

Integrated  
Annual Report  
2021

**MOWI**®

Leading  
the Blue  
Revolution



	<b>Business areas</b>	<b>004</b>
	<b>Dear stakeholder</b>	<b>006</b>
	<b>Key figures</b>	<b>010</b>
	Mowi's most material value drivers	021
	Sustainability ratings, awards and framework	023
	Mowi's contribution to UN Sustainable Development Goals	024
<b>1</b>	<b>Leading the Blue Revolution</b>	<b>012</b>
<b>2</b>	<b>Strategy and operational approach</b>	<b>026</b>
	<b>PROFIT</b> Attractive financial results	028
	<b>PLANET</b> Sustainable and environmentally responsible development	042
	<b>PRODUCT</b> Tasty and healthy seafood providing customer value	076
	<b>PEOPLE</b> Safe and meaningful jobs	100
	<b>R&amp;D</b> Research and development	124
<b>3</b>	<b>Group results</b>	<b>142</b>
	Board of Directors' report	144
	Board of Directors	156
	Corporate Governance	160
	Mowi Group Financial statement and notes	172
	Mowi ASA Financial statement and notes	230
	Directors' responsibility statement	246
	Auditor's reports	247
<b>4</b>	<b>Analytical and share information, APM, Risk, GRI Index, TCFD Report, ESG Index</b>	<b>254</b>
	Analytical information	256
	Share and shareholder information	266
	Alternative performance measures (APM) – Non-IFRS measures	271
	Risk and risk management	279
	GRI Index	288
	TCFD Report	297
	ESG Index	305











# Integrated Annual Report 2021

Mowi is one of the world's leading seafood companies, ranked as number one on both market capitalisation and sustainability. Mowi is also by far the world's largest Atlantic salmon farmer with harvest volumes of 466 000 tonnes in 2021, equivalent to a global market share of approximately 20%. The company has a fully integrated value chain from roe to plate and produces its own environmentally certified feed specifically designed for the Mowi salmon strain.

This integrated report sets out how we run our business, describes our vision and ambition, our successes and our improvement areas in an open and transparent way.

At every stage of the value chain, we all work towards one shared aim. To provide a growing world population with delicious, healthy and nutritious food from the ocean, in a way that respects our planet and allows local communities to flourish. A product everyone at Mowi is proud of, every day.

## Salmon Farming Industry Handbook

To gain industry insights please read Mowi's Salmon Farming Industry Handbook. This document gives an overview of supply, demand and market dynamics, including factors that Mowi believes are the most important value drivers.

SCAN QR

Scan the QR code  
to read Mowi's  
Salmon Farming  
Industry Handbook



# Deep history of value chain investments

Since our pioneering days in 1964, we have continued to invest in our value chain and today enjoy full control of our product: From the parental broodstock to sales. It's a remarkable story. Just a few decades ago our founders were growing salmon in netted bays and mixing fish feed by hand.



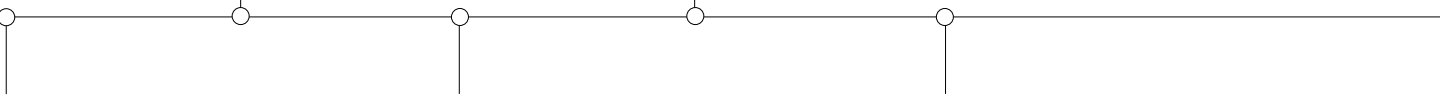
First stocking of salmon smolt in seawater. Hydro buys 50% of Mowi.

**1969**



Several M&As and Norsk Hydro takes 100% ownership of Mowi and changes name to Marine Harvest.

**1980–2005**



**1964**

The adventure of Mowi begins. Salmon came from the rivers Vosso and Årøy.



**1975–1976**

Mowi becomes a recognised local brand. The Mowi breeding adventure starts.



**2006–2007**

The Marine Harvest Group is established from three independent companies (Pan Fish, Marine Harvest, Fjord Seafood).



## MOWI'S integrated value chain

**FEEDING   BREEDING   SMOLT   FARMING   HARVESTING   PROCESSING   PRODUCTS AND CUSTOMERS**

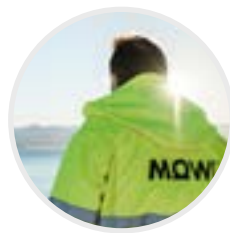


Over 50 years later, our investments in areas such as genetics, feed, value-added processing and smart technology have transformed our business and now place us in a leading position that few food producing companies can match.



The Group establishes its own feed division with factory, strengthening a fully integrated value chain.

**2012**



Marine Harvest once again becomes Mowi. MOWI brand successfully launched.

**2018**



**2013**

Morpol becomes a part of the Group.



**2021**

Recognised as the world's most sustainable animal protein producer for the third year running.

SCAN QR

Scan the QR code with your Smart phone to view our 360 film about the Mowi integrated value chain.



## Business areas

Mowi is the world's largest producer of farm-raised salmon measured by both volume and turnover. We offer seafood products to more than 70 countries, are represented in 25 countries and employ 11 800 people. Mowi is organised in three business areas: Feed, Farming and Sales & Marketing.

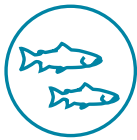


Providing our customers with 8 million meals a day



### Feed

Comprises our feed plants in Norway and Scotland.



### Farming

Incorporates our farming operations and some primary processing and filleting activities in Norway, Scotland, Canada, Chile, Ireland and the Faroe Islands.



### Sales & Marketing

Includes our secondary processing and value added operations in Europe, the US and Asia, and the sales and delivery of our products.



### Feed

(Tonnes)

Country	Capacity	Production				
		2021	2020	2019	2018	2017
Norway	400 000	358 769	389 750	353 310	348 402	305 174
Scotland	240 000	123 133	150 576	51 883	—	—
<b>Total</b>	<b>640 000</b>	<b>481 902</b>	<b>540 326</b>	<b>405 193</b>	<b>348 402</b>	<b>305 174</b>

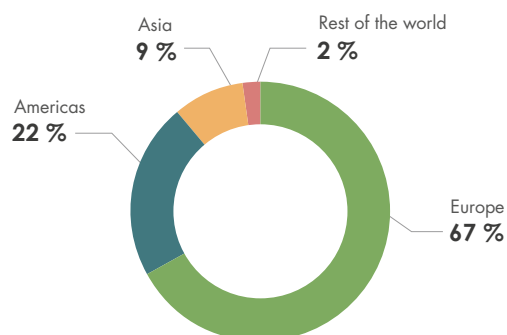


### Consumer Products

(Volume sold, tonnes prod wt)

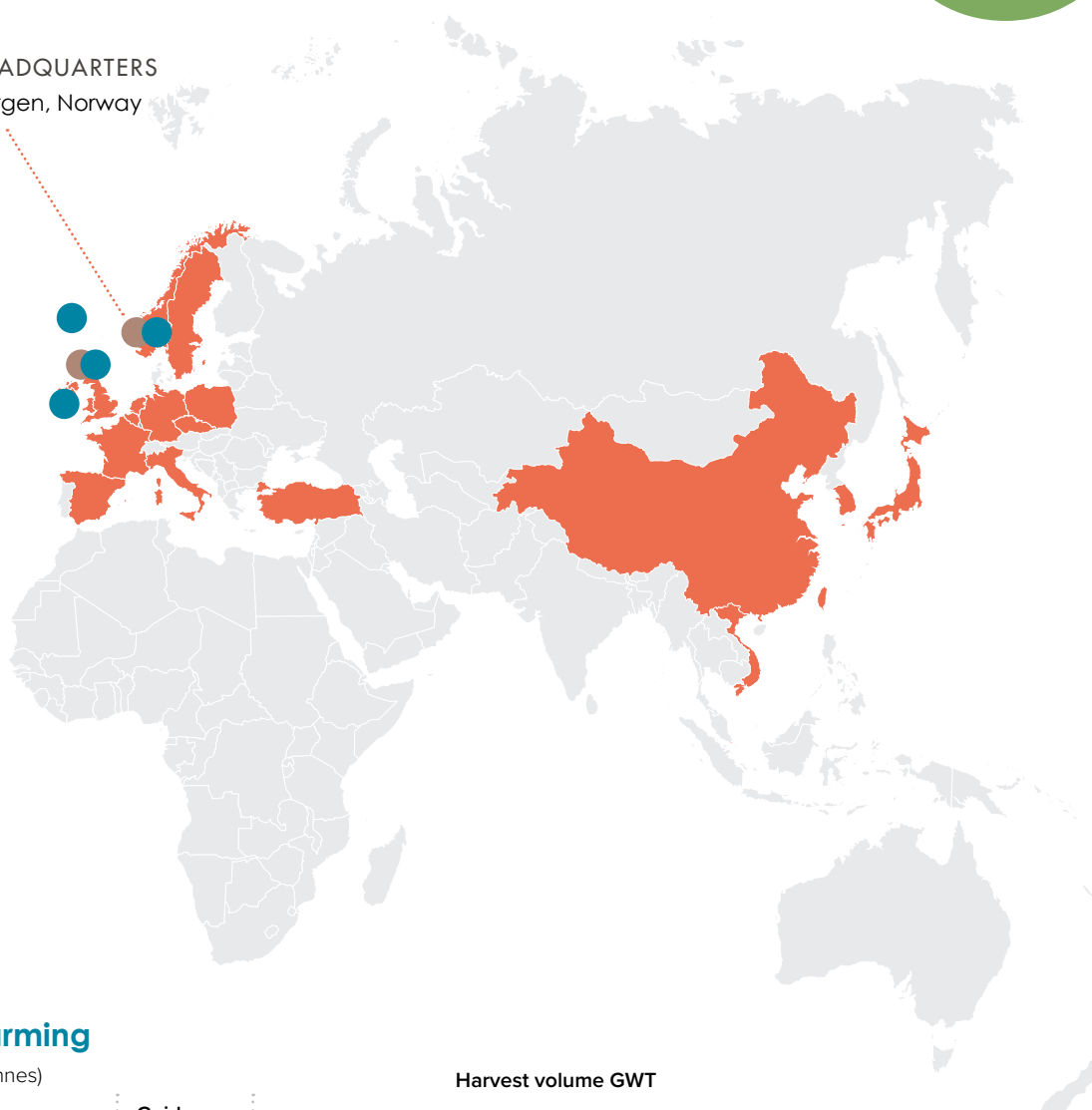
Country	2021	2020	2019	2018	2017
Europe	183 920	179 928	155 673	144 360	123 900
Americas	30 684	29 687	30 633	22 368	9 798
Asia	32 973	29 812	9 965	11 602	11 188
<b>Total</b>	<b>247 577</b>	<b>239 427</b>	<b>196 271</b>	<b>178 330</b>	<b>144 886</b>

### Sales by geography



#### HEADQUARTERS

Bergen, Norway



### Farming

(Tonnes)

Harvest volume GWT

Country	Guidance 2022	2021	2020	2019	2018	2017
Norway	272 000	273 204	262 016	236 880	230 427	210 152
Chile	71 000	65 958	64 570	65 688	53 165	44 894
Canada	37 000	45 311	43 953	54 408	39 267	39 389
Scotland	65 000	64 405	52 739	65 365	38 444	60 186
Ireland	6 000	6 790	7 961	6 650	6 238	9 745
Faroes	9 000	9 932	8 590	6 913	7 697	5 980
<b>Total</b>	<b>460 000</b>	<b>465 600</b>	<b>439 829</b>	<b>435 904</b>	<b>375 237</b>	<b>370 346</b>

# Dear stakeholder

2021 saw market conditions gradually improving with the Covid-19 pandemic on the wane in the main markets for salmon. Operationally, Mowi delivered all-time high volumes in both Farming and Consumer Products even as the pandemic continued to present a challenging environment. The company's farming license utilisation continued to improve in Norway, Mowi's largest and most important Farming region. With higher achieved prices and good operational performance, financial results improved compared with the year before. These achievements were only made possible by the dedication and hard work of Mowi's employees.



**CEO Ivan Vindheim**

The Covid-19 pandemic continued to influence markets and operations in 2021. The foodservice market segment, i.e. out-of-home consumption, was once again negatively impacted by lockdown measures this year. Nonetheless, following an increase in vaccination for Covid-19, demand in the foodservice segment gradually improved over the course of the year, albeit still ending the year at levels lower than before the pandemic. Demand in the retail segment however was once again stellar in 2021 and as of the end of the year demand for value-added products remained at levels well above what we saw before the pandemic. This positive retail performance resulted in strong overall demand and increased market prices compared with 2020 despite high supply volumes in the market, particularly from Norway which saw the highest year-over-year volume growth of the last eight years. As a result of these developments, spot prices improved in all markets, in turn causing earnings in our Farming division to increase compared with the year before.

Even though the Covid-19 pandemic continued to present a challenging backdrop to 2021, there were many good achievements.

Harvest volumes were the highest ever at 465 600 tonnes. Consumer Products produced a record-high 247 600 tonnes of value-added products through its downstream facilities as the division continued to benefit from the shift in consumer demand towards more home consumption of salmon. Revenues were the highest ever at EUR 4.2 billion. Farming cost per kg was stable when adjusted for inflation despite underlying cost pressure, and the organisation delivered on the targets set in the cost savings programme and the productivity programme for the year. Mowi continues to be the best or the second best cost performer vs. peers in the regions in which the company operates. The Feed division produced feed which performed very well and contributed to good growth performance for the salmon in sea. Despite producing record-high volumes, Mowi has managed to reduce the number of FTEs by a total of 1 014 in 2020-2021 which is a testament to the organisation's commitment to operational excellence. For the third successive year, Mowi was ranked the most sustainable animal protein producer in the world in the 2021 Collier FAIRR Protein Producer Index. To yet again occupy the top position in this prestigious ranking is extremely encouraging



and demonstrates that Mowi is at the forefront of sustainable food production. Mowi's mission to provide sustainable and healthy food to a growing world population is crucial. Mowi's employees have demonstrated enormous flexibility and determination to maintain production even in challenging times, and Mowi continues to take all possible measures to keep operations running while health and safety remains the number one priority.

Mowi is by far the largest producer of salmon, a scientifically proven natural superfood. Salmon is versatile and appeals to people of all ages with its highly appetising taste, look, texture and colour. We are working on many important initiatives that will further develop the company and bring it into the future. In Farming, we are working along three main pillars; volume growth, cost and sustainability. In Sales & Marketing, we are putting the customer at the core of all our activities related to products, branding and operational excellence. With regards to the Feed division we continue to work on operational improvements and cost optimisation, and it is comforting to see that our feed is performing very well.

The ongoing trend for using smart technology to automate production and industrial practices, often referred to as the fourth industrial revolution, offers significant opportunities for Mowi. In 2021, we presented our Mowi 4.0 strategy to leverage these opportunities, where the aim is to digitalise and automate our value chain from roe to plate. This work is set to continue over the coming years.

At the time of the publication of the annual report, the ramifications of the Russian invasion of Ukraine are uncertain. Our greatest concern now is the humanitarian consequences of the situation. The consequences for Mowi will depend on the duration and scale. So far, the crisis has had a negative impact on the global macro-economic environment including elevated inflation due to surging commodities prices. Over time, this increased inflationary pressure may also negatively impact costs for the salmon industry including Mowi. We are monitoring the situation closely and will continue to take all appropriate mitigating actions.

Looking ahead, we believe in a positive outlook for the company. With regards to demand, further lifting of pandemic-related restrictions is expected to be positive for the foodservice segment. In the retail segment, the growth in demand for value-added products during the pandemic has been unprecedented, and volumes remain at very good levels so far during the recovery phase. About half of the increase in the retail segment stems from increased penetration, i.e. new customers, and the other half comes from increased purchasing frequency. With regards to supply, global industry supply growth is estimated to be low in 2022 and this would under normal circumstances be supportive of strong salmon prices. In the coming years, we expect global megatrends to continue to drive demand for salmon and we expect demand growth to outpace supply growth. With an improved market environment and good operational performance as a backdrop, the organisation is well set to deliver on its ambitious targets over the coming years.

## Key achievements in 2021

### OPERATIONAL

- All-time high harvest volumes of 465 600 tonnes
- Record-high production volumes in Consumer Products of 247 600 tonnes
- Highest revenues ever at EUR 4.2 billion
- Best year ever for Consumer Products, with Operational EBIT of EUR 95.5 million and all-time high volumes sold of 247 600 tonnes
- Mowi self-sufficient for feed in Europe, and good feed performance
- FTEs reduced by a total of 1 014 since the start of the productivity programme in 2020, equivalent to a 7% reduction, while still achieving record-high volumes
- MOWI brand launched in the UK, Belgium, Italy, Spain and in US retail

### FINANCIAL

- Operational EBIT of EUR 522.6 million and Financial EBIT of EUR 602.2 million
- Return on capital employed (ROCE) of 13.4% despite a challenging year with tough market conditions
- Completed 2021 cost savings programme with annual savings of EUR 45 million and initiated new global EUR 25 million cost savings programme for 2022
- Completed refinancing of existing bank facility with five-year sustainability-linked EUR 1,800 million facility
- Strong financial position with covenant equity ratio at 55%
- Good cash flow and net cash flow per share of EUR 0.85
- Dividends of NOK 4.45 per share paid out in 2021

### SUSTAINABILITY

- Mowi ranked the most sustainable animal protein producer in the world (FAIRR index) for the third year in a row
- Improved safety record with all-time low rolling LTIs per million hours worked at 2.5 down from 2.7 in 2020
- Reduced our total GHG emissions by 8% in 2021

## Priorities going forward

- > Volume growth
- > Continued cost and FTE focus
- > Sustainability
- > Brand roll-out
- > Digitalisation and automation – Mowi 4.0
- > Develop our people and leaders

## Feed

Our feed performs very well, an essential quality as feed is the most important input factor in salmon production. Mowi is self-sufficient for feed in Europe with our state-of-the-art plants in Valsneset, Norway and Kyleakin, Scotland. In 2021, we produced a total of 481 900 tonnes of feed. Operational EBIT came in at EUR 18.4 million, equivalent to a return on sales of 2.7% and ROCE of 7.6%. Margins in the salmon feed industry are under pressure mainly due to the current over-capacity in this sector. In addition, costs have been negatively impacted by Covid-19-related challenges relating to increased formulation costs and logistics costs. Mowi will continue to work on producing high-performing feed and optimising feed ingredients while maintaining our focus on sustainability and high quality. With two modern facilities strategically located close to our largest farming operations, Mowi Feed is well positioned to streamline operations and improve costs. Furthermore, the current over-capacity is expected to be offset by growth in farming volumes in the coming years.

## Farming

Volume growth, costs, and sustainability are the three main pillars we are working along in Farming. While Mowi Farming performs well on costs and sustainability, there is still room for improvement here. As for volume growth, this will be an important focus area in the coming years.

Mowi reached a new harvest-volume record of 465 600 tonnes GWT in 2021, up by 6% or 25 800 tonnes from 2020 which was also a record year, following increased smolt stocking and overall good growth performance. Growth conditions were particularly strong in Norway, Mowi's largest and most important farming region, and Mowi's license utilisation in Norway has improved over the past few years to exceed the industry benchmark. In 2021, Mowi launched a postsmolt programme where the company will accelerate freshwater investments in Norway during the next five years in order to produce more and larger smolt, and plans are underway to significantly increase the average smolt size in our Scottish farming operations through freshwater investments. Mowi Scotland is also developing new sites to utilise new licenses awarded in recent years. In Chile, Mowi expects to grow in line with the traffic light system. In Canada East, Mowi has experienced several environmental and biological set-backs since the acquisition of Northern Harvest in 2018 and we have temporarily reduced smolt stocking there to ensure proper biological control before returning to the planned growth trajectory.

SCAN QR

Scan the QR code  
with your Smart phone  
to view the video  
about Smart Farming



Mowi has many unused licenses in this region and there is a significant potential for growth in the coming years. Overall intrinsic harvest capacity for Mowi Farming as a whole is well beyond 500 000 tonnes. In addition to this Mowi Farming also aims to grow volumes by applying new farming technologies as well as purchasing additional capacity and undertaking M&A activities.

Adjusted for inflation, blended Farming cost per kg has been stable for Mowi Farming since 2016 despite the underlying cost pressure related to more demanding biology, costly treatments and more complex regulations. Mowi's Farming cost relative to peers has over time been the best or second best in all of the geographical regions where the company operates. A number of successful cost-reduction measures have been introduced in recent years. However, the absolute cost level is still too high, and Mowi continues to work on reducing its cost level through the further development of farming technologies and new cost-cutting initiatives.

The ongoing implementation of Smart Farming technologies in Mowi Farming is expected to have a positive impact not only on productivity and costs, but also on fish welfare and sustainability. This work is part of our overall plan called Mowi 4.0 to transform and make the value chain more efficient through digitalisation and automation. In Farming, this includes implementation of remote operations centres, automatic feeding, real-time monitoring of biomass, tracking of fish welfare, and machine learning among other initiatives. Farming Norway is leading the way with this work and within the next five years we expect to have completed the roll-out of Smart Farming in our largest farming unit.

## Sales & Marketing

This division consists of all our downstream activities, including our steadily growing production of consumer-ready products. Operational results for Consumer Products were all-time high in 2021, with Operational EBIT of EUR 95.5 million, equivalent to a return on sales of 4.1% adjusted for trading volumes and ROCE of an impressive 15.3%. Consumer Products continued to benefit from the shift in demand towards more elaborated products and we sold 247 600 tonnes which was record-high and 3% more than the previous record in 2020. I commend our organisation for managing to carry out operational improvements including higher yield and reduced costs and FTEs, while at the same time keeping our operations running close to normal despite the challenging Covid-19 environment.

If the world is to build food systems that are good for people and the planet, for today and tomorrow, it needs to take advantage of Blue Foods, including farmed salmon.

Furthermore the organisation has demonstrated a high level of flexibility by adapting to new consumer behaviour.

Although the launch of the MOWI brand is progressing it has been significantly delayed by Covid-19 during the past two years. An important part of our launch strategy is to have sales representatives present in-store, and this was not possible for an extended period of time due to the pandemic. Following gradual lifting of restrictions, we were able to carry out several new launches in 2021, including in the UK, Italy, Spain and US retail. Feedback continues to be positive, and demand for our MOWI-branded products is increasing. The roll-out plan continues in 2022 focusing on key markets in Europe and further growth in the US. We have great belief in our MOWI brand strategy, and our long-term target of EUR 1 billion in turnover at 10% earnings margin remains, with an ultimate target of de-commoditising the salmon market over time.

Within our Sales & Marketing division there is a strong focus on automation and digitalisation, where our cross-border Processing Excellence team has been tasked with realising improvements in our processing plants. Through establishing benchmarks and best practices, the team will continue to focus on automation and the right use of technology to further improve our processing operations, ensuring efficient and lean factories. We are the largest value-added operator in the salmon sector with 33 primary and secondary facilities in 19 countries and our plans to realise further operational improvements continue unabated.

## Sustainability

Food from the ocean is the key to providing nutritious food with a smaller climate footprint than land-based food production. It is a triple win: for People, for the Planet and the Economy. Our ultimate goal is to unlock the potential of the ocean to produce more food for a growing world population in a way that respects our planet and allows local communities to flourish while offering consumers products that are tasty, healthy and of the highest quality. In combination, this is Leading the Blue Revolution.

In 2021, the Blue Food Assessment was released. This is an international initiative that brings together over 100 scientists from more than 25 institutions concluding that if the world is to build food systems that are good for people and the planet, for today

and tomorrow, it needs to take advantage of Blue Foods, including farmed salmon.

We remain committed to the principles of the United Nations Global Compact and to maximising our contribution to its Sustainable Development Goals (SDG). At Mowi, we pursue an integrated sustainability strategy where long-term targets have been established for all our guiding principles: Planet, People, Product and Profit. Transparency reporting according to global standards such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and the Taskforce on Climate-related Financial Disclosures (TCFD) is, and will continue to be, an important piece of our sustainability work. In 2021, we continued the implementation of our sustainability strategy, Leading the Blue Revolution Plan, and demonstrated significant progress in key strategic programmes such as a further reduction in Mowi's carbon footprint in alignment with our Science Based targets (SBT) and reduction in escape incidents.

As of the end of 2021, approximately 85% of Mowi's committed financing is labelled green or sustainable and the group is well on track to meet its target of 100% by 2026. In 2021, Mowi has been ranked the most sustainable protein producer for the third year in a row by the Collier FAIRR Protein Producer Index. This index assesses 60 of the largest listed global meat, dairy and aquaculture companies on ten environmental, social and governance themes aligned with the Sustainable Development Goals (SDGs). Overall, Mowi was rated 'Industry Best' against many of the criteria aligned to the SDGs including greenhouse gas emissions, deforestation and biodiversity, use of antibiotics, animal welfare, working conditions, food safety and governance.

'Leading a Blue Revolution' is not easy but we believe Mowi's unique strengths – our global presence, being fully integrated and being a front runner on innovation and R&D – will make a positive impact in the world.



Ivan Vindheim  
Chief Executive Officer



## Key figures

(EUR MILLION) YEAR	Ambition	2021	2020	2019	2018	2017
<b>REVENUES &amp; COST</b>						
Revenue and other income	Profitable growth	<b>4 202.2</b>	3 760.2	4 135.6	3 811.9	3 649.4
Harvest volume of salmonids (GWT)	Growth > market	<b>465 600</b>	439 829	435 904	375 237	370 346
Value-added share of sales (salmon)	Increased share	<b>58.1%</b>	56.4%	51.4%	50.9%	48.3%
Cost in box (EUR/kg)	Leadership	<b>4.47</b>	4.37	4.26	4.12	4.16
Market price of salmon (EUR/kg)		<b>5.68</b>	5.00	5.79	6.19	6.31
<b>PROFITABILITY</b>						
Operational EBITDA		<b>690.3</b>	504.6	874.5	906.2	942.5
Operational EBIT		<b>522.6</b>	337.7	720.9	752.8	792.1
EBIT		<b>602.2</b>	183.5	617.0	925.4	484.9
Operational EBIT (EUR/kg)		<b>1.12</b>	0.77	1.65	2.01	2.14
Profit or loss for the year		<b>487.9</b>	119.1	476.3	567.2	462.7
Cash flow from operations		<b>833.1</b>	502.7	759.0	620.9	632.4
Net cash flow per share (EUR)		<b>0.85</b>	0.01	0.59	0.51	0.74
ROCE %	Above 12% p.a	<b>13.4%</b>	8.3%	19.9%	24.9%	26.7%
<b>BALANCE SHEET</b>						
Gross investments		<b>244.7</b>	315.8	292.7	346.2	254.9
Total assets		<b>6 259.5</b>	5 846.1	5 840.1	5 145.1	4 330.3
Net interest-bearing debt	1 400	<b>1 257.3</b>	1 458.4	1 337.2	1 037.2	831.9
Covenant equity %	Well above covenant equity ratio of 35%	<b>54.6%</b>	52.0%	53.0%	56.0%	53.5%
Equity (owners of Mowi)		<b>3 131.4</b>	2 764.1	2 892.6	2 879.0	2 314.2
<b>THE SHARE</b>						
Total market value OSE (NOK million)	Long-term value creation	<b>107 921</b>	98 768	118 005	94 280	68 133
Number of shares (million)		<b>5171</b>	5171	5171	516.0	490.2
Earnings per share (EUR) - basic		<b>0.94</b>	0.23	0.92	1.15	0.97
Underlying earnings per share (EUR)		<b>0.71</b>	0.43	0.99	1.11	1.23
Dividend declared and paid per share (NOK)	Long-term value creation	<b>4.45</b>	2.60	10.40	10.40	12.40
<b>PEOPLE</b>						
Number of FTEs	Productivity improvement	<b>13 984</b>	14 645	14 998	14 537	13 233
LTI per million hours worked	Reduction	<b>2.5</b>	2.7	4.3	4.8	6.6
Absenteeism	Below 4 %	<b>5.2%</b>	5.1%	4.7%	5.0%	5.2%
<b>PLANET</b>						
Sustainability certification	100%	<b>98%</b>	100%	99 (37%)	78 (34%)	72 (31%)
Fish-in Fish-out (FIFO)	< 1	<b>0.80</b>	0.68	0.66	0.75	0.73
Greenhouse Gas emission (tonnes CO <sub>2</sub> e; scope 1 and 2)	35% reduction by 2030	<b>263 660</b>	322 836	356 762	325 359	294 251
Greenhouse Gas emission (tonnes CO <sub>2</sub> e; scope 3)	35% reduction by 2030	<b>1 825 745</b>	1 941 085	1 979 211	1 950 541	na
Avoided carbon emissions (million tonnes CO <sub>2</sub> )	y-o-y improvement	<b>1.9</b>	1.8	1.7	1.4	na

For definitions of key figures, see the description of Alternative Performance targets.

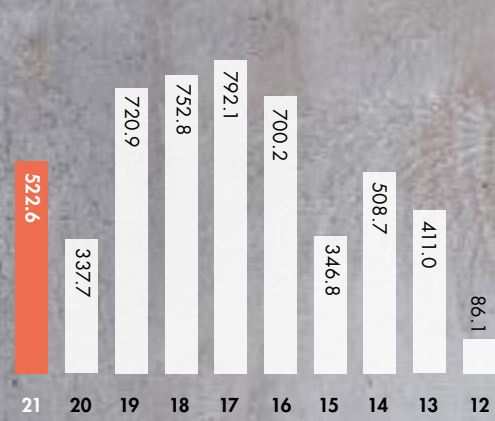
### Revenue and other income

(EUR million)



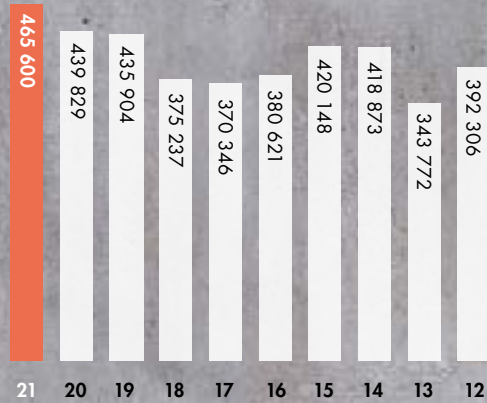
### Operational EBIT

(EUR million)



### Harvest volume salmonids

(GWT)



# Leading the Blue Revolution







### **Mowi's most material value drivers**

021

### **Sustainability ratings, awards and framework**

023

### **Mowi's contribution to UN Sustainable Development Goals**

024

## **Unlocking the potential of the sea**

"Food security and climate change are two of the most pressing challenges facing humanity. As a seafood producer, Mowi is unlocking the potential of the ocean to produce healthy and climate-friendly food for a growing world population."

Ivan Vindheim, CEO



## The world needs more food from the Ocean



### Health

Increased consumption of blue foods may reduce the consumption of terrestrial meats, consequently reducing diet-related chronic disease like hypertension, obesity and certain types of cancer (BFA, 2021).



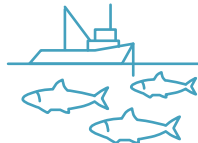
### Population growth

The world's population is expected to grow from 7.7 billion currently to 9.7 billion in 2050 (UN, 2021)



### Resource efficiency

Blue foods have lower freshwater use and land use compared to terrestrial meats (BFA, 2021).



### Exploited resources

The percentage of overexploited fisheries has gone up from 33.1 to 34.2% (SOFIA, 2020).



### Aging population

Globally, the share of the population aged  $\geq 65$  years is expected to increase from 9.3% in 2020 to around 16.0% in 2050 (UN, 2020).



### Climate change

Blue foods have lower GHG emissions than land-based foods (BFA, 2021). Dietary shifts towards increased seafood consumption is recognised as part of the solution to climate change (Ocean panel, 2021).

## Our corporate foundation

We believe that by farming the ocean, we can sustainably produce healthy, nutritious and tasty food for society at large. 70% of our planet is covered by water, yet the United Nations Food and Agriculture organisation (FAO) estimates that only around 2% of the world's food supply comes from the ocean. This includes both farm-raised and wild-caught fish. We know that global consumption of farm-raised seafood will increase in the future, both in terms of overall volumes and as a percentage of the global food supply.

## The Mowi way - From Vision to Action

Our financial results are created through interaction between people, the natural environment and technology. Our goal is to find an optimal combination of these elements to create long-term success, whilst understanding that our growth must be environmentally, socially and financially sustainable. To manage the risks that may prevent us from reaching our goals and delivering on our strategy, we have developed the "Mowi Way". The Mowi Way combines our vision, values, strategy, leadership, and our guiding principles.

## Our vision

Our vision, "Leading the Blue Revolution", gives direction and outlines possibilities. The possibilities lie in the increased need for protein to supply a growing and increasingly prosperous world population with healthy, sustainable food products. We believe the most efficient way to produce more protein is by farming the ocean.

## Guiding Principles

The way we operate our business is centred around our four guiding principles that underpin our vision and behaviour: Planet, Product, People and Profit. Balancing the four principles is a prerequisite for Leading the Blue Revolution and creating long-term value. This ensures that we continue to deliver a premium product with minimal negative impact to the environment that also generates value for the local communities in which we operate, as well as focusing upon delivering healthy shareholder returns and ensuring access to capital.

## Our strategy

We aim to be an integrated provider of proteins from the ocean, taking the lead in all key areas, from the production of fish feed to meeting the needs of the market. By integrating the entire value chain, we can control our products from roe to plate, and be more proactive in addressing challenges related to sustainable feed, breeding and genetics, farming and secondary processing. We see research and development as an integral part across our value chain, which differentiates Mowi within the industry.

UN, 2020 World Population Ageing 2020 Highlights (un.org)

UN, 2021 [www.un.org/en/global-issues/population](http://www.un.org/en/global-issues/population).

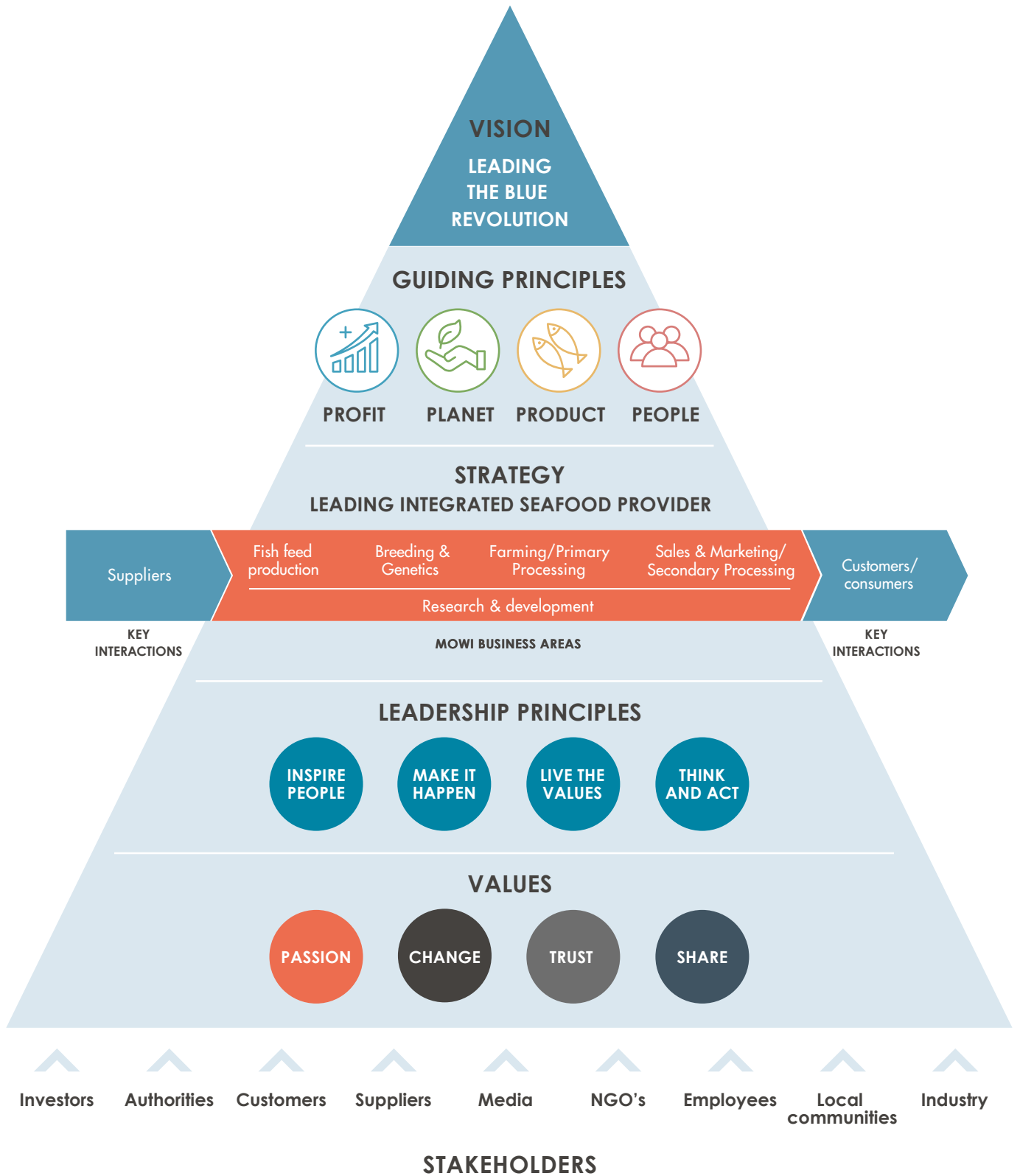
BFA, 2021 Home | BFA (bluefood.earth)

SOFIA, 2020. The state of the world fisheries and aquaculture.

The State of World Fisheries and Aquaculture 2020 (fao.org)

Ocean panel 2021. Home | High Level Panel for a Sustainable Ocean Economy (oceanpanel.org)

# From Vision to Action







## VERTICAL INTEGRATION

We believe there are benefits to vertical integration, due to the greater capacity it gives us to control the production process. We refer to activities which occur after farming (i.e. secondary processing) as downstream operations, and activities occurring prior to farming (i.e. feed production) as upstream operations. Our integrated production helps us stabilise costs, control the quality of our products and improve efficiency. Over time, vertical integration is expected to result in more stable earnings and unlock future growth. We expect to be less exposed to the cyclical nature of salmon prices, and to be better able to control the quality of our products. An important prerequisite for building the MOWI brand and gaining brand awareness is to gain consumer trust, and through Mowi's integrated value chain, we believe that the company can differentiate the way our products are perceived, positioned and sold.

### Our leadership principles

Taking the lead is about setting a course and taking responsibility, and our leadership principles provide an important guide for managers' behaviour:

**Inspire people:** We recruit the very best and build talent for the future. We strive to create winning teams and challenge people to succeed.

**Make it happen:** We challenge existing thinking and promote change and innovation. We encourage people to propose solutions and learn from mistakes.

**Live the values:** We want our leaders to be role models and build our culture; leaders should show direction and engage with stakeholders.

**Think and act:** We want our leaders to think and act as if the company was their own. Leaders should do what is best for the company, bearing in mind both our short- and long-term goals.

### Our Values

Our global values - Passion, Change, Trust and Share - inspire us to act in the right way and are key enablers for reaching our goals.

**Passion** for the company and the product: Passion is the key to our success and how we make a difference.

**Change** is the new "normal": We are ready for change and work continuously to improve our operations.

**Trust** is essential in everything we do: Our operations provide safe, delicious and healthy food, and we deliver on our promises.

**Share** underpins the performance of our employees: We share knowledge and experience, we are open and transparent, and we cooperate with key stakeholders globally.

## STAKEHOLDER ENGAGEMENT

As a global seafood company, our activities influence a diverse group of stakeholders. At the same time, our stakeholders' viewpoints and decisions also have an impact of the success of our business. Therefore an ongoing engagement with our key stakeholders is inherent to our way of working. Dialogue helps build trust, and as trust is one of Mowi's core values, we value every opportunity to listen to our stakeholders, to identify trends, to address critical issues and build partnerships. Understanding our stakeholders' needs and interests will help us shape our strategy and better meet their expectations.

In addition, engagement with sustainability benchmark developers (e.g. Collier FAIRR's Index, Seafood Stewardship Index, Food and

Agriculture Benchmark) help us understanding key sustainability and innovation trends.

Our Code of Conduct underpins how we interact with stakeholders and our internal standard on Community Engagement defines minimum requirements on community engagement plans including those related to the Aquaculture Stewardship Council certification.

Continuous identification and prioritisation of relevant stakeholders and their topics of interest is done through Mowi's communication and sustainability global networks. The added insight from such networks contribute to our materiality assessment (see important and material topics of concern identified by stakeholders in our materiality assessment).

Mowi has identified the following stakeholder groups as key to help us identify the key economic, environmental and social impacts, both positive and negative:

**Investors and creditors**, through road shows, capital markets days and other presentations to share ambitions and concerns.

**Authorities**, to facilitate the development and implementation of smart, fair and enforced industry regulations.

**Consumers and customers**, including key retailers for product and process development and greater understanding of consumer expectations in general.

**Suppliers**, to ensure that we have a shared approach to the delivery of goods and services, sustainability, human rights and ethics in general.

**Media**, including social media, to understand the public perception of seafood in general and our business in particular.

**NGOs**, for the mutual exchange of ideas and information.

**Employees**, utilising their potential for personal and company growth and progress.

**Local communities and Indigenous People** where we operate, to promote healthy cooperation and create win-win solutions.

**The industry**, for a unified approach to common global and local challenges e.g. SeaBOS for greater seafood industry cooperation and continuous progress on global sustainability challenges and for country-specific challenges the local industry associations, e.g. Norwegian Seafood Federation (Sjømat Norge).

How we interact with our stakeholders is described below.

## How we interact and engage with stakeholders

### Consumers and customers

- Customer surveys
- Trade fairs
- Meetings/dialogue responding to inquiries
- Marketing activities of our MOWI brand

### Employees

- Employee survey, intranet, dialogue with employees and managers

### Local communities and indigenous people

- Community engagement plans, visit to farming sites, career days, beach clean up days

### NGOs

- Dialogue in the context of partnerships (e.g. SeaBOS)
- Meetings/dialogue responding to inquiries

### Suppliers

- Regular meetings to learn about new developments and accelerate more sustainable and affordable solutions
- Dialogue in the context of industry initiatives

### Media

- Dialogue in the context of press trips, press releases, trade fairs, international events

### The industry

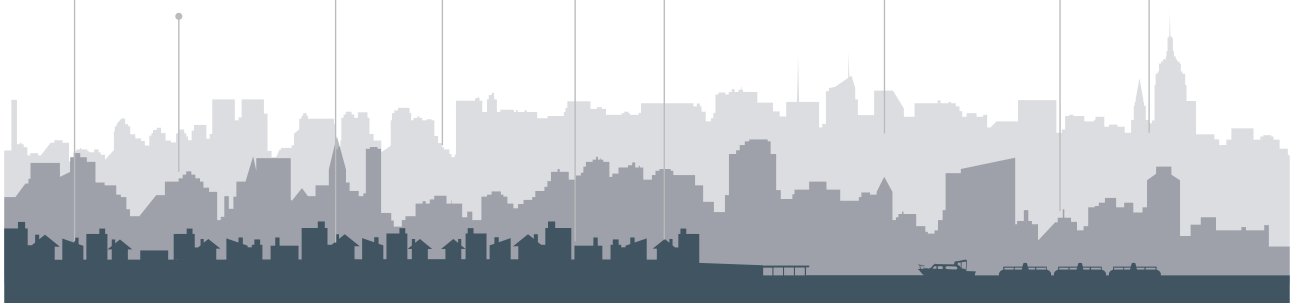
- Local and global industry initiatives (e.g. SeaBOS, Sjømat Norge, Chilean Salmon Council)

### Investors and creditors

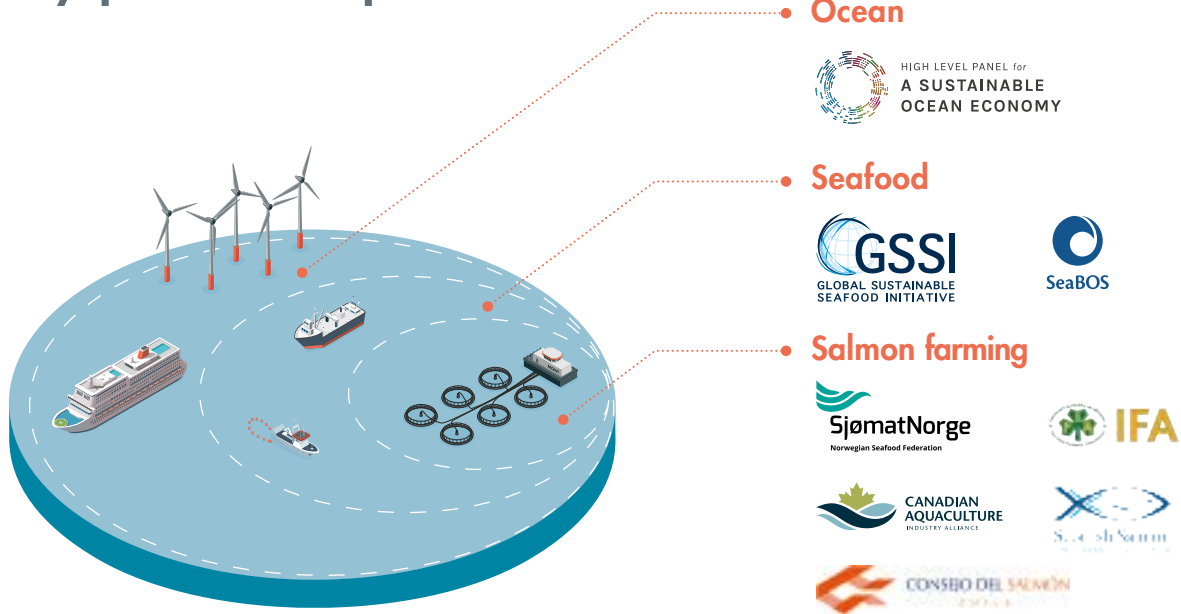
- Continuous dialogue, roadshows, quarterly results presentations
- Face-to-face meetings/dialogue responding to inquiries

### Authorities

- Sea site visits
- Participation in policy discussions
- Feedback to open hearings regarding changes in legislation



# Key partnerships



## KEY PARTNERSHIPS

Working in collaboration is key to Mowi's vision of Leading the Blue Revolution. We believe that we can accelerate progress by working together with peers in the seafood sector and other players that share our common interest of using the ocean to add value to humankind.

Our collaboration with other seafood players is key to Mowi as part of the Seafood Business for Ocean Stewardship (SeaBOS). Our contribution to this initiative ranges from increasing transparency and traceability at our own operations, working with governments to improve regulations and working towards eliminating IUU fishing, reducing the use of plastic pollution and antimicrobials while ensuring good animal welfare. Engagement with public policy officials also take place to discuss the topic of climate resilience in the seafood sector.

With the aim of realising sector-wide improvements on biosecurity, Mowi is a member of the Norwegian Seafood Federation (Sjømat Norge). The Norwegian Seafood Federation represents the interests of approximately 800 member companies and is the largest federation for seafood companies in Norway. We are a member of national federations in the various farming countries in order to address local and national issues.

We continue to support the Global Sustainable Seafood Initiative (GSSI, <http://www.ourgssi.org>), which plays an important role in providing clarity on seafood certification.

Mowi is part of the advisory network of the High Level Panel for a sustainable ocean economy which comprises more than 135 private sector, non-governmental organisations and intergovernmental organisations across 35 countries. As a member of the advisory

network we aim to share knowledge on existing initiatives and actions within ocean-farming that can contribute to the High Level Panel's aim of advancing a new relationship between humanity and the sea that protects the ocean and optimises its value to humankind. <https://www.oceanpanel.org/>. In addition, this network allows a discussion with public policy officials on topics such as climate change and ocean pollution.

## MANAGING A SUSTAINABLE SUPPLY CHAIN

Mowi's supply chain channels significant volumes of materials and services from thousands of businesses globally. Through these relationships we impact a variety of environments around the world. This is a responsibility that commits.

We need to make sure our healthy products have a sustainable supply chain. To further this goal, we emphasise transparency in our business conduct in order to uphold and strengthen trust between our stakeholders and us. This obligates everyone in our supply chain to comply with the Mowi standards.

Our Global Procurement Policy lays the ground rules for how we conduct ourselves toward our vendors and supply chain. An integral part of this is our Code of Conduct, which specifies our expectations towards our suppliers and the overall supply chain. The standards we set are built on internationally accepted principles and targets for business ethics, sustainability and human rights.

Every business unit has its own supply chain professional whose responsibility it is to monitor and follow up internal and third-party compliance with our guidelines. To make this work efficient, thorough, and transparent we are using standardised, global systems



for supplier approval and supply chain monitoring. The system will strengthen the risk management carried out in our business units today, as well as improving our processes on supplier qualification, risk assessment, management and mitigation, as well as audits, remedy, communication and training.

Given the variety and size of Mowi's supplier portfolio and spend in a wide range of countries and industry sectors, it is crucial to have a strong supply chain focus. The building blocks of this focus is an agile and unified supply chain organisation, a standardised digital infrastructure and a common structured approach to supply chain management and supplier spend. Thus far this work has proved fruitful and will continue to strengthen our supply chain, reduce cost, increase sustainability focus and add value to our business in the years to come.

### MATERIAL LONG-TERM VALUE DRIVERS

Our materiality assessment helps to identify and prioritise sustainability issues in a world of constant change. Last year we reviewed our materiality assessment in our global sustainability networks and in the Group Management Team. In addition, the board ran a strategic discussion on risks and opportunities related to sustainability and long term-planning. As a result, we reviewed our materiality assessment in alignment with what impacts our business and what is important to our stakeholders. We have re-phrased some of the value drivers to reflect a closer understanding of that value driver for Mowi and our stakeholders:

- we replaced "Responsible supply chain" with "Responsible supply chain and ensuring Human Rights". This update reflects in a better way the ongoing work regarding Human Rights including our Human Rights Framework, internal training, Code of Conduct for suppliers and the roll out of our Global Supplier Relationship Management Platform.
- we replaced "Wildlife Interactions" with "Preserve Biodiversity" which better describes the several biodiversity-related projects we run covering more than wildlife interactions.
- we added "Efficient freshwater use" as a material topic for our stakeholders and important for Mowi to better reflect our freshwater policy updates, including a new time-bound targets for our processing plants located in water-stressed areas.

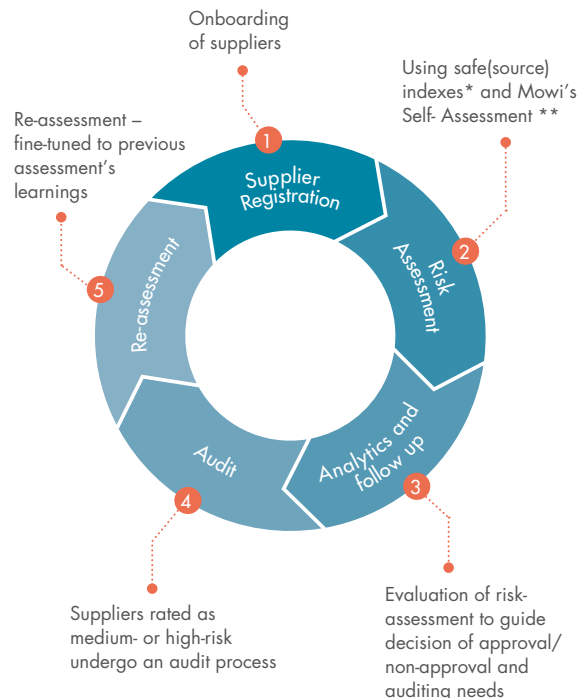
We have chosen to use an integrated materiality analysis\* which identifies the value drivers that have the most material impact on long-term value creation. The materiality assessment is approved by the board.

Along its entire value chain, Mowi is affected by social issues, such as worker's rights and public acceptance of fish farming. Climate change, environmental regulations and certification requirements may have an impact on the supply chain, by affecting the availability of raw feed ingredients as well as farming areas. Trade barriers may have a significant impact on our products' availability in different markets.

In turn, Mowi also has an impact on people and the environment along its value chain. Our Feed, Farming and Sales & Marketing operations create jobs and contribute to the economic development of local communities. In addition, the health benefits of our products clearly have a positive impact on people and society in general. Health and safety issues and labour rights are also key components of the social impact we have at both our own operations and our suppliers. Our impact also extends to social and environmental standards setting. In terms of environmental impacts we contribute to greenhouse gas emissions along the supply chain, and affect local ecosystems in the vicinity of our farming operations. However, the new technology and infrastructure we continue to invest in will lead to more sustainable farming methods that could also be relevant to other fish species.

Mowi supports the UN Sustainable Development Goals (SDGs). The alignment of our strategy, guiding principles, material long-term value drivers and the SDGs is provided on the following pages.

## Supplier Relationship Management Platform



\* includes indexes on Human Rights (e.g. Human development Index), Labour Rights (e.g. Ratification of ILO's 8 Fundamental Conventions), Business Ethics & Anti-Corruption (e.g. Anti-corruption Index), Political Stability & Rule of Law (e.g. Word-wide Governance Index), Environmental Performance (e.g. Water Risk Index), Economic Stability (e.g. Economic Volatility), Currency (e.g. Currency Volatility) and Tradability (e.g. Resolving Insolvency)

\*\* includes surveys on topics related to management, quality management, supply chain, health & safety, human rights, business ethics and anti-corruption and environmental impact



# Mowi's most material value drivers



\*Mowi's original materiality analysis from 2013 was based upon the guidelines of the GRI (Global Reporting Initiative) and GRI was also used to guide the new integrated materiality analysis along with the integrated reporting council's integrated reporting framework. The integrated reporting framework involves identifying the key inputs, or capitals, that a company relies upon to carry out its business activities, how these inputs are processed by the business and what are the resultant outputs. These key inputs and outputs and processes were identified by considering Mowi's value chain from supply of fish feed ingredients through to delivery of products to customers. The GRI materiality process requires identifying the key economic, environmental and social impacts, both positive and negative, that a company has upon its stakeholders throughout its value chain. Our key impacts were originally identified using a stakeholder dialogue process and desktop review of relevant academic literature, media reports, reporting standards, regulations and competitors. To identify the value drivers that have the most material impact on long-term value creation, each value driver has been assessed with regards to current and future stakeholder expectations as well as operational and strategic impact on Mowi. The prioritisation was performed in conjunction with executive management, and material value drivers will be addressed on a regular basis at senior management level to ensure adequate focus.



# How we ensure full transparency

## TRANSPARENCY

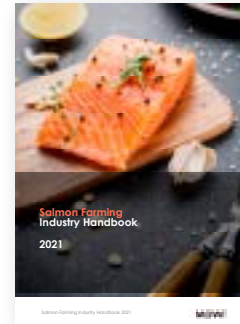
Transparency builds trust. Being transparent about our environmental, social and product performance is key for building trust with our stakeholders and correcting misinformation. Our sustainability data is audited by third parties and reported according to global standards such as the Global Reporting Initiative (GRI).

**These are example of our global sustainability reports:**

- > **Annual Report**, an integrated report combining our group financial results with environmental, product and social performance.
- > **Mowi's Industry Handbook**, provides financial analysts, investors and other stakeholders with insight into the salmon industry.
- > **Task Force on Climate-Related Financial Disclosures (TCFD) Report**, also included in this annual report, summarizes climate-related risks and opportunities accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures.
- > **CDP (formerly the Carbon Disclosure Project) report**, provides Mowi's annual carbon accounting covering scope 1, 2 and 3 emissions as well as risks and opportunities linked with climate change.
- > **Green Bond Impact report**, summarises the projects and the environmental impact of projects which are eligible to be funded with green bond proceeds.
- > **Quarterly Reports**, are available at mowi.com and provide quarterly financial updates as well as highlights of our Planet, People and Product principles.
- > **Global Compact Report**, provides an assessment of how Mowi is adopting the UN Ten Principles in the areas of human rights, labour, environment and anti-corruption, whilst taking action to deliver on the Sustainable Development Goals.
- > **At mowi.com** we share our group policies on sourcing feed raw materials, fish welfare, climate change and responsible plastic use.



**Annual Report**



**Mowi's Industry Handbook**



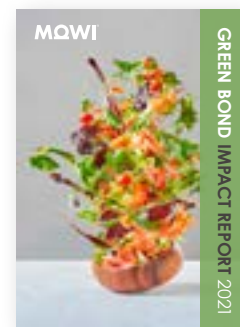
**CDP report**



**Quarterly Financial Reports**



**Global Compact Report**



**Green Bond Impact Report**



**Mowi's website – Policies & ASC dashboard**  
[www.mowi.com](http://www.mowi.com)



Scan the QR code with your Smart phone to view the report.



## Sustainability ratings, awards and framework

Rating agencies	About the rating	Score
 A COLLIER INITIATIVE	Mowi ranked as the most sustainable animal protein producer in the world (amongst the largest 60 animal protein producers in the world) for three consecutive years.	1st
 DISCLOSURE INSIGHT ACTION	CDP Climate Change rating	B
	Supplier Engagement Rating (SER). The SER provides a rating for how effectively companies are engaging their suppliers on climate change. The companies with the best SER are celebrated as Supplier Engagement Leaders (top 8%).	A
	Mowi ranked the second most sustainable seafood company (amongst the 30 largest seafood companies in the world)	2nd
	ESG rating designed to measure a company's resilience to long-term, industry material environmental, social and governance (ESG) risks. Mowi in the Leader category.	AA
	ESG rating assessing financially material Environmental, Social and Governance (ESG) data.	Medium-Risk
	Mowi awarded the best Annual report in Norway three times in the last five years. Sustainability and sustainability reporting is a key part of the evaluation.	2nd
	ESG reporting amongst the 100 largest listed companies in Norway	A
	Mowi Green Bond receives an overall CICERO Medium Green shading and a governance score of Excellent.	Medium Green/ Excellent
	Mowi has reported according to Global Reporting Initiative (GRI) since 2012.	Audited
 SASB STANDARDS	SASB is an independent standards-setting organisation that promotes disclosure of material sustainability information to meet investors needs.	In compliance
 Norsk utvalg for eierstyring og selskapsledelse	Mowi follows the Norwegian Code of Practice for Corporate Governance.	In compliance
	Mowi follows the Euronext guidance on ESG reporting	In compliance
 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	Mowi has reported according to Task Force on Climate-related Financial Disclosures (TCFD) since 2020. The TCFD report is published in our annual report.	In compliance

# Mowi's contribution to UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) have been agreed by all 193 UN member states in 2015 and guide governments, civil society and the private sector in a collaborative effort for change towards a sustainable development. The SDGs described below are those considered the most material for Mowi, i.e. those where we can have the greatest impact, but we also contribute to others.



### SDG 3 Good Health and Well being

Farm-raised salmon is a rich source of omega-3 fatty acids, minerals and vitamins. Its benefits to human health are well-documented (see Product section). Our KPIs that contribute to SDG 3: harvested volumes; nutritional values of our salmon, quality of harvested salmon, contaminant levels, decreasing LTI and absenteeism, global health and safety program, and employee work place programs (see People section).



### SDG 5 Gender Equality

Our business depends on diversity and gender balance among our employees. We focus on building a diverse work force throughout the value chain, as well as fair employment, and development and equal opportunities for employees (see People section). Our KPIs that contribute to SDG 5: training on diversity and equal rights, gender balance, and parental leave opportunity for both genders.



### SDG 8 Decent Work and Economic Growth, SDG 10 Reduced Inequalities & SDG 11 Sustainable Cities and Communities

Our operations contribute to the development of local communities providing safe and meaningful jobs (see People section). Our KPIs that contribute to SDG 8, 10 and 11: Global Health and Safety Program, LTI and absence rate, code of conduct training, number of cases raised in the whistle blower channel, training on human rights, non-compliance incidents, community engagement and our indigenous workforce.



### SDG 9 Industry Innovation and Infrastructure

We invest significantly in research, development and innovation to solve our challenges and create new growth opportunities (see R&D section). Our KPIs that contribute to SDG 9: R&D spending.



### SDG 12 Responsible Consumption and Production & SDG 13 Climate Change

Salmon farming is one of the most efficient ways of using natural resources to produce a healthy protein: it has a low carbon footprint, high energy and protein retention efficiency and low water footprint (see Planet and People section). Our KPIs that contribute to SDG 12: energy use and GHG emissions, % of sites with minimum benthic impact, number of biodiversity projects, number of escape incidents and escaped fish, plastic packaging footprint, GSSI recognised certification, compliance with sustainable feed policy, FFDRm and FFDRo limits, antimicrobial use, sea lice counts and medicine use, Global Health and Safety Program.



### SDG 14 Life Below Water

Our business depends on a healthy ocean. We minimise our environmental impact by monitoring, applying best practices and following the strictest environmental standards available for aquaculture (see Planet section). Our KPIs that contribute to SDG 14: % of sites with minimum benthic impact, number of biodiversity projects, number of escape incidents and escaped fish, ASC certification, compliance with sustainable feed policy, FFDRm and FFDRo limits, antimicrobial use, sea lice counts and medicine use.



### SDG 17 Key Partnerships for the Goals

Achieving a sustainable future will require concerted action and new forms of partnership. Examples of our key partnerships are the SeaBOS initiative, Global Sustainable Seafood Initiative (GSSI), the Norwegian Seafood Federation (Sjømat Norge) and the Chilean Salmon Council (see Planet section). We are also committed to support the UN Global Compact Principles.



# Strategy and Operational Approach





# 2

We aim to be an integrated provider of food from the ocean, taking the lead in all key areas, from the production of fish feed to meeting the needs of the market. By integrating the entire value chain, we can control our products from feed to fork, and be more proactive in addressing challenges related to sustainable feed, farming and value-added processing.

## Highlights Guiding Principles



### PROFIT

Record-high revenues and volumes in Farming and Consumer Products.

029



### PLANET

Mowi ranked the most sustainable animal protein producer in the world (FAIRR) for the third year in a row.

043



### PRODUCT

MOWI brand launched in the UK, Italy, Spain, Belgium and in retail in the US.

077



### PEOPLE

Improved safety record with all-time low rolling LTIs per million hours worked at 2.5 down from 2.7 in 2020.

101

### Innovation in the value chain

## RESEARCH & DEVELOPMENT

Continued to develop and validate important building blocks of our SMART Farming concepts.

125



Our financial success hinges on our ability to provide customer value from healthy, tasty and nutritious seafood that is raised both cost-effectively and in an environmentally sustainable way.



**PROFIT**  
Attractive  
financial  
results

# All time high revenues and record high volumes in Farming and Consumer Products

## OPERATIONAL EBIT

Operational EBIT of EUR 522.6 million. The result is up from EUR 337.7 million in 2020 mainly as a consequence of increased prices on strong demand, and higher volumes. Financial EBIT is also up from 2020 on improved operational earnings, positive net fair value adjustment of biomass and higher contribution from associated companies.

## DIVIDEND AND RETURNS

Dividend of NOK 4.45 per share paid out to the shareholders in 2021, up down from NOK 2.60 per share in 2020. Underlying earnings per share was EUR 0.71, an increase from EUR 0.43 in 2020.

## FINANCING

Completed refinancing of bank facility with five-year sustainability-linked EUR 1,800 million facility with EUR 300 million accordion option.

## NIBD AND ROCE

NIBD of EUR 1 257.3 million (1 458.4 million), ROCE was 13.4% (8.3%).

## PROFIT

Material value driver	Ambition
Reliable shareholder return - profitability	ROCE% > 12% (per annum)
Reliable shareholder return - solidity	Long-term NIBD of EUR 1 400 million

### Overall Group performance in 2021

Total revenues in 2021 amounted to EUR 4 202.2 million, an increase of 11.8% from 2020 on higher sales prices combined with higher harvest volumes. Spot prices increased in all markets; 13.5% in Europe, 33.6% for Chilean salmon quoted in Miami, 24.4% for Canadian salmon quoted in Seattle and 18.9% for Canadian salmon quoted in Boston/New York. We harvested 465 600 tonnes gutted weight of salmon in 2021, compared with 439 829 tonnes for the year ended December 31, 2020. Our Operational EBIT came to EUR 522.6 million in 2021, compared with EUR 337.7 million for the year ended December 31, 2020. The increase was mainly due to higher achieved prices. Our earnings before financial items (EBIT), totalled EUR 602.2 million in 2021, compared with EUR 183.5 million in 2020. The change is due to higher operational earnings, positive net fair value adjustment of biomass and higher contribution from associated companies. We achieved a return on capital employed (ROCE) of 13.4% in 2021, above our long-term target of 12.0%. The comparable figure for 2020 was 8.3%. At year-end, the Group had a net interest-bearing debt (NIBD) of EUR 1 257 million, which is below our long-term target of EUR 1 400 million. The comparable figure at year-end 2020 was EUR 1 458 million.

### The market in general

#### SUPPLY

Global harvest volume of Atlantic salmon was approximately 2 584 100 tonnes gutted weight in 2021. This was 143 700 tonnes more than in 2020, an increase of 6%. Supply from Norway increased by 144 300 tonnes in 2021 as a result of good growth and higher smolt stocking, and supply from Scotland increased by 18 500 tonnes due to higher smolt stocking and particularly good growth in the first half of the year. Supply from Chile decreased by 67 200 tonnes on lower incoming biomass from 2020 to 2021. Supply from other regions increased by 25 600 tonnes compared with 2020.

### GLOBAL SUPPLY OF SALMON

(GWT)	2021	2020	CHANGE %
Norway	1 376 500	1 232 200	11.7%
Scotland	179 000	160 500	11.5%
Faroe Islands	95 000	72 500	31.0%
Other Europe	53 700	42 300	27.0%
<b>Total Europe</b>	<b>1 704 200</b>	<b>1 507 500</b>	<b>13.0%</b>
Chile	633 500	700 700	(9.6)%
North America	140 900	141 100	(0.1)%
<b>Total Americas</b>	<b>774 400</b>	<b>841 800</b>	<b>(8.0)%</b>
Australia	78 500	74 500	5.4%
Other	27 000	16 600	62.7%
<b>Total</b>	<b>2 584 100</b>	<b>2 440 400</b>	<b>5.9%</b>



## REFERENCE PRICES

Prices in 2021 increased compared with 2020 in the various markets. The reference price for salmon of Norwegian origin increased by 13.5% in the market currency compared with 2020. The average

price in Miami increased by 33.6% for the year, whilst prices in Seattle and Boston/New York increased by 24.4% and 18.9% respectively.

## REFERENCE PRICES FOR SALMON

	2021	2020	CHANGE	2021	2020	CHANGE
	MARKET <sup>5)</sup>	MARKET <sup>5)</sup>	%	NOK	NOK	%
Norway <sup>1)</sup>	5.68	5.00	13.5%	57.69	53.65	7.5%
Chile <sup>2)</sup>	5.65	4.23	33.6%	48.56	39.81	22.0%
North America <sup>3)</sup>	3.60	2.90	24.4%	30.96	27.26	13.6%
North America <sup>4)</sup>	3.91	3.29	18.9%	33.65	30.98	8.6%

1) Average superior per kg gutted weight (NASDAQ Oslo)

2) Average D trim per pound (Urner Barry Miami 3-4 pound)

3) Average superior per pound gutted weight (Urner Barry Seattle 10-12 pound)

4) Average superior per pound gutted weight (Urner Barry Boston/New York 10-12 pound)

5) Market price in EUR for Norway, and USD for Chile and Canada

## MARKET DISTRIBUTION AND DEMAND

(GWT)	2021	2020	CHANGE %
EU + UK	1 155 700	1 071 200	7.9%
Russia	85 500	79 100	8.1%
Other Europe	113 900	107 000	6.4%
<b>Total Europe</b>	<b>1 355 100</b>	<b>1 257 300</b>	<b>7.8%</b>
USA	569 500	504 900	12.8%
Brazil	101 300	98 600	2.7%
Other Americas	140 900	128 200	9.9%
<b>Total Americas</b>	<b>811 700</b>	<b>731 700</b>	<b>10.9%</b>
China/Hong Kong	79 700	74 700	6.7%
Japan	64 900	64 000	1.4%
South Korea/ Taiwan	67 800	64 800	4.6%
Other Asia	84 400	75 000	12.5%
<b>Total Asia</b>	<b>296 800</b>	<b>278 500</b>	<b>6.6%</b>
All other markets	127 600	117 900	8.2%
<b>Total all markets</b>	<b>2 591 200</b>	<b>2 385 400</b>	<b>8.6%</b>

Global consumption increased by 9% in 2021 compared to 2020. 2021 saw market conditions gradually improving with the Covid-19 pandemic on the wane in the main markets for salmon. Following an increase in vaccination for Covid-19, demand in the foodservice segment gradually improved over the course of the year, although still ending the year at levels lower than before the pandemic. Demand in the retail segment however was once again stellar in 2021 and as of the end of the year demand for value-added products remained well above pre-pandemic levels.

Consumption in the EU increased by 7.9% compared with 2020 as consumption in the key markets of Germany, France, UK, Italy and Spain grew. Demand in the retail segment was strong and the out-of-home customer segment continued to recover.

Demand in the US market was impressive and consumption growth was 12.8% compared with 2020 and reached an impressive 569 500 tonnes. Retail sales were strong and the positive consumer trends of online shopping, home delivery and in store pick-up continued to develop positively.

Consumption in the Asian market increased by 6.6% compared with 2020 and all main markets experienced increased consumption rates. Elevated air-freight rates and reduced airline capacity to transport salmon still impacted many of the markets in this region.



## Our markets

### GEOGRAPHIC MARKET PRESENCE

Our main source of revenues is the sale of Atlantic salmon. Europe is by far the largest market for our salmon, representing approximately 68% of our total revenues in 2021 (69% in 2020). We experienced good sales growth in the southern part of Europe, while the UK, France and Germany continue to be very important markets.

Compared with 2020, the relative share of sales to the American market was stable, on strong US demand and stable volumes from Chile. For the Asian market, the relative share of sales compared with the previous year was also stable compared to 2020.

### SALES BY PRODUCT

The share of sales related to salmon products was relatively stable compared to the previous year, at 90.8% and 89.4% of our revenues for the years ended December 31, 2021 and 2020 respectively. Fresh whole salmon (i.e. primary processed salmon) represented 32.0% of our total revenues in 2021, compared to 32.1% in 2020, down from previous years as a result of the decrease in the food-service market due to Covid-19. In the same periods, elaborated salmon, including smoked/marinated, MAP, sushi and other prepared and value-added products accounted for 68.0% and 67.9% of our revenues respectively. The share of elaborated products has been positively impacted by the changed consumption pattern during the Covid-19 pandemic and have been stable the last two years.

Mowi has an aim of further increasing our capacity to produce elaborated and value-added products, which generally command more stable consumer prices. In line with this strategy, we have opened new value-added plants in several countries in recent years, including USA, Spain and China. We have also expanded several of our existing value-added plants. The strength of our value chain, and capacities in our Consumer Products division, proved it's worth through the Covid-19 pandemic in both 2020 and 2021 as the foodservice market was reduced significantly, and the demand for elaborated products increased.

### PRICE ACHIEVEMENT

The development in market reference prices was described in the previous section. Mowi achieved a combined global price 1% below the weighted reference price in 2021, compared to 7% above the reference price in 2020. Relative to the reference price, contract sales made a positive contribution in both 2021 and 2020.

In 2021, the contract share varied between the different business units. The Group's overall contract share was 29% in 2021, down from 33% in 2020.

The overall share of the volumes sold as superior quality was 91% in both 2021 and 2020. This level is within the normal range, but slightly below the Group's target of at least 92%.

## CONTRACTS, QUALITY AND PRICE

2021	NORWEGIAN ORIGIN	SCOTTISH ORIGIN	CANADIAN ORIGIN	CHILEAN ORIGIN	IRISH ORIGIN	FAROESE ORIGIN	TOTAL
Contract share	24%	50%	—	45%	78%	—	29%
Quality - superior share	92%	95%	87%	88%	88%	89%	91%
Price achievement	96%	117%	95%	97%	N/A	109%	99%

## Segment reporting

The following is a presentation of our operating performance by business segment, using Operational EBIT per kg of fish harvested as a key measure of performance. The table below shows

Operational EBIT for each of our operating segments for the years ended December 31, 2021 and 2020:

## SEGMENT RESULTS

(EUR MILLION)	2021	2020
Operational EBIT - Feed	18.4	31.2
Operational EBIT - Farming	370.5	179.2
Operational EBIT - Markets	50.5	63.5
Operational EBIT - Consumer Products	95.5	81.8
Operational EBIT - Other	-12.2	-17.9
<b>Group Operational EBIT <sup>1)</sup></b>	<b>522.6</b>	<b>337.7</b>
<b>Group EBIT</b>	<b>602.2</b>	<b>183.5</b>

1) Group Operational EBIT is a non-IFRS financial measure. See Note 4 Business segments and part 4 of this report for an explanation of how we define and calculate Operational EBIT, and for a reconciliation of Group Operational EBIT to Financial EBIT according to IFRS.

## FEED

Operational EBIT for our Feed segment in 2021 ended at EUR 18.4 million, which was lower than the previous year (EUR 31.2 million), due to higher cost and lower volumes. Costs increased in the period on significantly higher prices for feed raw materials, including vegetable oils, soy and wheat gluten. Logistics costs also increased from the comparable period. Feed sales prices increased in accordance with market prices, and this was connected to increased feed raw material prices. However, the increase in sales prices was not sufficient to offset the cost increases. Operational EBIT margin was 2.7% in 2021, which is down from 4.6% in 2020. Margins in the salmon feed industry are under pressure as a result of over-capacity as well as the above-mentioned increases in raw material prices. The over-capacity is expected to be offset by growth in farming volumes in the coming years.

Our Norwegian plant produced 358 769 tonnes of feed in 2021 (389 750 in 2020). The plant in Kyleakin, Scotland, produced 123 133 tonnes of feed in 2021 compared to 150 576 tonnes in 2020. Combined our two feed factories ensured a 95% (95%) self-sufficiency rate for our European Farming operations in 2021. The total estimated production capacity is 640 000 tonnes.

Following our self-sufficiency strategy on feed, Mowi Feed continues to develop its range of products, including fresh water, organic and cleaner fish diets.

## FARMING

Farming's Operational EBIT totalled EUR 370.5 million in the year ended December 31, 2021, compared with EUR 179.2 million in the year ended December 31, 2020. The increase was mainly due to improved prices and higher volumes. Full cost per kg salmon was relatively stable, and Mowi Farming continued to be the best or second best cost performer among peers in the various farming regions. Prices increased in all markets on strong demand and an improved Covid-19 situation towards recovery. Volumes were all-time high at 465 600 tonnes and the volume increase of 6%, or 25 800 tonnes, from 2020 was driven by Norway and Scotland as a result of increased smolt stocking and good growth conditions. For details of our farming entities' operational performance, please see the comments under Operational performance by country of origin.

## SALES AND MARKETING

Our Sales & Marketing operations consist of the reporting segments Markets (trading) and Consumer Products (value-added operations).

### Markets

Markets' Operational EBIT for the year ended December 31, 2021 came to EUR 50.5 million, compared with EUR 63.5 million in 2020. While revenue increased in Europe and Americas as a consequence of higher sales prices and increased volumes in a recovering market, the Operational EBIT margin decreased in both areas on increasing raw material prices resulting in margin pressure for our RMT division.

### Consumer Products

Mowi Consumer Products is geographically organised, but constitutes one reporting segment. Consumer Products' Operational EBIT for the year ended December 31, 2021 came to a record-high EUR 95.5 million, compared with EUR 81.8 million in 2020. Retail demand remained strong and the effect of increased raw material prices compared with 2020 was more than offset by higher sales prices and improved operations and production costs including yield. The volume sold increased by 3.4% compared with 2020, ending at 247 577 tonnes end-product weight.

### Europe

Consumer Products Europe continued to benefit from the shift towards more elaborated products in 2021.

For our Chilled operations (mainly smoked products) in Europe, volumes decreased slightly from 2020. Earnings increased following lower raw material prices in the start of 2021 compared to 2020. Increasing raw material prices and fierce competition, especially in the French smoked market, decreased both volumes and earnings during the year. In our Fresh operations in Europe, volumes increased significantly from 2020 on continued strong demand following the shift from foodservice to retail.

### Americas

Fresh sold volumes in the Americas were relatively stable in 2021 compared to 2020. Retail sales and prices remained strong in the market. However, pressure on raw material costs and other cost items negatively impacted earnings. For Chilled in the Americas, volume and earnings increased somewhat from 2020.

### Asia

Our Asian operations experienced an 11% increase in sold volumes in 2021 compared to 2020. Earnings also developed positively on increased retail sales.





## Operational performance by country of origin

The table below shows a selection of operating metrics by country of origin for our harvested salmon for the years ending December 31, 2021 and 2020:

### OPERATIONAL PERFORMANCE BY COUNTRY OF ORIGIN

2021	NORWEGIAN ORIGIN	SCOTTISH ORIGIN	CHILEAN ORIGIN	CANADIAN ORIGIN	IRISH ORIGIN	FAROESE ORIGIN	OTHER	TOTAL
Operational EBIT (EUR million)	389.4	77.2	47.1	-10.4	14.2	12.7	-7.6	522.6
Harvest volume of salmon <sup>1)</sup>	273 204	64 405	65 958	45 311	6 790	9 932		465 600
Average price achievement <sup>2)</sup>	96%	117%	97%	95%	—	109%		99%
Contract coverage <sup>3)</sup>	24%	50%	45%	3%	78%	—		29%
Quality - superior share <sup>4)</sup>	92%	95%	88%	87%	88%	89%		91%
Feed cost (EUR per kg) <sup>5)</sup>	—	—	—	—	—	—	—	1.77
Total cost (EUR per kg) <sup>6)</sup>	—	—	—	—	—	—	—	4.47
Operational EBIT (EUR per kg)	1.43	1.20	0.71	0.23	2.09	1.28	—	1.12
EBIT (EUR per kg)	1.87	1.32	0.68	-1.80	1.27	1.44	—	1.29

2020	NORWEGIAN ORIGIN	SCOTTISH ORIGIN	CHILEAN ORIGIN	CANADIAN ORIGIN	IRISH ORIGIN	FAROESE ORIGIN	OTHER	TOTAL
Operational EBIT (EUR million)	269.3	46.0	27.6	-21.2	22.4	13.0	-19.4	337.7
Harvest volume of salmon <sup>1)</sup>	262 016	52 739	64 570	43 953	7 961	8 590		439 829
Average price achievement <sup>2)</sup>	102%	124%	120%	98%	—	141%		107%
Contract coverage <sup>3)</sup>	33%	61%	33%	3%	78%	—		34%
Quality - superior share <sup>4)</sup>	92%	96%	87%	85%	87%	86%		91%
Feed cost (EUR per kg) <sup>5)</sup>	—	—	—	—	—	—	—	1.76
Total cost (EUR per kg) <sup>6)</sup>	—	—	—	—	—	—	—	4.37
Operational EBIT (EUR per kg)	1.03	0.87	0.43	-0.48	2.81	1.52	—	0.77
EBIT (EUR per kg)	0.69	0.57	0.79	-1.91	2.54	0.53	—	0.42

1) We measure our harvest volume in terms of tonnes of gutted weight of salmon. Harvest volume of salmon is a key measure of our success as, in the absence of trading, it corresponds to the volume of salmon available for sale. As trading volume generally achieves limited margin, harvested volume is the volume-related driver of our profit.

2) The average price achievement measures the prices that we are able to achieve on our products compared with a salmon price index. Price achievement is measured against NASDAQ for salmon of Norwegian, Scottish and Faroese origin and Urner Barry for salmon of North American and Chilean origin. The market reference prices are spot prices for superior quality salmon, while our achieved price is a blend of spot and contract price for all qualities. Average price achievement measures our ability to sell our products at above market rates and is thus important for understanding our performance. In situations where contract prices deviate from spot prices, or the quality of our sold fish is low, our achieved price will deviate from the reference price.

3) The contract coverage measure represents the percentage of our products that was sold pursuant to contracts. A contract is for this purpose defined as a commitment to sell our salmon at a fixed price for a period of three months or longer. We have a sales contract policy aimed at limiting our exposure to short and medium-term fluctuations in salmon prices.

4) The superior share of salmon is the percentage graded as being of superior quality, divided by the total volume of harvested salmon. If salmon for some reason, e.g., pale colour or scale loss, cannot be classified as a superior product, it is downgraded and sold as production or ordinary grade product at a lower price.

5) Feed cost per kg harvested is calculated by dividing our total cost of fish feed for harvested fish by tonnes of gutted weight of salmon harvested.

6) Total cost per kg harvested is calculated by dividing our total cost for harvested fish by tonnes of gutted weight of salmon harvested.

## SALMON OF NORWEGIAN ORIGIN

### Operational EBIT

Our Operational EBIT for salmon of Norwegian origin was EUR 389.4 million for the year ended December 31, 2021 compared with EUR 269.3 million in 2020. The increase was mainly due to improved prices and higher volumes. Full cost per kg salmon decreased by 2% from 2020. Prices increased on strong demand and an improved Covid-19 situation. Harvest volumes increased from 2020 on the back of more biomass going into the year and good growth conditions, especially in Region North. Operational EBIT per kg was EUR 1.43 compared with EUR 1.03 in 2020. Our EBIT for salmon of Norwegian origin was EUR 511.6 million for the year ended December 31, 2021 compared with EUR 181.2 million in 2020. EBIT per kg was EUR 1.87 in 2021 compared with EUR 0.69 in 2020.

### Price and volume developments

The reference price for Atlantic salmon of Norwegian origin increased by 13.5% from the low levels in 2020. Market spot prices were positively affected by a Covid-19 pandemic on the wane in many important markets and gradual lifting of restrictions. Our price achievement for the year ended December 31, 2021 was 4% below the reference price, compared to 2020 when the price achievement was 2% above the reference price. Even though the market prices were increasing through the year, contribution from contracts were still positive in 2021 as they were also in 2020. The contract share was 24% in 2021, compared with 33% in 2020. The superior share of salmon harvested in 2021 was 92%, the same as in 2020. Harvest volume was 273 204 tonnes gutted weight, an increase of 11 188 tonnes, or 4%, from 2020. This was driven by Region North with 10 031 tonnes more harvested in 2021, reaching a new record of 98 745 tonnes.

### Costs and operations

The total cost per kg for salmon of Norwegian origin harvested in 2021 decreased by 2% compared with 2020 on improved performance and cost of the harvested fish and scale effects from higher volumes. Harvest weights also improved from the year before.

The feed cost for fish harvested in 2021 was slightly lower than in 2020 on improved biology and feed conversion ratio. Other seawater costs per kg harvested also decreased on improved biology. Sea lice mitigation and treatment costs are still at a high level, although stable from 2020. Extensive development and testing of non-medical tools and methods continues in collaboration with Mowi's Global R&D and Technical department. Non-seawater costs increased by 8% compared to 2020 driven by incident-based mortality costs which totalled EUR 23.0 million in 2021 compared with EUR 17.1 million in 2020.

## SALMON OF NORWEGIAN ORIGIN BY REGION

The table below shows an overview of operating performance by region in 2021 compared with 2020.

### Region South

Operational EBIT in Region South amounted to EUR 56.3 million in 2021 compared with EUR 41.7 million in 2020. The increase was mainly due to higher prices while costs remained stable from 2020 on slightly lower harvest volumes. Seawater costs decreased with 3% compared to 2020, while mortality costs increased. Operational EBIT per kg harvested was EUR 1.18 compared with EUR 0.83 in 2020. The volume harvested was 47 829 tonnes gutted weight compared with 50 340 tonnes in 2020. Volumes were positively affected in the first half of 2021 on high volumes going into the year as well as improved harvest weights. In the second half of 2021 volumes decreased compared with 2020 on lower harvest weights due to early harvesting mainly as a consequence of gill issues.

### Region West

Operational EBIT in Region West amounted to EUR 55.3 million in 2021 compared with EUR 38.7 million in 2020. The increase was mainly due to higher prices while costs remained stable from 2020 on slightly lower harvest volumes. Seawater cost was stable compared to 2020, along with non-seawater costs and mortality costs. The volume harvested was 65 220 tonnes gutted weight compared with 68 309 tonnes in 2020. Operational EBIT per kg harvested was EUR 0.85 compared with EUR 0.57 in 2020. Regions Mid and West have common interregional MAB and due to seawater site availability, volumes are higher in Region Mid in odd years, and in Region West in even years. In the second half of 2021, volumes decreased compared to 2020. Biological issues heavily affected the operations, and the region experienced gill infections and CMS at several sites which affected quality downgrading, price achievement and cost.

### Region Mid

Operational EBIT in Region Mid amounted to EUR 75.1 million in 2021 compared with EUR 70.3 million in 2020. The increase was mainly related to higher volumes, while achieved prices and full cost were relatively stable in 2021 compared with 2020. The volume harvested was 61 410 tonnes gutted weight compared with 54 651 tonnes in 2020. The increase in harvest volume was a result of more biomass going into the year as well as the bi-annual alternating pattern of high/low volumes in Regions Mid and West due to seawater site availability and common interregional MAB. Operational EBIT per kg harvested was EUR 1.22, compared with EUR 1.29 in 2020.

## KEY FIGURES BY REGION IN NORWAY

	SOUTH		WEST		MID		NORTH	
	2021	2020	2021	2020	2021	2020	2021	2020
Operational EBIT (EUR million)	56.3	41.7	55.3	38.7	75.1	70.3	202.7	118.6
Harvest volume (GWT)	47 829	50 340	65 220	68 309	61 410	54 651	98 745	88 714
Operational EBIT per kg (EUR)	1.18	0.83	0.85	0.57	1.22	1.29	2.05	1.34
Superior share	91%	93%	90%	93%	91%	92%	94%	90%



### Region North

Operational EBIT in Region North amounted to EUR 202.7 million in 2021 compared with EUR 118.6 million in 2020. The increase was due to higher achieved prices, lower cost and higher volumes. Measured by Operational EBIT per kg harvested, Region North continues to be the best performing region in Mowi Norway, as it has been since 2017. The margin increased to EUR 2.05 from EUR 1.34 in 2020. The volume harvested was 98 745 tonnes gutted weight, which was record-high for the region, compared with 88 714 tonnes in 2020. The increase in harvest volumes of 10 031 tonnes was a result of good production and generally good biology. Costs were reduced by 5% from 2020 to 2021 on lower seawater costs and scale effects from higher harvest volumes.

### SALMON OF SCOTTISH ORIGIN

#### Operational EBIT

Our Operational EBIT for salmon of Scottish origin was EUR 77.2 million for the year ended December 31, 2021 compared with EUR 46.0 million in 2020. The improvement was due to improved cost and volumes on the back of better biological performance as well as increased prices. Operational EBIT per kg was EUR 1.20 in 2021 compared with EUR 0.87 in 2020. Our EBIT for salmon of Scottish origin was EUR 85.1 million for the year ended December 31, 2021 compared with EUR 30.2 million in 2020. EBIT per kg was EUR 1.32 in 2021 compared with EUR 0.57 in 2020.

#### Price and volume developments

The reference price in EUR increased on positive market developments following a challenging year in 2020. Our price achievement for salmon of Scottish origin for the year ended December 31, 2021

was 17% above the reference price, compared with 24% above in 2020. Price achievement in 2021 and 2020 was positively affected by contracts in both years. The contract share was 50% in 2021 compared with 61% in 2020. The superior share was 95% in 2021 and 96% in 2020.

At 64 405 tonnes gutted weight, the harvest volume in the year ended December 31, 2021 increased from 52 739 tonnes in 2020 on increased smolt stocking and improved biological performance. The biological situation became more challenging in the second half of the year due to gill issues combined with seasonally low oxygen levels.

#### Costs and operations

The total cost per kg for salmon of Scottish origin harvested in 2021 decreased by 3% compared with 2020 on improved biology, reduced seawater costs and positive scale effects from higher volumes. EUR 12.9 million was recognised as incident-based mortality in 2021, compared with EUR 10.9 million in 2020. The 2021 incidents were related to different issues including AGD, treatment losses, CMS and gill issues. Growth challenges and elevated mortality on stocks grown from externally sourced eggs also contributed negatively.

### SALMON OF CHILEAN ORIGIN

#### Operational EBIT

Our Operational EBIT for salmon of Chilean origin was EUR 47.1 million for the year ended December 31, 2021 compared with EUR 27.6 million in 2020. The increase was due to improved market prices on strong demand and reduced market supply, partly offset

by increased cost. Harvest volumes were stable from 2020 to 2021. Operational EBIT per kg was EUR 0.71 in 2020 compared with EUR 0.43 in 2020. Our EBIT for salmon of Chilean origin was EUR 45.1 million in the year ended December 31, 2021 compared with EUR 51.1 million in 2020. EBIT per kg was EUR 0.68 in 2021 compared with EUR 0.79 in 2020.

### Price and volume developments

Market prices for salmon of Chilean origin increased by 33.6% in 2021 compared with 2020. In North America, the most important market for Mowi Chile, markets prices developed favourably on strong demand. Prices achieved were 2% below the reference price in 2021, compared with 20% above the reference price in 2020. Contracts impacted price achievement negatively in 2021 and positively in 2020. The contract share increased to 45% in 2021 from 33% in 2020. Mowi Chile benefited from its integrated value chain where significant volumes could be sourced to our US plants which produced elaborated products for the retail segment, delivering on the shift in consumer demand.

The superior share for salmon of Chilean origin was 88% in 2021 and 87% in 2020, i.e. relatively low in both years. In 2021, our Chilean operations faced challenging environmental conditions related to algal bloom and low oxygen levels during the late summer and fall in addition to SRS and Tenacibaculum outbreaks. This negatively affected production, especially in the first half of the year. Even though the challenging environmental conditions continued to affect the Chilean operations also in the second half of the year, production on the 2021 generation was good. Harvest volume of 65 958 tonnes gutted weight in 2020 was stable compared with 2020, when it totalled 64 570 tonnes gutted weight.

### Costs and operations

On the back of the above-mentioned environmental issues, the total cost per kg for Chilean salmon harvested in the year ended December 31, 2021 increased by 11% compared with 2020. Incident-based mortality in the amount of EUR 11.0 million was recognised in 2021, compared with EUR 1.4 million in 2020, mainly related to low oxygen levels, SRS and Tenacibaculum.

## SALMON OF CANADIAN ORIGIN

### Operational EBIT

Our Operational EBIT for salmon of Canadian origin was EUR -10.4 million for the year ended December 31, 2021 compared with EUR -21.2 million in 2020. The negative result was due to Canada East and continued environmental and biological challenges which impacted price achievement and costs. In Canada West, earnings improved from 2020 driven by higher prices as a result of strong demand and reduced supply into the North American market. There were also gradual improvements in costs and biology.

Operational EBIT per kg was EUR 0.23 in 2021 compared with EUR -0.48 in 2020. Our EBIT for salmon of Canadian origin was EUR -81.4 million in the year ended December 31, 2021 compared with EUR -84.0 million in 2020. EBIT per kg was EUR -1.80 in 2021 compared with EUR -1.91 in 2020.

### Price and volume developments

Market prices for salmon of Canadian origin increased by 24.4% and 18.9% in West and East respectively versus 2020. Our price achievement in 2021 was 5% below the combined reference price, compared to 2% below in 2020. Price achievement was negatively impacted by the biological challenges in Canada East, mainly related to small-sized fish and quality downgrading due to lice issues. The contract share for salmon of Canadian origin was 3% in both 2021 and 2020. The superior share was 87% in 2021, compared with 85% in 2020.

The harvest volume in the year ended December 31, 2021 was 45 311 tonnes gutted weight compared with 43 953 tonnes in 2020. In Canada East, harvest volume increased from only 3 988 tonnes in 2020 to 13 490 tonnes in 2021. In Canada West, harvest volumes were 31 828 tonnes in 2021 vs. 39 965 tonnes in 2020, negatively impacted by lack of sites for smolt stocking in uneven years and the government's decision to phase out licenses in the Discovery Islands area.

### Costs and operations

The total cost per kg for salmon of Canadian origin harvested in the year ended December 31, 2021 increased by 7.7% compared with 2020 following a prolonged period of environmental and biological challenges in both Canada West and Canada East. Incident-based mortality of EUR 24.2 million was recognised in 2021 in our Canadian operations (EUR 16.9 million in 2020) related to these issues.

Canada East has experienced significant environmental and biological challenges since the acquisition by Mowi in 2018 including mass mortality, algal blooms, ISA and lice issues. A turn-around is ongoing and the purpose of these actions is to return to profitability and establish Mowi Canada East as an appropriately scaled, lean business unit equipped to deal with the challenges of the region and positioned for solid financial performance and growth. The plan includes a temporary reduction of smolt stocking and consequently harvest volumes in order to ensure biological control. Furthermore, the turn-around includes measures to address biosecurity, sea lice management and ISA as well as an in-depth review of all levels of the organisation.

## SALMON OF IRISH ORIGIN

### Operational EBIT

Our Operational EBIT for salmon of Irish origin was EUR 14.2 million for the year ended December 31, 2021 compared with EUR 22.4 million in 2020. Prices for organic salmon were good also in 2021, although somewhat decreased from the high levels of 2020. In addition, cost increased and harvest volumes decreased slightly compared with 2020. Operational EBIT per kg amounted to EUR 2.09 in 2021 compared with EUR 2.81 in 2020. Our EBIT for salmon of Irish origin was EUR 8.6 million in the year ended December 31, 2021 compared with EUR 20.2 million in the same period in 2020. EBIT per kg was EUR 1.27 in 2021 compared with EUR 2.54 in 2020.

### Price and volume developments

Our Irish operation mainly produces organic salmon and there is no reference price available for benchmarking. Compared with 2020, achieved prices were 8% lower for the year ended December 31, 2021. As in previous years, earnings were positively impacted by sale of eggs. Our contract share was 78%, the same as in 2020. The superior share of salmon harvested was 88% in 2021 and 87% in 2020. The



harvest volume in the year ended December 31, 2021 was 6 790 tonnes gutted weight compared with 7 961 tonnes in 2020.

### Costs and operations

The total cost per kg for salmon of Irish origin harvested in the year ended December 31, 2021 increased by 5% compared with 2020, driven by a plankton bloom in Bantry Bay.

## SALMON OF FAROESE ORIGIN

### Operational EBIT

Our Operational EBIT for salmon of Faroese origin was EUR 12.7 million for the year ended December 31, 2021 compared with EUR 13.0 million in 2020. The effects of slightly increased prices and harvest volumes were offset by higher cost. Operational EBIT per kg was EUR 1.32 in 2021 compared with EUR 1.51 in 2020. Our EBIT for salmon of Faroese origin was EUR 14.3 million in the year ended December 31, 2021 compared with EUR 4.5 million in 2020. EBIT per kg was EUR 1.44 in 2021 compared with EUR 0.53 in 2020.

### Price and volume developments

The majority of the salmon harvested was sold at favourable prices to Eastern Europe, and achieved prices in 2021 were 9% above (41% above) the reference price. Biological issues at our sites at Oyndarfjörður and Haldorsvík negatively impacted harvest weights and price achievement in 2021. There were no contracts in Faroes in neither 2020 or 2021. The harvest volume in the year ended December 31, 2021 was 9 932 tonnes gutted weight compared with 8 590 tonnes in 2020.

