,003,085	3,094,925
Intragroup contributions received from subsidiaries	2019	2018
Lerøy Midt AS	840,387	1,093,923
Lerøy Aurora AS	533,403	899,106
Lerøy Seafood AS	326,798	232,800
Lerøy Delico AS	2,382	0
Lerøy Trondheim AS	1,535	1,140
Lerøy Vest AS	0	286,312
Laks- & Vildtcentralen AS	0	15,584
Total intragroup contributions received from subsidiaries	1,704,505	2,528,865
Dividend received from subsidiaries	2019	2018
Dividend received from Lerøy Havfisk AS	200,000	500,000
Dividend received from Sjøtroll Havbruk AS	76,368	50,912
Dividend received from Rode Beheer BV	17,280	9,925
Dividend accrued from Norsk Oppdrettservice AS	4,932	5,197
Total dividend received from subsidiaries	298,580	566,034
Gain on disposal of subsidiaries	2019	2018
Proceeds from sale of 0.1 % of shares in Preline Fishfarming System AS	0	52
Net book value of disposed shares in subsidiaries (-)	0	-27
Total gain on disposal of subsidiaries	0	26
Income from investments in associates	2019	2018
Dividend received from Norskott Havbruk AS	252,900	242,200
Dividend received from Seafood Danmark A/S	6,423	0
Dividend received from Seistar Holding AS	6,000	3,000
Loss (-) from disposal of shares in associated company (Lerøy Sommarøy AS)	0	-6,304
Total income from investments in associates	265,323	238,896
Long-term loans to subsidiaries	2019	2018
Lerøy Processing Spain SL	100,484	100,186
Lerøy Seafood Italy SLR	20,715	0
Lerøy Alfheim AS	19,850	13,148
Sjømathuset AS	9,858	25,386
Lerøy Turkey	1,112	0
Total long-term loans to subsidiaries	152,020	138,720
Short-term receivables from subsidiaries	2019	2018
Intragroup contributions received from subsidiaries	1,704,505	2,528,865
Other short-term receivables from subsidiaries	694,693	218,040
Total short-term receivables from subsidiaries	2,399,198	2,746,905

Intragroup contributions received from subsidiaries

For specification see table above in this note under headline Income from investments in subsidiaries

NOTE 3

Transactions and balances with subsidiaries and associates cont.

(All figures in NOK 1,000)

Other short-term receivables from subsidiaries	2019	2018
Lerøy Norway Seafoods AS	329,554	85,601
Lerøy Vest AS	187,912	0
Lerøy Aurora AS	99,106	0
Lerøy Sverige AB	42,725	0
Lerøy Fossen AS	25,150	9,663
Lerøy Turkey	5,191	2,056
Lerøy Midt AS	2,675	2,275
Sjøtroll Havbruk AS	1,188	0
Laks- & Vildtcentralen AS	1,125	0
Lerøy Seafood AS	69	101,414
Lerøy Sommarøy AS	0	16,961
Total other short-term receivables from subsidiaries	694,693	218,400

Short-term debt to Group companies	2019	2018
Intragroup contributions distributed	216,292	187,064
Other short-term debt to Group companies	6,217	14,386
Total short-term debt to Group companies	222,509	201,450

Intragroup contributions distributed	2019	2018
Lerøy Norway Seafoods AS	192,520	132,728
Lerøy Fossen AS	18,360	19,411
Lerøy Ocean Harvest AS	3,538	2,889
Lerøy Alfheim AS	1,798	2,815
Lerøy & Strudshavn AS	38	31
Lerøy Quality Group AS	38	32
Lerøy Sommarøy AS	0	29,158
Total	216,292	187,064

Other short-term debt to Group companies	2019	2018
Lerøy Seafood AS	4,577	13,916
Lerøy Midt AS	1,255	0
Lerøy Alfheim AS	137	0
Lerøy Aurora AS (konsern)	124	0
Lerøy Vest AS	89	470
Lerøy Trondheim AS	22	0
Lerøy Delico AS	9	0
Sjømathuset AS	5	0
Total other short-term debt to Group companies	6,217	14,386

NOTE 4

Intangible assets and fixed assets

(All figures in NOK 1,000)

Intangible assets	Development licences
2019	
Capitalised expenses 2017	6,150
Capitalised expenses 2018	18,801
Capitalised expenses 2019	15,753
Carrying value at 31.12.19	40,704

The increase in intangible assets consists of capitalized expenses related to development-licences based on the concept "Pipefarm". The Group were initially awarded with a volume of 900 MTB. However, the the Group filed a complaint, arguing for higher volume in order to develop the project in desired direction. The 25.02.2020 the complaint were accepted wiht the authorities, and the

volum was increased to 1350 MTB. The company is still in the process of deciding on whether the project should be developed further or not. The development-licences has a definite life time of 5 years, but on expiry date it will be subjected to renewal and tranformation to an ordinary grow-out licence on request, for a fee amounting to NOK 10 million per licence (780 MTB).

Fixed assets				Total fixed assets
2018	Real estate	Buildings	Other fixtures	
Acquisition cost per 01.01.18	0	1,695	148	1,843
Addition of fixed assets	0	0	4,500	4,500
Disposal of fixed assets	0	0	-821	-821
Acquisition cost per 31.12.18	0	1,695	3,827	5,522
Accumulated depreciation per 31.12.18	0	0	-38	0
Carrying value at 31.12.18	0	1,695	3,789	5,522
The year's depreciation	0	0	38	38

2019	Real estate	Buildings	Other fixtures	Total fixed assets
Acquisition cost per 01.01.19	0	1,695	3,827	5,522
Addition of fixed assets	0	0	13,158	13,158
Disposal of fixed assets	0	-133	-38	-171
Acquisition cost per 31.12.19	0	1,562	16,947	18,509
Accumulated depreciation per 31.12.19	0	0	-1,390	0
Carrying value at 31.12.19	0	1,562	15,557	17,119
The year's depreciation	0	0	1,390	1,390
Accumulated depreciations on disposals (-)			-38	-38

The company owns an apartment in Bergen city centre. The economic life is considered to be indefinite, with no

depreciations. Other fixtures is depreciated on a linear basis wiht 20% to 33,33% p.a.

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	Additions (+)	Disposals (-)	Ownership/ voting share
				01.01			31.12
Lerøy Seafood Italy SRL	Italy	Porto Viro	2019	0.0 %	100.0 %		100.0 %
Lerøy Ocean Harvest AS	Norway	Bergen	2018	100.0 %			100.0 %
Laks- & Vildtcentralen 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	Skien	2015	95.9 %			95.9 %
Lerøy Nord AS	Norway	Tromsø	2015	51.0 %			51.0 %
Norsk Oppdrettsservice AS	Norway	Flekkefjord	2015	51.0 %			51.0 %
Lerøy Processing Spain SL	Spain	Madrid	2012	100.0 %			100.0 %
Rode Beheer 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 Delico AS	Norway	Stavanger	2006	100.0 %			100.0 %
Lerøy Trondheim AS	Norway	Trondheim	2006	100.0 %			100.0 %
Lerøy Alfheim AS	Norway	Bergen	2005	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	Göteborg	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