### Costs and operations

In 2021, the cost level for salmon of Faroese origin increased compared to 2020 on the back of biological issues at both Oyndarfjörður and Haldorsvík. Both health and mortality costs increased compared to 2020. Incident-based mortality in the amount of EUR 1.8 million was recognised in 2021, compared with EUR 0.1 million in 2020.

## Liquidity, cash flow and borrowings

### LIQUIDITY AND CAPITAL RESOURCES

Our principal sources of liquidity are cash on hand, revenues generated from our operations, loans and other financings. Our principal needs for liquidity have been, and will likely continue to be, costs of raw materials, including fish feed, other working capital items and capital expenditures, to service our debt, and to fund dividend payments and acquisitions. We believe that our liquidity is sufficient to cover our working capital needs in the ordinary course of business.

Our cash and cash equivalents as of December 31, 2021 was EUR 101.7 million compared with EUR 107.1 million as of December 31, 2020. Cash and cash equivalents comprise cash and bank deposits, including restricted funds. Restricted funds comprise employees' income tax withholdings as well as deposits to fulfil collateral requirements for financial instruments.

Our NIBD (excluding effects of IFRS 16) was EUR 1 257.3 million as of December 31, 2021, down from EUR 1 458.4 million as of December 31, 2020. Our NIBD target is based on a Farming NIBD/

kg of EUR 2.2 and the long-term net interest bearing debt target is set at EUR 1 400 million.

### CAPITAL EXPENDITURES

Our capital expenditures primarily relate to investments in our operating facilities and equipment used in our operations. Net capital expenditures were approximately EUR 241 million for the year ended December 31, 2021, compared with approximately EUR 309 million for the year ended December 31, 2020. For 2021 and 2020 respectively, EUR 146.3 million and EUR 168.3 million of the total net capital expenditure was attributable to our farming operations in Norway. The bulk of the capital expenditure in Norway was related to expansions in our freshwater operations, investments related to mitigation of sea lice and general maintenance investments at our seawater facilities. The main purpose of the expansions in our freshwater operations is to enable the production of larger and higher quality smolt. In addition approximately EUR 20 million was related to purchase of a new licence.

### CASH FLOWS

#### Cash flow from operations

Cash flow from operations for the year ended December 31, 2021 came to EUR 833.1 million, compared with EUR 502.7 million for 2020. The increase is mainly related to increased earnings and decrease in tax payments.

#### Cash flow from investments

Cash flow from investments for the year ended December 31, 2021 came to EUR 133.7 million, compared with cash flow from investments of EUR 283.4 million in 2020. The main explanation for the decrease from 2020 is the sale of DESS Aquaculture Shipping AS, with a net positive cash flow of EUR 113 million in 2021. Capital expenditures including new farming license purchases were also lower in 2021 versus 2020.

#### Cash flow from financing

Cash flow from financing for the year ended December 31, 2021 came to EUR 706.6 million, compared with EUR 238.1 million for 2020.

Cash flow outflow related to dividend was increased from EUR 132.9 million in 2020 to 226.8 million in 2021.

### BORROWINGS

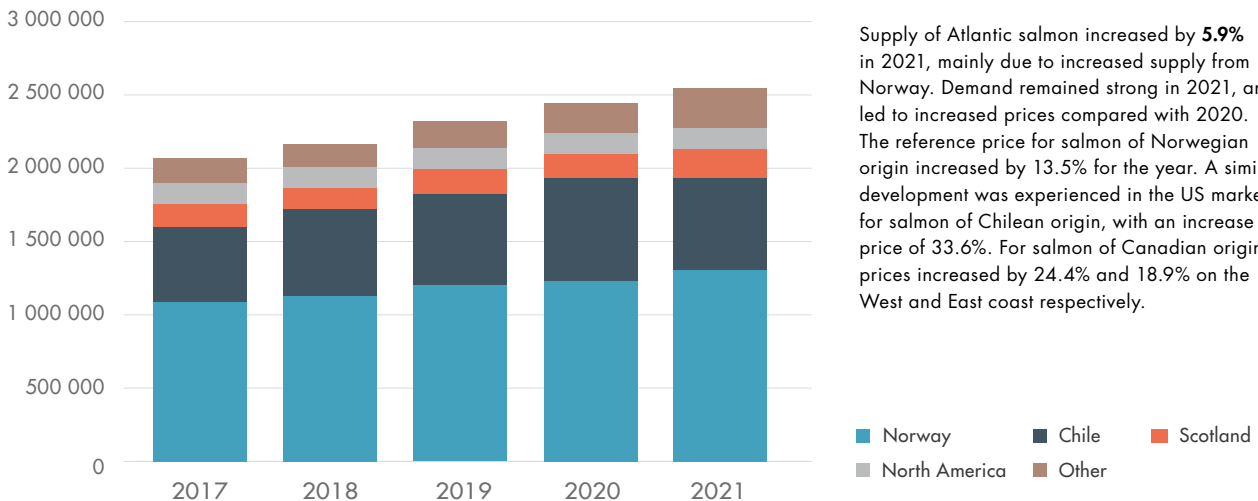
In 2021 Mowi completed refinancing of a bank facility with five-year sustainability-linked EUR 1,800 million facility with a EUR 300 million accordion option.

As of December 31, 2021 our main outstanding borrowings consisted of the EUR 1 800 million sustainability-linked facility, an unsecured Schuldschein loan of EUR 150 million and two unsecured bonds of EUR 200 million each, one classified as green.

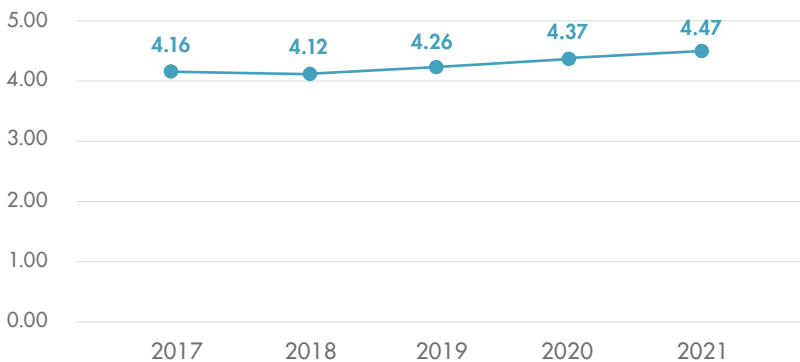
For further details of our borrowing facilities and bonds, please see Note 11 to the Group financial statement. For further details of how to analyse our performance, please see Part IV - Analytical Information.

## Financial performance

### Global supply increase (GWT)



### Cost in Farming (EUR/kg)



In the group's reporting currency, EUR, our cost per kg in Farming has increased by an average rate of 1.8% per year between 2017 and 2021, mainly due to increased cost of feed and biological challenges. Adjusted for feed prices and health related costs, costs were stable in 2021 compared with 2020.

### Another record year for Mowi Group

Record high revenues and record high volumes in Farming and Consum cts.

#### All time high revenues

# 4 202

millions (3 760)

#### All time high harvest volume in Farming

# 466

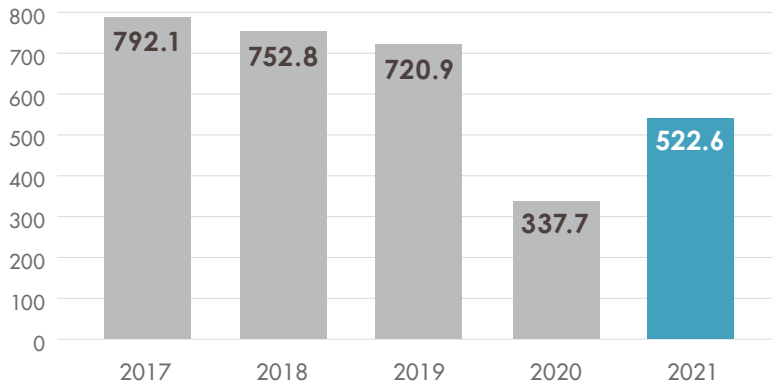
thousand tonnes (440)

#### All time high volume in Consumer Products

# 248

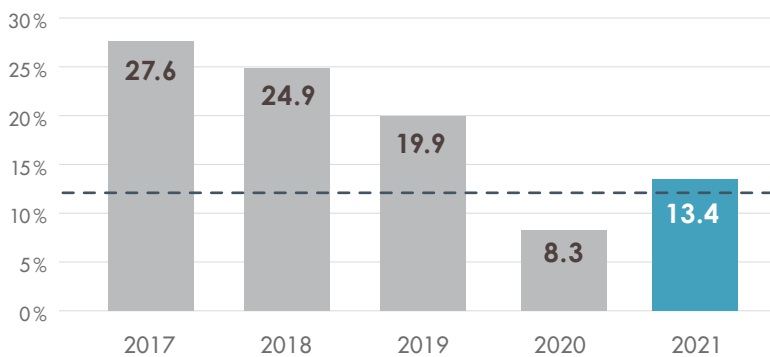
thousand tonnes of product weight (239)

## Operational EBIT (EUR million)



Operational EBIT at **EUR 522.6 million**, an increase from 2020 due to higher prices and higher volumes.

## Return on Capital Employed above target



ROCE above the long-term target of 12% at **13.4%** (8.3%)

-- Target

## Dividend and NIBD

### Dividend of NOK

# 4.45

per share paid out to the shareholders as dividend (NOK 2.6)

### NIBD of EUR

# 1 257.3

million at year end (1 458.4 million), below the target level of EUR 1 400 million.





There is untapped potential for our oceans to produce more sustainable food – Salmon is part of the solution to climate change while also being a huge benefit to human health.



**PLANET**  
Sustainable and  
environmentally  
responsible  
development

# The Blue Revolution has begun

## TOP ESG RATINGS

Mowi was ranked the most sustainable animal protein producer in the world by the Collier FAIRR Protein Producer Index. CDP ranked Mowi in the leadership category for supplier engagement.

## REDUCTION IN GHG EMISSIONS

We reduced our total GHG emissions (scope 1, 2 and 3) by 8% as compared to 2020 in accordance to our Science Based Targets.

## SUSTAINABILITY-RELATED CERTIFICATIONS

98% of our harvest volume in 2021 was sustainably certified with a Global Sustainable Seafood Initiative (GSSI) recognised standard (ASC, BAP or Global GAP).

## SUSTAINABLE FEED

100% sustainable sourced feed according to Mowi's policy. Our soy suppliers from Brazil achieved the zero-deforestation target for all their supply chain making salmon farming a world leading example.

## PLANET

Material value drivers	Ambitions
Climate friendly food production	100% of our harvest yearly volumes are sustainably certified by a GSSI* recognised standard Achieve our Science Based Targets for GHG emissions in our scopes 1, 2 and 3
Responsible use of plastics	By 2025 100% of our plastic packaging will be reusable, recyclable or compostable By 2025 at least 25% of plastic packaging will come from recycled plastic content By 2023 100% of farming plastic equipment is reused or recycled
Prevent fish escapes	Positive trend towards zero escapes
Fish welfare, health and robustness	By 2025 99.5% survival in sea (average per month)** By 2023 minimum 50% of our stock with real-time welfare monitoring
Sea lice management	0% of sites above national limit (monthly average)
Responsible use of medicines and chemicals	Reduction in antimicrobial use relative to 2015
Efficient and sustainable fish feed	100% compliance with our sustainable feed sourcing policy

\* Global Sustainable Seafood Initiative  
\*\* Global Salmon Initiative methodology

### The global picture – climate friendly food production

#### THE CHALLENGE AND THE OPPORTUNITY

As the global human population increases and average income rise, the demand for ocean-derived food continues to increase. Never before have we seen leading scientists and heads of state coming together to recognise that food from the sea is uniquely positioned to contribute to the most pressing challenges humanity is facing: food security and climate change.

In 2021, the Blue Food Assessment was released. This is an international initiative that brings together over 100 scientists from more than 25 institutions concluding that if the world is to build food systems that are good for people and the planet, for today and tomorrow, it needs to take advantage of Blue Foods. Blue foods have lower environmental footprints than land-based foods. Farmed salmon in particular has lower GHG emissions, water use and land use compared to chicken.

The Blue Food Assessment, in addition to the High Level Panel for a Sustainable Ocean Economy have provided a credible and transparent assessment of the potential of aquaculture as a sustainable ocean economy. Mowi's vision of Leading the Blue Revolution and our sustainability strategy aim at realizing this potential.

The ocean has the potential to provide over six times more food than it does today, food that is highly nutritious containing essential vitamins, minerals, omega 3 fatty acids and other nutrients not found in plant-based or other animal proteins. In fact, according to the Blue Food Assessment, the nutritional contribution of blue foods are significantly higher than previously estimated – 13% higher for Vit B12 and 186% higher for EPA and DHA fatty acids.

*“All in all, food from the ocean is a triple win: for people because its healthy, for the planet because its climate-friendly and for the economy because it sustains local and global economies.”*

CSO Catarina Martins

Our commitment to produce more food from the ocean in a sustainable way guides our day-to-day actions. Mowi has developed a sustainability strategy, Leading the Blue Revolution Plan. It sets ambitious goals to ensure our salmon is raised in the ocean in harmony with nature, and local coastal communities, using an eco-efficient value chain while offering solutions to global challenges, such as climate change and plastic pollution. In 2021, our actions towards the targets set in our sustainability strategy contributed to reducing the group's GHG emissions, further optimisation of our packaging, increased recyclability of farming equipment, more efficient freshwater use at our processing plants and smolt/post-smolt units and increased circularity of our waste streams like sludge from freshwater units and by-products from processing plants. Our feed continues to be sourced from sustainable sources with major milestones being reached with our soy suppliers from Brazil which have achieved a 100% deforestation-free supply chain in 2021. Our target of zero-waste to landfill is well under way as 96% of the waste generated by our processing plants is either recycled, incinerated (mostly with energy recovery) or re-used. We continued our work on integrated sea lice management with 73% of all lice treatments in Norway being non-medicinal. Also in 2021, we rolled out a global supply chain relationship management tool for onboarding and risk-assessment of our suppliers.

On an industry average, farm-raised Norwegian salmon has an emission intensity that is 20% of that of beef (SINTEF, 2020). The carbon footprint of farm-raised salmon is 7.9 kg of carbon equivalent

per kg of edible product, compared with 12.2 kg of carbon equivalent per edible kg of pork and 39.0 kg per edible kg of beef (SINTEF, 2020). For the consumer, replacing pork and beef with fish would significantly reduce their personal carbon footprint (daily greenhouse gas (GHG) emissions). Not only is the carbon footprint of farm-raised salmon lower but its edible yield is higher (68%) as compared with chicken (46%), pork (52%) or lamb (38%). For Mowi, high edible yields combined with 100% re-use of by-products (i.e. offcuts and trimmings) means that nearly every single gram of salmon is used, thereby avoids food waste.

**OUR EFFORTS**

Climate change and food security remain the biggest challenges facing humanity. We recognise the growing significance of climate change on our business and the increasing role of producing food from the ocean as a solution to climate change.

Mowi has adopted a global approach to climate change which is aligned with climate science (our targets are approved by the Science Based Targets Initiative, SBTi) and the Paris Agreement to limit the increase in the global average temperature to well below 2°C, and ideally no more than 1.5°C, above pre-industrial levels by the end of the century. Mowi has chosen to pursue the Representative Concentration Pathways (RCP) 2.6 pathways and the climate scenario that will limit the global average temperature to well below 2°C above pre-industrial levels. As part of this process we also run a high-level assessment of the impact of 2°C and 4°C global warming scenarios to inform our strategy and financial planning. The SBTi Corporate net-zero standard has been released in Oct 2021 and Mowi is in the process of understanding this standard and how carbon removal projects can be used in a credible way to achieve net-zero.

Information about our climate-related scenario analysis can be found in the TCFD report (see section 4) where a range of scenarios are used to illuminate future exposure to both transition and physical climate-related risks and opportunities. In 2021, we run two IEA scenarios for carbon pricing modelling, the Stated Policies Scenario (STEPS) and the Sustainable Development Scenario (SDS). The STEPS scenario was a 'well-above 2°C scenario' scenario which considers current policy settings. The SDS scenario was a "well-below 2°C scenario" which draws a pathway to effective climate mitigation with a 'well-below 2°C' outcome, while also taking into consideration other sustainable development goals such as global health or easy access to energy. The carbon pricing modelling outcomes are presented in our TCFD report (see Strategy and Metrics & Targets categories).

As part of our Green Bond and Sustainability-linked loan, Mowi is committed to align its capital expenditures with its GHG targets. In 2021 the allocation of proceeds to green categories including those related with GHG emissions (sustainable feed) was 164 million EUR. In addition, in 2021 the group invested approximately 4.4 million EUR in energy-saving initiatives

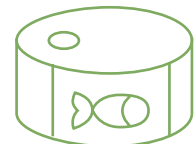
Mowi integrates climate-related disclosures in this Planet section, in the Risk and Risk management sections and in addition, we have also summarised the risks and opportunities arising from climate change, our strategic approach towards a low carbon economy and our corporate targets in the TCFD report (see Part 4 of the Annual

**Blue foods key facts and figures**



**Women**

account for nearly half of the blueprint food workforce.



**More than 800 million people**

depend on blue food systems for their livelihoods, mostly in small-scale fisheries and aquaculture.



**More than 2,500 species or species groups**

of fish, invertebrates, aquatic plants and wild caught or cultivated for food.



**Over 3 billion people**

get 20% of their animal protein from blue foods, along with essential nutrients like vitamin A, vitamin B-12, calcium, iodine, iron, zinc and omega-3 fatty acids.



**Global demand for blue foods**

is expected to double in live weight by 2050.



**Small-scale fisheries and aquaculture**

produce more than half of the global fish catch and over two-thirds of blue foods for human consumption.



**Ocean-farmed salmon has a lower carbon footprint than chicken**

farmed salmon has also the lowest land and water use of all blue foods.

report). ESG performance including energy efficiency targets are also embedded in incentives in the group management team (see People section).

We have a global policy on climate change guiding our operations to take action that lead to reduction in GHG emissions. Our policy is publicly available at mowi.com

Our energy consumption and GHG emissions data are reported internally and audited annually. We disclose our GHG emissions strategy and performance in association with the Carbon Disclosure Project (CDP). Mowi is ranked in the leadership category (A) in the CDP supplier engagement rating (SER).

We are working in collaboration with our peers in the seafood sector (through SeaBOS) and other ocean economies (High Level Panel for a sustainable ocean economy) to optimise the value of the ocean to produce more sustainable food as a strategy against climate change while at the same time increasing our understanding of the potential impacts of climate change to our business. Mowi also collaborates with science to further advance our focus on circularity and climate change. We are participating in a EU project (Eco-innovation and Circular Economy Strategies in the Atlantic Area) aimed to promote and develop circular economy strategies for the seafood sector along the Atlantic. Together with the Irish Seafood Development Agency (BIM), Mowi Ireland is preparing a carbon footprint for Irish seafood production (including aquaculture).

In 2021, we ran an assessment of sea surface temperatures at our farming locations using satellite data sets, gathered from NASA's Earth Observing System Data and Information System. The

comparison of average monthly records of ocean temperature from the past 2 years to the same data set from the past 20 years indicate no clear pattern in local ocean temperature changes at our farming locations.

**Our approved science-based targets are:**

- reduce absolute scope 1 and 2 GHG emissions 35% by 2030 and 72% by 2050 from a 2016 base year
- reduce absolute scope 3 GHG emissions 35% by 2030 and 72% by 2050 from a 2018 base year

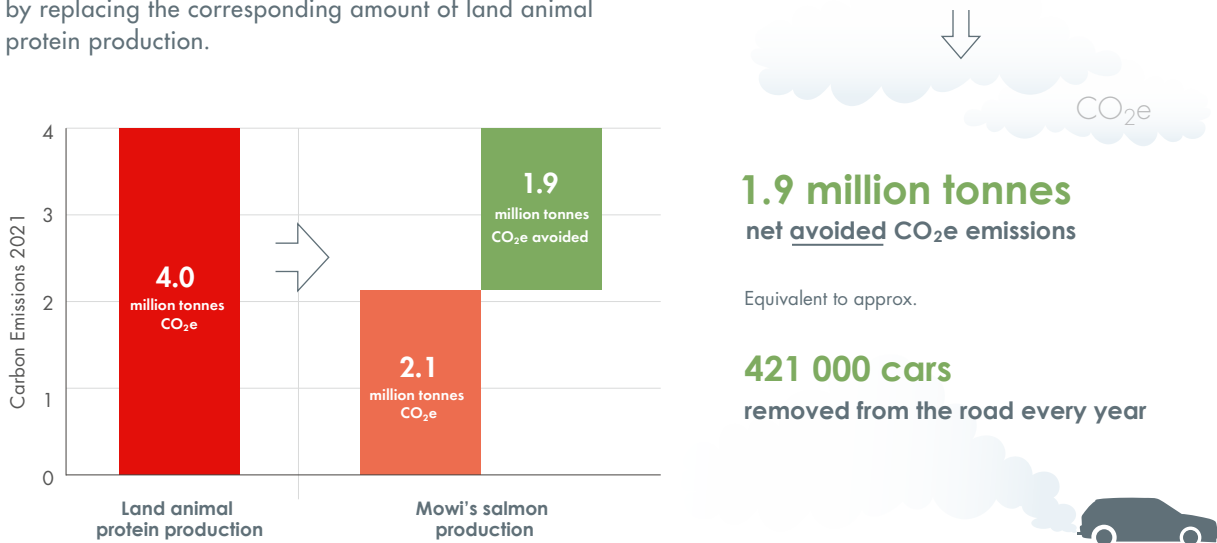
**2021 RESULTS**

**Energy consumption and greenhouse gas emissions**

Mowi's total GHG emissions (scope 1, 2 and 3) was 2 089 405 tonnes CO<sub>2</sub>e in 2021 which is 8% lower than total emissions in 2020 (2 263 921 tonnes CO<sub>2</sub>e). For Mowi emissions decreased from 5,2 in 2020 to 4,5 tonne CO<sub>2</sub>e/tonne biomass harvested in 2021. This is a combination of a reduction in our scope 1, 2 and 3 emissions. Mowi's GHG emissions (scope 1 and 2) decreased by 18% from 322 836 tonnes CO<sub>2</sub>e in 2020 to 263 660 tonnes CO<sub>2</sub>e in 2021 (Feed: 37 357 tonnes CO<sub>2</sub>e, Farming: 183 216 tonnes CO<sub>2</sub>e, Sales & Marketing: 43 086 tonnes CO<sub>2</sub>e). Both our scope 1 and 2 reduced in 2021 due to a replacement of high emissions fuel types by more climate friendly alternatives in our feed operations and an overall reduction in fuel use in our farming operations as a result of more sites being connected to land power and the use of hybrid generators. Our reduction in scope 2 emissions is due to an increased purchase of renewable electricity (GoO and green contracts with our electricity suppliers) and energy efficiency projects. In 2021, Mowi group's

**GHG Emissions**

1.9 million tonnes CO<sub>2</sub>e emissions are avoided annually by replacing the corresponding amount of land animal protein production.



The carbon footprint used for land animal protein production was calculated by starting to convert the production volumes of Mowi salmon in 2021 to edible yield (using a 55% conversion), then calculating the carbon footprint of that volume originating from animal protein mix. This was done by using a mix of consumption (OECD, 2020) of 40% chicken, 38% pork and 22% beef and the reported GHG emissions from SINTEF 2020. [www.epa.gov/energy/greenhouse-gas-equivalencies-calculator](http://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator) was used to convert the net avoided CO<sub>2</sub>e emissions resulting from replacing land animal protein by Mowi salmon, to number of cars that can be removed from the road every year.



# Mowi's climate roadmap



## 2016–2018

Reference year

<b>Scope 1 + 2 emissions</b>	<b>Scope 3 emissions</b>
------------------------------	--------------------------

## 2019

Climate Science Based Targets (SBT) Approved

Reduce absolute scope GHG emissions by 35% by 2030 and 72% by 2050

- 62% of Norwegian farming sites connected to land power
- 1795 MWh saved through eco-efficient initiatives at processing plants
- Start of on-site generation of renewable electricity in Canada
- 100% deforestation-free soy \*
- Member of Partnerships addressing climate: SAFA, seaBOS, Ocean Action

## 2020

Green Bond issued  
10% Sustainable Financing

- 8% renewable electricity
- 3147 MWh saved through eco-efficient initiatives at processing and feed plants
- On-site generation of renewable electricity in Canada & Chile
- 18% waste to landfill
- 85% of farming equipment recycled

## 2021

85% Sustainable Financing  
100% self-sufficient with Feed in Europe

- 25% renewable electricity
- 70% of sea sites in Norway, 100% in Faroes and 25% in Ireland connected to land power
- 8 hybrid generators installed at our farming sites in Norway
- 745 MWh saved energy through eco-efficient initiatives at processing plants
- 4% waste to landfill
- 88% of farming equipment recycled
- 74% of plastic packaging is recyclable with 12% recycled plastic content
- Downstream transportation optimization: use of sub-chilling technology & filleting
- Analyzed different routing options for air-cargo

## 2022–2030

100% Sustainable Financing  
100% SMART Farming in Norway  
Climate SBT achieved (near term)

- Increase purchase of renewable electricity across all operations
- Implement hybrid/ electric/ hydrogen vessels that are cost-effective
- Increased on-site generation of renewable electricity in Canada (solar) and Chile (hydro and wind power)
- Achieve 10–15% inclusion of emerging feed raw materials with a low carbon footprint
- Achieve at least 25% recycled plastic content into our packaging
- Achieve 100% of plastic packaging being reusable, recyclable or compostable
- Work with key suppliers towards implementations of low carbon fuel transportation solutions in our downstream business
- Achieve zero-waste to landfill

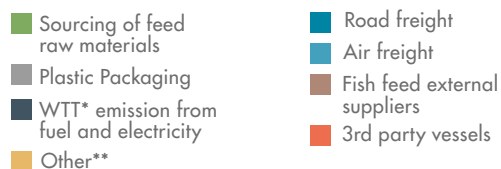
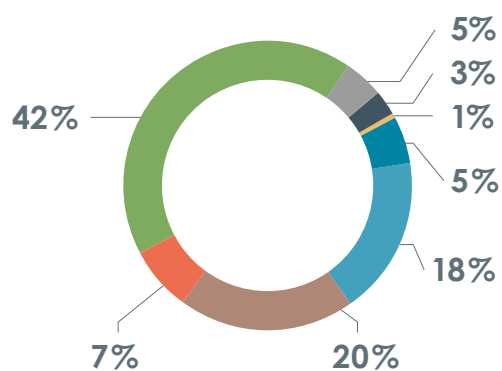
## 2030–2050

Climate SBT achieved (long term)

- 100% renewable electricity across all operations
- Amplification of climate actions through collaboration
- Credible (Blue) Carbon Capture Projects

\*100% deforestation-free soy is maintained also in 2020/2021 and is part of our sourcing plan moving forward

## Scope 3 GHG emission in 2021



\* WellTo-Tank

\*\* Upstream transportation and distribution, business travel, waste and sea freight.

renewable electricity accounted for 25% of the total electricity use (8% in 2020). Our reported scope 2 emissions are market based. In 2021 we used 7.9 TJ of fuel from a renewable energy source in the form of wood chips.

Scope 3 emissions were reduced from 1 941 085 tonnes CO<sub>2</sub> in 2020 to 1 825 745 tonnes CO<sub>2</sub> in 2021, a 6% reduction. This reduction was mainly due to reduced purchase of goods and services (feed raw materials) and a lower carbon footprint of soy protein concentrate using primary data from our suppliers. In 2021, we added an additional scope 3 category which is (plastic) packaging. Data for 2020, 2019 and 2018 assumed the same packaging emissions used for 2021. The carbon footprint of our downstream transportation was also improved in 2021 capturing all modes of transportation for our Americas entities.

In the Farming business area, emissions remained stable from 393 in 2020 to 394 kg CO<sub>2</sub>e/tonne biomass harvested in 2021. Nearly 70% of our farming sites in Norway are connected to land power. For those sites in Norway located in areas where connection to land power is challenging we have been installing hybrid generators. In 2021, we installed 8 hybrid generators in Norway Mid and North leading to an estimated reduction of GHG emissions of 1 500 tonnes of CO<sub>2</sub> per year. Mowi Faroes is 100% connected to land power while in Ireland, 25% of our seawater farming sites are connected to the grid. In 2021, we continued our efforts to increase on-site generation of renewable electricity. In Canada West (Dalrymple hatchery) we generated 205 000 kWh using solar panels, representing 4% of the total yearly energy needed. In Chile, we used hydraulic turbines

to generate 2 MWh and six wind turbines which generated 20 000 kWh to support the energy needs at our processing plants.

In the Feed business area (including both the plants in Norway and Scotland), the intensity of GHG emissions decreased from 161 to 78 kg CO<sub>2</sub>e/tonne feed produced (52% reduction). In 2021, 100% of the electricity used at the Scottish feed plant was from renewable sources. We continued our efforts to optimize energy efficiency at both plants by focusing on improving the efficiency of the feed drying process by optimising the air flow in our driers, measuring and gathering more data, using the data to optimise the process and finally automating the process to reduce the possibility of suboptimal operation.

In 2021, we have calculated and audited our scope 3 emissions in connection with sourcing feed raw materials for our feed business area (following the ASC guidelines for GHG accounting of feed, the GHG Protocol Standard and the carbon footprint of feed raw materials provided by SINTEF 2020 Life Cycle Assessment). We have also applied guidance from LCA experts and LCA studies to improve primary data use. Our estimates indicate that sourcing and transportation of feed raw materials by Mowi Feed resulted in 770 555 tonnes of CO<sub>2</sub>e in 2021 (939 207 tonnes of CO<sub>2</sub>e in 2020) or 1.66 kg CO<sub>2</sub>e/kg feed produced (1.80 kg CO<sub>2</sub>e/kg feed produced in 2020). The absolute and intensity of GHG emissions per tonne of feed produced was reduced due to a reduction of feed production and more low carbon sourcing of feed raw materials related with supplier specific data for our soy protein concentrate originating from Brazilian and European farmers.

The intensity of GHG emissions from the Sales & Marketing business area, which includes our secondary processing units and sales offices across the globe, decreased from 149 to 94 kg CO<sub>2</sub>e/tonne sold end product (37% reduction). This is explained by an increase in purchase of renewable electricity and the energy-saving initiatives run at our plants. In 2021 our energy saving initiatives summed up to 745 168 kWh saved as a result of replacing fluorescent lamps with LED, installation of air curtains in store freezers, removal of compressed air leaks, modernisation of the vacuum installation, adjustment of A/C systems, avoidance of running equipment when not in use and installation of motion sensors for lights in transit areas.

In 2021, we have also calculated Mowi's scope 3 emissions and compared it with equivalent emissions in 2020, 2019 and our reference year of 2018. Scope 3 is an optional reporting category that allows for the treatment of all other indirect emissions. Scope 3 emissions are a consequence of the activities of the company but occur from sources not owned or controlled by the company. Categories that were assessed as relevant for Mowi Group were included in scope 3 emissions namely purchased goods and services, fuel and energy related activities, upstream transportation and distribution, waste generated in operations, business travel and downstream transportation and distribution. 62% of scope 3 emissions related to feed; both the purchase of feed from external parties and sourcing the feed raw materials for Mowi Feed, followed by 23% related with downstream transportation. Air freight contributed to 18% of total scope 3 emissions.



## ENERGY AND GHG EMISSIONS (SCOPE 1, 2 & 3)

	2021	2020	2019	Reference years 2016/2018
<b>Energy consumption (TJ)</b>				
Direct energy consumption (Scope 1)	2 006	2 212	2 119	na
Indirect energy consumption (Scope 2)	1 476	1 578	1 379	na
<b>Total energy consumption (TJ)</b>	<b>3 482</b>	<b>3 790</b>	<b>3 498</b>	<b>na</b>
<b>GHG emissions (tonne CO<sub>2</sub>e)</b>				
Direct energy consumption (Scope 1)	137 374	159 961	155 640	na
Indirect energy consumption (Scope 2)	126 285	162 875	201 121	na
Indirect energy consumption (Scope 3)	1 825 745	1 941 085	1 979 211	1 950 541
<b>Total GHG emissions - scope 1 and 2 (tonne CO<sub>2</sub>e)</b>	<b>263 660</b>	<b>322 836</b>	<b>356 762</b>	<b>273 587</b>
<b>Total GHG emissions - scope 1, 2 and 3 (tonne CO<sub>2</sub>e)</b>	<b>2 089 405</b>	<b>2 263 921</b>	<b>2 335 973</b>	<b>2 224 128</b>

GHG emissions (scope 2) is market based for 2021 and the years before. Indirect GHG emissions calculated in scope 2 originate from electricity consumption and district/indirect heating, while direct GHG emissions calculated in scope 1 come from use of fossil fuels, such as diesel, fuel oil, gasoline/petrol, heating oil, natural gas, marine gas oil and propane/LPG as well as refrigerants. The methodology used for the carbon accounting is the Corporate Accounting and Reporting Standard (Revised Edition), WBCSD, WRI, 2004. The chosen consolidation approach for calculation of GHG emissions is operational control. All figures are based on direct consumption reported by each Business Unit, multiplied by an energy conversion factor and carbon emission factor per unit consumed. All emission and heating value factors for direct GHG emissions are from DEFRA 2021. Emission factors for calculation of indirect location based GHG emissions are based on International Energy Agency statistics (IEA), 2021. Emission factors for calculation of market based GHG emissions come from European Residual Mixes, AIB, 2021. The emission factor for electricity consumption in Norway is the Nordic average grid mix for four Nordic countries: Norway, Sweden, Finland and Denmark and is based on IEA statistics, 2021. The GWP reference is IPCCAR5 (IPCC Fifth Assessment Report). All six greenhouse gases are taken into account and converted into carbon dioxide equivalents (CO<sub>2</sub>e). These six gasses are: carbon dioxide (CO<sub>2</sub>); methane (CH<sub>4</sub>); nitrous oxide (N<sub>2</sub>O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF<sub>6</sub>), all of which are listed in Kyoto Protocol and GHG Protocol. All figures listed as CO<sub>2</sub>e in the report are metric tonnes of carbon dioxide equivalents. 2018, 2019 and 2020 results were adjusted in accordance with the most recent data set. Mowi is working to improve its reporting structure for greenhouse gas reporting to continuously improve data quality.

Direct energy consumption and GHG emissions (Scope 1) for the year 2020 were updated to adjust for fuel consumed in one location that overreported. In addition, in 2021 (plastic) packaging and downstream transportation for our American entities were newly added in indirect energy consumption (Scope 3). For comparability reasons, plastic packaging data for 2020, 2019 and 2018 was updated accordingly (assuming same consumption as 2021). Primary data was used for the updated downstream transportation for our American entities.

**Sustainability certifications**

Third-party certification remains key to our sustainability strategy. 98% of the harvested volume in 2021 was sustainably certified by a Global Sustainable Seafood Initiative (GSSI)-recognised standard: the Aquaculture Stewardship Council (ASC), Best Aquaculture Practices (BAP), or GlobalGAP.

At the end of 2021, Mowi accounted for 26% of all the ASC certified Atlantic salmon sites worldwide, reaffirming that we are the leading producer of ASC certified farm-raised salmon.

We certified a total of 5 new seawater sites in 2021, bringing the cumulative total to 133 sites for Mowi Group. This represents 50% of all our active farming facilities (including Canada East) with the largest increase in certification observed in Scotland.

**MOWI ASC CERTIFIED SITES**

Country	Number of sites certified (% of total sites)					
	2021		2020		2019	
Norway	77	62%	76	61%	61	50%
Scotland	9	20%	1	2%	1	2%
Canada*	20	40%	26	32%	25	35%
Chile	20	59%	19	60%	8	40%
Ireland	6	60%	5	63%	3	38%
Faroe Islands	1	33%	1	33%	1	33%
<b>Group</b>	<b>133</b>	<b>50%</b>	<b>128</b>	<b>45%</b>	<b>99</b>	<b>37%</b>

Public reporting information for our ASC sites is available at [asc-aqua.org](http://asc-aqua.org).  
\* All sites in Canada West.

**Responsible Plastic Use**

Mowi depends on a healthy ocean. The presence of plastic and its fragmentation to microplastics in the marine ecosystem must be avoided. Mowi focuses on avoiding unnecessary use of plastics in their operations, and makes sure plastic waste is handled in a responsible manner. We have a well-established monitoring and control programme for undesirable substances in both feeds and fish, verifying that there are no reasons for concern and that all limits set by food safety authorities are adhered to.

This is what we are doing to tackle plastic waste:

**We have developed a policy on plastic use and plastic waste management**

Our policy sets the minimum actions we are taking as a company to use plastic in a responsible manner. Our policy is publicly available at [mowi.com](http://mowi.com)

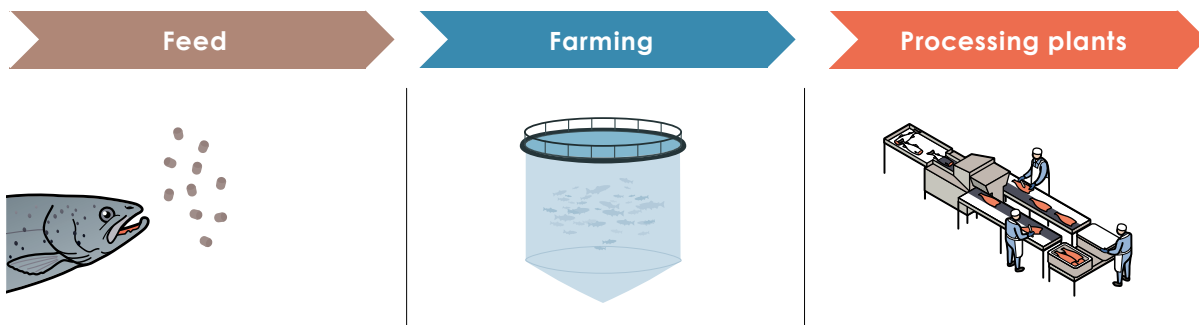
**We have set targets**

- By 2025, 100% of our plastic packaging will be reusable, recyclable or compostable
- By 2025 at least 25% of plastic packaging will come from recycled plastic content
- By 2023, 100% of farming plastic equipment is reused or recycled

In 2021, 74% of Mowi's plastic packaging was reusable, recyclable or compostable and it contained 12% of recycled plastic. We used the percentage of plastic packaging made of polymer monomaterials as a proxy of recyclability as this type of packaging can be fully recyclable as all layers are made of the same type of plastic. Most of the packaging used by Mowi is EPS (expanded polystyrene) fish boxes which are 100% recyclable as insulation building materials.

**Our certification strategy along the value chain**

From feed to plate we make sure our operations are certified in accordance with the strictest standards available.



**Food safety, environmental and social certifications**

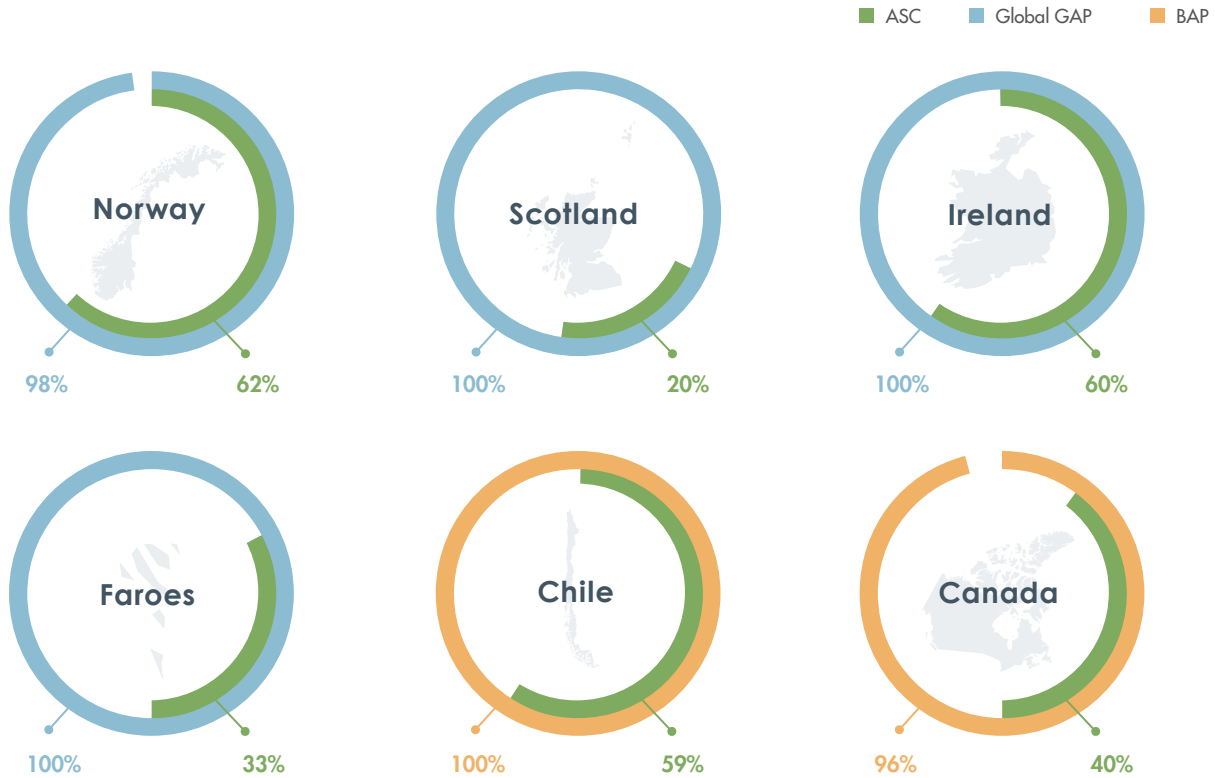
Global GAP, ASC & feed raw materials sourcing standards (MarineTrust, Proterra or equivalent)

Global GAP, BAP, ASC

ASC CoC, GFSI recognised standards



## Sustainably certified\*



\* In 2021, 98% of the harvested volume was certified by at least one Global Sustainable Seafood Initiative (GSSI)-recognised standard: the Aquaculture Stewardship Council (ASC), Best Aquaculture Practices (BAP), or GlobalGAP.

### We reduce the amount of plastic used in packaging

In 2021, we avoided nearly 380 tonnes of virgin plastic use by using a variety of strategies such as packaging redesign/simplification:

- In Poland, 60 724 kg of virgin plastic were avoided by optimising our automatic stretching machine.
- In Chile, 208 600 kg of plastic were avoided by eliminating a plastic cover sheet used by workers to protect clothing, eliminating unnecessary secondary packaging, avoiding packing tapes and replacing EPS boxes by cardboard.
- In Scotland, we have further reduced the thickness of trays by 100 micrometers, eliminating the use of 80 000 kg of virgin plastic.
- In Canada, 14 022 kg of plastic were avoided by eliminating or reducing the use of plastic bags in HOG boxes.

### We recycle plastic in packaging and farming equipment

In 2021, we increased the volumes of packaging being recycled by preventing landfill, switching to mono-materials and upcycling our plastic farming equipment.

- In the USA, at our Miami processing plant, 100% of the skin-pack packaging is made of polymer monomaterial facilitating its recyclability.
- We continue our recycling program of farming equipment (our initial scope until 2023 is on nets and feeding pipes). In 2021, our farming units recycled or reused 1970 tonnes of nets and feeding pipes, representing 88% (85% in 2020) of our total farming equipment waste. The recycling process includes reconversion of the netting into new polyamide filament, which in turn can be used in a variety of applications, such as in the manufacture of swimwear or carpet yarn.

### We reuse plastic equipment

In Scotland, we transitioned to returnable crates instead of using outer corrugated boxes avoided more than 100 tonnes of outer cases. In Canada we have also reused 14 619 kg of packaging.

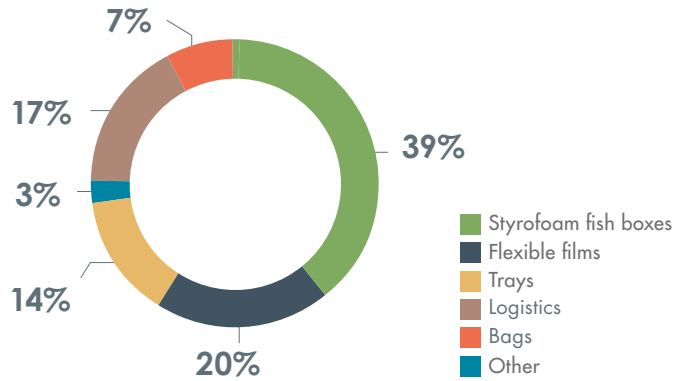
### Mowi's plastic packaging footprint



**74%**  
of our plastic packaging is reusable, recyclable or compostable



**12%**  
of recycled plastic content in our plastic packaging



#### We monitor the presence of microplastics in our fish

In 2021, we continued monitoring microplastics in our products. As in previous years our monitoring results indicate no plastic-related contaminants in our salmon.

#### We work in global partnerships

We work with SeaBOS, to scale up our impact on protecting the oceans from plastic litter including global clean-up events.

#### We work with our suppliers

Used feeding pipes in our Norwegian farming operations are collected and cut in a closed process to prevent cut fragments and microplastics from being released to the environment. This process is taken care of by an external subcontractor. The used pipes will be recycled into new products.

#### PRIORITIES GOING FORWARD

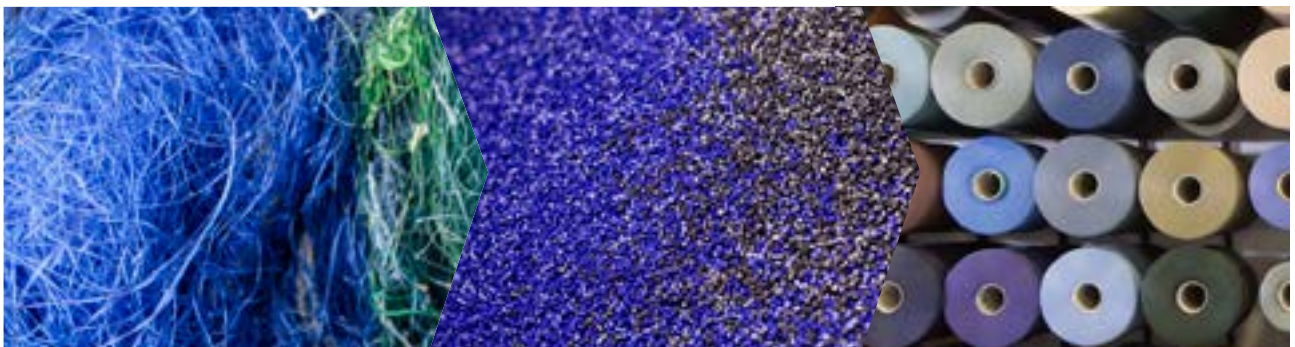
To Lead the Blue Revolution, we must have a positive impact on global issues, such as climate change, and also tackle environmental challenges that are more industry specific. Moving forward, we will

continue to focus on verification of our improvements by reputable third-party certification schemes, such as ASC, BAP and Global GAP. In 2022, we aim to have 100 % of our harvested volumes sustainable certified.

We will continue to transition to a low carbon business by focusing on our feed suppliers, reducing the use of fossil fuels in our farming operations and increasingly using renewable electricity in our processing plants. As a member of the Sustainable Air Freight Alliance (SAFA), a buyer-supplier collaboration between shippers, freight forwarders, and air freight carriers we will continue to promote tracking and reduction of GHG emissions from air freight and promote responsible freight transport.

Overcoming the plastic waste challenge remains an important issue for our business and our stakeholders and as such we will continue to focus on avoiding any plastic litter ending up at sea as a result of our farming activities, implement our packaging design strategy, continue to work with SeaBOS to scale up our impact on protecting the oceans from plastic litter, and monitor the potential for microplastics and plastic-related contaminants in our fish.

### Recycling farming equipment



Farming equipment

Dismantling

New products

## Escape prevention

### THE CHALLENGE

Because escaped farm-raised salmon may have a negative impact on the environment, due to ecological interactions and interbreeding with wild populations, we have set a target of a positive trend towards zero escapes. Every year our target is to achieve zero escapes.

### OUR EFFORTS

Our focus on preventing escape incidents includes a wide variety of actions focusing on making our equipment more resilient and on preventing human errors :

#### Equipment related

1. *Implementation of technical requirements for farming operations*
  - a. *Norwegian Nytek standards for technical requirements on the dimensioning, design, installation and operation of fish farming installations.*
  - b. *Scottish technical standard for finfish aquaculture. In Scotland, all new sites and sites converted to larger 160m pen have net and moorings systems which exceed the Scottish technical standard. There is an active program of mooring grid, net replacement and pen improvements throughout 2021 and 2022 to exceed both the Scottish and Norwegian technical standards.*
  - c. *Chilean technical standard established in 2020 with standardised methodology for the information collection, processing and calculations of the engineering study, and technical specifications of the fish farming structures*
2. *Establishment of a Global Escape Action Group in 2021, which meets digitally every quarter to define key improvement priorities, track progress and share learned experiences. A subgroup has been set to focus only on defining the equipment needs for exposed sites. This work is being done together with our suppliers. We already moved to more robust pen and net designs at exposed sites in Mowi Scotland (Hellisay), designed and specified to perform in this high energy environment. In Norway, a risk-matrix has been developed and existing sites in Norway are in progress of evaluation toward the risk matrix. Establishment of new sites uses risk-matrix to decide best pen design.*
3. *Simplification of anti-fouling strategies that minimise the need for net cleaning and for better sea lice treatment strategies that minimise net handling. We are also looking at using sensors technology to help in the detection of holes in nets.*

#### Human-error related

1. *Increased focus on escape prevention by the operational and management teams across our farming operations.*
2. *Implementation of our internal global standard (ONE Mowi) which sets minimum requirements regarding equipment certification, training, risk-assessment, reporting, mitigation, drills and checklists.*

3. *Prevention of human error by focusing on training and simplification of procedures. In 2021, we updated our global training program on escape prevention and mitigation. This training aims to reaffirm our internal standard for seawater and freshwater management, including the sharing of experiences and lessons to be learned after escapes, and the highlighting of behavioural changes that can make a difference. In 2021, 100% of all our farmers passed this training program.*
4. *Sharing main learning points after each incident with all site managers globally using our escape info sheets (in Norwegian, English and Spanish).*

### RESULTS

In 2021, the number of escaped salmon and escaped incidents decreased significantly to a total of 20 599 (146 873) and 7 (17), respectively. Main causes and mitigation actions per escape incident are indicated below.

One escape incident in Scotland accounted for 96% of all escaped fish in Mowi. This incident was related to extreme weather conditions at an exposed farming location. In challenging locations such as Hellisay we are using the Norwegian Standard and the Scottish Technical Standard plus new and modelled equipment to withstand the extreme environment. In 2021, we have worked with our suppliers to optimise equipment design for exposed locations and have already moved to more robust pen and net designs. Mowi Scotland has worked with its primary regulator Marine Scotland to move salmon stocked at the Hellisay site and replace the equipment with 200m pens, which are designed and specified to perform in this high energy environment.

Our mitigation actions are voluntary and in response to the escape events from high energy locations we are working together with the Fisheries Management Scotland, where we surveyed 120 rivers to assess any potential genetic introgression. Observations of farmed fish presence in rivers was low and predation is expected to be high, however as the fish were immature any risk of introgression is more likely to occur in the winter of 2021. This will be a multiyear study has been extended to UK rivers with reporting of findings expected in 2022.

### PRIORITIES GOING FORWARD

We will continue our efforts to reduce the number of escape incidents by strengthening our collaboration and training with equipment and service suppliers, improving our training programs to minimise human error, ensuring that best practices for delousing operations are followed, and implementing anti-fouling strategies that reduce the need for net cleaning. In addition, a positive progress towards zero-escapes has been linked to bonus remuneration in the senior management team.

## NUMBER OF ESCAPE INCIDENTS AND FISH ESCAPED

Country	2021		2020		2019	
	# of escape incidents	# of escaped fish	# of escape incidents	# of escaped fish	# of escape incidents	# of escaped fish
Norway	4	909	11	1 264	11	23 179
Scotland	1	19 686	2	122 518	1	23 970
Canada	2	5	3	1 069	4	20 996
Chile	—	—	—	—	—	—
Ireland	—	—	—	—	—	—
Faroe Islands	—	—	1	22 022	—	—
<b>Group</b>	<b>7</b>	<b>20 599</b>	<b>17</b>	<b>146 873</b>	<b>16</b>	<b>68 145</b>

Country	Site name	# of escaped fish	Main cause category	Mitigation actions
Norway	Smedholmen	15	Human error (live fish in the lift-up)	Inspect lift-up system with camera before use
	Trommo	3	Human error (equipment for lice treatment not installed correctly).	Improve procedure for lice treatment and installation of safety net
	Flatøyfjorden	882	Technical failure (net handling)	Review procedure for ROV deployment and net handling; Implement weather matrix for decision support
	Brettingen	8	Technical failure (vessel rope line broke during sea lice treatment)	Add secondary rope (at each mooring point).
Scotland	Hellisay	19 686	Technical failure (infrastructure damage during storm)	Engagement with pen suppliers to improve design of equipment at exposed sites.
Canada	The Gorge	4	Human error (handling fish during harvesting)	Improve procedure for harvesting and installation of safety net
	Larsen Island	1	Human error (fish handling during fish loading)	Improve procedure for fish loading and use of safety net

## Fish health and welfare

### THE CHALLENGE

Protecting the health and welfare of our fish is paramount for optimal performance and is both financially rewarding and positive for the environment.

### OUR EFFORTS

Animal welfare is recognised as a strategic business consideration and our primary goal is to rear healthy fish and to protect their welfare, across all our farming operations. Ocean farming allows us to rear salmon under conditions that are optimal for welfare and their well-being, which includes clean water, space and food, and ensuring they obtain the necessary nutrients for good health throughout their lives. Our fish are stocked at densities that safeguard their welfare and enhance performance, ensuring they have ample space to swim and express natural behaviour. Coordinated following and synchronised production are integral components of our farming practices, which also reduce biological risk.

The application of good husbandry and management practices, biosecurity standards and veterinary health plans, all under the supervision of our fish health professionals, contribute to the optimisation of fish welfare and their well-being. We are committed to certify all our farms to recognised standards, namely Global GAP, ASC and BAP that cover several welfare aspects, including those related to feed and water quality, health management, transport, harvest and slaughter. In addition, our Scottish operations are 100% certified against the RSPCA (Royal Society for the Prevention of Cruelty to Animals) standard and our Irish operations are 100% organic certified, with freshwater sites also being RSPCA certified.

Smolt quality and effective vaccines are key ingredients. We vaccinate 100% of our fish to reduce the risk of disease and compromised welfare, and we take a great deal of care to ensure the quality and robustness of our smolt to reduce health risks.

Promoting fish welfare, resilience and well-being through the feed is key to our feed strategy. To this end, we focus on the use of functional ingredients to support fish welfare when exposed to conditions that may compromise the skin and gills. Additionally, we continue our search for solutions that support gut health with a view to maximising nutrient retention.

### RESULTS

In 2021 the Group achieved a monthly survival rate\* (fish numbers) in seawater of 99.2%, which decreased slightly from 2020 (99.3%). Survival rate increased in Canada West and Scotland, remained stable in Norway, and decreased slightly in our other farming entities. As a result of our continuous efforts to reduce the risk of infectious disease, these accounted for 47% of the total number of fish lost during the year. The remaining 53% was attributed to non-infectious causes.

\*) reported in accordance with the Global Salmon Initiative (GSI) methodology:  $(\text{total \# mortality in sea last 12 months} / (\text{closing \# in sea last month} + \text{total \# mortality \# in sea last 12 months} + \text{total \# harvested last 12 months} + \text{total \# culled fish in sea}) \times 100) / 12$



## Mowi policy on salmon welfare

### Why we care about fish welfare

Caring about fish welfare is an ethical responsibility and an integral part of our business strategy as it can impact our productivity and reputation.

### Our definition of fish welfare

Mowi recognises the accepted Five Freedoms for animal welfare and adopts the World Organisation for Animal Health (OIE) definition of animal welfare: A good state of welfare is if it is healthy, comfortable, well nourished, safe, able to express innate behaviour and it is not suffering from unpleasant states. Good welfare requires disease prevention and veterinary treatment, appropriate shelter, management, nutrition, humane handling and humane slaughter.

### How we safeguard the welfare of farmed-raised salmon

- Train our employees
- Farm under optimal environmental conditions
- Secure optimal health and, when needed, responsible medicine use
- Apply optimal feed and feeding practices
- Vigilance of fish behaviour
- Use humane slaughter methods
- Apply internal and global fish welfare standards
- Ensure service and equipment suppliers adopt our standards
- Monitor and report operational welfare indicators
- Continuously improve through R&D



Freshwater average monthly survival rate (based on fish number  $\geq 1g$ , which corresponds to the completion of transition to exogenous feeding) for the Group was 99.3% (99.5% in 2020), ranging from 99.0-99.7% across our farming entities.

Losses to Salmonid Rickettsial Septicaemia (SRS) in Chile increased in 2021 but were still 44% lower compared to 2015 (based on fish numbers). Losses associated with Pancreas Disease (PD), sores and poor performers were reduced by 57%, 8% and 12% respectively in 2021 compared with 2020. Losses to PD decreased as a result of our management practices and vaccination strategy. Total mortality (numbers) due to sores for the Group was 1.16% in 2021 compared with 1.11% in 2020. In 2021 we further increased our focus on biosecurity practices for mitigation of *Pasteurella* and vaccinated a greater proportion of our stocks in both Norway and Scotland. Losses associated with sea lice treatment were also reduced by 5% in 2021.

Through the application of our strict risk management approach to Infectious Salmon Anaemia (ISA), and vaccination in areas of highest risk, no ISA cases were recorded in 2021, compared to 6 sites in 2020.

The slight decrease in survival (numbers) in 2021 was associated with increased losses to Cardiomyopathy Syndrome (CMS), gill infections and Heart and Skeletal Muscle Inflammation (HSMI). This was mainly attributed to additional fish handling to address the sea lice challenge. The incidence of extraordinary environmental conditions and algal blooms increased in 2021 and affected our operations in Canada East, Canada West, Ireland, Faroes and Chile. These events also impacted gill infections. However, our surveillance and monitoring programmes, and response plans contributed to mitigating the severity of such incidents to a large extent in the Group. Our ONE Mowi procedure on plankton monitoring and mitigation practices, together with internal training on plankton surveillance, risk management and response plans, are expected to contribute to fewer losses associated with algal blooms. In Chile, Canada, Scotland, Ireland and some regions in Norway we use monitoring protocols adapted to seasonal risks, ensuring that surveillance is carried out on a daily basis during high-risk periods. During harmful algal bloom events we follow a response plan and protect our fish by using measures such as aeration systems, stopping surface feeding and steering the fish to safer depths using deep lights.

To safeguard fish welfare and enhance performance we continuously tracked stocking densities, across all seawater sites and countries, ensuring actual densities were consistently and significantly lower than regulated maximum levels. Average monthly standing stocking density for the Group in 2021 was 7.4kg/m<sup>3</sup>, compared to 8.04kg/m<sup>3</sup> in 2020.

In 2021 we began reporting from our standardised global system for welfare monitoring on our seawater sites. For the Group, total welfare score recorded was very good and averaged 1.6 (scale 0-30).

Through our breeding and genomic selection programme, we made further advancements in our selection of fish stocks with resistance to PD, CMS and sea lice, and this is again expected to result in further improvements in survival rates.

CMS, gill health and PD, along with sea lice treatment losses, remain our priority areas for improvement. In addition, we will work to address environmental related fish health challenges and develop enhanced strategies to manage incidents that negatively affect survival.

## PRIORITIES GOING FORWARD

Protecting the health and well-being of our fish, and improving survival, will remain a primary focus in 2022. By continuing to closely monitor the causes of reduced survival we will set our operational and R&D priorities accordingly.

Further development of gentler systems for sea lice treatment, the application of new vaccines, advances in genomic selection for disease resistance and the outputs from several important R&D projects are expected to contribute towards our long-term goal of >99.5% survival (average % monthly survival rate) in seawater and 99% survival (average % monthly survival rate) in freshwater. We will continue to support industry research initiatives in the area of fish health and welfare, and engage in the development of better industry practices.

We continuously search for new farming solutions that advance fish welfare and well-being. Our R&D portfolio includes, but is not limited to, research on infectious diseases, nutrition, production related disorders and harvesting methods. We will also engage with stakeholders on the further development of Operational Welfare Indicators for farmed raised salmon.

## MAIN CAUSES OF REDUCED SURVIVAL

	INFECTIOUS		NON-INFECTIOUS	
	FISH NUMBERS	BIOMASS	FISH NUMBERS	BIOMASS
1	CMS	CMS	Treatments	Treatments
2	Gill infections	Gill infections	Environmental-algae	Environmental-oxygen
3	Winter sores	Winter sores	Environmental-oxygen	Environmental-algae
4	HSMI	HSMI	Poor performers	Poor performers

(CMS, Cardiomyopathy Syndrome; HSMI, Heart and Skeletal Muscle Inflammation)

## Operational welfare indicators



Dr. Farah Manji, Fish health and welfare specialist

### Why is fish welfare important for Mowi?

Caring about fish welfare and well-being is an ethical responsibility and an integral part of our business strategy as it can impact productivity and reputation.

### How do we safeguard the welfare of our fish?

We train our employees, farm under optimal environmental conditions, use optimal feed and feeding practices, apply humane slaughter methods and are continuously vigilant of fish behaviour. In addition, we ensure service and equipment suppliers adopt our standards, and we continuously work on welfare improvements through R&D.

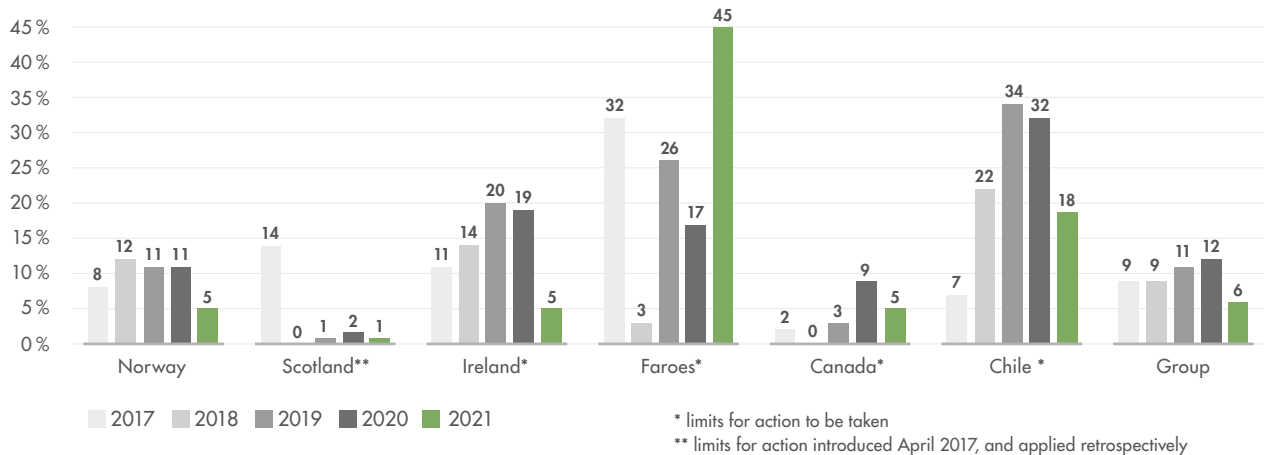
### How do we measure welfare?

In addition to our ONE Mowi policy on fish welfare, which highlights our procedures and practices for safeguarding fish well-being, we now monitor fish welfare on a routine basis. Our Operational Welfare Indicators (OWIs) platform is based on scientifically validated indicators (NOFIMA, Fishwell) and includes environmental, individual and group-based welfare indicators. This standardised and systematic global system for welfare monitoring and OWI data capture allows our seawater farming units to regularly check and report on fish welfare status.

The system generates performance data on 10 OWI metrics for each of our farming units, including the average welfare score (range 0-3) and the total welfare score (range 0-30). The lower the score, the better the welfare status. A traffic light system is also used to highlight the welfare status of our stocks (for total welfare score; green = 0-10, orange = 10-20 and red = 20-30). By systematically recording fish welfare this allows us to identify and address specific welfare concerns on our sites. For the Group, total welfare score recorded was very good and averaged 1.6 (scale 0-30).



## % of sites above national lice limits at any time



## Sea lice management

### THE CHALLENGE

Effective sea lice management is important for fish welfare and to ensure sea lice on our farms do not negatively impact wild salmonids. Sea lice control also represents a significant cost to the industry.

### OUR EFFORTS

We work intensively to continuously improve our approach to sea lice management and minimise the number of adult female lice at our sites, especially during the period when wild salmon migrate to sea.

Our goal is to manage sea lice in an integrated manner and avoid an over-reliance on the use of medicines, through the application of strategic, preventive, biological and non-medicinal measures. We continue to respect the precautionary statutory limits on the maximum number of lice per fish, set by relevant authorities. We are continuously developing better management practices, new solutions and sharing best sea lice management practices between our operations. Our R&D activities target innovative and non-medicinal approaches to control lice.

### RESULTS

We again progressed towards our goal of managing sea lice in an integrated and sustainable manner, and reducing the use of medicines. We continue to use cleaner fish and non-medicinal treatment systems and continually work on alternative solutions. In 2021, we once again increased our R&D activities on lice management and made good progress on several important projects to develop novel solutions for safe and cost-efficient control (see R&D section).

Preventive management tools (skirts, deep lights, deep feeding, and combinations of these) were used more extensively in 2021. In our operations where non-medicinal treatment systems are available, an average of 56% (range 19-79%) of all treated fish were treated using these systems (64% in 2020). This reduction was mainly attributed to less treatments in Norway. While the proportion of fish treated varied (depending on equipment availability, environmental conditions and fish size) the application of non-medicinal treatment systems increased in all other seawater farming units in 2021. In Chile and

Canada East, we continued to develop non-medicinal treatment systems, with the aim to use them more extensively going forward.

Further advancements were made in cleaner fish production in Norway, Scotland and Ireland, and we continued our investment in cleaner fish R&D. In 2021 we continued roll-out of our strategy to improve the efficiency of cleaner fish and reduce losses. On average, 76% of our seawater sites, with access to cleaner fish, used them in 2021 (80% in 2020).

We continued to register the percent of sites above national trigger levels, at any time, on a monthly basis across our business units. This is a more stringent methodology of reporting, and does not mean that a site above the limit (at any time) continued to be above the limit. On the contrary, if a site was registered above the limit, then action was taken to get below the limit. Meaning, all sites registered above the limit were treated to, again, be below the limit.

For Mowi Group, the average monthly percentage of sites above national sea lice limits (at any time) decreased to 6% in 2021. Values for Norway, Scotland, Ireland, Canada and Chile all decreased in 2021. An increase was observed in the Faroes, where several factors including environmental challenges and higher lice challenge pressure hampered integrated lice management.

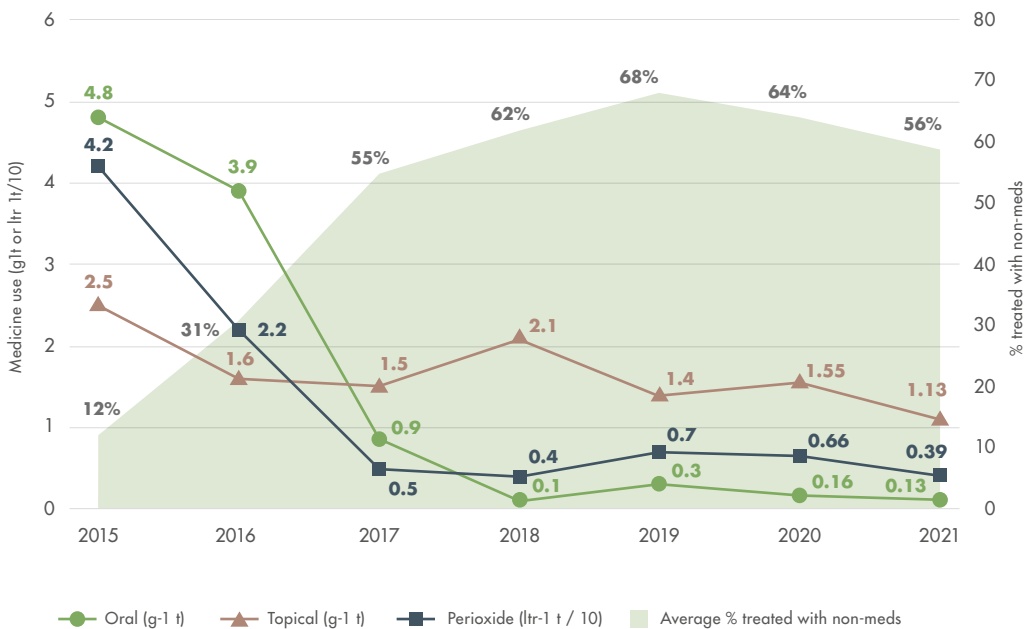
Sea lice treatment losses decreased by 5% in 2021 and we will continue to strengthen our efforts to develop integrated approaches and gentler non-medicinal treatment systems for lice control.

### PRIORITIES GOING FORWARD

Maintaining low levels of sea lice at our seawater sites remains a top priority. We will continue to optimise existing solutions, develop novel and cost-effective methods and will increase our focus on the use and welfare of cleaner fish. In Chile and Canada we will continue to develop and operationalise non-medicinal treatment systems. Our ambition is to ensure that sea lice control is based principally on preventive, integrated and non-medicinal approaches, allowing us to reduce the use of medication.

## Sea lice medicine use

Active substance (gram or litre) per tonne biomass produced



**76%**

(average) of all sites used cleaner fish in combating sea lice

**56%**

(average) of all treated fish treated using non-medical tools

**30%**

reduction in total medicine use

## Medicine use

### THE CHALLENGE

Licensed medicines may have potential negative environmental impacts if used too frequently. The risk of sea lice developing reduced sensitivity to medicines is also a concern.

### OUR EFFORTS

With our strong focus on optimising fish survival and preventing disease, licensed medicines are only used when absolutely necessary. Used in rotation, sea lice medicines are additional tools for integrated management and ensuring lice from farms do not impact wild salmonids. We only use licensed antimicrobial medicines when fish health and welfare are at risk from bacterial infection. We adopt the recommendations and support best practices as outlined in the World Health Organisation's "WHO guidelines on use of medically important antimicrobials in food-producing animals" and the WHO list of Critically Important Antimicrobials for Human Medicine, to reduce the risks of development of antimicrobial resistance.

Only when specific bacterial infections are diagnosed, and there is no alternative, do we treat fish with medicines that are approved. If used, strict policies and regulations apply. We restrict use of antimicrobials and do not use them routinely, and we never use any antimicrobials (critically important, medically important or otherwise) for the purposes of growth promotion, prevention of infectious diseases or for control of dissemination. Antimicrobials are only used prudently, responsibly and under veterinary prescription and supervision. Medically important antimicrobials are restricted

for disease treatment only. We prohibit the use of Highest Priority Critically Important Antimicrobials in our operations. Those listed as critically important for human medicine are only used as exemptions under the judgement, prescription and supervision of a veterinary professional, and if microbial sensitivity results demonstrate that the selected antimicrobial is the only treatment option. Medicines are always applied in a responsible manner and we ensure there are no flesh residues at harvest.

## RESULTS

### Sea lice management

Licensed medicines for sea lice control were prescribed and used only when required, under the supervision of authorised veterinarians and fish health professionals. In 2021, the use of oral and topical medicines decreased compared to 2020. In addition, the use of hydrogen peroxide was also reduced, reflecting the application of integrated sea lice management practices in the Group. As a result, from 2020 to 2021, our total medicine use decreased and the total active substance use (g/t biomass produced) decreased by 30%.

### Bacterial challenges

Licensed medicines for bacterial infections were prescribed and used only when required, and under the supervision of authorized veterinarians and fish health professionals. For information about withdrawal periods and medicine residues in our end products, please see the Product section. In total, our use of antimicrobials (gram of active substance per tonne produced) to combat bacterial infections increased to 91g in 2021, from 54g in 2020 (figure shown at the end of this section). As per 2020, no antimicrobials were used

in our operations in Norway or the Faroe Islands. Increases were observed in Scotland, Ireland, Canada and most notably Chile. In Scotland and Canada, increases were associated with greater challenge pressure from *Pasteurella skyensis* and mouth rot, respectively. In Chile, more cases of Salmonid Rickettsial Septicemia (SRS) and challenges with *Tenacibaculum* were responsible for the rise. The incidence of the latter has increased across the entire industry in the last 2 years.

The two antimicrobials used in 2021 are classified as Highly Important Antimicrobials (HIA). No Highest Priority Critically Important Antimicrobials (HPCIA) or Critically Important Antimicrobials (CIA) were used in our operations. An overview of our use of antimicrobials per territory is shown at the end of this section. The number of fish treated with antimicrobials increased slightly but remained low, with 0.2% treated in freshwater (0% in 2020) and 6.2% in seawater (4.5% in 2020).

## PRIORITIES GOING FORWARD

Reducing the use of antimicrobials in our operations remains an important priority. Several important R&D and strategic initiatives, with considerable focus on SRS/*Tenacibaculum* in Chile and *Pasteurella* in Scotland, are expected to reduce biological risk and contribute to decreases in antimicrobial use going forward. We will continue to direct attention towards the issue of antimicrobial resistance and management. Continuous implementation of non-medicinal control methods and advances in our breeding programme are expected to contribute to reductions in the use of sea lice medicines. In addition, we will continue to engage in the Chilean Salmon Antimicrobial Reduction Programme, and the Global GAP Aquaculture Technical Committee, to address antimicrobial use.

## Biodiversity

### THE CHALLENGE

Biodiversity loss can result in significant reductions of resources provided by the earth's ecosystems, which contribute to economic prosperity and human development. We need healthy oceans, not only to drive sustainable salmon farming, but also to support flourishing societies and buoyant national economies. We acknowledge that our activities potentially could impact biodiversity as a result of sea lice, medicinal treatments, fish escapes, organic loading/nutrient release and the sourcing of feed ingredients. For this reason, we strive to keep any negative impact to an absolute minimum.

### OUR EFFORTS

In 2021, we once again paid due regard to critical, highly sensitive environmental areas, special areas of conservation (SAC) and/or special protected areas (SPA) in the vicinity of our seawater sites.

Some of our sites are located close to protected areas or highly sensitive areas of biodiversity. For example, in Norway, we operate one site in a National Preservation-fjord for Atlantic salmon and two sites in a landscape conservation area. We follow closely the results from our benthic surveys to ensure these sites have a minimum negative impact.

In Scotland, we operate five sites located in Special Areas of Conservation (SAC), 11 sites in areas classified as both a SAC and

a Marine Protected Areas (MPA) and one site located within in a Marine Protected Area (MPA). The majority of the sites have been in operation prior to the date of designation reflecting the minimal impact that farming operations have had, and continue to have on the conservation objectives of these designations. In order to safeguard Protected Areas there is a robust environmental assessment process that applies to the licensing of new activities and such activities will only be licensed by regulatory authorities if it can be demonstrated there is no significant risk to the status of these areas.

In Canada West, none of our sites operate near official High Conservation Value Areas (HCVA) or Federal Marine Protected Areas. However, five marine sites border the Broughton Archipelago Provincial Marine Park. In the Port Hardy area, one site borders a marine park and another site borders a provincial conservancy. In 2010, at The Conference of the Parties to the Convention on Biological Diversity (CBD), Canada committed to Target 11, "to improve the status of biodiversity by safeguarding ecosystems, species and genetic diversity". To meet the objective, Canada must protect by 2020 at least 10% of coastal and marine areas, especially areas of particular importance for biodiversity and unique ecosystems. This initiative/process has commenced and Mowi Canada West is engaged. At this time, candidate MPAs have been tabled for discussion with selected stakeholders but have not been disclosed to the public.

In Canada East, none of our sites are located close to protected areas or highly sensitive areas with respect to biodiversity. In addition, none of our sites operates near official HCVA or federal Marine Protected Areas.

In Chile, we operate three sites located in the Priority Conservation Area Isla Kent-Quitraco. These sites have all permits to operate in these areas and all operations are regulated by law, therefore additional actions are not necessary because all sites have environmental impact assessments to make sure all site activities are within national regulations.

In Ireland, nine of our marine sites are located within special areas of conservation (SAC). These sites have several habitats listed in Annex I and Annex II of the EU Habitats Directive such as coastal lagoons, tidal mudflats, sandflat, large shallow inlets and bays, reefs, mudflats, and sandflats not covered by seawater at low tide. A further two marine sites are located within five kilometres of special protected areas (SPA) designated under the EU Birds Directive. For all marine sites we undertake annual monitoring of the seabed, resulting in a comprehensive database of seabed animals under and adjacent to our sites. Periodic riverbed quality surveys are carried out below discharge points from our smolt units. This coupled with careful feed management and site following ensures that we do not negatively impact these areas.

## RESULTS

Our farming operations are certified according to standards that take account of biodiversity. These standards, such as Global GAP, BAP and ASC, include criteria to minimise environmental impact and preserve biodiversity. In addition, our responsible sourcing policy for feed ingredients is key to ensuring that both the marine and non-marine raw materials used in our fish feeds do not compromise



biodiversity. Both our own feed plants and external feed suppliers must comply with this policy (see sustainable feed section).

**Circular economy and waste**

We also recognise that to protect our natural capital, we need to adopt a circular economy perspective and derive the most value from resources during their lifetime. For Mowi, circularity is a priority in rethinking how we handle our waste and seeing it's potential beyond our use.

Reducing waste where possible and optimising waste streams are both important for securing a responsible waste management. This was high on our agenda in 2021, where > 96% of the non-hazardous waste generated by our processing plants is already recycled, reused or recovered as energy. In 2021 we were able to further reduce the waste sent to landfill as a result of better understanding the waste composition at our processing plants and optimising waste sorting and handling. Not only were we able to divert more waste from landfill to recycling or incineration streams but we were also able to reduce the waste generated at processing plants like Rosyth and Spain by reusing pallets and replacing cardboard packaging to plastic returnable crates.

We also introduced several new initiatives for improving recycling and reuse of plastics, these are described under Plastic Management. In addition to plastic waste, we have adopted circular economy practices in other parts of our business such as in our freshwater production where waste is collected and further reused. In Europe, our freshwater production which includes flow-through systems and recirculating aquaculture systems have systems in place for effluent treatment. Particulate organic matter, rich in carbon and phosphorus can be removed from the discharge, dewatered, dried and recycled as fuel for biogas or used as soil fertiliser. This

waste is used by local companies to limit the transport distance. Collecting particulate organic matter from the effluent of land based facilities is important to secure a good environment in our fjords, and also to make a contribution to the green economy linking the aquaculture to recycling renewable resources. In 2021, we reused a total of 9800 tonnes of solid and wet sludge as composting or fuel for biogas production.

Working towards a more efficient global circular economy is key to Mowi, including reducing food waste by upcycling the by-products that result from our processing activities. In fact, Mowi has established Mowi Nutrition (mowinutrition.com) to ensure that by-products such as skin and offcuts are not wasted but instead used for other applications such as non-salmon aquaculture diets and pet food. In addition to reducing food waste, the upcycle of these by-products represent a recapture of the fishmeal and fish oil used as marine raw materials as such feed raw materials are used not only to produce our salmon but become also part of non-salmon aquaculture diets and pet food through the use of the salmon by-products. In 2021, Mowi Norway recaptured approximately 13 000 tonnes of fish oil from our Norwegian operations by-products.

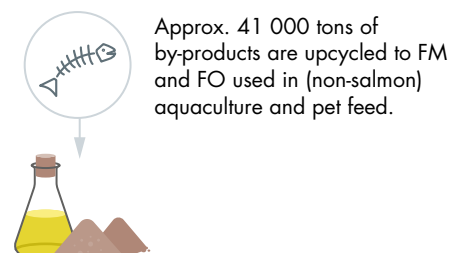
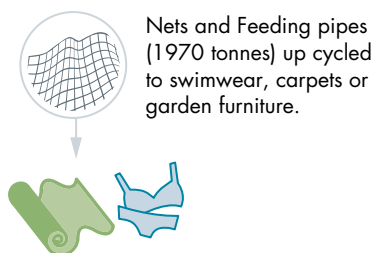
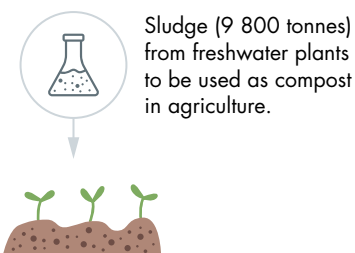
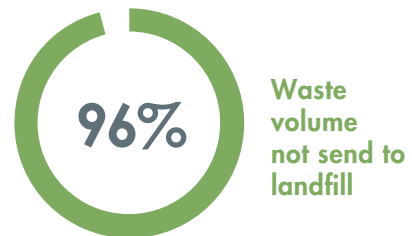
**Freshwater use**

Similarly to what occurs in the wild, farmed-raised salmon spend the initial phase of production growing in freshwater. Although we do not farm in countries with freshwater scarcity we still focus our efforts and resources on freshwater efficiency at our freshwater farming units, feed and processing plants.

Our freshwater use policy guides our business units to key actions on freshwater use stewardship, we continue to invest to comply with local regulations and where possible improve water use efficiency through technological improvements.

**Circular economy and waste**

For Mowi, circularity is a priority in rethinking how we handle our waste. In addition to plastic waste, we have adopted circular economy practices in other parts of our business such as in our freshwater production where waste is collected and further reused and in our processing plants where by-products are upcycled by Mowi Nutrition.



In 2021, our Freshwater Policy was updated with a new target:

- *By 2025, achieve a reduction of 10% on water intensity at our processing plants located in medium-high water scarcity risk, using 2018 as a reference year.*

We have three processing facilities that operate in areas with medium-high water scarcity at risk. Mowi Vietnam saw a reduction from 62.4 to 52.1 m<sup>3</sup>/tonne production; Mowi Shanghai saw a reduction from 48.8 to 30.5 m<sup>3</sup>/tonne production; and Mowi France (Boulogne) had a minor increase from 3.5 to 3.6 m<sup>3</sup>/tonne production.

In 2021, direct freshwater withdrawal at Mowi's freshwater production units (RAS and flow-through), feed plants and primary and secondary processing plants around the world summed up to 387 105 333 m<sup>3</sup>, from which 21 066 291 m<sup>3</sup> was recycled in RAS facilities. A total of 314 001 m<sup>3</sup> (all sourced from surface water) was withdrawn for processing plant use in areas with a medium-high water scarcity risk. This means that only 0.08% of Mowi's freshwater use originates from areas with a medium-high water scarcity risk.

99.1% of freshwater withdrawal was used for our smolt production in flow-through systems and recirculating aquaculture systems, 0.86% at our processing plants and 0.09% at our feed plants. Our RAS systems operate with a percentage of recirculation varying from 95 to 99.9% in our most modern and recent units. Regarding freshwater source, 87.7% of the freshwater was withdrawn from surface water, 6.8% from third party sources such as municipal water networks and 5.5% from ground water sources. In 2021, on average for Mowi Group, 0.70 m<sup>3</sup> of freshwater was used per kg fish produced.

Several water saving initiatives were implemented at our processing plants in 2021. Mowi Poland installed cooling loops on packaging machines and installed new nozzles on production equipment. In addition, Mowi Poland installed time-scheduled closing of water flow at equipment, reduced water leakages and optimised cleaning strategies to improve water use efficiency. Hand washing stations were upgraded and water from hand washing is now reused for flushing toilets. Mowi Ireland increased the proportion of sea water for washing (instead of all freshwater). Mowi Asia replaced nozzles on production equipment for better efficiency and changed some equipment to closed loop system. Our plants in Dallas and Miami installed closed-loop cooling systems at packaging machines to replace running water and in Ostende both closed cooling systems and optical sensors connected to valves resulted in water savings. In Chile a system for collecting rainwater was built at the processing plant Chacabuco, the water is treated and used for cleaning and cooling. In total our water saving initiatives in 2021 resulted in 62 580 m<sup>3</sup> of saved freshwater.

Wastewater from our operations is discharged according to regulatory requirements and legislation.

Our work towards a responsible freshwater use also extends to our vegetable raw material suppliers. In 2021, we ran a water risk assessment using the water risk index. For those rated as medium and high risk we have developed a Mowi's water risk assessment survey to further understanding the risk profile and the actions being taken by our suppliers on aspects related to water

infrastructure, sustainable withdrawal, sustainable water supply, buffer zones and the protection of water bodies from pollution by agriculture activity.

Freshwater source	Water withdrawal (1 000 m <sup>3</sup> )
Surface water	339 500
Third party water*	26 480
Ground water	21 126

\*) Municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organisations involved in the provision, transport, treatment, disposal, or use of water and effluent.

### Benthic Impact

In 2021, we continued to run mandatory national surveys to measure the potential impact of organic loading from our farming operations on the seabed.

Results show that, on average, 95% (93%) of our sea sites surveyed in 2021 have a minimal impact on faunal communities and/or sediment chemistry near to the fish pens. In Norway as well as Canada West 100% of our sites were classified as very good or good. When the impact on the seabed is considered unsatisfactory (one site in the Faroes, one in Chile, one in Canada East, one in Ireland), we take corrective action. This may include stopping or reducing production, repositioning the pens and/or increasing the fallow period, i.e. the time between production cycles, to allow the seabed time to recover from organic loading.

The ability to determine where our impacts may occur within the environment has always been critical to our industry and a key tool in assessing the environmental sustainability of our farming locations is the use of environmental modelling. Modelling is used in the first instance to demonstrate that proposed fish farming locations are likely to comply with minimum environmental standards relating to the spatial extent and intensity of any impacts. Reliable models such as the NewDepomod are crucial in ensuring accurate environmental assessment of our sites. In Scotland a new framework for surveying was implemented by the Scottish Environmental Protection Agency (SEPA). Data presented for Mowi Scotland is based on 2020 data as the sea surveys done in 2021 are still being processed by the Scottish Environmental Agency (SEPA). Delays are related to Covid19. Mowi Scotland continues monitoring in line with SEPA's new enhanced monitoring framework and we anticipate a progressive improvement from previous compliance statistics.

### Wildlife interactions

There is a rich wildlife around our farms, including marine mammals and birds. From time to time we experience that predators attack and try to break into in our pens. To protect our salmon and prevent escape incidents we have implemented different approved preventative measures. Our primary objective is to prevent attacks by using passive control methods, such as anti-predator nets. In rare cases, when attacks are too aggressive and persistent, undesired killing may be the only option. This is only ever carried out as a last resort and in accordance with relevant local regulations.

Table: Total number of interactions divided by the total number of active sites in 2021.

	Birds		Marine mammals	
	Accidental mortalities	Intentional mortalities	Accidental mortalities	Intentional mortalities
Norway	0.4	0.0	0.0	0.0
Ireland	0.0	0.0	0.0	0.0
Faroe Island	0.3	0.0	0.0	0.0
Scotland	0.0	0.0	0.0	0.1
Chile	0.0	0.0	0.0	0.0
Canada	0.0	0.0	0.0	0.0
GROUP	0.2	0.0	0.0	0.0

### Biodiversity-related projects

In 2021 we ran a total of 26 projects aimed at understanding and minimising our potential impact on biodiversity.

In Norway, we continued our collaboration with Marin Overvåkning Hordaland and Rogaland in Region South, aiming to monitor potential effects of fish farming operations on nutrient levels and macroalgae in these two counties. In Norway North, we continued our support in a study of migration patterns of wild trout and salmon smolts. Also in Region North we participated in a project aiming to strengthen local conservation of salmonid waterways in the county of Nordland. Mowi Mid/West continued to contribute in ongoing research on the reproductive success of wild Atlantic cod. In Region Mid/West and South we participated in projects investigating sealice infestation and dispersal on sea trout. In Region South we also contributed to a project looking at migration of wild salmon from native river system. One final project in Norway was a project reviewing antifouling net options; this project examines fish welfare as well as impact on the benthic environment.

In 2021, Mowi Faroes continued the participation in a project together with other fish farmers, the Faroese Environmental Agency and the Faroese Aquaculture research station to develop a new biodiversity index and classification system of macrofauna. Mowi Faroes also participated in two projects to better understand wild juvenile sea trout migrations and to better understand salmon louse populations around our salmon farms.

In Chile, we continued to be part of an ongoing project to assess the risk of establishment of Atlantic salmon in Chile.

In Canada, we participated in projects aimed at understanding the effects of our marine farms on wild salmon stocks; particularly focusing on migration patterns of wild salmon and sea lice levels in wild salmon. We partnered with Fisheries and Oceans Canada on a project to validate spatial benthic footprint predictions with monitoring of organic deposition.

In 2021, Mowi Ireland continued its project to research the genetic and population ecology of wild wrasse in Irish bays. The resulting data will be used in the development of a sustainable fisheries management plan for wild caught cleanerfish. In addition, Mowi Ireland

## Mowi policy on freshwater use

Freshwater is considered a renewable resource, however in some areas of the world the freshwater use can exceed the ability of natural processes to replace it, resulting in water scarcity. Such situations can negatively impact both society and business.

### Mowi's freshwater use

The majority of freshwater use in our business is used to produce the initial life stages of Atlantic salmon. Such production is done in countries and areas with no water scarcity. The World Resource Institute water risk map classifies all our farming regions as in low risk areas, both from a water stress and water depletion perspective (WIR Aquaduct, 2020).

### Mowi's target on freshwater use

By 2025, achieve a reduction of 10% on water intensity at our processing plants located in medium-high water scarcity risk, using 2018 as a reference year.

### How we act to implement our policy

- Develop water efficiency plans at our processing plants
- Stimulate innovative solutions for water reduction or reuse
- Share solutions and initiatives between business units
- Report on freshwater use at our plants
- Ensure our operations do not compromise the right of local communities to access water
- Treat wastewater effectively following as a minimum national Regulations
- Assess the water risk of our vegetable feed raw materials
- Support our employees to understand this policy

WRI, Aquaduct, 2020. Aquaduct Water Risk Atlas 2020. Retrieved from: <https://www.wri.org/aqueduct>

continued participation in a project forecasting harmful jellyfish blooms and biofouling for the salmon aquaculture industry.

In Scotland we continued our involvement in projects aiming to develop and validate eDNA tools for benthic monitoring in 2021. This work supports the further development of an efficient, reliable and environmentally-friendly approach for assessing benthic impact. A monitoring study has also been initiated which for the first time will measure and track the gradient of benthic recovery following the cessation of farming using our former Isle Ewe fish farm as the study location. We are also involved in a Scottish project aiming to develop and improve management tools for farmed/wild fish interactions in terms of sea lice dispersion models and interaction between wild and farmed fish. This work is part of our commitment to the Scottish Governments "Farmed Fish Health Framework" and involves collaboration between farm operators, local wild fish stakeholders, the Scottish Association for Marine Science (SAMS) and Marine Scotland Science. Mowi Scotland is also involved in a multi-trophic growing project which combines salmon and shell-fish farming in close proximity. The project is a collaboration The University of Stirling and aims to examine ways to improve the productivity and environmental sustainability of marine aquaculture practices. Mowi Scotland is also participating in a project to use of sea cucumbers as a seabed bioremediation tool. The project goals are: innovative technologies for sustainable seafood production, increasing seafood productivity, increasing seafood sustainability, reducing commercial risk, and strengthening the basis for sustainable fisheries management.

## Preserving biodiversity

### 26 projects



**5 projects on benthic monitoring**  
Norway, Faroes, Canada and Scotland



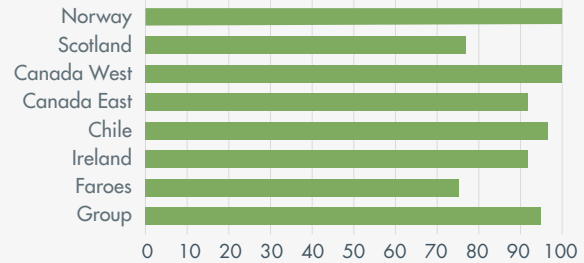
**18 projects on interaction with wild populations**  
Norway, Ireland, Canada, Chile and Scotland



**3 Water quality**  
Norway, Scotland

## % of sites with minimum impact

According to national seabed quality standard



In Norway, seabed quality standards are defined by the Fisheries Directorate. In the figure above, data from Norway and the Faroes refer to sites classified as 1 or 2 in MOM-B surveys. (MOM, short for 'Matfiskanlegg Overvåking Modellering', is a Norwegian fish-farm monitoring and modelling scheme.). The MOM-B surveys are performed regularly by third-party companies under and in the closest vicinity of the net pens, and are based on indicators such as pH and redox, sensory parameters, and presence and/or absence of macrofauna. The performance of these indicators against predefined thresholds categorises the farming location into different environmental conditions: 1. Low, 2. Medium, 3. High-organic loading and 4. Organic overloading. In Ireland, national compliance is based on positive redox potential. In Scotland, classification is based on SEPA's criteria for seabed quality standards. In Chile, classification is based on Sernapesca's criteria for seabed quality. In Canada West, seabed quality standards are defined by the Department of Fisheries and Oceans Aquaculture Activities Regulation. Compliance is based on sediment free sulphides at soft bottom sites and the presence/absence of *Beggiatoa* sp. and Opportunistic Polychaete Complex (OPC) at hard bottom sites. In Canada East, standards are defined by the Aquaculture Activities Regulations (AAR) and the Provincial - Annual Environmental Monitoring Program, based on the sulphide concentrations, presence/absence of *Beggiatoa* sp. and Opportunistic Polychaete Complex (OPC) at hard bottom sites. Weighted average was used to calculate the group's result.

Mowi Scotland remained actively involved during 2021 in supporting two long term multi-partner projects with a goal to restore self-sustaining wild Atlantic salmon populations to the upper River Garry and Loch Arkaig. Our Scottish operations also supported local monitoring of juvenile salmon populations in river Tournaig and Loch Sguod. Also in Scotland, as a result of our escape incident at the Carradale Farm we have launched, in partnership with Fisheries Management Scotland, a comprehensive multi-year wild fish monitoring study across 110 rivers in the closest areas to the Carradale Site. Baseline genetic samples were taken from juvenile wild fish in these rivers during 2020 and the scope of the project expanded with additional rivers added in 2021. The same locations will be sampled in 2022 to ascertain if any of the genetic material from the Carradale farmed fish is evident in the new wild year class fish. The study hopes to establish if introgression does indeed transpire following the escape and ascertain the extent to which this has occurred. In addition to this specific introgression study, Mowi Scotland is actively involved in an ASC research project to support and address requirements of Freshwater Standard and rearing of smolts in freshwater pens.

## PRIORITIES GOING FORWARD

We will continue to focus on projects aimed at protecting our natural capital. Areas such as the reduction of benthic impact through improved monitoring tools, better understanding of farmed/wild salmon interaction, and waste (including plastic) management and recycling will be a priority. Deforestation/biodiversity has been and will continue to be taken into account when reviewing and selecting our soy suppliers so we ensure to maintain a 100% free-deforestation sourcing of soy.

## Sustainable feed

### THE CHALLENGE

Feed is a key component in ensuring the best possible fish health and performance. In any life cycle assessment (LCA)\* of salmon farming, feed also makes the largest contribution to its environmental footprint. To remain at the forefront of environmental responsibility, we prioritise the sourcing of sustainable feed ingredients, and strive to utilise feed as efficiently as possible at our fish farms.