Change in book value of shares in subsidiaries

Subsidiary	Net book value in LSG ASA 01.01	New companies purchased	Redemption of non-controlling interests	Establishments and capital increases	Increase in value from Group contributions	Impairment loss	Net book value in LSG ASA 31.12
Lerøy Havfisk AS	3,090,920						3,090,920
Lerøy Vest AS	1,357,385					13,497	1,370,882
Lerøy Midt AS	1,135,230						1,135,230
Sjøtroll Havbruk AS	540,000						540,000
Lerøy Aurora AS	391,303						391,303
Rode Beheer B.V.	319,707						319,707
Lerøy Norway Seafoods AS	232,837				150,166	-139,876	243,127
Laks- & Vildtcentralen AS	115,000						115,000
Lerøy Sverige AB	80,349						80,349
Lerøy Fossen AS	75,018				14,321	-15,151	74,188
Lerøy Seafood AS	57,986				30		58,016
Lerøy Turkey	56,726						56,726
Norsk Oppdrettservice AS	25,000						25,000
Lerøy Delico AS	22,070						22,070
Lerøy Finland OY	20,581						20,581
Lerøy Processing Spain SL	20,151						20,151
Lerøy Trondheim AS	19,097					-108	18,989
Preline Fishfarming Sys. AS	18,872					-571	18,301
Sjømathuset AS	13,925						13,925
Lerøy Alfheim AS	13,096				1,402	-1,553	12,945
Lerøy Portugal Lda	8,937					-2,939	5,998
Lerøy Ocean Harvest AS	5,551				2,760	-2,840	5,470
Lerøy Nord AS	3,309					-1,103	2,206
Lerøy & Strudshavn AS	515				30	-392	153
Lerøy Seafood Italy SRL	0			97			97
Total	7,623,562	0	0	97	168,708	-151,036	7,641,331

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 has resulted 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 6

Shares in associates and other shares

(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 %	163,273			163,273
Seistar Holding AS	Austevoll, Norway	50 %	50 %	61,500			61,500
Seafood Danmark A/S	Hirtshals, Denmark	33.33 %	33.33 %	77,170			77,170
Sporbarhet AS	Trondheim, Norway	0 %	22 %	0	135		135
Ocean Forest AS	Bergen, Norway	50 %	50 %	30			30
The Seafood Innovation Cluster AS	Bergen, Norway	20 %	20 %	16			16
Total				301,989	135	0	302,125

For further information about associates and value according to equity method, see note on associates in the consolidated financial statements.

Andre aksjer	Net book value 01.01	Additions (+)	Disposals (-)	Net book value 31.12
Various minor shareholdings	3,941	6,346	-250	10,037
Total	3,941	6,346	-250	10,037

Lerøy Seafood Group ASA has committed a total of NOK10 million related to the investment in DnB Private Equity.

NOTE 7

Loans, mortgages and guarantees

(All figures in NOK 1,000)

	2019	2018
Long-term interest-bearing debt		
Debt to credit institutions	248,344	320,375
Total interest-bearing debt at 31.12	248,344	320,375
Bank deposits	2,072,963	1,553,251
Net interest-bearing debt at 31.12	-1,824,619	-1,232,876
Repayment profile interest-bearing debt		
2019		70,684
2020	70,492	70,684
2021	177,852	179,007
2022		
Total	248,344	320,375

Financial covenants

Loan terms ("covenants") are: The equity ratio must be minimum 30%, and net interest-bearing debt shall not exceed 5.0 in relation to EBITDA for the Group (consolidated

financial statements). When calculating the equity ratio, the balance sheet is adjusted for bank deposits and deferred tax in respect of licences.

Debt secured by mortgages		
Long-term debt to credit institutions	248,344	320,375
Total mortgage-secured debt at 31.12	248,344	320,375
Mortgaged assets		
Shares in subsidiaries	859,707	859,707
Shares in associates	163,273	163,273
Total book value of mortgaged assets 31.12	1,022,980	1,022,980
Guarantees and sureties	32,100	32,100

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. Annual minimum rent is approximately NOK 10,000.

Restricted funds

Restricted funds included in bank deposits equals to NOK 1,886.

NOTE 8

Interest rate swaps

(All figures in NOK 1,000)

Lerøy Seafood Group ASA has two interest rate swaps, each with a fixed amount of NOK 500 million and a duration of 10 years. The agreements are from 2011 and 2012.

When the interest rate swaps were entered into in 2011 and 2012, it was expected that the long-term bank debt (the hedged item) would be greater or equal to the signed interest rate swap (the hedging instrument) during the complete period of 10 years. Hedge accounting was therefore chosen as the accounting policy. The fair value of the interest rate swaps (gross commitment) is carried under the item for "Other long-term liabilities". The effective share of the change in value of the interest rate swaps is recognised directly in equity (cash flow hedging). The tax effect is also recognised directly in equity, and is therefore not included in the tax cost for the year in the income statement.

The effect of the changes in nominal tax rate is regarded

as a change in estimate, and recognised in the income statement for both agreements. The accounting policies are described in more detail in the note on accounting policies (J).

Due to a repayment of a bank loan in first half of 2018, the remaining total bank debt (hedging object) became significant lower than the hedging instrument, resulting in the fact that the hedging relationship was no longer effective. Thus the hedging relationship ceased also for the most recent interest rate swap agreement that was booked as a cash flow hedge. The cumulative change in fair value for the entire period, from when the agreement was entered into and until it ceased, was therefore reversed via equity and recognised in income as a change in fair value of financial instruments (in 2018), under financial items in the income statement. From 2018 the change in fair value on both interest rate swap agreements are booked through profit and loss, as a financial item.

Interest rate swaps	Agreement 1 17.11.2011	Agreement 2 17.01.2012	Total, all agreements
Nominal amount	500,000	500,000	1,000,000
Duration	10 år	10 år	10 år
Agreed fixed/average interest rate	3.55 %	3.29 %	3.42 %
Book value 01.01.2018			
Fair value of interest rate swaps as of 01.01.2018	-43,799	-39,980	-83,779
Deferred tax related to the interest rate swaps, 23%	10,074	9,195	19,269
Net (negative) value after tax, as of 01.01.2018	-33,725	-30,784	-64,510
<i>Changes booked through profit and loss</i>			
Change in fair value of interest rate swaps in 2018	14,820	13,499	28,319
Change in deferred tax related to the value change in the period, 23%	-3,409	-3,105	-6,513
Effect of change in nominal tax rate, from 23% til 22%, through profit or loss (change in estimate)	-290	-265	-555
Changes booked through profit and loss	11,121	10,129	21,251
Book value 31.12.2018			
Fair value of interest rate swaps as of 31.12.2018	-28,979	-26,481	-55,460
Deferred tax related to the interest rate swaps, 22%	6,375	5,826	12,201
Net (negative) value after tax, as of 31.12.2018	-22,604	-20,655	-43,259
Reclassification of cumulative change in fair value on interest swap agreements booked against equity, where the hedge is no longer effective			
Accumulated change in fair value on interest swap agreements (gross), reclassified to profit and loss	44,244	0	44,244
Accumulated change in deferred tax that has been booked through equity	-12,792	0	-12,792
Net amount reclassified from equity to profit and loss	31,452	0	31,452

Interest rate swaps	Agreement 1 17.11.2011	Agreement 2 17.01.2012	Total, all agreements
Change in fair value of financial instruments at fair value			
Changes in fair value in 2018 booked through profit and loss	14,820	13,499	28,319
Net amount reclassified from equity to profit and loss	-44,244	0	-44,244
Total	-29,424	13,499	-15,925
<i>Interests on interest swap agreements 2018</i>			
Floating rate interests	4,814	4,835	9,650
Fixed rate interests	17,750	16,450	34,200
Net paid	12,936	11,615	24,550
<i>Changes booked through profit and loss</i>			
Change in fair value of interest rate swaps in 2019	13,071	11,798	24,869
Change in deferred tax related to the value change in the period, 22%	-2,876	-2,596	-5,471
Effect of change in nominal tax rate, from 23% til 22%, through profit or loss (change in estimate)	0	0	0
Changes booked through profit and loss	10,195	9,203	19,398
Book value 31.12.2019			
Fair value of interest rate swaps as of 31.12.2019	-15,909	-14,682	-30,591
Deferred tax related to the interest rate swaps, 22%	3,500	3,230	6,730
Net (negative) value after tax, as of 31.12.2019	-12,409	-11,452	-23,861
<i>Interests on interest swap agreements 2019</i>			
Floating rate interests	7,239	7,289	14,529
Fixed rate interests	17,750	16,450	34,200
Net paid	10,511	9,161	19,672