\* Life Cycle Assessment (LCA) determines the environmental impacts of products, processes or services, through production, usage, and disposal.

### OUR EFFORTS

Sourcing sustainable feed ingredients is crucial if we are to remain a front-runner with regard to environmental responsibility. Our policy for sustainable feed ingredients applies to all feed purchased externally, as well as the feed we produce ourselves.

Our feed plant at Valsneset, Norway, is Global GAP certified, and produced 358 769 tonnes of feed in 2021. Mowi Feed supplied salmon feed to all our seawater farms in Norway in 2021, with only limited amounts sourced from other suppliers. Our feed plant in Kyleakin, Scotland produced 123 133 tonnes in 2021. Mowi is self-sufficient with Feed in Europe.

In 2021, the sourcing of our marine and vegetable raw materials was 100% compliant with our sourcing policy (also 100% in 2020). 100% of our marine raw materials were either MSC, MarineTrust Standard (former IFFO-RS) certified or part of fisheries improvement projects aimed at achieving the MarineTrust certification. In 2021, we have included algal oils in our feed formulation as a step towards achieving our target on inclusion of emerging feed raw materials: By 2030, Mowi aims to achieve an inclusion of 10-15% ingredients from emerging feed raw materials. More information on our Emerging Feed Raw Materials Policy can be found here.

In 2021, Mowi Feed included 4% emerging feed raw materials in its feed composition (which includes algal oils and pea protein concentrate).

100% of our soy originated from deforestation-free areas, non-GM (not genetically modified) and was either Proterra or Europe Soya Standard certified. Mowi has conducted a risk-assessment of the soy supply chain which is available in our Sustainable Salmon Feed Policy. Soy sourcing has a low risk from a nutrition quality and certification perspectives while has a medium risk from a climate

# New Raw Material Selection Programme



## The key decision steps

Contact from raw material supplier or product developers

### INITIAL EVALUATION

Supplier's information

Feedback and stop/continue decision

### 1<sup>ST</sup> FORMULATION EXERCISE

Complimentary data from Mowi's database

1<sup>st</sup> assumptions for value and consumption

Create prototype ingredient in formulation programme

Feedback and stop/continue decision

### INITIAL BIOLOGICAL TESTING

Refine/replace theoretical values e. g. *in vivo* apparent partial digestibility, micronutrient values, content of undesirable compounds

### NON-BIOLOGICAL TESTING

Feed safety, physical properties, material handling and feed technology aspects. ESG etc.

2<sup>nd</sup> assumptions for value and consumption

### 2<sup>ND</sup> FORMULATION EXERCISE



Feedback and stop/continue decision

### SECONDARY BIOLOGICAL TESTING

Establish impact on fish performance, quality, health and welfare + optimal inclusion level in feed

Feedback and stop/continue decision

3<sup>rd</sup> assumptions for value and consumption

### 3<sup>RD</sup> FORMULATION EXERCISE

Completion of supplier + product approval process

Feedback and stop/continue decision

IMPLEMENTATION

Completion of commercial arrangements e.g. required amounts, pricing, logistics etc.

NOT SELECTED



exposure, price increase and reputational perspectives. We will continue to work closely with our soy suppliers to minimise those risks including work through ProTerra certification and to continue supporting MRV (Monitoring, Reporting and Verification) audits to our Brazilian suppliers of soy protein concentrate, already initiated in 2021.

All ingredients, marine as well as non-marine in origin, which are used in the production of our feeds, are fully traceable (for marine raw materials, please see the illustration on the following pages). None of our raw materials originate from illegal, unregulated and unreported (IUU) catches, or from fish species classified as endangered on the International Union for the Conservation of Nature (IUCN) red list. We aim at having all our marine raw materials sourced from suppliers who adhere to responsible fishery management practices.

Through research collaboration with scientists from institutes and universities, as well as with industrial partners, we identify and source alternative ingredients - including responsibly produced plant proteins and oils - that provide the necessary nutrients for state-of-the-art salmon feed. As a result, we have significantly reduced our use of fishmeal and fish oil in feeds, while maintaining growth performance, fish health and product quality.





Soy purchased from Brazil was 100% ProTerra certified and originates from the states of Parana, Matto Grosso, Minas Gerais and Goiás. The ProTerra Standard is based on ten principles, focusing on biodiversity conservation, environmental management and effective environmental services, the protection of Amazon, Cerrado and

Chaco biomes, the protection of community rights and the promotion of working and agricultural best practices especially related to sustainable land use and reducing the application of pesticides. Land areas converted after 2008, be it by human intervention or natural causes, are not eligible for certification under ProTerra under any circumstances.

In 2021, Mowi continued to work together with our Soy Protein Concentrate (SPC) suppliers, ProTerra and the other feed companies within the Aquaculture Dialogue on sustainable soy sourcing from Brazil. This dialogue aims to further develop sustainable sourcing from Brazil by achieving more transparency through traceability tools. In 2021, Mowi's SPC suppliers from Brazil have passed with success a MRV (Monitoring, reporting and verification) audit on the ProTerra Foundation Monitoring and Verification Guide. This confirms that the commitment made by our suppliers to achieve a deforestation-free supply base has been achieved. This bold and historic move sets a new benchmark for global sustainable supply chains and has been recognised by external stakeholders such as WWF and the Rainforest Foundation.

In 2021, Traceability Certificates of Compliance (TCCs) were issued to provide further documentation of origin (down to municipality level). In addition to increased traceability, a study on the carbon footprint of Brazilian soy from ProTerra certified sources was completed allowing to have credible and updated carbon footprint data for SPC from Brazil. In addition our European suppliers have updated their carbon footprint data. This has allowed us to use specific carbon-footprint data instead of secondary data from LCA databases in our scope 3 emissions calculations.

## Salmon is the most sustainable farmed animal protein alternative

				
Protein retention	<b>28%</b>	37%	21%	13%
Feed conversion ratio ("FCR")	<b>1.3</b>	1.9	3.9	8.0
Edible meat per 100 kg feed	<b>56 kg</b>	39 kg	19 kg	7 kg
Carbon footprint (kg CO <sub>2</sub> / kg edible meat)	<b>5.1</b>	8.4	12.2	39.0
Water consumption (litre / kg edible meat)	<b>2 000*</b>	4 300	6 000	15 400

(\*) The figure reflects total water footprint for farmed salmonid fillets in Scotland, in relation to weight and content of calories, protein and fat  
Source: Mowi Industry Handbook (<https://corpsite.azureedge.net/corpsite/wp-content/uploads/2019/06/Salmon-Industry-Handbook-2020.pdf>)  
- SINTEF, 2020 (Greenhouse gas emissions of Norwegian seafood products in 2017).

- Blue Food Assessment (Environmental performance of blue foods, Gephart et al., 2021) reported GHG emissions for farmed salmon of 51 kg CO<sub>2</sub>/kg edible weight and 8.4 kg CO<sub>2</sub>/kg edible weight for chicken.

Different studies will present different carbon footprint results dependent on the methodologies used, scope of what is included and databases used.

## RESULTS

### 1.16 kg of feed used to produce 1 kg salmon

The feed conversion rate (FCR) is a ratio that describes the amount of feed used to produce a certain amount of salmon. It is often defined as kg feed consumed/kg biomass gained. The lower the FCR, the more efficient our salmon are at converting the energy in the feed. Biological feed conversion ratio expresses the amount of feed used to produce 1 kg of salmon. On a global level in 2021, we used 1.16 kg (1.18) of fish feed to grow 1 kg of salmon.

### Reduced dependency on wild fish for salmon farming

In 2021, particular attention was paid to expanding the raw materials basket for fish feed production. It is well recognised that the industry has moved on from the initial dependence on fishmeal and fish oil through the inclusion of other types of protein- and lipid raw materials. A better understanding of Atlantic salmon nutrient requirements through the various stages of the fish's life cycle has allowed for the inclusion of a range of novel raw materials in our salmon feed. We support and closely follow the ongoing development and testing of novel raw materials. This is the case for oils rich in Omega-3, as well as novel protein sources from sustainable production. We continue our efforts to increase the use of fish trimmings to produce fishmeal and fish oil, in both our integrated feed production and externally sourced feed.

In 2021, Mowi Feed sourced 59 512 tonnes of fish meal from whole fish and 27 861 tonnes from trimmings/by-products and 45 088 tonnes of fish oil from whole fish and 9 606 tonnes of fish oil from trimmings/byproducts. This means that in 2021, 32% and 18% of fish meal and fish oil respectively, used by Mowi Feed, originated from trimmings. In 2021, Mowi Farming used 0.8 kg of wild caught fish to produce 1 kg of farm-raised salmon - comparatively in 2020 we used 0.68 kg. We sourced a high proportion of marine ingredients from the northern hemisphere in 2021, much in line with the situation in 2020.

The increase of FIFO in 2021 is related with disruption of the supply of fish feed ingredients. In particular, the market for vegetable feed raw materials such as wheat gluten and pea protein concentrate was highly disrupted when the European ports were unable to both trans ship cargos of Asian-origin materials or indeed, distribute the European-made equivalent products. As a result of these supply chain disruptions and in order not to compromise the nutritional integrity of our feeds, it was necessary for Mowi to default to the use of fishmeal which, due to its proximity to our facilities, remained available to buy and receive at relatively short notice. Despite increasing the amount of fishmeal consumed, we were able to achieve this increase without compromising the sustainability of our sources.

The value of FIFO of 0.8 is further reduced to 0.68 (recapture FIFO, rFIFO) if one takes into account the recapture marine raw materials, i.e. the fact that the salmon by-products after processing are used to produce fish meal and oil used for other aquaculture (non-salmon species and pet food).

Our Forage Fish Dependency Ratios (FFDR) for meal and oil are also presented at the end of this section, as a group (weighted average based on seawater production) and per farming country. The ASC methodology is used for these calculations.

## PRIORITIES GOING FORWARD

We strive to balance the need to produce healthy meals for human consumption with our goal to be an environmentally responsible producer. We do this by sourcing sustainable feed ingredients and utilising the feed resources optimally at our farms. The biology of salmon as an effective protein converter is one of the salmon industry's key success factors. Since we own our own strain of salmon, "Mowi", we believe that it is possible to work with our breeding and genetics group to create a fish capable of even better feed utilisation, growth performance and nutrient value. Our focus moving forward is to optimise feeding procedures and practices to make sure we make the best possible use of the resources available.

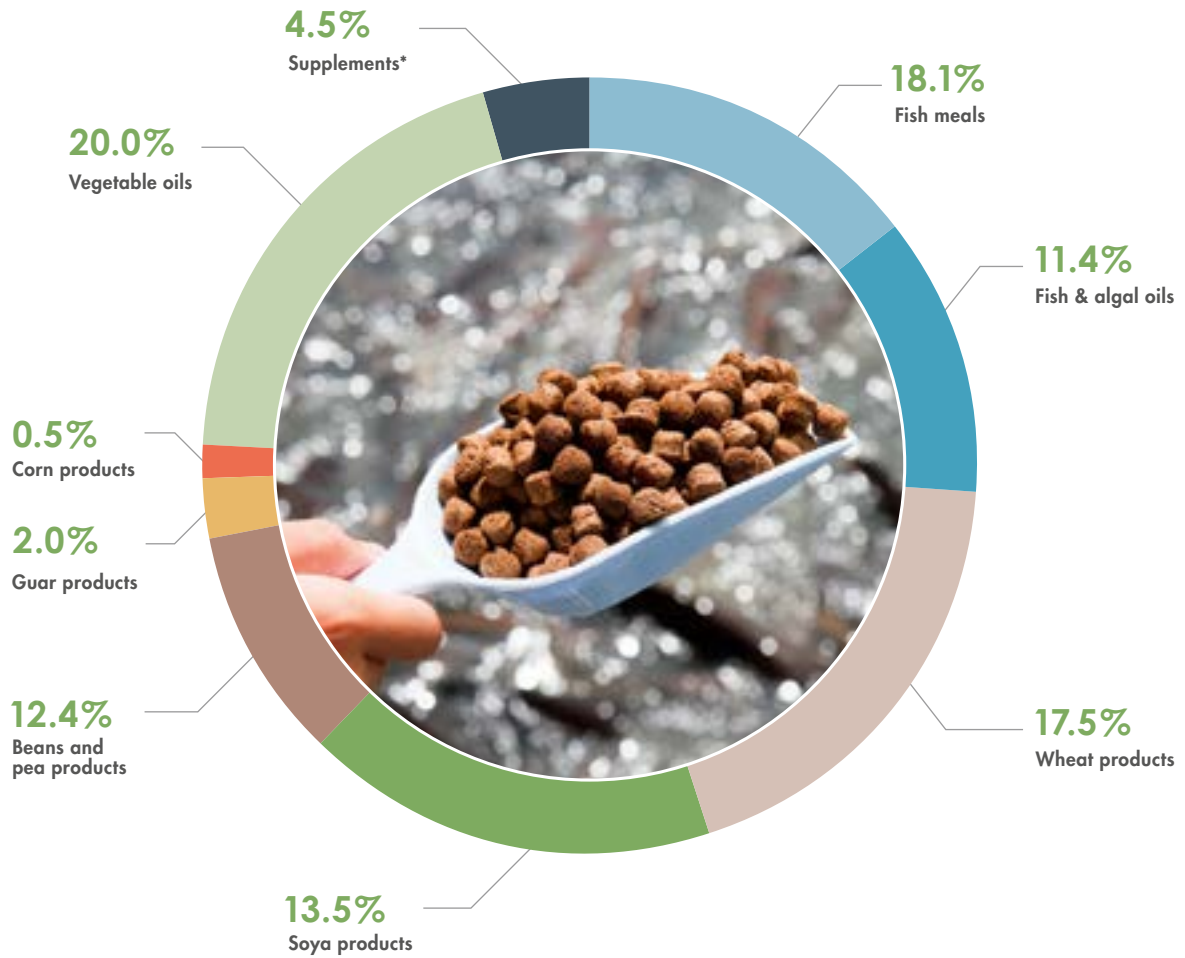
In terms of raw material development, we strive towards independence from specific raw material sources be they of marine origin or those derived from commodities including wheat, soya, corn, peas or beans etc. This will secure our cost competitiveness in the face of fluctuations in commodity markets and give us the power to catalyse change in the supply chain through our ability to switch between sustainable, responsible, solutions when circumstances dictate it. In seeking to expand our spectrum of available raw materials, we continue our efforts by validating promising candidates including those derived as by- or co-products from other feed, food and even non-food industries. Within this scope, we include products derived from insects, alcohol fermentation, CO<sub>2</sub> capture and forestry.

We will continue working with our SPC suppliers from Brazil as part of the aquaculture dialogue on sustainable soy sourcing from Brazil.

# Salmon feed

## What's in it?

We tailor our feeds to match the changing requirements of the fish through their life-cycle



\* Where supplements represents vitamins, minerals amino acids and yeast derivatives

## Does our salmon production deplete scarce marine resources?

**Fish in-fish out (FIFO)** provides the amount of kg of wild fish (excluding trimmings) it takes to produce one kg of salmon. The species used in fish meal and fish oil production are from reduction fisheries and trimmings not used for human consumption. In 2021, **0.8 kg** of low consumer preference wild fish (like anchovy and sardine) produced one kg of Mowi farm-raised salmon. If we take into account the fish meal and fish oil that is produced from the salmon by-products during processing, the rFIFO (recaptured FIFO) is **0.68** for Mowi Group.



## Where do our marine raw materials come from and are they from responsible and sustainable fisheries?

Fish meal	Species	Country of origin/ FAO Fishing Area	Volume (tonnes)	% of meal purchased
Fish meal, NE Atlantic <sup>(1)</sup>	Blue whiting, capelin, herring, Norway pout, sandeel, sprat; and trimmings from blue whiting, capelin, cod, herring, mackerel & sprat	Faroe Islands, Iceland, Norway, Denmark, Scotland, Ireland / 27, Atlantic Northeast	79 927	91.5 %
Fish meal, Peru/Chile	Anchovy, sardine, stripped weakfish	Peru / 87, Pacific Southeast; 41, Atlantic South West	390	0.4 %
Fish meal, USA, menhaden	Gulf menhaden	USA / 31, Atlantic Western Central	2 129	2.0 %
Fish meal, SE Atlantic	Anchovy	South Africa/ 47, Atlantic Southeast	4 930	6.0 %
<b>Total fish meal (tonnes)</b>			<b>87 376</b>	<b>100 %</b>

Fish oil	Species	Country of origin / FAO Fishing Area	Volume (tonnes)	% oil purchased
Fish oil, Peru/Chile <sup>(2)</sup>	Anchovy, jack and mackerels & sardine	Peru / 87, Pacific Southeast	27 711	50.7 %
Fish oil, SE Atlantic	Anchovy & pilchard	South Africa / 47, Atlantic Southeast	508	0.9 %
Fish oil, Eastern Atlantic	Sardine	Mauritania / 34, Atlantic Eastern Central	2 802	5.1 %
Fish oil, USA, menhaden	Gulf menhaden	USA / 31, Atlantic Western Central	9 471	17.3 %
Fish oil, NE Atlantic <sup>(3)</sup>	Blue whiting, herring, Norway pout, sandeel, sprat and trimmings from capelin, cod, flounder, herring, mackerel & sprat)	Iceland, Norway, Denmark, Ireland / 27, Atlantic Northeast	14 209	26.0 %
<b>Total fish oil (tonnes)</b>			<b>54 701</b>	<b>100%</b>

- (1) In addition to the main species indicated above: [<5% - >1% = boarfish; trimmings from boarfish, plaice & white fish; MarinTrust approved by-catch; and mixed species downgrades] [<1% = haddock, horse mackerel, mackerel, pilchard, saithe, whiting & trimmings from European anchovy, horse mackerel, European pilchard & redfish]
- (2) In addition to the main species indicated above: [< 1% = mote sculpin, pacific menhaden, pampano and permitted by-catch]
- (3) In addition to the species indicated above: [<5% - >1% = boarfish, European pilchard; and trimmings from blue whiting and plaice; & trimmings of mixed origin] [<1% = horse mackerel and MarinTrust approved by-catch; trimmings from European anchovy, boarfish, crab, Norway prawn, pilchard, saithe, whiting & MarinTrust approved by-catch]

## Our policy on sourcing sustainable raw feed materials



**Traceability**  
All ingredients used in salmon feed shall have a traceability system in place.



**Marine raw materials**  
Our marine raw materials processed from whole fish will be sourced from suppliers who adhere to responsible fishery management practices and that are certified as sustainable (MSC, Marine Trust standard or similar) or part of Fisheries Improvement Projects (FIPs). Marine raw materials shall not originate from IUU catch or IUCN red listed fish species classified as endangered.



**Vegetable raw materials**  
We support efforts to increase purchases of sustainably sourced vegetable raw materials. The soy used in our feed is 100% deforestation-free.

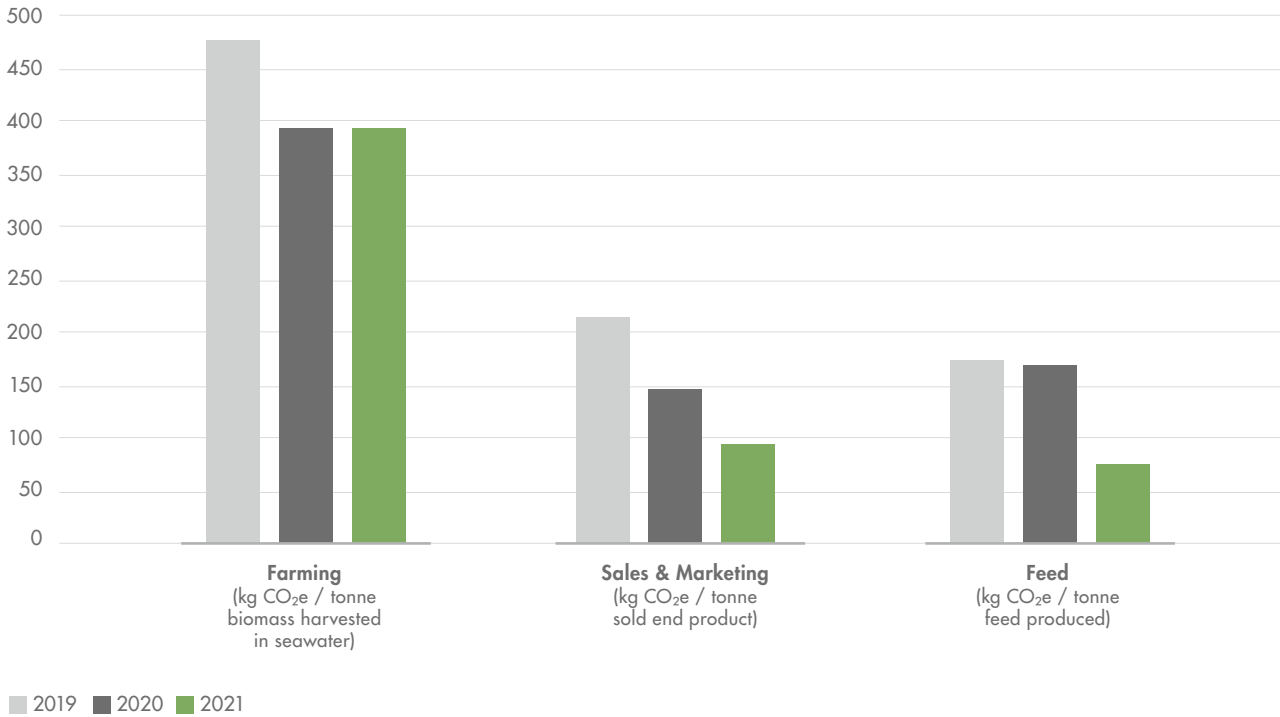


**Modern slavery**  
Mowi has a zero-tolerance approach to modern slavery and human trafficking. Feed raw material suppliers shall have in place due diligence controls to prevent modern slavery from occurring in their own operations and supply chains.

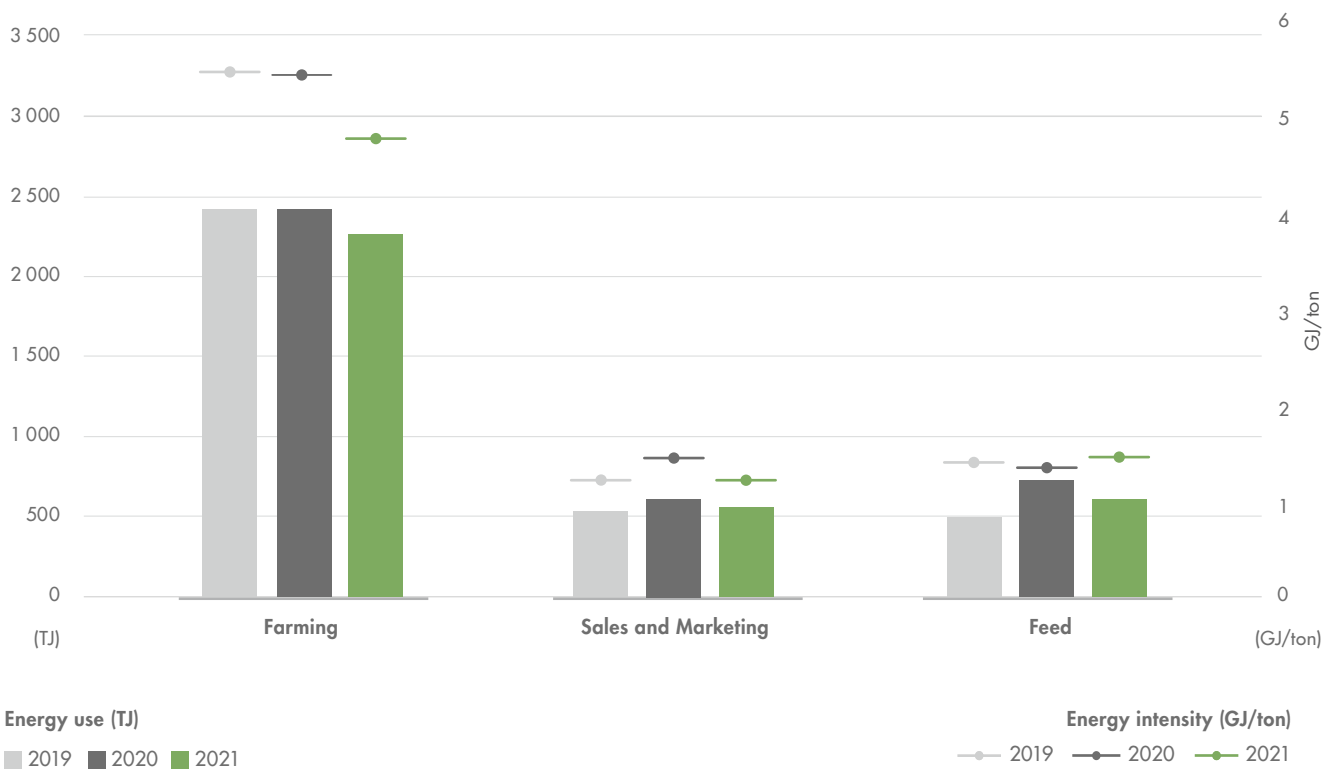


**Certification**  
As a minimum, feed suppliers should be GLOBAL GAP certified by an accredited certification body (CB).

### Intensity of GHG emissions (scope 1 and 2) per business area



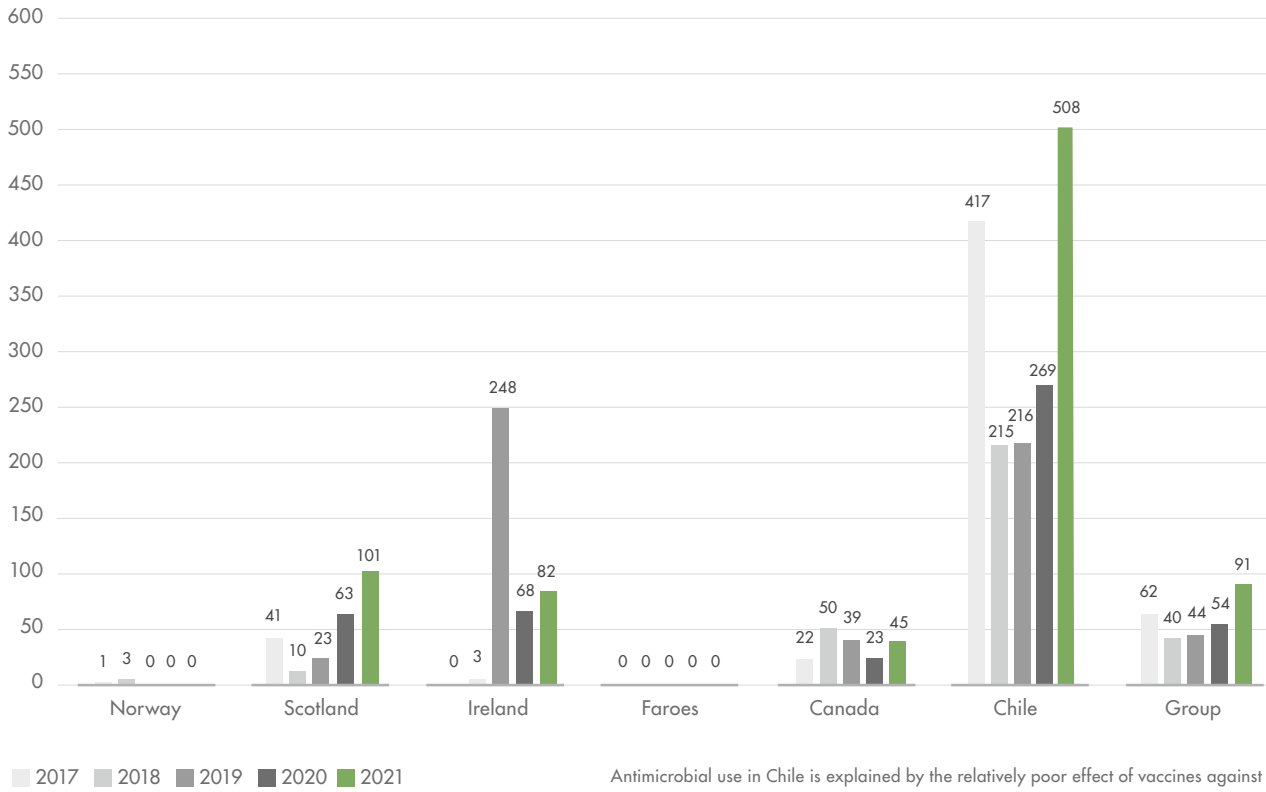
### Energy use per business area





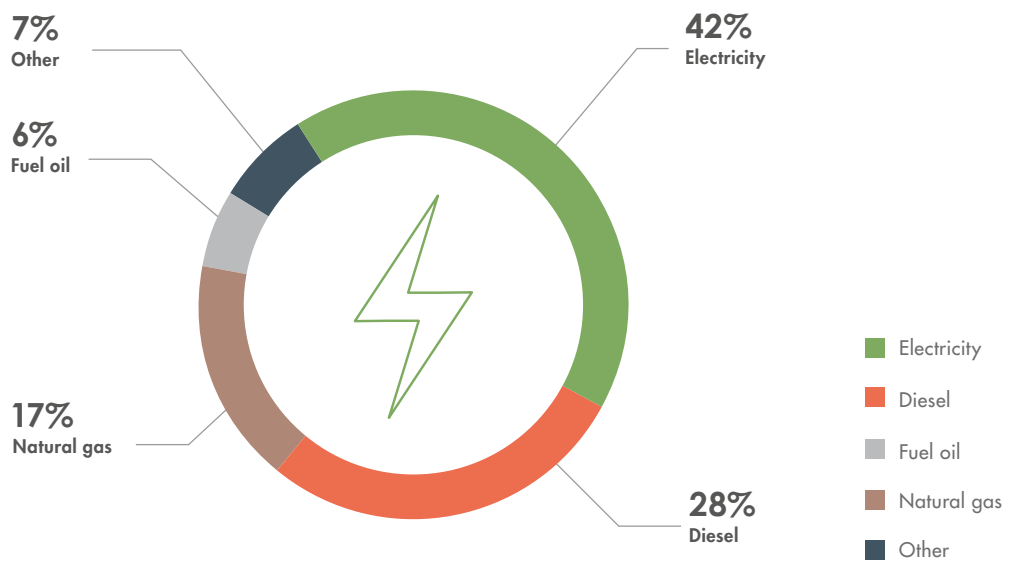
### Antimicrobial use

Active substance (gram) per tonne biomass produced



Antimicrobial use in Chile is explained by the relatively poor effect of vaccines against SRS.

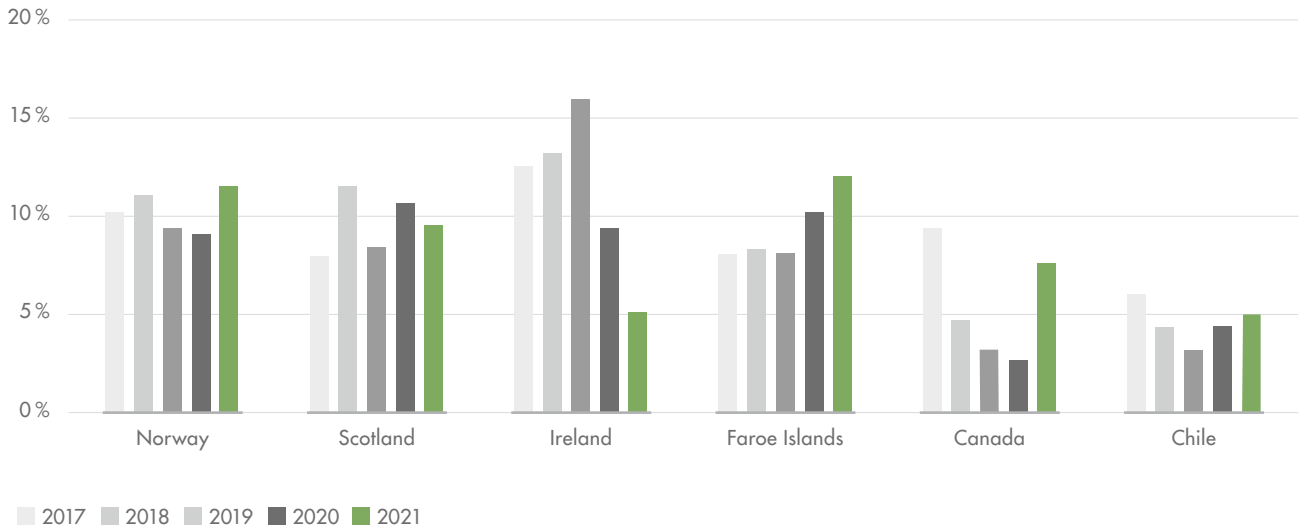
### Total energy use 2021



The above graph is composed of the following: Total fuel consumption non-renewable (1998 TJ from Diesel, Fuel Oil, Gasoline/petrol, Heating oil, Natural gas, Propane and MGO); Total fuel consumption renewable (8 TJ from Wood chips); and Electricity consumption (1476 TJ); Total energy consumption is 3482 TJ. Zero (0) heating, cooling, steam consumption and zero (0) electricity, heating, cooling and steam sold. "Others" with 7% contribution include: Gasoline/petrol with 1.3%, Heating oil with 1.6%, Propane with 1.4%, wood chips with 0.2% and Marine Gas Oil with 2.5%.

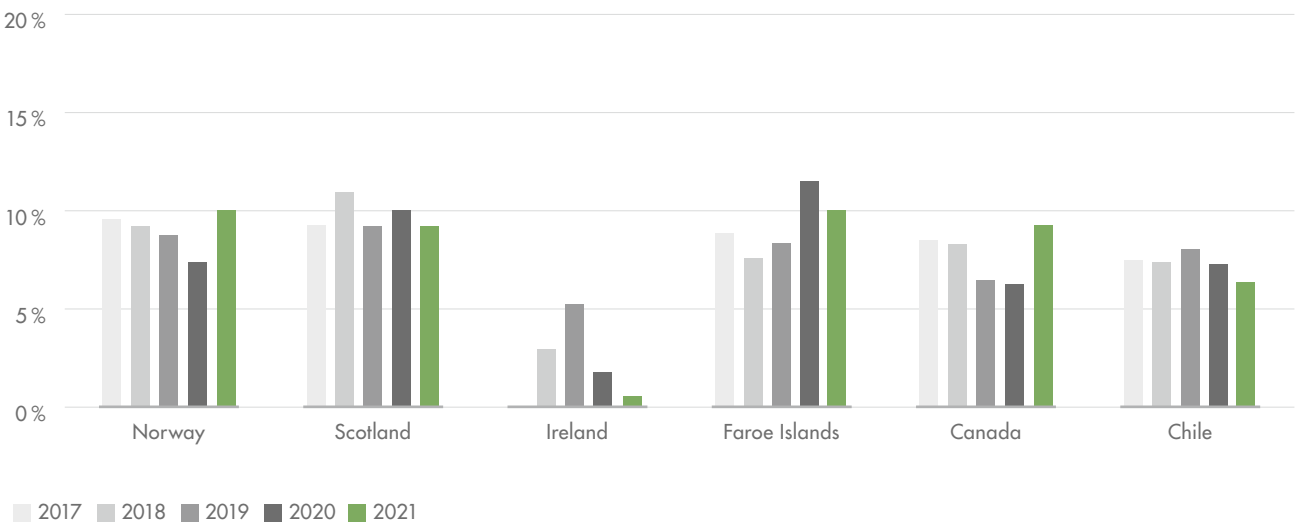
### Fish meal inclusion in % per tonne feed used

(Weighted average ex trimmings)



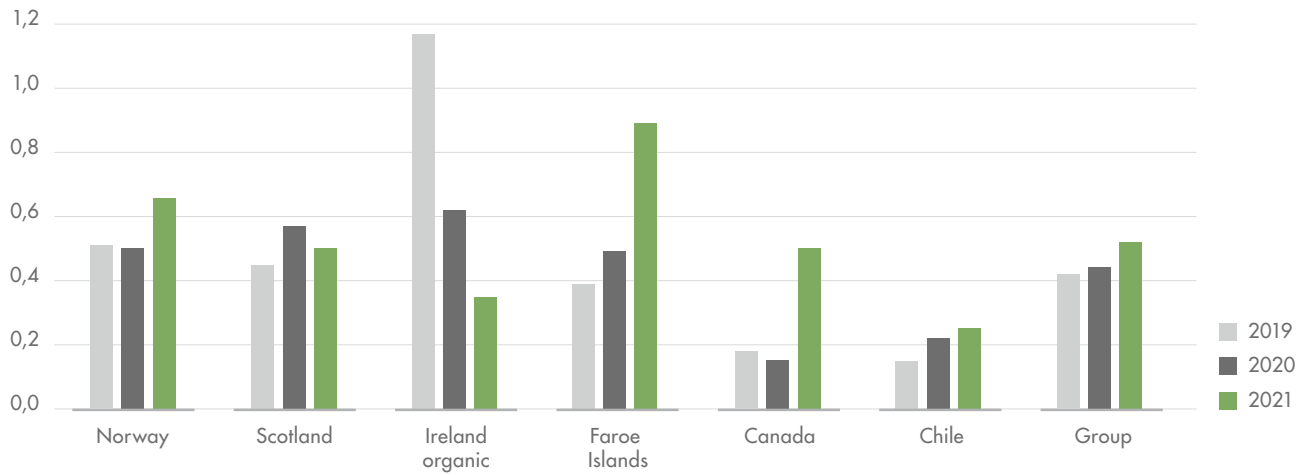
### Fish oil inclusion in % per tonne feed used

(Weighted average ex trimmings)



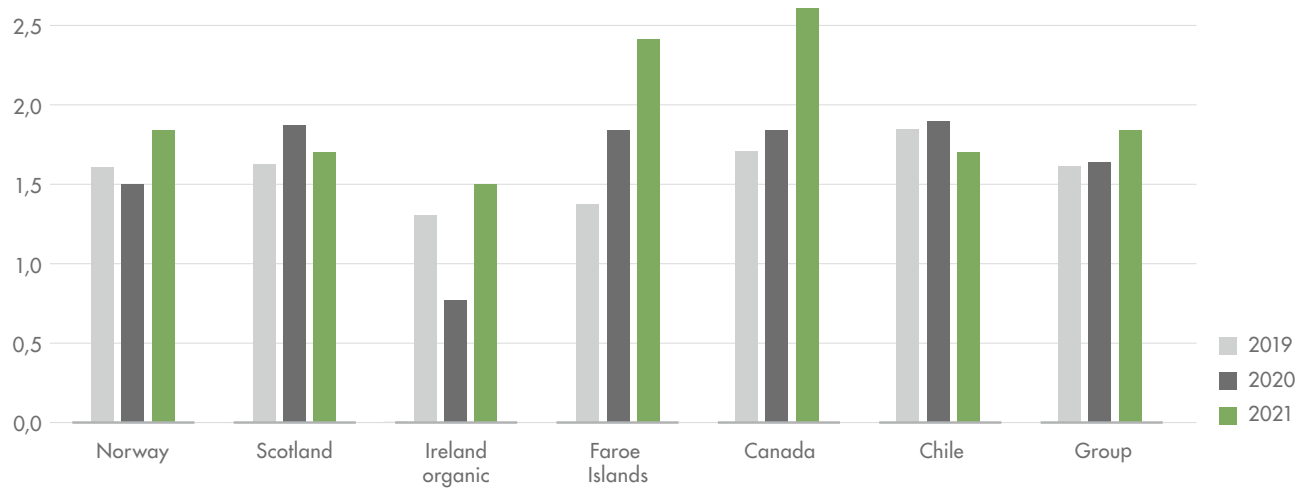
### Forage fish dependency ratio – meal

(Ex trimmings)



### Forage fish dependency ratio – oil

(Ex trimmings)



FFDRo and FFDRm calculation according to ASC definitions, Appendix IV  
[https://www.asc-aqua.org/wp-content/uploads/2019/07/ASC-Salmon-Standard\\_v1.3\\_final.pdf](https://www.asc-aqua.org/wp-content/uploads/2019/07/ASC-Salmon-Standard_v1.3_final.pdf)



# Feeding our planet with food from the ocean

At Mowi, Leading the Blue Revolution is a key priority. With climate change and food security being among the biggest challenges to humanity today, it is our mission to provide sustainable and healthy food to the world's population.

Seafood is best placed to do this as it has a lower carbon footprint than land-based proteins and is rich in omega-3 fatty acids. In fact, in 2021, Mowi was ranked number one in the award nominated Collier FAIRR Protein Producer Index for the third year in a row.

The Index assesses the sustainability performance of 60 of the largest publicly listed animal protein producers.

Overall, Mowi scored 81 out of 100 and was rated 'Industry Best' against many of the criteria aligned to the Sustainable Development Goals (SDGs) including greenhouse gas emissions, deforestation and biodiversity, use of antibiotics, animal welfare, working conditions, food safety and governance.

CEO Ivan Vindheim said: "This shows again that Mowi is at the forefront of sustainable food production. I am proud and humbled to lead a company and an organisation that is a recognised leader

in sustainable food production. Importantly, the Index highlights that aquaculture and salmon farming is part of the solution toward shifting to a green economy."

## LEADING FROM THE FRONT

After becoming the first seafood company in the world to issue a green bond in January 2020, we were proud to present Mowi's Green Bond Impact Report 2020 in March 2021. This report detailed the impact of EUR 200 million of green bond proceeds, which have been allocated and their impact measured based on the criteria set out in the Green Bond Framework in January 2020.

As part of the Green Bond Framework, we support the Paris Agreement and progress towards UN Sustainable Development Goals on clean water and sanitation (number 6), on climate action (number 13) and, most importantly for us, on life below water (number 14).

## SPARKING DISCUSSION AT COP26

We were also delighted to speak about the importance of food from the ocean at several events at the highly anticipated COP26 summit in Glasgow, Scotland, towards the end of 2021.

Food production took centre stage at COP26, and meaningful moves in the ocean climate space were not to be missed. November 5th-Ocean Action Day sent a clear message: ocean action is climate action. At the stage in Glasgow our Chief Sustainability and Technology Officer, Catarina Martins, spoke passionately about how Mowi has embraced sustainability as an opportunity.



**Catarina Martins in a panel at COP26.**

*“Our stewardship of the environment is essential to reach our long-term goals and to safeguard the interests of future generations, and leading a Blue Revolution is not easy but we believe Mowi’s unique strengths of a global presence, being fully integrated and a front runner on environmental stewardship and innovation will make a positive impact in the world.”*

Catarina Martins, Chief Sustainability and Technology Officer

## BLUE FOOD ASSESSMENT

In September 2021, the Blue Food Assessment (BFA) was released. A collaboration between the Stockholm Resilience Centre, Stanford University and EAT, the BFA brings together more than 100 scientists from 25 institutions to publish a series of scientific reviews that can help influence policymakers.

The assessment shows how blue foods, such as salmon, and the waters in which they grow will have an essential role to play in the shift towards healthy, equitable and sustainable food systems. In fact, the assessment shows farmed salmon is preferable to chicken for most environmental metrics, including freshwater use and greenhouse gas emissions, as well as on nutrient profile.

The assessment also found that global blue food demand is expected to approximately double by 2050, something that is likely to have widespread environmental and social implications.

Catarina Martins, Chief Technology and Sustainability Officer, said: “The BFA is a remarkable scientific proof of the value our industry has for humanity. Producing food from the ocean is both good for the planet, because of lower environmental impact compared to alternative land animal proteins, and good for people because of its unique nutritional profile. Having this value recognised by leading scientists is fantastic.”

## SET SAIL TO SUSTAINABILITY

With sustainability and leading the Blue Revolution at the heart of what we do, Mowi is proud to sponsor the One Ocean Expedition.

Setting sail in August 2021, Norway’s largest and oldest square-rigged sailing ship, the Statsraad Lehmkuhl, will circumnavigate the globe with the aim of raising awareness and sharing knowledge about the crucial role of the ocean in sustainable development.

Sailing 55,000 nautical miles over 20 months, the ship will stop at 36 ports around the world. The expedition will unite young people, scientists and international leaders, to gain new insights about our ocean from a global perspective through science, education and technology.

Until the ship returns to Bergen, Norway, on 15th April 2023, its voyage will provide real-time data, videos and stories to inspire and engage everyone who is interested in ocean-based action towards sustainable development around the world. As the world’s leading salmon producer, we are proud to be part of this initiative to help preserve and work in harmony with the ocean to help feed a growing world population.

### **Mowi held a workshop and reception in Miami as part of the One Ocean Expedition**







Our goal is to deliver top-quality salmon and inspire a healthy and climate-friendly lifestyle.



## PRODUCT

Tasty and healthy seafood providing customer value

# Nutritious and tasty salmon

## BRANDING AND PRODUCT INNOVATION

The branding rollout continued in 2021 with the MOWI brand launched in Belgium, Italy, Spain, Japan and the UK. As several new habits have emerged following the Covid-19 pandemic, Mowi's team of experts is constantly exploring market needs to create innovations and is looking at the phenomenal variety of ways to prepare and consume salmon all around the world.

## NUTRITIONAL AND GOOD FOR YOUR MOOD SALMON

Salmon is a favourite, and is highly nutritious food promoted by nutritionists. In 2021, it was also highlighted by the Blue Foods Assessment that blue foods, such as salmon, on average have much greater nutritional benefits than terrestrial animal foods, and many also have a smaller environmental footprint. Our own Good Mood Food survey in the UK found that 73% of UK consumers recognise a link between what we eat and how we feel but that 65% of adults will reach for the foods that are less likely to improve their mood.

## ENHANCED FOOD SAFETY MONITORING

The results of our rigorous testing program continue to demonstrate that our salmon is both safe and healthy. In 2021 we increased the focus on implementing common global systems for our processing plants, such as traceability systems and common databases for microbiology results.

## PRODUCT

Material value drivers	Ambitions
Branding and product innovation	Value added sales growth
Ensure food safety and quality	No recalls related to food safety. Superior quality > 92%.
Product certification and verification	All farms 100 % GSSI certified, and processing plants certified to standards recognised by the Global Food Safety Initiative (GFSI)
Healthy seafood	Omega-3 content >1g per 100 g product

### Branding and product innovation

#### THE OPPORTUNITY

The retail channel remained strong in 2021 and people bought seafood and prepared it at home while restaurants and other food service outlets remained closed or with limited opening. What was once a challenge with seafood – people’s “fear” of or inability to prepare their own seafood – was challenged by the stay-home life style we lived under for nearly two years. Consumers have become braver in the kitchen and putting salmon on their menu. In the US, the annual Food & Health Survey from the International Food Information Council revealed that more than four out of five consumers say the coronavirus pandemic has changed their food habits, driving them to cook, eat, shop and think about food differently. A total of 85% said they were doing something differently, with about 60% cooking at home more, the survey results said<sup>1</sup>. This is encouraging for seafood consumption in the post-Covid times to come.

Salmon is also pushing all the right buttons of today’s consumers. As one of the most sustainable animal proteins on the planet, it is no longer just being consumed for its health benefits and tasty flavour. The low carbon footprint and limited impact on the planet is making it an ever more relevant option for consumers. 72% of consumers express that it is more important now than before that brands behave more sustainably. The study also finds that consumers are willing to accept a personal responsibility, but they also make demands on companies, according to the findings of GWI<sup>2</sup>.

Salmon continues to make splashes for its green credentials such as the Blue Foods Assessment which highlights the importance farm-raised salmon can have in the shift towards healthy, equitable and sustainable food systems. In fact, the assessment shows farm-raised salmon is preferable to chicken for most environmental metrics, including freshwater use and greenhouse gas emissions, as well as on a nutrient profile. In 2021, Mowi was once again ranked as the world’s most sustainable animal protein producer by the Coller FAIRR Initiative<sup>3</sup>. Outperforming 59 of the world’s largest protein producers three years in a row is a phenomenal achievement, and a testament to our industry-leading sustainability strategy.

Consumers desire for healthy and tasty foods has not diminished in recent years.

With its heart-healthy omega-3 fatty acids, high-quality protein, vitamins and minerals, it can be enjoyed in a variety of options from sushi to burgers, stir-fry to risotto or simply raw. It comes highly recommended by national food safety and health authorities around the world, making it an almost universal recommendation to get your 2 to 3 servings of seafood per week and at least one of them being a fatty fish<sup>4</sup> such as salmon. There are large variations in the seafood consumption per capita around the world: we see that countries with large local fisheries and a tradition for eating seafood have normally a relatively higher seafood consumption per capita. This provides an opportunity for farm-raised salmon to provide steady year-round supplies to markets which in the past had less access to seafood.

The global pandemic has made more people want to know more about the food they eat. Increased concerns about hygiene and food safety may lead to more consumers looking into the products and brands they buy. Clarity of food provenance is key to building trust with consumers. Because we control the entire value chain we can set unprecedented transparency so our customers and consumers can retrace the journey every salmon takes from the plate right back to the egg.



SCAN QR

Salmon is actually so healthy it can help improve your mood. Check out the results from our Good Mood Food survey in the UK



1 <https://foodinsight.org/2021-food-health-survey/>

2 Global Web Index (2020) - <https://www.globalwebindex.com/hubfs/1.%20Coronavirus%20Top%20Seafood%20Consumer%20Trends%202021/Sustainability>

3 <https://www.fairr.org/index/company-ranking/>

4 <https://www.fda.gov/media/102331/download>.

<https://www.efsa.europa.eu/en/news/efsa-provides-advice-safety-and-nutritional-contribution-wild-and-farmed-fish>





Consumers continue to buy seafood where they have normally bought it – in retail and with their fishmonger, but we do see that they also now embrace the seafood section in e-commerce<sup>5</sup>. During the pandemic, the development within e-commerce has accelerated. Today, e-commerce accounts for nearly 28 percent of grocery sales globally, according to the analysis company Edge By Ascential. The pandemic has put e-commerce two years ahead of previous growth forecasts. NielsenIQ data shows that online sales have showcased double-digit growth (89% in Turkey, 29% in Romania, 28% in Serbia\*) in the last 12 months, outrunning the brick-and-mortar sales increase substantially. Shopper penetration is on the rise as well (54% in Poland, 60% in Turkey)<sup>6</sup>. This has also been visible in our business, and we are pleased to see the growth of this new channel. Seafood consumers want convenience not only in their products, but also in the way they shop. With key partnerships in e-commerce, we are able to bring fresh seafood to consumers own doorstep.

As the world's largest salmon producer, with total control over the value chain, we are in a unique position to leverage all the benefits that farm-raised salmon has. There are still huge opportunities in this category and the number of people not eating salmon is still bigger than those who do. By using consumer and market insight, we can recruit new users to the category and further drive growth. By identifying new ways to enjoy salmon and create new products, we can entice both existing and new consumers. Creativity, precision, and

innovation all play a part throughout the value chain but nowhere more so, than at the end.

## OUR EFFORTS

Reaching out to existing and new consumers is key in driving usage of salmon. Through our integrated value chain and broad global reach, we are able to connect with markets where salmon and fresh seafood has not been widely available in the past. This is even true in parts of the US where fresh seafood is a new product which we have been able to deliver to people because of our value chain and logistical setup in North America. For existing consumers, we aim to continually renew the range of products we offer to our customers and add new variants and varieties to fit with trends and local preferences.

While having launched our own MOWI brand, the majority of sales of elaborated products are sold as private label through our retail partners and other brands. Through the combined efforts of our local sales, marketing and product development teams, we are able to identify new trends and ways to develop, present and enjoy salmon products. These findings benefit our customers and consumers alike. We have assembled teams of experts who are developing and refining salmon in all its forms, from smoked slices to seasoned portions. From barbecue-ready to gravadlax. From hot-smoked to sashimi. All in an effort to provide our customers with the right range of products which will please the end consumer.

<sup>5</sup> <https://sfd-seafood-prod.azureedge.net/49e47c/contentassets/9345925f235942828b72ddf8b9750d50/nsc-top-seafood-trends.pdf>

<sup>6</sup> <https://nielseniq.com/global/en/insights/infographic/2021/need-to-know-facts-about-the-new-online-shoppers/>

Our teams respond to all kinds of needs in the market. They have for instance developed salt reduced salmon products from smoked salmon to other specialities. We now offer a range of different salt reduced products to our customers. We have also reduced the use of salt overall in our products by moving to sodium lactate in 2020. Our efforts continue in this area to reduce salt levels in our product, naturally mainly in smoked salmon products.

Our packaging specialists ensure the optimal use of packaging for our seafood and salmon products. They are also staying up to date on relevant new packaging developments and of course reduction of the use of plastics. In all our markets, we are working on reducing the use of plastics where light weighting our packaging is one action and introducing recycled and recyclable material other actions. We have set ambitious targets to reduce the use of plastic;

- by 2025 100% of our plastic packaging will be reusable, recyclable or compostable
- by 2025 at least 25% of plastic packaging will come from recycled plastic content

Our packaging teams are continuously looking at new solutions for more sustainable packaging with current and new suppliers as well as technological start-ups. We are also implementing processes and tools to share the knowledge and best practice between all operations. These efforts will benefit our customers and support their own efforts to reduce the use of plastics.

### Europe

Europe is still the largest market for salmon and consequently also for Mowi. The development in retail has been encouraging despite yet another challenging year with Covid-related limitations to us, our organisation and for customers and consumers. Nevertheless, more consumers are enjoying preparing salmon in their own kitchens, and this trend seems to be remaining. Focusing on our strong retail relationships and driving category growth through joint efforts with retailers and strong own brands, we see opportunities in all the markets we are present in. The foodservice sector has been severely affected by Covid restrictions and continued to underperform in 2021 compared to pre-Covid. However, we have seen positive signs of recovery in certain markets and expect that as we come out of the pandemic, this channel will once again gain traction.



### Our efforts in European retail

With processing plants strategically located around Europe, we are able to provide great tasting, fresh and healthy products to all parts of the continent in a matter of hours. Our facilities also work closely together to make this happen, and we benefit from our scale to provide products to most European markets. Being present in the local markets will continue to be a priority for the company.

As a testament to our outstanding teams in Europe, our products have won several prizes in 2021 for exceptional taste and quality. This year, our own MOWI brand won the LSA Innovation Award in the Seafood category for its MOWI Traiteur salmon Thym-Citron. This is the second award for this delicious MOWI salmon product. In 2021, MOWI Traiteur also won the Grand Prix Cuisine Actuelle in



the 'Easy meal' category with impressive scores. The MOWI Traiteur range – produced by Mowi Ostend – has been designed to offer a healthy and tasty product while providing convenience and ease of preparation to consumers in their everyday busy lives. The products are cooked with low-temperature cooking technology which preserves the taste and nutritional qualities of the salmon while giving a soft texture. The innovation goes even further, allowing the products to display a two-week shelf life! LSA is a renowned retail magazine in France and highlights the fact that MOWI Traiteur is removing barriers to salmon consumption thanks to its ease of preparation: you can eat it cold or quickly heat it, without a fishy smell and it provides inspiration to enjoy salmon in many different ways.

The recognition of our products is not limited our own brand; Mowi Ostend's organic smoked salmon, sold in the Netherlands under the private label of Albert Heijn - the country's largest retailer, has won the Best Product of the Year award 2021-2022 in the seafood category. The significance of the Best Product of the Year award is that it is awarded by consumers, who can vote for their favourite products in a range of categories.

The success of our innovative sushi range in Poland led to a roll out of similar products in Spain. This launch was an important step for the Mowi Iberia sushi plant in Zaragoza, which started operations in 2020 and has experienced a solid growth since. With the start-up of the new sushi plant, Mowi Iberia entered the market of Ready-to-Eat products. To become experts in sushi production, Mowi Iberia worked closely with Mowi Poland, and in particular the Polish sushi team. This opened up a completely new field of opportunities for Mowi, both in terms of products and customers and consumers. In order to realise this plant, Mowi completely refurbished an existing building, which was equipped with machinery and installations to produce sushi. This means that the sushi can be made with the highest possible level of automation. The manual work is limited to the assembly of the various sushi bites into their final packaging. The next big sushi milestone for Mowi Iberia was in June when the MOWI brand was launched in Spain. The sushi market in Spain is one of the top four fastest growing markets and represents almost €100 million. It's been a very successful 'sushi journey' for Mowi. Since 2019 the sales volume as well as the number of people employed at Mowi Iberia's sushi production have increased significantly. The roll-out of Mowi Iberia's sushi continues in 2022 - gaining new listings of MOWI sushi with further retail chains.

### Our Efforts in European Food Service

Naturally, food service has struggled during the pandemic. We have seen recovery in some markets, but as restrictions keep coming back, this channel remains unpredictable. While the lockdown and the pandemic has reduced the out of home consumption, there are signs that a lot of the out of home consumption will recover post

Covid. Most people will get back to the normal situation they had before the pandemic. While we look forward to a more normalised situation, we continue to develop and offer a wide range of products to our food service customers.

We also offer food service products under our MOWI brand, and our MOWI Supreme food service brand has been awarded gold medals for both the fresh and smoked product ranges by the International Taste Institute, allowing us the global use of the Superior Taste Award labels for a three-year period. The International Taste Institute (ITI) is the world's most renowned independent certification worldwide when it comes to evaluation and certification of food and beverages.



### The Americas

The Americas is a large and populous continent. Our operations stretches from the very tip of it, in Chile, to the very North in Canada. As for consumption of seafood and salmon, there are still infinite opportunities on this vast continent. Our US operations are highly efficient and our logistical setup allows us to be one of the key players in this market. We are proud to be delivering fresh seafood to parts of the US mostly known for meat and potatoes. The average American still eats less seafood than an average European, with an annual consumption of 22 kg. Salmon is among the top three consumed species in the US and the total volume of salmon is at 485 000 tonnes<sup>7</sup>.

### Our efforts in the US

The MOWI brand continued its positive development in 2021 with brick & mortar presence and online grocery shopping. Expansions in 2021 included the introduction of MOWI Smoked line extensions, new flavours to the MOWI Essential product range and retail expansion in the Mid part of the US. The last quarter brought MOWI entrance to stores covering chefs' food service needs. This is a fresh take on shopping for restaurant supplies, as pre-packed products are offered for the first time on this sales channel, where bulk fillet cuts are sold over-the-counter. This new model brings convenience for chefs while providing ease to store operators as well.

Ducktrap remains one of our strongest and best known US brands. It is preferred and recognised for its unique taste and high-quality products. This year, Ducktrap has taken its smoking craftsmanship to the next level by bringing Lightly Smoked Atlantic salmon to retail shoppers in the east coast of the US. This new product brings the best of two worlds: The freshness of Atlantic Salmon portions with the incredible flavours already included from the partially smoking process, with fruit-woods and hardwoods. Lightly Smoked Atlantic Salmon portions come pre-packed in fresh skin pack and offer a ready-to-cook experience new to US Consumers. The Ducktrap branded product has a QR code in the packaging that drives consumers to a website to learn more about it and to be inspired by delicious recipes. Ducktrap's Lightly Smoked Salmon is a one-of-a-kind and is hoped to wow seafood eaters. Ducktrap continues its retail expansion has increased its distribution with US retailers in 2021.



7 <https://seafood.no/markedsinnsikt/> USA data 2019



Following the 2020 launch of the product line “Captain Omega Fish Bites”, Mowi is continuing to offer a range of tasty, nutritious seafood products to children of all ages. While the 2020 pandemic limited the growth of the new product line, 2021 has opened new doors in the online grocery and mass channels. Captain Omega fish bites were recently introduced on a major online channel with a product range consisting of Cod Pearls, Fish Nuggets and Fish Fries. Introducing children to food that contains some levels of Omega-3 is crucial to a healthier community. While fish continues to be a relatively less consumed protein, Captain Omega introduces a healthier alternative to meat or chicken bites out there. The kids’ product line features a cute character on the packaging: Captain Omega, the superhero of the seas! The character is designed to appeal to young eaters encouraging them to “dive in with Captain Omega!” With its own website <https://captainomega.com/> and

animated series on YouTube, Mowi is offering children fun, engaging and educational content. Using ‘edutainment’ is a great way for us to reach out to families around the concepts of friendship, sharing, problem solving, health mindsets. Learn more about this new line at [www.captainomega.com](http://www.captainomega.com).

#### Our efforts in LATAM

Mowi Chile’s online shop, [www.cocinasalmon.cl](http://www.cocinasalmon.cl) has been delivering salmon to homes since April 2021 and it is continuously expanding its coverage to new cities in Chile, which will bring Mowi salmon to even more families and restaurants in central and southern Chile. The Mowi Chile e-commerce platform has been very well received by customers and sales volume has been increasing each month. Mowi Chile has stepped up their logistical efforts to reach more cities with the fresh products due to its success. We are thrilled that more and more Chileans can enjoy our healthy, sustainable, and tasty product produced in the south of Chile.

The MOWI brand has also been launched in Chile and together with a partner in Brazil. Our skinpacked portion products brings new and tasty flavours to the market. And with the option to buy these products both online and in brick and mortar stores. We expect to see nice volume growth in these large consumer markets.

SCAN QR

**Fun for kids! Watch the Captain Omega series offering fun and educational content.**



## Asia

Asia represents many diverse market opportunities; that is why we have set up operations in several Asian countries to accommodate the specific market needs. We have built a product portfolio which appeals to local preferences and every day we work with customers to unlock the vast potential in Asia.

### Our efforts in China

According to the McKinsey Global Institute (MGI), China is considered to be the largest consumer economy today as measured in purchasing power parity terms. By 2030, 60 percent of urban consumption is projected to be driven by upper- middle-income consumers<sup>8</sup>, the growth of the middle class is also what we expect will grow the demand of premium, sustainable animal protein, such as salmon. With a local Chinese unit in place with support of an ever broader Asian organisation, and our own factory in China, Mowi is well positioning to be part of this market in growth.

Through our sales team in China, Mowi is present in all relevant channels from e-commerce to retail to food service and HoReCa. In 2021, we also started using services such as live streaming to sell and promote our salmon products.

As live streaming is becoming a growth channel, Mowi is connecting with customers in Asia through live stream shopping videos to allow for a seamless online shopping experience. In 2021 there was a notable increase in the use of livestreaming as a revenue generator for farmers and local factories, among others. While this method was already gaining popularity pre-Covid, the pandemic has accelerated its growth. A report from Kantar Worldpanel claims that in Q2 2020, 70% of Chinese households bought FMCG online. According to the Ministry of Commerce in China, more than 4 million live e-commerce streams were held in the first quarter of 2020<sup>9</sup>. Brands offer heavy promotions during the streaming and are partnering with store clerks, influencers, government officials and company CEOs.

### Our efforts in Japan

Few people eat as much seafood as the Japanese do with 45 kg annually per person<sup>10</sup>. This year we re-branded our existing Mowi brand into the new MOWI brand profile, thus making it a part of our global MOWI brand. We continue to promote MOWI and salmon in our own store in Tokyo where we showcase and sell delicious salmon products, and we are happy to see that the brand performs well after the re-branding. Overall, retail has been doing well in Japan during the pandemic, and we see pleasant results from it.

### Our efforts in Taiwan

In Taiwan our development of the brand Supreme Salmon continues. With the pandemic affecting the Taiwanese market, there was a surge in demand from retail which led to a growth in distribution and the launch of new products under Supreme Salmon. Although our strategy of the Supreme Salmon restaurant expansion changed

with the launch of our global brand MOWI, one new restaurant was added to the portfolio in 2021. Using the restaurants to provide valuable consumer insights and a way of testing new products and dishes works very well.

## PRIORITIES GOING FORWARD

2021 was a year of transition. The next normal is going to be different and it will not mean going back to the conditions that prevailed pre-pandemic. We will continue to be innovative, developing new ranges and products to suit customers' changing preferences. At Mowi, we will continue to expand in new markets and to explore new sales channels in both retail and food service. E-commerce represents a great opportunity, one which we will work closely to develop for the seafood category.

In 2021, we continued the roll-out of our MOWI brand. Our ambition remains; to be recognised as the innovation leader in the salmon category and even the broader seafood category. We work hard to make this happen, collaborating across geographies and throughout our value chain. We also work closely with external experts on innovation projects for both product and technology.

Our product development teams are not resting on their laurels, and we have more than 600 on-going projects in our pipeline. New, exciting, tasty, nutritious and innovative products are being developed to hit the shelves in the coming years.

Being able to foresee consumer behaviour is difficult in an extraordinary situation like this. However, we can conclude that it will be important to satisfy the increasing demand from consumers that the food they eat should be good for them, and good for the planet. This means that it is not enough that the food is healthy, which we know seafood is. It must also have as low an environmental footprint as possible – and here, among other things, the UN's high-level papers have highlighted the importance of the role of the sea in feeding an ever-growing population. Mowi is ready to answer that calling, and to deliver seafood and salmon to all corners of the world, presented in the right way to the right customer and the right consumer.

<sup>8</sup> <https://www.mckinsey.com/cn/our-insights/our-insights/five-consumer-trends-shaping-the-next-decade-of-growth-in-china#:~:text=China%20is%20estimated%20to%20be,according%20to%20our%20baseline%20scenario.>

<sup>9</sup> Kantar 2020

<sup>10</sup> <https://seafood.no/markedsinnsikt/> Japan data 2019

## MOWI Brand

### Progress and success:

# Mowi Brand continues its roll-out

Despite the ongoing restrictions caused by the Covid-19 pandemic, the MOWI brand was able to make good progress in 2021.

#### Increasing market presence

The most significant development was the brand's expansion into five new countries – Italy, the UK, Spain, Japan and Belgium – and plans are in progress to roll-out into additional markets over the coming years.

The MOWI brand also continued its expansion in existing markets such as the US where we in 2021 launched in brick and mortar stores. The launch into brick and mortar included a nationwide customer, but also several regional customers. This significantly increased our market presence and we are delighted to be able to serve many more customers and consumers in the US.

#### Adding value to the category

In the UK, the MOWI brand added incremental sales to the category by increasing frequency and adding new shoppers. Retailer Sainsbury's recorded that, when comparing the 12 weeks prior to launch with the 12 weeks following launch via Nectar loyalty card data, 65% of MOWI sales were incremental to the retailer. The data also showed that MOWI brings in new shoppers to the retailer and drawing existing shoppers to the fish aisles of the stores. Many of them would also recommend the MOWI products to family and friends.

The MOWI UK team has really invested in the growth of the category. As such, the brand subsequently secured a listing with the UK's biggest retailer and has no plans to stop yet.

In Poland, there is clear evidence that MOWI's efforts to connect with the consumer is building higher awareness for the category and building a loyal user base.

In France, our smoked MOWI Organic salmon was ranked the best trout and salmon product on the market in 2021 by the main consumer magazine Que Choisir. Highlighting its wonderful texture, tender and almost melting on your tongue as you eat it. We are delighted to be bringing such high quality products to the French market, and even more so that both experts and consumers are appreciating the care we take to develop and produce products of excellent quality.

#### Tapping into trends

Through the MOWI brand, we can offer a wide range and variety of products for consumers. Our offer stretches from smoked salmon and delicate, fresh cuts to more elaborate and convenient products such as marinated, ready-to-heat dishes, sushi and hot smoked salmon.

In order to stay ahead of the game, the MOWI brand continues to tap into consumer trends and seasonal occasions where salmon, until now, has been less important than other proteins.

Our local product development teams work tirelessly to create delicious MOWI products suited for all occasions, from BBQ, Christmas and Easter to comfort products in autumn and winter. By staying relevant whatever the occasion, we can accelerate sales throughout the year.

In 2021, Traiteur products were launched in France, tapping into a consumer need for quick, convenient, healthy and ultra-tasty, hot smoked salmon. To be used both hot and cold, these products are hugely versatile.

MOWI Traiteur quality was recognised by both experts and consumers and received a number of awards like Traiteur Thym-Citron winning the prestigious Grand Prix Cuisine Actuelle 2021 in the "Easy Meal" category. Building upon this success, MOWI Traiteur salmon Thym-Citron also won the LSA Innovation Award in the Seafood category in December 2021.

When sharing feedback on Traiteur, one consumer commented:

*"The best salmon I have eaten, you can smell the lemon, it is tender and completely boneless, I love it! Delicious, tasty."*

Consumer feedback 2021

In 2021, sushi was added to our product repertoire with the launch of MOWI sushi in Spain with good initial success. The sushi market in Spain is one of the top four fastest growing markets and is currently worth around €100 million.





The MOWI sushi offer consists of four different individual sushi packs, two medium-sized assorted packs and one family pack. This launch is an important next step for the Mowi Iberia sushi plant in Zaragoza, which commenced operations in August 2020 and has experienced a huge growth in volume.

The addition has exceeded expectations and we plan to continue growth of this high-quality sushi range in 2022.

### Food service presents potential

With the food service market remaining slow in 2021 but showing encouraging signs of improvement alongside recovery from the Covid-19 pandemic, we expect 2022 to be significantly better.

In 2021, MOWI's food service products were awarded the International Taste Institute Award, thanks to their outstanding taste,

texture and appearance. With the International Taste Institute being the global leader in the evaluation and certification of food and beverages by professional chefs and sommeliers, the award is a prestigious acknowledgement of the care and hard work that goes into making the exquisite MOWI product range.

In Poland, our MOWI Supreme offer is performing very well with high-end restaurants who require not only high-quality products, but also high service levels from their suppliers. Food Service continues to be an important channel for us in Poland with it representing 23 % of the MOWI brand value.

Running parallel to the development of our MOWI retail offer, food service will be an important addition to the brand in many markets, with huge potential for high-end, high-quality salmon products for discerning chefs and restaurant owners.





# Sushi success

In 2015, Mowi launched a sushi start-up in Poland, producing the highest-quality, nutritious and delicious sushi. From a small factory, this sushi would be sold in retailers across Europe.

## A story of growth

Since launch, the sushi factory in Poland has gone from supplying one market with approximately 2,500 packets per day, to now supplying almost 20 European markets. Consumers can now buy our sushi from stores in countries including Germany, France, Poland, Czech Republic, Italy, Slovakia, Denmark, Hungary, Slovenia, Netherlands, Switzerland, Austria, Lithuania, Serbia, Croatia, Finland, Sweden and Belgium.

And the success has continued. Mowi's total sales of sushi grew by 88 % in 2021 versus 2020.

*"The success of the start-up can be attributed to a number of factors, including our integrated value chain, which is unmatched in the industry, and allows Mowi to share best practice and exchange knowledge across countries and regions."*

Robert Kultoniak, Product Lifecycle Director

## Key success factors

### UNDERSTANDING THE CONSUMER

The success of Mowi's sushi is also down to the thorough work of Mowi's sales and sushi business development team. From market and consumer insights to finding the perfect ingredients, the devil is truly in the detail.

Digging into the lifestyles of the target market, in this case Europeans, and how sushi fits; knowing what a consumer is looking for in taste and appearance is an art. The sales and business development teams have a vast knowledge of large consumer markets and, when paired with expert product developers, great results follow. For example, the decision to offer a product range that starts at an entry level price point with individual and family sized portions alongside a premium range, ensures all consumer preferences are met in this category.

### INNOVATION

Mowi quickly capitalised on trends observed during the pandemic which saw our eating habits change dramatically. With most people working from home and eating all meals at home, consumer demand for something different but tasty and convenient grew. Combine this with the rise of the flexitarian diet which, although predominantly plant-based, does advocate the incorporation of fish and meat into the diet in moderation, and it was a prime opportunity for sushi.

With investment in Mowi's sushi business started prior to the pandemic, Mowi was in a strong position to benefit from this consumer boom. Production capacity was upgraded to allow for a 50% increase in production and other measures were taken to improve the whole production process.

### LEARNING, IMPROVING AND SHARING

Following the successful launch of sushi made at Mowi Central Europe, knowledge, skills and production capacity were all expanded to enable Mowi to capitalise on consumer demand.

In 2020, Mowi Iberia began commercial production of fresh sushi at its plant in Zaragoza, which was completely refurbished and equipped with the latest state-of-the-art machinery enabling sushi to be made with the highest possible level of automation.

With its first customer, Mowi Iberia also quickly began to supply supermarkets in France.

To become experts in sushi production, Mowi Iberia worked closely with the sushi team and in-house experts from Mowi Central Europe. Colleagues from Mowi Iberia visited Mowi's sushi operations in Poland to learn the whole sushi preparation process: from the handling of the food itself, to the handling of machinery.

The success of the start-up and valuable learnings gained along the way are now being transferred to other parts of the organisation in order to expand to other markets and make delicious sushi available to even more people.



**MOWI Sushi Team: Marcin Wisniewski, Robert Kułtoniak, Karolina Nowicka, Dawid Amenda.**

## Health benefits of salmon

Our salmon is a high-quality product that has a taste and health profile that few other products can match. It is rich in Omega-3 fatty acids (EPA+DHA), vitamins (B12, E and D), and the minerals selenium and iodine. These are important nutrients for people of all ages.



**Selenium**  
for cognitive  
function



**EPA & DHA and iodine**  
for neural development  
and function



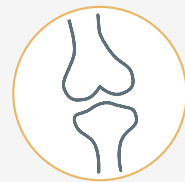
**Protein**  
in a balanced  
healthy diet



**EPA & DHA  
and selenium**  
for heart health



**Selenium**  
for fertility in men  
and women



**Vitamin D**  
for bone  
health

## Mowi salmon (100 g)

### Iodine

**7% of RDI**

Iodine plays a vital role in our metabolism and a deficiency can lead to reduced growth and mental decline. It's particularly vital for pregnant women to aid the growing baby's development.

### EPA & DHA

**480% of RDI**

EPA and DHA are in cell membranes and help cells function properly. Marine Omega-3 prevent development of cardio-vascular disease.

### Selenium

**33% of RDI**

Selenium helps cognitive function and fertility for men and women. Lack of selenium leads to weakening of the heart muscles and increased risk of cardiovascular disease.

### Protein

**35% of RDI**

Protein is a building block in muscles. At least nine amino acids are essential for humans, and all nine are present at balanced levels in our salmon.

### Vitamin B12

**315% of RDI**

Helps red blood cells form and keeps the nervous system healthy. A lack of vitamin B12 can cause a form of anaemia.

### Vitamin D

**68% of RDI**

Helps the body absorb calcium. Lack of vitamin D is associated with rickets in children and soft bones in adults.

### Vitamin E

**42% of RDI**

Plays a role in our immune function and is an important anti-oxidant needed to protect cells.

### Total fat

**17-27% of RDI**

Salmon is rich in the very long chain fatty acids which are essential for our health and are needed to ensure cells function well.







## Safe seafood

### THE CHALLENGE

Consuming farm-raised salmon is both safe and healthy. This assertion is supported by food safety authorities across the world, and proved through our comprehensive monitoring program. Our approach at Mowi is to be transparent and share information which demonstrates to our customers and consumers that our products are safe and healthy.

### OUR EFFORTS

The safety of our consumers is our top priority. In connection with the production of farm-raised salmon, food safety hazards fall into three main categories: environmental contaminants; pathogen bacteria; and medicine use/residue.

Environmental contaminants in our feed and fish are kept far below the safe limits (MRLs) set by the food safety authorities around the world. Through our ONEMowi Operational Excellence Program we secure a harmonised monitoring program for undesirable substances in the Mowi group. In this program we include heavy metals, pesticides, GMOs, mycotoxins and dioxins/dioxin-like PCBs. In recent years, a comprehensive monitoring program related to microplastics has been implemented. This so we understand what impact microplastic can have for our value chain

Pathogen bacteria are kept under control to prevent contamination in our products, both to ensure the safety of our own ready-to-eat and ready-to-heat products and to ensure that fish sold to commercial customers for further processing is risk-free. *Listeria*

*monocytogenes* is one of the potential food-borne pathogens in fish products which are consumed without prior heat treatment. Due to increased consumption of raw salmon in products such as sushi, it has become even more important to fully control the risk of *Listeria* contamination. Through our own two manuals for Hygiene and the one more specific on *Listeria* control, we enforce a common, group-wide hygiene standard. A self-assessment tool has been developed and translated to several languages for use in internal audits. The recommendations found in the manuals are based on our own experience, R&D work either internally, or in cooperation with external research institutions, and published scientific articles. This manual highlights what activities and technical solutions can be applicable for each step in the entire value chain from sea to finished product.

Our approach to medicine use and medicine residue is very strict and is designed with an emphasis on disease prevention and fish welfare. Fish, like other animals and humans, may become ill and require intervention. Our fish health professionals use medicines only when other measures are not sufficient, or when fish welfare may be compromised. Any prescription is signed by a certified veterinarian or fish health professional, and the approval process is strictly controlled by the relevant authorities.

Our product recall system is part of our ONEMowi operational excellence program where we have specific policies and standard operating procedures related to incident reporting and crisis handling. Each business unit has its own crisis team which handle the incidents locally. This includes having defined reporting and notification groups The group management team, the global communication



team and the Group Manager of Food Safety & Quality are included in the notification groups to ensure efficient internal communication. Food safety incidents are reported internally using our global incident reporting tool and adequate mitigation actions are taken according to the severity of the incident. The global incident reporting tool is complemented by local incident reporting and handling.

Food Safety incident handling includes different steps of actions:

1. *Establishment of crisis team and report the incident*
2. *Create ground for decision making: (what have actually happened, and what is the severity of the incident)*
3. *Trace the involved products that are delivered to customers, on transport or in-house storage*
4. *Depending on outcome of step 2, do the necessary actions (such as full recall, communication to customers and authorities)*
5. *Learn from the incident: What was actually the cause and take actions to prevent similar incidents from happening again*

## 2021 RESULTS

Every day we work hard to ensure that our products are safe. Our Listeria results for 2021 prove that Mowi has a food safety culture in-house that few other seafood producers can compare with. This is something we can state due to the fact that our secondary processing units also buy raw material from other seafood producers. In the business units several traceability tests/ mock recalls are performed every year. In addition an annual global traceability test is done, to ensure a global approach, facilitate knowledge sharing and identify where we can do further improvements. But even so, we can still improve. In 2021, Mowi had six food safety incidents (eight in 2020) with only one resulting in recall and three in withdrawal. No market bans did occur. Cost related to food safety incidents in 2021 was reported to be 5 126 EUR.

The table below gives detailed information about each of the food safety incidents.

When	Incident	Business unit	What happened	Corrective actions carried out	Recall required	Market bans
Feb	Other contamination	Western Europe	Detection of semicarbazid in Salmon burgers	Investigation for possible sources was carried out. Source for semicarbazid was the packaging material.	No	No
Feb	Wrong labelling	Western Europe	Wrong "use by" date on consumer product	Improved training of workers and new label control inspection	No <sup>1)</sup>	No
Mar	Other contamination	Central Europe	Detection of arsenic in rice related with laboratory error	Analytical reports verified and confirmation of no food safety concerns.	No	No
Apr	Other contamination	Central Europe	Detection of arsenic in rice related with laboratory error	Analytical reports verified and confirmation of no food safety concerns.	No	No
Aug	Wrong labelling	Western Europe	Wrong "use by" date on consumer product	Improved training of workers and new label control inspection	Yes	No
Oct	Other contamination	Central Europe	Nematode claimed to be found in package of cold smoked salmon	Samples from same batch were re-examined at the same lab, and the detection was never confirmed.	No	No

1. withdrawal

## PRIORITIES GOING FORWARD

Maintaining the trust of customers and consumers is a non-negotiable priority for our company. We will continue our comprehensive program to monitor the feed raw materials, feed used in our farming operations and our salmon, to ensure that the level of environmental contaminants is far below the safe limits set by food safety authorities. At the same time, we will work to keep pathogen bacteria under control so that consumers eating our farm-raised salmon products can remain confident that they are safe. Through openness and transparency, we aim to provide evidence-based facts about our products which will help customers and consumers make informed choices.

In 2018, the European Food Safety Authority, EFSA, published a new risk assessment where it recommends changing the tolerable weekly intake (TWI) for the sum of dioxins and dioxin-like PCBs in foodstuff from today's 14pg per kilogram bodyweight a week to 2pg per kilogram bodyweight a week. We expect that EU will reduce the maximum limits of dioxins and dioxin-like PCBs in feed and food, as a consequence of the reduced TWI. A new regulation was expected

in 2021, but this was delayed. Mowi follows the ongoing regulative process closely, and will implement the new regulation accordingly for farm-raised salmon, the main source of dioxins and dioxin-like PCBs is fish oil. Even though farm-raised salmon meets levels well below the European maximum limit of 6,5pg TEQ/g for dioxins and dioxin-like PCBs, Mowi initiated cleaning of fish oils, when needed, to further remove persistent organic pollutants (POPs) in feed and fish.

In addition to our comprehensive monitoring program are we continuing our roll-out of Infor's M3 Graphical Lot Tracker (GLT). GLT will replace all local solutions our units have today and ensure we get a common traceability approach in the company. GLT is now 100% implemented in our feed division, 100% of our farming units are using it and 75% of our secondary processing units. In 2022 GLT will be fully implemented, and Mowi will be the only salmon producer in the world that - in-house - has a common traceability approach and tool throughout the entire value chain from breeding and feeding until the final product.

## Quality seafood

### THE CHALLENGE AND THE OPPORTUNITY

Every day, we produce high-quality farm-raised salmon and value-added products. High quality is ensured through procedures, training, and the sharing of best practices across the Group. In addition, we are constantly improving our monitoring programs and quality assurance systems, and implementing technology that helps us deliver high-quality products across the world.

### OUR EFFORTS

Every day, we maintain the trust of our customers by offering them products and services that match their expectations. When we are unable to meet these expectations, we welcome feedback to help us continuously improve. That information helps us to direct our resources to areas where additional attention is needed.

Our global Operational Excellence Program, ONEMowi, helps us to operate in a consistent way throughout the Group. All our operations must comply with a minimum set of third-party verified certification schemes addressing food safety, environmental responsibility, social responsibility and fish welfare. Chain of Custody certifications must be achieved, as required by GLOBALG.A.P., GAA/BAP, ASC and MSC.

### 2021 RESULTS

Mowi has different platforms to communicate with our customers and stakeholders. Platforms that help us to continuously improve our performance. Important performance indicators are feedback from the market in terms of quality and food safety claims and the superior quality share of our salmon. In 2021, 91% (91%) of our salmon was of superior quality, so we know our farm-raised salmon and value-added products are of excellent quality.

The superior quality share (i.e. the proportion of the salmon without damage or defects that provides a positive overall impression) has remained above 90% for the last decade. Approximately 7% of our fish were downgraded by Mowi's expert quality inspectors mainly due to wounds, spinal deformities and mature fish.

In 2021, we received a total of 13 210 quality and food safety claims, compared with 12 195 quality and food safety claims in 2020.



### PRIORITIES GOING FORWARD

Although the quality of our products is already high, we know there is always room for improvement. Feedback from the market and internal KPIs help us to focus on the right tasks. We continually strive to attain high quality through our research and development efforts and our quality assurance systems and controls.

Together with the Global ERP system (M3) roll-out are we now implementing a common claim process in the group. This software tool developed for us will help Mowi to respond faster and with greater accuracy to claims we receive from customers. So far 100% of our primary processing units and 40% of the secondary processing units have implemented it. In 2022 this implementation also has a priority, and the benefits of having one global claims system are comparable data and more efficient reporting, in addition to more reliable data that can be used to identify areas for improvement on a global perspective.

In 2021, we have several projects ongoing, and some will be completed in 2022. The root cause for black spots in salmon fillets are not yet found, and pigmentation in addition to spinal deformities/ cartilage deposits are important downgrading reasons.

### AUDITS, REVIEWS AND CERTIFICATIONS

We have set minimum requirements for third-party certifications throughout the Group. The minimum requirement for farming operations is to be certified with a Global Sustainable Seafood Initiative (GSSI) recognised standard, and that means either GAA BAP, ASC or Global G.A.P. the GSSI benchmarking tool is underpinned by the FAO guidelines and provides a formal recognition of seafood certification schemes which have successfully completed a rigorous and transparent benchmark process focusing on environmental impact.

All Mowi processing plants should have a Global Food Safety Initiative (GFSI) recognised standard. 100% of our processing plants have this in place. Mowi had a total of 339 internal food safety audits, and 236 external (certification bodies, food safety authorities and customers). Of the external food safety audits, 45 were related to GFSI standards, and 8 major non conformities were reported in these GFSI audits. The non-conformities (NC) were related to labelling and calibration routines on weights, insufficient NC handling, and missing managements review of quality system. All of these were closed within 30 days after the audit. Therefore, we achieved a 100% closure of corrective actions after the detection of NC. In 2021, 84 % (81%) of the seafood suppliers to our factories were certified to a Global Food Safety Initiative (GFSI) recognised standard. Mowi's target is that all our seafood suppliers shall have a GFSI quality certification. For more detailed information about Mowi's quality certifications, visit [www.mowi.com/sustainability/certifications](http://www.mowi.com/sustainability/certifications)

## Healthy seafood

### THE OPPORTUNITY

Nutrient-dense foods such as salmon play an important role in meeting our individual dietary requirements without excess energy intake. The nutrients in salmon support optimal health and help to reduce the risk of a range of diseases and disorders.



Our salmon is an excellent source of high-quality protein, vitamins and minerals (including potassium, selenium and vitamin B12), but it is the content of the long-chain Omega-3 fatty acids EPA and DHA that receives the most attention, and rightly so. Consumption of these essential Omega-3 fatty acids is associated with:

- *Helping maintain a healthy heart by lowering blood pressure and triglycerides, and reducing the risk of sudden death, heart attack and stroke*<sup>1, 2, 3)</sup>
- *Reducing the risk of coronary heart disease*<sup>3, 4)</sup>
- *Supporting brain function and development in infants*<sup>5)</sup>
- *Possibly preventing psychiatric diseases, particularly cognitive decline in the elderly*<sup>6)</sup>
- *Possibly preventing inflammation and reducing the risk of arthritis*<sup>6, 7)</sup>

Other health benefits derive from the protein and amino acid content of salmon. Protein is essential for the structure, function, and regulation of human tissues and organs. Proteins are composed of amino acids; salmon is a 'complete protein': it contains all nine essential amino acids which the human body needs to get from food, as it cannot synthesise these itself.

Health authorities around the world advise people to include at least one portion of oily fish per week into their diets because of the associated health benefits. Along with plant-based foods, such as

*"Increased consumption of Blue Food may reduce the consumption of terrestrial meats, consequently reducing diet-related chronic diseases like hypertension, obesity and certain types of cancer."*

The Blue Food Assessment, 2021  
(Golden et al., 2021. Aquatic Foods to Nourish Nations)

vegetables, fruit, legumes, whole grains, and nuts, fish is categorised as an 'emphasised food' in a planetary healthy diet by the EAT Lancet commission<sup>8)</sup>. The EAT-Lancet Commission convened 37 leading scientists from 16 countries in various disciplines including human health, agriculture, political sciences and environmental sustainability to develop global scientific targets for healthy diets and sustainable food production.

In 2021, the Blue Food Assessment was released, bringing together over 100 scientists from more than 25 institutions to assess the nutritional, social and environmental benefits of Food from the Ocean. The Blue Food Assessment researchers built the most extensive database ever assembled on the nutritional quality of Blue Foods and concluded that the nutritional contribution of blue foods are significantly higher than previously estimated and that blue foods provide the highest nutrient richness across multitude micronutrients, vitamins and long chain polyunsaturated fatty acids relative to terrestrial animal-source foods.

1) Weichselbaum E et al. *Nutr Bull* 2013;38(2):128–177.

2) Schwellenbach LJ et al. *J Am Coll Nutr* 2006;25(6):480–485.

3) Innes J.K and Calder P.C *Int. J. Mol. Sci.* 2020;21, 1362.

4) U.S. Food and Drug Administration. Summary of qualified health claims subject to enforcement discretion. 2014. Available at: <https://regulatorydoctor.us/wp-content/uploads/2014/09/Summary-of-Qualified-Health-Claims-Subject-to-Enforcement-Discretion.pdf>. Last accessed January 2020.

5) Hibbeln JR et al. *Prostaglandins Leukot Essent Fatty Acids* 2019;151:14–36.

6) Pusceddu M.M et al. *International Journal of Neuropsychopharmacology* 2016; 19(12): 1-23.

7) Akbar U et al. *JCR: Journal of Clinical Rheumatology* 2017 23;(6): 330-339.

8) EAT-Lancet Commission Summary Report. [https://eatforum.org/content/uploads/2019/07/EAT-Lancet\\_Commission\\_Summary\\_Report.pdf](https://eatforum.org/content/uploads/2019/07/EAT-Lancet_Commission_Summary_Report.pdf)

*“8% increase in the supply of seafood by 2030, mostly from aquaculture, could prevent over 160 million cases of micronutrient deficiencies worldwide.”*

The Blue Food Assessment, 2021  
(Golden et al., 2021. Aquatic Foods to Nourish Nations)

The most recent official dietary guidelines from the Danish government, issued in January 2021, entitled “The official Dietary Guidelines – good for health and climate”<sup>9)</sup> show the way to food and drink that is healthy and at the same time climate-friendly. As is stated in the introduction to these new guidelines “Good meals with healthy and climate-friendly food can provide enjoyment, happiness and well-being, and good meals can play a significant role in our social life. The Danish Veterinary and Food Administration is behind the official Dietary Guidelines. They have been developed on the basis of research and advice from the DTU Food Institute and in dialogue with a wide range of stakeholders. Follow the official Dietary Guidelines - then you are doing something good for both your health and the climate.” One of the guidelines is to eat more fish: the Danish government advises to eat 350g of fish a week, of which 200g fatty fish, e.g. herring, mackerel, salmon and trout, and to vary between different fish species.

In 2020, the US Department of Health and Human Services (HHS) and the US Department of Agriculture (USDA) published the latest five-yearly Dietary Guidelines for Americans (DGA) 2020-2025<sup>10)</sup>. Their recommendation is that all adult Americans – including pregnant and breastfeeding women – should eat 8-10 oz (227-283 gram) of seafood per week. Seafood choices higher in EPA and DHA and lower in methylmercury, such as salmon, are encouraged. Analysis of What We Eat in America, NHANES 2013-2016 shows that almost 90% of Americans consume less than the recommended quantity of fish and seafood.

In 2019, the US Food and Drug Administration and the US Environmental Protection Agency issued a further advice regarding fish and seafood consumption<sup>11)</sup>. This advice is geared to helping women who are pregnant or may become pregnant – as well as breastfeeding mothers and parents of young children – make informed choices when it comes to fish that are healthy and safe to eat. One of the species considered as “best choice” by the FDA and EPA is salmon.

A study from the University of Pennsylvania in the US, published in December 2017<sup>12)</sup>, supports the recommendation that people, and especially children, should increase their seafood intake. This study found that eating fish improves children’s cognitive ability. A study carried out by researchers at the medical school found that frequent

fish intake (at least 2–3 times per month) was associated with fewer sleep problems and higher IQ scores.

In 2016, NIFES (the National Institute of Nutrition and Seafood Research) in Norway presented the results of a project<sup>13)</sup> proving that schoolchildren have better concentration and kindergarten children gain better learning abilities by eating more oily fish.

An article published by Harvard School of Public Health<sup>14)</sup> reports that an analysis of 20 studies involving hundreds of thousands of participants indicates that eating approximately one to two 3-ounce servings (85 gram) of oily fish a week – salmon, herring, mackerel, anchovies, or sardines – reduces the risk of dying from heart disease by 36 percent. Eating oily fish also lowers blood pressure and heart rate, improves blood vessel function, and, at higher doses, lowers triglycerides and may ease inflammation. The strong and consistent evidence for benefits is such that the Dietary Guidelines for Americans, the American Heart Association, and others suggest that everyone should eat fish twice a week.

## 2021 RESULTS

Eating our farm-raised salmon, packed with protein, vitamins, and long-chain Omega-3 fatty acids, fits in a planetary healthy diet and can lower your blood pressure and reduce the risk of a heart attack or stroke. Our salmon is an important source of EPA and DHA for many consumers around the world, with these essential nutrients supporting heart, brain and eye health.

Our salmon is also a rich source of vitamin D. Vitamin D helps your body absorb calcium, one of the main building blocks for strong bones and teeth. The human body needs vitamin D for other functions too: it is important for our cells, our muscles need it to move, and our nerves need it to carry messages between our brain and our body. Our immune system needs vitamin D to fight off invading bacteria and viruses. In addition, some research<sup>15)</sup> shows that vitamin D can help prevent depression, dementia and cancer, as well as diabetic and cardiovascular diseases.

To guarantee our salmon is healthy, tasty and rich in essential nutrients, we track the raw materials used both in our own and third-party feed production. Results from our surveillance program in 2020 show that our salmon contains the expected levels of EPA and DHA (long-chain Omega-3 fatty acids) and vitamins (B12, E and D), as well as the minerals selenium and iodine.

## PRIORITIES GOING FORWARD

As in previous years, we will continue to control the nutritional content of our salmon. We want to ensure that our salmon is both safe and an excellent way to contribute to both human and planetary health.

9) De officielle Kostråd – godt for sundhed og klima. [https://altomkost.dk/fileadmin/user\\_upload/altomkost.dk/Billeder/Alt\\_om\\_kost/](https://altomkost.dk/fileadmin/user_upload/altomkost.dk/Billeder/Alt_om_kost/)

10) De Officielle Kostråd november 2020/ONLINE\_Kostråd\_pjece\_2021.pdf

11) Dietary Guidelines for Americans. <https://www.dietaryguidelines.gov/>

12) FDA and EPA. <https://www.fda.gov/food/consumers/advice-about-eating-fish>  
<https://penntoday.upenn.edu/news/weekly-fish-consumption-linked-to-better-sleep-higher-iq>

13) Øyen J. m.fl: Fatty fish intake and cognitive function: FINS-KIDS, a randomised controlled trial in preschool children. <https://bmcmedicine.biomedcentral.com/articles/10.1186/s12916-018-1020-z>

14) Harvard School of Public Health. <https://www.hsph.harvard.edu/nutritionsource/fish>

15) J Aging Gerontol. 2014 Dec; 2(2): 60–71. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4399494>



## NUTRIENT GROUPS OF MOWI SALMON 2021

NUTRIENT GROUPS	NUTRIENT	VALUE MOWI SALMON		% OF RECOMMENDED DAILY INTAKE	VALUE WILD ATLANTIC SALMON <sup>1)</sup>	% OF RECOMMENDED DAILY INTAKE WILD SALMON	RECOMMENDED DAILY INTAKE (RDI) <sup>2)</sup>	
Fat	Total fat	15.5	g/100 g	17-27 %	8 g/100 g	9-15%	55-90	g/d <sup>4)</sup>
Omega-3 fatty acids	Total EPA + DHA	1.2	g/100 g	480 %	1.5 g/100 g	600%	0.25	g/d
Vitamins	Vitamin B12	6.3	ug/100 g	315%	n/a	n/a	2	ug/d
	Vitamin D	6.8	ug/100 g	68%	n/a	n/a	10	ug/d
	Vitamin E	3.8	mg/100 g	42%	1.6mg/100 g	18%	9	mg/d
Minerals	Iodine	0.0	mg/100 g	7 %	0.04mg/100 g	27%	0.15	mg/d
	Selenium	0.0	mg/100 g	33 %	0.04mg/100 g	67%	0.06	mg/d
Protein	Protein	20.2	g/100 g	35%	20.9 g/100 g	36%	58	g/d <sup>3)</sup>

1) Source: National Institute of Nutrition and Seafood Research (NIFES) - nutritional value of 99 wild salmon

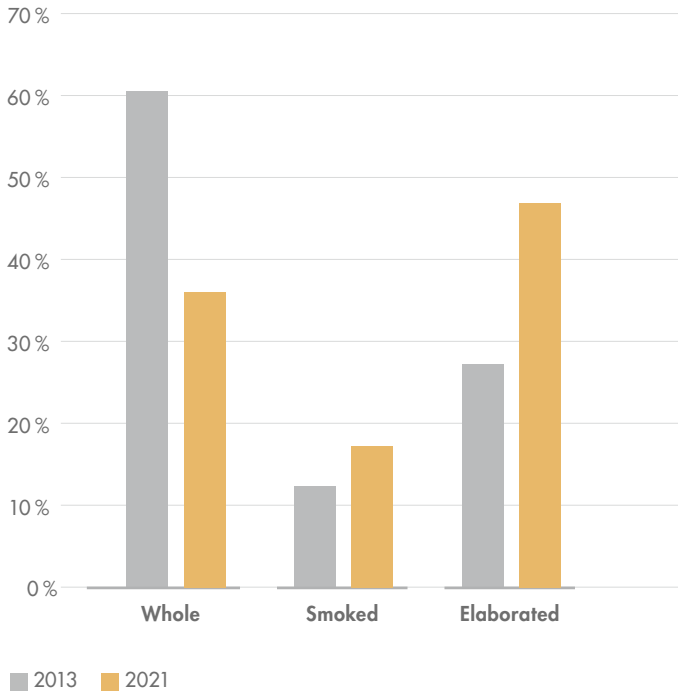
2) Nordic Nutrition Recommendations and EFSA.