NOTE 9 Taxation

(All figures in NOK 1,000)

Permanent differences	2019	2018
Dividends received (including the 3% added on the tax base)	-561,150	-802,195
Gain on disposal of shares	0	6,279
Other permanent differences	149,448	362,154
Total permanent differences	-411,702	-433,762
Calculation of tax payable	2019	2018
Profit before tax	2,058,589	2,851,729
Permanent differences	-411,702	-433,762
Change in temporary differences (through profit and loss)	-44,402	-13,050
The year's taxation base	1,602,484	2,404,917
Tax rate, nominal	22 %	23 %
Tax payable in the tax cost before intragroup contributions paid	352,547	553,131
Tax payable booked in the balance sheet	2019	2018
Tax payable	352,547	553,131
Tax payable on intragroup contributions paid	-47,584	-43,025
Tax payable booked in the balance sheet	304,962	510,106
Overview of temporary differences	2019	2018
Temporary differences where changes are recognised in profit and loss		
Intangibles	40,704	24,951
Buildings and other fixed assets	3,153	1,252
Financial instruments, total	-30,591	-55,460
Gain/loss account	-7,612	-9,490
Temporary differences 31.12 where changes are recognised in profit and loss	5,654	-38,748
Change in temporary differences where changes are recognised in profit and loss	44,402	13,050
Deferred tax	2019	2018
Deferred tax where changes are recognised in profit and loss		
Total temporary differences through profit and loss	5,654	-38,748
Tax rate, nominal	22 %	23 %
Deferred tax liability (+) / asset (-)	1,244	-8,912
The year's tax cost consists of	2019	2018
Tax payable in the tax cost before intragroup contributions paid	352,547	553,131
Change in deferred tax where changes are recognised in profit and loss	9,768	3,002
Effect of change in the nominal tax rate	0	387
Too much (-) or too little (+) allocated to tax previous year	865	5,790
Total tax cost	363,180	562,310
Effective tax rate	17.6 %	19.7 %

NOTE 10

Payroll costs, number of employees, remuneration, loans to staff, etc.

(All figures in NOK 1,000)

Payroll expenses	2019	2018
Salaries, holiday pay and bonuses	42,497	32,464
Employer's contribution	5,836	4,425
Hired personnel	10,275	5,668
Remuneration to the Board of Directors	1,200	1,200
Pension costs*	2,399	1,452
Other remunerations / nomination committee	451	529
Other personnel costs	737	261
Total	63,395	45,998
* <i>Defined contribution pension scheme</i>		
Average number of full-time equivalents:	30	14

For a specification of remuneration of senior executives in Lerøy Seafood Group ASA, see note on payroll expenses in the consolidated financial statements. The Chairman of the Board is hired in from Laco. The cost related to

the Chairman of the Board is included in the accounting item for hired personnel with NOK 6.1 million for 2019 and NOK 5.5 million for 2018. For total consulting fee paid to Laco, see note on transactions with related parties.

Auditor

Fees from the Group auditor PricewaterhouseCoopers AS, the law firm PricewaterhouseCoopers AS and other

foreign PriceWaterhouseCoopers firms, were as follows:

	2019	2018
Auditing fees Group auditor	1,040	1,500
Other services Group auditor	882	2,922
Total	1,922	4,422

NOTE 11**Items that are combined in the financial statements**

(All figures in NOK 1,000)

Financial revenue	2019	2018
Interest income from Group companies	14,265	4,457
Other interest income	20,476	11,685
Currency exchange gain	9,566	4,249
Other financial income	7,632	0
Total financial revenue	51,939	20,391
Financial costs	2019	2018
Interest cost	25,098	42,795
Currency exchange loss	5,395	1,348
Other financial costs	5,998	6,058
Total financial costs	36,491	50,201
Other financial items, net	15,449	-29,810
Unrealised currency gain(+)/loss(-) included above*	2,957	-922

* Relates to a long term foreign exchange loan in euro