3) Recommended daily intake of proteins for adults (70 kg) is 0.83 g protein/kg body weight/daily.

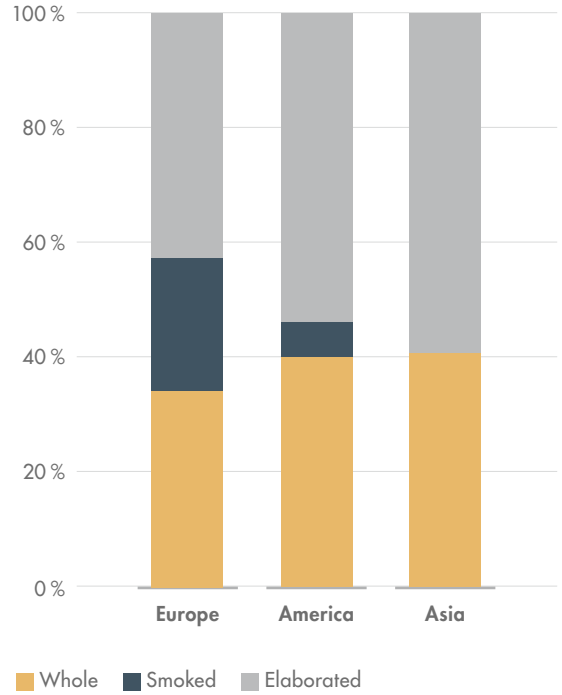
4) For an adult with a calorie requirement of 2000 kcal/day. It is recommended that fat accounts for 25-40% of daily energy intake.



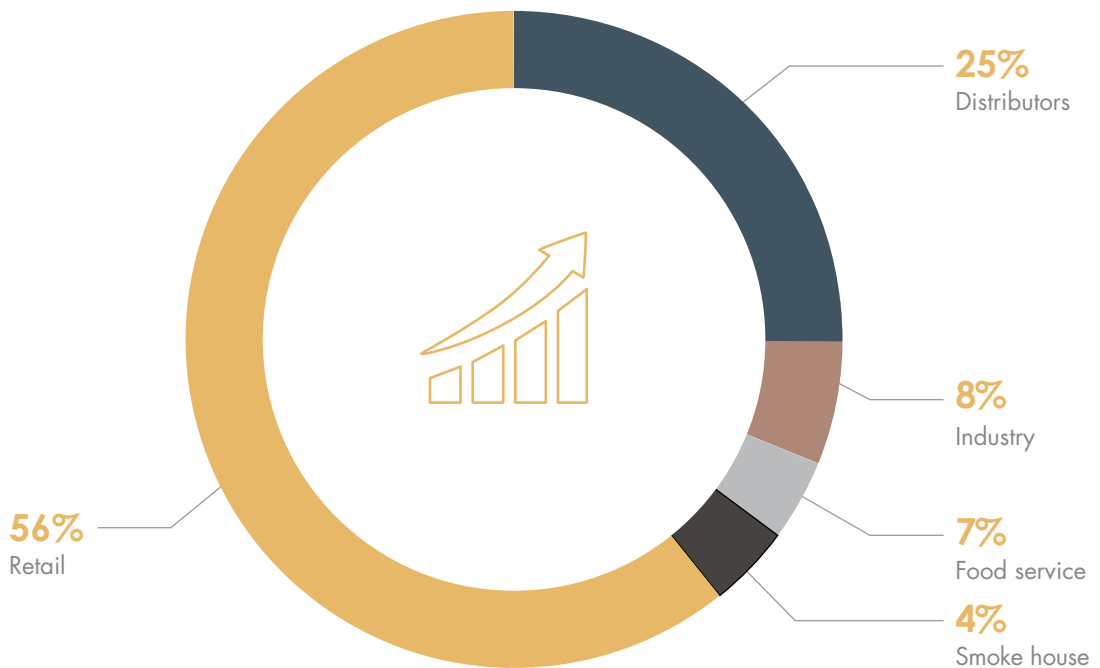
**Development value added sales**  
Atlantic salmon



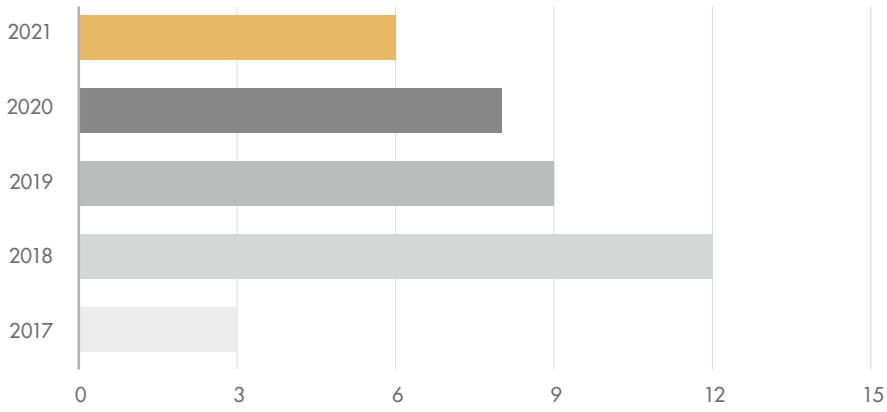
**Value added product sales**  
Per region 2021



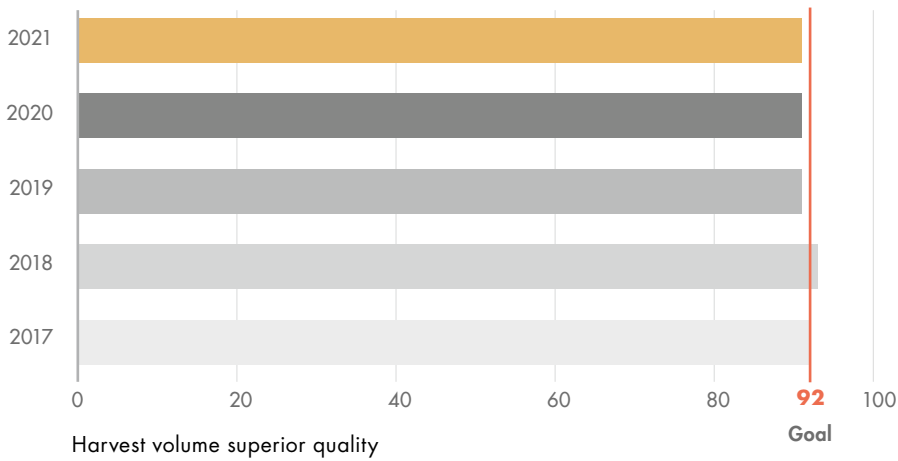
**Value added product sales**  
By market channel 2021



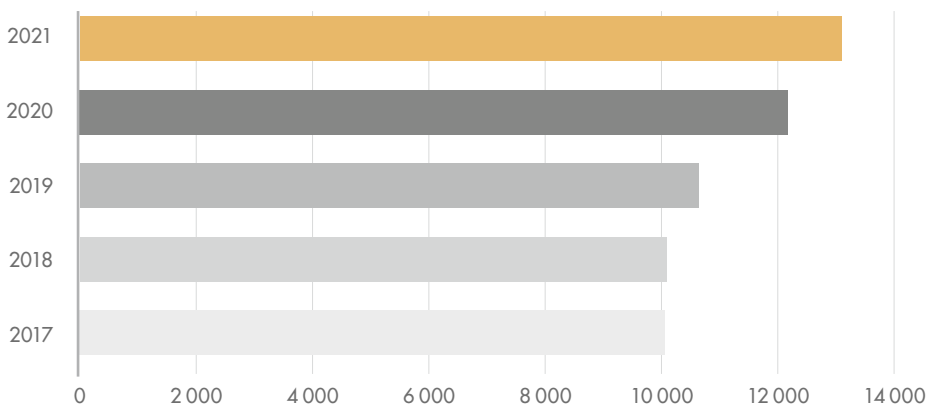
### Number of food safety related incidents and claims



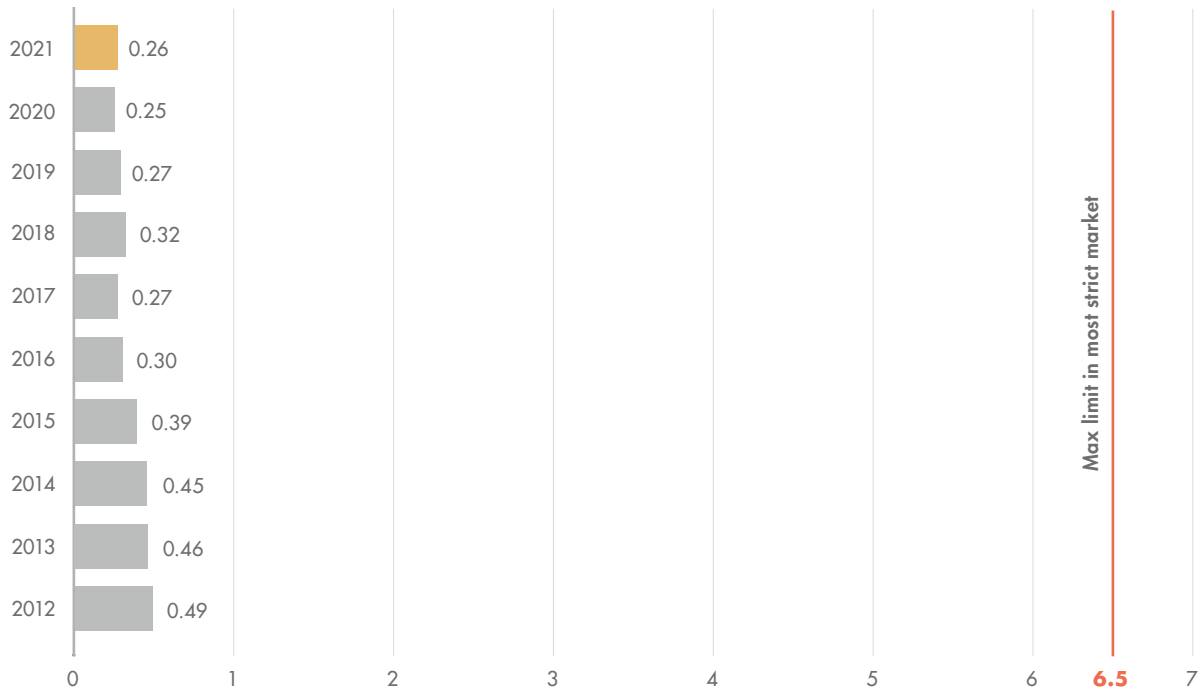
### Quality of harvested salmon



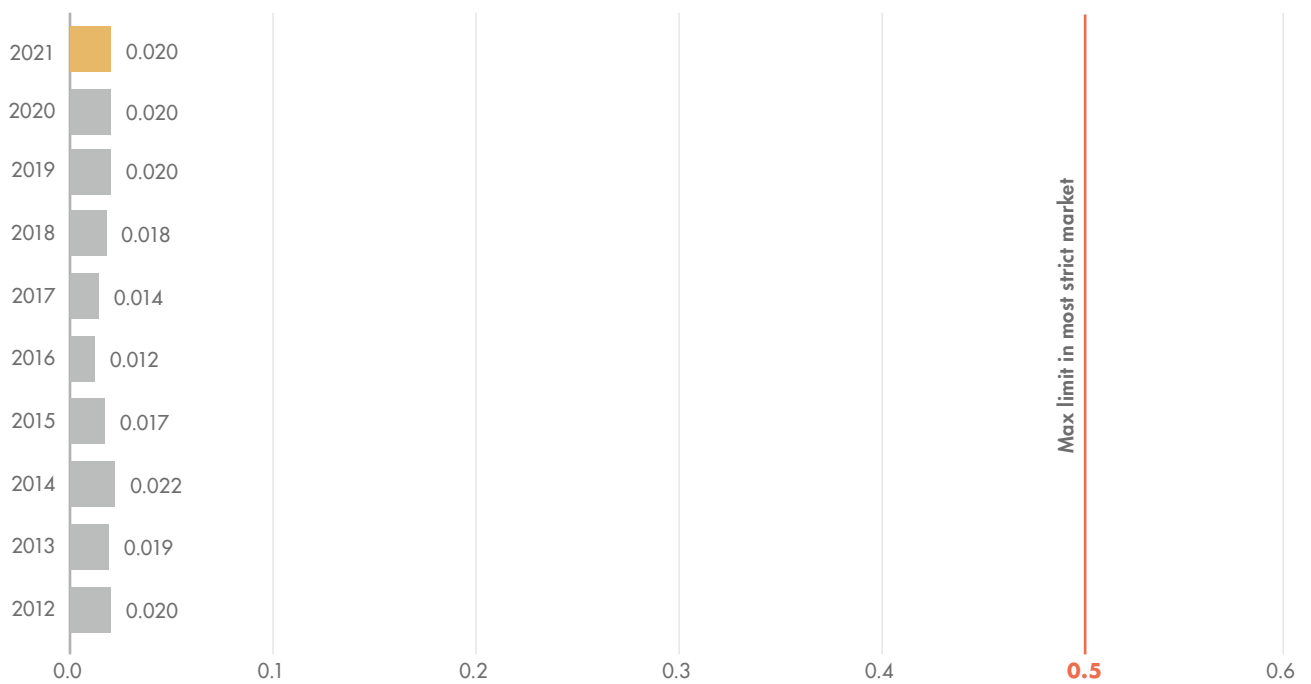
### Number of quality and food safety claims



**Level of dioxins and dioxin-like pcbs**  
(pg-WHO-TEQ/g)



**Level of mercury**  
(mg/kg)









With a presence in 25 countries, we know how diversity breeds success. We continue to build on our diverse attributes, working as one global team with focus on safety and pride in the workplace and in neighbouring communities.



## PEOPLE

Safe and meaningful jobs

# Diversity as a business enabler

## CORPORATE CULTURE

We embrace our key values: Passion, Change, Trust and Share. Our ONE Mowi operational excellence program helps to guide our actions based on our core values.

## ETHICAL BUSINESS CONDUCT

17 (13) incidents were reported through our whistleblower channel in 2021.

## EMPLOYEE HEALTH AND SAFETY

Lost Time Incidents (LTI) per million hours worked fell from 2.7 in 2020 to 2.5 in 2021. The rate of absenteeism ended at 5.2% in 2021, compared with 5.1% in 2020. Our target is a absence rate below 4.0%.

## FEMALE LEADERS

25% of our leaders are female, moving towards our target of 30% female leaders by 2025.



## PEOPLE



Material value drivers	Ambitions
Mowi way	Live our vision, values and leadership principles every day
Excellence-driven organisation	Implement operational excellence program, ONE Mowi
Ethical business conduct	Compliance with our code of conduct across the group
Safe and meaningful work	Year-on-year reduction in LTIs per million hour worked Absence rate < 4% 30% female in leadership positions by 2025 50/50 employee gender ratio by 2025
Community engagement	Develop and support the local communities in which we operate

## Providing meaningful jobs

### OUR SUCCESS DEPENDS ON OUR PEOPLE

The people working for Mowi are critical to our success. Having the right people on board, with the right skills and competences across our business is a key enabler for continuous growth and development. To be an attractive employer for current and future generations, our focus is on sharing our impact by providing healthy, tasty and sustainable food to a growing population. All employees in Mowi have an impact on the Blue Revolution. Our main aim and focus is to provide safe, meaningful and challenging jobs. Second, but no less important, we cultivate a working environment where every voice is welcome and heard. We believe in joining forces across functions and geographies, and by respecting and valuing what every individual brings to the table. We continue our efforts to build an engaged and dedicated work force that will stay, develop and thrive in the company long term. This is a core success factor to produce our healthy and sustainable salmon.

### OUR EFFORTS

#### Human rights

Human rights are at the core of a sustainable business. Our commitment to human rights in our operations as well as our supply chain is held in close collaboration with our Blue Revolution Sustainability Plan as well as the business strategy as a whole. We believe that businesses can only flourish in societies where human rights are protected and respected. In our work we aim to contribute to positive human rights impacts in the company, in our supply chain and in the world.

Mowi's commitment on human rights rests upon internationally recognised human rights principles, as found in The Universal Declaration of Human Rights, the United Nations Global Compact, The United Nations Guiding Principles on Business and Human Rights and the International Labour Organisation's Core Conventions.

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human and labour rights, the environment and anti-corruption. In this way, business,

as a primary driver of globalisation, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

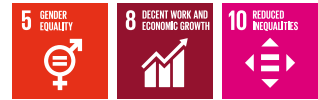
Our commitment to fundamental human rights and fair working conditions is a core part of our vision of Leading the Blue Revolution, our sustainability approach and our Code of Conduct. Mowi contributes to the UN's Sustainable Development Goals, which is outlined further in the People chapter, as well as in the Leading the Blue Revolution chapter of this report.

Our human rights commitment is expressed in global policies, procedures and public communication. Our approach is dynamic as our dedication to continuous development enables us to learn from and improve our current direction. The foundation of our human rights work in Mowi is solid, with a strong approach on ethical conduct, our policy framework, our risk management process, our tracking and communication of metrics and results, our learning efforts and the collaboration with external stakeholders. All elements of our human rights approach and how they are implemented and secured are described in the different parts of the People chapter and the Leading the Blue Revolution chapter, including our Code of Conduct and global policies, global employee survey, health and safety programs, privacy program, whistleblowing channel, tracking of fair working conditions, collaboration with labour unions, diversity and inclusion program, extensive learning programs, and community engagement.

Mowi's most material human rights risks were assessed and identified in 2021 to be 1) Local communities, 2) Health & safety, 3) Equality, 4) Freedom of assembly and association, 5) Fair employment and fair compensation and 6) Modern slavery, child labour, and forced labour.

Looking ahead, we are aiming to strengthen the efficacy of our human rights due diligence process, with special efforts toward our supply chain. This includes a review of all steps in the process, from global policies, to risk management and mitigation, tracking of





results, communication, remedy and learning. More information on the development our human rights program on [mowi.com](http://mowi.com)

**Fair employment**

We are committed to fair working conditions and employment practices. This commitment is embodied in our Code of Conduct, in our global policies on human rights and diversity & inclusion, in our OneMowi operational procedures and in our values and leadership principles that guide us in our work every day.

We strongly believe there is both a business and a moral case for ensuring that human rights are upheld across our operations and our supply chain. Our aim is to secure that our business operation and supply chain is committed to freely chosen employment and fair wages, and prohibits any form of forced, compulsory, detained or child labour, slave labour or human trafficking. Mowi would, for example, never claim a fee to offer employment.

We continuously work to secure a work environment free of abuse, violence, harassment, inhumane treatment or discrimination in our own operations as well as in our supply chain.

As a rule, Mowi offers full-time positions. We conducted in 2021 a survey in our Norwegian entities to map the occurrence of unwanted part time work. Less than 2.5% of employees in Norway are employed on a part-time basis. These are typically roles which by nature are not full-time. A minority of these have indicated a wish to increase their work load, and will be followed up.

We are proud that Mowi is ranked the most sustainable animal protein producer by The Collier FAIRR Protein Producer Index, for the third time. Social indicators such as human rights, fair working conditions, safety & turnover data and freedom of association are among the key factors taken into account in compiling the rankings.

In Mowi, 100% of our employees have written terms of their employment. All employees are covered by occupational health insurance.

**Fair compensation**

We continue to prioritise fair and transparent rewards. Among our employees, 17% are organised in unions or collective bargaining agreements. By working together with labour unions, using our global job architecture system and employing transparent processes around pay and benefits, we ensure that we use objective criteria for compensation. No employee is paid less than the official national minimum wage or the living wage indicated for the relevant location.

Mowi carried out a mapping of gender pay differences in 2021 for the Norwegian entities. Our analysis showed no significant gender pay difference in general. For compensation based on collective bargaining agreements we have equal pay between genders. For individually negotiated compensations, in general no gender pay differences were identified when adjusted for seniority. More information on gender pay may be found at [mowi.com/sustainability](http://mowi.com/sustainability).

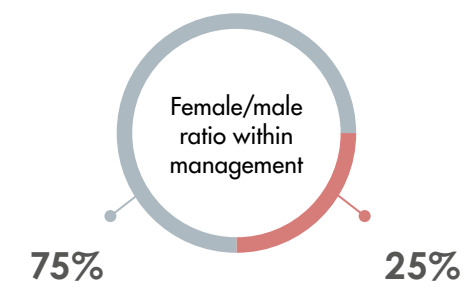
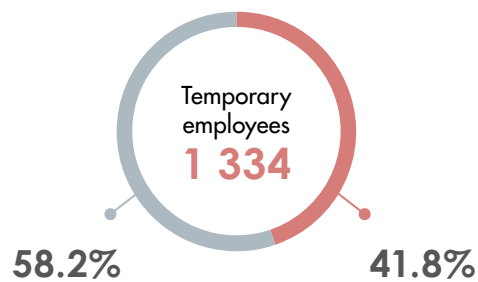
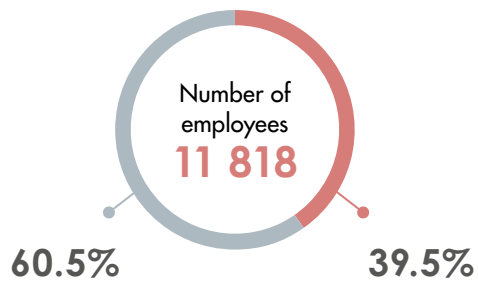
**Freedom of association**

Mowi respects and recognises our employees' freedom of association, and the right to engage in collective bargaining. Employees are free from reprisals due to union membership and/or engagement.

Mowi is committed to and appreciates the constructive dialogue and cooperation with the labour unions and employee representatives, and we strongly believe that together we will be able to lead the way forward. In 2021, 17% of our employees were members of a labour union.

**Diversity and equality**

Mowi values the diversity of the people with whom we work and the contributions they make. We believe that a diverse work force, in terms of for example age, background, skills or gender, gives us an advantage in how we conduct our business, and enables us to recruit from the full pool talent. Mowi have a long-standing commitment to equal opportunity. We are committed to maintaining a workplace that is free from discrimination or harassment based on race, sex, colour, national or social origin, religion, age, disability,



sexual orientation, political opinion or any other status protected by law and international human rights. In Mowi, recruitment, hiring, placement, promotion, training, compensation and other advancement at the Company is based on qualifications, performance, skills and experience.

In 2021 Mowi continued the roll-out of our global diversity and inclusion program. The diversity and inclusion program encompasses three strategic areas: Seek diversity, create inclusion and drive accountability. Diversity has many dimensions including, but not limited to, gender, competence, age, disability, part-time employment, pregnancy and different cultures and backgrounds. Through training, awareness sessions, and internal and external communication campaigns, Mowi has worked to increase the knowledge and understanding of diversity and inclusion in 2021. Training in equal opportunities and non-discrimination, and in personal biases is now a mandatory part of our onboarding.

In 2021, Mowi organised for the first time a Global Diversity Day, engaging employees across all business areas and geographies. The aim of the Diversity Day was to raise awareness, and create engagement and accountability. The Diversity Day is part of Mowi's diversity and inclusion program which aims to ensure equal and fair opportunities for all. Activities varied from seminars and workshops with internal and external speakers, diversity and inclusion quizzes, poster campaigns and social media campaigns. We reached several thousand people through our internal communication and activities, and had an outreach of 380 000 with our external social media campaign in connection to the Diversity Day.

## 2021 RESULTS

At the end of 2021, we had 13 984 (14 645) FTEs in 25 countries around the world. The number decreased by 661 during 2021. At the close of 2021, women accounted for 38.3% of our 10 484 permanent employees, relatively stable from 2020.

The ratio between genders for management positions in 2021 was 25.0% female and 75.0% male. The overall gender ratio for FTEs in the Group was 39.5% female and 60.5% male.

The Group had 1 334 temporary employees at the end of 2021 compared with 558 in 2020. Of these temporary employees, 41.8% were female, a decrease from 44.5% in 2020. Overall, the temporary workforce increased from 3.8% to 9.5% of the total from 2020. See the table showing a breakdown of our workforce by type of employment, gender and region at the end of this section.

Our business units promoted 325 internal employees during 2021, 39% female and 61% male. In our recruitment processes, a total of 22% of both internal and external applicants were female, yet 44% of all new hires were female. The majority of new hires were in the age group 30-50 with 49%, while 15% were in the age group 50 and above.

## PRIORITIES GOING FORWARD

We will continue our efforts to keep our organisation competitive by attracting, developing, engaging and retaining a diverse group of employees. Our focus on practising fair employment and working conditions, diversity and gender balance in the workplace is an integral part of our operations and supply chain, and we will continuously work to ensure a sustainable workforce and business partnerships going forward.

All business units continue to pursue their targets on diversity and inclusion in 2022. Mowi will continue our efforts to embed diversity and inclusion elements in our daily operations and recruitment practices to ensure non-intentional discrimination is not taking place. We aim to increase the focus on improving our common knowledge and awareness closely tracking and assessing data and risks to drive further development, and continue to enable and push for diversity and inclusion in recruitment and our way of working.

We continue our efforts to integrate human rights principles into our operations, our culture and the way we work, as well as in our supply chain. We will continue our approach to strengthen our human rights program. We aim to improve further the efficacy of our human rights due diligence process, through development of our policy framework, risk management and mitigation, tracking and measuring of results, reporting and communication, remedy and learning.

We continue the implementation of our global supplier relationship management system, that will provide valuable data and insight from our supply chain into the due diligence process. Our main focus will be on fair working conditions, sustainable work force development, diversity and retention.

## Human Rights Due Diligence





**MOWI New Product Development team in Poland preparing a product tasting session: Beata Murawiecka, Iwona Krzymowska, Ewelina Filas.**

## Leading a revolution

### THE OPPORTUNITY

Leading a revolution requires engaged people, who share our common vision and values. We have a diverse workforce, and this requires a shared company culture to unite our organisation and inspire us to reach our common goals. To enable us to reach our Mowi 4.0 target, our leaders must embrace change to remain at the forefront of digital developments in the industry.

Our vision, "Leading the Blue Revolution", gives direction and outlines possibilities. Our values - Passion, Change, Trust and Share - inspire us to act in the right way and are key enablers for reaching our goals. Taking the lead is about setting a course and taking responsibility, and our leadership principles, Inspire people, Make it happen, Live the values and Think and act, provide an important guide for our managers.

### OUR EFFORTS

We believe that our leaders must be cultural experts and our mobility program has been vital in building this competence. In this program we offer job exchange opportunities across our business units, for shorter or longer periods of time. To further strengthen our leaders, we have leadership programs targeted at different levels in our company, but all with the same agenda: leading and transforming the business the Mowi Way.

Taking the lead also entails being a cost leader in our industry. Essential elements to achieve cost control and efficiency are clear

strategies and enhancing our strong performance culture as well as operational excellence and increased sharing between our business units. The productivity program will prepare us better to meet current and future challenges in a proactive and responsible way. Our rightsizing journey continues to ensure we have the right number of FTEs and the right competencies to meet a demanding market, with the goal to adjust and prepare the organisation for future needs and opportunities.

### PEOPLE DEVELOPMENT

As part of our aim to be an attractive employer, build competence and share best practices, we emphasise continuous talent development. Every employee owns their own development, but Mowi provides resources and opportunities for everyone who wants to take on new challenges. Our training and development opportunities enable life-long careers in Mowi. These opportunities are given irrespective of age, gender or any other traits. There are different ways to learn, and our global learning management platform, Mowi Academy, forms the basis for our e-learning offering.

Making training digital and available to employees globally, irrespective of function, location, age and gender, is also closely connected with the Mowi 4.0 strategy. If we are to meet the digital transformation in our industry, our training must also be digital, as well as adapted for future needs.

Locally, our efforts include offering apprenticeships and internships to young employees through cooperation with local schools and universities.

## 2021 RESULTS

2021 has again been a challenging year and we, like the rest of the world, have had to review the way we work and where we work from. This gives extra complexity to our managers, and requires a high level of flexibility and adaptability from both managers and employees. Although our global survey has shown that our managers have succeeded in transforming the way we work and how we are communicating; going forward where and how we work and what this means for our workforce and how we communicate will be high on the agenda.

The Mowi Executive Leadership Program was rolled out in 2021, with participation of managers from all parts of our value chain. The Executive Program is a cooperation between Mowi and Harvard Business School, and was rolled out fully as a digital program. The digital format enabled managers from all parts of the Group to participate in the program, keeping high attendance and engagement scores in the midst of a global pandemic. The participant feedback has been highly positive, with 86% reporting an improvement of leadership skills.

304 of our leaders have attended different leadership trainings in 2021, on different levels throughout the Group. These local trainings have been a mix of digital and classroom, although we see a shift towards digital also in this area.

Our efforts to make training available for all employees via digital formats have also proved successful. 344 digital training courses have been created and made available for employees, and an impressive 92 348 hours of digital training by our employees in 2021.

Our cooperation with a leading actor in digital training for farming continues, and we have digitalised even more farming specific mandatory trainings. In 2021 we have targeted an up to date and digital training on Recirculation Aquaculture System (RAS) and this focus on company specific training will give us an advantage moving towards our Mowi 4.0 goal.

## PRIORITIES GOING FORWARD

Our ambition going forward will be to strengthen the learning culture, and make sure that we have both employees and managers with industry knowledge, business acumen and a understanding of the digital possibilities ahead. Our transition from classroom to digital training will continue, and we are targeting 30% digital training programs by 2025.

A key priority to secure the right skills and competences for the future, is talent management and leadership development. In addition, traineeships, strengthening our talent pipeline, succession planning, international mobility programs and the efforts to develop our learning programs in Mowi Academy, are all essential elements in building and securing the work force for the future.

Securing a talent pipeline has been a strategic area for Mowi over the last years, and we will continue our efforts in securing a diverse pool of talent. Attracting and retaining talent from a wide range of areas will help Mowi benefit from the full potential of the workforce, and managers play a key role in succeeding. Our global Mowi Executive Program will continue developing the next generation of senior management, alongside local leaderships programs. This will enable our journey towards Mowi 4.0 and making use of the digital possibilities.



Mowi Poland employees from the Philippines.



## Ethical business conduct

### THE CHALLENGE AND THE OPPORTUNITY

Mowi is made up of 11 818 employees in 25 different countries, with different backgrounds, nationalities, cultures and customs. Mowi is committed to high ethical standards in our business dealings worldwide, and we expect our employees to make our Code of Conduct a personal commitment. Abiding by the Code of Conduct is an important element in our ability to engender trust and is an integral part of the Mowi Way. We expect our suppliers to take on the same commitment to comply with the Code of Conduct.

### OUR EFFORTS

Our Code of Conduct guides what we do and say each day, it provides direction and guidelines and clarifies where we draw the line. The Code of Conduct sets the standards of behaviour which we can expect from one another, and which external parties can expect from us. The complete Code of Conduct is available at [mowi.com](http://mowi.com).

The Code of Conduct includes sections on whistleblowing, anti-fraud and anti-corruption, financial reporting and regulatory compliance, as well as sections on safety, fair working conditions, culture, human rights and sustainability. Our group-wide policies are discussed with local management teams as part of our risk management, internal control and governance processes.

We believe that openness, transparency, and good communication promote a better culture. Our whistleblower channel facilitates the reporting of concerns about potential compliance issues related to laws, regulations and our own Code of Conduct. Reporting of concern may cover any area including environment, human and labour rights, equality and diversity, health and safety, business ethics and anti-corruption, and conflict of interest. The channel aims to prevent discrimination and ensure professional behaviours. The whistleblower channel is managed by an independent third party. Notifications may be done anonymously and are handled confidentially.

In the event of organisational changes in our operations, our company practice is to carry out a fair, lawful and predictable process, by giving notice as early as possible and cooperate in close partnership with the employee representatives in the organisation(s) affected.

### 2021 RESULTS

Mowi employees must undergo mandatory training on our Code of Conduct on an annual basis. In 2021 we conducted the annual Code of Conduct training online, with a 100% participation rate.

No major breaches of our Code of Conduct, or instances of perpetrated or alleged fraud were reported in our operations in 2021.

In 2021 we updated the Code of Conduct with added content in Chapter 6 on the Mowi Community and Chapter 7.2 on Community engagement, strengthening the emphasis on respectful and professional communication in light of new ways of communicating both digitally, face to face and in social media.

During 2021 we continued our efforts to integrate the EU General Data Protection Regulation (GDPR) in the Group, with the aim to ensure compliance and to enhance the protection of personal data of our employees and contractors. We have in place a structured organisation for personal data protection and a network of employees who work on, are trained in, and facilitate the protection of personal data throughout the Group. We launched a global training course on GDPR in 2021 for employees, with mandatory participation for people handling personal data.

On whistleblowing, 17 cases were reported through our whistleblower channel in 2021. The majority of the reported cases were made anonymously, through our external whistleblower channel. Our whistleblower channel is open also to external parties. We received no whistleblowing reports from communities neighbouring our facilities in 2021.

In line with our whistleblower policy and procedure, all cases were logged, evaluated, risk assessed and investigated. Investigations are carried out either centrally or locally, depending on the subject matter of the concern and the person being reported upon, ensuring information from all relevant parties are gathered. Business Units report the conclusions of their investigations, including initiatives, remedy or any actions taken. All reported concerns received in the Group in 2021 have been followed up either centrally or locally in line with the recommendations proposed in the investigation reports. Examples of initiatives and actions taken as follow-up include leadership development, conflict resolution training, re-implementation of global policy, formal disciplinary process, internal communications, and strengthening of local policies.

6 of the reported incidents were related to work place harassment, where 2 were related to claims of sexual harassment. 8 reported incidents were related to breach of internal policies, and 3 reported incidents were related to possible breach of law in relation to policy on Covid-19, discrimination, and required certifications. All cases were followed up and resolved internally. All 17 notices are managed and closed, however one notice from 2018 is kept open, where we are still in legal process. None of the whistleblowing notices were found to be a breach of human rights.

The Mowi Code of Conduct also applies to our supply chain, through our supplier code of conduct and specific terms and conditions for suppliers. This includes obligations such as Quality Environmental Health & Safety (QEHS), anti-corruption and business ethics, fair compensation and working conditions, compliance with laws and regulations, and audit rights. Our global procurement policy provides guidelines to ensure a transparent and consistent procurement process that supports our Code of Conduct, sustainability strategy and other policies.

We continuously work to enhance internal training and keep in close dialogue with our external suppliers to ensure compliance with our Code of Conduct, QEHS, business ethics and human rights.

A global supplier relationship management system for supplier risk assessment and management is implemented as a global application. The system will strengthen the risk management carried out in our business units today, and improve our processes on supplier

Carradale, Mowi Scotland



qualification, risk management and mitigation, as well as audits, remedy, communication and training.

In 2021 we were fined in total 8 times related to different incidents, and paid the amount of EUR 268 000, down from EUR 382 000 in 2020. The fines in 2021 were mainly related to escape incidents in 2019 and 2020. Mowi's goal will always be zero fines and we continue to work daily to achieve this.

**PRIORITIES GOING FORWARD**

We will continue our efforts to ensure that our standards of behaviour comply with our Code of Conduct, and that all new employees commit to upholding its provisions. We will continue with the annual training on the Code of Conduct and encourage the reporting of concerns internally or through our established external and internal whistleblowing channels.

The importance of ethical business standards and behaviour will continue to be communicated through our leadership development,

training and internal communication, to ensure strong ethical business principles are known and upheld by management and employees.

We will continue our efforts on securing human rights in our operation and supply chain by strengthening our risk management and human rights due diligence process, through developing our policy framework, assessing, managing and mitigating human rights risks, instigate remedy, reporting and learning.

We will continue the implementation of our global supplier relationship management system, with the aim of achieving a global standardised system that will provide valuable data and insight from our supply chain.

The GDPR regulation is implemented, however the safeguarding of our employees' personal data is a continuous effort that is a priority also in 2022.



**Mowi Code of Conduct is available in several languages.**



## Employee health and safety

### OUR VISION

We aim to have zero workplace injuries. Health and safety is paramount in everything we do, we will never compromise on safety for any other business priority.

### OUR EFFORTS

Experience shows that many incidents are caused by inattention. Our global safety program, BrainSafe, is a behaviour-based safety process designed to empower employees, hired staff and contractors to take control of their own safety. We believe the best results can be achieved through an integrated approach, encompassing all areas - person, environment, and practice - but with the most crucial element being the employees and their safety mindset. Safety must be the top priority in the minds of all our employees, as we all want to go home safely at the end of the day.

Our health and safety policy and the life saving rules establishes the global fundamentals for Mowi's health and safety commitment, standards, and expectations in Mowi. It sets the standards for our efforts to strive for zero accidents and promote an environment of continuous learning and improvement through identifying, assessing and mitigating any potential for serious injuries or fatalities in our Business Units.

In 2021 we conducted our biannual global employee engagement survey. All employees worldwide were invited to share their views, and a total of 5 800 people participated. The survey results show that the engagement level of the employees is very high, and despite the challenges presented by the Covid-19 pandemic for a lot of people, motivation levels amongst employees have not been negatively affected. In the survey, 89% responded that they are engaged or strongly engaged in their work at Mowi.

The survey was conducted online, using internal tools and resources. Whilst it contained similar questions to our previous global survey, it also included Covid-19 specific questions designed to highlight the current mood within the business. The feedback from our employees shows that both engagement and enablement of our employees are either stable or increasingly positive compared with our previous global engagement surveys.

In 2021 Safety Week was arranged for the second time as part of our global safety initiatives, as an inspiring way to reconnect employees and business units all over the world with the common goal to stay safe and healthy at all times.

In Mowi, we strongly believe in behaviour based safety as a key element in optimising our safety culture. The Safety Week is part of our mission to organise regular behaviour-based safety programs that support this.

We know that building a strong safety culture is a continuous learning process. The aim of the Safety Week was first of all to raise awareness on peoples impact on their own safety in the workplace and on the safety of their colleagues. Second, it aimed to share information and give direction and clarity on Mowi's approach to health, safety and care for the people.

Safety Week was rolled out as a global campaign, where all business units and employees were involved. Employees could choose from a wide variety of events such as quizzes, competitions, inspiration for healthy meals, mental health and well-being, trainings and smaller workshops. All activities were organised with our employees as key stakeholders, the overriding aim being to make safety fun, interactive and meaningful.

Mowi operates under a systematic approach to hazard and risk management, including hazard identification, analysis of the potential risk, and mitigation strategies under the hierarchy of controls starting with elimination, substitution, engineering controls, administrative controls, and personal protective equipment (PPE). Necessary elements to support this process include:

- Reporting of all hazards, dangerous work environments, near misses, incidents and accidents.
- Including all stakeholders in risk analysis including subject-matter experts, end-users, leadership, and safety personnel.
- Conducting regular audits and inspections.
- Effective root cause analysis for any incidents.
- Regular and recurring safety training.
- Implementing safety communication methods across functions, levels and business units with opportunities for feedback loops.
- Understanding of the employee's right to refuse unsafe work.

Our progress in the area of safety is measured through the key indicators such as lost-time incidents (LTIs) per million hours worked, and the rate of absenteeism. LTIs are tracked and reported in three categories of seriousness - low, medium and high - and are reported both for our employees and for subcontractors.

Employees are encouraged to report on incidents as well as near-misses within their organisation. Employees have the option to report via the external whistleblower channel, where they have the option to report anonymously. Health and safety topics are included in formal work agreements, including working hours and shift structure. Safety targets are included in the bonus agreements for all senior managers.

Health and safety topics are routinely discussed during health and safety network meetings or in local safety committees. Preventive measures are taken where possible to counteract these risks, in line with local laws and regulations on preventive work in the health and safety area.


All Business Units have safety committees, with participation from both management and employees, as well as from labour unions where they have representation. All Business Units have safety representatives, with a safety responsibility covering all locations and sites in our operation. Employees are entitled to sick pay, in accordance with local insurance schemes and local laws and regulations. Employees also have access to certain health services as part of our agreements with external occupational health care providers in the different units.

## Mowi Cares


After almost two years of global pandemic, we are eager to hear from you. You have all demonstrated an impressive solution-oriented mindset, and we would like to know more about how you are now and how you see the future at Mowi.

We appreciate if you take the time to answer 20 questions. Your response will be kept strictly anonymous and will be used in an aggregated way only. This will give us valuable insights in how we as a company have been affected by Covid at the workplace.


📅 October 4th until October 25th




All employees are invited to give their feedback




Employees with mowi.com email will receive a link




20+ questions, mix of previous survey and internal questions




12 languages available



If you do not have a mowi.com email: Scan the QR code and give your feedback



Survey answers are anonymous and answers will be deleted according to GDPR



12 languages available

### Mowi conducted a global employee engagement survey in 2021.

In 2021 our efforts have been focused on providing safe and secure working environments when coping with the Covid-19 pandemic. To keep people safe and healthy, our processing plants have taken measures to secure sufficient spacing between employees, and organised alternative transportation to and from our plants. We have also taken measures to limit the number of visitors to our farming sites and processing plants, introduced changes to shift patterns, and used technology in new ways to limit the number of people physically meeting each other.

Due to the limited volumes of antimicrobials used in our farming operations and the type of antimicrobials used (which follows the World Health Organization guidelines, see Planet section) the risk for antimicrobial resistance for the workforce is negligible.

*We're thrilled that the engagement level of our employees is very high and despite the challenges presented by the global pandemic, motivation levels amongst employees have not been negatively affected. Managers received positive feedback from their teams around the world and over half of the workforce intend to stay with Mowi for ten years or more.*

Marianne Wøbbekind, Group HR Manager

### 2021 RESULTS

The majority of our employees and hired staff have attended training in our global safety program, BrainSafe, which is a mandatory part of our onboarding. On a global basis, 7 105 persons conducted safety training in Mowi during 2021.

Long-term injuries (LTIs) measured per million hours worked came to 2.5 for the Group in 2021, compared to 2.7 in 2020. Measuring the impact of BrainSafe on LTIs and the rate of absenteeism is not easy, but in the 10 year period it has run in Mowi, we see results in terms of a more proactive approach by both people and the company, a higher safety awareness and correct reporting of incidents and injuries. We are convinced that BrainSafe will continue to have a positive impact and effect on our key indicators and safety performance.

We reported 67 LTIs for our own employees and 6 LTIs for our subcontractors in 2021, a total of 73 LTIs, compared with a total of 90 LTIs in 2020, with 75 LTIs for own employees and 15 for subcontractors.

In the three-year period from 2019 to end 2021, Mowi managed to reduce the number of LTIs by 43%, and we aim to continue our good progress and positive trend going forward. The LTIs for our own employees were categorised as Low (24), Medium (18) and High (12). For our hired staff the LTIs were categorised as Low (3), Medium (4) and High (6). The category "high" is regarded as an "Extremely dangerous situation/occurrence" that has the potential to cause "serious injury to personnel or could potentially have led to serious injury". Out of the 18 High category LTIs, 11 of them happened in our Sales & Marketing division and 7 in our Farming division. The incidents

resulting in high-consequence injuries were caused by compressions and impacts.

The main causes of injuries were pinches, compressions, cuts and impacts which together accounted for 37% of injuries, and injuries in the category slips, trips and falls which accounted for 42% of injuries. Injuries related to smoke or chemicals accounted for 9%, while others accounted for 12%.

The majority of the lost-time incidents occurred in our Sales & Marketing division, with a total of 43 LTIs or 64% of the total. The incidents occurred mostly in our processing plants, with a few rare office incidents. The Sales & Marketing units with the highest incident rate were France with 15 incidents, Poland with 13 incidents, Belgium with 5 incidents, Asia had 3 incidents, Spain had 2 incidents, and Raw Materials & Trade, US, Germany, Netherlands and CPUK had 1 each.

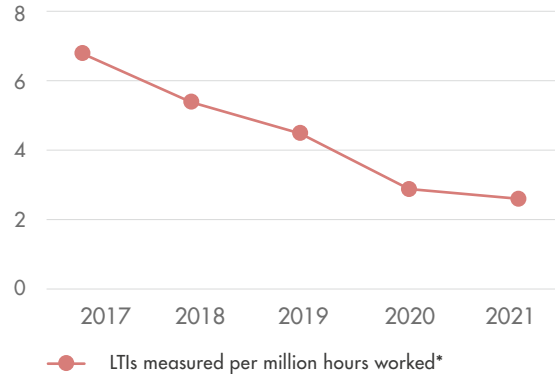
The Farming Divisions had a total of 24 LTIs, accounting for 36% of the total. The incidents happened at farming sites as well as in the processing plants. Norway had the highest number of incidents with 11 LTIs, Chile had 5 incidents, Scotland had 4 incidents, Faroe Island had 2, and Canada East and West had 1 each. Our Feed division has not had any LTIs for 6 years.

We did not experience any fatalities in our operation in 2021 with a fatality rate (TRIR) for own employees in 2021 at 0.

Our rate of absenteeism has decreased over the past years, from 5.7% in 2016 to 5.2% in 2021, slowly moving towards our 4% goal. The decrease represents a positive trend in the longer term, but we have experienced peaks throughout the 2 last years due to Covid-19.

The rate of absenteeism is higher in value-added processing operations than in our Farming and Feed units, which is largely attributable to ergonomic issues and stress. The Business Units with the highest absence rate are Poland with an accumulated absence rate of 9%. Western Europe, including Belgium, France, Spain and Netherlands had an accumulated absence rate of 6.2%. All other Business Units are on or below Group absence median. The Group absence split between genders were 41% female, 59% male.

## Positive development in LTI



\* 27.4 million hours worked in 2020, split between own employees and hired staff with 22.6 and 4.8 million hours worked respectively.

Between the age groups, the age group 50 and above had a share of 51%, the group 30-50 had an absence share of 37%, while the age group 30 and below were at 12%.

The global turnover rate for 2021 was 16.9%. The highest turnover was in the age group 30-50 years old with 46% of the turnover. The age group 30 and younger had 39% of the turnover, while the age group 50 and above had 15% of the turnover. The majority of the turnover was among employees with a seniority of 5 years or less in the company with 72% of the turnover. Employees with a seniority of 5 to 10 year had 18% of the turnover, 10 to 20 years were at 8% of the turnover and employees with a seniority of 20 years or more had 2% of the turnover. The turnover split between genders were 39% female and 61% male.

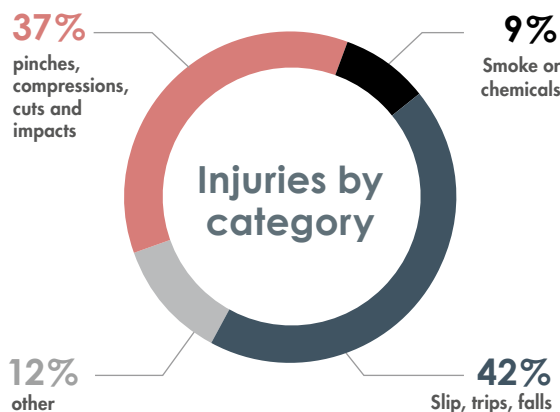
## PRIORITIES GOING FORWARD

We will continue our efforts to build a strong health and safety culture, with BrainSafe as an integral part of the way we operate. The requirement for all new employees and hired staff to attend BrainSafe training sessions as well as providing training to selected contractors and suppliers will remain in the future. BrainSafe materials are made available to all employees, and refresher courses and workshops will continue to be held to reinforce and sustain the lessons learned during the initial training.

The Global Safety Week initiative is planned to continue as an annual event.

Our ambition to achieve a rate of absenteeism of below 4% remains unchanged, as does the target of zero LTIs. We believe that our global and systematic approach to safety will contribute to a safer workplace and will reduce LTIs and absenteeism going forward.

Mowi plans to roll out and use the results of the 2021 Employee Engagement Survey in the Business Units, sharing important insights on people's engagement, well-being and working environment, as well as gauging the impact Covid-19 has had on our people and the local workplace.





## Commitment to local communities

### THE OPPORTUNITY

Wherever Mowi operates we are dependent on maintaining good relationships with the local communities in which we all live and work. By offering support to important community projects and programs, in addition to providing valuable employment opportunities, we hope to make a positive impact and help our communities thrive.

### OUR EFFORTS

We aim to maintain good relations and a positive coexistence with the local communities in which we operate. We are committed to contributing to local development by supporting schools, sports, and environmental and cultural initiatives. By offering employment opportunities and allowing our employees to give back to their local communities, we aim to contribute to the development of society as a whole. We encourage proactive efforts to engage locally to help prevent any negative impacts on surrounding communities as a result of our operations.

While formal commitments, such as certification standards, require us to engage with local communities with regard to our business operations, we are also keen to ensure that social responsibility, ethical conduct and sustainability are at the heart of our corporate culture.

Having productive relationships with the Indigenous communities in the territories where we operate is a critically important part of our business. We firmly believe in the right of an Indigenous community to meaningfully participate in decisions that affect their territory and to make decisions in their interests. Our success depends on working together with Indigenous communities and co-developing business.

We are proud to report that in 2021 Mowi had 430 events, and we spent over EUR 1.2 million in sponsoring to different local initiatives and events. Whilst most of the year had some sort of restriction in place due to Covid-19, we still received many requests and managed to satisfy quite a lot of them.

#### Examples of support in 2021

Mowi's business units across the globe are always getting behind their communities and supporting good causes, events and initiatives.

#### Norway

At Frøya in the county of Trøndelag, Mowi has supported a new multi-use ball game area for all kind of ball games. The court aims to be the most sustainable version of it's kind in Norway and will be built with environmental friendly grass, with no use of microplastics. The outer fencing will also be produced of 100% recirculated plastics. The new area will be a new social meeting point for both kids and adults in the local community.

#### Canada East

Mowi contributed to the funding of replacement hydraulic bariatric ambulance stretchers for the communities of Harbour Breton and Hermitage-Sandyville. This is a key part of health infrastructure, each costing approximately \$20,000 CAD. Mowi Canada East kicked

off the funding drive in both communities with a contribution and is encouraging other businesses in the region to join. Mowi Canada East was also delighted to purchase Stephenville Strikeforce youth softball team's new jerseys in partnership with the Port of Stephenville. The team, which welcomes players from five years old up to 18, was excited to wear the new jerseys at its first game back recently after a long time without sporting events due to Covid-19.

#### Canada West

Mowi is a proud sponsor and long-time supporter of the Campbell River Salmon Kings swimming club, which will soon be celebrating its 60th anniversary. The community swim club does great work with young people so Mowi Canada West was delighted to join forces with Hardy Buoys Fish Inc to help raise money for the organisation with the sale of salmon jerky. Mowi provides the salmon, Hardy Buoys Fish turns it into great tasting jerky and Campbell River Salmon Kings keeps the profits made.

#### Poland

In December Mowi's employees in Poland organised a photo exhibition where the photos of Tomasz Pyjor, Mowi CE Quality Director were exhibited and sold. Tomasz is passionate about photographing wild animals, so the funds obtained from the sale of his works was donated to a local animal shelter.

## Community engagement in 2021



**430**  
events  
(farming only)



**1 088 316**  
direct support to  
local communities  
(EUR)

#### Topics discussed

- > ASC
- > First Nations relations
- > Education
- > Wild fish interactions
- > New site/  
site expansion
- > Beach cleaning
- > Regulations
- > Aquaculture

#### Who is involved?

- > Communities
- > Schools
- > Regulators/Authorities
- > First Nations
- > Local Sport clubs
- > Local associations
- > Music groups
- > Museums
- > Wild fisheries groups
- > Tourism/cultural institutions
- > Politicians
- > Environmental agencies



**Mowi Scotland has been a proud sponsor of the sport of shinty since 1988.**

### Scotland

Pupils from Portree High School and Lochaber High School benefit from the latest courses delivered by The Outward Bound Trust. Mowi has supported The Outward Bound Trust for over ten years and Portree High School has benefited from courses organised by the charity since 2015, with nearly 200 pupils from the school participating in activities. Typically, pupils would visit Outward Bound's Loch Eil centre for a week-long outdoor learning and adventure residential course. Residential courses were prohibited due to Covid-19 and The Outward Bound Trust found new ways to work with young people, ensuring they continued to receive support when they needed it most. The Outward Bound Trust sent instructors to deliver outdoor non-residential courses close to the schools. The seven-week programme was designed to give every new S3 pupil a four-day programme of outdoor education and deliver the John Muir Award.

Mowi Scotland also donated salmon meals to NHS hospitals and Care Homes in Skye, for both patients and staff.

### Belgium

In mid-July 2021, several parts of Belgium and Germany were hit by floods, caused by heavy rainfall. It was catastrophic, causing deaths and widespread damage. Among the worst-hit areas were the southern parts of Belgium, Province of Namur, and parts of northern Antwerp province. Mowi Belgium donated food to the hospital Group in Liège, CHC Alleur, to support its initiative to offer a free hot meal to 1,000 victims of the floods in Esneux and Chaudfontaine.

### PRIORITIES GOING FORWARD

In the areas in which we operate, we will continue our efforts to support local projects, both financially and socially, as well as continuing to develop our relations with local communities.

Furthermore we will keep supporting local projects with focus on sports and healthy living, education, sustainability and youth programs. In 2022 we are aiming to again celebrate the return of the Salmon Wagon in for example Scotland, delivering healthy and sustainable salmon to all sorts of events.

## NUMBER OF EMPLOYEES

NUMBER OF EMPLOYEES		2021				2020			
		Permanent	Temp	3rd party	Total	Permanent	Temp	3rd party	Total
<b>Feed</b>	Male	113	9	2	125	124	4	6	134
	Female	30	2	—	32	32	3	—	35
Farming Norway	Male	1 413	135	131	1 679	1 435	31	130	1 596
	Female	352	34	44	430	419	6	58	483
Farming Scotland	Male	570	34	8	612	649	20	6	675
	Female	86	5	1	92	110	5	—	115
Farming Canada	Male	540	16	—	557	688	7	—	695
	Female	117	4	—	122	175	1	—	176
Farming Chile	Male	591	47	151	789	659	10	198	867
	Female	211	14	47	272	228	4	48	280
Farming Ireland	Male	131	70	11	213	137	66	—	203
	Female	21	27	—	48	21	24	—	45
Farming Faroe Islands	Male	51	—	—	51	48	2	—	50
	Female	23	—	—	23	26	1	—	27
<b>Farming</b>	Male	3 296	302	301	3 900	3 611	136	334	4 081
	Female	811	84	92	986	979	41	106	1 126
Consumer Products	Male	2 931	450	902	4 256	3 229	152	985	4 366
	Female	3 111	470	861	4 421	3 474	198	966	4 638
Markets	Male	100	16	—	143	121	17	—	138
	Female	46	1	2	70	65	6	1	72
<b>Sales &amp; Marketing</b>	Male	3 032	466	902	4 400	3 351	170	984	4 505
	Female	3 157	471	863	4 491	3 539	204	967	4 710
<b>Corporate/other</b>	Male	29	—	5	34	29	—	6	35
	Female	17	—	—	17	19	—	—	19
<b>Mowi Group</b>	Male	6 470	777	1 211	8 458	7 115	310	1 330	8 755
	Female	4 014	557	955	5 526	4 569	248	1 073	5 890
<b>Mowi Group</b>	Total	10 484	1 334	2 166	13 984	11 684	558	2 403	14 645

The percentage of self-employed workers is not significant. Data are registered as part of our monthly reporting process and closely monitored by management. Sales & Marketing has the high season before the Christmas sale and Eastern sale, specially chilled operations. Our Farming and Feed operations have a more stable work season.

## KEY HEALTH AND SAFETY INDICATORS

Key indicators	2021	2020	2019	2018	2017	2016
LTI per million hours worked (own employees)	2.5	2.7	4.3	4.8	6.6	9.9
LTI own employees	67	75	118	134	155	247
LTI subcontractors	6	15	11	9	9	21
Absentee rate in % of total hours worked (own employees)	5.2%	5.1%	4.7%	5.0%	5.2%	5.7%
Fatalities (own employees)	—	1	1	—	—	1

LTI grading	High (extremely dangerous situations/occurrences)	Medium (moderately dangerous situations/occurrences)	Low (situations/occurrences that are not dangerous)	Total
2021	12	18	24	54
2020	11	14	50	75
2019	15	37	66	118

## SUPPORT TO LOCAL COMMUNITIES

Direct support to local communities (EUR thousand)	2021	2020
Norway	422.2	510.9
Canada	139.3	347.3
Scotland	270.8	446.5
Chile	63.4	527.2
USA	156.0	24.5
Ireland	32.0	42.3
Central Europe	26.0	171.0
Western Europe	131.0	115.0
<b>Total support to local communities</b>	<b>1 240.7</b>	<b>2 184.7</b>

The list covers the main countries or regions in which we operate. The figures include contributions to charities, various community projects and social programs.

Corporate taxes paid (EUR thousand)	2021	2020
Norway	21 950.0	97 538.5
Canada	-10 280.9	-940.8
Scotland	9 389.9	14 742.2
The Faroe Islands	1 572.6	633.9
Japan	1 594.6	260.6
Belgium	2 596.0	3 006.0
Ireland	1 665.0	2 444.0
Germany	520.7	4 544.1
Czech	-310.6	1 556.9
Singapore	685.1	683.9
France	-391.0	198.0
Spain	1 283.0	181.0
Netherlands	428.0	453.0
Italy	509.0	786.0
South Korea	487.4	179.1
USA	6 924.3	11 000.6
Taiwan	—	—
Vietnam	135.5	25.4
Sweden	715.2	—
China	3.0	5.6
Poland	3 735.7	984.1
Chile	23.7	-14.0
<b>Total corporate taxes paid</b>	<b>43 236.0</b>	<b>138 268.1</b>

The list excludes countries where we are not in a tax position due to historic losses. The figures include tax paid, withholding tax and tax refunds. Canada's negative amount for 2021 is due to return of prepaid taxes from previous years. Total corporate taxes paid for 2021 is reduced compared to 2020 as a consequence of reduced earnings in 2020 due to Covid-19.

# Prioritising the development and training of our employees

At Mowi, our people are what keeps the business going. It is, therefore, vital that they are nurtured, supported and developed in their careers.

From traineeships, self-education hubs and international mobility programmes, to a learning portal with courses designed by external providers who are experts in their fields; opportunities to learn new skills and develop existing ones are in abundance.

Mowi wants to attract and retain skilled employees who are passionate about our vision of Leading the Blue Revolution. To secure the right skills and competencies for the future, talent management and leadership is a key priority.

## MOWI EXECUTIVE PROGRAM

In 2021, the Mowi NEXT Executive Program was launched to help develop our future leaders. Launched in cooperation with Harvard Business Publishing, this new global and all-digital program is designed to foster leadership culture, leadership excellence and leadership for change and transformation.

As part of the first cohort, 28 candidates from all of Mowi's business units across the world, from Farming, Sales and Marketing and Corporate, were nominated to participate and followed the program during the course of the year.

The start of the process focused on leadership competencies and defining the required skills and mindset, with an individual development plan were created for each participants. Finally, activities were undertaken both individually and in groups, accessed via a bespoke learning platform on Harvard Business Publishing.



*"This is a really significant milestone in our vision to build a strong and unified leadership culture where we strive for leadership excellence and amplify our leadership for change and transformation. It is our aspiration to develop leaders who are reflective, inspiring, business-minded and change-oriented and who can take the company forward to lead the Blue Revolution. We are delighted to be partnering with world-renowned and recognised leadership experts at Harvard Business Publishing."*

Anne Lorgen Riise, Chief HR Officer

By the end of the program, Mowi aims to have a strong and motivated core of future leaders ready to lead and transform the business 'the Mowi Way'.





**Mowi Academy 2.0 makes it easy for employees to access relevant training.**

**SALMON INTERVIEWS SELF-EDUCATION HUB**

Over the past few years, Mowi Western Europe has organised salmon training sessions in Bruges, in cooperation with Mowi's Global R&D and Technical department (GRDT). With the objective of giving many more colleagues the opportunity to benefit from the vast knowledge and expertise of our GRDT department, 'Salmon Interviews' was created to offer colleagues around the world the opportunity to refresh and enhance their knowledge of salmon and salmon farming.

Salmon Interviews comprise a series of video interviews with various experts that were made available to colleagues around the world initially through Mowi's Intranet, Mowi Connect, and then on Mowi's education and training portal, Mowi Academy.

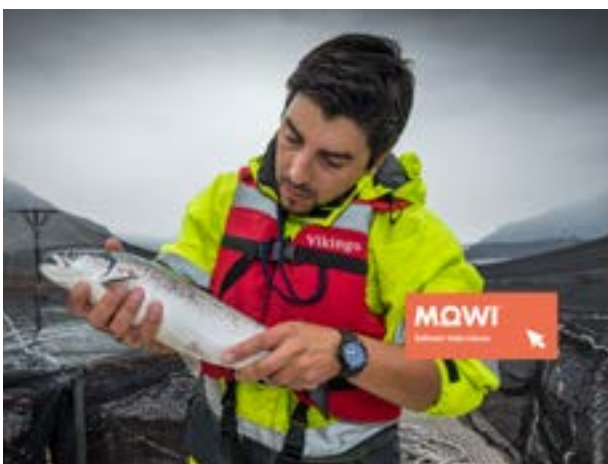
Topics covered in the Salmon Interviews include climate change, the MOWI brand, alternative proteins, land-based aquaculture, sea lice, escapes, fish health and welfare, harvesting methods, salmon quality, feed, seawater technologies and breeding and genetics.

**MOWI ACADEMY 2.0**

An important learning platform for employees is Mowi Academy. This relaunched as Mowi Academy 2.0 in September 2021, with the aim of providing more online learning opportunities and having at least 30% of learning content available digitally by 2023.

Mowi Academy 2.0 provides a range of courses at the click of a button, including mandatory training and optional courses to expand knowledge. It can be accessed from anywhere and from any device and can also be accessed via Microsoft Teams.

Speaking about the launch of Mowi Academy 2.0, Anne Lorgen Riise, Chief HR Officer, said: "Mowi Academy will be a tool in the realisation of Mowi 4.0 as it will support our strategic workforce planning, how we estimate future skills and competencies and how we access internal and digital learning to reskill and upskill our workforce to adapt to new ways of working."





Anna Bialek-Zalupka and Ewa Pazdzior doing health and safety inspection at one of Mowi's factories in Poland.

# A culture of health and safety is evident throughout Mowi's operations

Health and safety are central to everything we do at Mowi and thanks to our leadership, our health and safety managers on site and our One Mowi approach, a culture of health and safety is evident throughout the organisation.

## HEALTH AND SAFETY WEEKS

For two years, we have implemented a Global Health and Safety Week at Mowi. During Health and Safety Week, there are activities, training, quizzes and sessions from external experts to ensure that health and safety is at the forefront of people's minds. We believe this is an opportunity for everyone in the company to focus on health and safety and understand what we can all do to make our workplace as safe as possible. We also dedicate our intranet, Mowi Connect, to health and safety and a different news story and activity related to health and safety is published each day throughout the week.

In its first year, our new and updated Health and Safety Policy was launched throughout Mowi which clearly articulated the role of everybody in the organisation to create a safe working environment. This was also brought to life with a competition where staff submitted video messages of what health and safety meant to them and why it was important to stay safe. There was also a focus on Mowi's Life Saving Rules which were displayed throughout the business on posters and on the intranet. Each year One Point Lessons (OPLs) are published on Mowi Connect and displayed as posters to use as talking points with staff to remind them on procedures and best practice relating to everything from road safety to fire safety.

In its second year, Health and Safety Week had a focus on mental wellbeing.

*"We value everyone at Mowi and we recognise the sacrifices that were made and the challenges that were overcome during the Covid-19 pandemic. We have a strong One Mowi culture and whilst we wanted to use Health & Safety Week to remind staff of our policies in terms of Safety First in the workplace, we also wanted to ensure that we were providing support to help colleagues with their mental well-being."*

Jan Magne Berglund, HSE Coordinator,  
Mowi Norway Farming

During the week advice was shared around healthy eating, coping with stress, and the importance of maintaining overall good mental health. Mowi also commissioned experts who produced videos with advice on how to optimise working from home.

## CONTINUED STRONG TRACK RECORD ON LOST TIME INJURIES (LTIS)

Of course, the proof of a strong culture in health and safety is our day-to-day performance and track record on LTIs. Our operations in Mowi Poland are among the largest in the company with more than 3 800 of staff employed in processing. Following a drive on learning, the number of workplace incidents across all Mowi Poland sites decreased by 55% in 2020.

*"The specific nature of salmon processing work means that the most common incidents related to such work include slips and trips, as well as cuts and impact injuries. We know that it is impossible to eliminate certain circumstances and factors, such as slippery and greasy floors and the need to use knives. Thus, the causes of incidents have remained largely the same, although their number has dropped significantly thanks to reported safety observations, detailed incident analysis and immediate preventive actions."*

Anna Białek-Załupka, Health and Safety Manager  
at Mowi Poland

Fast forward to 2021, and the hard work and education continues to pay off with Mowi Poland achieving another LTIs decline by as much as 40%.

Other Business Units have also achieved significant milestones in terms of LTIs with Rosyth in Scotland achieving 400 days with no LTIs, Canada West achieving 700 days with no LTIs, and Ostend in Belgium achieving one year without LTIs.

## LEARNING FROM PAST EVENTS

Learning from LTIs and near misses is an important part of Mowi's drive to improving health and safety performance. For the past year Stephen O'Neill, Head of Health and Safety for Farming Scotland and CPMUK, has chaired the Global Monthly Health and Safety Meeting, where our safety professionals from Europe, Asia and North and South America come together to discuss incident learnings. Stephen states 'This collaborative forum has fostered a shared belief of cooperation to strive to protect all our global staff'.

## HARNESSING TECHNOLOGY TO IMPROVE HEALTH AND SAFETY

On the farming side of the business many roles in aquaculture require heavy lifting and inevitably this can lead to injuries such as back pain. In Canada West, staff were involved in a technical trial with BodySafe. The trial saw members of staff wear sensors as they went about their daily tasks. The sensors were able to record staff movements and the data compiled from this study will inform our knowledge on how we can carry out our work and put less stress on our bodies.

Mowi will continue to look to our own staff and to continual developments in technology and automation to make our workplaces as safe as they can be.





## The Group management team



### Ivan Vindheim

(1971)

Chief Executive Officer

Mr. Vindheim was appointed CEO in 2019. Prior to this he held the position as CFO.

Number of shares held at year end: 7 557

Number of options allotted at year end: 552 384

Mr. Vindheim has experience from various executive positions in seafood and other industries. He was CFO of Mowi for seven years before taking on the position of CEO.

Mr. Vindheim holds an MSc in Business and an MBA from the Norwegian School of Economics. He is also a State Authorized Public Accountant and Certified European Financial Analyst.



### Kristian Ellingsen

(1980)

Chief Financial Officer

Mr. Ellingsen was appointed CFO in 2019. Prior to this he held the position of Group Accounting Director.

Number of shares held at year end: 897

Number of options allotted at year end: 157 505

Mr. Ellingsen has experience from various positions within the finance area:

- *Group Accounting Director at Mowi, 2015–2019*
- *Director within auditing and advisory services at PwC, 2006–2015*

Mr. Ellingsen holds an MSc in Business from the Norwegian School of Economics and a BSc in informatics from the University of Bergen. He is also a State Authorized Public Accountant and a Certified Information Systems Auditor.



### Catarina Martins

(1977)

Chief Technology Officer and Chief Sustainability Officer

Ms. Martins was appointed Chief Sustainability Officer in 2019. As of 2020 Ms. Martins also holds the position as Chief Technology Officer with responsibility for Mowi's Global R&D Department.

Number of shares held at year end: 2 342

Number of options allotted at year end: 77 238

Ms. Martins has both a scientific and business background in the area of sustainability:

- *Group Manager Environment and Sustainability, Mowi ASA, 2013–2019*
- *Invited senior researcher and lecturer at the University of Veterinary Medicine in Vienna, Austria, 2012–2013*
- *Project leader at the Centre for Marine Sciences (CCMAR), Portugal, 2011–2013*
- *Senior researcher at Wageningen University, The Netherlands, 2005–2011*

Ms. Martins has a PhD in Aquaculture from Wageningen University (The Netherlands), an MBA in global seafood from the Norwegian School of Economics (Norway), and an MSc in Marine Biology from the University of Lisbon (Portugal). Additionally Ms. Martins has supplementary education on Corporate Sustainability from Harvard University (USA).





### Øyvind Oaland

(1970)

Chief Operating Officer  
Farming Norway

Mr. Oaland was appointed COO Farming Norway in 2020. Prior to this he held the position as Mowi's Chief Technology Officer/ Head of Global R&D.

Number of shares held at year end: 5 285

Number of options allotted at year end: 211 751

Mr. Oaland has held various positions within fish health, food safety and quality within Mowi and also holds various board positions in the industry:

- > Board Member of The Norwegian Seafood Federation, since 2021
- > Board Member of the Norwegian Seafood Research Fund (FHF), since 2019
- > Member of the board of Directors at the Aquaculture Stewardship Council (ASC), since 2019
- > Chief Technology Officer at Mowi ASA, 2008–2020
- > Vice President Food Safety & Quality at Mowi ASA, 2005–2008
- > Fish Health and Quality Manager at Mowi Norway 2002–2005
- > Fish Health Manager at Mowi Norway, 2000–2002

Mr. Oaland is an authorised veterinarian from the Norwegian School of Veterinary Science.



### Ben Hadfield

(1976)

Chief Operating Officer  
Farming Scotland, Ireland  
and the Faroes

Mr. Hadfield holds the position as COO Farming Scotland, Ireland and the Faroes.

Number of shares held at year end: 7 767

Number of options allotted at year end: 374 490

Mr. Hadfield has considerable experience within farming:

- > Board Member of the Scottish Salmon Producers Organization, since 2016
- > Board Member of the Sustainable Aquaculture Innovation Centre, since 2016
- > Managing Director of Mowi Scotland, 2016 – December 2019.
- > COO of Mowi's Fish Feed Business Area, 2013 –December 2019.
- > Technical Chair of the Scottish Salmon Producers' organisation, 2012–2013
- > Production Manager at Mowi Scotland, 2007–2013
- > Technical & HSEQ Manager at Mowi Scotland, 2004–2007
- > Environmental Manager at Mowi Scotland, 2000–2004

Mr. Hadfield holds a BSc in Environmental Geoscience from the University of Sheffield and an MSc in Pollution Control and Environmental Management from the University of Manchester.



### Fernando Villarroel

(1974)

Chief Operating Officer  
Farming Americas

Mr Villarroel has served as COO Farming Americas since 2020, prior to that Mr. Villarroel was the Managing Director for Mowi Chile.

Number of shares held at year end: 309

Number of options allotted at year end: 234 757

Mr Villarroel has extensive experience in salmon farming and finances in Chile, Canada, Scotland and Norway:

- > Managing Director of Mowi Chile, 2017-2020
- > Managing Director of Cermaq Canada, 2007–2017
- > Farming Business Controller Cermaq Group, 2005–2007
- > CFO Mainstream Scotland 2004
- > Different financial roles in Mainstream Chile from 1998 to 2003

He is a Financial Auditor with a MSc from the Universidad Austral de Chile.



### Ola Brattvoll

(1968)

Chief Operating Officer  
Sales & Marketing

Mr. Brattvoll has served as the COO of Mowi's Sales & Marketing Business Area since 2010.

Number of shares held at year end: 10 128  
Number of options allotted at year end: 374 490

Mr. Brattvoll has comprehensive experience within sales and marketing:

- › Vice President at Hallvard Lerøy AS, 2010
- › Market Director at Hallvard Lerøy AS, 2008–2010
- › Market Director Japan at Hallvard Lerøy AS, 2006–2008
- › Head of the Norwegian Seafood Export Council's Tokyo office, 2002–2006
- › Market Manager at the Norwegian Seafood Export Council's head office, 1995–2002

Mr. Brattvoll holds a degree in fisheries from the Norwegian College of Fishery Science, University of Tromsø.



### Atle Kvist

(1963)

Chief Operating Officer Feed

Since 2020 Mr. Kvist has served as COO for Mowi Feed. Prior to this he held the position as Managing Director for Mowi Feed.

Number of shares held at year end: 440  
Number of options allotted at year end: 183 897

Mr. Kvist has experience from various executive positions and is an experienced feed executive:

- › Managing Director Mowi Feed, 2019
- › Project Manager Cermaq Norway AS, setting up a greenfield salmon processing plant in Nordland, 2015–2019
- › Managing Director EWOS Norway AS, 2010–2015
- › Production Director EWOS Norway AS, 2008–2010
- › Production Director Hansa Borg Breweries AS, 2000–2007
- › Managing Director Stord International AS / Atlas-Stord Norway AS, 1996–1999

Mr. Kvist holds a degree from South Dakota School of Mines & Technology.



### Anne Lorgen Riise

(1971)

Chief Human Resource  
Officer

Ms. Riise has served as the Chief Human Resource Officer since 2012.

Number of shares held at year end: 1 255  
Number of options allotted at year end: 105 092

Ms. Riise has experience from various positions within law and human resources:

- › VP HR Europe and General Counsel for Ceragon (Nera) Networks, 2007–2012
- › Lawyer at the lawfirm of Alfheim & Hansen, 2004–2007
- › Advisor at the Norwegian Ministry of Foreign Affairs, 2000–2002

Ms. Riise holds a master's degree in law (LLM) from the University of Bergen and Oxford Brookes University.



A Blue Revolution can only happen if we are all willing to accelerate our learnings and embrace change. Mowi's Research and Development teams are leading the change throughout our entire value chain.

## RESEARCH & DEVELOPMENT

# Embracing the revolution

### SMART FARMING

In 2021, we have continued to develop and validate important building blocks of our Smart Farming concepts, such as continuous weight measurement, automatic sealice counting, autonomous feeding and real-time net surveillance at our seawater operations, and real-time water-quality measurements at our Recirculating Aquaculture Systems.

### STRONG FOCUS ON IMPROVED SEALICE CONTROL

Testing, validation and implementation of the most promising lice prevention concepts, together with development and testing of novel and optimised treatment methods, lead to improved lice control in 2021.

### A DATA-DRIVEN FUTURE

We completed a pilot project to harvest more insights and intelligence from our data throughout our integrated value chain, focusing initially on our farming operations in Norway. Establishment of MOWInsight - one common, modern, cloud-based, and integrated data platform for the whole company - to facilitate the adoption of data science and advanced analytics with artificial intelligence / machine learning capabilities.

### WORLD CLASS GENETICS TUNED TO OPERATIONAL NEEDS

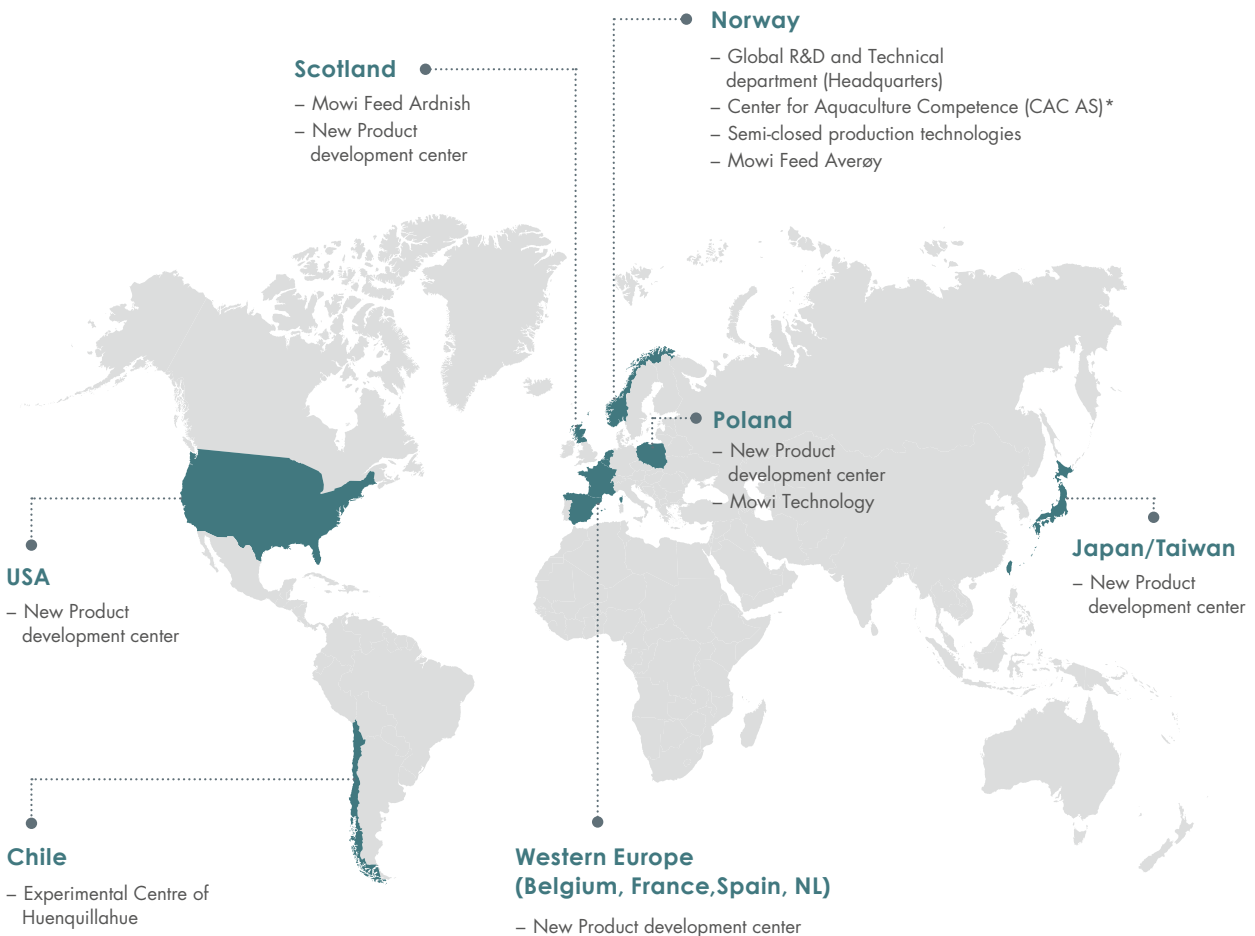
New global genetics database and analytics platform has been established that is fully integrated with Mowi's cloud based Information Technology solution.



## RESEARCH & DEVELOPMENT

Ambitions	Main focus within R&D and Technical
Optimise farming technologies	Develop and test new technologies that lead to more cost-effective farming
Increase survival in sea	Monitor diseases and loss factors. Identify risk-factors and develop best practices for prevention and mitigation
Control sea lice mainly by non-medicinal means	Develop non-medicinal methods and approaches for sea lice control
Eliminate limits on sustainable growth caused by the feed ingredients situation	Identify and implement safe and sustainable alternative feed ingredients
Maintain premium product quality and further reduce downgrading	Develop improved technological solutions for optimised processing, packaging and storage of our products
Maintain salmon's reputation, and further improve customer satisfaction	Secure and maintain good listeria control. Continue to ensure control of environmental contaminants in fish feed and end product

### Our R&D and Innovation facilities



\*) co-ownership with Skretting and AKVA group

## Creating value through R&D and Technical support

### Global Technical Teams (GTTs) which:

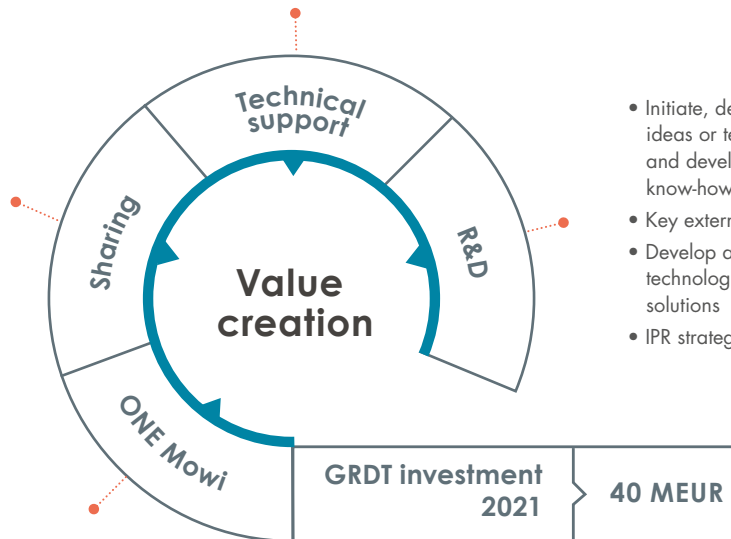
- Ensure competency and knowledge exchange across Business Units (BUs)
- Represent BUs in setting priorities/defining R&D needs
- Ensure implementation and communication of competence and results into the BUs

### Global policies and operational procedures:

- Ensure a one-company approach
- Approved by the Group Management Team

- Create operational insights from data analytics
- Support KPI monitoring and goal congruence
- Develop and improve best practices
- Provide expert technical and biological know-how
- Incident support

- Initiate, develop and validate ideas or technology that secure and develop our internal know-how
- Key external research projects
- Develop and test new technological and biological solutions
- IPR strategy and management



*"Innovation and excellency in technical support continues to be core to Mowi's competitiveness advantage. Our journey towards Mowi 4.0 is up and running with significant milestones*

*achieved in 2021, namely the establishment of MOWInsight and the validation of real-time sensors for water quality at our Recirculating Aquaculture Systems, underwater cameras combined with machine learning applications at our seawater farms and camera technology for real-time monitoring of product quality at our processing plants."*

Catarina Martins, Chief Sustainability and Technology Officer

At Mowi, we believe that producing more food from the ocean is an integral part of dealing with major challenges faced by humanity such as food security and climate change. Salmon is farmed with a low carbon footprint, space for farming in the ocean is plentiful, and as far as animal protein goes - it's about as healthy as it gets. By producing food at a sustainable scale, we have every opportunity to position the aquaculture industry in the driver seat to tackle global challenges - this is at the very core of our vision of Leading the Blue Revolution.

The period of 2021-2030 has been proclaimed by the UN as the Decade of Ocean Science for Sustainable Development. Our innovation efforts at Mowi focus on a productive ocean supporting sustainable food supply and a sustainable ocean economy.

At Mowi, we do not simply farm and produce raw materials or a commodity, we produce healthy food in the most sustainable way and we use our unique value chain to expedite progress and change through implementation of new technologies at a high pace. Investments in new knowledge and research remains high, and emerging new technologies are continuously being developed, tested and adapted into the Mowi value chain.

## How we innovate

At Mowi, we innovate mainly to enable increased and improved production of sustainable, healthy and safe seafood. To fulfil our vision of Leading the Blue Revolution we aim to be industry leaders on R&D and technical innovation in each step of the value chain. This requires sustained financial commitment, a multitude of competencies and scientific expertise in several fields.

Since Mowi is a fully integrated food producer with our own breeding program and feed production as well as farming, processing and sales operations, our strategic key focus areas are multidisciplinary and set the foundation for innovation within all Mowi business units.

Mowi has developed world-leading R&D and technical capacities within Mowi Genetics and Mowi Feed. Our R&D efforts in these core parts of the value chain play an essential role in keeping Mowi at the forefront of the Blue Revolution. Carefully selecting the genetic properties of our salmon through cutting-edge methodologies like genomic selection, along with comprehensive nutritional and functional tailoring of our feeds, provides Mowi opportunities unlike other marine food producers.

Mowi has the single largest dedicated research and technical unit in the salmon aquaculture industry. Our Global R&D and Technical Department, consisting of 16 technical experts in the areas of marine biology, fish health, technology, data science, engineering, economy, nutrition and veterinary medicine, holds the main responsibility for planning, coordinating and leading global R&D efforts in Mowi. The department - working collaboratively with operational staff at all levels of the value chain - helps Mowi to achieve goals related to sustainable commercial growth, operational performance and company reputation within the fields of fish health and welfare, feed and fish performance, food safety and product quality, environment and sustainability, and farming and processing technology.

R&D expenditure in Mowi totalled EUR 39.6 million in 2021, compared with EUR 36.4 million in 2020. In addition, an annual fee of 0.3% of Mowi Norway's export value is paid to the Norwegian Seafood Research Fund (FHF).

## A value chain perspective

Supplying around one-fifth of the world's farm-raised salmon, Mowi's global value chain maintains internal control of our own genetics, feed, farming operations, harvesting, processing, by-products utilisation and logistics. This provides opportunities that are difficult to match. With full internal transparency in the breeding program, feed raw materials and recipes, farming conditions in fresh and seawater, as well as harvesting and processing methods, implementing change can be done more effectively since impacts and results can be traced throughout the value chain. This gives Mowi an edge - and lets us innovate at a higher pace and with better precision.

Mowi's embrace of new digital technologies is a core R&D tool going forward to support the realisation of Smart Farming. Today, we can easily track any large advances through the value chain,

however to follow minute and step-wise progress is challenging even with control of each step in the value-chain. This relates to a general lack of standardisation and high quality data of sufficient resolution. In 2021, Mowi has continued with development and implementation projects to leverage machine learning techniques to gain new insights especially in our genetics department, in our freshwater and seawater production and in our processing operations.

## DATA-DRIVEN DECISION-MAKING



*"By using data, we are able to support and augment our decision-making to deliver business value. Future decisions will increasingly be automated for better consistency and more optimised outcomes, for example in the areas of feeding and supply chain planning. This is how we deliver on our digital strategy, Mowi 4.0."*

Jørn Berg, Group IT director

The Blue Revolution is also a digital revolution. Digitalisation is high on the agenda for Mowi. Information Technology is an important driver of productivity improvements in a number of different ways.

The ongoing implementation of Smart Farming technologies in Mowi Farming is expected to have a positive impact not only on productivity and costs, but also on fish welfare and sustainability. Farming Norway leads the way within "Mowi 4.0 Smart Farming" and by 2025 expects to have completed the roll-out of Smart Farming technologies. By means of advanced imaging technology and intelligent sensors, Mowi will perform real-time monitoring of biomass, digital lice counting, autonomous feeding and tracking of fish welfare. Remote operation centres will leverage these technological advances. A wealth of data combined with machine learning and artificial intelligence will enable Mowi to grow fish much more efficiently than today, and in an even more sustainable way. By constantly tracking fish behaviour and fish health, Mowi can be proactive instead of reactive when it comes to acting on biological issues. The organisation strongly believes Industry 4.0 technologies will offer much clearer scale advantages in the seawater phase than what is seen today.

Industry 4.0 technologies are being applied in a variety of additional ways to automate and streamline our operations, for example through scanning of filets for automatic quality grading or adoption of advanced supply chain planning algorithms to balance supply of salmon and market demand. The effort to implement of blockchain technology and improved traceability tools continues for strategic customers. All these projects and initiatives demonstrate how Mowi is taking advantage of new Information Technology to deliver business value.

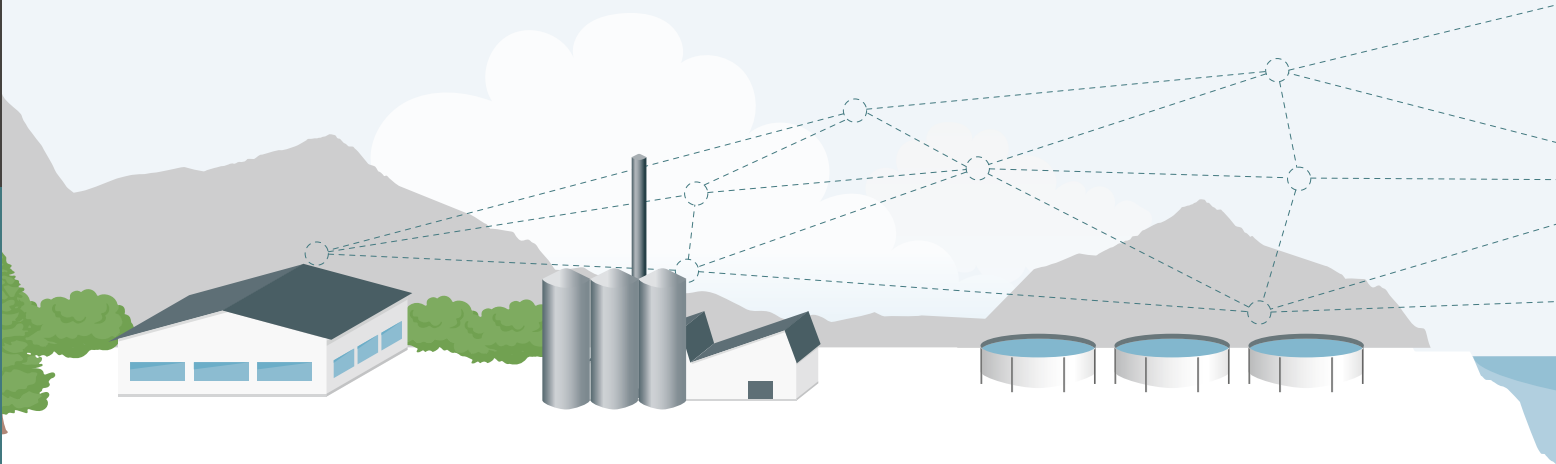


In 2021, we have completed a pilot project to harvest more insights and intelligence from our data throughout our integrated value chain, focusing initially on our farming operations in Norway. Data is now connected from various applications, sensors and other sources throughout the life cycle of the salmon – from egg to harvest and primary processing – allowing us to analyse the effects of certain variables on key outcomes such as fish health, growth, colour, etc. We continue to pool data from all of our operations into a state-of-the-art data cloud which will be a data science and analytics platform with artificial intelligence / machine learning capabilities that will help Mowi become more data-driven and make better, fact-based decisions in our operations.

As part of the “cloud first” strategy Mowi continues the efforts to move the whole company to one single, modern, cloud-based ERP platform, which will give transparency, control, and provide valuable data throughout the complete value chain in one single system. This will help reduce complexity and facilitate internal cooperation while also providing the business with the most current tools to operate efficiently and in a standardised way across the supply chain and finance areas.



# Innovation throughout the value chain



## Breeding & genetics

### Genomic selection, traceability and benchmarking

- optimising genomic selection
- use of high resolution phenotypes
- full traceability and benchmarking genetic progress with production data

### Nutrition and genetic interaction

- relationship between nutrition, genetics, product quality and performance

### Best genetics for enhanced fish robustness and product quality

- tackling fish diseases and lice challenges with improved genetics
- product quality characteristics included in breeding goals



## Feed production

### Maintain raw material flexibility

- developing the raw-material basket and ensuring availability of cost effective, safe and sustainable raw materials

### Ensure optimal nutrient composition

- improving our understanding of the nutrient requirements of Mowi salmon

### Diets enhancing fish robustness and product quality

- developing functional ingredients and better meeting the nutritional needs of Mowi salmon
- feed development to fine-tune product quality attributes



## Freshwater / smolt production

### Constructing state of the art RAS facilities

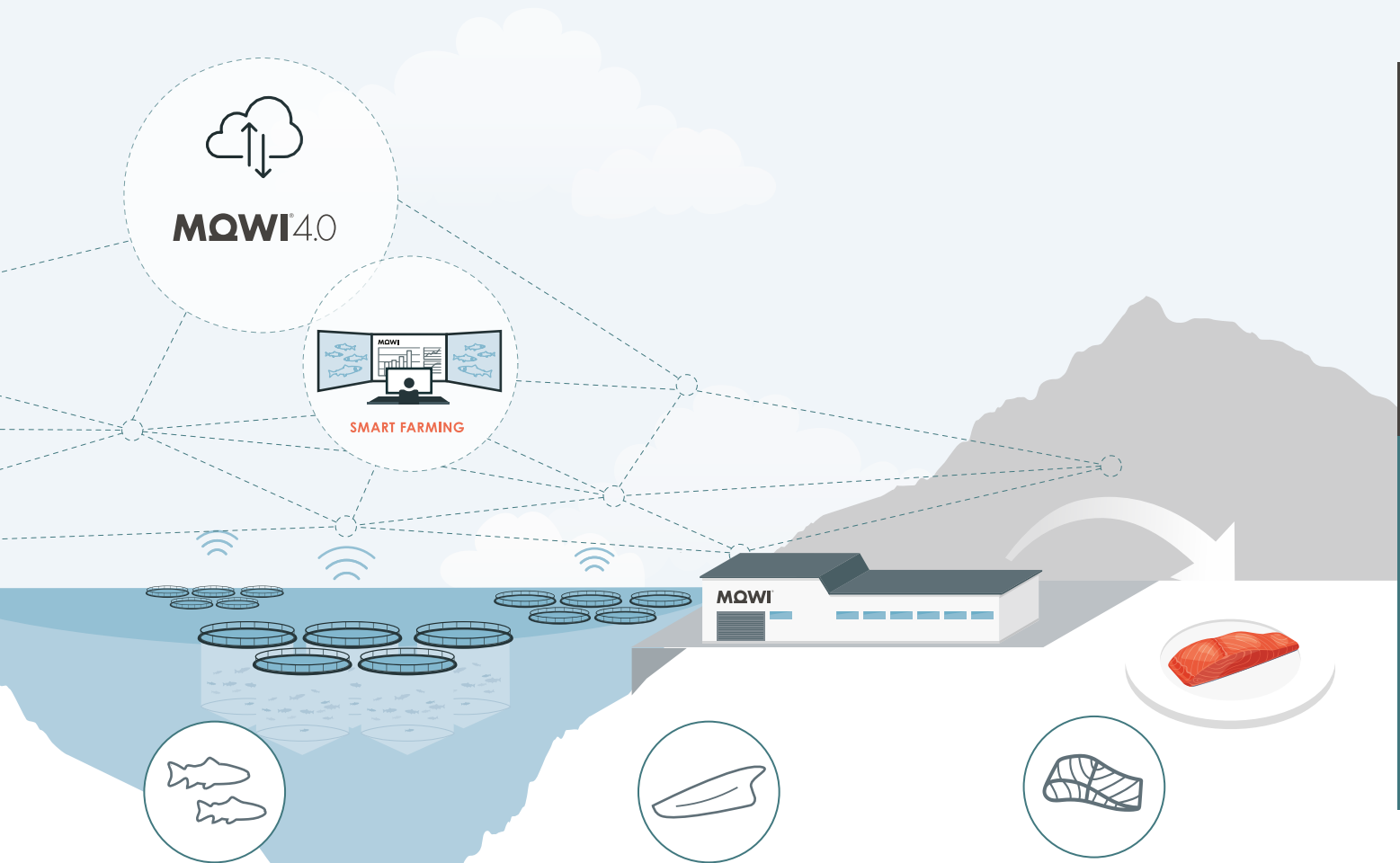
- development of bespoke Mowi optimal design for RAS systems including real-time monitoring of water quality

### Exploring new smolt production technology platforms

- alternative production systems for post smolt production

### Optimise smolt production

- evaluating production methods for best performance, robustness and welfare



### Seawater production / on growing

#### Further reduce medicine use

- new and better vaccines
- optimised practices and biosecurity

#### Improve solutions for lice control (prevention and treatment)

- optimising current tools
- developing novel solutions, including passive control methods Improve net-pen technology
- machine learning tools for automatic sea lice counting, biomass monitoring and autonomous feeding
- effective anti-fouling and net strategies

#### Remote Operation Centres

- developing remote farming operations centres with centralised feeding and remote expert solutions
- realising the Most Automated Farm concepts seeking simplification, automation and optimisation in daily operations

### Processing

#### Ensure premium product quality

- optimising production related factors impacting negatively on product quality
- exploring new or improved production, harvesting and processing methods

#### Maintain listeria control

- seeking better practices, solutions and tools to ensure a safe product

#### Processing automation

- on-line scanners for product quality and automatic grading

### Product

#### Sustainable packaging

- implementing the 4Rs packaging principles (Reduce, Reuse, Recycle and Replace)

#### Develop new products

- creating more diversified products that are healthy, sustainable, tasty and convenient

## Progress in Breeding and Genetics



*"2021 saw genetic progress for important traits in all of our global breeding programs, moving our populations of farm-raised salmon towards better productivity and sustainability through better*

*exploitation of their natural biological potential. Significant results from genetic benchmarking trials were achieved, state-of-the-art genomic tools developed and implemented globally, and a new analytical platform was launched that will improve traceability and the links between our genetic and production data."*

Matt Baranski, Group Genetics Manager

### GLOBAL SERVICE PROVISION, GENETIC PROGRESS AND BENCHMARKING

In 2021, the Mowi Genetics team continued to serve Mowi's global breeding programs with operational genetic evaluations, broodstock selection and mating decisions. Through innovative

approaches and application of state-of-the-art tools, we saw record levels of improvement for key traits related to productivity and robustness in several breeding programs. Novel approaches to further increase genetic gain were implemented, including individual selection of female production broodstock in Norway with a marker linked to CMS resistance. Excellent results emerged from Chile from the implementation of a genetic marker developed in Norway for infectious pancreatic necrosis (IPN) resistance, with Mowi Chile now seeing much lower IPN mortality in fish groups containing the resistant variant after two years of selection. New benchmarking strategies were developed to ensure Mowi stays at the forefront of selective breeding for Atlantic salmon, and analyses of genetic trends and high and low selected offspring groups confirmed considerable genetic progress for several high priority traits including growth, CMS resistance and sea lice resistance.

### NOVEL GENOMIC TOOLS AND GLOBAL IMPLEMENTATION

2021 saw the debut of SALMOW1, the first high resolution genotyping resource containing over 60,000 DNA markers completely tailored to our European Mowi strains. The genetics team used their experience with the development of this tool to good effect in Canada, where a close collaboration with the USDA, Huntsman Marine Science Center and the Mowi Canada East team led to the development of an equivalent genotyping resource tailored to the local breeding strain in this region. This milestone now means that all breeding programs now have tailored genomic resources



for implementation of marker-assisted and genomic selection and discovery of important genetic variants, maximising the accuracy of our breeding values and broodstock selection.

## BREEDING FOR SEA LICE RESISTANCE

Breeding for sea lice resistance gained further momentum with great results achieved in 2021. Not only was selection for improved resistance simultaneously implemented in our breeding programs in Norway, Canada, Ireland and Chile, but a further milestone was achieved in Norway where for the first time, a second generation of selection was carried out for this crucial trait. As genetic progress is cumulative, we expect to see greater and greater impact of such multi-generation selection for improved biological resistance to sea lice infection in our farming populations going forward. Two other records were broken in 2021, with our highest heritability for lice resistance recorded to date and the best benchmarking result achieved to date, where it was observed that genetic groups selected for high lice resistance had less lice than those selected for low resistance. Combined with ongoing projects investigating the use of advanced genomic tools as a shortcut to lice resistance, these results lay a strong foundation for a long term sustainable solution to the challenge of sea lice that can be combined in the most optimal way with the range of other mitigation and treatment measures being developed and implemented by Mowi.

## STRONG R&D FOCUS

R&D continues to be strong focus within the area of breeding and genetics, and in 2021 we added to our strong portfolio of innovative R&D projects and collaborations with world leading universities, research institutes and innovative technical partners. Notable collaborative research findings in 2021 include the validation of a novel method for measuring feed efficiency that could lead to effective implementation of direct selection for improved FCR in our breeding goal, and an understanding of important interactions between feed components and natural genetic variation for growth and pigment traits. Internal R&D efforts exploited the full integration of our breeding program with our farming units through sampling and DNA analysis of a number of disease outbreak events, where using CMS as an example, we were able to confirm a strong association between genetic marker linked to an important resistance gene and field survival. Trials were completed that delivered a greater understanding of the genetics of early sexual maturation, with this knowledge being transferred to a new trial aimed at validating a new production regime for broodstock that will reduce the generation interval and dramatically increase the rate of genetic progress in the breeding population in Norway.

## ADVANCED ANALYTICS AND HIGH RESOLUTION PHENOTYPES

Advanced analytics, use of high resolution data and integration of genetics and production data was a key focus area in 2021, and Mowi Genetics launched a new, highly scalable cloud based analytics platform that will lead to a step change in the ability of the team to perform robust and standardised analyses for all breeding units going forward. This platform is fully integrated with the new data platforms being developed through the Mowi 4.0 initiative, and will enable a seamless link between genetic data and production data from our farming operations.

## Progress in Mowi Feed



*“Mowi Feed’s dedicated team of technicians, researchers and product developers makes a massive contribution to the success of Mowi Feed. The integration of Feed, Farming and Markets enables us to innovate and implement at a very high rate assuring that the feed we make delivers more of what the consumer wants in the shortest possible time.”*

Dr. Paul Morris, Feed Formulations Director

In terms of R&D in Mowi Fish Feed, our objective is to better understand the nutrient requirements of salmon and to better exploit the true value of sustainably sourced raw materials. Although the themes interlink, in broad terms, our research is focused on four areas which are: nutrient requirements; raw material optimisation and utilisation; fish health, welfare and quality; and feed technology.

## FUNDAMENTAL NUTRIENT REQUIREMENTS

Mowi Feed carried out projects to refine our nutrient requirement assumptions at all the stages of salmon production between parr and broodstock. This year, mineral nutrition was a key focus for freshwater feeds and we successfully launched our organic freshwater products for salmon. 2021 saw the continuation of our research on the impact of protein: energy relationships in post-smolt feeds on the response of the salmon to dietary nutrient density in the second half of the seawater production cycle. Simultaneously, for salmon in the 2nd half of seawater rearing, we sought to strengthen our understanding of protein requirements as a driver for performance, carcass yields and flesh quality.

## RAW MATERIAL OPTIMISATION

Our long-term objective is to achieve independence from / non-reliance upon specific raw material sources be they of marine origin or those derived from commodities including wheat, soya, maize, peas or beans etc. This will secure our cost competitiveness and flexibility in the face of fluctuations in commodity markets.





Fishmeal (FM) and fish oil (FO) contain a number of nutrients that are not unique to these ingredients but, their relative abundance and accessibility in FM and FO contribute to the performance consistency achieved by fishmeal and oil-containing feeds. Consequently, a large proportion of our raw material research focused on sourcing and optimisation of non-marine sources of these valuable nutrients. Our focus for non-marine vegetable sources was on the impact of the production method of the raw material itself (dehulling and drying) on utility in grower feeds for a number of European vegetable protein sources. Based on findings from our digestibility testing programme, we have established that some feed materials are more strongly impacted by low water temperatures than others. We used this knowledge to refine our seasonally-adaptive raw material nutrient values and to further develop our winter-focused feed offering.

With regard to emerging (novel) feed materials, we carried out a number of projects to update our nutrient and commercial value assumptions for these materials. Additionally, Mowi Feed is a participant in the EU-funded Next Generation Proteins (NGP) project which, in addition to our in-house work, has given us further understanding of the commercial value of proteins algal, insect and bacterial proteins. 2021 saw the production of approximately 3 500 tonnes of feed containing algal oil as a source of LC n-3 PUFA (omega-3). You can read more in our policy on emerging feed raw materials.



## FISH HEALTH, WELFARE AND QUALITY

Promoting fish resilience through the feed is key to Mowi Feed's overall strategy. To this end, we carried out a number of projects in which we used functional ingredients as non-medicinal tools to support salmon exposed to conditions likely to damage skin and gills. Additionally, we continued our search for solutions that support good health with a view to maximising nutrient retention from a broader scope of feed materials.

Pigmentation was a significant focus for Mowi Feed this year and we conducted a number of projects that brought greater understanding of the relationships between pigmentation and: dietary fat content (polyunsaturated fat content, phospholipid type / origin); micronutrients affecting lipid metabolism; nutritional antioxidants e.g. vitamins and carotenoids; and feed preservation using a variety of antioxidants. Mowi's field trials stations have also hosted feeding and nutrition studies as part of the EU-sponsored AqualMPACT project in which the interaction between breeding / selection and feed composition is studied and how they can be used as tools to steer the quality of farmed fish including Atlantic salmon.

## FEED TECHNOLOGY

The emphasis at both Kyleakin and Valsneset were to better understand the sweet spot for the matrix that is: formulation cost / raw material flexibility / throughput and capacity / product consistency and robustness. This work has allowed us to widen the process window i.e. to widen the number and scale of the variables to which we can be exposed without negative impact on the feed's physical properties. 2021 was also a year in which we paid particular attention to maximising feed freshness through better handling and management of our feed materials and optimisation of finished product preservation and distribution.

## Innovation in Farming

In 2021, our Global R&D and Technical department, along with different Farming divisions and their technical experts, have worked hard to close important knowledge gaps in both freshwater and seawater farming operations to improve performance of both fish and equipment.

### RECIRCULATING AQUACULTURE SYSTEMS (RAS)



*"In 2021, more than 50 % of our smolts were produced in Recirculating Aquaculture Systems (RAS). Operating 18 RAS across the world, Mowi continues to build internal knowledge to refine and optimise global best practices for design and operation in RAS for our smolt and post-smolt production."*

Trond Rosten, Group Manager Freshwater production

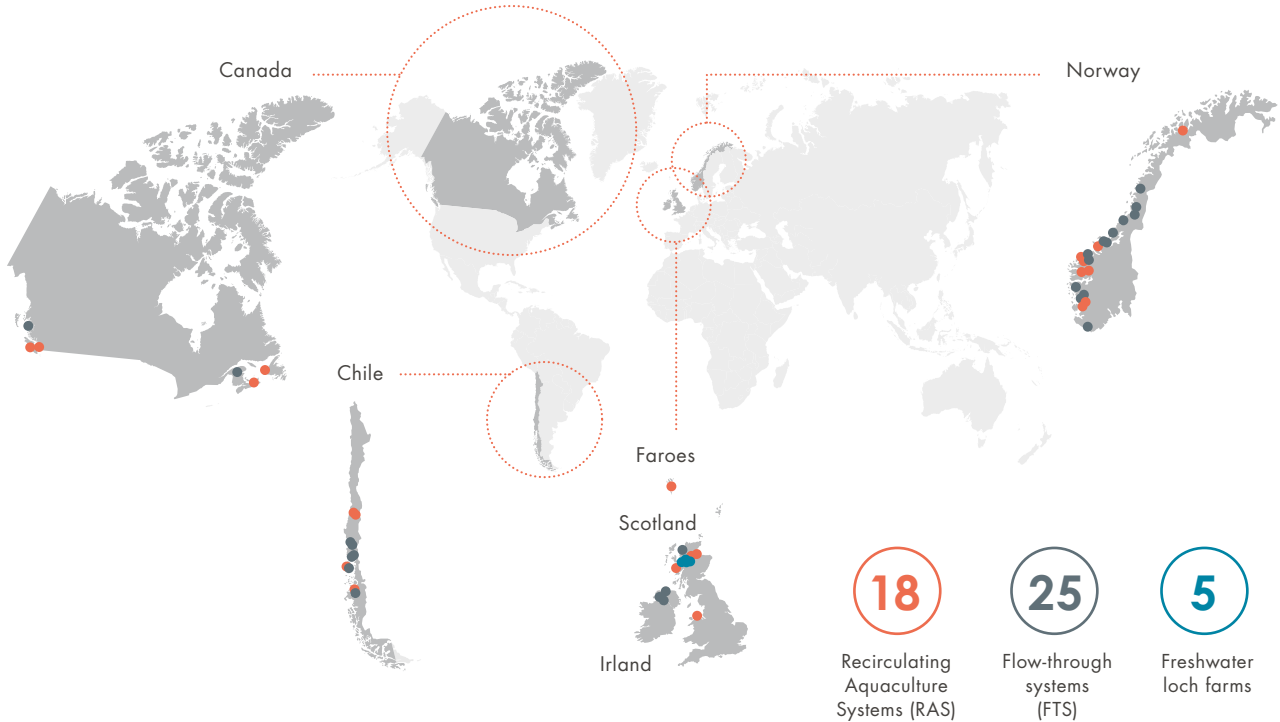
### DEVELOPING AND OPTIMISING FARMING PRACTICES IN FRESHWATER

Freshwater production plays an essential role to achieve healthy and resilient smolts and post-smolts which are ready to continue the production cycle in seawater. Mowi has experience with different types of technologies to produce smolts and post-smolts including flow-through systems, RAS and semi-closed containment systems.

In 2021, more than 50% of our smolts were produced with RAS technology, making Mowi the aquaculture company with the most extensive experience with this technology for the production of the early life stages of farm-raised salmon. In fact, all our business units (except Ireland) are using this technology with a total of 18 RAS used around the world. Farming Norway's expansion plan in freshwater production is planned to be realised mainly through the use of RAS technology. To support this plan our R&D and Technical teams focus on:



## Mowi's Global Freshwater Production



- technical support to upgrade production sites for smolts and post-smolts
- implementation of the ONE Mowi RAS global standard for design and operation of RAS systems
- undertaking risk-assessment when running large operations or using new equipment.
- preventing human error by focusing on training and implementation of results from innovations and learnings in RAS. In 2021, we have completed our global E-training program on operations of RAS systems. This training aims to reaffirm our internal standard for criteria used for design, build and operation of RAS technology.
- sharing main learning points after each incident with all site managers globally using global technical team
- validate and develop real-time monitoring of water quality including H2S

In addition to our work on RAS technology, Mowi's technical teams also benchmark and optimise production in flow-through systems and build knowledge from the 6 generations production in the S-CCS Neptune in Norway. Mowi is expanding the testing and validation of S-CCS systems both from a research and an operational angle. The analysis of experiences of six generations with post smolts in the rigid S-CCS Neptune tank have provided a platform allowing us now to expand testing with a new flexible S-CCS system in a comparative study in Norway. Both S-CCS system will be tested for relevant sustainability measures as sea lice, discharge of

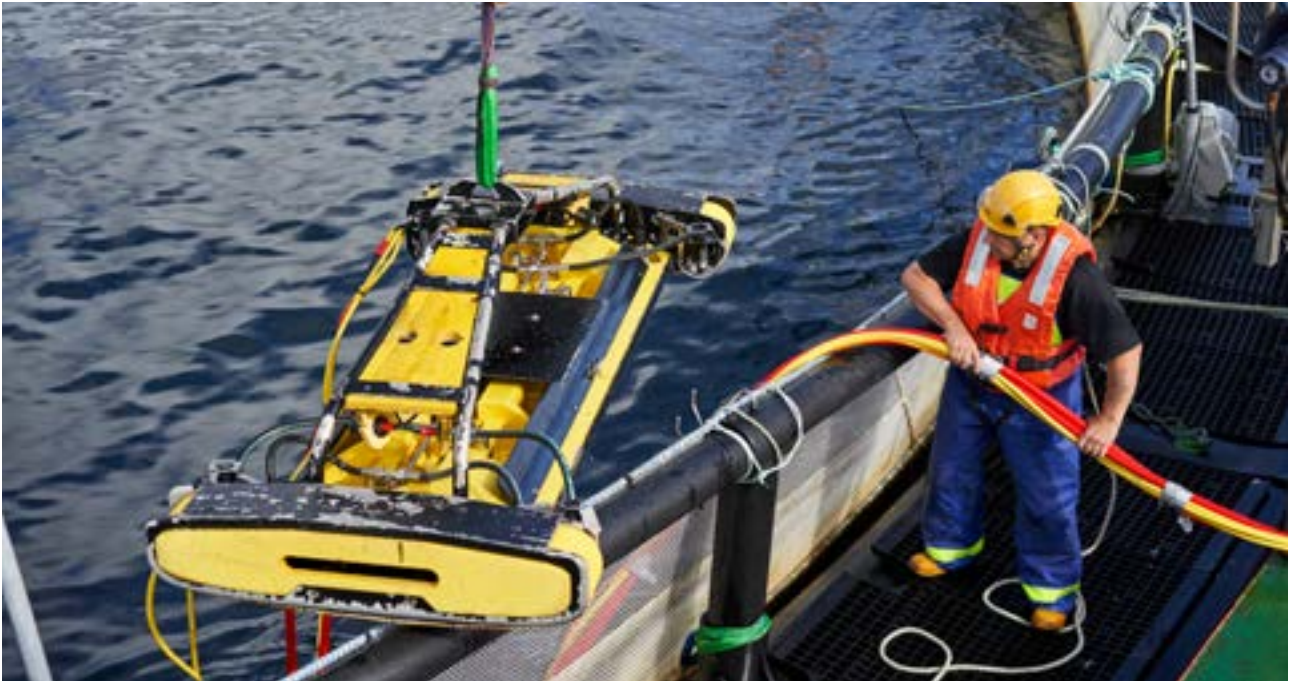
nutrients and biological performance. Mowi believe that S-CCS could be an alternative production platform for post-smolt, but the licensing conditions and price need to be competitive towards the other production platforms. As long as S-CCS can maintain sea lice numbers below treatment thresholds they should be considered as zero lice discharge. The recapture percentage of sludge from these systems needs to be realistic and based on common agreed upon models of calculation. The system selected for recapturing sludge must be calibrated to the needs of the actual recipient site. Predictive and consistent regulations on measures for sealice, fish density, sludge recapture and fish movement need to be in place to secure commercial implementation of S-CCS solutions.

### DEVELOPING AND OPTIMISING FARMING PRACTICES IN SEAWATER NET PENS



*"We need to ensure that we always use best-in-class equipment for all conditions, and that we continuously refine our operational procedures and support technologies according to new knowledge, improved analytical tools and rapid technological advancement. This is what Mowi has done for decades in the past – and will continue with relentlessly for decades to come."*

Henrik Trengereid, Group Manager Seawater Technology



## SAFEGUARDING BOTH OUR FISH AND EQUIPMENT

Mowi have long worked to move away from high-pressure cleaning of salmon nets in sea, as well as reducing our dependency on copper-based antifouling paints, to improve animal husbandry, reduce strain on our salmon nets and avoid copper emissions from salmon farms. In 2021 we took further steps toward this goal and have essentially stopped high-pressure cleaning of copper-coated nets in sea. Several years of testing and documentation work has allowed low-pressure cleaning to be implemented at scale, together with both new net- and antifouling products, resulting in reduced cleaning frequency at our farms. Less cleaning in sea will reduce damages to nets and thereby risk of escapes, and be of great benefit to the welfare of our fish. In 2021, we conducted an extensive review of our net & coating strategies to consolidate efforts on the best performing concepts, and from 2022 we are continuing to introduce copper-free antifouling products in our farming operations. Several R&D projects are also ongoing to document the effectiveness of gentler robotic cleaning methods to potentially replace in-situ cleaning altogether, as well as performing documentation studies of nets with in-situ biocides that can hopefully both reduce cleaning frequency and relieve the need for biocidal paints to a great extent.

Notwithstanding the anticipated benefit of gentler cleaning methods for our fish and equipment, several types of new and/or improved netting have also in 2021 been tested commercially in our farming entities, with tremendous scrutiny being placed on performance of the nets as they are evaluated for parameters related to physical handling, ability to retain strength over time and abrasion resistance. A strategic initiative was kicked off in 2020, with the main goal to research and define best practices for farming in more exposed locations, and initial emphasis has been placed on selecting the objectively best suited cage equipment (mooring system, pen and

net) for high-energy sites. Together with suppliers, significant effort has also been placed on developing more objective risk-based tools to select the best combination of pen equipment in all conditions, from shallow to deep - sheltered to exposed farm locations – and this work has already resulted in several optimisations regarding choice of pens, net material- and geometry for some of our more exposed farms. Work continues to ensure, with the utilisation of new knowledge and technology, that all our farms are fitted with best-in-class production equipment always tailored for the environment in which we operate, to further reduce the risk of escapes and safeguarding the welfare of salmon in or care.

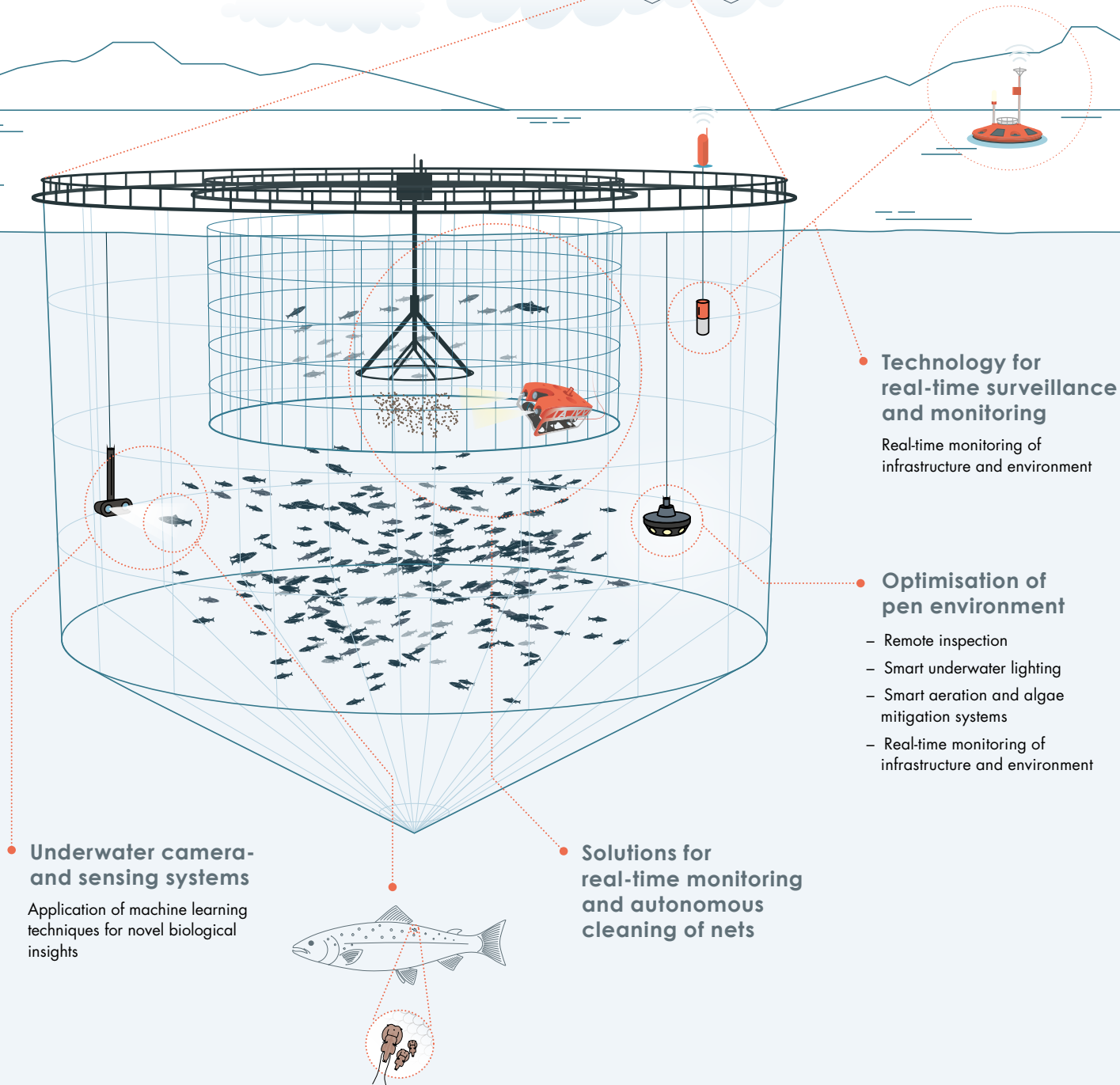
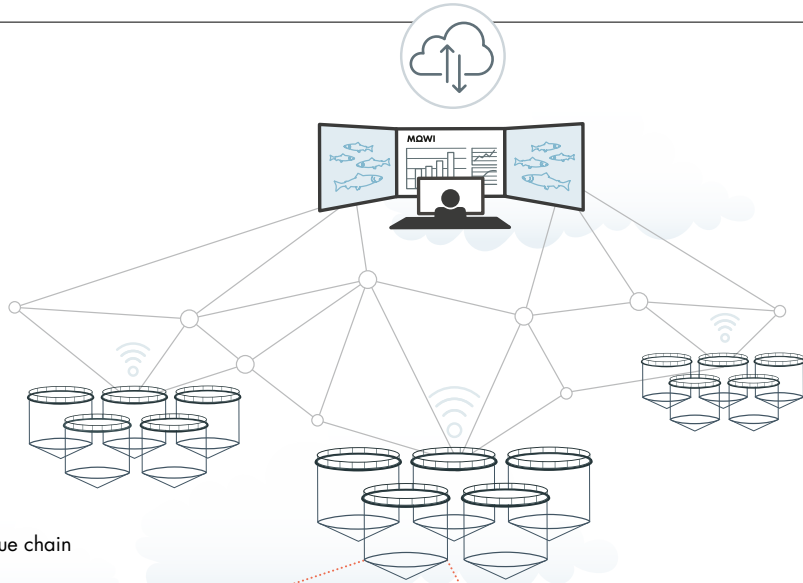
## SEA LICE MITIGATION AND MANAGEMENT

Successful management of sea lice (a natural parasite found on the skin of marine fish) commands a high focus in all our farming regions, not least because of limitations on growth in Norway and increasing production cost related to its management. As in 2020, control of *Lepeophtheirus salmonis* in our European operations was almost exclusively based on non-medicinal methods (see Planet section), while their application increased further in Canada, and for control of *Caligus rogercressyi* in Chile. Further improvements were attained to make our treatment systems even more gentle for our salmon.

Our extensive research on lice resulted in a broader roll-out of preventive tools across our Norwegian and Scottish operations in 2021 and the development of a unique concept, launched at international seminars and conferences, to apply such tools in a dynamic manner to further optimise lice prevention and growth performance (termed “Dynamic prevention”). Commercial validation of the snorkel/tubenet concept in 2021 identified conditions under which this concept can be successful. In addition, we tested several novel lice prevention concepts, including a new type of lice skirt in Chile, and will pursue those which demonstrated encouraging results.

### Mowi 4.0

- Validating building blocks of our smart farming concept
- Developing autonomous feeding and implementing remote operations
- Generating new biological data and connecting information through our value chain



● **Technology for real-time surveillance and monitoring**

Real-time monitoring of infrastructure and environment

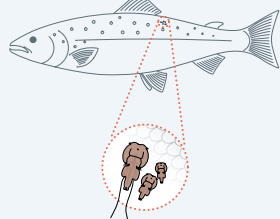
● **Optimisation of pen environment**

- Remote inspection
- Smart underwater lighting
- Smart aeration and algae mitigation systems
- Real-time monitoring of infrastructure and environment

● **Underwater camera- and sensing systems**

Application of machine learning techniques for novel biological insights

● **Solutions for real-time monitoring and autonomous cleaning of nets**







Numerous innovative projects on novel and passive treatment concepts/technologies were further developed in 2021, and several new and promising projects were initiated. One project in particular reached commercial field trialling and several others advanced to proof of concept testing. We continued our endeavours to discover new solutions and knowledge to tackle sea lice, working integrally with both scientific and commercial partners. In addition, we conducted large-scale documentation studies on the combination of different non-medicinal treatments, to develop additional treatment options in our Norwegian operations. New concepts for collecting lice that might fall off during operations where fish are crowded, removing them from the environment and reducing risk of re-infestation, were also trialled on several sites in 2021, with testing continuing in 2022.

Our research on farmed cleanerfish led to the implementation of solutions to further improve their performance and survival. We also initiated a programme to validate best practices for survival and optimal lice control, and the development of Operational Welfare Indicators for cleanerfish, which will be continued in 2022. Through our Breeding and Genetics division, we maintained our firm focus on genomic selection for lice resistance in the Mowi strain.

Our Global R&D and Technical Department, in collaboration with Mowi farming and scientific partners, will continue to research, develop, test and commercially validate new preventive and treatment concepts for lice mitigation.

## Innovation in Processing



*"Our Global Processing Excellence team, by exploring and utilising all benefits in processing and value chain, being vertically integrated and having a global presence, will support the implementation of*

*MOWI 4.0 in processing."*

Teis Knudsen  
Managing Director Global Processing Excellence

## SEA HARVEST CONCEPT - A SHIFT IN HARVEST TRANSPORT TECHNOLOGY

There are generally two methods for transporting salmon to a processing plant, alive in wellboats or slaughtered at the site and thereafter transported chilled to the processing plant (Sea Harvest). In 2021 the Sea Harvest method was recognised to reduce the bio-security risks compared to traditional wellboats by the Norwegian food safety authorities. The development of the concept has happened in close contact with R&D institutions, namely NOFIMA. The Food safety authorities and Mowi have, by introducing and refining the Sea Harvest method, set the industry standard for pathogen free transport.

In 2021, Mowi has increased the harvest volumes transported by Sea Harvest vessels. By slaughtering the fish by the farm site we are securing the best fish welfare, highest quality and lowest transport emissions. Transport stress is avoided completely and the transport tonnage is reduced with 50% as there is no need to transport water as for live fish transport.

Mowi Norway is now using four Sea Harvest vessels to supply the processing plants. Building on this experience we intend to increase the capacity of these vessels and on the long run substitute well boat transport with Sea Harvest vessels. Region South is fully based on this technology and a new processing plant in region Mid is planned for receiving fish only by this method. New and bigger Sea Harvest vessels are designed in 2021 making a significant capacity increase and reducing transport cost when they are realised.



*“The technology and design of the Sea Harvest vessels are constantly being developed for achieving optimal fish welfare and product quality when harvesting the salmon.”*

Kurt Oppedal  
Industry Director, Farming Norway

### GLOBAL PROCESSING EXCELLENCE TEAM

Innovative harvesting and fish transport concepts are accompanied by new developments also in the processing environment. We have been working to identify the potential to increase the rate of automation, improve production efficiency and expand our measurement of quality parameters.

### AUTOMATION AND DIGITALISATION

In 2021, we run several Automation projects mainly by implementing known technology from other branches.

Filleting has been a focus area in 2021 and at two processing plants we run projects where we combined process equipment in new ways, to increase yield, improve efficiency and improve quality. New possibilities in digitalisation and automatisations of data capture have also been explored as a strategy for cost reduction, internal benchmarking of our processing plants and better decision making.

In 2021, we tested different ways of online quality measures with encouraging results for further roll out.



# A clear vision for Mowi 4.0

We recognise the importance of big data and, as we continue to forge ahead with our Mowi 4.0 digital strategy, the benefits of having a large integrated value chain are only strengthened by our adoption of technology.

Being able to capture big data from all aspects of our unique value chain and analyse it appropriately will give us meaningful insights that will improve performance, fish welfare, give us better control and ultimately produce better products for consumers all over the world.

The Mowi 4.0 strategy has been developed to digitalise and automate our value chain from roe to plate, through:

- *Smart Farming*
- *Smart Operations*
- *Closeness to customers/consumers*

Mowi 4.0 is already well underway with technologies such as advanced camera and sensor technology, the Internet of Things (IoT), image recognition, machine learning, artificial intelligence, robotics, blockchain, big data and analytics being introduced.

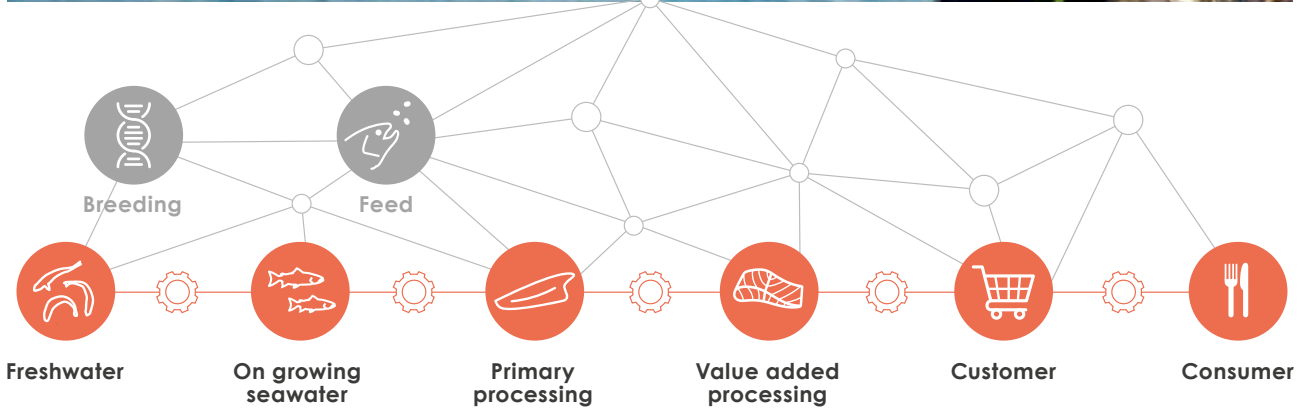
## SMART FARMING

Significant progress has been made in Smart Farming and the goal of implementing Smart Farming in all operations in Norway by 2025 has been set.

Smart Farming will feature machine learning and machine perception to help us understand what is happening under the water's surface so that we can best care for our fish. Real time sea lice counting will also feature and will be less stressful for the salmon. Other features will include precise monitoring of biomass and weight distribution, automated feeding that provides for the needs of each fish and animal welfare tracking that will alert our experts should extra care be required. All this data will be collected on a cloud-based platform and monitored from our remote operation centres.







**SMART OPERATIONS**

Mowi 4.0 is driving processing excellence in our factories and technology is also transforming quality control.

A pilot at a processing facility in Norway is enabling us to record individual fillets of salmon, which means we can be more precise in how it is graded, rather than relying on human judgement.



*“It’s not just about a photograph to understand the appearance of the fillet, it’s about the diagnostic potential of the technology. This has never been done before in the food industry and it will mean that we can guarantee the quality of our products.”*

Randi Haldorsen, Group Manager Product Quality and Processing

**CLOSENESS TO CONSUMERS**

Through the launch of the MOWI brand, Mowi is delivering value-added products directly to consumers. To connect with these consumers and provide them with transparent and relevant

information about the product they are buying we can provide QR codes on the product. These pull-up information on the origin of the fish and other details about its journey from the hatchery to the store.

Similar processes are in the early stages of development for strategic customers, such as European supermarket chains. This allows batch information and project details to be shared on the customer’s own platforms. In the future, it is hoped this will include information such as transportation details and temperature measurements from logistics companies to ensure the level of quality is maintained in each step of the value chain.

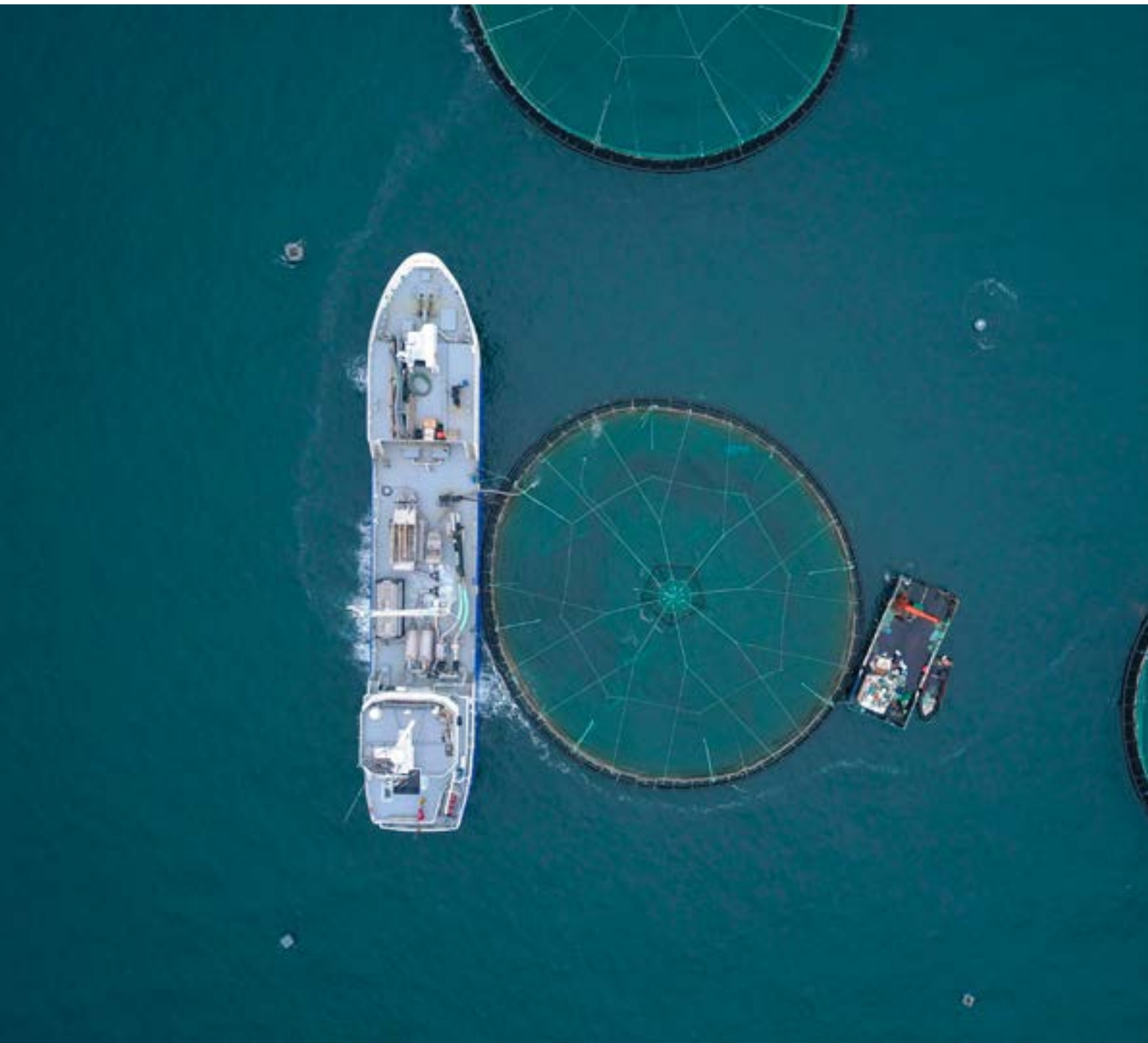
As e-commerce for grocery shopping continues to grow on platforms such as Amazon Fresh, this also presents further opportunities for sales.

**JOB CREATION AND SPECIALIST SKILLS**

Every role within Mowi requires a specific skillset and the same is true for Mowi’s 4.0 digital strategy. In order to leverage the insights from big data we need a skilled team. Mowi has therefore created the first ever Business Intelligence Manager role at Mowi. The Business Intelligence Manager will drive Mowi’s efforts to become more data-driven with responsibility for all Business Intelligence activities on the IT side.



# Group result



## 3

<b>Board of Directors' report</b> <b>144</b>	<b>Mowi Group</b> <b>Financial statement</b> <b>and notes</b> <b>172</b>	<b>Directors' responsibility statement</b> <b>246</b>
<b>Board of Directors</b> <b>156</b>	<b>Mowi ASA</b> <b>Financial statement</b> <b>and notes</b> <b>230</b>	<b>Auditor's report, financial audit</b> <b>247</b>
<b>Corporate Governance</b> <b>160</b>		<b>Auditor's report, GRI audit</b> <b>252</b>

## THE BOARD'S OUTLOOK

2021 was characterised by impressive operational performance and strong demand amidst a Covid-19 pandemic on the wane in many important markets. Good operational performance has been a key for Mowi during the pandemic, and also in 2021 Mowi had record high production and turnover. The consumption pattern of salmon has changed during the pandemic. More people eat salmon meals at home, which has resulted in strong retail sales growth.

Through Mowi's integrated value chain we have capitalised on this shift in demand towards more elaborated products. Mowi remains very well financed and is expected to grow in all three business areas going forward. The Board believes in a gradual market recovery during 2022 and coupled with an expected low supply growth for 2022, the Board believes in a positive market outlook and for Mowi in particular.

## GOVERNANCE

We consider good corporate governance a prerequisite for generating shareholder value, gaining investor's trust, as well as maintaining a low cost of capital. We hold the view that our current policies for corporate governance are in line with the latest version of the Norwegian Code of Practice for Corporate Governance.

# Board of Directors' report

Demand for salmon improved in 2021 following increased vaccination against Covid-19 in the main salmon markets and gradual easing of pandemic-related restrictions. Combined with good operational achievements including record-high volumes in Farming and Consumer Products, this led to improved financial results.

Highlights in the year include all-time high revenues, improved license utilisation in Norway, Mowi's largest and most important Farming region, and a new record year for Consumer Products which delivered on the shift in demand towards more home consumption of salmon while at the same time improving costs and yield. Furthermore, Mowi Farming maintained its competitive cost position versus peers. Yet again, Mowi was shown to be at the forefront of sustainable food production as the company was ranked number one in the Collier FAIRR index for the third consecutive year.

Mowi plans to grow further in all business areas. In Farming we are working along three main pillars; volume growth, cost and sustainability. In Sales & Marketing, we are putting the customer at the core of all our activities related to products, branding and operational excellence. With regards to the Feed division our feed is performing very well and we continue to work on operational improvements and cost optimisation.



*"Our vision is "Leading the Blue Revolution" and our ambition is to be a world-leading, integrated producer of seafood proteins. In 2021, Mowi was yet again ranked the world's most sustainable animal protein producer by Collier FAIRR. This is very encouraging, as sustainability will be even more important going forward. We will continue to capitalise on our integrated value chain and be the leader in key areas from fish feed production to meeting the needs of the market, and this is also essential for developing our unique MOWI brand."*

*Ole-Eirik Lerøy, Chair of the Board of Directors*

## 2021 in brief

2021 was a record year with all-time high revenues of EUR 4 202.2 million for the group, and the highest ever volumes in Farming at 465 600 GWT and in Consumer Products at 247 600 tonnes product weight. While market conditions gradually improved during the year following increased vaccination for Covid-19, demand in the foodservice segment was still negatively impacted by various restrictions related to the pandemic. In the retail segment, however, demand continued to be very strong, exceeding pre-pandemic levels. As a consequence of higher demand, spot prices improved from 2020 despite high industry supply growth, particularly from Europe. With higher volumes and improved prices, Mowi's operational earnings increased to EUR 522.6 million from EUR 337.7 million in the previous year. Farming cost per kg was stable when adjusted for inflation, and Mowi consequently maintained its good cost position relative to peers in the various regions. Mowi's downstream operations had another record-high year with the highest ever operational earnings for the Consumer Products segment at EUR 95.5 million.

In Farming, volume growth, costs, and sustainability are the three main pillars the company is working along. While Mowi Farming performs well on costs and sustainability, the company continues relentlessly to seek further improvements in these areas. When it comes to volume growth, Mowi delivered record-high 2021 harvest volumes of 465 600 GWT, up 6% from 439 800 GWT in 2020. This was made possible by increased smolt stocking and overall good growth performance, including good performance of Mowi's feed. Growth conditions were particularly strong in Norway, Mowi's largest and most important farming region, and Mowi's license utilisation in Norway has improved over the past few years to exceed the industry benchmark.

Adjusted for inflation, blended Farming cost per kg has been stable for Mowi Farming since 2016 despite underlying cost pressure related to more demanding biology, costly treatments and more

complex regulations. Mowi's Farming cost has over time been the best or second best compared with peers in the geographical regions where the company operates. While many cost-reduction measures have been successfully implemented in recent years, the absolute cost level is still too high, and Mowi continues to work on reducing its cost level through further development of farming technologies and new cost-cutting initiatives.

Our commitment to the sustainable development of the industry continues. In 2021, we demonstrated good progress in the implementation of our sustainability strategy, Leading the Blue Revolution Plan, in key areas such as a further reduction in Mowi's carbon footprint in line with our Science Based targets (SBT) and reduced escape incidents. The sustainable development of our industry demands improved solutions to the sea lice challenge, and Mowi is working on several different initiatives to address this, including technology projects, improved treatment capacity and investment in our freshwater facilities. As of the end of 2021, approximately 85% of Mowi's committed financing was labelled green or sustainable and the group is on track to meet its 100% target by 2026. In 2021, Mowi was ranked the most sustainable animal protein producer for the third year in a row by the Collier FAIRR Protein Producer Index. This index assesses 60 of the largest listed global meat, dairy and aquaculture companies on ten environmental, social and governance themes aligned with the Sustainable Development Goals (SDGs). Overall, Mowi was rated 'Industry Best' against many of the criteria aligned to the SDGs including greenhouse gas emissions, deforestation and biodiversity, use of antibiotics, animal welfare, working conditions, food safety and governance.

2021 was the best year ever for Consumer Products with Operational EBIT of EUR 95.5 million (EUR 81.8 million) on strong demand for elaborated products accentuated by the Covid-19 pandemic. The division produced all-time high volumes of 247 600



tonnes of value-added products through its downstream facilities, which represented an increase of 3% from 239 400 tonnes in 2020. The strength of Mowi's integrated value chain during the unprecedented circumstances of the pandemic was demonstrated yet again as Consumer Products continued to capitalise on the shift in consumer demand from foodservice to retail. The consumption pattern of salmon has changed during the pandemic. More people eat salmon meals at home, which has resulted in retail sales increasing by approximately 20%. About half of the increase stems from increased penetration, i.e. new customers who have not previously purchased salmon through retail. The other half comes from existing customers through increased purchasing frequency. Both customer groups are expected to permanently increase their retail consumption rates post Covid-19, even as we see further re-openings in the foodservice segment.

Mowi Feed produces salmon feed which, most crucially, performs very well. Feed is the most important input factor in salmon production. Mowi is self-sufficient for feed in Europe with its modern and technologically advanced plants in Valsneset, Norway and Kyleakin, Scotland. In 2021, the plants produced a total of 481 900 tonnes of feed, somewhat down from 540 300 tonnes in 2020 driven by reduced third party sales. Operational EBIT came in at EUR 18.4 million, equivalent to a return on sales of 2.7% and ROCE of 7.6%. Margins in the salmon feed industry are under pressure mainly due to the current over-capacity in the sector. This over-capacity is expected to be offset by growth in farming volumes in the coming years. 2021 costs have also been negatively impacted by Covid-19-related challenges with regards to formulation and logistics. Mowi continues to work on producing high-performing feed and optimising feed ingredients while maintaining focus on sustainability and high quality. With two modern facilities strategically located close to its farming operations, Mowi Feed is well positioned to streamline operations and improve costs.

Mowi achieved a ROCE of 13.4% above our long-term target of 12%. The company's financial position per year-end was very solid with a covenant equity ratio of 55% and NIBD at EUR 1 257.3 million which was well below the long-term target level of EUR 1 400 million. A dividend of NOK 4.45 per share was paid to shareholders in 2021, up from 2.60 in 2020. Financial EBIT increased to EUR 602.2 million in 2021 from EUR 183.5 million in 2020, explained by improved operational earnings and higher net fair value adjustment of biomass from higher market prices per year-end.

## The Mowi Group

At Mowi, we believe the right way to supply a growing world population with healthy, nutritious protein products is by sustainably farming the ocean. Our vision is "Leading the Blue Revolution" and our ambition is to be a world-leading, integrated producer of seafood proteins. In order to achieve this, we aim to capitalise on our integrated value chain and be the leader in key areas from fish feed production to meeting the needs of the market.

We are the world's largest producer of farm-raised salmon, both by volume and revenue, offering fresh, whole salmon, processed

salmon and other processed seafood products to customers in approximately 70 countries. We currently engage in three principal types of production activities:

- *Salmon feed production in Norway and Scotland;*
- *Salmon farming and primary processing of salmon in Norway, Scotland, Canada, Chile, Ireland and the Faroe Islands; and*
- *Secondary processing of seafood in Norway, Scotland, Ireland, Poland, France, Germany, Belgium, the Netherlands, Spain, Turkey, Chile, Canada, United States, Japan, Vietnam, Taiwan, China and South Korea.*

Mowi is self-sufficient for high-quality fish feed in Europe. With our investments in Feed, we expect to obtain lower net costs as well as improved growth, lower feed conversion rates and higher product quality. The Feed segment also supports Mowi's sustainability and branding strategies.

We are working along three main pillars in Farming; volume growth, costs and sustainability. We are focused on capitalising on the many organic growth opportunities within our current license footprint. Overall intrinsic harvest capacity for Mowi Farming as a whole is well beyond 500 000 tonnes. Mowi Farming also aims to grow volumes by applying new farming technologies as well as purchasing additional capacity and undertaking M&A activities.

In 2021, we continued to expand our smolt facilities and launched a postsmolting investment programme in Norway. The new freshwater facilities will enable production of larger smolt of higher quality which are less susceptible to biological challenges. The postsmolting investment programme includes investments of approx. NOK 4 billion in Region South, Region West and Region Mid and the aim is to increase harvest volumes in Norway by approximately 40 000 GWT. Plans are also underway to increase the average smolt size in our Scottish farming operations, and structural investments relating to seawater in Scotland include new equipment to support larger sites and also building new sites to utilise new licenses. In Chile, Mowi continues to invest in freshwater sites and improved efficiency in seawater, harvesting and processing. Mowi Chile expects to grow volumes by 3-4% annually in line with the traffic light system. In Canada, Mowi aims to maintain current volumes in Canada West, but to utilise its significant growth potential in Canada East. Unfortunately, the company has had several environmental and biological set-backs here since the acquisition of Northern Harvest in 2018 and has decided to temporarily reduce smolt stocking to ensure biological control before returning to the planned growth trajectory. There are also growth opportunities in Mowi's farming operations in Ireland and Faroes. Moreover, the ongoing implementation of Smart Farming technologies is expected to have a positive effect on volumes and costs, as well as on fish welfare and sustainability. With Smart Farming we will get a fully digital integrated value chain through, amongst other initiatives, remote operation centres, automatic feeding, real-time monitoring of biomass, digital lice counting and tracking fish welfare using artificial intelligence.

Downstream, we currently operate 21 secondary processing facilities, of which the largest are located in Ustka, Poland; Bruges, Belgium; Rosyth, Scotland; Boulogne, France and in Miami and Dallas, USA. To achieve our ambition of growth in sales of both new and existing products, we must have the necessary production capacity, and with our investments in processing plants in recent years, Mowi is well positioned for further growth. The MOWI brand was launched in the UK, Italy, Spain, Belgium and in retail in the US in 2021, following on from the 2019 and 2020 launches in Poland and France as well as US e-commerce. However, planned branded sales and marketing initiatives were curtailed by the Covid-19 pandemic, and as a consequence, the MOWI roll-out has experienced delays. We are continuing the roll-out in 2022 so that more consumers can benefit from our exciting branded product line which provides added value in taste, convenience, nutrition and traceability, qualities which have been very well received so far. Our long-term target for the MOWI brand strategy of EUR 1 billion in turnover at 10% earnings margin remains unchanged, with an ultimate target of de-commoditising the salmon market over time.

## Financial Results

Financial results are created through interaction between people, the natural environment and technology. Our goal is to find an optimal combination of these elements to create long-term success, whilst understanding that our growth must be environmentally, socially and financially sustainable. We use key performance indicators within our four interrelated guiding principles, Profit, Planet, Product and People to measure the Group's progress. This contributes to sustainable long-term results for all stakeholders. Developments with regard to key performance indicators within each guiding principle are discussed in detail in separate sections in this Integrated Annual Report.

## GROUP RESULTS

Set out below are our consolidated statements of operational data for the years ended December 31, 2021 and 2020.

## CONSOLIDATED INCOME STATEMENT DATA

	IN EUR MILLION			AS % OF REVENUE	
	2021	2020	Change in EUR	2021	2020
<b>Revenue and other income</b>	<b>4 202.2</b>	<b>3 760.2</b>	<b>442.0</b>	<b>100.0%</b>	<b>100.0%</b>
Cost of materials	-2 191.5	-1 970.4	-221.2	-52.2%	-52.4%
Net fair value adjustment biomass	119.8	-145.6	265.4	2.9%	-3.9%
Salary and personnel expenses	-568.3	-558.5	-9.9	-13.5%	-14.9%
Other operating expenses	-534.4	-547.6	13.2	-12.7%	-14.6%
Depreciation and amortisation	-373.2	-338.1	-35.1	-8.9%	-9.0%
Onerous contracts provision	-3.2	2.1	-5.3	-0.1%	0.1%
Restructuring costs and other provisions	-22.6	-14.5	-8.1	-0.5%	-0.4%
Other non-operational items	-30.3	-7.9	-22.4	-0.7%	-0.2%
Income/loss from associated companies and joint ventures	97.5	21.8	75.7	2.3%	0.6%
Impairment losses & write-downs	-74.8	-18.1	-56.7	-1.8%	-0.5%
<b>Earnings before financial items (EBIT)</b>	<b>602.2</b>	<b>183.5</b>	<b>418.7</b>	<b>14.3%</b>	<b>4.9%</b>
Interest expenses	-59.0	-63.0	4.0	-1.4%	-1.7%
Net currency effects	37.0	-12.9	50.0	0.9%	-0.3%
Other financial items	13.1	13.0	0.2	0.3%	0.3%
<b>Earnings before taxes</b>	<b>593.4</b>	<b>120.6</b>	<b>472.8</b>	<b>14.1%</b>	<b>3.2%</b>
Income taxes	-105.5	-1.4	-104.1	-2.5%	—%
<b>Net earnings from continuing operations</b>	<b>487.9</b>	<b>119.1</b>	<b>368.8</b>	<b>11.6%</b>	<b>3.2%</b>
<b>Non-IFRS measures</b>					
Operational EBIT	522.6	337.7	184.9	12.4%	9.0%
ROCE %	13.4%	8.3%	5.1%		

The financial information includes certain APM non-IFRS measures used to evaluate our economic and financial performance. For further information, please see Part 4 Analytical section.

The table above demonstrates that cost of materials, salary/ personnel costs and other operating expenses decreased from 2020 relative to revenue. In recent years, costs have been under pressure from several factors which include challenging biology, increased feed prices and increased regulatory/compliance costs. In order to address this cost pressure, Mowi has completed global cost-saving programmes since 2018 with EUR 182 million in annualised savings. The company will ensure that cost-saving initiatives do not compromise safety, quality and growth.

### Revenue and volumes

Revenue and other income for the year ended December 31, 2021 totalled EUR 4 202.2 million, an increase of 11.8%, or EUR 442.0 million compared with the EUR 3 760.2 million achieved in 2020. The increased revenue was explained by 8% higher sold volumes for the group and 4% overall higher sales prices. Realised blended Farming prices, including the effects of contracts and quality downgrading, increased by approximately 10% from the preceding year while the increase was lower in Consumer Products.

Farming spot prices increased by 13.5% in Norway and 33.6% in Chile versus 2020 on improved demand. Mowi achieved a combined global price including contribution from Sales & Marketing 1% below the weighted reference price in 2021, compared with 6% above in 2020.

The Group harvested a total of 465 600 tonnes gutted weight in the year ended December 31, 2021. This was 25 771 tonnes, or 6% more than the year before. The volume increase was driven by Norway and Scotland as a result of increased smolt stocking and good growth conditions. Volumes in the other regions were relatively stable.

### Cost of materials

The cost of materials for the year ended December 31, 2021 totalled EUR 2 191.5 million compared with EUR 1 970.4 million in 2020, which is a increase of 11.2%, mainly explained by 7.9% higher sold volumes. Cost per kg harvested in Farming (realised blended full cost in box) increased by 2.2% which was less than inflation. Cost in Feed increased from 2020 on higher feed raw material prices, formulation costs and logistics costs. In Sales & Marketing, raw material costs increased due to the higher salmon prices, while improved operations including yield have contributed positively.

### Salary and personnel expenses

Total salaries and personnel expenses for the year ended December 31, 2021 totalled EUR 568.3 million. As a result of Mowi's productivity program and a decrease in the number of FTEs, this cost item has been reduced to 13.5% in 2021 from 14.9% in 2020, measured relative to revenues. In 2021, Mowi produced record-high volumes with 4.5% fewer FTEs than the year before.

### Other operating expenses

Other operating expenses decreased from 14.6% in 2020 to 12.7% in 2021, measured in percentage of revenues. Costs also decreased in absolute terms. The reduction from 2020 was EUR

13.2 million, mainly explained by lower costs relating to third-party services and maintenance costs, partly offset by higher electricity, rent and marketing costs.

### Net fair value adjustment and onerous contracts provision

Mowi recognised a net fair value adjustment of positive EUR 119.8 million for the year ended December 31, 2021, compared with negative EUR 145.6 million in 2020. The change in the onerous contracts provision in 2021 was negative EUR -3.2 million compared with a positive effect of EUR 2.1 million in 2020.

The net effect of these line items is a positive adjustment of EUR 116.6 million in 2021 compared with a negative adjustment of EUR 143.4 million in 2020. This development is mainly explained by higher forward prices per the end of the year, partly offset by lower biomass in sea. For more information, please refer to Note 6 to the Group financial statements.

### Restructuring costs and other provisions

In 2021, we recognised EUR 22.6 million in net restructuring costs mainly related to the ongoing turnaround of our Canadian operations. For more information, please see Note 30 to the Group financial statements.

### Income/loss from associated companies and joint ventures

Income from associated companies and joint ventures of EUR 97.5 million in 2021 was a significant increase from EUR 21.8 million in 2020.

This was mainly explained by the divestment of shares in DESS Aquaculture Shipping where Mowi realised a gain of EUR 53.1 million in 2021. The remaining income is mainly related to our associated company Nova Sea AS in Norway. For more information, please see Note 21 to the Group financial statements.

### Impairment losses

Impairment losses recognised in 2021 mainly relate to impairment of inventory and fixed assets in Canada in connection with the turn-around and revised plans.

See Note 9 and 10 to the Group financial statements for further details.

### Earnings before financial items (EBIT)

As a result of the items described above, in addition to non-operating items and depreciation costs, EBIT came to EUR 602.2 million in the year ended December 31, 2021, compared with EUR 183.5 million in 2020.

### Operational EBIT

Group Operational EBIT increased to EUR 522.6 million for the year ended December 31, 2021 from EUR 337.7 million in 2020. This change was mainly the result of higher achieved prices in Farming driven by improved demand.

### Return on capital employed (ROCE)

We achieved a return on capital employed (ROCE) of 13.4% in 2021 which amounts to a good performance in a challenging year impacted by Covid-19, and which exceeds our long-term target of 12.0%. The comparable figure for 2020 was 8.3%.

### Financial items

Interest expenses decreased to EUR 59.0 million in 2021 from EUR 63.0 million in 2020. Net interest-bearing debt at year-end totalled EUR 1 257.3 million versus 1 458.4 million in 2020.

Net currency effects for the year ended December 31, 2021 amounted to EUR 37.0 million, compared with EUR -12.9 million in 2020. The positive currency effect in 2021 was driven by revaluation of working capital items and unrealised currency gains on hedges.

For the year ended December 31, 2021, other financial items totalled EUR 13.1 million compared with EUR 13.0 million in 2020.

For more information about financial items, please see Note 12 to the Group financial statements.

### Income taxes

For the year ended December 31, 2021, we recognised a tax expense in profit and loss of EUR 105.5 million, compared with EUR 1.4 million in 2020. The main driver for the higher tax expense was higher earnings. For more information, including a full reconciliation between earnings before taxes and the tax expense, please see Note 15 to the Group financial statements.

### Profit and loss for the year

As a result of the foregoing, our profit and loss for 2021 came to EUR 487.9 million, up EUR 393.0 million from EUR 119.1 million for the year ended December 31, 2020.

## BUSINESS AREAS AND SEGMENTS

### Feed

Operational EBIT for Feed was EUR 18.4 million in 2021, which was lower than the previous year (EUR 31.2 million). Costs increased in the period mainly due to significantly higher prices for feed raw materials, including vegetable oils, soy and wheat gluten. Logistics costs also increased from the comparable period. Feed sales prices increased in accordance with market prices, and this was connected to increased feed raw material prices. However, the increase in sales prices was not sufficient to offset the increase in costs. The feed industry is subject to margin pressure due to over-capacity, however, this over-capacity is expected to be offset by growth in farming volumes in the coming years. Mowi's feed plants produced 481 900 tonnes of feed in 2021, compared with 540 300 tonnes in 2020, with the decrease mainly explained by reduced third party volumes.

Overall, our two feed factories ensured a 95% (95%) self-sufficiency rate for our European Farming operations in 2021. Total

capacity is approximately 640 000 tonnes. Following our strategy of self-sufficiency for feed, Mowi Feed continues to develop its range of products, including freshwater, organic and cleaner fish diets.

### Farming

Farming's Operational EBIT totalled EUR 370.5 million in the year ended December 31, 2021, compared with EUR 179.2 million in the year ended December 31, 2020. The increase was mainly due to higher achieved prices on improved demand. The full cost in box per kg for our farming operations increased by 2.2% which was less than inflation. The harvested volume of 465 600 tonnes (439 800 tonnes) was all-time high.

For details of our farming entities' operational performance, please see the comments under Operational performance by country of origin in Part 2 of this Integrated Annual Report.

### Sales & Marketing

Our Sales & Marketing operations consist of the reporting segments Markets and Consumer Products.

### Markets

Markets achieved Operational EBIT of EUR 50.5 million for the year ended December 31, 2021, compared with EUR 63.5 million in 2020. The decline is mainly related to lower trading margins in a market impacted by volatility.

### Consumer Products

Mowi Consumer Products is organised geographically, but constitutes one reporting segment. Consumer Products' Operational EBIT for the year ended December 31, 2021 came to EUR 95.5 million, compared with EUR 81.8 million in 2020. Mowi Consumer Products had its best ever year in 2021 capitalising on the increased demand for elaborated products and delivering all-time high volumes of 247 526 tonnes product weight (239 427 tonnes), an increase of 3.4% compared with 2020. Consumer Products also carried out operational improvements, including improved yield and production cost. In 2021, the MOWI brand was launched in the UK, Italy, Spain, Belgium and in retail in the US. The roll-out of the MOWI brand is still in an early phase, but 2021 saw several new achievements on the long-term path of transforming Mowi from a producer of commodities to branded products.

## LICENSES

The recognised book value of our fish-farming licenses in our Statement of Financial Position was EUR 919.7 million and EUR 872.9 million as at December 31, 2021 and 2020 respectively. The increase is mainly attributable to the purchase of one license in Norway for EUR 20 million and to currency effects. Measured in EUR per kg salmon harvested, book license values were EUR 2.0 in both 2021 and 2020. Mowi's license utilisation in Norway has improved in the past few years to exceed the industry benchmark. Through freshwater investments resulting in more and larger smolt, we expect to further improve our license utilisation. In Chile, we have significant unused license capacity. In the other business



units, our current harvest volumes are closer to the maximum capacity permitted under the current operating regime.

## LIQUIDITY AND CAPITAL RESOURCES

Our principal sources of liquidity are cash on hand, revenues generated from our operations and, to a lesser extent, loans and other financing arrangements. Our principal needs for liquidity have been, and will probably continue to be, cost of raw materials, including fish feed, other working capital items and capital expenditures, debt service, and funding of dividend payments and acquisitions. We believe that our liquidity is sufficient to cover our working capital needs in the ordinary course of business.

Mowi refinanced its bank facility with a five-year sustainability-linked EUR 1,800 million facility in 2021. NIBD totalled EUR 1 257.3 million as of December 31, 2021, compared with EUR 1 458.4 million as of December 31, 2020. The long-term NIBD target remained unchanged at EUR 1 400 million, equivalent to a Farming NIBD/kg of EUR 2.2.

## CASH FLOW

### Cash flow from operations

Cash flow from operations for the year ended December 31, 2021 came to EUR 833.1 million, compared with EUR 502.7 million for 2020. The increase is mainly explained by higher operational earnings, partly offset by reduced tax payments in 2021 as a consequence of lower earnings in the preceding year.

### Cash flow from investments

Cash flow from investments for the year ended December 31, 2021 came to EUR 133.7 million, compared with cash flow from investments of EUR 283.4 million in 2020. Cash flow from investments in 2021 relates mainly to net capital expenditures of EUR 240 million in addition to EUR 20 million for the purchase of a farming license. This was partly offset by cash inflows of EUR 113 million from the divestment of shares in DESS Aquaculture Shipping and EUR 16 million from associated companies, mainly dividends from Nova Sea AS.

### Cash flow from financing

Dividends amounted to EUR 226.8 million in 2021 compared with EUR 132.9 million in 2020. Cash flow from financing for the year ended December 31, 2021 came to EUR -706.6 million including effects of down-payment of interest-bearing debt including leasing debt, compared with EUR -238.1 million for 2020 which included the effect of proceeds from the EUR 200 million green bond issued that year.

## MOWI ASA PROFIT FOR THE YEAR

The parent company made a profit for the year ended December 31, 2021 of EUR 791.8 million, compared with EUR 72.2 million in 2020. Net profit is allocated to other equity. Of total net profit of 791.8 million.

Operational earnings for salmon of Norwegian origin across the value chain in 2021 came to EUR 389.4 million (EUR 269.3 million in 2020). Of this amount, EUR 292.2 million (EUR 171.6 million in 2020) was related to operational earnings in Farming Norway, i.e. part of the parent company. The increase from 2020 relates mainly to higher achieved salmon prices, in addition to improved volumes and cost. For more comments related to the Norwegian farming operations, which constitutes the bulk of operational activities in the parent company, please refer to the Operational Performance subsection of the Profit chapter in Part 2 of this report.

Operational result for the Corporate segment part of the parent company, i.e. headquarter activities and the Global R&D & Technical department, amounted to EUR -12.6 million in 2021, compared with EUR -17.8 million in 2020.

## DIVIDEND

Mowi ASA paid a dividend per share of NOK 4.45 in 2021, up from NOK 2.60 in 2020, supported by improved earnings, a positive market outlook and a strong balance sheet.

## Going Concern

The Board confirms that the financial statements have been prepared on the assumption that the Company is a going concern, in accordance with section 3-3a of the Norwegian Accounting Act, and that such an assumption is justified. This confirmation is based on the reported results and the Group's business strategy, financial situation and established budgets.

## Risk and Risk Management

We categorise risk based on the COSO enterprise risk framework, which divides risk into four categories:

1. Operational risk
2. Strategic risk
3. Reporting risk
4. Compliance risk

We consider our operational risk to cover several individually important subcategories, and have therefore chosen to divide our operational risks into the following sub-categories:

- a. Risks related to the sale/supply of our products
- b. Risks related to government regulations
- c. Risks related to our fish farming operations
- d. Risks related to our supply of fish feed and feed operations
- e. Risks related to our industry
- f. Risks related to our business
- g. Risks related to our financial arrangements
- h. Risks related to tax and legal matters
- i. Risks related to climate change
- j. Risk related to cyber security and technological innovation

All risk categories could, if not properly managed, have material adverse effects on our business operations and financial results. Each risk category includes one or more identified risks factors that individually and/or in combination with others could significantly affect our performance. For a complete overview of our identified risks, please see section Risk and Risk Management in Part 4 of this Integrated Annual Report.

## RISKS RELATED TO OUR FINANCIAL ARRANGEMENTS

### Financial risk

The Group monitors and manages the financial risks arising from its operations. These include currency risk, interest rate risk, credit risk and price/liquidity risk.

#### Currency risk

Several business units carry out a large number of business transactions in currencies other than their domestic currency. For the Group, the relative importance of these transactions is substantially larger on the revenue side than on the cost side. To mitigate potential fluctuation effects on our cash flows, we maintain a foreign exchange strategy designed to manage these exposures both in the short and long term. The Group has defined a hedging strategy for each of Mowi's units.

The Group's predominant currency is EUR, which accounts for more than 50% of net cash flow. Since the establishment of the Group in 2006, Mowi has managed its cash flow in EUR and has used EUR as its main financing currency. Mowi's Group's financial reporting currency is EUR. The functional currency of the parent company Mowi ASA is EUR and all of our Norwegian subsidiaries apply EUR as their functional and reporting currency.

#### Interest rate risk

Our financing is generally at floating interest rates. It is Mowi ASA's policy to hedge the Group's long-term interest-bearing debt by currency, including external interest-bearing debt and leasing in the parent company or subsidiaries, through fixed-interest or interest-rate derivatives.

Over time, Mowi ASA shall hedge 0%-35% of the Group's long-term interest-bearing debt by currency through fixed-interest or interest-rate derivatives for the first 5 years, and 0% at fixed rates thereafter. Interest-bearing debt includes external interest-bearing debt and leasing in the parent company or subsidiaries. The interest rate hedges shall be based on the targeted currency composition. Interest rate exposure in currencies other than EUR, USD, GBP and NOK shall not be hedged. All interest-rate hedging shall be undertaken by the parent company. At year-end 2021 the Group had a portfolio of interest swaps with a net negative market value of EUR 4.5 million increased from EUR 16.7 million in 2020.

#### Credit risk

We are exposed to the risk of losses if one or more contractual partners fail to meet their obligations. To mitigate this risk the Group trades only with recognised, credit worthy third parties. It is

the Group's policy that all customers who wish to trade on credit terms be subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and as a rule the Group's trade receivables are fully credit insured. The Group monitors its exposure to individual customers closely and is not substantially exposed in relation to any individual customer or contractual partner as of December 31, 2021. The maximum exposure is disclosed in Note 17 to the Group financial statements.

The Group enters into derivative transactions only with counterparts with which it has an established business relationship.

#### Price/liquidity risk

The Group continuously monitors its liquidity, and estimates expected liquidity developments on the basis of budgets and monthly updated forecasts from the units. Mowi's financial position depends heavily on developments in the spot price for salmon, and these prices have historically been volatile. As such we are exposed to movements in supply and demand for salmon. We have to some extent mitigated our exposure to spot prices by entering into bilateral fixed-price/volume contracts with our customers. The contract share has normally varied between 20% and 50% of our sold volume, and the duration of the contracts has typically been three to twelve months. Furthermore, we reduce our exposure to spot price movements through value-added processing activities and the tailoring of products to specific customer requirements. Other key liquidity risks include fluctuations in production and harvested volumes, biological issues, and changes in the feed price, which is the most important individual factor on the cost side. Feed costs are correlated to the commodity prices of the marine and agricultural ingredients.

#### Leverage and capital access risk

Leverage and capital access i.e. capital management refers to the process of acquiring and utilising capital in the most efficient manner given the available alternatives.

#### Capital access risk

Feed production, salmon farming and seafood processing are capital-intensive industries. Our future development and growth may depend on access to external capital in the form of debt and/or equity capital. Access to borrowed capital is continuously monitored and we maintain a continuous dialogue with our lenders.

#### Leverage risk

We have significant indebtedness. Our current debt is on favourable terms including the syndicated loan facility. The syndicated loan facility sets forth an equity ratio as the only financial covenant. The remaining portfolio of interest-bearing debt does not include more restrictive financial covenants. Mowi complied with the covenant in its loan agreements during 2021 and at the close of the year. Details of the Group's main loan programmes are described in Note 11 to the Group financial statements.

For further information about our financing arrangements, capital management and risk management, please see Notes 11 and 13 to the Group financial statements.

## REPORTING RISK

Mowi are subject to the rules of the Oslo Stock Exchange and other Norwegian and European Union financial market regulations.

For further information regarding the Group's internal control procedures, please refer to Corporate Governance in Part 3 of this Integrated Annual Report.

## Sustainability

We live in a world that is facing major environmental challenges, including climate change and the depletion of natural resources, but also a world where future food production needs to match global demand. Fish farming can improve the world's standard of living by producing food that is both highly nutritious and of high quality, while at the same time delivering a reduced carbon footprint. Fish farming is one of the most climate-friendly ways of producing protein from animal husbandry. Eating salmon instead of land-based animal proteins would, by itself make a difference to climate change.

In 2021, the Blue Food Assessment has been released confirming the unique position of seafood to match global needs of a healthy and climate friendly diet.

Delivering continuous excellence means tackling environmental challenges in a holistic way. In 2021, we continued the implementation of our sustainability strategy, Leading the Blue Revolution Plan. This strategy aims at inspiring, leveraging and guiding our day-to-day actions and decision-making so that we can realise our vision of Leading the Blue Revolution. It includes our targets on key areas including GHG emissions, plastic reduction, eco efficient value chain, freshwater use, waste management, sea lice, fish health and welfare, medicinal use, sourcing of feed raw materials and sustainable certification.

For a detailed review of how Mowi works to secure sustainable operations, please see Part 2 of this Integrated Annual Report and the Leading the Blue Revolution Plan available at [mowi.com](http://mowi.com).

## FACTORS THAT MIGHT INFLUENCE THE ENVIRONMENT

From a global perspective, the two most significant challenges related to food production are greenhouse gas emissions and the feed used for animal protein production. We consider these challenges to represent opportunities for the salmon farming industry, as farm-raised salmon utilises significantly less feed than competing agricultural protein sources, and causes lower emissions of greenhouse gases.

### Salmon farming is climate friendly food production

When comparing the carbon footprint of farm-raised salmon with that of traditional meat production, the salmon footprint comes out at 7.9 kg carbon equivalent per kg of edible product, whereas pork and beef produce, respectively, 12.2 kg and 39 kg carbon equivalent per kg of edible product. Farm-raised salmon is also an

excellent protein and energy converter compared with alternative meat sources. Producing proteins by farming salmon with sustainably sourced feed is therefore good resource management.

### The use of feed for animal protein production

Continuous access to sustainably managed feed ingredients is a prerequisite for the salmon farming industry. Over the past ten years, we have been able to reduce our dependence on marine raw materials (fish meal and fish oil) in salmon feeds by 50%. This is made possible by a significant substitution of marine raw materials by vegetable sources and the use of high-quality by-products from poultry in Chile and Canada. However, such an improvement brings new challenges, including the use of sustainably sourced vegetable ingredients and a continuous effort to source marine ingredients from responsibly managed fisheries.

We believe the coming years will be key to finding alternative EPA and DHA-rich sources that could further reduce our dependence on fish oil. Our efforts to source sustainable feed ingredients will always go hand-in-hand with the goal of ensuring that our salmon remain a rich source of Omega-3 fatty acids.

### Farming in harmony with nature

We are committed to developing our business in a way that safeguards the planet's natural capital, including its biodiversity. Our fish farming operations are done in a way that allow the coexistence of wild populations and salmon farming. Where a potential risk to wild populations exist we take the needed measures to minimise that risk and promote solutions and innovations that lead to a positive effect on biodiversity.

For more information about sustainability and the aspects of our farming operations that might influence the environment, please see the Planet section and the Risk Management section.

### Global Operational Excellent Program

Being aware of the potentially negative effects our activities could have on the environment and local communities, we have incorporated measures to monitor and manage these in the ONE Mowi Operational Excellence Program. We continue to work with regulators, industry partners and the scientific community to promote environmental responsibility in the industry. For more information on how the Group works to understand and address stakeholder concerns, please see our Stakeholder engagement section in Part 1 (Leading the Blue Revolution).

### Research and Development

We believe that successful growth of the industry within a sustainable framework is only possible by overcoming biological challenges and controlling sea lice. Research and development (R&D) at Mowi is an engine for sustainable growth, and is integral to our vision of Leading the Blue Revolution. We focus on creating sustainable value and competitive advantage by making improvements and breakthroughs in our Feed and Farming, as well as our Sales & Marketing business areas.



The specialists in our Global R&D and Technical Department work directly with technical staff at our operating units through participation in global technical teams and collaborative projects. This ensures that our work constantly benefits from a culture of shared expertise and knowledge. Through collaboration and the allocation of defined responsibilities, we ensure knowledge sharing and continuous improvement throughout the organisation.

Our commitment to R&D is reflected in our significant R&D spending. R&D costs for the group was EUR 39.6 million for 2021 compared with EUR 36.4 million in 2020. For more information about R&D in Mowi, please see the Research and development section.

## People

### PEOPLE AND ORGANISATION

All employees in Mowi have an impact on the Blue Revolution and are critical to the success of our company. At the end of 2021, the Group had 11 818 employees in 25 countries around the world.

### HEALTH AND SAFETY

Mowi aims to have zero injuries among its staff. Employee safety and a healthy working environment are high on the Board's agenda, and safety will never be compromised for any other business priority. We foster a strong safety culture, in which our employees feel responsible for their own safety as well as the safety of their colleagues. In order to achieve our safety vision of zero injuries, we utilise a global safety program, BrainSafe. New employees are required to attend training in BrainSafe, and training is also provided to selected suppliers and contractors. We measure our progress in the area of safety through key indicators - lost time incidents (LTI) per million hours worked, as well as the rate of absenteeism. We reported 67 LTIs for our own employees

in 2021, compared with 75 in 2020. The decrease was due to a reduction in LTIs at Mowi Poland and other plants in Consumer Products Europe. The number of LTIs per million hours worked in the Group was reduced from 2.7 in 2020 to 2.5 in 2021.

Compared with the industry average, our rate of absenteeism has remained low for several years. Our rate of absenteeism increased from 5.1% in 2020 to 5.2% in 2021. The rate is higher in value-added processing operations than in Farming and Feed, which is largely attributable to ergonomic issues and stress. The Board continues to aim for an absentee rate of below 4%.

The Board will continue to emphasise the imperative of improved health and safety performance going forward. For more information about health and safety in Mowi, please see the People section.

### DIVERSITY AND EQUAL RIGHTS

Mowi is committed to ensuring diversity in the Group, in accordance with the Norwegian Anti-Discrimination Act.

We strive to attract a diverse workforce and provide equal opportunities. We do not discriminate and we value everyone as an individual. The Group works actively in the area of recruitment including offering apprenticeships to young employees, as well as promotion and development opportunities. The Group also aims to attract female employees to all levels in our organisation.

The fish farming industry has traditionally had a majority of male employees. At the close of 2021, women accounted for 38.7% of employees, compared with 39.3% in 2020.

In 2021, the senior management teams of most subsidiaries included one or more women. The Group continues to work actively to promote diversity in senior management positions



globally. At the end of 2021, Mowi's Group Management team consisted of nine people, of whom two are women. Of the ten members of Mowi ASA's Board of Directors, four are women. For more information about diversity, equal rights and gender pay in Mowi, please see the People section. The report on Equality, Non-discrimination and Gender Pay for our Norwegian entities see [mowi.com/sustainability](http://mowi.com/sustainability).

## Future Prospects

2021 saw market conditions gradually improving with the Covid-19 pandemic on the wane in the main markets for salmon. Demand in the foodservice segment gradually improved over the course of the year and retail demand was once again stellar which drove salmon prices significantly higher compared with 2020 despite high supply volumes in the market. Higher spot prices in all markets resulted in substantially improved earnings in our Farming division compared with the year before. Operationally, Mowi delivered all-time high volumes in both Farming and Consumer Products even as the pandemic continued to present a challenging environment. The company's farming license utilisation continued to improve in Norway, Mowi's largest and most important Farming region.

Mowi reached a new harvest-volume record of 465 600 tonnes GWT in 2021, up by 6% or 25 800 tonnes from 2020 which was also a record year, following increased smolt stocking and overall good growth performance. Volumes in Norway, our largest farming region, reached a record high of 273,000 GWT in 2021 and the Board is pleased that our license utilisation in Norway has improved over the past few years to exceed the industry average. However, further improvements are still possible, particularly in Regions South, West and Mid. Although harvest volume guidance for 2022 is 460,000 GWT, intrinsic harvest capacity for Mowi Farming is well beyond 500,000 GWT and harvest volumes are expected to approach this level during the next few years. In addition to this Mowi Farming also aims to grow volumes by applying new farming technologies as well as purchasing additional capacity and undertaking M&A activities.

In 2021, Mowi launched a post-smolt programme where the company will accelerate its freshwater investments in Norway during the next five years in order to produce more and larger smolt, and plans are underway to significantly increase the average smolt size in our Scottish farming operations through freshwater investments. In Chile, Mowi expects to grow in line with the traffic light system. In Canada East, Mowi has experienced several environmental and biological set-backs since the acquisition of Northern Harvest in 2018 and we have temporarily reduced smolt stocking there to ensure proper biological control before returning to the planned growth trajectory. Mowi has many unused licenses in this region and there is a significant potential for growth in the coming years.

The Board commends the organisation for delivering on its many cost initiatives once again in 2021 and for achieving EUR 45 million in annualised savings, above the target of EUR 25 million. A total of EUR 182 million in annualised savings have been achieved since the start of the cost savings programmes in 2018. Addressing cost

remains a key priority, and the Board is pleased that the organisation has initiated another global cost savings programme for 2022, with a target of EUR 25 million of savings during the year.

After feed, labour is the most important cost item in Mowi, accounting for approximately 15% of total group costs. Further to this, the Board decided in 2020 to include a productivity programme in the cost savings programme, targeting a 10% reduction in FTEs for Mowi as-is by 2024. It is therefore encouraging to record a reduction of 1,000 FTEs equivalent to 7% by year-end 2021, and concurrently deliver all-time high volumes in both Farming and Consumer Products.

Adjusted for inflation, blended cost per kg has been stable for Mowi Farming during the past six years and was EUR 4.47 per kg in 2021. Although the Board notes the relatively stable cost development and the fact that Mowi's farming costs relative to peers over time have been the best or second best in all of the geographical regions where the company operates, the absolute cost level is still too high and is an area of continued focus. It is therefore crucial that Mowi continues with its efforts to mitigate an increasing partly pandemic-driven inflationary pressure through continued cost initiatives all across our value chain.

Feed had another good year in terms of operations, feed performance and quality. Mowi is self-sufficient for feed in Europe with our state-of-the-art plants in Valsneset, Norway and Kyleakin, Scotland. In 2021, we produced a total of 481 900 tonnes of feed. Margins in the salmon feed industry were under pressure mainly due to the current over-capacity. However, current over-capacity is expected to be offset by growth in farming volumes in the coming years. Costs in 2021 were impacted by Covid-19-related challenges which resulted in increased formulation costs and logistics costs. However, with two modern facilities strategically located close to our largest farming operations, Mowi Feed is well positioned to further streamline operations, improve costs and maintain an industry leading cost competitive market position.

Consumer Products delivered another strong set of results with record-high full-year earnings of EUR 96 million and record-high volumes of 248,000 tonnes product weight. The growth in demand for value added products during the pandemic has been unparalleled, and so far during the recovery phase volumes remain at a very high level. Consumer demand within the foodservice segment partially recovered in 2021, and absent any further escalation of the pandemic the belief is that foodservice demand will continue on its road to full recovery during 2022.

Although the launch of the MOWI brand is progressing it has been significantly delayed by Covid-19 during the past two years. An important part of our launch strategy is to have sales representatives present in-store, and this was not possible for an extended period of time due to the pandemic. Following gradual lifting of restrictions, we were able to carry out several new launches in 2021, including in the UK, Italy, Spain and US retail. Feedback continues to be positive, and demand for our MOWI-branded products is increasing. The roll-out plan continues in 2022 focusing on key markets in Europe and further growth in the US.

The Board is pleased that Mowi continues to achieve recognition for its work on sustainability, and commends the favourable position salmon farming has in the wider food industry. In 2021, Mowi was ranked the most sustainable protein producer for the third year in a row in the Collier FAIRR Protein Producer Index. Furthermore, the Blue Food Assessment was released last year and concluded that if the world is to build food systems that are good for people and the planet it needs to take advantage of Blue Foods, including farm-raised salmon. These recognitions assist us to achieve our ultimate goal to unlock the potential of the ocean to produce more food for a growing world population in a way that respects our planet and allows local communities to flourish while offering consumers products that are tasty, healthy and of the highest quality. 98% of our harvest volume in 2021 was sustainably certified with a Global Seafood Sustainable Initiative (GSSI) recognised standard (ASC, BAP or Global GAP).

As at the end of 2021, approximately 85% of Mowi's committed financing was labelled green or sustainable and the company is on track to meet its target of 100% by 2026. The Board is pleased that the company continues to convert its financing to green, whilst at the same time ensuring that Mowi's financial position remains strong to take advantage of growth opportunities.

In 2022 Mowi will continue to invest across its value chain to support further organic growth and strengthen the asset base. The capital expenditure budget for 2022 is approximately EUR

300 million, somewhat impacted by pandemic-induced project delays in 2021. The majority of investments will be allocated to the Farming segment. Postmolt investments in Norway continue and several freshwater-related upgrades are in the pipeline. Selected seawater expansions across our farming footprint will also be undertaken. Furthermore, Consumer Products expects to undertake a number of automation and packaging technology projects in Europe, US and in Asia, in addition to selected skin-pack line extensions and equipment upgrades.

At the time of the publication of the annual report, the ramifications of the Russian invasion of Ukraine are uncertain. Our greatest concern now is the humanitarian consequences of the situation. The consequences for Mowi will depend on the duration and scale of the conflict as well as knock-on effects. So far, the crisis has had a negative impact on the global macro-economic environment including elevated inflation due to surging commodities prices. Over time, this increased inflationary pressure may also negatively impact costs for the salmon industry including Mowi. We are monitoring the situation closely and will continue to take all appropriate mitigating actions.

According to Kontali Analyse global supply growth in 2022 is forecast to be 0% which would under normal circumstances be very supportive of strong salmon prices. With continued salmon demand recovery from Covid-19, the Board strongly believes in the positive outlook for the industry, and for Mowi in particular.

#### BERGEN, MARCH 29, 2022



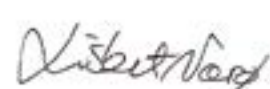
Ole-Eirik Lerøy  
*Chair of the Board*



Kristian Melhuus  
*Vice Chair of the Board*



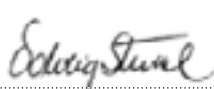
Cecilie Fredriksen



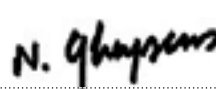
Lisbet K. Nærø



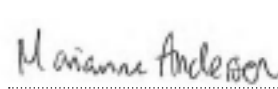
Bjarne P. Tellmann



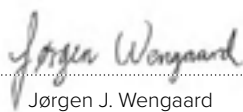
Solveig Strand



Nicolas Gheysens



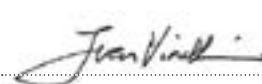
Marianne Andersen



Jørgen J. Wenggaard



Hans Jakob Lande



Ivan Vindheim  
*Chief Executive Officer*



### Ole-Eirik Lerøy (1959)

#### Chair

Mr. Lerøy has been a board member of Mowi ASA since 2009. He is the Managing Director of the investment company Framar AS.

Number of shares held at year end: 1 501 232

Mr. Lerøy has extensive experience in the seafood industry:

- › *Chair of the Board of Bergen Chamber of Commerce, 2015 - 2017*
- › *Member of the Board of the International Groundfish Forum, 2000 - 2015*
- › *Vice Chair of DNB Supervisory Board, 2006 - 2008*
- › *Chair of the Norwegian Seafood Federation (FHL), 2000 - 2006*
- › *Chair of the Board of the Norwegian Seafood Export Council (NSEC), 1994 - 2000*
- › *CEO of Lerøy Seafood Group ASA, 1991 - 2008*

Mr. Lerøy is educated at the Norwegian School of Management.



### Kristian Melhuus (1981)

#### Deputy Chair

Mr. Melhuus has been a board member of Mowi ASA since January 2018. He is Partner at Sandwater.

Number of shares held at year end: 1 232

Mr. Melhuus has held various positions:

- › *Director at Seatankers Management AS, 2016 - 2021*
- › *Investment Director of HitecVision AS, 2013 - 2016*
- › *CFO/COO of Liquid Barcodes AS, 2008 - 2013*
- › *Analyst at ABG Sundal Collier, 2006 - 2008*

Mr. Melhuus holds a Master of Science in Industrial Economics and Technology Management from the Norwegian University of Science and Technology (NTNU), and has also studied Finance, Derivatives and Econometrics at the University of Karlsruhe.

Mr Melhuus has expertise in information security from his working experience and also from his educational background.



### Lisbet K. Nærø (1963)

#### Chair of the Audit Committee

Ms. Nærø has been a board member of Mowi ASA since 2015 and is also the Chair of the Audit Committee. She is the CEO of Fana Sparebank.

Number of shares held at year end: 1 232

Ms. Nærø has comprehensive experience from banking and financial services:

- › *Member of the Board of the Holberg Funds, since 2012*
- › *Chair of the Board of Bergen Chamber of Commerce, 2017-2019*
- › *CEO of Tide ASA, 2011 - 2014*
- › *CEO of BN Bank ASA, 2009 - 2011*
- › *CFO of SpareBank 1 SR-Bank, 2006 - 2009*
- › *CFO of Sparebanken Vest, 2003 - 2006*
- › *CFO of BNR/Fjordline ASA, 2001 - 2003*

Ms. Nærø holds a Master of Science of Business from the Norwegian School of Economics, a Bachelor of Law from the University of Bergen, MBA from the University of Central Florida and the Advanced Management Program from Harvard Business School.

Ms. Nærø has additional expertise in sustainability, information security, product development and innovation.



### Cecilie Fredriksen (1983)

Ms. Fredriksen has been a board member of Mowi ASA since 2008. She is an Executive Officer at Frontline Corporate Services Ltd.

Number of shares held at year end: 1 232

Ms. Fredriksen has served on several boards:

- *Member of the Board of Norwegian Property ASA, since 2015*
- *Member of the Board of Ship Finance International Ltd., 2008 - 2015*
- *Member of the Board of Archer Ltd., 2008 - 2015*
- *Member of the Board of Northern Offshore Ltd., 2008 - 2015*
- *Member of the Board of Aktiv Kapital ASA, 2006 - 2015*

Ms. Fredriksen holds a degree in Business and Science from London Metropolitan University.



### Bjarne Tellmann (1967)

#### *Member of the Audit Committee*

Mr. Tellmann has been a board member of Mowi ASA since 2020 and is also a member of the Audit Committee. He is Senior Vice President and General Counsel of GSK Consumer Healthcare.

Number of shares held at year end: 1 170

Mr. Tellmann has more than 25 years of international legal, governance and senior leadership experience;

- *General Counsel, Chief Legal Officer and Member of the Executive Committee, Pearson PLC, 2014–2020*
- *Member of the Board of Hire an Esquire, 2015–2020*
- *Member of the Supervisory Board of Coca-Cola Erfrischungsgetränke AG, 2010–2014*
- *Member of the Board of Coca-Cola West Co., Ltd., 2010-2011*
- *Various roles at The Coca-Cola Company, including General Counsel, Japan; General Counsel, Asia-Pacific; and Associate General Counsel, Bottling Investment Group, 2007-2014*
- *Deputy General Counsel, Coca-Cola HBC AG, 2001-2007*
- *International Attorney, Kimberly-Clark (Europe), Ltd., 1999–2001*
- *Associate Attorney, Sullivan & Cromwell, LLP, 1997–1999*
- *Associate Attorney, White & Case, LLP, 1995–1997*

Mr. Tellmann is an alumnus of various institutions, including Harvard Business School (AMP), The University of Chicago, (JD with Honors) and The London School of Economics (MSc).



### Solveig Strand (1961)

Ms. Strand has been a board member of Mowi ASA since 2020. She is Managing Director at Strand Fiskeriselskap.

Number of shares held at year end: 2 606

Ms. Strand has held various positions within the fishing industry;

- *Managing director at Strand Fiskeriselskap, 1999–*
- *Member of the Board of the Norwegian Seafood Council, 2017–*
- *Deputy Chairman of the Board at insurance company Møretrygd, 2015–*
- *Deputy Chairman of the Board at Fiskebåt employers organisation, 2015–*
- *Member of the Board at Marine Harvest ASA, 2006–2015*
- *State Secretary in the Ministry of Fisheries, 2001–2002*

Ms. Strand is a member of the board in several entities within the Strand Fiskeriselskap Group. Ms. Strand is a ICT economist, educated at the Norwegian Business Academy.





## Nicolas Gheysens (1976)

Mr. Gheysens has been a board member of Mowi ASA since June 2021. He is an Investment Partner at Groupe Bruxelles Lambert

Number of shares held at year end: 268

Mr. Gheysens has more than 20 years of experience in international private equity and investment banking:

- *Groupe Bruxelles Lambert – Investment Partner (since 2019)*
- *KKR and Co. – most recently as Managing Director, responsible for the development of KKR's activities in France (2004-2019)*
- *Sagard – Investment Associate (2002-2004)*
- *Goldman Sachs International – investment banking analyst (2000-2002)*

Mr. Gheysens graduated from IEP (Strasbourg) and holds a MSc. in Management from the ESSEC Business School in France.

Mr. Gheysens is also a board member at Webhelp and Parques Reunidos (observer).



## Hans Jakob Lande (1968)

### *Employee representative*

Mr. Lande was elected to the Board of Directors as a representative of the employees in 2020. He is Production Manager at Mowi ASA, Region Mid.

Number of shares held at year end: 915

Mr. Lande has been with the company since 1986:

- *Production Manager, Eggesbønes, Mowi ASA, Region Mid*

Mr. Lande studied Machine and Mechanics at Herøy Vgs.



## Marianne Andersen (1981)

### *Employee representative*

Ms. Andersen was elected to the Board of Directors as a representative of the employees in 2021. She is Biological Controller in Mowi ASA, Region Mid.

Number of shares held at year end: 723

Ms. Andersen has been with the Company since 2008:

- › *Biological controller, Region Mid 2018*
- › *Biological coordinator, Region Mid 2012-2018*
- › *Quality coordinator, Region Mid 2011-2012*
- › *Site manager, 2008-2011.*

Ms. Andersen holds a degree in Master of Science in Marine Biology from the Norwegian University of Science and Technology (NTNU).



## Jørgen Wenggaard (1991)

### *Employee representative*

Mr. Wenggaard was elected to the Board of Directors as a representative of the employees in 2020. He is a Farm technician in Mowi ASA, Region South.

Number of shares held at year end: 144

Mr. Wenggaard has been in the industry since 2007:

- › *Farm technician at seawater farming site, since 2011*
- › *Apprentice at freshwater site, 2007-2011*

Mr. Wenggaard studied Technical and General Studies (TAF/YSK Marin) at Fusa Vgs from 2007-2011 and holds the Aquaculture Technician Certificate from 2011. In 2018 he completed the part-time course in Aquaculture Operations and Management at NORD University. He is currently studying Leadership part-time at the Arctic University of Norway (UiT). Mr. Wenggaard also holds various board positions in different organisations connected to Aquaculture and Fisheries.

# Corporate Governance

Mowi ASA (“Mowi” or the “Company”) considers good corporate governance a prerequisite for generating shareholder value, as well as achieving a low cost of capital and merit investor confidence. Mowi strives to ensure that its internal control mechanisms and management structures comply with generally accepted principles for good corporate governance.



Mowi follows the Norwegian Code of Practice for Corporate Governance (the "Norwegian Code"). A full description of the Norwegian Code is available from the Oslo Stock Exchange's website (<https://www.euronext.com/nb/markets/oslo>).

The following sections explain how Mowi has addressed the various 15 issues covered by the Norwegian Code.

Mowi has reviewed our reporting on Corporate Governance based on the latest Code of Practice. The company is fully compliant to the Norwegian Code, with the exception of section 14 regarding lack of explicit guidelines for dealing with takeover bids.

## 1. Implementation and Reporting of Corporate Governance Principles

The Board of Directors of Mowi (the "Board") is aware of its responsibility for the development and implementation of internal procedures and regulations to ensure that the Company and its subsidiaries (together, the "Group") complies with applicable principles for good corporate governance. The Board reviews the overall position of the Group in relation to such principles annually, and reports thereon in the Company's annual report in accordance with the requirements for listed companies and the Norwegian Code. The Board has defined the Group's overall vision as "Leading the Blue Revolution". Closely linked to the vision are the Group's global values "Passion", "Change", "Trust" and "Share".

- *Passion for the company and the product: passion is the key to our success and how we make a difference.*
- *Change is the new "normal": we are ready for change and work continuously to improve our operations.*

- *Trust is essential in everything we do: our operations provide safe, delicious and healthy food, and we deliver on our promises.*
- *Share is the foundation for the performance of our over 11 800 employees: We share knowledge and experience, we are open and transparent, and we cooperate with key stakeholders globally.*

Mowi's leadership principles were put in place to strengthen the link between individual management actions and our vision. Our leadership principles are:

- *Inspire people: we recruit the very best and build talent for the future. We strive to create winning teams and challenge people to succeed.*
- *Make it happen: we challenge existing thinking and promote change and innovation. We encourage people to propose solutions and learn from mistakes.*
- *Live the values: we want our leaders to be role models and build our culture; leaders should show direction and engage with stakeholders.*
- *Think and act: we want our leaders to think and act as if the company was their own. Leaders should do what is best for the company, bearing in mind short and long-term goals.*

The Group is made up of individuals with different backgrounds, nationalities, cultures and customs. Their conduct - what each and every employee does and says each day - determines the Group's ability to succeed as an organisation. The Code of Conduct sets standards for behaviour that can be expected between colleagues, and that external parties can expect from employees of the Group. The Code of Conduct was updated in 2021. It has

Issues covered by the Norwegian Code	Compliance to the Norwegian Code	Change in compliance from last year
1 Implementation and Reporting of Corporate Governance Principles	Compliant	n/a
2 Business	Compliant	n/a
3 Equity and Dividends	Compliant	n/a
4 Equal Treatment of Shareholders and Transactions with Related Parties	Compliant	n/a
5 Freely Negotiable Shares	Compliant	n/a
6 General Meetings	Compliant	n/a
7 Nomination Committee	Compliant	n/a
8 Corporate Assembly and Board of Directors: Composition and Independence	Compliant	n/a
9 The Work of the Board of Directors	Compliant	n/a
10 Risk Management and Internal Control	Compliant	n/a
11 Remuneration of the Board of Directors	Compliant	n/a
12 Remuneration of Executive Management	Compliant	n/a
13 Information and communications	Compliant	n/a
14 Takeovers	Partly Compliant *	n/a
15 Audit and Risk Oversight	Compliant	n/a

\* Lack of formalised takeover principles



been communicated to employees, and it is expected that all employees make a personal commitment to abide by the Code of Conduct. Testing of each employee's understanding has been, and will continue to be, carried out regularly. The most recent test was performed in 2021. The Code of Conduct is available at Mowi.com.

Our four guiding principles underpin our vision and guide our behaviour in a balanced way. Growth must be sustainable from an environmental, social and financial perspective. We need good financial results to drive the sustainable development of our operations. This interdependency is the foundation for our four important guiding principles: "Profit", "Planet", "Product" and "People".

- *Profit: our profits hinge on our ability to provide customer value from healthy, tasty and nutritious seafood that is raised cost-effectively and in an environmentally sustainable way that maintains the aquatic environment and respects the needs of the wider society.*
- *Planet: our operations and long-term profitability ultimately depend on sustainable and environmentally responsible interactions with the natural environment. We rely on qualified personnel to maintain fish health, avoid escapes and minimise the environmental impact of our operations.*
- *Product: we aim to continually deliver healthy, tasty and responsibly-produced seafood to our customers to deliver long-term financial profitability.*
- *People: the safety, self-respect and personal pride of our employees cannot be compromised if Mowi is to succeed as a company and maintain good relationships with local communities.*

Mowi has defined specific ambitions for each principle, with corresponding key performance indicators. Defining targets is an integrated part of the budget and long-term planning processes, and achievements are reported in operational review meetings with the Business Units, and in business review meetings with the three Business Areas; Feed, Farming and Sales & Marketing. Development and implementation of best practice is achieved through the global quality system, OneMowi, which contains our standard operating procedures. In addition, a global set of policies has been drawn up to guide decisions, manage risk and achieve results. Mowi's governance and management structure is further described on the website at Mowi.com.

## 2. Business

Mowi's objective is defined in the company's articles of association: "The objective of the company is production, refinement, sale and distribution of seafood and goods used in seafood production, either directly or through participation in other companies and hereto-related activities."

The articles of association are available from the Group's website at Mowi.com. To achieve the objective set forth in the articles of association, the Board has adopted a corporate strategy whose

ambitions and priorities lie within the framework of the Group's vision and four guiding principles. The vision "Leading the Blue Revolution" provides direction and shows possibilities. The Group's overall ambition is to grow organically as well as through acquisitions. In 2021, Mowi had a record high production in all both Farming and Consumer Products and record high turnover.

At present, growth is focused on the whole salmon value chain, from feed to fork. Mowi is Self-sufficient with feed in Europe as production at the new feed factory in Scotland has been ramped-up. In Farming, the company aims to capitalise on the organic growth opportunities within the current license footprint.

We set a new record in sold volume from our value added business, Consumer Products, and our ambition is to become a seafood category leader with strong focus on quality, innovation, brand building and excellent customer service. We continue our work to improve efficiency in this segment by streamlining and use new technology.

The material aspects of the four guiding principles are systematically assessed at regular intervals by the Group Management Team. The process of defining material aspects is discussed in the section "Leading the Blue Revolution". The ambitions and the priorities set to achieve them are regularly reviewed and revised by the Board. Through its annual discussion of the long-term plan, the Board sets the targets for the Group for the following five years. Many of the targets are discussed in the relevant sections of this Integrated Annual Report.

## 3. Equity and Dividends

The shareholders' equity as of December 31, 2021 was EUR 3 129.0 million (2 762.0 million), which represents 50.0% (52.0%) of the Group's total assets. Mowi ASA's objective is to maintain an equity level that is appropriate for the company's strategy and risk profile.

Mowi's ambition is to create long-term value for the shareholder through both positive share price development and a growing dividend in line with long-term earnings. Dividend has been an important component of Mowi's financial strategy and to make dividend payments more predictable and transparent the Board decided in 2020 to operationalise the dividend policy by introducing ordinary and extraordinary dividends. The dividend policy states:

- *Quarterly ordinary dividends shall under normal circumstances be at least 50% of underlying earnings per share ("EPS").*
- *Excess capital will be paid out as extraordinary dividends.*
- *When deciding excess capital the Board will take into consideration expected cash flow, capital expenditure plans, financing requirements and appropriate financial flexibility. Further to this a long-term target level for net interest-bearing debt is determined, reviewed and updated on a regular basis.*

- *Shareholder returns are distributed primarily as cash dividends with the option of using share buy-back as a complementary supplement on an ad hoc basis.*

To facilitate quarterly distribution of dividends in an efficient and cost effective manner, the Board seeks a general authorisation from the General Meeting to distribute dividends. Such authorisations shall, however, be limited to a maximum aggregate amount, and limited in time to the next Annual General Meeting (“AGM”). At the 2021 AGM, the Board was granted the following authorisations:

- *(1) To approve the distribution of dividends based on the Company's annual accounts for 2020. The authorisation may be used to approve the distribution of dividends up to an aggregate amount of NOK 7 500 000 000. The authorisation is valid for dividends from the date of the AGM in 2021 until the AGM in 2022, however no later than June 30, 2022.*
- *(2) To purchase up to 51 711 109 shares in the Company (representing 10% of the shares in issue at the time) during the period up until the AGM in 2022, however no later than June 30, 2022.*
- *(3a) To increase the Company's share capital by up to 51 711 109 shares (representing 10% of the shares in issue at the time) provided that the the combined number of shares that are issued pursuant to this authorisation and the authorisation in item 3b below shall not in aggregate exceed 10% of the Company's current share capital. The authority did not define the purpose(s) of such a capital increase. The authority expires at the AGM in 2022, however no later than June 30, 2022.*
- *(3b) To take up convertible bond loans of up to NOK 3,200 million (par value), convertible to a share capital equivalent by up to 51 711 109 shares provided that the the combined number of shares that are issued pursuant to this authorisation and the authorisation in item 3a above shall not in aggregate exceed 10% of the Company's current share capital. The authority expires at the AGM in 2022, however no later than June 30, 2022.*

#### 4. Equal Treatment of Shareholders and Transactions with Related Parties

Mowi ASA has one class of shares.

Any purchase or sale by the Company of its own shares will be carried out either through the Oslo Stock Exchange or at prices quoted on the Oslo Stock Exchange.

Mowi also has American Depositary Shares (ADSs) represented by American Depositary Receipts (ADRs), traded in the US over-the-counter.

Any transaction between the Company and a related party will be on arm's length terms or, if relevant, will rest on a valuation obtained from an independent third party. Mowi ASA will make

sure that major transactions with related parties are approved by the AGM in accordance with the Norwegian Public Limited Liability Companies Act.

The Board is currently authorised to set aside the pre-emption rights of existing shareholders in capital increases if it exercises its authority to issue new shares, cf. above. This is to simplify the procedure in connection with capital increases to finance further growth and/or the offering of shares as consideration in acquisitions where this is deemed a favourable form of settlement. Members of the Board and the Global Management Team have an obligation, pursuant to the Company's Code of Conduct, to disclose to the Board any material interest in transactions to which the Group is a party. The Code of Conduct is available at [Mowi.com](http://Mowi.com).

#### 5. Freely Negotiable Shares

All shares in the Company have equal rights and may be traded freely. Mowi also has American Depositary Shares (ADSs) represented by American Depositary Receipts (ADRs), traded in the US over-the-counter.

#### 6. General Meetings

The interests of the company's shareholders are primarily exercised at the company's general meetings. It is the company's goal that as many shareholders as possible are given the opportunity to participate in its general meetings and that the general meetings are organised so as to ensure that they represent an effective forum for the company's shareholders to express their views.

Notices of general meetings are made available on the company's website, [Mowi.com](http://Mowi.com), and through a separate notice to the Oslo Stock Exchange at least 21 days in advance of the general meeting.

All shareholders with a known address are notified of general meetings a minimum of two weeks in advance. The notice contains detailed information on the resolutions proposed and matters to be considered at the general meeting. It includes the deadline for shareholders to register their intention to attend the general meeting, as well as instructions on how they can cast their votes by proxy. The deadline for registration is set as close to the date of the general meeting as possible.

When documents concerning matters that are to be dealt with at a general meeting have been made accessible to the shareholders on the company's website, the requirement stipulated by the Norwegian Public Companies Act that the documents shall be sent to shareholders by ordinary mail does not apply. This also applies to documents which, according to law, shall be included in or enclosed with the notice of a general meeting. A shareholder can, however, demand that documents concerning matters that are to be dealt with at a general meeting be sent to him or her by ordinary mail.

The notice of a general meeting shall contain a reference to the company's website, where shareholders can access relevant documents and, if appropriate, any other information that shareholders may need to gain access to such documents. The Chair of the Board, the CEO and the external auditor shall all be present at the AGM. Mowi does not have a policy that requires the other members of the Board to attend the AGM.

The AGM elects a chair to preside over the meeting and one person to sign the minutes of the meeting together with the elected chair. The minutes are published on the company's website.

The AGM approves the annual financial statements and annual report, the Board of Directors' report and any proposed dividend. The AGM also approves the remuneration to be paid to the members of the Board, the Nomination Committee (as defined below) and the external auditor.

Other items on the agenda for the AGM may include authorisation for the Board to acquire the Company's shares and to increase the company's share capital, to take up loans convertible into shares, and the election of the members of the Board and the Nomination Committee (please refer to section 3 Equity and Dividends).

Pursuant to Section 6-16a of the Norwegian Public Limited Liability Companies Act, the Board has implemented guidelines for the determination of the remuneration payable to the company's CEO and other senior executives. These guidelines are tabled for resolution at the AGM.

All shares carry an equal right to vote at general meetings. Resolutions at AGMs are normally passed by simple majority unless otherwise required by Norwegian law.

The Annual General Meeting was held on June 9, 2021.

## 7. Nomination Committee

The AGM elects the company's nomination committee (the "Nomination Committee"). The Nomination Committee consists of three members; Anne Lise E. Gryte (Chair), Ann Kristin Brautaset and Merete Haugli. All members of the committee are independent of the Board and the company's executive management. In addition, Mrs Gryte and Mrs Haugli are independent of the company's largest shareholders. The Nomination Committee submits its recommendations to the AGM regarding the election of members to the Board and the Nomination Committee and their respective remuneration.

The general meeting has approved a set of instructions defining the responsibilities of the Nomination Committee. These instructions are available at Mowi.com. All shareholders are invited to propose candidates to the Board and the Nomination Committee through the company's website.

## 8. Corporate Assembly and Board of Directors: Composition and Independence

The company does not have a corporate assembly.

According to the company's articles of association, the company shall have a Board consisting of a minimum of six and a maximum of 12 members. The Chair of the Board and the Deputy Chair of the Board are both elected by the general meeting based on a proposal from the Nomination Committee, as are the other members representing the shareholders. Board members are elected for a period of one or two years at a time. In order to ensure continuity, not all seats on the Board come up for election in the same year.

At present, the Board consists of ten members, of which seven are elected by the general meeting and three are representatives of the employees in Norway. All Board members are considered independent of the company's executive management and material business partners. Five out of seven shareholder elected Board members, including the Chair of the Audit Committee, are considered independent of the Company's largest shareholders; Ole-Eirik Lerøy, Kristian Melhuus, Lisbet K. Næør (Chair of Audit Committee), Solveig Strand and Bjarne P. Tellmann. No Mowi executives are members of the Board.

The members of the Board are presented in this Integrated Annual Report. The shareholdings of Board members are listed in Note 24. The Board is of the opinion that it has sufficient expertise and capacity to perform its duties in a satisfactory manner.

## 9. The Work of the Board of Directors

According to the Norwegian Public Limited Liability Companies Act, the Board has overall responsibility to oversee the management of the company, while the CEO is responsible for day-to-day management. The Board is responsible for ensuring that the Group's activities are soundly organised, and for approving all plans and budgets for the activities of the Group. The Board approves a statement of the CEO's duties, responsibilities and authorisations.

The Board keeps itself informed about the Group's activities and financial situation, and is under an obligation to ensure that its activities, financial statements and asset management are subject to adequate control through the review and approval of the Group's monthly and quarterly reports and financial statements. The Board shall also ensure that the Group has satisfactory internal control systems.

The CEO is in charge of the day-to-day management of the Group, and is responsible for ensuring that the Group is organised in accordance with applicable laws, the company's articles of association and the decisions adopted by the Board and the company's general meeting. The CEO has particular responsibility for ensuring that the Board receives accurate, relevant and timely information in order to enable it to carry out its duties. The CEO

shall also ensure that the Group's financial statements comply with Norwegian legislation and regulations and that the assets of the company are soundly managed.

The Board has formally assessed its performance and expertise in 2021 as recommended by the Norwegian Code. The assessment focuses on the Board's effectiveness to continuously improve governance and support the company's performance. Furthermore, it evaluates several areas of work including, but not limited to, the work of the Board, its composition, work climate and the Board's competence. External resources are brought in at regular intervals to evaluate the work of the Board. Regardless of whether it is conducted internally or externally, the evaluation forms a foundation for the company's Nomination Committee's work related to the nomination of Board members. In 2021, the evaluation was conducted through an external consultancy and discussion with each of the Board members separately. The results were reported to the Board and communicated to the Nomination Committee.

The Board conducted 12 meetings during 2021. The overall attendance rate was 93%.

In 2021 the Board continued to spend significant time on the strategic positioning of Mowi throughout the value chain.

The Board has chosen not to appoint a remuneration committee. Matters relating to the remuneration of executive personnel are

discussed by the Board without presence of the CEO or other management representatives.

The Board has one subcommittee: The Audit Committee.

## THE BOARD'S AUDIT COMMITTEE

The Board's Audit Committee consists of two members: Lisbet K. Nærø (Chair) and Bjarne P. Tellmann the "Audit Committee". The Audit Committee meets Norwegian requirements regarding independence and competence.

The responsibility of the Audit Committee is to monitor the company's financial reporting process and the effectiveness of its systems for internal control and risk management. The Audit Committee shall also keep in regular contact with the company's auditor regarding the auditing of the annual accounts, and shall evaluate and oversee the auditor's independence. The Audit Committee reviews ethical and compliance issues. The members of the Audit Committee are deemed to be independent of the company's major shareholders and the company's management. The Audit Committee reports to the Board. The Audit Committee conducted six meetings during 2021, with 100% attendance rate from both members.

The Audit Committee has formally assessed its performance and expertise in 2021 as part of the Board's assessment.

Name	Position	Independent of major shareholders and management	Meetings attended	Attendance rate (%)	Director since	Term expires
Ole-Eirik Lerøy	Chairperson	Yes	12	100%	2009	2023
Kristian Melhuus	Deputy Chairperson	Yes	12	100%	2018	2023
Cecilie Fredriksen	Director	No	7	58%	2008	2022
Nicolas Gheysens <sup>1)</sup>	Director	No	5	83%	2021	2023
Lisbet K. Nærø <sup>2)</sup>	Director	Yes	10	83%	2015	2023
Solveig Strand	Director	Yes	12	100%	2020	2022
Bjarne Tellmann <sup>2)</sup>	Director	Yes	12	100%	2020	2022
Hans Jakob Lande	Director, employee rep.	No	12	100%	2020	2022
Marianne Andersen <sup>3)</sup>	Director, employee rep.	No	2	100%	2021	2022
Jørgen Wenggaard <sup>4)</sup>	Director, employee rep.	No	2	100%	2021	2022
Kathrine Fredriksen <sup>5)</sup>	Director	No	1	50%	2021	2023
Alf-Helge Aarskog <sup>6)</sup>	Director	n/a	6	100%	2020	n/a
Anders Sæther <sup>7)</sup>	Director, employee rep.	n/a	10	100%	2018	n/a
Kari Bjørgan <sup>8)</sup>	Director, employee rep.	n/a	10	100%	2021	n/a

1) Gheysens became a Board member on 9 June 2021.

2) Lisbet K. Nærø is Chair of the Audit Committee and Bjarne Tellmann is member of the Audit Committee.

3) Andersen became a Board member on 29 October 2021.

4) Wenggaard became a Board member on 29 October 2021.

5) Kathrine Fredriksen became a deputy Board member to Cecilie Fredriksen on 9 June 2021.

6) Aarskog became a Board member on 3 June 2020. He stepped down on 9 June 2021.

7) Sæther became a Board member on 30 May 2018. He stepped down on 29 October 2021.

8) Bjørgan became a Board member on 8 January 2021. She stepped down on 29 October 2021.

## 10. Risk Management and Internal Control

The Board and management attach great importance to the quality of the Group's risk management and internal control systems, including ESG risks. Risk management and internal control systems are important to enable the Group to meet its strategic goals. These systems form an integrated part of management's decision-making processes and are central elements in the organisation of the Group and the development of routines.

By means of a materiality assessment we have identified areas of opportunity and risk that could influence our ability to achieve our goals and deliver on our strategy.

Risk management is what the company does to manage risk in order to provide reasonable assurance to stakeholders that it will achieve its goals. The COSO enterprise risk framework, dividing risk into four categories is applied:

1. Operational risk
2. Strategic risk
3. Reporting risk
4. Compliance risk

As the company considers its operational risk to cover several individually important sub categories of risk, a more detailed risk categorisation has been chosen. The operational risk category therefore includes the following sub categories:

- a. Risks related to the sale/supply of our products
- b. Risks related to governmental regulations
- c. Risks related to our fish farming operations
- d. Risks related to our supply of fish feed and feed operations
- e. Risks related to our industry
- f. Risks related to our business
- g. Risks related to our financial arrangements
- h. Risks related to tax and legal matters
- i. Risks related to climate change
- j. Risk related to cyber security and technological innovation

The company believes that this risk categorisation addresses the main risk areas that could influence the ability to deliver on the strategy. The company works continuously to mitigate identified risks and capitalise on opportunities by tracking and following up key performance indicators within the framework of the guiding principles. The company believes that the long-term success depends on its ability to manage the risks associated with its operations, strategy, reporting and compliance.

For more detailed descriptions of the risks associated with the company's operations, please see the section Risk Management and the sections Profit, Planet, Product and People. For a more detailed description of the risks related to the financing arrangements, please refer to the Board of Directors report and Note 13 to the Group financial statements.

A continuous risk management process, including analysis, management and follow-up of significant risks, is performed to ensure

that the Group is managed in accordance with the risk profile and strategies approved by the Board. This process encompasses the Group's guiding principles and ethical guidelines. The Board reviews the Group's overall risk profile in relation to strategic, operational and transaction-related issues at least once every year. The status of the overall risk situation is reported and discussed with the Board in connection with the annual budget process. The Audit Committee assists the Board and functions as a preparatory body with regards to surveillance of the company's systems for internal control and risk management.

As part of the company's risk management policy, Mowi ASA has entered into Property and Casualty Insurance for the company including all subsidiaries. Included in this insurance program is Directors & Officers Liability Insurance coverage which specifies its own global coverage with a corresponding master policy. All Directors and Officers in Mowi are part of this insurance coverage which has a total limit of NOK 350 million.

## INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board and Group management are responsible for establishing and maintaining adequate internal control over financial reporting. The process for internal control is developed under the supervision of the Chief Financial Officer. The process is intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group's Financial Statements for external reporting purposes in accordance with International Financial Reporting Standards and the interpretations issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU IFRS) and the Norwegian Accounting Act.

The Audit Committee monitors financial reporting and its related internal controls, including application of accounting principles and informed judgements. Group management and the Audit Committee have regular meetings with the external auditor present to discuss issues related to financial reporting.

Financial reporting in Mowi is an integrated part of the Group's corporate governance. Distinct roles, responsibilities and duties have been established. Requirements with regard to content and deadlines, including accounting policies, checks and validations, have been clearly defined. A key element in the financial reporting process is risk assessment. A risk assessment is performed at least annually, and key controls and control procedures are established to mitigate identified risks. Compliance is reported to the Audit Committee. The Group's applied accounting principles are described in an online accounting manual.

All Business Units periodically upload their financial statements into a common consolidation system, based on a common chart of accounts. All subsidiaries are responsible for the accuracy of their reported figures, and for ensuring that their financial reporting is in compliance with the Group's accounting principles. In addition, general and analytical controls of the reported figures are performed at corporate level.



Additional information is disclosed in connection with quarterly and annual reporting. Extended controls are carried out as part of the quarterly and the year-end reporting processes.

The Group has sufficient expertise to complete proper and efficient financial reporting in accordance with IFRS and the Norwegian Accounting Act.

## INTERNAL CONTROL OVER IT SECURITY

The Board and Group Management Team are responsible for establishing and maintaining adequate internal control over IT Security. The process for internal control is developed under the supervision of the Chief Financial Officer and Group IT Director.

Oversight of the company's information security risk management is assigned to the Board, and followed up by the Audit Committee.

Mowi has a global IT Security team that spans all areas of IT. This team is led by the Group Infrastructure and Operations manager. The Group Infrastructure and Operations Manager have frequent and regular discussions with the Group IT Director on security issues. The Group IT Director in turn updates the CFO on a quarterly basis and the Group Management Team and the Board at least once per year.

Mowi has two Board members with information security experience; Mr Melhuus and Mrs Nærø. The CFO has a degree in Information Technology.

Mowi has a group security team, with internal and external security experts tasked with the assignment to protect Mowi from cyber threats and attacks. Cyber monitoring takes place 24/7 and action is taken constantly to mitigate risks, handle threats, and remediate issues, as needed. The approach is not disclosed to any external company.

Over the last three years Mowi has not experienced a security breach. As a result no costs have been incurred, other than the costs of ongoing security improvements. Mowi has not experienced any significant security breaches over the last three years, and hence has not had any cost related with this. Mowi incurred the most recent information security breach 55 months ago.

Mowi has an annual external audit on IT processes. Additionally, Mowi uses a 3rd party certified security vendor to analyse the environment to highlight potential threats and weaknesses. Mowi is using well known and established and certified partners to run the global infrastructure on Mowi's behalf. Certifications and third party attestations and quality review are important tool for Mowi to mitigate risk.

The external IT audit cover Mowi Group and not only specific regions.

Mowi has an extensive information security training program. All employees logging on to Mowi networks and applications must complete mandatory security and awareness training on an annual basis.

## CODE OF CONDUCT AND ETHICAL GUIDELINES

The Code of Conduct describes Mowi ASA's commitment and requirements in connection with ethical issues relevant to business practice and personal conduct. Mowi ASA will, in its business activities, comply with applicable laws and regulations, and act in an ethical, sustainable and socially responsible manner. The Code of Conduct has been communicated to employees, and each employee is expected to make a personal commitment to abide by the Code of Conduct. The third-party-operated whistleblower channel facilitates the reporting of concerns about potential violations of the law and breaches of Mowi's Code of Conduct in all areas. On whistleblowing, 17 (13) cases were reported through our whistleblower channel in 2021. All cases are closed, but one notice from 2018 is kept open, where we are still in legal process. None of the reported cases are related to corruption.

Mowi has also established a group-wide policy to combat fraud and corruption as part of its risk management, internal control and corporate governance process.

## 11. Remuneration of the Board of Directors

Remuneration for the members of the Board is determined by the AGM based on a proposal from the Nomination Committee. The remuneration reflects the Board's responsibility, expertise, time, commitment and the complexity of the Company's activities. Remuneration is not linked to the Company's performance. All members of the Board, with the exception of the Chair and the Deputy Chair receive the same remuneration. The members of the Audit Committee receive separate, additional remuneration. The fee paid to the members of the Board is fixed for each 12-month period (from AGM to AGM). The remuneration paid to members of the Board is disclosed in Note 14 to the Mowi ASA financial statements.

## 12. Remuneration of Executive Management

The Board of Mowi ASA determines the principles applicable to the Group's policy for compensation of senior executives. The Board is directly responsible for determining the CEO's salary and other benefits. The CEO is, in consultation with the Chair of the Board, responsible for determining the salary and other benefits for the Group's other senior executives. The Group's senior executives include the management team of each Business Area as well as the senior members of the corporate staff.

The following guidelines underpin the determination of compensation payable to the Group's senior executives:

- *The total compensation offered to senior executives shall be competitive, both nationally and internationally.*
- *The compensation shall contain elements providing necessary financial security following termination of the employment relationship, both before and after retirement.*

- *The compensation shall be motivating, both for the individual and for the senior executives as a group.*
- *Variable elements in the overall compensation package shall be linked to the value generated by the Group for Mowi ASA's shareholders.*
- *The system of compensation shall be understandable and meet general acceptance internally in the Group, among the company's shareholders and with the public.*
- *The system of compensation shall be flexible and contain mechanisms that make it possible to carry out individual adjustments based on the results achieved and contributions made towards the development of the Group.*

Remuneration of the company's CEO and the executive management team is disclosed in Note 14 to the Mowi ASA financial statements. In compliance with the Norwegian Public Limited Liability Companies Act, the Board prepares a statement regarding the remuneration of the executive management team for consideration by the AGM. The remuneration package for corporate executive staff consists of the following main elements:

- *Fixed salary*
- *Benefits-in-kind*
- *Pension*
- *Termination payment*
- *Bonus*

In addition, the Group has a Share Option Scheme ("Scheme") for key employees. The Scheme is limited to two years' salary for each individual. The details of the Scheme are described in Note 14 to the Mowi Group Financial Statements, and in Note 14 to the Mowi ASA financial statements.

### 13. Information and communications

The company publishes its financial calendar every year, identifying the dates on which it will present its quarterly reports, Annual Report and when the AGM will be held.

All information concerning major events and acquisitions is publicly disclosed in line with the requirements of the Oslo Stock Exchange, and posted on the Company's website (Mowi.com). All financial reports and other information are prepared and disclosed in such a way as to ensure that shareholders, investors and others receive correct, clear, relevant and up-to-date information equally and in a timely manner.

The Company holds public presentations of its results quarterly.

The Board has formalised guidelines for dialogue with the company's shareholders outside the AGM. Mowi ASA is entitled by the Norwegian Securities Trading Act to publish all information (including its annual financial statements) in English only.

### 14. Takeovers

The Board will not seek to hinder or obstruct any public bid for the company's activities or shares unless there are particular reasons for doing so. In the event of a takeover bid for the company's shares, the Board will not exercise mandates or pass any resolutions with the intention of obstructing the takeover bid, unless this is approved by the company's general meeting following the announcement of such a bid.

The Board acknowledges that it has a particular responsibility to ensure that the company's shareholders are given sufficient information and time to form a view of any public offer for the company's shares. If an offer is made for a significant and controlling stake of the shares, the Board will issue a statement evaluating the offer and will make a recommendation as to whether or not shareholders should accept it.

The Board has not established explicit guiding principles for dealing with takeover bids as recommended by the Norwegian code.

### 15. Audit and Risk Oversight

The company's elected external auditor is EY. The auditor is independent of Mowi ASA and is appointed by the AGM. The auditor's fee is approved by the AGM.

The auditor presents a plan to the Audit Committee for the audit, and is present at Board meetings dealing with the preparation of the annual accounts where the audited financial statements are reviewed and approved. The auditor participates in the AGM. The Board and the Audit Committee hold regular meetings with the auditor without the presence of management. The auditor is also present at all meetings with the Audit Committee. The minutes from these meetings are distributed to all Board members. This practice is in line with the EU audit directive.

The auditor submits a summary document to the Audit Committee and the Board following its audit of the Group's and the company's annual financial statements. The summary document, in addition to describing the audit review, includes an evaluation of the Group's internal control systems. The auditor has not issued an adverse opinion in the past year. Lisbet K. Nærø (Chair) serve as the financial expert in the audit committee.

The new Public Audit Act became effective as of January 1, 2021. Extended tasks related to the selection, evaluation of independence and follow-up of the external auditor as well as purchase of auditor services are handled by the audit committee. The Audit Committee has sufficient competence to challenge the statutory auditor in relevant areas. When evaluating the independent auditor, emphasis is placed on the firm's competence, capacity, local and international availability and the level of the fee expected.

Information about the fee paid to the auditor is stated in Note 32 to the Group financial statements. The independent auditor's remuneration is split between audit services, tax services and

other non-audit fees. To the extent that the auditor provides services other than the regular audit, this is discussed separately on a case-by-case basis, to ensure that there are no conflicts of interest. The non-audit fee represent 26% (44 %) of total fees in 2021.

EY was initially appointed external auditor in 2003. Øyvind Nore, EY, has been lead audit partner for the Group since 2016, hence 2021 was his sixth year as lead partner. The lead audit partner rotates every 7 years.



## Special note

# Regarding forward - looking statements

This annual report contains forward-looking statements that reflect our current expectations and views of future events. Some of these forward-looking statements can be identified by terms and phrases such as “anticipate,” “should,” “likely,” “foresee,” “believe,” “estimate,” “expect,” “intend,” “continue,” “could,” “may,” “plan,” “project,” “predict,” “will” and similar expressions. These forward-looking statements include statements relating to:

- our goals and strategies;
- our plans with respect to construction and opening of new production facilities, and the expected cost, capacity and timing for such projects;
- our plans with respect to the aquaculture shipping associated company;
- our ability to increase or otherwise vary our harvest volume in the short or long term and our expected investments in working capital;
- the expected trends in global demand for seafood;
- our expected sales of fish feed;
- the expected trends in consumer preferences;
- capacity to expand salmon farming in Norway or elsewhere;
- the expected trends in the seafood industry, globally and regionally;
- the expected trends in human population growth;
- the expected trends in income growth in emerging markets;
- our ability to control or mitigate biological risks, including fish diseases and sea lice, through the use of vaccines, treatment or otherwise, and other risks to our fish stocks;
- expected developments in the cost and availability of fish feed ingredients;
- climate change;
- our dividend policy;
- updates with respect to our legal proceedings;
- our expected capital expenditures and commitments;
- our ability to maintain access to and produce quality fish feed;
- future movements in the price of salmon and other seafood;
- our ability to effectively manage the impact of escapes and predation on our stock;
- our ability to continue to develop new and attractive high quality products;
- our ability to overcome any interruptions to the operations of our farms, our feed plant or our primary or secondary processing facilities;
- our expected biological costs;
- our expected investments, including our project pipeline and other expansion efforts;
- competition in our industry and from other protein sources, such as beef, pork and chicken;
- the prospects of the Chilean and North American salmon industry;
- our restructuring efforts;
- our research and development plans and expectations; and
- developments in, or changes to, the laws, regulations and governmental policies governing our business and industry, including the developments with respect to licenses.

The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. The forward-looking statements are based on our beliefs, assumptions and expectations of future performance, taking into account the information currently available to us. These statements are only predictions based upon our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. In particular, such factors are described in the relevant sections in this Integrated Annual Report.

These forward-looking statements speak only as of the date of this annual report. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The factors set forth in Risk and Risk Management could cause our actual results to differ materially from those contemplated in any forward-looking.







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## Mowi Group

# Financial statements and notes

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- 173** Statement of comprehensive income
  - 174** Statement of financial position
  - 176** Statement of changes in equity
  - 177** Statement of cash flow
- 

- |   |  |
|---|--|
| <b>178</b> Note 1 - General information                                   | <b>216</b> Note 19 - Secured liabilities and guarantees                                      |
| <b>178</b> Note 2 - Significant accounting policies                       | <b>217</b> Note 20 - Other non-current liabilities   |
| <b>185</b> Note 3 - Estimates and environmental risk                      | <b>217</b> Note 21 - Investments in associated companies and interest in joint ventures      |
| <b>187</b> Note 4 - Business segments                                     | <b>218</b> Note 22 - Business combinations, assets held for sale and discontinued operations |
| <b>190</b> Note 5 - Disaggregation of revenue                             | <b>219</b> Note 23 - Consolidated entities   |
| <b>191</b> Note 6 - Biological assets                                     | <b>221</b> Note 24 - Share capital   |
| <b>194</b> Note 7 - Inventory   | <b>224</b> Note 25 - Earnings per share  |
| <b>195</b> Note 8 - Impairment testing of intangible assets               | <b>224</b> Note 26 - Related party transactions  |
| <b>197</b> Note 9 - Intangible assets                                     | <b>225</b> Note 27 - Contingent liabilities and provisions                                   |
| <b>199</b> Note 10 - Property, plant and equipment                        | <b>225</b> Note 28 - Other operating expenses  |
| <b>201</b> Note 11 - Interest-bearing debt                                | <b>226</b> Note 29 - Leases  |
| <b>203</b> Note 12 - Financial instruments                                | <b>228</b> Note 30 - Provisions  |
| <b>206</b> Note 13 - Capital management and risk management               | <b>228</b> Note 31 - Research and development  |
| <b>210</b> Note 14 - Remuneration   | <b>229</b> Note 32 - Auditor's fees  |
| <b>212</b> Note 15 - Taxes  | <b>229</b> Note 33 - New IFRS standards  |
| <b>215</b> Note 16 - Cash   | <b>229</b> Note 34 - Subsequent events   |
| <b>215</b> Note 17 - Trade receivables, other receivables and prepayments |  |
| <b>216</b> Note 18 - Trade payables and other current liabilities         |  |
-

## STATEMENT OF COMPREHENSIVE INCOME

<b>MOWI GROUP</b> (EUR MILLION)	<b>NOTE</b>	<b>2021</b>	<b>2020</b>
Revenue		4 165.9	3 732.2
Other income		36.3	28.0
<b>Revenue and other income</b>	4/5	<b>4 202.2</b>	<b>3 760.2</b>
Cost of materials	7	-2 191.5	-1 970.4
Net fair value adjustment biomass	6	119.8	-145.6
Salary and personnel expenses	14	-568.3	-558.5
Other operating expenses	28	-534.4	-547.6
Depreciation and amortisation	9/10/29	-373.2	-338.1
Onerous contracts provision	30	-3.2	2.1
Restructuring costs and other provisions	30	-22.6	-14.5
License/production fees	4	-18.9	—
Other non-operational items	27	-30.3	-7.9
Income/loss from associated companies and joint ventures	21/22	97.5	21.8
Impairment losses & write-downs	6/9/10	-74.8	-18.1
<b>Earnings before financial items (EBIT)</b>		<b>602.2</b>	<b>183.5</b>
Interest expenses	12	-59.0	-63.0
Net currency effects	12	37.0	-12.9
Other financial items	12	13.1	13.0
<b>Earnings before taxes</b>		<b>593.4</b>	<b>120.6</b>
<b>Income taxes</b>	15	<b>-105.5</b>	<b>-1.4</b>
<b>Profit or loss for the year</b>		<b>487.9</b>	<b>119.1</b>
<i>Other comprehensive income</i>			
Currency translation differences		99.8	-118.8
<b>Total items to be reclassified to profit or loss in subsequent periods</b>		<b>99.8</b>	<b>-118.8</b>
Actuarial gains (losses) on defined benefit plans net of tax	15	5.3	3.9
<b>Total items not to be reclassified to profit or loss</b>		<b>5.3</b>	<b>3.9</b>
<b>Total other comprehensive income</b>		<b>105.1</b>	<b>-114.9</b>
<b>Comprehensive income for the year</b>		<b>593.0</b>	<b>4.2</b>
<i>Profit or loss for the year attributable to</i>			
Non-controlling interests		0.2	1.6
Owners of Mowi ASA		487.6	117.5
<i>Comprehensive income for the year attributable to</i>			
Non-controlling interests		0.3	1.6
Owners of Mowi ASA		592.7	2.6
<b>Earnings per share - basic and diluted (EUR)</b>	25	<b>0.94</b>	<b>0.23</b>
<b>Earnings per share for continuing operations - basic and diluted (EUR)</b>	25	<b>0.94</b>	<b>0.23</b>

## STATEMENT OF FINANCIAL POSITION

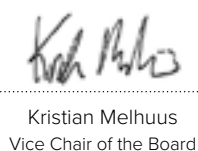
<b>MOWI GROUP</b> (EUR MILLION)	<b>NOTE</b>	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>			
<i>Non-current assets</i>			
Licenses	8/9	919.7	872.9
Goodwill	8/9	321.1	313.4
Deferred tax assets	15	51.1	26.1
Other intangible assets	9	26.7	24.1
<b>Total intangible assets</b>		<b>1 318.7</b>	<b>1 236.5</b>
Property, plant and equipment	10	1 504.0	1 394.7
Right-of-use assets	29	513.2	536.4
Investments in associated companies and joint ventures	21	203.9	166.9
Other non-current financial assets	12	2.0	1.9
Other non-current assets		0.5	0.8
<b>Total non-current assets</b>		<b>3 542.2</b>	<b>3 337.3</b>
<i>Current assets</i>			
Inventory	7	384.1	334.1
Biological assets	6	1 529.5	1 416.6
Trade receivables	17	492.1	454.0
Other receivables	17	177.2	125.8
Other current financial assets	12	33.0	11.1
Restricted cash	16	6.8	6.9
Cash in bank	16	94.9	100.3
<b>Total current assets</b>		<b>2 717.5</b>	<b>2 448.8</b>
Assets held for sale	22	—	60.0
<b>Total assets</b>		<b>6 259.5</b>	<b>5 846.1</b>

Mowi GROUP (EUR MILLION)	NOTE	2021	2020
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Share capital and reserves attributable to owners of Mowi ASA	24	3 129.0	2 762.0
Non-controlling interests	23	2.4	2.1
<b>Total equity</b>		<b>3 131.4</b>	<b>2 764.1</b>
<i>Non-current liabilities</i>			
Deferred tax liabilities	15	441.4	392.2
Non-current interest-bearing debt	11	1 358.9	1 565.5
Non-current leasing liabilities	29	335.7	379.9
Other non-current liabilities	20	19.3	24.8
<b>Total non-current liabilities</b>		<b>2 155.3</b>	<b>2 362.5</b>
<i>Current liabilities</i>			
Current tax liabilities	15	79.9	26.3
Current leasing liabilities	18/29	182.7	153.2
Trade payables	18	392.8	316.5
Other current financial liabilities	12	7.0	30.1
Provisions	30	65.4	25.4
Other current liabilities	18	244.9	167.9
<b>Total current liabilities</b>		<b>972.9</b>	<b>719.5</b>
<b>Total equity and liabilities</b>		<b>6 259.5</b>	<b>5 846.1</b>

BERGEN, MARCH 29, 2022



Ole-Eirik Lerøy  
Chair of the Board



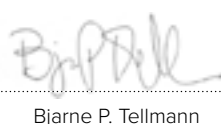
Kristian Melhuus  
Vice Chair of the Board



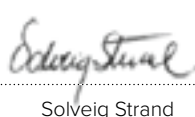
Cecilie Fredriksen



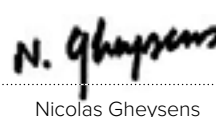
Lisbet K. Nærø



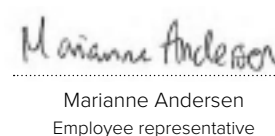
Bjarne P. Tellmann



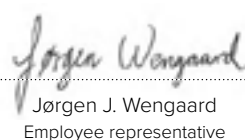
Solveig Strand



Nicolas Gheysens



Marianne Andersen  
Employee representative



Jørgen J. Wenggaard  
Employee representative



Hans Jakob Lande  
Employee representative



Ivan Vindheim  
Chief Executive Officer

## STATEMENT OF CHANGES IN EQUITY

MOWI GROUP (EUR MILLION)	ATTRIBUTABLE TO OWNERS OF Mowi ASA						NON- CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	OTHER PAID- IN CAPITAL	SHARE BASED PAYMENT	TRANSLATION RESERVE	OTHER EQUITY	TOTAL		
<b>2021</b>								
<b>Equity 01.01.21</b>	<b>404.8</b>	<b>1 274.7</b>	<b>5.5</b>	<b>21.8</b>	<b>1 055.1</b>	<b>2 762.0</b>	<b>2.1</b>	<b>2 764.1</b>
<i>Comprehensive income</i>								
Profit	—	—	—	—	487.6	487.6	0.2	<b>487.9</b>
Other comprehensive income	—	—	—	99.8	5.3	105.1	—	<b>105.1</b>
<i>Transactions with owners</i>								
Share-based payment	—	—	1.1	—	—	1.1	—	<b>1.1</b>
Dividend	—	—	—	—	-226.8	-226.8	—	<b>-226.8</b>
<b>Total equity 31.12.21</b>	<b>404.8</b>	<b>1 274.7</b>	<b>6.6</b>	<b>121.6</b>	<b>1 321.2</b>	<b>3 129.0</b>	<b>2.4</b>	<b>3 131.4</b>

MOWI GROUP (EUR MILLION)	ATTRIBUTABLE TO OWNERS OF Mowi ASA						NON- CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	OTHER PAID- IN CAPITAL	SHARE BASED PAYMENT	TRANSLATION RESERVE	OTHER EQUITY	TOTAL		
<b>2020</b>								
<b>Equity 01.01.20</b>	<b>404.8</b>	<b>1 274.7</b>	<b>5.4</b>	<b>140.6</b>	<b>1 066.6</b>	<b>2 892.2</b>	<b>0.4</b>	<b>2 892.6</b>
<i>Comprehensive income</i>								
Profit	—	—	—	—	117.5	117.5	1.6	<b>119.1</b>
Other comprehensive income	—	—	—	-118.8	3.9	-114.9	0.1	<b>-114.9</b>
<i>Transactions with owners</i>								
Share-based payment	—	—	0.1	—	—	0.1	—	<b>0.1</b>
Dividend	—	—	—	—	-132.9	-132.9	—	<b>-132.9</b>
<b>Total equity 31.12.20</b>	<b>404.8</b>	<b>1 274.7</b>	<b>5.5</b>	<b>21.8</b>	<b>1 055.1</b>	<b>2 762.0</b>	<b>2.1</b>	<b>2 764.1</b>



## STATEMENT OF CASH FLOW

<b>MOWI GROUP</b> (EUR MILLION)	<b>NOTE</b>	<b>2021</b>	<b>2020</b>
<b>Cash flow from operations</b>			
Earnings before taxes		593.4	120.6
Interest expenses	12	59.0	63.0
Net currency effects	12	-37.0	12.9
Other financial items	12	-13.1	-13.0
Impairment losses, depreciation and amortisation	9/10	448.0	356.3
Net fair value adjustment on biological assets and onerous contracts	6/30	-116.6	143.5
Income from associated companies and joint ventures	21	-97.5	-21.8
Taxes paid	15	-42.6	-138.3
Change in inventory, trade payables and trade receivables		-26.4	-56.5
Restructuring and other provisions		47.8	30.0
Other adjustments		18.2	5.9
<b>Cash flow from operations</b>		<b>833.1</b>	<b>502.7</b>
<b>Cash flow from investments</b>			
Sale of fixed assets		4.5	7.0
Purchase of fixed assets and additions to intangible assets	4	-244.7	-315.8
Proceeds and dividend from associates and other investments		107.9	25.5
Purchase of shares and other investments		-1.4	-0.1
<b>Cash flow from investments</b>		<b>-133.7</b>	<b>-283.4</b>
<b>Cash flow from financing</b>			
Proceeds from bond	11	—	200.0
Proceeds (payments of ) interest-bearing debt (current and non-current)	11	-209.6	-89.5
Down payment leasing debt	11/29	-192.7	-156.9
Interest received		0.5	0.7
Interest paid		-65.9	-63.1
Realised currency effects		-12.2	3.6
Dividend		-226.8	-132.9
<b>Cash flow from financing</b>		<b>-706.6</b>	<b>-238.1</b>
Currency effects on cash		1.9	1.6
<b>Net change in cash in period</b>		<b>-5.4</b>	<b>-17.2</b>
Cash - opening balance		100.3	117.5
<b>Cash - closing balance total</b>	16	<b>94.9</b>	<b>100.3</b>

## NOTE 1 - GENERAL INFORMATION

Mowi ASA is a Norwegian company headquartered at Sandviksboder 77A/B, 5035 Bergen. Mowi ASA is a publicly listed company on the Oslo Stock Exchange, with the ticker symbol MOWI.

The Group's operations are described in Note 4. Mowi has operations in 25 countries and has structured its operations in three Business Areas: Feed, Farming and Sales & Marketing. The Feed factories are located in Norway and Scotland. The Group's farming activities are located in Norway, Scotland, Canada, Chile, Ireland

and the Faroe Islands. Sales & Marketing comprises the global sales organisation, in addition to the value-added operations in Consumer Products.

Comparable information for one year is presented in this year's Annual Report.

The financial statements were authorised by the Board of Directors on March 29, 2022.

## NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are described below. These policies have been consistently applied to all periods presented.

### STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

As of December 31, 2021, the consolidated financial statements of Mowi ASA and its subsidiaries ("the Group" or "Mowi") have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. In compliance with the Norwegian Accounting Act, additional disclosures are included in the notes to the financial statements of Mowi ASA.

Any new standards and amendments adopted by the Group in 2021 are described in Note 33. At the end of 2021, new standards and changes to existing standards and interpretations have been enacted but are not yet effective. Any relevant effects for Mowi are further described in Note 33.

The consolidated financial statements have been prepared on the historical cost basis, except when IFRS requires recognition at fair value. This relates to the measurement of certain financial instruments and valuation of the biomass as further described below. The reporting period follows the calendar year.

### CONSOLIDATION

Consolidated financial statements present the Group's financial position, comprehensive income, changes in equity and cash flow. All intragroup transactions, receivables and liabilities are eliminated. Unrealised gains from intragroup transactions are eliminated. Unrealised losses from intragroup transactions are also eliminated, but are considered an indicator of impairment with respect to the asset transferred.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

### Subsidiaries

The Group's consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at December 31, 2021. Control is achieved when the Group is exposed, or is entitled, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- *Power over the investee (i.e., existing rights that enable the Group to direct the relevant activities of the investee).*
- *Exposure, or rights, to variable returns from its involvement with the investee.*
- *The ability to use its power over the investee to affect its returns.*

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights in an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

## INVESTMENT IN ASSOCIATED COMPANIES AND JOINT VENTURES

Associated companies are companies in which the Group has a significant non-controlling interest (normally ownership of 20-50%). Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not to exercise control or joint control over those policies.

A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights with respect to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associated companies and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of the associate or joint venture's net assets since the acquisition date. The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring their accounting policies in line with those of the Group.

The statement of comprehensive income reflects the Group's share of the results deriving from the associate or joint venture's operations.

## FOREIGN CURRENCY TRANSLATION

The financial statements for the Group are presented in EUR, which is the functional currency of the parent company. The functional currency of the subsidiaries is their local currency, with the exception of the holding companies in Norway including Mowi ASA, Mowi Markets Norway AS, Mowi Feed AS and Waynor Trading AS which use EUR as their functional currency, and subsidiaries in Chile, Singapore and Vietnam, which use USD as their functional currency.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### Translation of transactions in foreign subsidiaries

Profit or loss transactions in foreign subsidiaries are translated to the presentation currency using the average exchange rate for the reporting month, unless exchange rates in the period have fluctuated significantly, in which case the exchange rates in effect on

the transaction dates are applied. Assets and liabilities of foreign subsidiaries are translated at the exchange rate at the end of the reporting month.

### Transactions in foreign currencies

Foreign currency transactions are translated using the exchange rate at the time of the transaction. Receivables, debt and other monetary items in foreign currency are measured at the exchange rate at the end of the reporting period, and the translation differences are recognised in profit or loss. Other assets in foreign currencies are translated at the exchange rate in effect on the transaction date.

## FINANCIAL INSTRUMENTS - INITIAL AND SUBSEQUENT MEASUREMENT

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

### Financial assets

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

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

The Group classified its financial assets within 2 categories; financial assets at amortised cost and financial asset at fair value through profit and loss. The Group does not apply hedge accounting.

### Financial assets at amortised cost

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

- *The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,*
- *The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.*

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

The Group's financial assets at amortised cost includes trade receivables and other short-term deposit. Trade receivables are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers. No significant financing components are identified.

### Derivatives at fair value through profit and loss

Financial assets at fair value through profit and loss include financial assets held for trading, financial assets designated through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near terms. Derivatives, including separately embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

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

The category includes derivatives instruments such as foreign exchange contracts, interest rate swaps and salmon derivatives. The Group trades in salmon derivatives, both as an operational hedging activity and a financial activity. Operational trading of salmon derivatives is presented as other operating income, while financial trading of salmon derivatives is presented as other financial items.

### Derecognition of financial assets

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

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

### Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as financial liabilities at fair value through profit and loss (derivatives), as appropriate. Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

### Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

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

### Derecognition of financial liabilities

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

### Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## REVENUE

Revenue from contracts with customers as defined in IFRS 15 is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has generally concluded that it is the principal in its

revenue arrangements, because it typically controls the goods before transferring them to the customer.

### Sale of fish products

Revenue for the Group derives mainly from the sale of fish and elaborated fish products either on spot sales or from contracts. The Group recognises revenue from the sale of fish and elaborated fish products at the point in time when control of the goods is transferred to the customer. Control of an asset refers to the ability to direct the use of and obtain substantially all of the remaining benefits from the asset, and the ability to prevent others from directing the use of and receiving the benefits from the asset. Revenue is generally recognised on delivery of the goods (i.e. a certain point in time). Based on group business of sale of fish and elaborated fish products the customers do not pay any advances. The normal credit term is 30 days upon delivery, and based on the nature of the product there is generally no right of return or warranties. Refund is only given if delivered goods is damaged or delivered with discrepancy compared to agreement, such is immaterial.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated, currently no multiple performance obligations have been identified. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components and consideration payable to the customer (if any). At the balance sheet date the group has no outstanding performance obligations in contracts that have original duration of more than 1 year. Therefore no additional disclosures is provided on performance obligations.

### Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contracts for the sale of goods may provide customers with retrospective volume rebates. The retrospective volume rebates give rise to variable consideration.

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contracts. Rebates are presented as reduction of revenue in the statement of comprehensive income, and other current liabilities in the statement of financial position. To estimate expected rebates, the Group applies the expected value method at the end of each reporting period. The amount of unsettled rebates in the statement of financial position per year-end is immaterial.

### Balances related to revenue

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A trade receivable represents the Group's right to an amount of consideration that is unconditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group fulfils the performance obligation(s) under the contract.

Refer to notes 17 and 18, contract assets and liabilities are immaterial.

The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense such costs when the related revenue is expected to be recognised within one year, as such no assets have been presented in the statement of financial position.

### Biomass

Changes in the estimated fair value of the biomass are recognised in profit or loss. The fair value adjustment is presented in the statement of comprehensive income as "Net fair value adjustment biomass". The net fair value adjustment consists of "fair value adjustment on biological assets", "fair value adjustment on harvested fish" and "fair value on incident based mortality", see Note 6. The fair value adjustment on biological assets represents the change in fair value of the biomass less the change in accumulated cost of production for the biomass. The fair value adjustment on harvested fish is the release from stock of the fair value adjustment related to the fish harvested in the period. The fair value adjustment on incident based mortality is the release from stock of the fair value adjustment related to the fish recognised as incident based mortality in the period. The accumulated cost of incident based mortality is included in "cost of materials" in the statement of comprehensive income.

### Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in other financial items in the statement of comprehensive income.

### Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when the dividend is approved by the investment's general meeting.



## GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received and where the Company will be in compliance with all conditions attached thereto. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs that it is intended to compensate are expensed. When the grant relates to an asset, it is deducted from the carrying amount of the asset. The grant is then recognised in profit or loss over the useful life of a depreciable asset by way of a reduced depreciation charge.

## GOODWILL AND LICENSES

### Goodwill

Goodwill is initially measured at cost, and is the excess of the aggregate of the consideration transferred and the amount recognised for a non-controlling interest in the net identifiable assets acquired and liabilities assumed through a business combination.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in such circumstance is measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit retained. Goodwill is tested for impairment annually as at December 31, and when circumstances otherwise indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

### Other intangible assets (licenses)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite. The value of licenses acquired by Mowi (mainly licenses for salmon farming) in Norway, Chile, Ireland, the Faroe Islands, Scotland and Canada are considered indefinite. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually or when circumstances otherwise indicate that the carrying value may be impaired, either individually or at the cash-generating unit level. The indefinite life classification is reviewed annually to determine whether it continues to be

appropriate. If not, the change in useful life from indefinite to finite is made on a prospective basis.

## PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and any impairment. Costs associated with normal maintenance and repairs are expensed as incurred. Costs of major replacements and renewals that substantially extend the economic life and functionality of the asset are capitalised. Assets are normally considered property, plant and equipment if the useful economic life exceeds one year. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Straight-line depreciation is applied over the useful life of property, plant and equipment, based on the asset's historical cost and estimated residual value at disposal. If a substantial part of an asset has an individual and different useful life, this part is depreciated separately. The asset's residual value and useful life are evaluated annually. The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset.

At the end of the reporting period, the carrying amounts of the Group's assets are reviewed to determine whether there are indications that specific assets have suffered an impairment loss. If such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of net present value of discounted cash flows (value in use). If estimated recoverable amount is lower than book value impairment is recognised.

## IMPAIRMENT OF NON-CURRENT ASSETS

Annually or upon indication, each cash generating unit, CGU, is tested for impairment. If the recoverable amount of a cash-generating unit is estimated to be less than the carrying amount of the net assets of the cash-generating unit, impairment to the recoverable amount is recognised. If impairment is required, goodwill is written down first, thereafter other intangible assets. If further impairment is required, other assets will be written down on a pro-rata basis.

Impairment losses recognised in previous periods are reversed if the recoverable amount in a later period exceeds the carrying amount. The reversal will not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

## LEASING

The determination of whether a contract is, or contains, a lease is assessed at the inception of the lease and is based on whether the contract conveys a right to control the use of an identified asset or assets for a period of time in exchange for consideration. For contracts where the Group is the lessee, right-of-use assets and lease liabilities are recognised at the commencement of the lease.

Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the asset. When a purchase option has been included in the cost at recognition, the right-of-use asset is depreciated over the estimated useful life of the asset.

The lease liabilities at commencement date is measured at the present value of the lease payments. The lease payments are discounted using the Group's incremental borrowing rate as the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate for each business unit is based on LIBOR with an addition of a country specific margin. From 2022 the incremental borrowing rate will be based on SOFR.

Short term leases (lease term less than 12 months) and leases of low-value assets are not recognised as right-of-use assets and lease liabilities, as the recognition exemptions for these leases is applied. Lease payments of such leases are recognized as expense over the lease term.

For leasing contracts with optional renewal period, and where we are reasonably certain to exercise this option, the renewal periods are included in the calculation of the lease liability and asset.

The Group has lease contracts for various assets used in its operation, the main asset group being transportation. Lease terms and other conditions vary. Refer to note 29 for further information.

## INVENTORY

Inventories mainly comprise feed, goods in progress, packaging materials and finished goods. Inventories of goods are measured at the lower of cost and net realisable value.

The cost of finished goods includes direct material costs, direct personnel expenses and indirect processing costs (full production cost). Interest costs are not included in the inventory value. The cost price of purchased goods is the actual purchase price. The cost is based on the principle of first-in first-out, except for feed and value-added-products, where a weighted average is used.

If fish farmed by the Group is included in inventory as a raw material for further processing in one of the Group's processing entities, such fish is included in inventory at fair value less cost to sell at harvest.

## BIOLOGICAL ASSETS

Fair value of biological assets is calculated based on a present value model which does not rely on historical cost. Fish ready for harvest (mature fish), are valued at expected sales price with a deduction of cost related to harvest, transport etc. For fish not ready for harvest (immature fish), cost to completion is also deducted. The model uses an interpolation methodology where the known data points are the value of the fish when put to sea and when recognised as mature fish. Technically, the interpolation is calculated per location. The effect of this is that fish that have

the same weight and quality are valued similarly. The interpolation model has a natural interpretation in the form of a present value calculation where an imputed rent of assets (i.e. theoretical license rent) per location is included as part of the rate of return. Thus, the value is to a lesser degree affected by the site because low production cost at a high quality site is offset by a higher imputed rent and vice versa. All surplus return in the future is assigned to the licenses through a similarly high imputed rent of assets, and where any shortage in return is recognised in profit and loss immediately. The interpolation model is updated every month, with best estimates for time of harvest, remaining months at sea, expected price at time of harvest and estimated residual cost to grow the fish to harvest weight. The methodology has the effect that any changes in price will have full effect on the biomass at hand, while the price effect on increased weight going forward will be allocated to the license and recognised over time as remaining time at sea decreases. An effect of this is that even with high salmon prices there is no profit at the time the fish is put to sea because all surplus return is assigned to future periods (licenses). Correspondingly the fair value of small fish is rather insensitive to price fluctuations.

An interpolation model as described works best if important variables such as pace of growth, mortality and feed conversion ratios are constant per unit of time or weight increase. Experience shows that in particular there is a deviation from an even development during the first period in sea relating to increased value due, among other things to reduced risk after handling of the fish, vaccination and mortality related to the transfer to sea. This has been adjusted for.

Biological assets comprise eggs, juveniles, smolt and fish in the sea. Biological assets are, in accordance with IAS 41 and IFRS 13, measured at fair value less cost to sell. 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 fish is considered to have optimal harvest weight at 4 kg gutted. This corresponds to that a live weight of approximately 4.8 kg (there may be regional variances) or more are classified as mature fish, while fish that have still not achieved this weight are classified as immature fish. All fish at sea are subject to a fair value calculation, while broodstock and smolt are measured at cost less impairment losses. Cost is deemed a reasonable approximation for fair value for broodstock and smolt. Historically the market prices for eggs (broodstock are not traded) and smolt have not departed significantly from own production cost.

Transactions with live fish rarely take place, partly due to regulatory constraints, so the valuation of live fish under IAS 41 implies the establishment of an estimated fair value of the fish in a hypothetical market. The calculation of the estimated fair value is based on market prices for harvested fish and adjusted for estimated differences in accordance with IFRS 13. The prices are reduced for harvesting costs and freight costs to market, to arrive at a net value back to farm. The valuation reflects the expected quality grading and size distribution. The valuation is completed for each Business Unit and is based on the biomass in sea for each seawater site and the estimated market price in each market

derived from the development in recent contracts as well as spot prices. Where reliable forward prices are available, those have been used. The change in estimated fair value is recognised in profit or loss based on measurement as of each period, and is classified separately. At harvest, the fair value adjustment is classified as fair value adjustment on harvested fish. In cases of incident based mortality, the fair value adjustment is classified as fair value adjustment on incident based mortality when occurring. Both are included in net fair value adjustment of biological assets in the statement of comprehensive income.

## ONEROUS CONTRACTS

At each reporting date, management assesses if there are contracts in which the unavoidable costs of meeting the Group's obligations under the contract exceed the economic benefits expected to be received in accordance with IAS 37. Fair value adjustment of biological assets is included in the unavoidable cost. This implies that the contract may be considered onerous even though the actual production cost of the products sold is lower than the contract price. Volumes used in the calculation is based on estimated remaining volumes for the contracts. Onerous contracts are classified as provisions in the statement of financial position.

## NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Group classifies non-current assets and disposal groups as held for sale or for distribution to parent company shareholders if their carrying amounts will be recovered principally through a sale or distribution rather than through continuing use. Such non-current assets and disposal groups classified as held for sale or as held for distribution are measured at the lower of their carrying amount and fair value, less costs to sell or to distribute. Costs to distribute are the incremental costs directly attributable to distribution, excluding finance costs and income tax expenses.

The criteria for classification as held for sale are regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition.

A disposal group qualifies as a discontinued operation if all of the below are met:

- *A component of the Group that is a CGU or a group of CGUs, and*
- *Classified as held for sale or distribution or already disposed in such a way, and*
- *A major line of business or major geographical area.*

Discontinued operations are excluded from the results of continuing operations and are presented separately as a single amount under profit or loss after tax from discontinued operations in the statement of comprehensive income.

## TAXES

Income taxes comprise taxes on the taxable profit for the year, changes in deferred taxes and any adjustments in prior years' taxes. Taxes on transactions that are recorded in other comprehensive income or directly in equity do not form part of the tax expense in profit or loss.

Tax payable is calculated using the nominal tax rate for the relevant tax jurisdiction at the end of the reporting period.

Deferred tax is calculated on the basis of temporary differences between accounting and taxation values at the close of the accounting year. Deferred tax assets arise from temporary differences that give rise to future tax deductions. Deferred tax assets are recognised to the extent that it is probable that a taxable profit will arise, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilised.

Tax increasing and tax decreasing temporary differences are offset against each other to the extent that the taxes can be netted within one tax regime.

## PROVISIONS

A provision is recognised if the Company has a legal or constructive obligation related to a past event, and it is likely that the obligation will lead to a financial outflow for the Company. Long-term provisions are valued on the basis of discounted expected cash flows.

## RESTRUCTURING COSTS

Provisions for restructuring costs will be recognised if the Company has, within the reporting period, published or initiated a restructuring plan, which identifies which parts of the Company and approximately how many employees will be affected, the actions that will be taken and when the plan will be implemented. Provisions are recognised only for costs that cannot be associated with future earnings. Costs related to restructuring are presented on a separate line in the statement of comprehensive income.

## SHARE OPTION SCHEMES

The Group has share option schemes from 2018, 2019, 2020 and 2021 which will be settled in shares (equity settlement). The cost of equity-settled transactions is recognised as a payroll expense over the vesting period. The cumulative expense is recognised in other equity reserves within equity.

## CASH FLOW STATEMENT AND CASH

The cash flow statement is prepared in accordance with the indirect method. Cash comprises cash and bank deposits, except restricted funds.

## NOTE 3 - ESTIMATES AND ENVIRONMENTAL RISK

### ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make accounting estimates and judgments that affect the recognised amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on past experience and information perceived to be relevant and probable when the judgments are made. Estimates are reviewed on an on-going basis and actual values and results may deviate from these estimates. Adjustments to accounting estimates are recognised in the period in which the estimates are revised.

Mowi is exposed to a number of underlying economic factors which affect the overall results, such as salmon prices, foreign exchange rates and interest rates, as well as financial instruments with fair values derived from changes in these factors.

The matters described below are considered to be the most important in understanding the key sources of estimation uncertainty that are involved in preparing these consolidated financial statements and the uncertainties that could most significantly impact the amounts reported on the result of operations, financial position and cash flows.

### INTANGIBLE ASSETS - GOODWILL AND FARMING LICENSES

The annual impairment test on intangible assets is based on a discounted cash flow model per cash-generating unit (CGU). The cash flows used in the calculations represent management's best estimate at the time of reporting. The assumptions used rest on uncertainty with regard to product prices, input prices, biological performance and future regulatory frameworks. Costs can normally be estimated with a higher degree of accuracy than income.

As profitability in the salmon farming industry historically has been very volatile, depending on developments in the price of salmon, Mowi uses budgets and long-term plans for the analysis.

The WACC model is used for estimating the discount rate. The input data for the model is updated every year for the annual impairment test. The choice of input data for the model significantly influences the outcome of the model, and to ensure that there is as little uncertainty as possible with regards to the calculation of the WACC, third-party sources are used where available (interest, inflation, beta). The WACC is calculated separately for the different CGUs. Indications of impairment that initiate testing beyond the year-end test include a significant reduction in the profitability of the CGU compared to previous periods, negative deviations from budgets, changes in the use of assets, market changes and regulatory changes.

For further information about uncertainty in the valuation of intangible assets and impairment testing, please see Note 8,

Impairment testing. Note 9, Intangible assets, illustrates the specification of intangible assets in the Group.

### BIOLOGICAL ASSETS

Biological assets comprise eggs, juveniles, smolt and fish in the sea. These assets are measured at fair value less cost to sell, unless the fair value cannot be measured reliably. The estimation of the fair value relies on a series of uncertain assumptions, e.g., biomass volume, biomass quality, size distribution, market prices, expected future costs, remaining time to harvest and total time to harvest.

Mowi measures all deviations in biomass volume compared to estimates when a site is harvested out. Except for situations where there has been an incident causing mass mortality, particularly early in the cycle, combined with an inability to count and weigh fish after the event in fear of further stressing the fish, volume deviations are normally minor. Similarly, excluding the effects of soft flesh and melanin, the quality of the fish can normally be estimated with a relatively high degree of accuracy. Categorisation of quality is normally set per country based on averages, but can be set individually per site when needed. The size distribution shows some degree of variation but normally not to an extent that significantly changes the estimated value of the biomass (the value of two fish at five kg is very similar to the value of two fish weighing four and six kg, respectively).

The accumulated cost of the fish per kg will only deviate from the estimate if the volume is different from the estimate. For the estimation of future costs, there is uncertainty with regard to feed prices, other input costs and biological development. Mowi measures cost deviations vs. budget as part of the follow up of Business Units. Excluding special situations (incidents etc.), the deviations in costs vs budgets are normally limited for a group of sites, although individual sites might show deviations. The estimation of costs influences the biomass value through the recognised fair value adjustment in the statements of comprehensive income and financial position (calculated as fair value less accumulated biological costs).

The key element in the estimation of fair value is the assumed market price. The assumed market price is the price that we expect to receive on the future date when the live fish is harvested. We derive these prices from a variety of sources, normally a combination of the prices achieved in the previous month and the contracts most recently entered into. For salmon of Norwegian, Scottish and Faroese origin, quoted forward prices (Nasdaq) are used in the estimation, see Note 2. The use of third-party forward prices improves the reliability and comparability of the price estimation.

For further information about biological asset values please see Note 6, Biological assets.

## JUDGMENTS

The matters described below are considered to be the most important in understanding the key sources of judgments that are involved in preparing these consolidated financial statements and the uncertainties that could most significantly impact the amounts reported on the result of operations, financial position and cash flows.

## LICENSES

The Group has assessed that all fish farming licenses have indefinite lives and, as such, are not amortised. Most of the jurisdictions in which the Group operates require us to obtain a license for each fish farm owned and operated in that jurisdiction. The Group has obtained and currently holds a license to own and operate each of our fish farms where a license is required. These licenses have indefinite lives or require renewal after a specific time period, but normally with automatic renewal and, as such, we have assessed that they have indefinite lives. However, the Group's licenses in each country are subject to certain requirements, and we risk penalties (including, in some cases, criminal charges), sanctions or even license revocation if we fail to comply with license requirements or related regulations. Also, local government may change the way licenses are renewed.

## SUPPLY CHAIN FINANCING

Two companies in the Group hold Supply Chain Finance (SCF) agreements meaning that some vendors will indirectly offer extended credit terms to the company through a separate agreement with a financial institution. The vendors sell their trade receivables to the financial institution in order to receive payment immediately. Payment terms under the SCF agreement are in line with industry practice. The transaction is still between the company and its suppliers, and the company does not waive the right to claim any refund on quality issues, return goods etc. towards the supplier.

The refinancing by vendors has no cash-flow impact on the company, and only when the trade payable is settled with the bank will the cash flow statement be impacted, with a operating cash flow charge. The group's assessment is that the liabilities under these SCF agreements are presented as trade payables.

## ENVIRONMENTAL RISK

Climate change represents both risks and opportunities for Mowi. We recognise the growing significance of climate change on our business and the increasing role of producing food from the ocean as a solution to climate change.

Mowi has developed a sustainability strategy, the Leading the Blue Revolution Plan. It sets ambitious goals to ensure our salmon is raised in the ocean in harmony with nature and local coastal communities, using an eco-efficient value chain while offering solutions to global challenges such as climate change and plastic pollution.

The risk of climate change on Mowi's financial position can be classified into two types of risks; transition risk and physical risk. Transition risks refer to the changes in technological advancements within clean energy, shifts in consumer behaviour and political interventions, such as restrictions and costs related to emissions etc. Physical risks are related to the increase and severity of extreme weather and long-term environmental changes. These risks can affect Mowi in multiple ways and the carrying amount of both tangible and intangible assets. These risks and opportunities are part of our risk assessment as part of the annual budget process, and considered in our impairment testing at year end. The long-term effects of climate change is uncertain, but we believe that Mowi will play an increasing role in producing healthy nutritious food through an eco-efficient value chain. No impairment related to environmental risk is recognised as of year end 2021.

Mowi integrates climate-related disclosures in this Annual report (see our Planet and the Risk and Risk management sections) and in addition, we have also summarised the risks and opportunities arising from climate change, our strategic approach towards a low carbon economy and our corporate targets in a TCFD report, see part 4 of this Annual report. For a more extensive description of our GHG emissions and climate strategy please see our CDP report (CDP webpage).



## NOTE 4 - BUSINESS SEGMENTS

For management purposes, Mowi is organised into three Business Areas: Feed, Farming and Sales & Marketing.

Business segments are components of a business that are regularly reviewed by its chief operating decision-makers for the purpose of assessing performance and allocating resources. The term business segments corresponds to operating segments as defined in IFRS 8. The Group Management Team is the Group's chief operating decision-maker ("CODM").

In Mowi the Feed Business Area consist of the feed factories in Norway and Scotland. Feed is considered to be a separate business segment due to the nature of the business (different economic characteristics (e.g similar long term average gross margin) compared to other business segments in the Group and separate management follow up).

The Farming Business Area consists of the farming and primary processing operations in Norway, Scotland, Canada, Chile, Ireland and the Faroe Islands which are reported separately to CODM. The Farming operations are, due to similar production processes, a global market for both salmon feed and sales of salmon, in addition to similar biological risk factors, considered to have similar economic characteristics (e.g similar long term average gross margin). The farming units are therefore aggregated into one business segment.

The Sales & Marketing Business Area consists of the Markets operations in the Americas and Europe, as well as Consumer Products. As the Markets operations are considered to have similar economic characteristics (e.g similar long term average gross margin), due to similar production processes and operational risk factors, and a common set of key performance indicators, they are presented as one reporting segment. Consumer Products, which comprises the value-added operations in Europe, Asia and America, is presented as a single separate reporting segment due to similar production processes, operational risk factors and a common set of key performance indicators (e.g similar long term average gross margin).

The business segment "Other" consists of corporate functions and holding companies.

The business segments' performance is monitored in order to achieve the overall objective of maximising the operational EBIT per kg and margins. Consequently, reporting focuses on measuring and illustrating the overall profitability of the harvested volume, based on source of origin (operational EBIT per kg) and operational EBIT margin for the business segments Markets and Consumer Products. Legal entities with activities in both Farming and Sales & Marketing do not split their financial items or their statement of financial position. The net effects of Gross investments (CAPEX) in these entities are recognised in the business segment Farming.

The pricing principle between Feed and Farming is set at market terms and benchmarked against third parties. The pricing principle between Farming and Sales & Marketing is based on market reference prices for spot sales, while contracts are at market terms, with the target for Sales & Marketing to maximise profit beyond these terms.

The same accounting principles as described for the consolidated financial statements have been applied to the business segment reporting. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions, and the measurements used in the business segment reporting are the same as those used for the third-party transactions.

In the business segment reporting internal profit related to unrealised gains from intra-group transactions are included in Operational EBIT for the relevant business segments, but eliminated in EBIT.

Operational EBIT and Operational EBITDA are non-IFRS financial measures. Operational EBIT is calculated by excluding certain items, according to the reconciliation below, from earnings before financial items and taxes (EBIT). Operational EBITDA is calculated by adding depreciation and amortisation to Operational EBIT, however Operational EBITDA excludes the effects of IFRS 16. For further explanations, see section Analytical information in this report.

KEY BUSINESS SEGMENT FIGURES (EUR MILLION)							
2021	FEED	FARMING	MARKETS	CONSUMER PRODUCTS	OTHER	ELIMINATIONS	TOTAL
External revenue	8.3	56.5	1 361.3	2 781.5	—	—	4 207.6
Internal revenue	670.8	2 519.5	1 502.0	28.9	21.2	-4 742.4	—
<b>Operational revenue</b>	<b>679.1</b>	<b>2 576.0</b>	<b>2 863.3</b>	<b>2 810.4</b>	<b>21.2</b>	<b>-4 742.4</b>	<b>4 207.6</b>
Derivatives and other items	—	-6.8	-1.8	-0.7	—	3.9	-5.4
<b>Revenue and other income</b>	<b>679.1</b>	<b>2 569.3</b>	<b>2 861.5</b>	<b>2 809.6</b>	<b>21.2</b>	<b>-4 738.5</b>	<b>4 202.2</b>
<b>Operational EBITDA</b>	<b>34.5</b>	<b>494.2</b>	<b>50.8</b>	<b>122.0</b>	<b>-11.2</b>	<b>—</b>	<b>690.3</b>
<b>Operational EBIT</b>	<b>18.4</b>	<b>370.5</b>	<b>50.5</b>	<b>95.5</b>	<b>-12.2</b>	<b>—</b>	<b>522.6</b>
Change in unrealised internal margin	—	—	—	—	—	6.6	6.6
Gain/loss from derivatives	—	-3.7	-1.8	3.1	10.9	—	8.5
Net fair value adjustment biomass	—	119.8	—	—	—	—	119.8
Onerous contract provisions	—	-3.2	—	—	—	—	-3.2
Restructuring cost and other provisions	—	-7.9	—	0.3	-15.0	—	-22.6
Production/license/sales taxes	—	-21.9	—	—	—	—	-21.9
Other non-operational items	-1.6	-0.6	—	-6.1	-22.0	—	-30.3
Income from associated companies and joint ventures	—	44.4	—	—	53.1	—	97.5
Impairment losses and write-downs	—	-73.8	-0.1	-0.9	—	—	-74.8
<b>EBIT</b>	<b>16.8</b>	<b>423.6</b>	<b>48.7</b>	<b>91.9</b>	<b>14.8</b>	<b>6.6</b>	<b>602.2</b>
Gross investments <sup>1)</sup>	3.5	215.6	0.3	43.3	2.4	—	265.1
Number of FTEs 31.12	157	4 886	207	8 684	51	—	13 984

1) Gross investments includes EUR 20.5 million related to the acquisition of a farming license with 796 tonnes MAB in Norway Region North.

KEY BUSINESS SEGMENT FIGURES (EUR MILLION)							
2020	FEED	FARMING	MARKETS	CONSUMER PRODUCTS	OTHER	ELIMINATIONS	TOTAL
External revenue	25.2	47.6	1 053.7	2 634.9	—	—	3 761.4
Internal revenue	656.2	2 156.4	1 379.4	—	20.6	-4 212.6	—
<b>Operational revenue</b>	<b>681.4</b>	<b>2 204.0</b>	<b>2 433.1</b>	<b>2 634.9</b>	<b>20.6</b>	<b>-4 212.6</b>	<b>3 761.4</b>
Derivatives and other items	—	-1.7	0.7	-0.4	—	0.1	-1.2
<b>Revenue and other income</b>	<b>681.4</b>	<b>2 202.3</b>	<b>2 433.8</b>	<b>2 634.5</b>	<b>20.6</b>	<b>-4 212.5</b>	<b>3 760.2</b>
<b>Operational EBITDA</b>	<b>46.3</b>	<b>302.9</b>	<b>64.0</b>	<b>107.2</b>	<b>-15.9</b>	<b>—</b>	<b>504.6</b>
<b>Operational EBIT</b>	<b>31.2</b>	<b>179.2</b>	<b>63.5</b>	<b>81.8</b>	<b>-17.9</b>	<b>—</b>	<b>337.7</b>
Change in unrealised internal margin	—	-1.8	—	—	—	15.9	14.1
Gain/loss from derivatives	—	-0.1	0.7	-0.3	-4.8	—	-4.4
Net fair value adjustment biomass	-0.5	-145.1	—	—	—	—	-145.6
Onerous contract provisions	—	2.1	—	—	—	—	2.1
Restructuring cost and other provisions	—	-9.2	—	-5.3	—	—	-14.5
Production/license/sales taxes	—	-1.7	—	—	—	—	-1.7
Other non-operational items	—	-5.6	—	0.6	-2.9	—	-7.9
Income from associated companies and joint ventures	—	20.5	—	—	1.3	—	21.8
Impairment losses and write-downs	—	-13.1	—	-5.0	—	—	-18.1
<b>EBIT</b>	<b>30.7</b>	<b>25.4</b>	<b>64.2</b>	<b>71.8</b>	<b>-24.3</b>	<b>15.9</b>	<b>183.5</b>
Gross investments	8.6	263.3	0.2	43.6	—	—	315.8
Number of FTEs 31.12	169	5 207	210	9 006	54	—	14 645

NON-CURRENT ASSETS BY COUNTRY LOCATION (EUR MILLION)	2021	2020
Norway	1 830.6	1 764.9
Poland	125.8	119.1
Scotland	544.1	473.6
Belgium	77.5	78.7
France	49.5	50.2
Rest of Europe	100.5	96.2
Chile	250.4	224.3
Canada/USA	501.2	491.8
Asia	9.6	10.4
<b>Non-current assets</b>	<b>3 489.2</b>	<b>3 309.3</b>
<b>Other non-current assets <sup>1)</sup></b>	<b>53.1</b>	<b>28.0</b>
<b>Total non-current assets</b>	<b>3 542.2</b>	<b>3 337.3</b>

1) Deferred tax assets and other non-current financial assets

## NOTE 5 - DISAGGREGATION OF REVENUE

BUSINESS AREAS (EUR million)	Note	Feed		Farming		Sales & Marketing		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
<b>Geographical markets</b>									
Europe		5.7	22.5	22.8	26.3	2 806.7	2 539.1	2 835.2	2 587.9
Americas		—	—	2.1	0.8	897.6	756.3	899.7	757.0
Asia		—	—	—	—	372.5	338.1	372.5	338.1
Rest of the world		—	—	—	—	63.9	50.3	63.9	50.3
<b>Revenue from contracts with customers</b>		<b>5.7</b>	<b>22.5</b>	<b>24.9</b>	<b>27.0</b>	<b>4 140.7</b>	<b>3 683.8</b>	<b>4 171.3</b>	<b>3 733.3</b>
Other income		2.5	2.7	31.6	20.6	2.1	4.8	36.3	28.1
<b>Operational revenue</b>	<b>4</b>	<b>8.3</b>	<b>25.2</b>	<b>56.5</b>	<b>47.6</b>	<b>4 142.8</b>	<b>3 688.6</b>	<b>4 207.6</b>	<b>3 761.4</b>

### SOURCE OF REVENUE

The main source of revenue for the Group is sales of Atlantic salmon, including elaborated products.

The business area Sales & Marketing represents the majority of the Group's external revenue. The revenue distribution for Sales & Marketing according to product categories was as follows in 2021 (2020): Fresh bulk 32% (32%), smoked/marinated 16% (19%), fresh MAP 20% (17%), fresh prepared 18% (16%), frozen prepared 4% (4%), frozen bulk 1% (1%) and other 9% (11%). The revenue distribution for Sales & Marketing according to customer categories was as follows in 2021 (2020): Retail 56% (59%), Distributors 25% (23%), Industry 8% (8%), Foodservice 7% (5%) and Smoke houses 4% (4%).

From 2021 the business area Farming has no external revenue related to sales of Atlantic salmon. External revenue for the Farming business area includes insurance income, government grants, rental income from sales of surplus primary processing capacity, as well as revenue from sales of eggs, smolt and cleaner-fish. Revenue from customers in the Business Area Feed is related to sales of feed to external parties.

No customers accounts for 10% or more of the Group's revenues.

## NOTE 6 - BIOLOGICAL ASSETS

### VALUATION OF BIOLOGICAL ASSETS

Biological assets are, in accordance with IAS 41, measured at fair value less cost to sell. All fish at sea are subject to a fair value calculation, while broodstock and smolt are measured at cost less impairment losses. Cost is deemed a reasonable approximation for fair value for broodstock and smolt as there is little biological transformation (IAS 41.24).

Biomass measured at fair value, is categorised at Level 3 in the fair value hierarchy, as the input is mostly unobservable. 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, we consider that the fish have optimal harvest weight at 4 kg gutted. This corresponds to a live weight of approximately 4.8 kg (there may be regional variances). Fish of this weight or above are classified as ready for harvest (mature fish), while fish that have still not achieved this weight are classified as not ready for harvest (immature fish). The valuations are carried out at business unit level based on a common model and basis for assumptions established at group level. All assumptions are subject to monthly quality assurance and analysis at the group level.

The valuations are based on an income approach and takes into consideration unobservable input based on biomass in the sea, the estimated growth rate and cost to completion at site level. Mortality, quality of the fish going forward and market price are considered at business unit level. A special assessment is performed for sites with high/low performance due to disease or other deviating factors. The market prices are derived from observable market prices where available.

### ASSUMPTIONS USED FOR DETERMINING FAIR VALUE OF LIVE FISH

The estimated fair value of the biomass will always be based on uncertain assumptions, even though the group has built substantial expertise in assessing these factors. Estimates are applied to the following factors; biomass volume, the quality of the biomass, size distribution, cost, mortality and market prices.

**Biomass volume:** The biomass volume is in itself an estimate based on the number of smolt released into the sea, the estimated growth from the time of stocking, estimated mortality based on observed mortality in the period, etc. There is normally little uncertainty with regard to biomass volume.

The level of uncertainty will, however, be higher if an incident has resulted in mass mortality, especially early in the cycle, or if the fish's health status restricts handling. If the total biomass at sea was 1% lower than our estimates, this would result in a change in value of EUR -4.8 million.

**The quality of the biomass:** The quality of the biomass can be difficult to assess prior to harvesting, if the reason for downgrading is related to muscle quality (e.g. the effect of Kudoa in Canada). In Norway downgraded fish is normally priced according to standard rates of deduction compared to a Superior quality fish. For fish classified as Ordinary grade, the standard rate of reduction is EUR 0.15 to EUR 0.21 per kg gutted weight. For fish classified as Production grade, the standard rate of reduction is EUR 0.5 to EUR 1.5 per kg gutted weight, depending on the reason for downgrading. In our fair value model for salmon of Norwegian origin, we have used EUR 0.21 and EUR 0.61 as deductions from Superior grade for Ordinary and Production grade quality respectively. In other countries the price deductions related to quality are not as standardised. The quality of harvested fish has been good in 2021. For the Group as a whole, 91% of the fish were graded as Superior quality. A one percentage point change from Superior quality to Production grade quality would result in a change in value of EUR -3.1 million.

**The size distribution:** Fish in sea grow at different rates, and even in a situation with good estimates for the average weight of the fish there can be a considerable spread in the quality and weight of the fish. The size distribution affects the price achieved for the fish, as each size category of fish is priced separately in the market. When estimating the biomass value, a normal size distribution is applied.

**Cost:** For the estimation of future costs, there is uncertainty with regard to feed prices, other input costs and biological development. Mowi measures cost deviations vs. budget as part of the follow up of business units. Excluding special situations (incidents etc.), the deviations in costs vs budgets are normally limited for a group of sites, although individual sites might show deviations. The estimation of costs influences the biomass value through the recognised fair value adjustment in the statements of comprehensive income and financial position (calculated as fair value less accumulated biological costs).

**Mortality:** Normalised mortality will affect the fair value estimates both as a reduction of estimated harvesting volumes and because cost to completion includes cost incurred on fish that eventually will perish.

**Market price:** The market price assumption is very important for the valuation and even minor changes in the market price will result in significant changes in the valuation. The methodology used for establishing the market price is explained in Note 2. A EUR 0.1 decrease in the market price would result in a decrease in value of EUR 17.3 million.

The market price risk is reduced through fixed price/volume customer contracts and financial contracts, as well as our downstream integration as explained in Note 13.



## WRITE-DOWN OF BIOMASS AND INCIDENT-BASED MORTALITY

Incident-based mortality is accounted for when a site either experiences elevated mortality over time or substantial mortality due to an incident at the farm (outbreak of disease, lack of oxygen etc). The cost of incident based mortality is included in “cost of

materials” in the statement of comprehensive income, see Note 33. The fair value element is adjusted through fair value adjustment on incident based mortality, and included in net fair value adjustment in the statement of comprehensive income.

<b>RECONCILIATION OF CHANGES IN THE CARRYING AMOUNT OF BIOLOGICAL ASSETS</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Carrying amount as of 01.01	1 416.6	1 522.4
Cost to stock	1 821.8	1 770.6
Net fair value adjustment	119.8	-145.6
Mortality for fish in sea	-96.0	-62.9
Cost of harvested fish	-1 729.2	-1 619.5
Write-downs	-49.8	-3.3
Currency translation differences	46.4	-45.2
<b>Total carrying amount of biological assets as of 31.12</b>	<b>1 529.5</b>	<b>1 416.6</b>

<b>FAIR VALUE ADJUSTMENT ON BIOLOGICAL ASSETS IN THE STATEMENT OF FINANCIAL POSITION</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Mowi Norway	224.3	128.3
Mowi Chile	39.8	37.0
Mowi Canada	14.6	0.2
Mowi Scotland	36.6	23.7
Mowi Faroe Islands	7.2	2.6
Mowi Ireland	3.7	9.1
<b>Total fair value adjustment included in carrying amount in the statement of financial position</b>	<b>326.2</b>	<b>201.0</b>
Biomass at cost	1 203.4	1 215.5
<b>Total biological assets</b>	<b>1 529.5</b>	<b>1 416.6</b>

<b>FAIR VALUE ADJUSTMENT ON BIOLOGICAL ASSETS IN THE STATEMENT OF COMPREHENSIVE INCOME</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Mowi Norway	492.1	127.3
Mowi Chile	87.2	36.4
Mowi Canada	24.6	-40.8
Mowi Scotland	83.1	4.8
Mowi Faroe Islands	14.4	-2.3
Mowi Ireland	8.4	27.2
<b>Total fair value adjustment in the statement of comprehensive income</b>	<b>709.8</b>	<b>152.5</b>

<b>FAIR VALUE ADJUSTMENT ON HARVESTED FISH IN THE STATEMENT OF COMPREHENSIVE INCOME</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Mowi Norway	-388.8	-232.3
Mowi Chile	-87.0	-7.3
Mowi Canada	-14.1	-5.4
Mowi Scotland	-69.8	-19.0
Mowi Faroe Islands	-9.0	-4.6
Mowi Ireland	-13.2	-27.3
Mowi Feed	0.0	-0.5
<b>Total fair value uplift in the statement of comprehensive income</b>	<b>-581.8</b>	<b>-296.4</b>

<b>FAIR VALUE ADJUSTMENT ON INCIDENT BASED MORTALITY IN THE STATEMENT OF COMPREHENSIVE INCOME</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Mowi Norway	-7.5	-2.6
Mowi Chile	-0.6	0.1
Mowi Canada	3.5	3.8
Mowi Scotland	-2.1	-1.1
Mowi Faroe Islands	-0.8	—
Mowi Ireland	-0.6	-2.0
<b>Total fair value uplift in the statement of comprehensive income</b>	<b>-8.1</b>	<b>-1.7</b>

<b>NET FAIR VALUE ADJUSTMENT IN THE STATEMENT OF COMPREHENSIVE INCOME</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Mowi Norway	95.8	-107.6
Mowi Chile	-0.4	29.2
Mowi Canada	14.0	-42.4
Mowi Scotland	11.3	-15.3
Mowi Faroe Islands	4.6	-6.9
Mowi Ireland	-5.4	-2.1
Mowi Feed	—	-0.5
<b>Total fair value uplift in the statement of comprehensive income</b>	<b>119.8</b>	<b>-145.6</b>

<b>VOLUMES OF BIOMASS</b> (TONNES)	<b>2021</b>	<b>2020</b>
Volume of biomass harvested during the year (gutted weight)	465 600	439 829
Volume of biomass in the sea at year-end (live weight)	293 388	325 845

SENSITIVITY EFFECT ON FAIR VALUE (SALMON ONLY) AT YEAR-END (EUR MILLION)	PRICE -0.1 EUR	BIOMASS -1% LWT	QUALITY -1% SUP
Mowi Norway	-9.1	-3.2	-0.6
Mowi Chile	-2.6	-0.8	-0.5
Mowi Canada	-3.3	-0.2	-1.2
Mowi Scotland	-1.9	-0.5	-0.8
Mowi Faroe Islands	-0.3	-0.1	—
Mowi Ireland	-0.2	—	-0.1
<b>Total sensitivity effect on fair value</b>	<b>-17.3</b>	<b>-4.8</b>	<b>-3.1</b>

INCIDENT-BASED MORTALITY 2021 (SALMON ONLY)	INCIDENT-BASED MORTALITY (1000 TONNES)	INCIDENT-BASED MORTALITY IN % OF TOTAL MORTALITY (VOLUME)
Mowi Norway	8.5	24.9%
Mowi Chile	3.0	35.4%
Mowi Canada	5.8	52.7%
Mowi Scotland	2.6	36.4%
Mowi Faroe Islands	0.8	59.5%
Mowi Ireland	2.9	71.9%
<b>Mowi Group</b>	<b>23.6</b>	<b>35.7%</b>

FORWARD PRICES USED IN FAIR VALUE CALCULATION <sup>1)</sup> QUARTER	EUR/KG
Q1 2022	6.86
Q2 2022	6.81
Q3 2022	5.66
Q4 2022	6.15
Q1 2023	6.40
Q2 2023	6.40

1) Norway and Faroe Islands only. Before reduction of export costs.

## NOTE 7 - INVENTORY

INVENTORY (EUR MILLION)	2021	2020
Raw materials and goods in process	245.3	165.5
Finished goods	138.8	168.7
<b>Total inventory</b>	<b>384.1</b>	<b>334.1</b>

The amounts above are net after provision for obsolete goods, EUR 17.6 million (EUR 25.2 million). The amount of inventory recognised as an expense during the period totalled EUR 1 772.5 million (EUR 1 613.5 million).

## NOTE 8 - IMPAIRMENT TESTING OF INTANGIBLE ASSETS

At year-end 2021, the market value of the Group's equity was significantly higher than the carrying amount of equity, which is an indication that the market considers the value of the Group's assets to exceed the carrying amount. For all cash generating units (CGUs), the recoverable amount has been determined based on a value-in-use calculation using cash flow projections based on approved budgets for the first year. The four next years are based on the approved long-term plan, followed by a terminal value calculation. The net present value of the cash flow is compared to the carrying amount in the CGU. If the carrying amount is higher than the calculated value in use, an impairment loss is recognised in profit or loss, reducing the asset value to the calculated value in use. The estimated cash flows are based on the assumption of continued operation as part of the Mowi Group.

There has been no changes in the identified CGUs for the year 2021.

### KEY ASSUMPTIONS

The key assumptions used in the calculation of value in use are harvested volume, EBIT(DA)/margins, capital expenditure, discount rates and the terminal growth rates. Please see the table below for a summary of the key assumptions for each CGU.

#### Harvest volume

The expected harvest volume is based on the fish currently being held at sea, forward stocking plan and adjusted for the expected future increase in production given today's licenses. This evaluation has been performed CGU by CGU and is updated yearly.

#### EBIT(DA)/Margins

The key profit target for salmon farming and sales is EBIT per kg, while value-added operations are measured in terms of EBIT/EBITDA in % of sales. EBIT per kg is highly volatile due to fluctuations in the price of salmon. Costs can under normal circumstances be forecast with a relatively high level of accuracy. As Mowi has entered into long-term sales contracts for a proportion of the volume to be harvested in 2022, the margin for 2022 can be forecasted with a higher level of accuracy than the margin for the years beyond (2023-2026). With regards to the terminal, an expected long-term EBIT per kg has been used in the Farming entities and an expected EBIT in % of sales has been used for other operations. In the calculation we have used the EBIT margin from the Long Term Plan per entity, and reduced this to 90%. This principle has been applied in all Farming entities for the terminal value.

#### Capital expenditure

In the five-year forecast period, the capital expenditure necessary to meet the expected growth in revenue and profit is taken into consideration. Consistent with the Group's plan, the capital expenditure level for 2022 is high to further grow the operations. Beyond 2022, capital expenditures are aligned with growth and replacement plans. Capital expenditure to comply with current laws and regulations has been included. Capital expenditure related to committed and approved efficiency improvement programs has also been included to support the inclusion of the benefits in the applied margin.

Changes in applicable laws and regulations may affect future estimated capital expenditure needs; this is not reflected in the figures used in the impairment test. Beyond the forecast period, capital expenditure will in general equal depreciation and relate to maintenance investments.

#### Discount rate

The discount rates are based on the Weighted Average Cost of Capital (WACC) methodology. The cost of equity is based on Capital Asset Pricing Model (CAPM). The cost of debt is based on the risk-free rate in the applicable country. In the model, a five-year average of the ten-year risk-free rate has been used. Calculation of the final discount rates (WACC) also takes into account market risk premium, debt risk premium, gearing and beta value. In the calculations, the Group has applied estimated cash flows before tax and the corresponding discount rates before tax.

#### Terminal growth rates

Growth after the five-year forecast period has in general been set independently for each cash-generating unit based on the five year average historic inflation rate. The maximum growth rate applied beyond the forecast period is 1.51%. This is lower than the expected growth rates in the first five years and lower than the historic growth rate in salmon demand.

#### Sensitivity

With regard to the assessment of recoverable amount, the Group is of the view that no reasonably likely change in any of the above key assumptions would cause the carrying value to materially exceed the recoverable amount for any of the CGUs. We have also included the potential effects of the Covid-19 pandemic both in the updated budget assumptions for 2022 and long term plan for 2023-2026. In general we expect a market recovery during 2022.

The significant key assumptions with regards to sensitivity are expected harvest volumes and EBIT(DA)/Margins.

ASSUMPTIONS CASH GENERATING UNITS	HARVEST VOLUME 2021 (GWT)	WACC		TERMINAL	
		BEFORE TAX		VALUE GROWTH %	
		2021	2020	2021	2020
Mowi Norway Farming	273 204	8.9%	8.8%	0.8%	0.8%
Mowi Chile Farming	65 958	10.4%	10.6%	1.6%	1.5%
Mowi Canada Farming	45 311	9.3%	9.4%	0.8%	0.8%
Mowi Scotland Farming	64 405	7.9%	8.2%	0.6%	0.6%
Mowi Ireland Farming	6 790	6.9%	7.2%	0.3%	0.3%
Mowi Faroe Islands Farming	9 932	8.5%	8.6%	0.8%	0.8%
Mowi Consumer Products Europe	—	7.9%	8.1%	0.2%	0.2%
Mowi Asia	—	9%	9.1%	0.8%	0.8%
Mowi USA	—	10.4%	10.1%	1.6%	1.5%
Mowi Feed	—	8.7%	8.7%	0.8%	0.8%
<b>Total</b>	<b>465 600</b>				

Please see table below for an overview of the CGU's with allocated intangible assets as of December 31, 2021 and 2020.

CASH GENERATING UNITS (EUR MILLION)	GOODWILL		LICENSES	
	2021	2020	2021	2020
Mowi Norway Farming	185.9	181.6	564.0	543.6
Mowi Scotland Farming	7.7	7.2	66.1	61.6
Mowi Canada Farming	39.1	36.0	158.0	145.6
Mowi Chile Farming	—	—	122.9	113.3
Mowi Ireland Farming	—	—	2.2	2.2
Mowi Faroe Islands Farming	—	—	6.6	6.5
Mowi Consumer Products	88.4	88.6	—	—
<b>Total</b>	<b>321.1</b>	<b>313.3</b>	<b>919.7</b>	<b>872.9</b>



## NOTE 9 - INTANGIBLE ASSETS

SPECIFICATION OF INTANGIBLE ASSETS 2021 (EUR MILLION)	GOODWILL	LICENSES	OTHER INTANGIBLE ASSETS <sup>1)</sup>	TOTAL
Acquisition cost as of 01.01	569.7	1 038.1	59.1	1 666.9
Additions in the year <sup>2)</sup>	4.3	20.5	4.8	29.6
Disposals / scrapping in the year	—	—	—	—
Foreign currency adjustments	12.4	34.7	1.5	48.6
<b>Total acquisition cost as of 31.12</b>	<b>586.4</b>	<b>1 093.4</b>	<b>65.4</b>	<b>1 745.1</b>
Accumulated amortisation and impairment losses as of 01.01	256.3	165.2	35.0	456.5
Amortisation in the year	—	—	2.9	2.9
Disposals/ scrapping in the year	—	—	0.1	0.1
Foreign currency adjustments	9.0	8.4	0.8	18.1
<b>Total accumulated amortisation and impairment losses as of 31.12</b>	<b>265.2</b>	<b>173.6</b>	<b>38.7</b>	<b>477.6</b>
<b>Total carrying amount as of 31.12</b>	<b>321.1</b>	<b>919.7</b>	<b>26.7</b>	<b>1 267.5</b>
Estimated lifetime			3 - 25 years	
Amortisation method			Linear	

1) Other intangible assets includes assets under construction.

2) Additions on goodwill and licences are related to the purchase of Lofoten Aqua.

SPECIFICATION OF INTANGIBLE ASSETS 2020 (EUR MILLION)	GOODWILL	LICENSES	OTHER INTANGIBLE ASSETS <sup>1)</sup>	TOTAL
Acquisition cost as of 01.01	583.7	1 030.5	68.3	1 682.4
Additions in the year as a result of acquisitions <sup>2)</sup>	0.7	—	—	0.7
Additions in the year <sup>3)</sup>	—	46.2	1.9	48.1
Reclassification	—	0.1	0.2	0.3
Disposals / scrapping in the year	-0.5	-4.7	—	-5.2
Foreign currency adjustments	-14.2	-34.0	-11.2	-59.4
<b>Total acquisition cost as of 31.12</b>	<b>569.7</b>	<b>1 038.1</b>	<b>59.1</b>	<b>1 666.9</b>
Accumulated amortisation and impairment losses as of 01.01	265.8	172.5	43.4	481.7
Amortisation in the year	—	—	3.9	3.9
Impairment losses in the year <sup>4)</sup>	0.7	5.9	0.6	7.2
Disposals/scrapping in the year	-0.5	-4.4	—	-4.9
Foreign currency adjustments	-9.8	-8.7	-12.9	-31.4
<b>Total accumulated amortisation and impairment losses as of 31.12</b>	<b>256.3</b>	<b>165.2</b>	<b>35.0</b>	<b>456.5</b>
<b>Total carrying amount as of 31.12</b>	<b>313.4</b>	<b>872.9</b>	<b>24.1</b>	<b>1 210.4</b>
Estimated lifetime			3 - 25 years	
Amortisation method			Linear	

1) Other intangible assets includes assets under construction.

2) Mainly related to the acquisition of Finfish Ltd.

3) Additions on Licenses are mainly related to the purchase of increased capacity in farming Norway.

4) Impairment losses on Licenses are mainly related to write-down in Canada West.

SPECIFICATION OF SEAWATER LICENSES	NUMBER OF LICENSES/ TENURES	NUMBER OF LICENSES/ TENURES IN USE	TOTAL CURRENT PRODUCTION CAPACITY <sup>3)</sup> (T TONNES)	OTHER LIMITATIONS
Mowi Norway <sup>1)</sup>	235.9	235.9	300	MAB limitation per license
Mowi Chile	186	30-40	120-130	
Mowi Scotland	78	49	89	MAB limitation per license
Mowi Canada	95	55	97	MAB limitation per license
Mowi Ireland	25	15	14,1	
Mowi Faroe Islands <sup>2)</sup>	3	3	11	

1) CAC licenses not included.

2) Total capacity is 16 tonnes over a 18 month cycle.

3) Total production capacity HOG, full utilisation.

SPECIFICATION LICENSES 2021	TOTAL CURRENT PRODUCTION CAPACITY <sup>2)</sup> (T TONNES)	HARVEST VOLUME (SALMON ONLY)	UTILISATION BASED ON PRODUCTION CAPACITY	BOOK VALUE 1) (EUR MILLION)	BOOK VALUE PER PRODUCTION VOLUME
Mowi Norway	300	273 204	91%	564.0	2.1
Mowi Chile	120-130	65 958	51%-55%	122.9	1.9
Mowi Scotland	89	64 405	72%	66.1	1.0
Mowi Canada	97	45 311	47%	158.0	3.5
Mowi Ireland	14,1	6 790	48%	2.2	0.3
Mowi Faroe Islands	11	9 932	91%	6.6	0.7
<b>Total</b>		<b>465 600</b>		<b>919.7</b>	<b>2.0</b>

1) Book value includes freshwater licenses in addition to seawater licenses.

2) Total production capacity HOG, full utilisation.

The recognised value of our fish farming licenses in our Statement of Financial Position was EUR 919.7 million and EUR 872.9 million in December 31, 2021 and 2020 respectively. Measured in EUR per kg salmon harvested the values were EUR 2.0 and EUR 2.0 respectively.

## NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

SPECIFICATION OF PPE 2021 (EUR MILLION)	LAND & BUILDINGS	MACHINERY & EQUIPMENT	TRANSPORT	NETS, PENS & MOORINGS	UNDER CONSTRUCTION /PREPAYMENTS	OTHER TANGIBLE	TOTAL
Acquisition cost as of 01.01	864.0	1 140.4	290.3	429.3	184.6	58.2	2 966.8
Additions in the year	73.8	64.1	33.8	39.1	44.8	5.1	260.8
Reclassification	-15.9	-1.6	15.3	-3.4	-1.4	—	-7.0
Disposals / scrapping in the year	-18.0	-39.1	-4.5	-14.0	-0.3	-1.6	-77.5
Foreign currency adjustments	24.7	45.4	6.6	20.2	19.0	2.4	118.4
<b>Total acquisition cost as of 31.12</b>	<b>928.7</b>	<b>1 209.2</b>	<b>341.5</b>	<b>471.3</b>	<b>246.7</b>	<b>64.0</b>	<b>3 261.3</b>
Accumulated depreciation and impairment losses as of 01.01	330.6	800.2	137.4	258.5	-1.0	46.5	1 572.1
Depreciation in the year	36.7	68.9	24.8	41.2	—	3.1	174.7
Impairment losses and reversal of previous write-downs in the year	2.9	3.8	0.5	0.5	12.1	0.1	19.9
Reclassification	-8.4	-3.0	10.5	-5.6	-0.8	0.2	-7.0
Disposals / scrapping in the year	-13.5	-35.6	-4.3	-13.8	-0.2	-1.6	-69.1
Foreign currency adjustments	7.5	28.7	3.4	12.7	12.3	2.3	66.9
<b>Total accumulated depreciation and impairment losses as of 31.12</b>	<b>355.9</b>	<b>862.9</b>	<b>172.3</b>	<b>293.5</b>	<b>22.5</b>	<b>50.5</b>	<b>1 757.5</b>
<b>Total carrying amount as of 31.12</b>	<b>572.8</b>	<b>346.5</b>	<b>169.1</b>	<b>177.8</b>	<b>224.2</b>	<b>13.5</b>	<b>1 504.0</b>
Estimated lifetime	Land; infinite Buildings; 0-20 years	5-20 years	3-10 years	5-10 years	NA	3-10 years	
Depreciation method	Linear	Linear	Linear	Linear	NA	Linear	

SPECIFICATION OF PPE 2020 (EUR MILLION)	LAND & BUILDINGS	MACHINERY & EQUIPMENT	TRANSPORT	NETS, PENS & MOORINGS	UNDER CONSTRUCTION /PREPAYMENTS	OTHER TANGIBLE	TOTAL
Acquisition cost as of 01.01	813.6	1 152.1	242.2	390.5	211.3	70.6	2 880.4
Acquisitions through business combinations	1.6	2.7	—	—	—	—	4.3
Additions in the year	74.5	75.8	46.3	77.5	-10.0	-5.1	259.0
Reclassification	6.2	-25.6	12.1	-4.8	0.4	-0.1	-11.8
Disposals / scrapping in the year	-5.8	-15.9	-5.6	-17.3	-0.1	-1.3	-45.9
Foreign currency adjustments	-26.1	-48.6	-4.8	-16.5	-17.1	-5.9	-119.2
<b>Total acquisition cost as of 31.12</b>	<b>864.0</b>	<b>1 140.4</b>	<b>290.3</b>	<b>429.3</b>	<b>184.6</b>	<b>58.2</b>	<b>2 966.8</b>
Accumulated depreciation and impairment losses as of 01.01	303.1	799.2	116.8	235.1	7.3	57.3	1 518.8
Depreciation in the year	34.1	71.0	21.6	39.2	—	2.9	168.8
Impairment losses and reversal of previous write-downs in the year	4.1	2.2	0.6	0.7	—	—	7.7
Reclassification	2.1	-23.1	5.5	10.7	—	-6.8	-11.6
Disposals /scrapping in the year	-4.8	-14.8	-5.3	-17.0	—	-1.2	-43.0
Foreign currency adjustments	-8.1	-34.4	-1.7	-10.2	-8.4	-5.7	-68.5
<b>Total accumulated depreciation and impairment losses as of 31.12</b>	<b>330.6</b>	<b>800.2</b>	<b>137.4</b>	<b>258.5</b>	<b>-1.0</b>	<b>46.5</b>	<b>1 572.1</b>
<b>Total carrying amount as of 31.12</b>	<b>533.4</b>	<b>340.3</b>	<b>152.8</b>	<b>170.8</b>	<b>185.6</b>	<b>11.7</b>	<b>1 394.7</b>
Estimated lifetime	Land; infinite Buildings; 0-20 years	5-20 years	3-10 years	5-10 years	NA	3-10 years	
Depreciation method	Linear	Linear	Linear	Linear	NA	Linear	

### Sale of non-current assets

Non-current tangible assets have been sold during the year, and the net gain on the sale of assets (included in the line item Other operating expenses in the consolidated statement of comprehensive income) amounts to EUR 0.5 million in 2021. The corresponding figure for 2020 is EUR 3.3 million.

### Impairment testing of non-current assets

Impairment tests for specific non-current assets are performed when there are indications of impairment. In 2021, a net loss in fixed assets of EUR 18.3 million was booked in Canada, EUR 0.6 million in Norway, EUR 0.5 million in Poland, EUR 0.3 million in France, EUR 0.1 million in Scotland and EUR 0.1 million in Japan.

### Contractual commitments

Mowi has entered into significant contractual commitments for the acquisition of property, plant and equipment at year-end 2021.

The significant commitments are related to Farming Norway with EUR 89.9 million, Farming Scotland with EUR 7.1 million, Farming Faroese with EUR 1.6 million, Farming Ireland with EUR 1.2 million and Consumer Products Europe with EUR 5.5 million.

## NOTE 11 - INTEREST-BEARING DEBT

INTEREST-BEARING DEBT (EUR MILLION)	2021	2020
Non-current interest-bearing bank debt	811.8	1 019.7
Bond	199.8	199.2
Schuldschein loan	148.8	148.5
Green Bond	198.6	198.2
<b>Total non-current interest-bearing debt</b>	<b>1 358.9</b>	<b>1 565.5</b>
<b>Total interest-bearing debt</b>	<b>1 358.9</b>	<b>1 565.5</b>

Financing of the Mowi Group is mainly carried out through the parent company Mowi ASA. External financing is obtained by subsidiaries only if this is optimal for the Group. Mowi complied with its loan covenants at the end of 2021.

The following programmes are the main sources of financing for the Mowi Group as of December 31, 2021:

### EUR 1800 MILLION SUSTAINABILITY-LINKED REVOLVING CREDIT FACILITY

In September 2021, Mowi signed a senior secured five-year, EUR 1 800 million multicurrency sustainability-linked revolving credit facility (the "Facility Agreement") with DNB, Nordea, ABN Amro, Rabobank, Danske Bank, SEB and Crédit Agricole. The Facility Agreement includes an accordion increase option, which provides flexibility for the parties to agree to increase the size of the Facility Agreement by an additional EUR 300 million during the five-year term. The principal financial covenant of the Facility Agreement is an equity ratio of minimum 35%, with the calculation of the ratio being adjusted for the effects of IFRS 16. Furthermore, the ability

of the Group to take on new debt is regulated by the loan agreement. The facility has final maturity in September 2026.

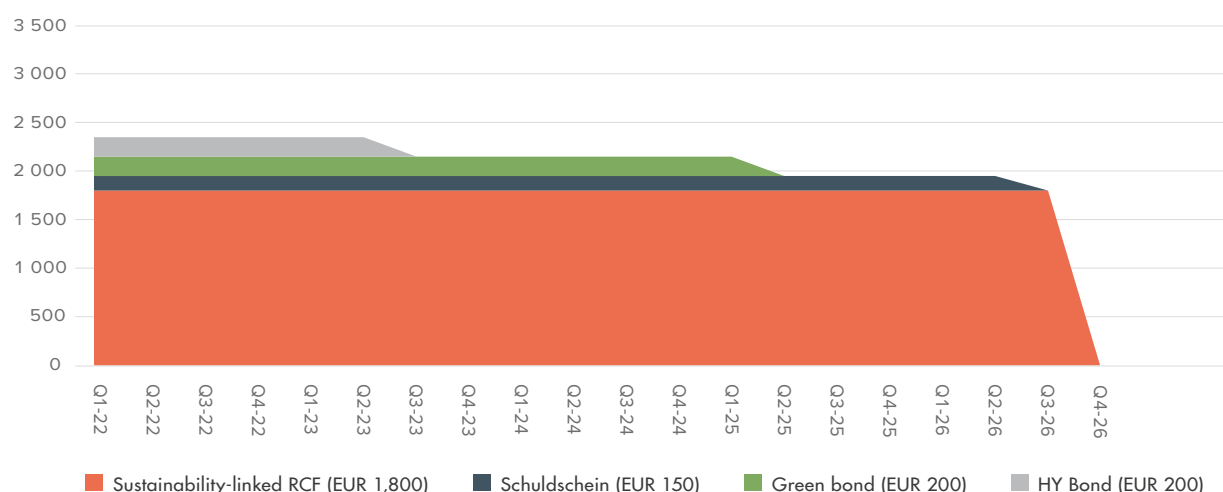
The facility is available to Mowi ASA and selected subsidiaries. In addition, the revolving credit facility may be allocated in part as bilateral credits (including overdraft facilities and facilities for the issuance of guarantees) between syndicate banks and group companies.

Drawings at year end 2021 on the syndicated credit facility amount to EUR 810.7 million, down from 1 118.3 million at year end 2020.

### EUR 200 MILLION BOND

In June 2018, Mowi issued an unsecured bond with a principal amount of EUR 200 million. The bond issue carries a coupon of three-month EURIBOR (floored at 0%) plus 2.15% p.a., payable quarterly, and the sole financial covenant is an equity ratio of minimum 30%. The bond is repayable in June 2023 with no interim instalments. The bond is listed on the Oslo Stock Exchange with ISIN: NO 0010824006.

### Financing lines available (committed) and maturity





## EUR 150 MILLION SCHULDSCHEIN LOAN

In May 2019, Mowi entered into a EUR 120 million, seven-year senior unsecured loan in the German Schuldschein market, increased to EUR 150 million in August 2019. The loan consists of two floating-rate tranches of EUR 99 million and EUR 30 million, and a fixed-rate tranche of EUR 21 million, and the sole financial covenant is an equity ratio of minimum 30%. Mowi pays semi-annual interest of six-month EURIBOR (floored at 0%) plus 1.70% p.a. on the floating-rate tranches and, through a corresponding interest rate swap, six-month EURIBOR plus 1.705% p.a. on the fixed-rate tranche. All tranches are non-amortising and are repayable in May 2026.

## EUR 200 MILLION GREEN BOND

In January 2020, Mowi issued the first green bond in the seafood sector, with a principal amount of EUR 200 million. The bond issue carries a coupon of three-month EURIBOR (floored at 0%) plus 1.60% p.a., payable quarterly, and the sole financial covenant is an equity ratio of minimum 30%. The green bond is unsecured and is repayable in January 2025 with no interim instalments. The proceeds from the green bond issue has been used to finance or refinance green projects as further defined by Mowi's green bond framework, which received a medium green shading from CICERO. The bond is listed on the Oslo Stock Exchange and in Euronext ESG Bonds section with ISIN: NO 0010874050.

## CASH MOVEMENTS FINANCING ACTIVITIES

CASH MOVEMENTS FINANCING ACTIVITIES (EUR MILLION)	NON-CURRENT INTEREST-BEARING DEBT	DERIVATIVES
<b>Balance at January 1, 2021</b>	<b>1 565.5</b>	<b>30.1</b>
Proceeds from loans and borrowings	-209.6	—
Transaction cost related to loans and borrowings	-10.8	—
<b>Total changes from financing cash flows</b>	<b>-220.4</b>	<b>—</b>
Changes from business combinations		
The effect of changes in foreign exchange rates	11.0	—
Changes in fair value	—	-23.1
<b>Liability-related</b>	<b>11.0</b>	<b>-23.1</b>
Capitalised borrowing cost	2.5	—
Interest expense	28.0	12.5
Interest paid	-27.7	-12.5
<b>Total liability-related other changes</b>	<b>2.8</b>	<b>—</b>
<b>Balance at December 31, 2021</b>	<b>1 358.9</b>	<b>7.0</b>

In addition Mowi has paid EUR 15.6 million in interest expenses for leasing during 2021. For cash details in regards to leasing, please see note 29.

CASH MOVEMENTS FINANCING ACTIVITIES (EUR MILLION)	NON-CURRENT INTEREST-BEARING DEBT	DERIVATIVES
<b>Balance at January 1, 2020</b>	<b>1 465.8</b>	<b>34.1</b>
Proceeds from loans and borrowings	-89.5	—
Proceeds from Green bond	200.0	—
Transaction cost related to loans and borrowings	-2.2	—
<b>Total changes from financing cash flows</b>	<b>108.3</b>	<b>—</b>
The effect of changes in foreign exchange rates	-12.0	—
Changes in fair value	—	-4.0
<b>Liability-related</b>	<b>-12.0</b>	<b>-4.0</b>
Capitalised borrowing cost	3.4	—
Interest expense	28.2	17.6
Interest paid	-28.2	-17.6
<b>Total liability-related other changes</b>	<b>3.4</b>	<b>—</b>
<b>Balance at December 31, 2020</b>	<b>1 565.5</b>	<b>30.1</b>

In addition Mowi paid EUR 13.4 million in interest expenses for leasing during 2020.

## NOTE 12 - FINANCIAL INSTRUMENTS

<b>FINANCIAL INSTRUMENTS IMPACT ON COMPREHENSIVE INCOME</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Interest expenses	-40.5	-45.9
Interest expenses leasing (IFRS 16)	-15.6	-13.5
Amortised interest cost	-3.0	-3.7
<b>Interest expenses</b>	<b>-59.0</b>	<b>-63.0</b>
Net currency effects on interest-bearing debt	-11.1	5.2
Net currency effects on cash, trade receivables and trade payables	24.6	-9.4
Gain/loss on short-term currency swaps	3.0	1.6
Gain/loss on long-term currency swaps	20.2	-20.3
Currency effects on leasing (IFRS 16)	0.3	10.0
<b>Net currency effects</b>	<b>37.0</b>	<b>-12.9</b>
Interest income	0.5	0.7
Gain/loss on salmon derivatives non-operational	0.4	—
Change in fair value other financial instruments	12.1	12.8
Net other financial items	0.1	-0.5
<b>Other financial items</b>	<b>13.1</b>	<b>13.0</b>
<b>Total financial items</b>	<b>-8.9</b>	<b>-63.0</b>

<b>CATEGORIES OF FINANCIAL INSTRUMENTS IN THE STATEMENT OF FINANCIAL POSITION</b> (EUR MILLION)	<b>FINANCIAL ASSETS AND LIABILITIES</b>			<b>TOTAL</b>
	<b>DEBT INSTRUMENTS AT AMORTISED COST</b>	<b>FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>NON-FINANCIAL ASSETS AND LIABILITIES</b>	
<b>DECEMBER 31, 2021</b>				
<b>Non-current assets</b>				
Other non-current financial assets	—	1.9	—	1.9
<b>Current assets</b>				
Trade receivables	492.1	—	—	492.1
Other receivables	86.2	—	91.0	177.2
Other current financial assets	—	33.0	—	33.0
Cash	101.7	—	—	101.7
<b>Non-current liabilities</b>				
Non-current interest-bearing debt	-1 358.9	—	—	-1 358.9
<b>Current liabilities</b>				
Current interest-bearing debt	-0.1	—	—	-0.1
Trade payables	-392.8	—	—	-392.8
Other current financial liabilities	—	-7.0	—	-7.0
Other current liabilities	-96.0	—	-149.0	-244.9
<b>Total</b>	<b>-1167.8</b>	<b>27.9</b>		
<b>Fair value<sup>1)</sup></b>	<b>-1178.8</b>	<b>27.9</b>		

1) Difference in fair value is related to Non-current interest-bearing debt (Bond).

CATEGORIES OF FINANCIAL INSTRUMENTS IN THE STATEMENT OF FINANCIAL POSITION (EUR MILLION)	FINANCIAL ASSETS AND LIABILITIES			TOTAL
	DEBT INSTRUMENTS AT AMORTISED COST	FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	NON-FINANCIAL ASSETS AND LIABILITIES	
<b>31 DECEMBER 2020</b>				
<b>Non-current assets</b>				
Other non-current financial assets	—	1.9	—	1.9
<b>Current assets</b>				
Trade receivables	454.0	—	—	454.0
Other receivables	55.8	—	70.0	125.8
Other current financial assets	—	11.1	—	11.1
Cash	107.2	—	—	107.2
<b>Non-current liabilities</b>				
Non-current interest-bearing debt	-1 565.5	—	—	-1 565.5
Other non-current financial liabilities	—	—	—	—
<b>Current liabilities</b>				
Current interest-bearing debt	—	—	—	—
Trade payables	-316.5	—	—	-316.5
Other current financial liabilities	—	-30.1	—	-30.1
Other current liabilities	-75.1	—	-92.8	-167.9
<b>Total</b>	<b>-1 340.1</b>	<b>-171</b>		
<b>Fair value<sup>9)</sup></b>	<b>-1 350.5</b>	<b>-171</b>		

1) Difference in fair value is related to Non-current interest-bearing debt (Bond).

There has not been any reclassification between the categories of financial assets or liabilities in 2021, or 2020. Details regarding the criteria for recognition and the basis for measurement of each class of financial instrument are disclosed in Note 2 Significant accounting principles.

OTHER CURRENT FINANCIAL ASSETS (EUR MILLION)	2021	2020
Market value of other financial instruments	8.2	—
Currency swaps	24.7	11.1
<b>Other current financial assets as of 31.12</b>	<b>33.0</b>	<b>11.1</b>

OTHER CURRENT FINANCIAL LIABILITIES (EUR MILLION)	2021	2020
Currency swaps	2.5	7.1
Interest rate swaps	4.5	16.7
Market value of other financial instruments	—	6.3
<b>Other current financial liabilities as of 31.12</b>	<b>7.0</b>	<b>30.1</b>

## FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The Group considers that the carrying amount of financial assets and liabilities recognised at amortised cost in the financial statements approximates their fair value.

### Fair value measurements recognised in the statement of financial position

Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy of three different levels, based on the degree to which the fair value is observable:

#### Level 1:

Fair value determined directly by reference to published quotations.

#### Level 2:

Fair value estimated using valuation technique based on input other than quoted prices included in level 1 that are observable

#### Level 3:

Fair value estimated using a valuation technique based on unobservable data.

ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (EUR MILLION)	2021			2020		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
<i>Financial assets/liabilities to fair value through profit or loss:</i>						
Other financial instruments	—	-6.3	—	—	—	—
Current currency swaps	—	24.7	—	—	11.1	—
Interest swaps	—	-4.5	—	—	-16.7	—
Current currency swaps	—	-2.5	—	—	-7.1	—
<b>BONDS AT AMORTISED COST, FAIR VALUE</b>	—	<b>-558.1</b>	—	—	<b>-556.2</b>	—

The own non-performance risk as at December 31, 2021 was assessed to be insignificant. There were no transfers between the levels in 2021 or 2020.

## NOTE 13 - CAPITAL MANAGEMENT AND RISK MANAGEMENT

### LEVERAGE AND CAPITAL ACCESS

Leverage and Capital access (i.e. Capital management) refers to the process of acquiring and utilising capital in the most efficient manner compared to the available alternatives. The primary objective of the Group's capital management is to ensure access to capital contributing to satisfactory operations and maximum generation of shareholder value. The Group manages its capital structure and makes adjustments in light of changes in underlying economic conditions. Access to borrowed capital is continuously monitored and the Group has a continuous dialogue with its lenders. The syndicated loan facility sets forth an equity ratio as the only financial covenant. The remaining portfolio of interest bearing debt does not include more restrictive financial covenants. Mowi complied with the financial covenants in its loan agreements during and at the end of 2021. Details relating to the main loan programmes in the Group are described in Note 11.

Mowi intends to maintain an equity base suited to the characteristics of its operations, taking into consideration that fish farming is a cyclical business. At year-end 2021, the equity of Mowi amounted to EUR 3 131.4 million. The equity share, defined by equity/total assets, was at the same time 50.0%. Net interest bearing debt, defined as total interest-bearing debt less cash was EUR 1 257.3 million at year-end, below the long-term target of EUR 1 400 million, excluding effects of IFRS 16. The Board of Directors of Mowi ASA considers the equity in the Group appropriate for the scale of the operation.

Mowi's ambition is to create long-term value for the shareholder through both positive share price development and a growing dividend in line with long-term earnings. In 2020 the Board decided to make dividend payments more predictable and transparent by operationalising the dividend policy and introducing ordinary and extraordinary dividends. The dividend policy states that:

- *The quarterly ordinary dividend shall under normal circumstances be at least 50% of underlying earnings per share (EPS).*
- *Excess capital will be paid out as extraordinary dividends.*
- *When deciding excess capital the Board of Directors will take into consideration expected cash flow, capital expenditure plans, financing requirements and appropriate financial flexibility. Further to this a long-term target level for net interest-bearing debt is determined, reviewed and updated on a regular basis.*
- *Shareholder returns are distributed primarily as cash dividends with the option of using share buybacks as a complementary supplement on an ad-hoc basis.*

The Board of Directors of Mowi ASA has been given proxies from the Annual General Meeting on 9 June 2021 for the following:

- *(1) To approve the distribution of dividends based on the Company's annual accounts for 2021. The authority may be used to approve the distribution of dividends up to an aggregate amount of NOK 7 500 000 000. The authority is valid for dividends from the date of the Annual General Meeting on 9 June 2021 until the AGM in 2022, however no later than June 30, 2022.*
- *(2) To purchase up to 51 711 109 shares in the Company (representing 10% of the shares in issue at the time) during the period up until the AGM in 2022, however no later than June 30, 2022.*
- *(3a) To increase the Company's share capital by up to 51 711 109 shares (representing 10% of the shares in issue at the time) provided that the the combined number of shares that are issued pursuant to this authorisation and the authorisation in item 3b below shall not in aggregate exceed 10% of the Company's current share capital. The authority did not define the purpose(s) of such a capital increase. The authority expires at the AGM in 2022, however no later than June 30, 2022.*
- *(3b) To take up convertible bond loans of up to NOK 3 200 million (par value), convertible to a share capital equivalent of up to 51 711 109 shares provided that the the combined number of shares that are issued pursuant to this authorisation and the authorisation in item 3a above shall not in aggregate exceed 10% of the Company's current share capital. The authority expires at the AGM in 2022, however no later than June 30, 2022.*

The Group's principal financial liabilities, other than loans, consist of non-convertible bonds, derivatives and trade payables. These financial liabilities constitute the majority of the Group's third party financing. The Group holds financial assets such as trade receivables, cash and shares.

The Group uses financial derivatives, mainly currency forward contracts, interest rate swaps and financial salmon futures, using large international banks and Fish Pool ASA as counterparties. The purpose of these derivatives is to manage the interest rate, currency and salmon price risks arising from the operations of the Group. With the exception of financial salmon futures, no trading activities in financial instruments are undertaken. On a selective basis, the Group also enters into other financial derivatives such as equity forward contracts.



Details regarding significant accounting policies for financial assets and liabilities are disclosed in Note 2 Significant accounting policies.

## FINANCIAL RISK MANAGEMENT

The Group monitors and manages financial risks arising from operations. These include currency risks, interest rate risk, credit risk and price/liquidity risk.

The Group seeks to manage these risks through operational measures or (where such measures are not available) through the use of financial derivatives.

A policy on the management of these risks has been approved by the Board of Directors. The policy includes principles on currency risk, interest rate risk, price risk, the use of financial instruments and other operational means as well as limits on the maximum and minimum levels of these exposures.

## CURRENCY RISK

In the Mowi Group, several Business Units carry out a large number of business transactions in currencies different from the domestic currency. For the Group, the relative importance of these transactions is substantially larger on the revenue side than on the cost side. To mitigate the potential fluctuation effects on its cash flows, the Group maintains a foreign exchange strategy designated to manage these exposures both in the short and long term. For each of Mowi's units, the Group has defined a hedging strategy not designated for hedge accounting. According to the hedging strategy, units located in the following regions generate cash flow in currencies (main hedging currencies) according to the below table.

REGION	HEDGING CURRENCY
Europe ex. UK	EUR
UK	GBP
Americas	USD
Asia	USD

For some units the main hedging currency is different from the functional currency.

Transaction exposures arise from firm commitments made to transact in a currency different from the main currency. Each transaction exposure depends on the duration of the associated commitment, but these are normally be of relatively short duration. Hedging transactions undertaken to manage transaction exposures are referred to as transaction hedges.

Through hedging of transaction exposures, each Business Unit aims to ensure that its net cash flows in currencies other than its main hedging currency are hedged towards this currency. Further exposures arise from structural imbalances between the main currencies on the revenue side and those on the expense side. These imbalances are predominantly a result of production taking place in a different country from that in which the product is sold. Due to their structural nature, such exposures are of a longer duration than transaction exposures and are therefore quantified based on estimates of future revenues and expenses. For these purposes, the focus is on the underlying currency structure of the individual revenue and cost item while the actual currency in which transactions are invoiced is of lesser importance.

The Mowi Group normally has a net positive cash flow exposure towards EUR, GBP, USD and JPY and a net negative cash flow exposure towards NOK, CAD and CLP. To hedge Group cash flows against exchange rate fluctuations Mowi has a policy for long-term hedging of the most predominant net exposures. The Group currently hedges up to 30% of its underlying exposure between EUR/NOK and USD/CAD with a horizon of two years.

As of December 31, 2021 the Group held a portfolio of derivative instruments designed to mitigate transaction and cash flow exposure with a total contract value of EUR 728.4 million (EUR 628.4 million). Instruments equivalent to 74% (62%) of the contract value mature in 2022 and no instrument matures beyond December 2023. The portfolio had a net positive market value of EUR 22.2 million (EUR 3.8 million) at year-end.

### Currency exposure in the statement of financial position

As a consequence of the Group's net cash flows being generated in EUR, GBP and USD, the interest-bearing debt should reflect this currency structure. On December 31, 2021, the portfolio was in line with policy.

CURRENCY STRUCTURE OF NET INTEREST-BEARING DEBT (EUR MILLION)	NOK	USD	EUR	GBP	JPY	DKK	CAD	PLN	OTHER	TOTAL
Cash and cash equivalents	12.2	11.7	66.9	8.9	-0.5	0.7	-0.3	-1.9	3.8	101.7
Non-current interest-bearing debt	80.8	53.0	1 177.3	47.7	—	—	—	—	—	1 358.9
<b>Net interest-bearing debt</b>	<b>68.6</b>	<b>41.3</b>	<b>1 110.5</b>	<b>38.8</b>	<b>0.5</b>	<b>-0.7</b>	<b>0.3</b>	<b>1.9</b>	<b>-3.8</b>	<b>1 257.3</b>

The carrying amount of interest-bearing debt has been reduced by EUR 13.0 million (EUR 5.2 million) in transaction costs. There are no significant differences between the carrying amount and the fair value of non-current interest-bearing debt and leasing.

## SENSITIVITY ANALYSIS - CHANGE IN EXCHANGE RATES IMPACT ON RESULT

The main sources of sensitivity to exchange rate movements are the long-term hedges of exposure to EUR/NOK and USD/CAD and loans in NOK, USD and GBP under the multicurrency revolving credit facility. Based on the exposure as of December 31, 2021, the effect of a 15% change in exchange rates on the long-term currency hedges and the multicurrency loan positions has been estimated:

CURRENCY PAIR (EUR MILLION)	EUR/NOK	EUR/USD	EUR/GBP	USD/CAD
Effect in EUR from a 15% increase in the value of	EUR	EUR	EUR	CAD
Financial items	-35.0	6.9	6.2	13.5

## INTEREST RATE RISK

Mowi ASA shall over time hedge 0%-35% of the Group's long-term interest bearing debt by currency with fixed interest or interest rate derivatives for the first 5 years, and 0% thereafter. Interest-bearing debt includes external interest-bearing debt and leasing in the parent company or subsidiaries. The interest rate hedges shall be based on the targeted currency composition. Interest rate exposure in other currencies than EUR, USD, GBP and NOK shall not be hedged. All interest rate hedging shall be executed from the parent company. At year-end 2021 the Group had a hedging portfolio of strategic interest rate swaps with a negative market value of EUR 5.1 million (EUR -17.7 million), while the Group's overall interest rate swap portfolio had a net negative market value of EUR -4.5 million.

MARKET VALUE (EUR MILLION)	2021	2020
EUR	-2.7	-13.1
USD	-2.3	-3.6
GBP	-0.2	-0.9
<b>TOTAL</b>	<b>-5.1</b>	<b>-17.7</b>

The hedging portfolio held at the end of 2021 will ensure the payment of the following weighted fixed rates against receipt of three month EURIBOR/LIBOR for each of the below currencies and periods:

NOMINAL AMOUNT OF INTEREST RATE SWAPS AND WEIGHTED AVERAGE FIXED RATE (EUR MILLION)	EUR		USD		GBP	
	NOMINAL VALUE	WEIGHTED FIXED RATE	NOMINAL VALUE	WEIGHTED FIXED RATE	NOMINAL VALUE	WEIGHTED FIXED RATE
UNTIL MARCH 2022	380.0	2.20%	78.3	2.31%	23.5	2.83%
MARCH 2022- MARCH 2023	—	—	60.0	4.13%	—	—

A 0.50% point parallel increase in all relevant yield curves will cause a EUR 0.3 million (2.6 million) increase in the market value of the portfolio. This change would be recognised through profit and loss. Based on the long-term debt and interest rate swaps outstanding as of December 31, 2021 a 0.50% point parallel increase in all relevant yield curves would result in an estimated increase in the Group's annual interest cost of EUR 3.9 million.

## CREDIT RISK

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and as a rule the Group's trade receivables are fully credit insured. The Group monitors exposure towards individual customers closely and is not substantially exposed to any individual customer or contractual partner as of December 31, 2021. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables, with reference to Note 17. The Group considers the concentration of risk with respect to trade receivables as low, as its customers are located in various jurisdictions and operate in different markets.

The Group only enters into derivative transactions with counterparties with an established business relationship to the Group.

## PRICE/LIQUIDITY RISK

The Group is continuously monitoring liquidity and estimates expected liquidity development on the basis of budgets and monthly updated forecasts from the business units. Mowi's financial position and development depend significantly on spot price developments for salmon, and these prices have historically been volatile. As such Mowi is exposed to movements in supply and demand for salmon. Mowi has to some extent mitigated its exposure to spot prices by entering into bilateral fixed price/volume contracts with its customers. The contract share has normally varied between 20% and 50% of our sold volume, however hedged volumes can increase up to 65% under special circumstances, and the duration of contracts has typically been three to eighteen months. Furthermore Mowi reduces its exposure to spot price movements through value added processing activities and tailoring of products for its customers. Other key liquidity risks are fluctuations in production and harvest volumes, biological issues, and changes in the feed price, feed being the most important

individual factor on the cost side. Feed costs are correlated to the marine and agricultural commodity prices of the ingredients.

Mowi's aim is to maintain a balance between long-term financing and flexibility by using credit facilities, new borrowings and bonds.

## COVID-19

Covid-19 continued to impact market dynamics in 2021, however with widespread vaccination programmes and the resulting

reopening of society during the year we saw a partial recovery in foodservice. Retail demand remained strong in 2021 with high activity levels and consumption rates. The strength of Mowi's integrated value chain was once again evident in 2021 as our Consumer Products division continued to capitalise on increased demand for elaborated products, achieving record-high full-year earnings and volumes. Mowi believes that the market will continue to recover from the pandemic and return to normality in 2022, with positive long-term demand effects in the retail market.

MATURITY PROFILE OF THE FINANCIAL LIABILITIES AND DERIVATIVES BASED ON CONTRACTUAL UNDISCOUNTED PAYMENTS, INCLUDING INTEREST: 2021 (EUR MILLION)	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	WITHIN 1 YEAR	1-2 YEARS	2 - 5 YEARS	MORE THAN 5 YEARS
<b>Non-derivative financial liabilities</b>						
Syndicated loan	811.0	-875.4	-10.9	-10.9	-853.6	—
Unsecured bond	200.0	-206.5	-4.3	-202.2	—	—
Unsecured Schuldschein loan	149.4	-161.0	-2.4	-2.4	-156.1	—
Unsecured Green bond	199.2	-214.4	-3.2	-3.2	-208.0	—
Other debt	1.2	-1.2	-0.3	-0.2	-0.2	-0.5
Trade payables and other liabilities	392.8	-392.8	-392.8	—	—	—
<b>Derivative financial liabilities</b>						
Interest rate swaps	5.1	-5.3	-4.8	-0.5	—	—
Cash flow instruments	1.0	-1.0	—	-0.9	—	—
Transaction instruments	1.6	-1.6	-1.4	-0.1	—	—
<b>Total financial liabilities <sup>1)</sup></b>	<b>1 761.1</b>	<b>-1 854.9</b>	<b>-420.1</b>	<b>-220.5</b>	<b>-1 213.9</b>	<b>-0.5</b>

MATURITY PROFILE OF THE FINANCIAL LIABILITIES AND DERIVATIVES BASED ON CONTRACTUAL UNDISCOUNTED PAYMENTS, INCLUDING INTEREST: 2020 (EUR MILLION)	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	WITHIN 1 YEAR	1-2 YEARS	2 - 5 YEARS	MORE THAN 5 YEARS
<b>Non-derivative financial liabilities</b>						
Syndicated loan	1 019.3	-1 046.9	-17.7	-1 029.2	—	—
Unsecured bond	199.4	-210.8	-4.3	-4.3	-202.2	—
Unsecured Schuldschein loan	149.1	-163.4	-2.4	-2.4	-7.3	-151.2
Unsecured Green bond	198.7	-214.4	-3.2	-3.2	-208.0	—
Other debt	0.8	-0.8	-0.8	—	—	—
Trade payables and other liabilities	316.5	-316.5	-316.5	—	—	—
<b>Derivative financial liabilities</b>						
Interest rate swaps	17.7	-17.4	-12.4	-4.5	-0.5	—
Cash flow instruments	5.3	-5.3	-4.7	-0.6	—	—
Transaction instruments	1.8	-1.8	-1.7	—	—	—
<b>Total financial liabilities <sup>1)</sup></b>	<b>1 908.6</b>	<b>-1 977.3</b>	<b>-363.7</b>	<b>-1 044.2</b>	<b>-418.0</b>	<b>-151.2</b>

1) For maturity profile of financial liabilities related to leasing debt, please see note 29

## NOTE 14 - REMUNERATION

<b>SALARY AND PERSONNEL EXPENSES</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Salaries	-378.1	-377.2
Cash bonuses	-27.1	-20.4
Social security taxes	-51.8	-51.9
Pension expenses	-13.7	-13.4
Share price based bonus	-3.6	-2.8
Temporary labor	-66.8	-66.6
Other benefits	-27.3	-26.1
<b>Total salary and personnel expenses</b>	<b>-568.3</b>	<b>-558.5</b>
<b>Average number of FTEs</b>	<b>14 315</b>	<b>14 821</b>

At year-end 2021 there were 13 984 FTEs (full-time employee equivalent) in the Group.

<b>REMUNERATION TO GROUP MANAGEMENT TEAM</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Salaries and other short-term employee benefits	-3.1	-3.5
Post-employment benefits	-0.1	—
Share-based payments	-2.3	-2.0
<b>Total remuneration to Group Management Team</b>	<b>-5.5</b>	<b>-5.6</b>

## SHARE OPTION SCHEME

Mowi Group has a share-price based bonus scheme for senior executives, and management and key experts of Business Areas, subsidiaries and group functions:

<b>OUTSTANDING OPTIONS PER ALLOTMENT</b>	<b>2021-ALLOTMENT OF CALL OPTIONS</b>	<b>2020-ALLOTMENT OF CALL OPTIONS</b>	<b>2019-ALLOTMENT OF CALL OPTIONS</b>	<b>2018-ALLOTMENT OF CALL OPTIONS</b>
Distributed options	1 675 000	1 125 000	1 470 000	1 500 000
Forfeited options	-30 000	-35 000	-415 000	-560 000
Dividend adjustment	23 543	21 278	58 753	107 304
<b>Total options outstanding at year end <sup>1)</sup></b>	<b>1 668 543</b>	<b>1 111 278</b>	<b>1 113 753</b>	<b>1 047 304</b>
<b>Strike price December 31, 2021 (NOK)</b>	<b>243.65</b>	<b>205.79</b>	<b>210.68</b>	<b>159.87</b>
<b>Number of employees in the scheme at year end</b>	<b>33</b>	<b>31</b>	<b>24</b>	<b>20</b>

<sup>1)</sup> None of the options were exercisable at year-end 2021.

The Share-Price-Based Bonus Scheme comprises annual allocations by the Board of Directors of a number of European call options with a strike price of 107.5% of the share price of Mowi's shares at the date of the annual general meeting authorising allocations under the scheme. The options have a term of four years but will become exercisable immediately if a mandatory bid is made for all of the shares in Mowi or if Mowi is the non-surviving entity in a merger with another company. If the holder of the options exercises the options, the company may settle its obligation through the issue of new shares or, alternatively, by selling treasury shares to the option holder. There will be no lock-up obligation on the shares the option holder receives through the

exercise of the option. The exercise of the option is conditional upon the option holder being employed in a non-terminated position in the Group on the date of exercise.

The number of shares and the strike price will be adjusted for dividends and changes in equity capital during the term of the option in accordance with Oslo Stock Exchange derivative rules (A.2.2.8(1)b). Total profit through the exercise of the option in a year is capped at two years' salary for the option holder. If the profit exceeds this limit, the number of shares to be issued will be reduced accordingly. Following the 2021 annual general meeting (the "AGM"), the Board of Directors allocated 1 675 000

options with a strike price corresponding to 107.5% of the volume-weighted average share price on the OSE on the day of the AGM (NOK 247.1395) to a total of 34 individuals.

Eligibility to the senior executive share option scheme is limited to: Group CEO, other Senior Executives and management and key experts of Business Areas, subsidiaries and group functions, based on the following criteria:

- *the position and individual is important in realising the Mowi Group ambitions;*
- *the individual is considered critical for the Business Unit(s);*
- *the individual is expected to continue in a role covered by the scheme;*
- *the individual will not retire during the first year of the scheme*

## SHARE PURCHASE PROGRAM

In 2021 all permanent employees in Mowi ASA and its Norwegian subsidiaries had the opportunity to acquire shares in the Company within the scope of the Norwegian Tax Act Section 5-14. For the year 2021 these provisions entitled this group of employees to receive a tax-free benefit of NOK 6 000 in connection with their participation in such a scheme.

Permanent employees in Mowi Scotland and Mowi Canada have also been offered the opportunity to buy shares, though without any element of tax-free discount. All employees were offered funding of the purchase price through an interest-free advance on salary from Mowi.

No other loans or guaranties have been granted to key management personnel.

## PENSION PLANS

Pension plans in the Group are mainly defined contribution plans. There are a few defined benefits plans, which are considered to be immaterial for the Group's financial statements.

PENSION PLANS (EUR MILLION)	PENSION COST	PENSION NET LIABILITY (FUND) 31.12
Mowi Norway <sup>1)</sup>	-6.3	4.7
Mowi Scotland	-2.1	-19.8
Mowi Canada	-2.2	—
Other entities	-3.1	2.4
<b>Total 2021</b>	<b>-13.7</b>	<b>-12.7</b>
<b>Total 2020</b>	<b>-13.4</b>	<b>-4.7</b>

1) The term Mowi Norway includes all Norwegian entities including corporate.



## NOTE 15 - TAXES

<b>INCOME TAXES FOR THE YEAR IN THE STATEMENT OF COMPREHENSIVE INCOME</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Norway	-63.5	-19.5
Foreign units	-31.7	-22.8
<b>Tax on profits (current tax)</b>	<b>-95.3</b>	<b>-42.3</b>
Norway	-21.2	15.6
Foreign units	10.9	25.3
<b>Change in deferred tax</b>	<b>-10.2</b>	<b>40.9</b>
<b>Total income taxes related to profit for the year</b>	<b>-105.5</b>	<b>-1.4</b>

<b>RECONCILIATION BETWEEN NOMINAL AND EFFECTIVE TAX RATES</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Profit before tax	593.4	120.6
Nominal tax rate	22%	22%
<b>Tax calculated with nominal tax rate</b>	<b>-130.5</b>	<b>-26.5</b>
Non-taxable income/loss from associated companies and joint ventures	21.3	10.3
Effect of changed tax rate on deferred tax positions	-2.4	-2.5
Effect of adjustment of income tax from previous years	4.1	5.5
Effect of recognition of previously non-recognised tax assets	1.6	3.7
Effect of non-recognition of losses and tax assets	1.2	0.6
Withholding tax	-2.9	-2.8
Other permanent differences	-9.2	1.7
Effect of different tax rates compared to nominal rate	11.5	8.7
<b>Total income taxes</b>	<b>-105.5</b>	<b>-1.4</b>

<b>TAX PREPAID/RECEIVABLE IN THE STATEMENT OF FINANCIAL POSITION (EUR MILLION)</b>	<b>2021</b>	<b>2020</b>
Tax prepaid/receivable in Norway	16.8	6.2
Tax prepaid/receivable in foreign units	11.8	19.9
<b>Total tax prepaid/receivable in the statement of financial position</b>	<b>28.6</b>	<b>26.1</b>

<b>TAX PAYABLE IN THE STATEMENT OF FINANCIAL POSITION (EUR MILLION)</b>	<b>2021</b>	<b>2020</b>
Tax payable in Norway	72.1	19.9
Tax payable in foreign units	7.8	6.4
<b>Total tax payable in the statement of financial position</b>	<b>79.9</b>	<b>26.3</b>

<b>SPECIFICATION OF DEFERRED TAX AND BASIS FOR DEFERRED TAX/TAX ASSETS TAX INCREASING/REDUCING TEMPORARY DIFFERENCES (EUR MILLION)</b>	<b>2021</b>	<b>2020</b>
Non-current assets	523.0	428.8
Current assets	1 314.6	1 306.8
Debt	-46.4	-37.6
Pension obligation	-7.2	-6.9
Tax losses carried forward	-81.0	-76.4
Other differences	58.2	-3.8
<b>Total temporary differences</b>	<b>1 761.2</b>	<b>1 610.9</b>
Tax losses carried forward in Norway	-12.7	-12.7
Other temporary differences in Norway	1 309.1	1 192.3
Tax losses carried forward abroad	-68.4	-63.8
Other temporary differences abroad	533.1	495.0
<b>Total temporary differences</b>	<b>1 761.2</b>	<b>1 610.9</b>

<b>TOTAL DEFERRED TAX ASSET/LIABILITIES IN THE STATEMENT OF FINANCIAL POSITION (EUR MILLION)</b>	<b>2021</b>	<b>2020</b>
Deferred tax assets	51.1	26.1
Deferred tax liabilities	-441.4	-392.2
<b>Net deferred tax in the statement of financial position</b>	<b>-390.3</b>	<b>-366.1</b>

Mowi has recognised deferred tax assets related to tax losses carried forward. This is based on the expectation of probable sufficient earnings in the future. The expectations are based on current earnings and approved budgets. Deferred tax assets related to tax losses carried forward at a total of EUR 104.6 million have not been recognised due to uncertain utilisation.

Deferred tax assets linked to tax losses are offset against deferred tax liabilities in the tax jurisdictions, where acceptable.

MATURITY OF TAX LOSSES WHERE DEFERRED TAX LOSS IS RECOGNISED TO YEAR (EUR MILLION)	NORWAY	ABROAD	TOTAL
2022	—	0.1	0.1
2023	—	1.5	1.5
2024	—	0.3	0.3
2025	—	1.5	1.5
2026	—	0.9	0.9
2027	—	—	—
2028	—	—	—
2029	—	5.5	5.5
2030	—	—	—
2031+	—	—	—
Unlimited	12.7	58.5	71.2
<b>Total 2021</b>	<b>12.7</b>	<b>68.4</b>	<b>81.0</b>
Total 2020	12.7	63.8	76.4

MATURITY OF TAX LOSSES FOR WHICH NO DEFERRED TAX ASSET IS RECOGNISED TO YEAR (EUR MILLION)	NORWAY	ABROAD	TOTAL
2022	—	—	—
2023	—	—	—
2024	—	—	—
2025	—	3.1	3.1
2026	—	—	—
2027	—	—	—
2028	—	0.1	0.1
2029	—	1.8	1.8
2030	—	—	—
2031+	—	—	—
Unlimited	—	99.6	99.6
<b>Total 2021</b>	<b>—</b>	<b>104.6</b>	<b>104.6</b>
Total 2020	—	102.5	102.5

TAX RATES APPLIED (SELECTED COUNTRIES)	2021	2020
Japan	30.6%	30.6%
USA	21.0%	21.0%
Belgium	25.0%	25.0%
Germany	29.5%	30.5%
France	28.0%	28.0%
Norway	22.0%	22.0%
China	25.0%	25.0%
Netherlands	25.0%	25.0%
Scotland	19.0%	19.0%
Canada West	27.0%	27.0%
Canada East	29.0%	29.0%
Faroe Islands	18.0%	18.0%
Chile	27.0%	27.0%
Poland	19.0%	19.0%
Ireland	12.5%	12.5%

## NOTE 16 - CASH

CASH (EUR MILLION)	2021	2020
Cash in bank	94.9	100.3
Employees' tax deduction	6.8	6.7
Other restricted cash <sup>1)</sup>	0.0	0.2
<b>Total cash</b>	<b>101.7</b>	<b>107.1</b>

1) Other restricted cash is mainly composed of deposits to fulfil collateral requirements for financial instruments.

## NOTE 17 - TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

SPECIFICATION OF RECEIVABLES (EUR MILLION)	2021	2020
Trade receivables	495.5	457.7
Provisions for expected credit losses	-3.4	-3.8
<b>Net trade receivables</b>	<b>492.1</b>	<b>454.0</b>
Prepayments	37.9	30.6
Pension fund	20.4	13.0
Tax prepaid/receivable	28.6	26.1
Other	90.2	56.1
<b>Trade receivables, other receivables and prepayments</b>	<b>177.2</b>	<b>125.8</b>
<b>Total trade receivables, other receivables and prepayments</b>	<b>669.3</b>	<b>579.8</b>

Based on the nature of business, the Group does not have any material contract assets.

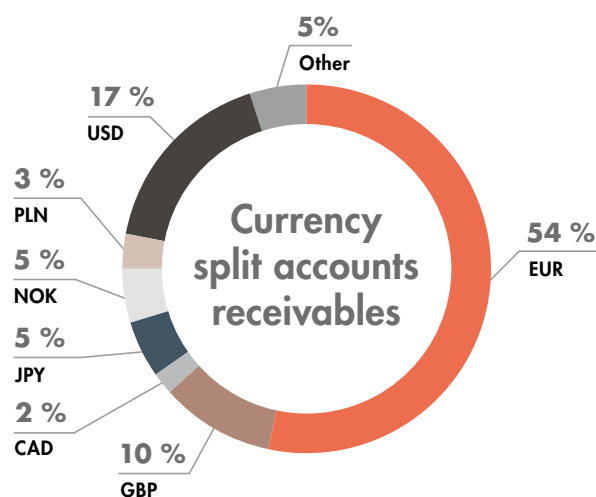
AGE DISTRIBUTION OF TRADE RECEIVABLES (EUR MILLION)	2021	2020
Receivables not overdue	440.6	410.0
Overdue 0-6 months	48.9	42.6
Overdue more than 6 months	6.0	5.1
<b>Total trade receivables</b>	<b>495.5</b>	<b>457.7</b>

### MOVEMENT IN PROVISIONS FOR CREDIT LOSSES (TRADE RECEIVABLES)

At the beginning of 2021, provisions for credit losses amounted to EUR 3.8 million. During 2021, EUR 0.5 million were considered lost. Adjusted for additional provisions for credit losses of EUR 0 million and other adjustments of EUR 0.1 million the provision at year-end amounted to EUR 3.4 million for 2021. See also Note 13.

### CURRENCY EXPOSURE TO TRADE RECEIVABLES

The Business Units generally complete their sales in the main trading currency in the country of destination. The carrying amount of trade receivables per currency is presented below.



## NOTE 18 - TRADE PAYABLES AND OTHER CURRENT LIABILITIES

<b>CURRENT LIABILITIES</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
<b>Trade payables <sup>1)</sup></b>	<b>392.8</b>	<b>316.5</b>
<b>Other current liabilities</b>		
Salaries and vacation pay due	58.1	50.7
Social security and other taxes	21.2	18.3
Accrued expenses	93.6	73.1
Other liabilities	72.1	25.9
<b>Total other current liabilities</b>	<b>244.9</b>	<b>167.9</b>

<sup>1)</sup> As of year-end 2021 the payable related to the Supply Chain Financing was 120.6 million EUR (56.5 million EUR at year-end 2020).

Based on the nature of business, the Group does not have any material contract liabilities.

<b>CURRENT LEASING LIABILITIES</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Current part (first year) leases	182.7	153.2
<b>Total current leasing liabilities</b>	<b>182.7</b>	<b>153.2</b>

<b>UNUSED DRAWING RIGHTS</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Unused part of bank overdraft facility (to be renewed within one year)	7.0	7.0
Unused part of bank overdraft facility (to be renewed in more than one year)	66.0	47.6
Unused part of other drawing rights (to be renewed in more than one year)	899.1	326.1
<b>Total unused drawing rights</b>	<b>972.1</b>	<b>380.7</b>

## NOTE 19 - SECURED LIABILITIES AND GUARANTEES

<b>DEBT SECURED BY MORTGAGES AND PLEDGES</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Debt to financial institutions	933.7	1 093.1
Leasing debt	1.2	0.8
<b>Total debt secured by mortgages and pledges</b>	<b>934.9</b>	<b>1 093.9</b>
Guarantee commitments	18.7	16.5

The Mowi Group syndicated loan facility has been established with security in current assets, licenses (where applicable), fixed assets and guarantees from some of the entities in the Group. In addition the shares in larger subsidiaries have been pledged in favour of the bank syndicate.

<b>ASSETS PLEDGED AS SECURITY FOR DEBT</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Tangible non-current assets and licenses	1 731.0	1 470.5
Inventory and biological assets	1 716.5	1 475.0
Trade receivables	299.7	299.1
Other assets	176.5	100.7
<b>Total assets pledged as security</b>	<b>3 923.7</b>	<b>3 345.3</b>



## NOTE 20 - OTHER NON-CURRENT LIABILITIES

OTHER NON-CURRENT LIABILITIES (EUR MILLION)	2021	2020
Net pension obligations	7.6	8.2
Other non-current liabilities	11.6	16.5
<b>Total other non-current liabilities</b>	<b>19.3</b>	<b>24.8</b>

## NOTE 21 - INVESTMENTS IN ASSOCIATED COMPANIES AND INTEREST IN JOINT VENTURES

Associated companies are recorded in Mowi Group statements in accordance with the equity method. None of the associated companies are listed.

ASSOCIATED COMPANIES (EUR MILLION)	HEAD OFFICE	OWNER-SHIP	OWNED BY	AQUISITION COST	CARRYING AMOUNT 01.01.21	SHARE OF PROFIT 2021	DIVIDENDS RECEIVED 2021	OTHER CHANGES 2021 <sup>1)</sup>	CARRYING AMOUNT 31.12.21
Nova Sea AS	Lovund	49%	Mowi Holding AS	28.2	157.2	43.9	-16.2	7.9	192.8
Finnøy Fisk AS	Finnøy	45%	Mowi ASA	2.4	6.7	0.6	-0.9	1.6	8.0
Others				0.3	3.0	—	—	—	3.1
<b>Total</b>				<b>30.9</b>	<b>166.9</b>	<b>44.4</b>	<b>-17.0</b>	<b>9.6</b>	<b>203.9</b>

1) Other changes mainly relates to foreign currency adjustments and movements in loans.

ASSOCIATED COMPANIES 100 % BASIS (EUR MILLION)	DIVIDEND RECEIVED	FAIR VALUE ADJUSTMENT BIOMASS <sup>1)</sup>	TOTAL REVENUE	TOTAL PROFIT AND LOSS	TOTAL NON- CURRENT ASSETS	TOTAL BIOLOGICAL ASSETS	TOTAL OTHER CURRENT ASSETS	TOTAL NON- CURRENT LIABILITIES	TOTAL CURRENT LIABILITIES
<b>2021</b>									
Nova Sea AS	16.2	18.1	296.4	69.3	193.6	83.6	104.1	24.1	46.1
Finnøy Fisk AS	0.9	0.9	3.8	0.7	6.6	2.1	4.6	5.4	2.8
<b>2020</b>									
Nova Sea AS	23.8	8.4	248.7	59.9	177.9	76.9	67.0	23.6	38.0
Finnøy Fisk AS	1.4	0.5	4.7	2.0	5.6	2.1	6.8	5.4	3.1

1) Effect of adjusting Mowi's share of total biological assets as of December 31 presented above to fair value. The effect is shown after tax.

As of 31 December 2021 Mowi had no significant investment in joint ventures. Per 31 December 2020 Mowi had a 50% interest in DESS Aquaculture Shipping AS that provides vessel operations to the aquaculture industry, located in Grimstad, Norway. During 2020 the interest in DESS Aquaculture Shipping AS was reported as a joint venture and accounted for using the equity method in the consolidated financial statements. In December 2020 Mowi entered into an agreement to divest its 50% stake in DESS

Aquaculture Shipping AS, and in the statement of Financial position per 31 December 2020 the investment was reclassified from an interest in a joint venture to an Asset held for sale. The transaction was closed in January 2021 with net proceeds of EUR 113.1 million. Mowi recognised a realised gain of EUR 53.1 million in 2021 and the gain is included in the line item Income from associated companies and joint ventures in the Statement of Comprehensive Income.

Summarised financial information of the consolidated DESS Aqua Culture Shipping and reconciliation with the carrying amount of the investment are set out below:

<b>DESS Aquaculture Shipping AS - Summarised statement of Financial position</b> (EUR MILLION)	<b>2020</b>
Non-current assets	253.9
Cash and cash equivalents	11.5
Other current assets	8.8
Non-current liabilities	137.3
Current liabilities	16.9
Equity	120.1
Mowi group's share in equity (50%)	60.0
<b>Group's carrying amount of the investment</b>	<b>60.0</b>
<b>Summarised statement of profit or loss:</b> (EUR MILLION)	
	<b>2020</b>
Revenue	33.1
Operating expenses	-18.5
Depreciation and amortisation	-8.8
Net financial items	-2.7
Profit before tax	3.1
Income tax expense	-0.4
Profit for the year (continuing operations)	2.7
Total comprehensive income for the year (continuing operations)	2.7
<b>Group's share of profit for the year</b>	<b>1.4</b>

## NOTE 22 - BUSINESS COMBINATIONS, ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

### BUSINESS COMBINATIONS

Mowi had no material business combinations in 2021.

### ASSETS HELD FOR SALE

Mowi had no Assets held for sale at year end 2021.

In December 2020 Mowi entered into an agreement to divest its 50% stake in DESS Aquaculture Shipping. The book value of the investment was reclassified from Investments in associated companies and joint ventures to Assets held for sale as of December 2020. The Investment has been reported as income from associated companies and joint ventures in the business segment other. The transaction was closed in January 2021, please refer to note 21 for further details.

### DISCONTINUED OPERATIONS

Mowi had no material results from discontinued operations in 2021 and 2020.

## NOTE 23 - CONSOLIDATED ENTITIES

The consolidated financial statements include the following companies:

<b>PARENT COMPANY</b>	<b>COUNTRY</b>	
Mowi ASA	Norway	

<b>SUBSIDIARIES - NORWAY</b>	<b>COUNTRY</b>	<b>OWNERSHIP %</b>
Marine Harvest Newco AS	Norway	100.00%
Mowi Feed AS	Norway	100.00%
Mowi Genetics AS	Norway	100.00%
Mowi Holding AS	Norway	100.00%
Mowi Minority Holding AS	Norway	100.00%
Mowi Markets Norway AS	Norway	100.00%
Mowi Norway FOU AS	Norway	100.00%
Waynor Trading AS	Norway	100.00%
Centre for Aquaculture Competence AS	Norway	33.30%

<b>SUBSIDIARIES - AMERICAS</b>	<b>COUNTRY</b>	<b>OWNERSHIP %</b>
Mowi North America Inc	Canada	100.00%
Mowi Canada West Inc	Canada	100.00%
Marine Harvest Atlantic Canada Inc	Canada	100.00%
Northern Harvest Sea Farms Newfoundland Inc	Canada	100.00%
Northern Harvest Smolt Inc	Canada	100.00%
Englewood Packing Company Ltd	Canada	100.00%
Mowi Chile S.A	Chile	100.00%
Salmones Tecmar S.A	Chile	100.00%
Processadora De Productos Marinos Delifish S.A	Chile	100.00%
Delifish Farming SPA	Chile	100.00%
Mowi Ducktrap LLC	USA	100.00%
Mowi USA Holding LLC	USA	100.00%
Mowi USA LLC	USA	100.00%

<b>SUBSIDIARIES - ASIA</b>	<b>COUNTRY</b>	<b>OWNERSHIP %</b>
Mowi China Co. Ltd	China	100.00%
Mowi Japan Co. Ltd	Japan	100.00%
Mowi Korea Co. Ltd	Korea	100.00%
Mowi Singapore Pte Ltd	Singapore	100.00%
Morpol Holdings Singapore Pte Ltd	Singapore	100.00%
Mowi Taiwan Co. Ltd	Taiwan	100.00%
Mowi Vietnam Company Ltd	Vietnam	100.00%

<b>SUBSIDIARIES - EUROPE</b>	<b>COUNTRY</b>	<b>OWNERSHIP %</b>
Mowi Belgium NV	Belgium	100.00%
Mowi Czech s.r.o.	Czech Republic	100.00%
Mowi Faroe Islands P/F	Faroes	100.00%

SUBSIDIARIES - EUROPE	COUNTRY	OWNERSHIP %
Mowi France SAS	France	100.00%
Mowi Boulogne SAS	France	100.00%
Mowi Bretagne SAS	France	100.00%
Mowi Rennes SAS	France	100.00%
Mowi Cuisery SAS	France	100.00%
Laschinger Seafood GmbH	Germany	100.00%
Mowi Harsum DACH GmbH	Germany	100.00%
Mowi Germany Verwaltungs GmbH	Germany	100.00%
Mowi Germany GmbH & Co. KG	Germany	100.00%
Belisco Ehf	Iceland	100.00%
Comhlucht Iascaireachta Fanad Teoranta	Ireland	100.00%
Bradán (Maoil Rua) Teoranta	Ireland	100.00%
Bradán Fanad Teoranta	Ireland	100.00%
Fanad Pettigo Teoranta	Ireland	100.00%
Feirm Farraige Oilean Chliara Teoranta	Ireland	92.03%
Silverking Seafoods Ltd	Ireland	100.00%
Mowi Italia S.R.L.	Italy	100.00%
Mowi Netherlands BV	Netherlands	100.00%
Mowi Lemmer BV	Netherlands	100.00%
Mowi Poland SA	Poland	100.00%
Mowi Lebork Sp. z.o.o.	Poland	100.00%
Mowi Technology Sp. z.o.o.	Poland	100.00%
Mowi Strzelino Sp. z.o.o.	Poland	100.00%
Mowi Poland Sales SA	Poland	100.00%
Mowi Nutrition Goleniów Sp. z.o.o	Poland	100.00%
Mowi Iberia SLU	Spain	100.00%
Mowi Sweden AB	Sweden	100.00%
Mowi Türkiye Su Ürünleri Ticaret A.Ş.	Turkey	100.00%
Mowi Scotland Ltd	UK	100.00%
Meridian Salmon Group Ltd	UK	100.00%
Meridian Salmon Processing Ltd	UK	100.00%
Meridian Salmon Farms (Argyll) Ltd	UK	100.00%
Lakeland Smolt Ltd	UK	100.00%
Mowi Consumer Products UK Ltd	UK	100.00%
Dorseth Cleanerfish Ltd	UK	51.00%
Anglesey Aquaculture Ltd	UK	100.00%
Ocean Matters Ltd	UK	100.00%
OM Penmon Ltd	UK	100.00%
Ferguson Salmon Ltd	UK	100.00%
Finfish Limited	UK	100.00%
Scalpay Multi-Trophic Aquaculture Ltd	UK	100.00%

• Marine Harvest Kritsen SAS changed name to Mowi Bretagne SAS during 2021

Mowi Group has no material partly-owned subsidiaries, and the non-controlling interests are immaterial. Additional financial information is therefore not disclosed.

## NOTE 24 - SHARE CAPITAL

SHARE CAPITAL	2021	2020
Total number of shares as of 01.01	517 111 091	517 111 091
Shares issued during the year	—	—
<b>Total number of shares as of 31.12</b>	<b>517 111 091</b>	<b>517 111 091</b>
Treasury shares as of 01.01	—	—
Treasury shares purchased during the year	887 905	1 152 463
Treasury shares sold during the year	-887 905	-1 152 463
<b>Treasury shares as of 31.12</b>	<b>—</b>	<b>—</b>
<b>Nominal value as of 31.12 (NOK)</b>	<b>750</b>	<b>750</b>
Share capital (total number of shares at nominal value) (EUR million)	404.8	404.8
Other paid-in capital (EUR million)	1 274.7	1 274.7

OVERVIEW OF THE LARGEST SHAREHOLDERS 31.12.21	NUMBER OF SHARES	SHAREHOLDING %
Geveran Trading Co Ltd <sup>1)</sup>	74 289 287	14.37%
Folketrygdfondet	45 083 479	8.72%
UBS Switzerland AG	36 226 413	7.01%
State Street Bank and Trust Comp	20 996 849	4.06%
Clearstream Banking S.A.	16 762 989	3.24%
State Street Bank and Trust Comp	12 077 863	2.34%
Euroclear Bank S.A./N.V.	9 409 134	1.82%
J.P. Morgan Chase Bank, N.A., London	8 152 405	1.58%
Citibank, N.A.	8 018 571	1.55%
State Street Bank and Trust Comp	7 991 298	1.55%
SIX SIS AG	6 943 858	1.34%
State Street Bank and Trust Comp	6 527 599	1.26%
UBS Europe SE	5 409 833	1.05%
The Northern Trust Comp, London Br	4 767 968	0.92%
Verdipapirfondet KLP Aksjenorge In	4 185 430	0.81%
State Street Bank and Trust Comp	4 057 628	0.78%
State Street Bank and Trust Comp	3 936 695	0.76%
J.P. Morgan Bank Luxembourg S.A.	3 725 898	0.72%
Pictet & Cie (Europe) S.A.	3 660 617	0.71%
The Northern Trust Comp, London Br	3 603 627	0.70%
<b>Total 20 largest shareholders</b>	<b>285 827 441</b>	<b>55.27%</b>
<b>Total other shareholders</b>	<b>231 283 650</b>	<b>44.73%</b>
<b>Total number of shares 31.12.21</b>	<b>517 111 091</b>	<b>100.00%</b>

<sup>1)</sup> In addition to the shares included above Geveran Trading Co Ltd had per 31 December 2021 entered into a Total Return Swap ("TRS") agreement with underlying exposure to 4 000 000 shares in Mowi. Expiry date for the TRS agreement was 7 March 2022 and the TRS price was NOK 204.583 per share.



SHAREHOLDERS PER COUNTRY	NUMBER OF SHARES	SHARE %
Norway	118 854 089	22.98%
Cyprus	74 289 287	14.37%
USA	85 723 424	16.58%
Great Britain	61 790 054	11.95%
Other countries	176 454 237	34.12%
<b>Total number of shares 31.12.21</b>	<b>517 111 091</b>	<b>100.00%</b>

SHARES OWNED BY BOARD MEMBERS, GROUP MANAGEMENT AND THEIR RELATED PARTIES AS OF 31.12.21	NUMBER OF SHARES
<b>Board of Directors</b>	
Ole-Eirik Lerøy (Chair)	1 501 232
Kristian Melhuus	1 232
Lisbet K. Næør	1 232
Cecilie Fredriksen <sup>1)</sup>	1 232
Nicolas Gheysens	268
Solveig Strand	2 606
Bjarne Tellmann	1 170
Jørgen J. Wenggaard	144
Marianne Andersen	723
Hans Jakob Lande	915
<b>Total number of shares held by Board members</b>	<b>1 510 754</b>
<b>Group Management</b>	
Ivan Vindheim, CEO	7 557
Kristian Ellingsen, CFO	897
Catarina Martins, Chief Technology Officer and Chief Sustainability Officer	2 342
Øyvind Oaland, COO Farming Norway	5 285
Ben Hadfield, COO Farming Scotland, Ireland and Faroes	7 767
Fernando Villarroel, COO Farming Americas	309
Ola Brattvoll, COO Sales and Marketing	10 128
Atle Kvist, COO Feed	440
Anne Lorgen Riise, Chief HR Officer	1 255
<b>Total number of shares held by Group management</b>	<b>35 980</b>
<b>Total number of shares held by Board members and Group management</b>	<b>1 546 734</b>
<b>Total number of shares held by Board members and Group management in % of total outstanding shares</b>	<b>0.30%</b>

1) Cecilie Fredriksen is a member of the class of Beneficiaries of the Trusts which indirectly control Geveran Trading Co Limited.

## SHAREHOLDERS RIGHTS

There are no current limitations on voting rights or trade limitations related to the Mowi share.

The Board of Directors has been granted the following authorisations which may impact the share capital:

- 1) *To acquire shares in the company ("own shares") on behalf of the company with a total nominal value of up to NOK 387 833 318. The authorisation is valid until the ordinary general meeting in 2022, however no longer than 30 June 2022."*
- 2) *To increase the company's share capital by up to NOK 387 833 318 provided that the combined number of shares that are issued pursuant to this authorisation and the authorisation 3) below shall not in aggregate exceed 10% of the Company's current share capital. The authorisation is valid until the ordinary general meeting in 2022, however no longer than 30 June 2022."*
- 3) *To take up convertible loans with a total principal amount of up to NOK 3,200,000,000. Upon conversion of loans taken up pursuant to this authorisation, the company's share capital may be increased by up to NOK 387 833 318, provided that the combined number of shares that are issued pursuant to this authorisation and the authorisation 2) above shall not in aggregate exceed 10% of the Company's current share capital. The authorisation is valid until the ordinary general meeting in 2022, however no longer than 30 June 2022."*



## NOTE 25 - EARNINGS PER SHARE

BASIC AND DILUTED EARNINGS PER SHARE	2021	2020
<b>Profit for the year attributable to owners of Mowi ASA</b>		
Profit from continuing operations attributable to the owners of the parent (EUR million)	487.6	117.5
<b>Profit for the year attributable to owners of Mowi ASA (EUR million)</b>	<b>487.6</b>	<b>117.5</b>
<b>Time-weighted average of shares issued and outstanding (million)</b>	<b>517.1</b>	<b>517.1</b>
<b>Basic earnings per share attributable to the owners of Mowi ASA</b>		
Basic earnings per share from continuing operations (EUR)	0.94	0.23
<b>Basic earnings per share (EUR)</b>	<b>0.94</b>	<b>0.23</b>
<b>Diluted earnings per share attributable to the owners of Mowi ASA</b>		
Diluted earnings per share from continuing operations (EUR)	0.94	0.23
<b>Diluted earnings per share (EUR)</b>	<b>0.94</b>	<b>0.23</b>

Basic Earnings per share (EPS) is calculated on the weighted average number of shares outstanding during the period.

## NOTE 26 - RELATED PARTY TRANSACTIONS

### TRANSACTIONS WITH ASSOCIATED COMPANIES

The figures presented below are with associated companies, mainly Nova Sea AS and Finnøy Fisk AS.

RELATED PARTY TRANSACTIONS (EUR MILLION)	2021	2020
Revenue	8.1	19.0
Purchase	-10.3	-3.7
Trade receivables	3.0	3.4

All significant transaction are mainly related to the sale or purchase of fish or smolt and related services.

### SHAREHOLDERS

In 2021 and 2020 Mowi Group had no material transaction with any of its shareholders.

At year-end 2021, Geveran Trading's affiliated ownership in Mowi was 74 289 287 shares, constituting 14.37% of the total share capital. Geveran Trading Co Ltd is indirectly controlled by trusts established by John Fredriksen for the benefit of his immediate family.

## NOTE 27 - CONTINGENT LIABILITIES AND PROVISIONS

### UPDATE ON THE ALLEGATIONS OF PRICE COLLUSION

Further to the European Commission inspections in 2019. The European Commission is still at the investigation stage and has not initiated formal proceedings in the case, and no decision has been made. In the wake of the EU inspections, Mowi was one of several Norwegian salmon companies which received a subpoena from the Antitrust Division of the Department of Justice in the US informing about the opening of a criminal investigation involving allegations of possible collusion between Norwegian producers of farmed Atlantic salmon. No court proceedings have been initiated, and no decision has been made.

Furthermore, Mowi has been named a defendant in class action complaints in the US and Canada. These civil law cases are still at the pre-trial stage. Mowi considers that there is no basis for any competition concerns and that the investigations and civil law cases clearly lack merit and are entirely unsubstantiated.

### OTHER CASES

We are routinely involved in various legal matters arising from the course of our business.

While the outcome of these proceedings cannot be predicted with certainty, we believe that, when resolved, they will not have any material adverse effect on our results, financial position or liquidity.

Please refer to note 30 for an overview of the financial impact of provisions recognised in the financial statements.

## NOTE 28 - OTHER OPERATING EXPENSES

SPECIFICATION OF OTHER OPERATING EXPENSES (EUR MILLION)	2021	2020
Maintenance	-200.6	-205.2
Electricity and fuel	-97.8	-87.7
Rent, leases and third-party services	-36.3	-63.4
Insurance	-43.1	-39.1
Consultancy and audit fees	-43.5	-44.8
IT costs	-24.6	-25.1
Travel cost	-5.2	-7.6
Sales and marketing costs	-24.7	-14.5
Other operating costs	-58.6	-60.2
<b>Total other operating expenses</b>	<b>-534.4</b>	<b>-547.6</b>

## NOTE 29 - LEASES

SPECIFICATION OF RIGHT OF USE ASSET 2021 (EUR MILLION)	LAND & BUILDINGS	MACHINERY & EQUIPMENT	TRANSPORT	NETS, PENS & MOORINGS	OTHER	TOTAL
Opening balance	61.7	18.4	658.6	7.1	3.9	749.7
New contracts	3.3	3.9	119.4	0.9	1.9	129.4
Extension and other adjustments of existing agreements	2.7	-0.2	74.0	—	—	76.6
Termination of agreements	-5.6	-9.4	-110.6	-0.5	-0.7	-126.8
Foreign currency adjustments	2.3	0.8	18.7	0.1	0.1	22.0
<b>Total acquisition cost as of 31.12</b>	<b>64.3</b>	<b>13.5</b>	<b>760.2</b>	<b>7.7</b>	<b>5.2</b>	<b>850.8</b>
Accumulated depreciation and impairment losses as of 01.01	16.1	10.0	183.9	2.0	1.3	213.3
Depreciation in the year	9.3	4.7	179.2	1.5	0.8	195.6
Write-down	—	—	5.1	—	—	5.1
Accumulated depreciation on terminated contracts	-4.4	-8.1	-69.4	-0.5	-0.6	-83.0
Foreign currency adjustments	0.6	0.4	5.6	—	—	6.7
<b>Total accumulated depreciation as of 31.12</b>	<b>21.6</b>	<b>7.1</b>	<b>304.4</b>	<b>3.1</b>	<b>1.6</b>	<b>337.7</b>
<b>Total carrying amount as of 31.12</b>	<b>42.7</b>	<b>6.5</b>	<b>455.7</b>	<b>4.6</b>	<b>3.6</b>	<b>513.2</b>
Depreciation method	Linear	Linear	Linear	Linear	Linear	

SPECIFICATION OF RIGHT OF USE ASSET 2020 (EUR MILLION)	LAND & BUILDINGS	MACHINERY & EQUIPMENT	TRANSPORT	NETS, PENS & MOORINGS	OTHER	TOTAL
Opening balance	62.5	21.0	420.5	2.7	3.0	509.6
New contracts	2.1	2.5	294.9	5.0	0.6	305.0
Extension and other adjustments of existing agreements	1.5	0.3	20.8	—	0.7	23.4
Termination of agreements	-2.1	-4.4	-66.0	-0.5	-0.3	-73.2
Foreign currency adjustments	-2.2	-1.0	-11.7	-0.2	0.1	-15.1
<b>Total acquisition cost as of 31.12</b>	<b>61.8</b>	<b>18.4</b>	<b>658.5</b>	<b>7.0</b>	<b>4.0</b>	<b>749.7</b>
Accumulated depreciation and impairment losses as of 01.01	8.8	7.3	105.6	0.7	0.7	123.0
Depreciation in the year	9.5	7.3	145.9	1.8	0.9	165.4
Accumulated depreciation on terminated contracts	-1.7	-4.2	-65.1	-0.5	-0.2	-71.8
Foreign currency adjustments	-0.4	-0.4	-2.4	—	—	-3.3
<b>Total accumulated depreciation as of 31.12</b>	<b>16.1</b>	<b>10.0</b>	<b>183.9</b>	<b>2.0</b>	<b>1.3</b>	<b>213.3</b>
<b>Total carrying amount as of 31.12</b>	<b>45.7</b>	<b>8.4</b>	<b>474.5</b>	<b>5.1</b>	<b>2.8</b>	<b>536.4</b>
Depreciation method	Linear	Linear	Linear	Linear	Linear	

RECONCILIATION RIGHT-OF-USE LIABILITIES (EUR MILLION)	2021	2020
Opening balance	533.1	386.0
New contracts	129.4	305.1
Extensions and other adjustments of existing agreements	76.6	23.3
Termination of agreements	-43.2	-1.4
Down payment leasing debt (cash movement)	-192.7	-156.9
Currency effects	15.2	-23.0
<b>Closing balance 31.12</b>	<b>518.4</b>	<b>533.1</b>
Of which non-current liabilities	335.7	379.9
Of which current liabilities	182.7	153.2



<b>MATURITY ANALYSIS COMMENCED LEASES</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Less than 1 year	193.7	166.1
1-2 years	136.8	134.0
2-3 years	90.0	96.0
3-4 years	50.0	70.9
4-5 years	34.1	40.2
More than 5 years	47.7	65.0
<b>Sum 3112</b>	<b>552.1</b>	<b>572.2</b>

Commenced leases consists of future cash flow related to down payment of leases and interest.

The group has various contracts that have not yet commenced as of 31 December 2021. The future lease payments for these non-cancellable lease contracts are EUR 4.4 million within one year (EUR 9.0 million in 2020), EUR 31.6 million within five years (EUR 116.6 million in 2020) and EUR 7.1 million thereafter (EUR 66.2 million in 2020).

<b>LEASES EXPENSED</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Leases not reported as right of use assets <sup>1)</sup>	<b>33.1</b>	<b>40.7</b>

1) Short term leases with contract period less than one year and low value leases.

<b>SUBLEASES</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Income from subleases	<b>8.2</b>	<b>5.5</b>

## NOTE 30 - PROVISIONS

SPECIFICATION OF PROVISIONS 2021 (EUR MILLION)	RESTRUCTURING AND OTHER PROVISIONS	ONEROUS CONTRACTS	OTHER	TOTAL PROVISIONS
Provisions as of 01.01	13.7	—	11.8	25.4
New provisions in the year	24.9	—	19.5	44.4
Utilised provisions	-5.7	—	-3.4	-9.1
Non cash utilisation	—	3.2	—	3.2
Currency adjustment	0.9	—	0.5	1.4
<b>Provisions as of 31.12</b>	<b>33.7</b>	<b>3.2</b>	<b>28.4</b>	<b>65.4</b>

Provisions related to onerous contracts are mainly due to the technical accounting treatment of fair value of biomass.

SPECIFICATION OF PROVISIONS 2020 (EUR MILLION)	RESTRUCTURING AND OTHER PROVISIONS	ONEROUS CONTRACTS	OTHER	TOTAL PROVISIONS
Provisions as of 01.01	11.7	2.2	4.9	18.7
New provisions in the year	14.5	—	7.5	21.9
Utilised provisions	-12.4	—	—	-12.3
Non cash utilisation	—	-2.1	-0.1	-2.2
Currency adjustment	-0.2	—	-0.5	-0.7
<b>Provisions as of 31.12</b>	<b>13.7</b>	<b>—</b>	<b>11.8</b>	<b>25.4</b>

The majority of restructuring cost in 2020 was related to Mowi Canada West with the amount EUR 8.3 million. EUR 4.8 million was related to the fire at the old plant in Kritsen, France and the subsequent reorganisation of the business entity.

## NOTE 31 - RESEARCH AND DEVELOPMENT

RESEARCH AND DEVELOPMENT EXPENSES (EUR MILLION)	2021	2020
R&D expenses	39.6	36.4

The reported expenditures are gross values, and exclude any related income from our R&D activities. In addition, a fee of 0.3% of Mowi Norway's export value is paid to the Norwegian Seafood Research Fund (EUR 4.1 million for 2021, and EUR 3.6 million for 2020). This fee is not included in the R&D expenses. Mowi Group has not capitalised any R&D expenditures during 2021 or 2020.

## NOTE 32 - AUDITOR'S FEES

FEES TO AUDITORS 2021 (EUR MILLION)	EY	OTHER APPOINTED AUDITORS
Audit services	-1.4	-0.1
Tax services	-0.3	—
Other non-audit fees	-0.2	—
<b>Total fees for 2021</b>	<b>-1.8</b>	<b>-0.1</b>

FEES TO AUDITORS 2020 (EUR MILLION)	EY	OTHER APPOINTED AUDITORS
Audit services	-1.5	—
Tax services	-1.1	—
Other non-audit fees	-0.1	—
<b>Total fees for 2020</b>	<b>-2.7</b>	<b>—</b>

Auditor's fees is stated exclusive value added tax.

## NOTE 33 - NEW IFRS STANDARDS

### NEW STANDARDS APPLIED

No new standards have been applied in 2021.

### NEW STANDARDS - NOT YET IMPLEMENTED

At the end of 2021, there are some amendments to existing standards/interpretations that are not yet effective, but will be relevant for Mowi Group at implementation. Mowi Group intends to adopt these standards, if applicable, when they become effective. There are no amendments that is expected to have a significant impact on the Group's financial statements.

## NOTE 34 - SUBSEQUENT EVENTS

At the time of the release of the annual report, the world is facing a challenging macro-economic environment exacerbated by the Russia-Ukraine crisis, including elevated inflation due to surging commodities prices. At this time the consequences are uncertain. We are monitoring the situation closely and will continue to take all appropriate mitigating actions.

There has been no other material events after the reporting period for 2021.

## Mowi ASA

# Financial statements and notes

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**231** Statement of profit and loss

**232** Statement of financial position

**234** Statement of changes in equity

**235** Statement of cash flow

---

**236** Note 1 - General information and accounting policies

**236** Note 2 - Business segments

**237** Note 3 - Inventory and biological assets

**237** Note 4 - Financial items

**237** Note 5 - Financial instruments

**238** Note 6 - Interest-bearing debt

**238** Note 7 - Assets pledged as security and guarantee liabilities

**239** Note 8 - Taxes

**240** Note 9 - Intercompany transactions

**241** Note 10 - Shares in subsidiaries, associated companies and others

**242** Note 11 - Intangible assets

**243** Note 12 - Property, plant and equipment

**244** Note 13 - Cash

**244** Note 14 - Other liabilities

**244** Note 15 - Remuneration

**245** Note 16 - Other operating expenses

**245** Note 17 - Auditor's fees

**245** Note 18 - Subsequent events

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**246** Directors' responsibility statement

**247** Auditor's report, financial audit

**252** Auditor's report, gri audit

## STATEMENT OF PROFIT AND LOSS

<b>MOWI ASA</b> (EUR MILLION)	<b>NOTE</b>	<b>2021</b>	<b>2020</b>
Revenue	1,2,9	1 407.4	1 249.8
Other income	1,9	41.9	35.3
<b>Revenue and other income</b>		<b>1 449.2</b>	<b>1 285.1</b>
Cost of materials	9	-702.5	-689.8
Salary and personnel expenses	15	-161.8	-151.1
Other operating expenses	16,17	-250.7	-239.4
Depreciation and amortisation	11,12	-65.5	-64.7
Impairment losses & write-downs	11,12	-0.5	-1.0
License/production fees		-10.7	0.0
Income/loss from associated companies	10	0.9	1.4
Restructuring and other non-operational items		-37.9	-2.9
<b>Earnings before financial items (EBIT)</b>		<b>220.6</b>	<b>137.6</b>
Interest expenses	4	-58.1	-62.3
Net currency effects	4	44.2	-44.5
Other financial items	4	639.7	51.3
<b>Earnings before taxes (EBT)</b>		<b>846.4</b>	<b>82.1</b>
Income taxes	8	-54.6	-9.9
<b>Profit or loss for the year</b>		<b>791.8</b>	<b>72.2</b>
<b>Allocation of profit</b>			
To other equity		791.8	72.2
<b>Profit or loss for the year</b>		<b>791.8</b>	<b>72.2</b>



## STATEMENT OF FINANCIAL POSITION

MOWI ASA (EUR MILLION)	NOTE	2021	2020
<b>ASSETS</b>			
<i>Non-current assets</i>			
Licenses, goodwill and other intangible assets	11	333.6	312.8
<b>Total intangible assets</b>		<b>333.6</b>	<b>312.8</b>
Property, plant and equipment	12	515.9	456.8
<b>Total tangible assets</b>		<b>515.9</b>	<b>456.8</b>
Investments in subsidiaries	10	2 450.7	2 399.7
Investment in associated companies	10	0.9	0.9
Intercompany non-current receivables	9	388.5	359.5
Other non-current financial assets	9	15.8	3.5
<b>Total financial assets</b>		<b>2 856.0</b>	<b>2 763.7</b>
<b>Total non-current assets</b>		<b>3 705.4</b>	<b>3 533.3</b>
<i>Current assets</i>			
Inventory	3	28.3	20.5
Biological assets	3	638.2	617.4
Trade receivables	9	8.1	9.5
Intercompany current receivables	9	714.3	803.7
Other current receivables	9	13.7	12.1
Other current financial assets		33.0	10.9
Restricted cash	13	5.7	5.4
Cash in bank	13	18.7	20.0
<b>Total current assets</b>		<b>1 460.0</b>	<b>1 499.5</b>
<b>Total assets</b>		<b>5 165.4</b>	<b>5 032.7</b>

MOWI ASA (EUR MILLION)	NOTE	2021	2020
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Share capital		404.8	404.8
Other paid-in capital		1 274.7	1 274.7
<b>Total paid-in capital</b>		<b>1 679.5</b>	<b>1 679.5</b>
Other equity		1 252.3	691.3
<b>Total equity</b>		<b>2 931.8</b>	<b>2 370.8</b>
<i>Non-current liabilities</i>			
Deferred tax liabilities	8	156.8	153.1
Non-current interest-bearing debt	6	1 358.6	1 565.5
Other non-current liabilities	14	3.1	3.1
<b>Total non-current liabilities</b>		<b>1 518.5</b>	<b>1 721.7</b>
<i>Current liabilities</i>			
Trade Payables		49.3	33.2
Intercompany current liabilities	9	467.0	811.9
Other current liabilities	9,14	198.9	95.1
<b>Total current liabilities</b>		<b>715.2</b>	<b>940.3</b>
<b>Total liabilities</b>		<b>2 233.7</b>	<b>2 662.0</b>
<b>Total equity and liabilities</b>		<b>5 165.4</b>	<b>5 032.7</b>

BERGEN, MARCH 29, 2022



Ole-Eirik Lerøy  
Chair of the Board



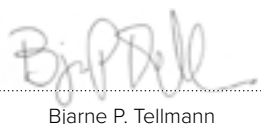
Kristian Melhuus  
Vice Chair of the Board



Cecilie Fredriksen



Lisbet K. Nærø



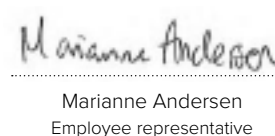
Bjarne P. Tellmann



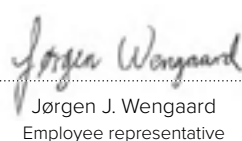
Solveig Strand



Nicolas Gheysens



Marianne Andersen  
Employee representative



Jørgen J. Wengard  
Employee representative



Hans Jakob Lande  
Employee representative



Ivan Vindheim  
Chief Executive Officer

## STATEMENT OF CHANGES IN EQUITY

SPECIFICATIONS OF CHANGES IN EQUITY IN 2021 (EUR MILLION)	SHARE CAPITAL	OTHER PAID IN CAPITAL	SHARE BASED PAYMENT	OTHER EQUITY	TOTAL EQUITY
<b>Equity 01.01.21</b>	<b>404.8</b>	<b>1 274.7</b>	<b>5.4</b>	<b>685.9</b>	<b>2 370.8</b>
Dividend	—	—	—	-226.8	-226.8
Other changes	—	—	1.1	-5.3	-4.2
Profit or loss for the year	—	—	—	791.8	791.8
<b>Total Equity 31.12.21</b>	<b>404.8</b>	<b>1 274.7</b>	<b>6.5</b>	<b>1 245.8</b>	<b>2 931.8</b>

SPECIFICATIONS OF CHANGES IN EQUITY IN 2020 (EUR MILLION)	SHARE CAPITAL	OTHER PAID IN CAPITAL	SHARE BASED PAYMENT	OTHER EQUITY	TOTAL EQUITY
<b>Equity 01.01.20</b>	<b>404.8</b>	<b>1 274.7</b>	<b>5.4</b>	<b>751.5</b>	<b>2 436.4</b>
Dividend	—	—	—	-132.9	-132.9
Other changes	—	—	—	-4.9	-4.9
Profit or loss for the year	—	—	—	72.2	72.2
<b>Total Equity 31.12.20</b>	<b>404.8</b>	<b>1 274.7</b>	<b>5.4</b>	<b>685.9</b>	<b>2 370.8</b>

## SHARE CAPITAL

For information related to shareholders and share capital reference is made to Note 24 in Mowi Group financial statements

## STATEMENT OF CASH FLOW

<b>MOWI ASA</b> (EUR MILLION)	<b>NOTE</b>	<b>2021</b>	<b>2020</b>
<b>Cash flow from operations</b>			
Earnings before taxes		846.4	82.1
Interest expenses	4	58.1	62.3
Net currency effects	4	-44.2	44.5
Other financial items	4	-639.7	-51.3
Impairment losses, depreciation and amortization	11,12	66.0	65.7
Taxes paid	8	-3.8	-83.1
Change in inventory, acc. payables and acc. receivables		23.0	-38.7
Change in restricted cash	13	-0.3	4.3
Restructuring and other non-operational issues		41.0	1.2
Other adjustments		8.9	-13.3
<b>Cash flow from operations</b>		<b>355.5</b>	<b>73.7</b>
<b>Cash flow from investments</b>			
Payments from sale of fixed assets	12	4.5	0.8
Payments made for purchase of fixed assets	11,12	-113.8	-157.9
Purchase of shares and other investments		-81.5	—
<b>Cash flow from investments</b>		<b>-190.8</b>	<b>-157.1</b>
<b>Cash flow from financing</b>			
Proceeds from bond		—	200.0
Proceeds (payments of) interest-bearing debt (current and non-current)		-210.1	-89.8
Paid interest (net)		-52.7	-50.1
Received interest group internal (net)	9	21.7	24.7
Net change in intercompany balances		-284.5	131.3
Realised currency effects		-7.0	-12.2
Dividends received	4	593.3	1.4
Dividend paid		-226.8	-132.9
<b>Cash flow from financing</b>		<b>-166.0</b>	<b>72.4</b>
<b>Net change in cash in period</b>		<b>-1.3</b>	<b>-11.0</b>
Cash - opening balance		20.0	31.0
<b>Cash - closing balance total</b>	<b>6,13</b>	<b>18.7</b>	<b>20.0</b>

## NOTE 1 - GENERAL INFORMATION AND ACCOUNTING POLICIES

Mowi ASA is the parent company in the Mowi Group and consists of corporate management and the farming business in Norway. In 2021 Lofoten Aqua AS become acquired and thereafter merged with Mowi ASA. The merger is recognised by continuation of group carrying amounts, with effect from April, 2021. Comparable figures have not been restated. The effect of the merger on the different accounting lines is presented in relevant notes.

The separate financial statements of Mowi ASA have been prepared in accordance with the Norwegian Accounting Act from 1988 and Generally Accepted Accounting Principles in Norway. The financial statements for Mowi Group have been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU (EU-IFRS).

For accounting policies used, reference is made to Note 2 in Mowi Group financial statements. The accounting principles used in the financial statements for Mowi ASA are similar to the accounting principles used for Mowi Group's financial statements, except for:

- *Acquisition costs in Business Combinations are in the Group financial statements recognised as expenses in profit and loss in the periods in which the cost are incurred and the services are received. In the separate financial statements for Mowi ASA these expenses are included as part of the acquisition price.*
- *Biological assets are valued at the lower of cost and net realisable value. Acquisition cost are direct costs and a proportional part of indirect variable and fixed costs. Proportion of fixed costs is limited to utilisation of normal capacity.*

- *The investment in Centre for Aquaculture Competence AS is reported as investment in associated companies. In the Group financial statement the investment is fully consolidated as the Group consider to have significant influence in this company.*
- *Goodwill is depreciated over its estimated useful life.*
- *Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the entity, are capitalised at the commencement of the lease at the fair value of the leased asset, or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction of the lease liability. A leased asset is depreciated over the useful life of the asset. Operational lease payments are recognised as an operating expense on a straight-line basis over the lease term.*

Investment in subsidiaries and intercompany loans are measured to the lowest of fair value and cost. Financial derivatives within Mowi Group are measured to fair value. The statements of profit and loss and changes in equity in the separate financial statement divert from the statements for Mowi Group as other comprehensive income still is treated as equity transactions in the separate financial statements.

Other income consists mainly of management fee charged to the Business Units, in addition to income from sale of smolt, roe, by-products and slaughter services.

Mowi ASA is responsible for external financing of the Mowi Group.

## NOTE 2 - BUSINESS SEGMENTS

The main source of revenue for Mowi ASA is sales of Atlantic salmon. In 2021 Mowi ASA had a revenue from sale of Atlantic salmon of EUR 1 407.4 million (EUR 1 249.8 million). The sale of Atlantic salmon is mainly to Mowi Markets Norway AS.



## NOTE 3 INVENTORY AND BIOLOGICAL ASSETS

<b>INVENTORY</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Raw materials	28.3	20.5
Biological assets	638.2	617.4
<b>Total inventory</b>	<b>666.5</b>	<b>637.9</b>

The amounts above are net after provision for obsolete goods. Value of inventory is manufacturing cost. Raw materials are packing material, fish feed and health articles.

Biological assets consist of living salmon in sea, broodstock, smolt and roe in hatchery.

## NOTE 4 - FINANCIAL ITEMS

<b>FINANCIAL ITEMS</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
<b>Interest expense</b>	<b>-58.1</b>	<b>-62.3</b>
<b>Net currency effects</b>	<b>44.2</b>	<b>-44.5</b>
Dividend from subsidiaries	592.5	1.0
Interest income from subsidiaries	36.2	37.4
Change in fair value - other financial instruments	12.1	12.8
Other financial items	-1.1	0.0
<b>Net other financial items</b>	<b>639.7</b>	<b>51.3</b>

## NOTE 5 - FINANCIAL INSTRUMENTS

### FOREIGN EXCHANGE RISK

At the end of 2021 Mowi ASA had a portfolio of currency hedging instruments against third party counterparts with a total contract value of EUR 728,4 million (EUR 628.4 million). The portfolio had a net positive market value of EUR 22.2 million (EUR 3.8 million). The portfolio is described in further detail in Note 13 to Mowi Group financial statements.

The subsidiaries are required to do all their currency hedging with Mowi ASA as their counterparty. In addition to the portfolio of external derivatives, Mowi ASA also holds a portfolio of foreign exchange hedges with its subsidiaries as counterparty. This portfolio offsets the external portfolio with respect to amounts, maturities and market values.

The forward contracts are recognised at fair value in the statement of financial position.

### INTEREST RATE RISK

Mowi ASA hedges all interest rate risk on behalf of Mowi Group. For positions held in interest rate derivatives and their value, reference is made to Note 12 and Note 13 of Mowi Group financial statements.

### SALMON PRICE RISK

At the end of 2021, Mowi ASA held a portfolio of financial forward contracts for purchase and sale of salmon with third parties. The portfolio had a positive market value of EUR 8.2 million (EUR 6.3 million). Subsidiaries are required to do their financial hedging of salmon prices with Mowi ASA as their counterparty, and Mowi ASA then enters into corresponding forward contracts with third parties. Therefore the portfolio of third-party forward contracts is largely offset with respect to amounts, maturities and market values, by the portfolio of internal contracts.

## NOTE 6 - INTEREST-BEARING DEBT

<b>INTEREST-BEARING DEBT</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Non-current interest-bearing debt <sup>1)</sup>	811.4	1 019.6
Bond	199.8	199.2
Schuldschein loan	148.8	148.5
Green Bond	198.6	198.2
<b>Total non-current interest-bearing debt</b>	<b>1 358.6</b>	<b>1 565.5</b>
Current interest-bearing debt <sup>1)</sup>	—	—
<b>Total interest-bearing debt</b>	<b>1 358.6</b>	<b>1 565.5</b>

1) For specification of interest-bearing debt reference is made to Note 11 to Mowi Group financial statements.

## NOTE 7 - ASSETS PLEDGED AS SECURITY AND GUARANTEE LIABILITIES

### ASSETS PLEDGED AS SECURITY AND GUARANTEE LIABILITIES

The syndicated loan facility in Mowi is secured by guarantees from, as well as certain assets pledged by, the larger subsidiaries in the Group. The pledges are set up partly as a pledge in favour

of a third party and partly as security for the fulfilment of the guarantee obligations. Mowi ASA has pledged the ownership in its subsidiaries, as well as certain assets.

<b>ASSETS PLEDGED AS SECURITY AND GUARANTEE LIABILITIES</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
<b>Secured Group debt</b>	<b>810.7</b>	<b>1 018.8</b>
<i>Carrying amount of assets pledged as security</i>		
Receivables	970.9	1 065.5
Shares in subsidiaries	2 450.7	2 399.0
<b>Total carrying amount of assets pledged as security</b>	<b>3 421.6</b>	<b>3 464.5</b>
Guarantee liabilities	14.3	12.5
<b>Nominal value of guarantee liabilities</b>	<b>14.3</b>	<b>12.5</b>

## NOTE 8 - TAXES

TAXES (EUR MILLION)	2021	2020
<b>Specification of this year's tax expense</b>		
Withholding tax	-2.9	-2.8
Payable tax	-52.2	0.6
Changes in deferred taxes	0.5	-7.7
<b>Total income tax expense</b>	<b>-54.6</b>	<b>-9.9</b>
<b>Specification of temporary differences and losses carried forward</b>		
Non-current assets	-87.5	-82.9
Current assets	793.8	788.8
Debt	-0.7	-0.9
Pension obligation	-3.1	-3.1
Other differences	10.5	-6.1
<b>Total basis for deferred tax</b>	<b>712.9</b>	<b>695.8</b>
Nominal tax rate	22%	22%
Deferred taxes asset/deferred tax liability	-156.8	-153.1
<b>Total recognised deferred tax asset/deferred tax liability (-)</b>	<b>-156.8</b>	<b>-153.1</b>
<b>Reconciliation between nominal and effective tax rate</b>		
Profit before tax	846.4	82.1
Nominal tax rate	22%	22%
<b>Tax calculated with nominal tax rate</b>	<b>-186.2</b>	<b>-18.1</b>
Withholding tax	-2.9	-2.8
Correction of earlier year 's taxes	10.9	1.9
Dividends	130.3	0.5
Effect of conversion to NOK	-7.5	7.9
Other differences	0.7	0.7
<b>Total income tax expense in the statement of profit and loss</b>	<b>-54.6</b>	<b>-9.9</b>

## NOTE 9 - INTERCOMPANY TRANSACTIONS

INTERCOMPANY TRANSACTIONS (EUR MILLION)		2021	2020
<b>Group internal receivables and liabilities</b>			
Intercompany non-current receivables	Group companies	388.5	359.5
Other non current financial assets	Associated companies	14.6	2.3
<b>Net intercompany non-current receivables</b>	<b>Group companies</b>	<b>388.5</b>	<b>359.5</b>
	<b>Associated companies</b>	<b>14.6</b>	<b>2.3</b>
Trade receivables	Group companies	1.7	42.2
	Associated companies	3.5	4.3
Trade payables	Group Companies	-12.4	-15.4
	Associated companies	-3.0	—
Group Financing Receivable	Group Companies	712.6	757.0
	Associated companies	10.6	9.2
Group Financing Payable	Group Companies	-452.8	-794.3
Other current receivables	Group Companies	—	4.5
Other current liabilities	Group Companies	-1.7	-2.2
<b>Net current receivables/liabilities</b>	<b>Group Companies</b>	<b>247.3</b>	<b>-8.3</b>
	<b>Associated companies</b>	<b>11.1</b>	<b>13.5</b>
<b>Group internal revenue and cost</b>			
Revenue	Group companies	1 426.0	1 243.1
	Associated companies	5.3	3.4
Other income	Group companies	18.8	18.6
Cost of materials	Group companies	-467.9	-458.2
	Associated companies	-8.0	-26.6
<b>Group internal financial income and expense</b>			
Dividend from subsidiaries		592.5	1.0
Interest income group companies		36.2	37.5
Interest expense group companies		-14.4	-12.7

## NOTE 10 - SHARES IN SUBSIDIARIES, ASSOCIATED COMPANIES AND OTHERS

### Shares in subsidiaries

COMPANY (EUR MILLION)	BUSINESS ADDRESS	DATE OF PURCHASE	OWNER- SHIP %	NUMBER OF SHARES	EQUITY AS OF 31.12.21	PROFIT THIS YEAR	CARRYING AMOUNT 31.12.21
Mowi Holding AS	Oslo, Norway	07.04.2006	100%	590 452 560	741.7	189.3	2 353.0
Mowi Faroe Islands P/F	Kollafjordur, Faroes	01.11.1999	100%	10	92.6	8.8	31.9
Mowi Bretagne SAS	Pollaouen, France	11.04.1997	100%	7 005 366	18.9	-9.5	62.8
Mowi Norway FoU AS	Bergen, Norway	10.7.2017	100%	30 000	1.2	-0.9	3.1
<b>Total</b>					<b>854.4</b>	<b>187.7</b>	<b>2 450.7</b>

Shares in subsidiaries are recognised according to the cost method and yearly tested for impairment.  
The ownership share listed above are equal to the voting rights for each company.

### Associated companies

COMPANY (EUR MILLION)	BUSINESS ADDRESS	DATE OF PURCHASE	OWNER- SHIP %	NUMBER OF SHARES	EQUITY AS OF 31.12.21	PROFIT THIS YEAR	CARRYING AMOUNT 31.12.21
Finnøy Fisk AS	Finnøy	09.15.1996	45%	473	5.0	0.7	0.5
Namdal Rensefisk AS <sup>1)</sup>	Flatanger	09.30.2015	24.76%	1 921	5.7	0.2	0.3
Centre for Aquaculture Competence AS	Hjelmeland	09.10.2001	33.33%	150	1.2	0.1	—
Blue Revolution Center AS	Frøya	05.24.2017	33.33%	10 000	—	—	—
Nordland Rensefisk AS	Lovund	08.01.2010	20%	1 640	3.4	-0.9	0.1
<b>Total</b>					<b>15.3</b>	<b>0.2</b>	<b>0.9</b>

1) Equity and profit from 2020.



## NOTE 11 - INTANGIBLE ASSETS

SPECIFICATION OF INTANGIBLE ASSETS 2021 (EUR MILLION)	GOODWILL	LICENSES	OTHER INTANGIBLE ASSETS <sup>2)</sup>	TOTAL
Acquisition cost as of 01.01	22.6	306.0	25.9	354.4
Acquisitions through merger <sup>1)</sup>	4.3	20.4	—	24.7
Additions in the year	—	—	2.0	2.0
<b>Total acquisition cost as of 31.12</b>	<b>26.8</b>	<b>326.4</b>	<b>27.9</b>	<b>381.1</b>
Accumulated amortisation and impairment losses as of 01.01	8.4	14.0	19.3	41.6
Amortisation in the year	4.6	—	1.3	5.9
<b>Total accumulated amortisation and impairment losses as of 31.12</b>	<b>13.0</b>	<b>14.0</b>	<b>20.5</b>	<b>47.5</b>
<b>Total carrying amount as of 31.12</b>	<b>13.8</b>	<b>312.4</b>	<b>7.3</b>	<b>333.6</b>
Estimated useful life	10 years	20 years/unlimited	3-5 years	
Amortisation method	Linear	Linear	Linear	

1) Related to merger of Mowi ASA and Lofoten Aqua AS.

2) Other intangible assets includes assets under construction.

SPECIFICATION OF INTANGIBLE ASSETS 2020 (EUR MILLION)	GOODWILL	LICENSES	OTHER INTANGIBLE ASSETS <sup>2)</sup>	TOTAL
Acquisition cost as of 01.01	5.1	199.4	22.0	226.5
Acquisitions through merger <sup>1)</sup>	17.9	60.9	—	78.9
Additions in the year	—	46.1	1.4	47.5
Disposals / scrapping in the year	-0.5	—	—	-0.5
Reclassification	—	-0.6	2.5	2.0
<b>Total acquisition cost as of 31.12</b>	<b>22.6</b>	<b>306.0</b>	<b>25.9</b>	<b>354.4</b>
Accumulated amortisation and impairment losses as of 01.01	4.8	13.9	17.0	35.7
Amortisation in the year	4.0	—	2.1	6.2
Impairment losses in the year	—	—	0.2	0.2
Disposals / scrapping in the year	-0.5	—	—	-0.5
<b>Total accumulated amortisation and impairment losses as of 31.12</b>	<b>8.4</b>	<b>14.0</b>	<b>19.3</b>	<b>41.6</b>
<b>Total carrying amount as of 31.12</b>	<b>14.2</b>	<b>292.0</b>	<b>6.6</b>	<b>312.8</b>
Estimated useful life	10 years	20 years/unlimited	3-5 years	
Amortisation method	Linear	Linear	Linear	

1) Related to merger of Mowi ASA and K Strømmen Lakseoppdrett AS.

2) Other intangible assets includes assets under construction.

## NOTE 12 - PROPERTY, PLANT AND EQUIPMENT

SPECIFICATION OF PPE 2021 (EUR MILLION)	LAND & BUILDINGS	MACHINERY & EQUIPMENT	TRANSPORT	NETS, PENS & MOORINGS	UNDER CONSTRUCTION /PREPAYMENTS	OTHER TANGIBLE	TOTAL
Acquisition cost as of 01.01	270.1	281.2	198.3	163.3	62.9	11.3	987.1
Additions in the year	14.3	15.5	12.4	16.4	63.0	2.2	123.9
Disposals / scrapping in the year	-3.0	-23.7	-2.8	-6.4	—	-0.1	-35.9
<b>Total acquisition cost as of 31.12</b>	<b>281.4</b>	<b>273.0</b>	<b>208.0</b>	<b>173.3</b>	<b>125.9</b>	<b>13.4</b>	<b>1 074.9</b>
Accumulated depreciation and impairment losses as of 01.01	116.9	218.8	89.6	95.7	2.0	7.2	530.1
Depreciation in the year	13.2	16.2	13.6	15.9	—	0.7	59.6
Impairment losses and reversal of previous write-downs in the year	0.5	—	—	—	—	—	0.5
Disposals / scrapping in the year	-1.0	-21.0	-2.7	-6.4	—	-0.1	-31.2
<b>Total accumulated depreciation and impairment losses as of 31.12</b>	<b>129.7</b>	<b>214.0</b>	<b>100.5</b>	<b>105.1</b>	<b>2.0</b>	<b>7.8</b>	<b>559.0</b>
<b>Total carrying amount as of 31.12</b>	<b>151.7</b>	<b>59.0</b>	<b>107.5</b>	<b>68.2</b>	<b>123.9</b>	<b>5.7</b>	<b>515.9</b>
Estimated lifetime	Land; infinite Buildings; 10 years	3-10 years	3-10 years	5-10 years	NA	3-5 years	
Depreciation method	Linear	Linear	Linear	Linear	NA	Linear	

Annual rent for leased assets that are not capitalised was EUR 69.0 million in 2021. There were no capitalised leases as of 31 December 2021.

SPECIFICATION OF PPE 2020 (EUR MILLION)	LAND & BUILDINGS	MACHINERY & EQUIPMENT	TRANSPORT	NETS, PENS & MOORINGS	UNDER CONSTRUCTION /PREPAYMENTS	OTHER TANGIBLE	TOTAL
Acquisition cost as of 01.01	230.1	269.8	176.7	151.6	61.7	11.2	901.1
Acquisitions through merger <sup>1)</sup>	0.9	1.6	0.3	—	—	—	2.8
Additions in the year	43.2	19.3	22.5	25.0	1.2	0.6	111.8
Reclassification	—	—	—	—	—	-0.1	-0.1
Disposals / scrapping in the year	-4.1	-9.5	-1.2	-13.3	—	-0.5	-28.6
<b>Total acquisition cost as of 31.12</b>	<b>270.1</b>	<b>281.2</b>	<b>198.3</b>	<b>163.3</b>	<b>62.9</b>	<b>11.3</b>	<b>987.1</b>
Accumulated depreciation and impairment losses as of 01.01	107.9	209.6	78.3	94.5	2.0	7.1	499.3
Depreciation in the year	12.3	18.7	12.5	14.4	—	0.6	58.5
Impairment losses and reversal of previous write-downs in the year	0.8	—	—	—	—	—	0.8
Disposals / scrapping in the year	-4.1	-9.5	-1.2	-13.2	—	-0.5	-28.5
<b>Total accumulated depreciation and impairment losses as of 31.12</b>	<b>116.9</b>	<b>218.8</b>	<b>89.6</b>	<b>95.7</b>	<b>2.0</b>	<b>7.2</b>	<b>530.1</b>
<b>Total carrying amount as of 31.12</b>	<b>153.2</b>	<b>62.4</b>	<b>108.7</b>	<b>67.7</b>	<b>60.9</b>	<b>4.1</b>	<b>456.9</b>
Estimated lifetime	Land; infinite Buildings; 10 years	3-10 years	3-10 years	5-10 years	NA	3-5 years	
Depreciation method	Linear	Linear	Linear	Linear	NA	Linear	

1) Related to merger of Mowi ASA with K Strømmen Lakseoppdrett AS. See note 1 for more information.

## NOTE 13 - CASH

<b>CASH</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Cash at bank	18.7	20.0
Restricted cash / withheld taxes	5.7	5.4
<b>Cash</b>	<b>24.4</b>	<b>25.4</b>

## NOTE 14 - OTHER LIABILITIES

<b>OTHER LIABILITIES</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Pension liability	3.1	3.1
<b>Total other non-current liabilities</b>	<b>3.1</b>	<b>3.1</b>
Financial instruments	7.0	30.1
Tax liabilities	63.1	3.2
Other accruals	128.7	61.8
<b>Total other current liabilities</b>	<b>198.9</b>	<b>95.1</b>

## NOTE 15 - REMUNERATION

<b>SALARY AND PERSONNEL EXPENSES</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
Salaries and other short-term employee benefits	-125.6	-118.0
Social security taxes	-12.0	-10.9
Pension expenses	-5.6	-5.1
Share option scheme including social security taxes	-2.0	-1.1
3rd party staff	-12.2	-11.8
Other benefits	-4.5	-4.1
<b>Total salary and personnel expenses</b>	<b>-161.8</b>	<b>-151.1</b>
<b>Average number of FTEs</b>	<b>2 124</b>	<b>2 060</b>
<b>FTEs at year-end</b>	<b>2 140</b>	<b>2 108</b>

See Group note 14 for details regarding the share option scheme. Details regarding remuneration to senior executives will be presented in a separate report prior to the annual general meeting according to Allmennaksjeloven (The Public Limited Liability Companies Act) § 6-16 b. After the annual general meeting, the information will be made available on the company website [www.mowi.com](http://www.mowi.com).

### Pension plans

Mowi ASA has a defined contribution plan where the contribution is limited to 8% of salaries up to 12G. There were 2 056 members in the plan as of December 31, 2021. The pension plan is in accordance with the legal requirements in Norway.

## NOTE 16 - OTHER OPERATING EXPENSES

SPECIFICATION OF OTHER OPERATING EXPENSES (EUR MILLION)	2021	2020
Maintenance	-80.6	-81.8
Electricity and fuel	-33.7	-27.5
Rent and leases	-39.8	-28.3
Consultancy and audit fees	-19.9	-18.4
IT costs	-10.9	-12.1
Travel costs	-1.9	-2.4
Other operating cost	-64.0	-68.9
<b>Total other operating expenses</b>	<b>-250.7</b>	<b>-239.4</b>

Mowi ASA has significant activity in relation to Research and Development (R&D). In 2021 Mowi ASA had a total cost of EUR 15.0 million (EUR 9.5 million) including salaries in relation to R&D projects. In 2021 EUR 0.5 million (EUR 0.2 million) has been booked as a cost reduction in the financial statement related to tax refunds.

## NOTE 17 - AUDITOR'S FEES

FEES TO AUDITORS (EUR MILLION)	2021	2020
Audit services	-0.5	-0.6
Tax services	-0.1	-0.3
Other non-audit fees	-0.1	-0.1
<b>Total fees</b>	<b>-0.6</b>	<b>-0.9</b>

Auditor's fee is stated exclusive value added tax.

## NOTE 18 - SUBSEQUENT EVENTS

Please refer to Note 34 of Mowi Group financial statements.

## DIRECTORS' RESPONSIBILITY STATEMENT

Today, the Board of Directors and the Chief Executive Officer reviewed and approved the Board of Director's report and the consolidated and separate annual financial statements for Mowi ASA, for the year ended December 31, 2021 (Annual report 2021).

Mowi ASA's consolidated financial statements have been prepared in accordance with IFRSs and IFRICs as adopted by the EU and applicable additional disclosure requirements in the Norwegian Accounting Act. The separate financial statements for Mowi ASA have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as of December 31, 2021. The Board of Directors' report for the Group and the parent company is in accordance with the requirements in the Norwegian Accounting Act and Norwegian accounting standard no 16, as of December 31, 2021.

### To the best of our knowledge:

- The consolidated and separate annual financial statements for 2021 have been prepared in accordance with applicable financial reporting standards
- The consolidated and separate annual financial statements give a true and fair view of the assets, liabilities, financial position and profit as a whole as of December 31, 2021 for the Group and the parent company
- The Board of Directors' report for the Group and the parent company includes a fair review of:
  - The development and performance of the business and the position of the Group and the parent company
  - The principal risks and uncertainties the Group and parent company face.

BERGEN, MARCH 29, 2022



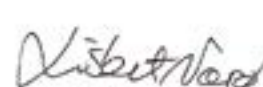
Ole-Eirik Lerøy  
Chair of the Board



Kristian Melhuus  
Vice Chair of the Board



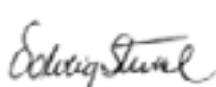
Cecilie Fredriksen



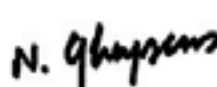
Lisbet K. Nærø



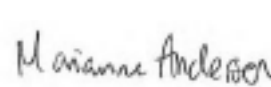
Bjarne P. Tellmann



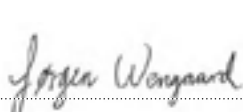
Solveig Strand



Nicolas Gheysens



Marianne Andersen  
Employee representative



Jørgen J. Wenggaard  
Employee representative



Hans Jakob Lande  
Employee representative



Ivan Vindheim  
Chief Executive Officer

## AUDITOR'S REPORT, FINANCIAL AUDIT



Statsautoriserte revisorer  
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### INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Mowi ASA

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Mowi ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the statement of financial positions as at 31 December 2021 and the statement of profit and loss, statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the statement of financial positions as at 31 December 2021, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting 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 in accordance with the requirements of the 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.





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 19 years from the election by the general meeting of the shareholders on 10 October 2003 for the accounting year 2003 (with at renewed election on the 9 June 2016).

### 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 for 2021. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

### Valuation of biological assets

#### *Basis for the key audit matter*

The biological assets are valued at fair value less cost to sell in accordance with IAS 41 and IFRS 13. At December 31, 2021 biological assets amounted to EUR 1529,5 million, which is 24,4% of the Group's total assets. The fair value adjustment included in the carrying amount was EUR 326,2 million. The estimation of fair value less cost to sell of biological assets is complex and requires significant judgment from management. For fish not ready for harvest (immature fish) the fair value less cost to sell was calculated using a model based on a net present value methodology. The calculation was based on assumptions of biomass volume, quality, market prices, remaining expenses and time in sea until the fish is ready for harvest. Given the significant amount of biological assets and the degree of judgement involved in the estimation, we consider valuation of biological assets to be a key audit matter

#### *Our audit response*

We evaluated the accounting principles, industry practice and assessed the model used for the fair value estimate. We compared the estimated future market prices applied with observable available market prices, achieved prices or recently agreed contract prices for the period when harvesting is expected. We evaluated the estimated remaining expenses to produce the harvest mature fish, including assumptions applied such as harvesting plans, estimated growth rate and estimates for mortality and quality. Furthermore, we analyzed and evaluated the historical accuracy of prior periods' forecasts and we tested the mathematical accuracy of the model. We also performed a sensitivity analysis of the critical assumptions in the model. We refer to note 2, 3 and 6 to the consolidated financial statements.



3

### Impairment assessment of goodwill and licenses

#### *Basis for the key audit matter*

At December 31, 2021, the carrying amount of the group's goodwill and licenses amounted to EUR 321,1 million and EUR 919,7 million. The goodwill and licenses with indefinite life are tested for impairment on at least annual basis. Management prepared an impairment assessment based on a value in use calculation using cash flows from approved budget and long-term plan for 2022 to 2026, followed by a terminal value calculation. These cash flows are based on key assumptions such as expected harvest volume, margins, capital expenditure from approved budget and long-term plan, discount rates and the growth rates in the terminal value. The estimates require considerable insight and judgement from management and uncertainty will exist with respect to harvesting volumes and regulatory impact for the fish farming industry. The impairment assessment was a key audit matter due to significant judgments involved in the estimates used in the budgeted and forecasted cash flows.

#### *Our audit response*

We evaluated the value in use model, management's estimates relating to the future cash flows, and management's sensitivity analysis. We compared assumptions with external information, such as expected market conditions for licenses and the market development. We also performed analysis and evaluation of historical accuracy of prior year's budget. We further inquired and had discussion with both group and local management. We tested the mathematical accuracy of the value in use calculation in the model. We involved an internal valuation specialist in the evaluation of the methodology, growth rate and the discount rate applied in the value in use model. We refer to note 2, 3, 8 and 9 to the consolidated financial statements.

### Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by applicable legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as





management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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, 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 fair presentation.
- 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, related safeguards.



5

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 requirement

### Report on compliance with regulation on European Single Electronic Format (ESEF)

#### Opinion

As part of our audit of the financial statements of Mowi ASA we have performed an assurance engagement to obtain reasonable assurance whether the annual report for the financial year 2021, with the file name mowi-2021-12-31-en.zip, has 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 given with legal basis in Section 5-5 of the Norwegian Securities Trading Act and 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 annual report for the financial year 2021 has been prepared, in all material respects, in compliance with the ESEF Regulation.

#### Management's responsibilities

Management is responsible for the preparation of an annual report that complies with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

#### Auditor's responsibilities

Our responsibility is to express an opinion on whether, in all material respects, the annual report has been prepared in accordance with the ESEF Regulation based on the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the annual report has been prepared in accordance with the ESEF Regulation.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its annual report in XHTML format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Bergen, 29 March 2022  
ERNST & YOUNG AS



Øyvind Nore  
State Authorised Public Accountant (Norway)

## AUDITOR'S REPORT, GRI AUDIT



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To the Board of Directors of Mowi ASA

#### Independent accountant's assurance report

##### Scope

We have been engaged by Mowi ASA to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Mowi ASA's sustainability reporting included within their annual report, (the "Report") as of 31.12.2021 for the period from 01.01.2021 to 31.12.2021. This comprise a review of Mowi ASA most material sustainability aspects, as presented in the company's materiality matrix for sustainability reporting and is shown in the company's overview of reporting on GRI indicators as listed in their GRI Index within the annual report (the "Subject Matter").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

##### Criteria applied by Mowi ASA

In preparing the Subject Matter, Mowi ASA applied the relevant criteria from the Global Reporting Initiative (GRI) sustainability reporting standards, "Core" option (the "Criteria"). The Criteria can be accessed at [globalreporting.org](http://globalreporting.org) and are available to the public. Such Criteria were specifically designed for companies and other organizations that want to report their sustainability impacts in a consistent and credible way. As a result, the subject matter information may not be suitable for another purpose. We consider these reporting criteria to be relevant and appropriate to review the sustainability reporting.

##### Mowi ASA's responsibilities

The Board of Directors and Group Chief Executive Officer (management) are responsible for the selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

##### EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000)*. This standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

##### Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants. EY also applies





*International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.*

#### **Description of procedures performed**

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 a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Review of Mowl ASA's process for preparation and presentation of the sustainability report to develop an understanding of how the reporting is conducted within the business
- Interviewed those in charge of sustainability reporting to develop an understanding of the process for the preparation of the sustainability reporting
- Verified on a sample basis the information in the sustainability reporting against source data and other information prepared those in charge
- Assessed the overall presentation of sustainability reporting against the criteria in the GRI Standards including a review of the consistency of information against the GRI index.

We believe that our procedures provide us with an adequate basis for our conclusion. We also performed such other procedures as we considered necessary in the circumstances.

#### **Conclusion**

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the subject matter for the year ended 31.12.2021 in order for the sustainability reporting to be in accordance with the Criteria.

Bergen 29 March 2022

EYNS & YOUNG AS

Trine Hansen Bjerkvik  
State Authorised Public Accountant



# Analytical and share information, APM, RISK, GRI, TCFD and ESG index



# 4

**Analytical information**

256

**Share and shareholder information**

266

**Alternative performance measures (APM) – Non-IFRS measures**

271

**Risk and risk management**

279

**GRI Index**

288

**SASB Index**

296

**Task Force on Climate-related Financial Disclosures (TCFD) report**

297

**ESG Index**

305

## ANALYSING MOWI

We want to contribute to the correct pricing of our share by giving the market in-depth, relevant and accurate information about the salmon farming industry in general and our activities in particular. This is why we include an extensive overview of our industry, its key drivers and Alternative Performance Measures (APM) in a separate section of the integrated annual report. We use APMs in our operational follow up as we believe these provide additional insight when analysing our Group's development. For more information see also our industry handbook at mowi.com.

## SHARE INFORMATION AND MARKET CAPITALISATION

At year-end 2021 the market capitalisation of Mowi was NOK 107.9 billion (98.8 billion). The share price year-end 2021 was NOK 208.7 (191). We paid NOK 4.45 (2.60) in dividend per share in 2021, translating into a dividend yield of 2.1% (1.4%) for the year.

## RISK AND RISK MANAGEMENT

Risk relates to the uncertainty and the factors that may prevent us from generating the expected returns, reaching our goals and deliver on our strategy. At Mowi, we split our defined risks into subcategories within our four guiding principles - Profit, Planet, Product and People - to ensure that they are addressed by our most capable people within each area.

## GLOBAL REPORTING INITIATIVE (GRI)

Mowi uses the GRI Standards for voluntary reporting of sustainable development. The guidelines comprise economic, environmental and social dimensions relating to an enterprise's activities, products and services. GRI collaborates with the United Nations Environment Program and UN Global Compact. Mowi has reported according to GRI since 2010. The report is externally assured by our auditor(EY).

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Mowi integrates climate-related disclosures in this Annual report (see our Planet and the Risk and Risk management sections) and in addition, we have also summarised the risks and opportunities arising from climate change, our strategic approach towards a low carbon economy and our corporate targets in this TCFD report. For a more extensive description of our GHG emissions and climate strategy please see our CDP report.

## ESG INDEX - MOWI ENVIRONMENTAL AND SOCIAL STATEMENT 2021

Mowi collects and reports on a large number of sustainability metrics. This index consolidates our environmental and social data to help with further analysis.



# Analytical information

We want to contribute to the correct pricing of our share by giving the market in-depth, relevant and accurate information about the salmon farming industry in general and our activities in particular.

## Farm-raised Atlantic salmon – a healthy source of protein

We engage in aquaculture, which involves cultivating aquatic organisms under controlled conditions. Aquaculture is a fast-growing food producing sector. 70% of our planet is covered with water, yet the United Nations Food and Agriculture organisation (FAO) estimates that only approximately 2% of the world's food supply comes from the ocean. In 2020, the aquaculture industry contributed 54% of the fish destined for human consumption and is expected to continue to increase long term. The aquaculture industry's output has soared since the mid-1990s, while the wild fish harvest in the same period has been stable.

It is estimated that the global population will grow from 7.7 billion to almost 9.7 billion by 2050, resulting in increased demand for protein-rich food. According to the FAO, at least an additional 50 million tonnes of aquatic food will be required by 2050.

Our main product is farm-raised Atlantic salmon. Consumption of Atlantic salmon is recognised as healthy because of its high content of protein, Omega-3 fatty acids, vitamins and minerals. Atlantic salmon farming started on an experimental level in the 1960s, and became an industry in Norway in the 1980s. Salmon farming consists of raising juvenile salmon, or smolt, to fully grown salmon in large pens located in the sea, fjords and bays. Salmon farming also includes raising smolt from salmon eggs, which takes place in freshwater, typically in lakes or tanks on land. Almost all commercially available Atlantic salmon is farmed. Due to biological constraints, seawater temperature requirements and other natural limitations, farm-raised salmon is produced in Norway, Chile, Scotland, North America, Faroe Islands, Ireland, Iceland and New Zealand/Tasmania.

Atlantic salmon is a small but growing part of the global protein supply. Despite an increase in production of Atlantic salmon of more than 1,100% since 1990 (CAGR 9%), the total global supply of salmon is still marginal compared to most other major seafood categories. This is because the sector has reached a production level where biological boundaries are being pushed.

Future growth requires the implementation of measures to reduce the industry's biological footprint. This will necessitate progress in technology, non-pharmaceutical techniques, industry regulations and intercompany cooperation.

## Our approach – an integrated protein provider

We are the world's largest producer of farm-raised salmon, both by volume and revenue, offering fresh, whole salmon, processed salmon and other processed seafood products to customers in 70 countries worldwide. We currently engage in three principal types of production activities:

- *salmon feed production in Norway and Scotland;*
- *salmon farming and primary processing of salmon in Norway, Scotland, Canada, Chile, Ireland and the Faroe Islands; and*
- *secondary processing of seafood in Norway, Chile, Ireland, the United States, Scotland, Canada, France, Belgium, the Netherlands, Poland, Germany, Spain, Turkey, Japan, Vietnam, Taiwan, China and South Korea.*

We continue the process of transforming ourselves from a production-driven fish farming company into an integrated marine protein provider, by expanding in fish feed and broadening our farming and secondary processing operations.

Our feed performs very well, an essential quality as feed is the most important input factor in salmon production. Mowi is self-sufficient for feed in Europe with our state-of-the-art plants in Valsneset, Norway and Kyleakin, Scotland. Our feed plant at Valsneset, Norway, supplied almost all of our Norwegian fish feed requirements in 2021 and produced 358 769 tonnes of fish feed, close to full capacity of 400 000 tonnes.

The Scottish feed plant at Kyleakin on the Island of Skye, Scotland produced 123 133 (150 576) tonnes of feed (capacity of 240 000 tonnes). Through in-sourcing of feed, we expect to obtain lower feed costs as well as improved growth, lower feed conversion rates and higher end-product quality. Internal sourcing of feed is also an important element with regards to our sustainability and branding strategies.

Our fish farming operations cover the entire salmon life cycle from egg to harvest. We also have facilities for harvesting and primary processing of our fish. We have our own breeding and genetics department and our strategy is to produce our own eggs to secure the selection of the best genetic properties. We hold our own brood stock and invest significant efforts and resources to improve the performance, disease resistance, quality and welfare of the





fish. Juvenile fish (smolt) are transferred to the sea at different weights depending on the requirements of the sites to be stocked and our smolt production capacity. The average weight of smolt put to sea in 2020 was 172 grams. Adjusted for a higher share of smolt put out to sea earlier in the year, the average weight was relatively stable in 2021. The fish are then nurtured in the sea for a period of 12-22 months depending on the size of the smolt stocked, the temperature of the seawater, our farming practices and the biological situation. At harvest weight, approximately five to six kilogram live weight equivalent, or LWE, the salmon undergoes primary processing into gutted weight equivalent (GWT) which is the main commodity marketed and used in most reference prices. The customers of our primary processed salmon are retailers, secondary processors, including our own operations, and distributors.

Our secondary processing operations turn the gutted fish into products such as fillets, steaks and other portions of fish - smoked, fresh and frozen. This division consists of all our downstream activities, including our steadily growing production of consumer-ready products. The broadening of our secondary processing operations started with the acquisition of Morpol, a world leading secondary processor of salmon, in 2012/2013. Reflecting the success of our sales of fresh prepacked products in the US market, we opened a new plant in Dallas, Texas in December 2016. In September 2018 the expansion of the Ducktrap facility in the state of Maine was completed, which increased Ducktrap's production capacity by 75%. In 2019 we expanded to a larger location in Florida, US and in 2021 we opened a brand new factory in Bretagne, France.

We currently operate 21 secondary processing facilities, the largest of which are located in Ustka, Poland; Bruges, Belgium; Rosyth, Scotland; and Boulogne, France. Secondary processing activities include further preparation to create ready-to-heat or ready-to-eat products and packaging the products. Purchasers of secondary

processed salmon include retailers, such as grocery stores, food service providers such as hotels and other service and catering entities, as well as industry customers including meal and salad producers.

## Business areas and segments

We are organised into three Business Areas: Feed, Farming and Sales & Marketing.

- 1. Fish feed production**, comprises our two feed plants in Norway and Scotland.
- 2. Farming** comprises a single operating segment composed of our farming operations in Norway, Scotland, Canada, Chile, Ireland and the Faroe Islands and our Breeding & Genetics program. This segment also includes primary processing activities and some filleting activities (a secondary processing activity).
- 3. Sales & Marketing** is composed of two operating segments:
  - *Markets: the segment comprises activities relating to sales of our primary processed products obtained from the Farming business and, to a lesser extent, purchased from third parties. It also includes logistics and delivery of our products to third-party customers, as well as to our internal secondary processing operations (including Consumer Products) and some secondary processing activities; and*
  - *Consumer Products: the segment includes our main secondary processing and value added operations, as well as end-product sales, including logistics. Branding is also part of the Sales & Marketing segment. Research & development supports all Business's segments.*

In addition to our principal operating segments, we have a group of "Other" activities, consisting of corporate functions.

## Value creation measured by country of origin

Our Farming business is engaged in the production, harvesting and primary (and some secondary) processing of fish. For reporting purposes, Farming sells its main products (i.e. salmon gutted weight) to the Markets segment at prices quoted by Nasdaq OMX (Nasdaq price) or similar salmon pricing indices. If Markets have entered into medium or short-term contracts with third parties, salmon is sold from Farming to Markets at prices reflected in such contracts. The Markets segment resells the primary processed salmon to (i) third parties or (ii) Consumer Products for further processing. Markets also include some secondary processing activities. Consumer Products secondary process salmon purchased from Markets, together with salmon and other seafood purchased from third parties, and sells these products to third parties.

We assess the overall value creation of our operations based on the salmon's source of origin, using Operational EBIT per kg of fish harvested as a key measure of performance. For this reason Operational EBIT related to our Feed and Sales & Marketing operations is allocated back to the country of origin.

The relationship between our functional segments and our operational reporting per country of origin is illustrated on the following page.

## Our most important value drivers

### KEY FACTORS AFFECTING REVENUE

Our primary source of revenue is the sale of primary and secondary processed seafood (including value added products), mainly salmon. Revenue generated by our products is derived from volumes sold and the price that we achieve for our products. Our products are shipped long distances by road, air and water. Our revenues therefore include a substantial freight element, since the freight cost generally is paid by customers.

Sales of salmon and salmon-derived products represented 90.8% and 89.4% of our revenue for the years ended December 31, 2021 and 2020, respectively. Fresh whole salmon (i.e. primary processed salmon) represented 32.0% of our total revenues in 2021, compared to 32.1% in 2020, down from previous years as a result of the decrease in the foodservice market due to Covid-19. In the same periods, elaborated salmon, including smoked/marinated, MAP, sushi and other prepared and value-added products accounted for 68.0% and 67.9% of our revenues. The share of elaborated products has been positively impacted by the changed consumption pattern during the covid-19 pandemic and have been stable the last two years. We sell salmon and other seafood directly to retailers, hotels, restaurants as well as to third-party processors and distributors in approximately 70 countries.

### Volume

#### Primary processed products (harvested volume)

Harvested volume primarily depends on the quantities of smolt introduced into our operations, which are determined by us (one to two) years prior to harvesting, fish growth rates and our harvesting schedule.

The quantities of smolt introduced into our operations are based on our expectations for the demand for finished product at harvest time, anticipated product prices and our organic growth ambitions in light of regulatory constraints (e.g. maximum standing biomass in production established by our farming licenses).

Fish growth rates are affected by water temperature, disease and other biological issues. As salmon is a cold-blooded animal, seawater temperature plays an important role for its growth rate. With high seawater temperatures, disease risk increases, while temperatures below freezing cause mass mortality. Similarly, biological factors, disease, sea lice and stress of fish each negatively impact the rate of growth of our fish and may result in reduced fish survival.

Volumes in a period are also affected by our harvest schedule, i.e. when we decide to harvest fish from a particular location. Our harvest window is effectively limited by fish age, as fish must be harvested prior to maturation. Nevertheless, we do have a limited ability to accelerate or delay harvest (typically, by a matter of weeks) to optimise price achievement.

### Secondary processed products

The majority of our secondary processing occurs in our Consumer Products segment in Europe, Asia and the Americas, while some secondary processing also occurs in our Markets segment. Some filleting activities are also carried out by our Farming operations. The volume of secondary processed salmon, including value added products that we produce depends on market demand for our secondary processed seafood and the production capacities of our operations.

The majority of the fish used in our secondary processing business in Consumer Products was produced by our fish farms. We have a constant supply of raw materials used in production and can vary our volume of secondary processed seafood based on projected customer demand. In addition to sales of salmon-based products, which represents the clear majority of sales to third-party customers in Consumer Products, we also sell products based on other fish species, such as cod, pangasius, saithe, Alaska pollock, sockeye and haddock.

### Prices

The price received for our products is determined by the relevant market prices. Our achieved prices may deviate from market prices due to differences in the quality of our product, sales contracts, which typically fix the sales price for a period of three to 12 months, but sometimes longer, and our ability to place our products efficiently in the market. We aim to sell our products at or above market prices, and we measure our ability to do so through price achievement, which measures the prices at which we sell our products against the relevant salmon price index or reference price.

We have been actively pursuing strategies to reduce our dependence on market prices for salmon by increasing our capacity to produce more value-added products, which are generally associated with more stable consumer prices.

### Reference prices for salmon

Several price indices for salmon are publicly available. The two most important indices for Norwegian salmon are Nasdaq/Fish Pool provided by NOS Clearing ASA, a subsidiary of Nasdaq OMX Group Inc., and the official statistics of Norway by Statistics Norway, or SSB, a Norwegian governmental entity. Urner Barry in the United States provides a reference price for Chilean salmon in Miami and North American salmon in Seattle. Price correlation across regional markets is generally strong for Atlantic salmon, but we have recently seen a tendency of reduced correlation between prices in America and Europe.

Historically, reference prices for salmon have been subject to significant fluctuations, as demand for salmon has been growing steadily, whereas supply has fluctuated strongly due to variations in factors such as smolt release and biological status, including disease.

Although the market price of salmon is established through supply and demand for the product, in the short term, salmon producers are expected to be price takers. The long production cycle and a short time window available for harvesting leave salmon farmers with limited flexibility to manage their short-term supply. In addition, salmon is generally sold as a fresh commodity with a limited product lifespan, further restricting producers' ability to control short-term supply.

As our Irish operation produces mainly organic salmon, there is no reference price available for benchmarking our salmon of Irish origin. Salmon from our Irish operations is sold mainly on contracts.

Prices for the products produced by Consumer Products are primarily driven by customer demand and the cost of the raw materials used in their production. Because secondary processed/ elaborated products, including value added products, are to some extent considered to be premium products, demand fluctuates with the state of regional and global economies and the consumers' general wealth. In addition, global trends in consumer tastes affect demand for such products. The cost of raw materials is largely dependent on reference prices, especially Atlantic salmon prices, most of which we supply internally from our Farming operations. In 2021 average raw material prices increased in line with increased salmon prices.

### Quality

The quality of our fish may greatly affect the price we are able to achieve in comparison to the reference price. Diseases, sea lice, biological issues (such as Kudoa) and stress may all impact the quality of our fish, resulting in downgrading and lower achieved prices. In addition, when salmon reach reproductive maturity, or maturation, the flesh colour and meat quality changes, resulting in lower product quality.

Fish may be classified as superior, ordinary or production quality. Superior quality fish is a product without damage or defect that provides a positive overall impression. Ordinary quality fish is a product with limited external or internal faults, damage or defects. Production quality fish is a product that does not satisfy the requirements of either superior or ordinary quality due to product faults, damage or defects. In Norway, downgraded fish are normally priced according to standard rates of deduction compared to





a superior quality fish. For fish classified as ordinary the standard rate of reduction is EUR 0.15 to EUR 0.20 per kg gutted weight. For fish classified as production grade the standard rate of reduction is EUR 0.5 to EUR 1.50 per kg gutted weight, depending on the reason for downgrading. In other countries, price deductions related to quality are not as standardised, but the same general principles apply.

#### Contracts and derivative Instruments

To limit our exposure to short- and medium-term fluctuations in salmon prices, we enter into sales contracts for future deliveries of our products. Our sales contracts generally have a duration of three to 12 months, but sometimes longer. Our target is to optimise the contract portfolio to attain the best possible mix of contracts and spot sales, with an average contract coverage ratio typically between 20% and 50%.

Contracts mitigate our exposure to fluctuations in salmon prices, but can also result in us selling our products at prices that are lower than reference price.

We also utilise salmon derivatives to hedge our exposure to fluctuations in reference prices. Salmon derivatives provide the same hedge against exposure to spot price fluctuations as contracts for future sales of salmon to customers, so we use hedging instruments as well as contracts to achieve our contract coverage goals described above.

#### Price achievement

The average price achievement measures the prices that we are able to achieve on our products against a salmon price index. The achievement is measured against Nasdaq for salmon of Norwegian, Scottish and Faroese origin, and Urner Barry for salmon of Canadian and Chilean origin.

The average price achievement measure demonstrates our ability to sell our products at above market rates and is thus an important measure of our success. Price achievement is primarily affected by contract coverage, fish quality and our ability to place our products efficiently in the market.



## KEY FACTORS AFFECTING COSTS

Our costs are primarily affected by the cost of our fish feed, other purchases (including third-party raw material sourcing), salaries, other operational costs and biological factors. We use these cost categories to track our costs at consolidated level.

Costs in our Farming segment are categorised into feed costs, other seawater cost and non-seawater costs and we track these costs per kg of fish harvested, where:

- *fish feed costs measure the cost of fish feed;*
- *other seawater costs measure costs relating to smolt, salaries, insurance, medication and other direct and indirect costs attributable to fish production at sea; and*
- *non-seawater costs are the cost of bringing the fish from the seawater site to the primary processing facility, primary processing costs, administration costs, exceptional mortality costs and other non-seawater costs incurred by the respective farming operations.*

These costs (fish feed, other seawater costs and non-seawater costs) represent the total cost for one kg gutted salmon packed in a standard box for shipping (“cost in box”, also referred to as full cost and cost per kg Farming). The term “cost in box” is widely used by the industry and analyst community as an indicator of operational efficiency in fish farming operations. These costs are included in the following line items in our consolidated statement of operations: cost of materials, salary and personnel expenses, other operating expenses and depreciation. The total of feed cost and other seawater costs is the cost of harvested fish in seawater,

before transportation to the processing plant. We refer to these costs as biomass costs or biological costs.

Costs in our Feed operations are primarily composed of raw material costs (e.g. fish meal, fish oil, vegetable meals and oils) and costs associated with running feed operations, such as salaries and utilities.

Costs in our Sales & Marketing Business Area are primarily composed of raw material costs (e.g. primary processed salmon), which we to a large extent produce internally for our Consumer Products operations, and costs associated with running secondary processing operations, such as salaries and utilities. We measure our secondary processing operational efficiency through yield and throughput. Yield measures the number of kilograms (kg) of end product we are able to produce from one kg of raw materials. Throughput measures our secondary processing cost per kg produced.

Because it takes two to three years to bring a salmon to harvest size, fish feed prices and prices for other costs associated with the farming of fish accumulate over multiple periods (i.e., the entire life of the fish), and affect the cost of materials recognised in the period when our fish is harvested and sold. Costs associated with secondary processing are expensed in the period in which the product is sold, unless goods are produced for stock to be sold in a later period.

The table below shows the estimated effect on our Operational EBIT of a change in market price, harvest volume and cost of fish feed.

## ESTIMATED SENSITIVITIES ON ANNUAL RESULTS 2021

CHANGE FACTOR	CHANGE	EFFECT ON OPERATIONAL EBIT	FIXED CONTRACT SHARE
Change in global average sales price with contracts <sup>1)</sup>	0.10 EUR per kg GWT	33	30%
	1.00 EUR per kg GWT	326	30%
	2.50 EUR per kg GWT	816	30%
Change in global average sales price without contracts <sup>2)</sup>	0.10 EUR per kg GWT	47	0%
	1.00 EUR per kg GWT	466	0%
	2.50 EUR per kg GWT	1 165	0%
Change in total harvest volume <sup>3)</sup>	10 000 tonnes GWT	15	
Change in global feed price <sup>4)</sup>	-0.05 EUR per kg feed	31	
	-0.50 EUR per kg feed	311	
	-1.00 EUR per kg feed	621	

1) Assuming 30% of sales on fixed price contracts and 70% in the spot market

2) Assuming all sales in the spot market

3) Assuming margin per kg harvested of EUR 1.5

4) Annual harvest volume converted to live weight multiplied with the feed conversion rate

Note that the effect in Operational EBIT will be recognised when the fish is harvested and sold

### Fish feed

Fish feed is our largest expense category, and it accounted for approximately 40% of our “cost in box” per kg in 2021.

In addition to own production of feed, we procure our fish feed from a limited number of suppliers globally. Our arrangements with the suppliers generally provide that we acquire the fish feed at prices tied to the market prices for the raw materials used in producing the feed, such as fish meal, fish oil, vegetable oils and meals. The arrangements are subject to a minimum fee per kg of fish feed, structured to cover the suppliers’ operational costs and margins. Our arrangements generally do not contain minimum or maximum fish feed purchase quantities. The feed cost accumulate over multiple periods (i.e., the entire life of the fish) and is recognised in the period when our fish is harvested and sold.

The yield generated from our fish feed is affected by the feed conversion rates, which is the number of kg of fish feed needed to increase a fish’s bodyweight by one kg. Our feed conversion rate is typically between 1.1 and 1.2 kg of feed per kg of fish produced.

### Other seawater costs in Farming

Other seawater costs in Farming represent costs associated with smolt purchases, employee salaries, insurance, medication and other direct and indirect costs attributable to fish production at sea. These costs accumulate over multiple periods (i.e., the entire life of the fish) and are recognised in the period when our fish is harvested and sold.

### Non-seawater costs in Farming

In Farming, non-seawater costs represent the cost of bringing the fish from seawater sites to primary processing facilities, primary processing costs, administration costs, exceptional mortality costs and other relevant costs for the fish harvested in the period. Non-seawater costs are generally incurred and expensed in the same period. As the majority of these costs are fixed, this category is subject to substantial scale effects based on the volumes of salmon harvested.

### Biological factors

Biological factors, such as fish mortality, fish diseases and sea lice affect our harvest volumes and therefore our revenue, but also our costs. We may be required to expend resources to mitigate the effects of the foregoing factors (e.g., costs of vaccines) and the cost per kg harvested increases if fish die or growth is impaired.

### Fish survival

Raised in nature at sea, farm-raised salmon are naturally exposed to various infectious and non-infectious diseases. An outbreak of a disease represents a cost for us through direct loss of fish. In addition, disease can result in lost growth of fish, accelerated harvesting and reduced quality of harvested fish, which would affect our revenues. In some cases, a disease outbreak may be followed by a subsequent period of reduced production resulting in lower revenues and increased cost per kg fish harvested. Fish survival rates are affected by a number of factors, including infectious and non-infectious diseases, predators attacks, environmental conditions and fish handling. We expense incident-based mortality in the period when incidents occur. The cost associated with normal mortality is included in the value of the remaining inventory, contributing to the increased cost of the fish when harvested and sold.

### Sea lice management

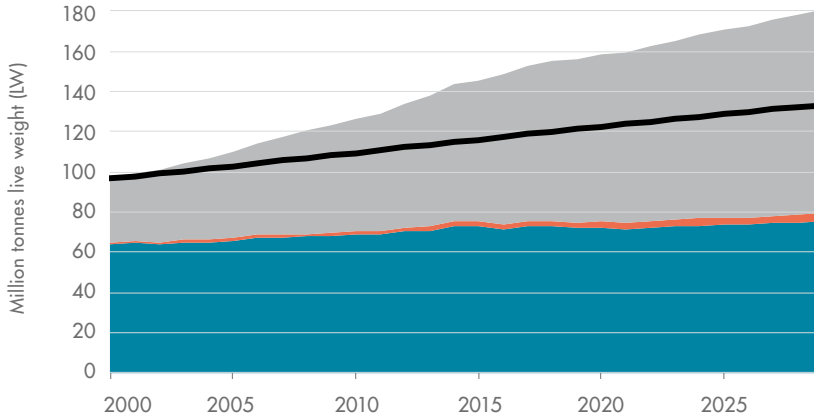
Sea lice, of which there are several species, are naturally occurring seawater parasites. They graze on the salmon’s skin and, if not controlled, they can cause lesions, secondary infections and mortality. Sea lice can be controlled through good husbandry and management practices, cleaner fish (wrasse and lumpsuckers that eat sea lice off the salmon’s skin), freshwater baths, other non-medicinal tools (e.g. skirts around pens), thermolicers, hydrolicers, FLS flushers and the use of pharmaceutical products. Effective sea lice management is important for fish welfare and ensuring lice on our farms do not negatively impact wild salmonid stocks. At present sea lice represent a significant cost to the industry.





## Farmed-raised Atlantic salmon analysis

### The aquaculture industry has shown steady growth since 2000

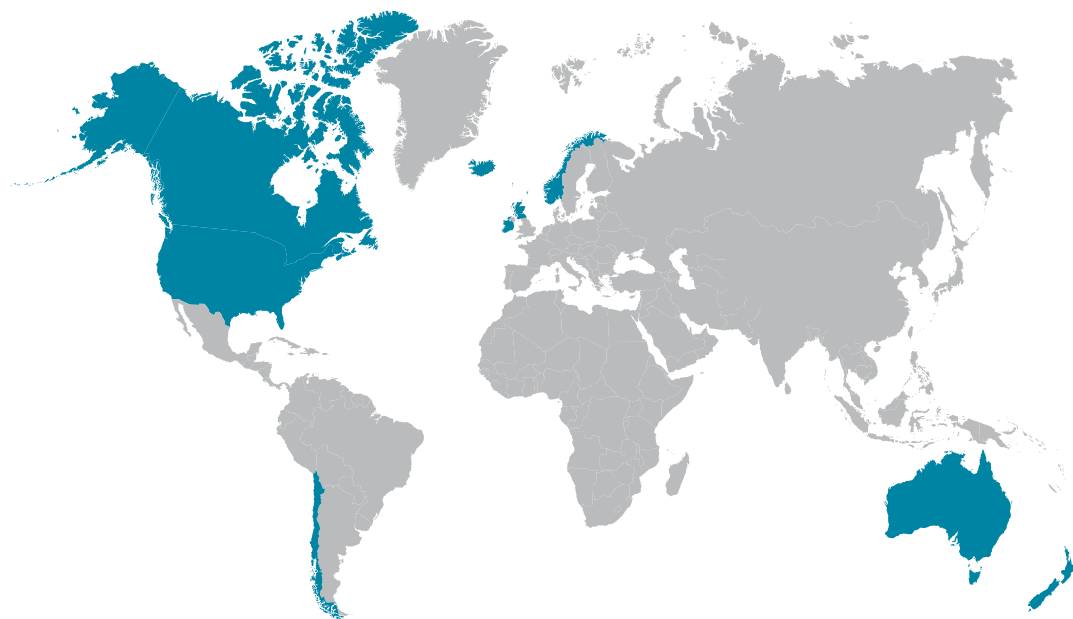


Aquaculture is a fast-growing food producing sector. In 2021, the aquaculture industry contributed **55%** of the fish destined for human consumption.

The aquaculture industry's output has soared since the mid-1990's, while the wild fish harvest in the same period has been relatively stable.

- Population rebased
- Aquaculture for human consumption
- Farmed Atlantic salmon
- Wild capture for human consumption

### Global suppliers of Atlantic salmon in 2021 in GWT



**North America**

140 900

**Faroe Islands**

95 000

**Scotland**

179 000

**Australia**

78 700

**Chile**

633 500

**Iceland**

37 400

**Ireland**

14 300

**Norway**

1 376 500

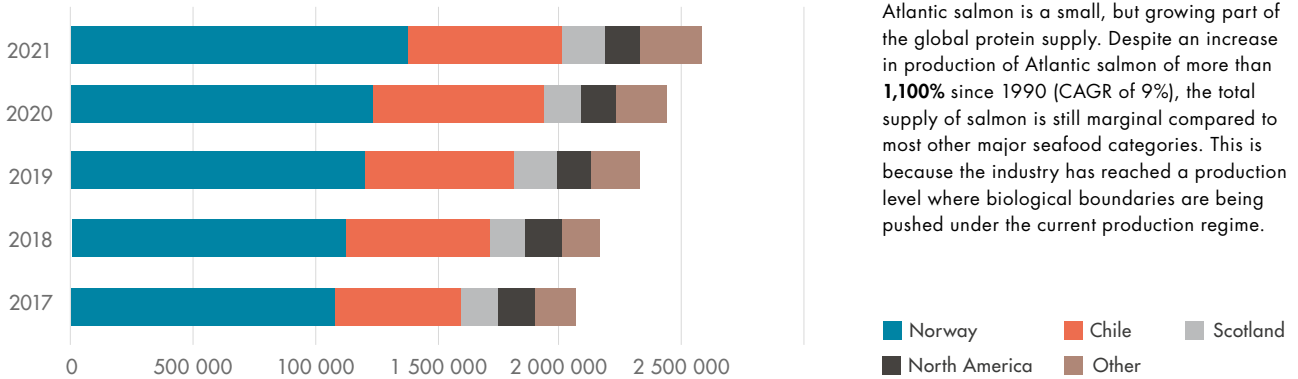
**Other**

28 800

Due to biological constraints, seawater temperature requirements and other natural limitations, farm-raised salmon is mainly produced in Norway, Chile, Scotland, North America, Faroe Island, Iceland, Ireland and New Zealand/Tasmania. Norway and Chile are the predominant salmon producing countries.

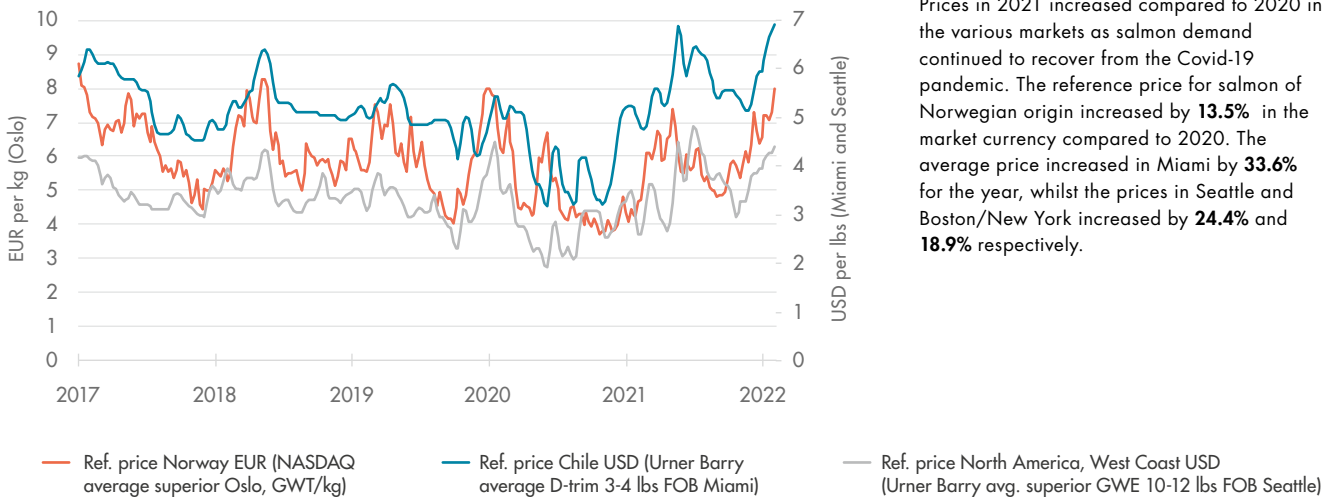


### Development in supply of Atlantic salmon in GWT

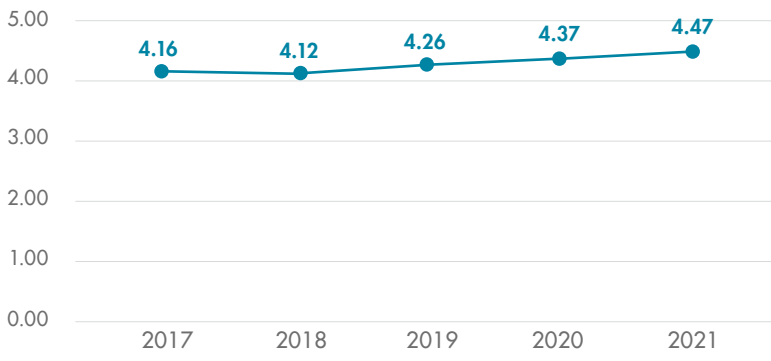


Atlantic salmon is a small, but growing part of the global protein supply. Despite an increase in production of Atlantic salmon of more than **1,100%** since 1990 (CAGR of 9%), the total supply of salmon is still marginal compared to most other major seafood categories. This is because the industry has reached a production level where biological boundaries are being pushed under the current production regime.

### Development in reference price



### Development in "cost in box" per kg



In the group's reporting currency, EUR, our cost per kg in Farming has increased by an average rate of **1.8%** per year between 2017 and 2021, mainly due to increased cost of feed and biological challenges. Adjusted for inflation, costs have been stable in the period.

# Share and shareholder information

We aim to be open and transparent in our communications with the market in order to develop and retain investor confidence, and to deliver an attractive return to our shareholders.

## The history of our shares

Mowi AS was founded in Norway in 1964, changing names and owners several times before being acquired by Pan Fish ASA in 2006. Pan Fish AS was founded in 1992 and listed on the Oslo Stock Exchange in 1997. Pan Fish also acquired Fjord Seafood ASA in 2006, a company founded in 1996 as Torgnes Invest AS and listed on the Oslo Stock Exchange in 2000. Pan Fish ASA changed its name to Marine Harvest ASA in 2007 and Marine Harvest AS changed name to Mowi ASA in 2018.

Mowi ASA's shares are listed on the Oslo Stock Exchange under the ticker MOWI. On January 28, 2014 Mowi ASA listed and commenced trading of its American Depositary Shares (ADS), each representing one ordinary share, represented by American Depositary Receipts (ADR) on the New York Stock Exchange (NYSE). On February 14, 2017, the Board of Directors resolved to delist the Mowi's ADS and to terminate the registration of the

ADSs due to the low trading volume and the significant cost of maintaining the listing and registration. We maintain the ADR program as a Sponsored Level I program and the ADSs are tradable over-the-counter.

As of year end 2021 we had 517 111 091 shares outstanding (517 111 091 shares) traded at NOK 208.7 (NOK 191), valuing our company at NOK 107.9 billion (98.8 billion). Please see charts at the end of this section for further information of our share performance over the last ten years. For additional information about our shares, please see Note 24 to the Group financial statements.

## Share capital

As of December 31, 2021, Mowi had 517 111 091 ordinary shares with a nominal value of NOK 7.50.



## Shareholders

As of December 31, 2021, we had 28 383 shareholders, with our 20 largest shareholders holding 55.3% of our shares. The majority of our shares are held in Norway, the US, Cyprus and Great Britain. The two main shareholders of Mowi are Gevevan Trading Co Ltd and affiliates (14.4%) and Folketrygdfondet (8.7%). For additional information on share ownership, please see Note 24 to the Group financial statements. Our senior executives hold shares in the Company, please see Note 24 to the Group financial statement for further details.

As of December 31, 2021 Mowi ASA had 8 029 740 ADR's outstanding, representing 1.6% of total shares outstanding. In term of total volume of Mowi shares traded in Norway and in the US, the ADR's represented 3.5% of volumes in 2021.

## Payment of dividends

Mowi's ambition is to create long-term value for the shareholder through both positive share price development and a growing dividend in line with long-term earnings. In 2020 the Board decided to make dividend payments more predictable and transparent by operationalising the dividend policy and introducing ordinary and extraordinary dividends. The dividend policy states that:

- *The quarterly ordinary dividend shall under normal circumstances be at least 50% of underlying earnings per share (EPS).*
- *Excess capital will be paid out as extraordinary dividends.*

- *When deciding excess capital the Board of Directors will take into consideration expected cash flow, capital expenditure plans, financing requirements and appropriate financial flexibility. Further to this a long-term target level for net interest-bearing debt is determined, reviewed and updated on a regular basis.*
- *Shareholder returns are distributed primarily as cash dividends with the option of using share buybacks as a complementary supplement on an ad-hoc basis.*

Dividend declared and paid in 2021 was NOK 4.45 (2.60) per share as normal dividend. See charts at the end this section displaying dividend paid per share and total dividend paid for the last ten years.

## Communication - financial calendar

We expect to present our results in 2022 as follows:

- *Annual General Meeting 2022 at June 2, 2022*
- *Presentation Q1 2022 at May 11, 2022*
- *Presentation Half-yearly Report (Q2) 2022 at August 24, 2022*
- *Presentation Q3 2022 at November 9, 2022*

Our presentations will be webcast at 8:00 a.m. CET, and presentation material will be available on our website at 06:30 a.m. CET on the day of release. Please see our website for further details.

SHAREHOLDERS BY COUNTRY <sup>1)</sup>	NUMBER OF SHARES			SHAREHOLDING IN %		
	2021	2020	2019	2021	2020	2019
Norway	118 854 089	130 581 215	115 038 716	23.0%	25.3%	22.2%
USA	85 723 424	85 710 185	113 894 536	16.6%	16.6%	22.0%
Cyprus	74 289 287	73 090 369	71 341 221	14.4%	14.1%	13.8%
Great Britain	61 790 054	51 434 844	65 980 338	11.9%	9.9%	12.8%
Other countries	176 454 237	176 294 478	150 856 280	34.1%	34.1%	29.2%
<b>Total number of shares</b>	<b>517 111 091</b>	<b>517 111 091</b>	<b>517 111 091</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

1) Shareholder by country, based on actual ownership behind the nominee accounts.

SHARE OWNERSHIP (NUMBER OF SHARES)	NUMBER OF SHAREHOLDERS	OWNERSHIP IN %
1 - 100	14 592	0.10%
101 - 500	7 291	0.36%
501 - 1 000	2 368	0.36%
1 001 - 5 000	2 591	1.12%
5 001 - 10 000	476	0.68%
10 001 - 100 000	708	4.47%
100 001 - 1 000 000	281	17.11%
> 1 000 000	76	75.80%
<b>Total</b>	<b>28 383</b>	<b>100.00%</b>

## Market capitalisation and multiples

### Key figures

Enterprise Value ("EV") to capital employed indicates how the market values Mowi compared to the capital that has been invested in our assets. The value of a large portion of our assets (i.e. the majority of the our licenses and buildings) were assigned in 2006/2007. Since then these assets have multiplied in value, but as they are not subject to fair value adjustment, the recognised values have remained relatively unchanged. This explains the increasing difference between EV and capital employed.

EV to EBIT or Operational EBIT measures the market valuation of Mowi compared to the past year's result. As EBIT includes the change in fair value of biological assets, market participants prefer using EV/Operational EBIT as valuation metric. The same analogy applies to the reported earnings versus underlying earnings. Underlying earnings excludes the fair value adjustment

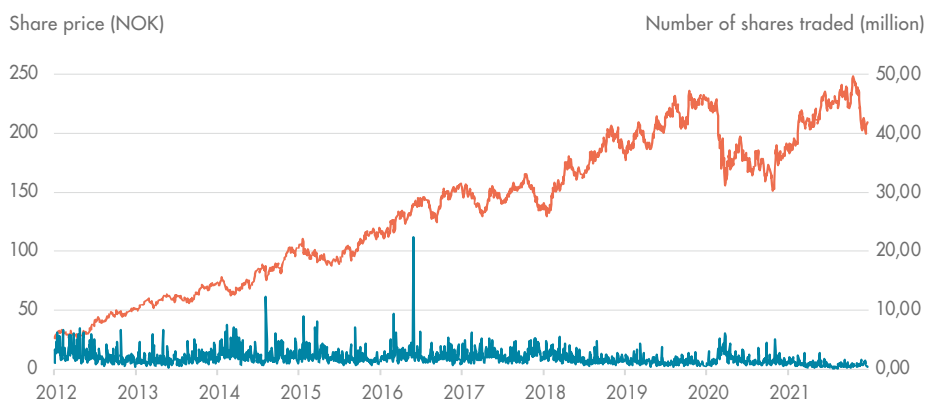
of biological assets, hence P/E (underlying) is a preferred valuation metric compared to P/E (basic).

Looking back at the history, results in 2015 were mixed but the outlook was positive, which explains the fluctuation in the EV/OP EBIT ratio. 2020 was also a challenging year as Covid-19 impacted demand for salmon and impacted earnings negatively. In 2021 the salmon markets partially recovered, earnings improved and earnings multiples contracted compared with the previous year.

Mowi has yielded an annualised total shareholder return in the past 10 year period of 27%. The compares to 12% of OSEBX and 28% of the Oslo Børs Seafood Index. In the past year Mowi has yielded a total shareholder return of 12%, compared to 23% of OSEBX and 7% of the Oslo Børs Seafood Index.

Market data	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Market capitalisation (NOK million)	107 921	98 768	118 005	94 280	68 133	70 078	53 830	42 228	30 306	19 166
Number of shares outstanding (million)	5171	5171	517.1	516.0	490.2	450.1	450.1	410.4	410.4	374.3
Average number of shares traded per day (million)	0.9	1.7	1.4	1.9	2.5	2.5	2.2	2.6	1.8	2.4
Share price year-end	208.7	191.0	228.2	182.7	139.0	155.7	119.6	102.9	73.9	51.2
- High	248.2	229.8	235.4	206.2	166.0	157.1	119.6	103.5	73.9	52.1
- Low	183.0	150.7	176.9	130.0	129.6	110.9	87.8	63.1	50.2	26.1
Earnings per share, basic (EUR)	0.94	0.23	0.92	1.15	0.97	1.20	0.36	0.27	0.85	0.15
Underlying earnings per share (EUR)	0.71	0.43	0.99	1.11	1.23	1.13	0.52	0.84	0.68	0.08
Net cash flow per share (EUR)	0.85	0.01	0.59	0.51	0.74	1.23	-0.02	0.80	-0.05	0.34
Dividend declared and paid per share (NOK)	4.45	2.60	10.40	10.40	12.40	8.60	5.20	8.30	2.25	—
Dividend yield (%)	2.1%	1.4%	4.6%	5.7%	8.9%	5.5%	4.3%	8.1%	3.0%	0.0%
Total shareholder return (%)	11.6%	-15.2%	30.6%	38.9%	-2.8%	37.4%	21.3%	50.6%	48.6%	98.0%
ROCE %	13.4%	8.3%	19.9%	24.9%	26.7%	28.1%	13.1%	20.2%	18.5%	3.9%
EV/Capital Employed	3.0	2.6	3.6	3.4	3.1	3.2	2.5	2.4	1.8	1.6
EV/EBIT	19.7	57.3	21.6	11.8	16.9	8.5	20.5	14.1	8.2	25.3
EV/Operational EBIT	22.7	31.1	18.5	14.5	10.3	12.0	20.4	12.1	11.9	38.2
P/E, adj	28.9	41.1	23.4	17.1	12.1	14.8	25.7	14.7	13.9	85.6

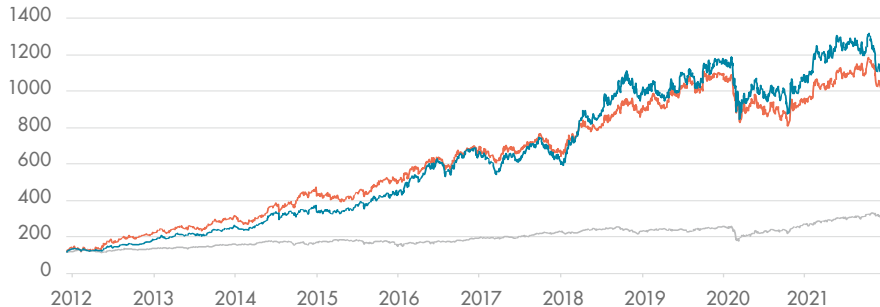
### Share price and number of shares traded



At year end 2021 our share price was traded at **NOK 208.7** (NOK 191.0). The share price increased by **11.6%** in 2021, including dividend. Total dividend payments per share over the 10 year period is **NOK 64.60**

■ Share price  
■ Traded volume (OSE+NYSE)

### Relative performance of our share (%)



In 2021 the Mowi share price performance exceeded the developments of the Oslo Stock Exchange (OSEBX) whilst underperformed compared to the developments of the Oslo Børs Seafood Index. In the past 10 years Mowi's total shareholder return has exceeded OSEBX by 14.5% p.a.

- Seafood index Oslo Børs
- MOWI, div adj
- Oslo Børs (OSEBX)

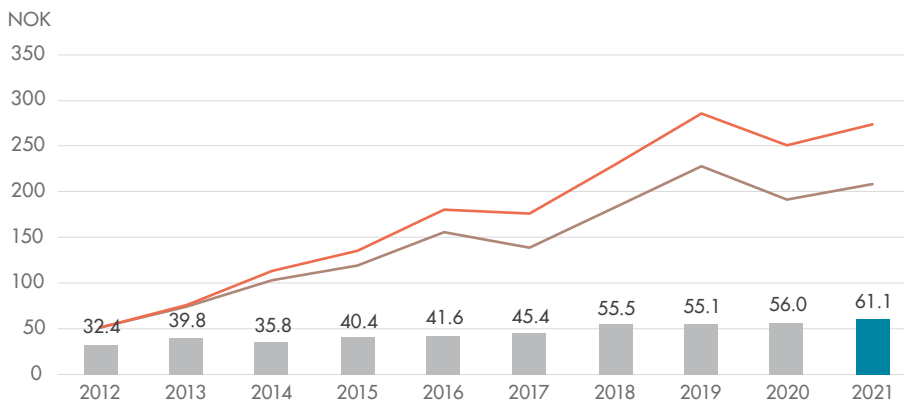
### Market capitalisation



At year-end 2021, we had **517 111 091** (517 111 091) shares outstanding, trading at **NOK 208.7** per share. This valued our Company at **NOK 107.9 billion**. At year-end 2020, our share price traded at NOK 191.0 per share, valuing our Company at NOK 98.8 billion.

- Market capitalisation

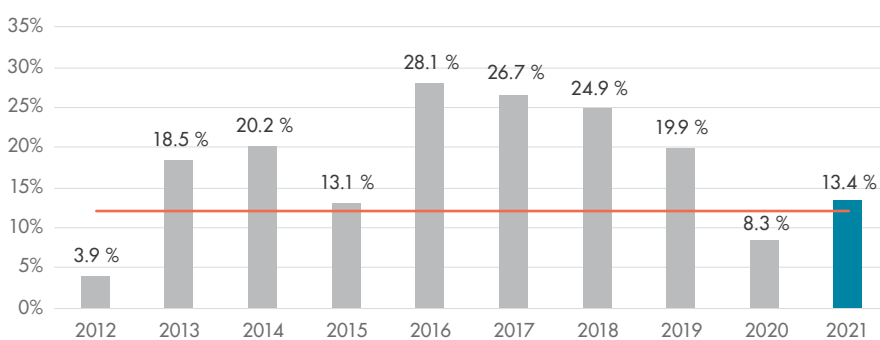
### Equity per share and share price



The recognised value of equity per share reflects the historic investment in assets including licenses, whereas the share price implicitly is incorporating the future cash flow from the use of these assets. This explains the increasing difference between the values in recent years.

- Share price adjusted for dividend
- Share price, year-end
- Equity per share
- 2021 Equity per share

### Return on capital employed (%)



Return on Capital employed (ROCE) measures if capital invested in our Company yields competitive returns. Our ROCE target is 12% per annum. In recent years we have exceeded our target, except for in 2020 when the market was affected by the pandemic and challenging prices.

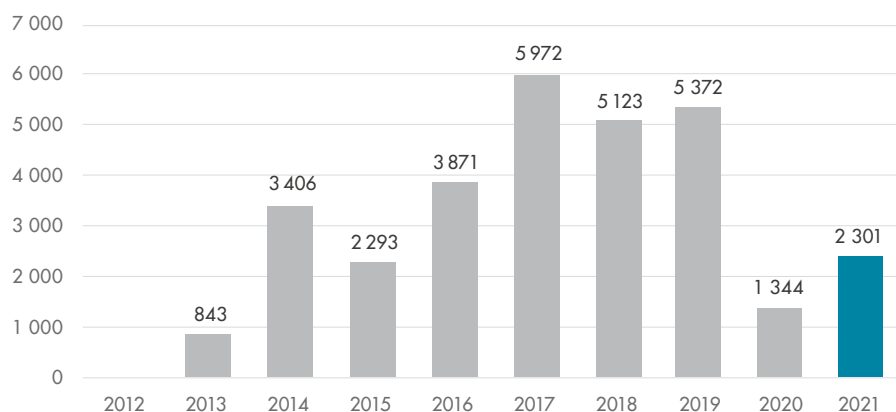
- ROCE % target
- ROCE %
- 2021 ROCE %



## Dividend and underlying earnings

### Total dividend paid

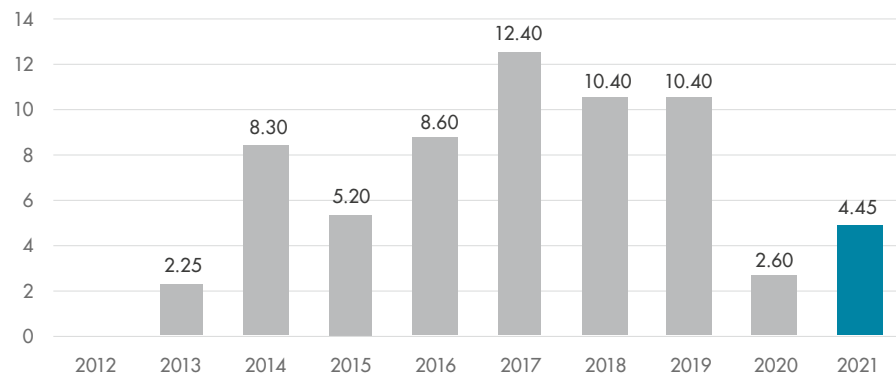
NOK million



In 2021 we paid **NOK 2 301** million (1 344 million) in dividend. Dividend is declared and paid quarterly based on the dividend policy, reflecting the present and future cash generation potential in the Company.

### Dividend paid per share

NOK

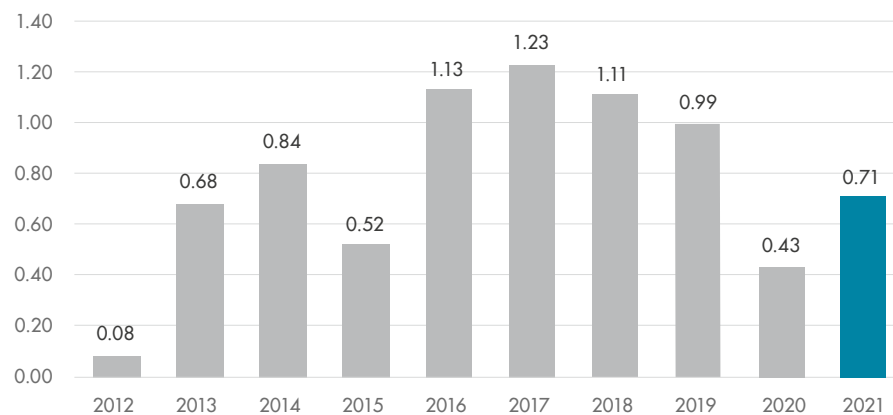


In 2021 we declared and paid **NOK 4.45** (2.60) per share in ordinary dividend.

Dividend is adjusted for the reverse share split, implemented January 21, 2014 (10 shares consolidated to 1). Total dividend paid is not adjusted for withholding taxes, but reflects cash paid.

### Underlying earnings per share

EUR



Underlying earnings per share reflects an estimate of underlying earnings, pre fair value adjustments of biomass, attributable to our equity holders.

In 2021 underlying earnings per share was **EUR 0.71** (EUR 0.43).

# Alternative performance measures (APM) – Non-IFRS measures

## KEY PERFORMANCE INDICATORS AND ALTERNATIVE PERFORMANCE MEASURES (NON-IFRS MEASURES)

As we believe the financial figures set forth in our consolidated statement of income and financial position do not always reflect the underlying performance of our operations, we continuously work to develop key operational performance indicators and alternative performance measures (non-IFRS measures) that we think provide additional insight when analysing our Group's development.

Our APMs present useful information which supplements the financial statements. These measures are not defined under IFRS and may not be directly comparable with APMs for other companies. The APMs represent important measures for how management monitors the company and its business activity. The APMs are not intended to be a substitute for, or superior to, any IFRS measures of performance.

Some of the financial information presented in our Annual report contains APMs. These include Operational EBIT, Operational EBITDA, Operational Revenues, NIBD, ROCE, Underlying EPS, Operational EBIT % (Margin) and Adjusted Equity Ratio. Below we define these APMs and reconcile them with IFRS measures.

### Operational EBIT and Operational EBIT per kg harvested

Operational EBIT is a non-IFRS financial measure, calculated by excluding each of the following items from earnings before financial items and taxes, or EBIT, as set forth in our consolidated statement of income prepared in accordance with IFRS:

- *change in unrealised internal margin*
- *gain/loss from derivatives*
- *fair value adjustment on harvested fish*
- *fair value adjustment on incident-based mortality*
- *fair value adjustment on biological assets*
- *provision for onerous contracts*
- *restructuring costs*
- *income/loss from associated companies*
- *impairment losses and write-downs*
- *sales taxes/license fees/production fees and other non-operational items (accrual for contingent liabilities and provisions)*

We exclude these items from our EBIT as we believe they affect the comparability of our operational performance from period to period, given their non-operational or non-recurring nature. Operational EBIT is used by management, analysts, rating agencies and investors in assessing our performance. Accordingly, we believe that the presentation of Operational EBIT provides useful information to investors. Our use of Operational EBIT should not be viewed as an alternative to EBIT or to profit or loss for the year, which are measures calculated in accordance with IFRS. Operational EBIT has limitations as an analytical tool in comparison to EBIT or other profit and loss measures prepared in accordance with IFRS. Some of these limitations are:

1. it does not reflect the impact of earnings or charges that we consider not to be indicative of our on-going operations,
2. it does not reflect financial items and income tax expense; and
3. other companies, including other companies in our industry, may calculate Operational EBIT differently than we do, limiting its usefulness as a comparative measure.

We present Operational EBIT at Group level, by country of origin and by segment. For a reconciliation of our Operational EBIT by segment to EBIT, see Note 4 to the Group financial statements.

### Operational EBIT % (Margin)

Operational EBIT % is a non-IFRS financial measure. We calculate Operational EBIT % by dividing Operational EBIT by Operational Revenue, each a non-IFRS financial measure. Management employs Operational EBIT % to assess operational performance of some of our segments, disregarding certain non-recurring and non-operational items, excluded from Operational EBIT and Operational Revenue. The usefulness of Operational EBIT % is inherently limited as further described in Operational EBIT and Operational Revenue paragraphs above. A table setting forth our calculation of Operational EBIT % is set forth below.

### Operational Revenue

Operational Revenue is a non-IFRS financial measure, calculated by including realised gain/loss from currency derivatives related to contract sales of Norwegian origin and excluding change in unrealised salmon derivatives from revenue and other income as set forth in our consolidated statement of comprehensive income prepared in accordance with IFRS. We exclude change in unrealised salmon derivatives from our revenue and other income as we believe it affects the comparability of our operational performance

from period to period, given its non-operational nature. Our use of Operational Revenue should not be viewed as an alternative to revenue and other income, which is a measure calculated in accordance with IFRS. Operational Revenue has limitations as an analytical tool in comparison to revenue. Some of these limitations include the fact that changes in unrealised salmon derivatives may need to be cash settled at a future date. Our Operational Revenue is reconciled to revenue and other income in footnotes to our interim financial statements included in documents incorporated herein by reference.

### Net interest-bearing debt - NIBD

Our NIBD as of the end of a period (for purposes of calculating average NIBD) is equal to our non-current interest-bearing debt minus our total cash, plus our current interest-bearing debt, plus the net effect of currency derivatives on interest-bearing financial debt.

### Return on capital employed - ROCE

ROCE is a non-IFRS financial measure, calculated by dividing Adjusted EBIT by average capital employed. Adjusted EBIT is calculated as EBIT, as set forth in our consolidated statement of income prepared in accordance with IFRS, adjusted for:

- *fair value uplift on harvested fish*
- *fair value adjustment on biological assets*
- *impairment losses and write downs*
- *provision for onerous contracts*
- *gain/loss on sale of subsidiaries/associated companies*
- *other non-operational items (accrual for contingent liabilities and provisions)*

Average capital employed is calculated as the average of the beginning of the period and end of the period capital employed except when there are material transactions during the year. Capital employed is the sum of net interest bearing debt, or NIBD, as of the end of the period plus equity as of the end of the period adjusted for:

- *fair value adjustment on biological assets*
- *provision for onerous contracts*
- *net assets held for sale*

We use ROCE to measure the return on capital employed, regardless of whether the financing is through equity or debt. In our view, this measure provides useful information for both management and our investors about our performance during periods under evaluation. We believe that the presentation of ROCE provides useful information to investors because ROCE can be used to determine whether capital invested in us yields competitive returns.

Our use of ROCE should not be viewed as an alternative to EBIT or to profit or loss for the year, which are measures calculated in accordance with IFRS or ratios based on these figures.

The usefulness of ROCE is also inherently limited by the fact that it is a ratio and thus does not provide information as to the absolute amount of our income, debt or equity. It also excludes certain items from the calculation and other companies may use a similar measure but calculate it differently.

### Underlying EPS

Underlying Earnings per Share, or Underlying EPS, is a non-IFRS financial measure. We calculate Underlying EPS by dividing Adjusted Operational EBIT, calculated as Operational EBIT net of accrued payable interest (net), minority share of profit and tax expense calculated based on estimated tax rates, divided by the weighted average number of shares outstanding during the period.

Management employs Underlying EPS to assess our operational performance, disregarding non-operational items like amortised interest, net currency effects and net other financial items with the exception of cash costs, and not reflecting permanent and temporary differences in the computation of taxes.

We view Underlying EPS as a useful tool reflecting our operational performance per ordinary share outstanding. The usefulness of Underlying EPS is inherently limited. Some of these limitations are that Underlying EPS does not reflect the impact of earnings or charges that we consider not to be indicative of our on-going operations and Underlying EPS. A table setting forth our calculation of Underlying EPS is set forth below.

For further details about our financial performance, please see the Profit section and Statements and Notes.

### Covenants Equity Ratio

Covenant Equity Ratio is a non-IFRS financial measure. We calculate Covenant Equity Ratio by excluding effects related to IFRS 16 (leasing) from equity. A table setting forth our calculation of Covenant Equity % is set forth below.

### Net Cash Flow per share

Net Cash Flow per share is a non-IFRS financial measure. We calculate Net Cash Flow per share as cash flow from operations and investments (capex), net financial items paid and realised currency effects - divided by the weighted average number of shares outstanding during the period. Effects related to IFRS 16 (leasing) are excluded.

## Reconciliations

### Operational EBIT

The following tables reconciles our Operational EBIT to EBIT in EUR million and EUR per kg for the Group and for our Farming units for the years ended December 31, 2021 and 2020:

RECONCILIATION GROUP (EUR MILLION)	2021	2020
<b>Group Operational EBIT</b>	<b>522.6</b>	<b>337.7</b>
Change in unrealised internal margin	6.6	14.1
Gain/loss from derivatives	8.5	-4.4
Net fair value adjustment biomass	119.8	-145.6
Onerous contracts provision	-3.2	2.1
Restructuring costs	-22.6	-14.5
Income/loss from associated companies and joint ventures	97.5	21.8
Impairment losses & write-downs	-74.8	-18.1
Production/license/sales taxes	-21.9	-1.7
Other non-operational items	-30.3	-7.9
<b>Group EBIT</b>	<b>602.2</b>	<b>183.5</b>

RECONCILIATION GROUP (EUR per kg)	2021	2020
<b>Group Operational EBIT</b>	<b>1.12</b>	<b>0.77</b>
Change in unrealised internal margin	0.01	0.03
Change in unrealised salmon derivatives	0.02	-0.01
Net fair value adjustment biomass	0.26	-0.33
Onerous contracts provision	-0.01	—
Restructuring costs	-0.05	-0.03
Income/loss from associated companies and joint ventures	0.21	0.05
Impairment losses & write-downs	-0.16	-0.04
Production/license/sales taxes	-0.05	—
Other non-operational items	-0.03	-0.02
<b>Group EBIT</b>	<b>1.29</b>	<b>0.42</b>

RECONCILIATION NORWEGIAN ORIGIN (EUR MILLION)	2021	2020
<b>Operational EBIT—Salmon of Norwegian Origin</b>	<b>389.4</b>	<b>269.3</b>
Change in unrealised internal margin	—	-1.8
Gain/loss on derivatives	-3.7	-0.1
Net fair value adjustment biomass	95.8	-107.6
Onerous contracts provision	-2.2	1.8
Income/loss from associated companies and joint ventures	44.4	20.5
Impairment losses & write-downs	-0.5	-1.0
Production/license/sales taxes	-10.7	—
Other non-operational items	-0.9	0.0
<b>EBIT—Salmon of Norwegian Origin</b>	<b>511.6</b>	<b>181.2</b>

<b>RECONCILIATION NORWEGIAN ORIGIN</b> (EUR per kg)	<b>2021</b>	<b>2020</b>
<b>Operational EBIT—Salmon of Norwegian Origin</b>	<b>1.43</b>	<b>1.03</b>
Change in unrealised internal margin	—	-0.01
Gain/loss on derivatives	-0.01	—
Net fair value adjustment biomass	0.35	-0.41
Onerous contracts provision	-0.01	0.01
Income/loss from associated companies and joint ventures	0.16	0.08
Production/license/sales taxes	-0.04	—
Other non-operational items	—	-0.01
<b>EBIT—Salmon of Norwegian Origin</b>	<b>1.87</b>	<b>0.69</b>

<b>RECONCILIATION SCOTTISH ORIGIN</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
<b>Operational EBIT—Salmon of Scottish Origin</b>	<b>77.2</b>	<b>46.0</b>
Net fair value adjustment biomass	11.3	-15.3
Onerous contracts provision	-1.0	0.4
Restructuring costs	-0.3	-0.9
Impairment losses	-0.1	—
Production/license/sales taxes	-2.0	—
<b>EBIT—Salmon of Scottish Origin</b>	<b>85.1</b>	<b>30.2</b>

<b>RECONCILIATION SCOTTISH ORIGIN</b> (EUR per kg)	<b>2021</b>	<b>2020</b>
<b>Operational EBIT—Salmon of Scottish Origin</b>	<b>1.20</b>	<b>0.87</b>
Net fair value adjustment biomass	0.17	-0.29
Onerous contracts provision	-0.01	0.01
Restructuring costs	—	-0.02
Production/license/sales taxes	-0.03	—
<b>EBIT—Salmon of Scottish Origin</b>	<b>1.32</b>	<b>0.57</b>

<b>RECONCILIATION CANADIAN ORIGIN</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
<b>Operational EBIT—Salmon of Canadian Origin</b>	<b>-10.4</b>	<b>-21.2</b>
Net fair value adjustment biomass	14.0	-42.4
Restructuring costs	-7.6	-8.4
Impairment losses & write-downs	-73.2	-12.0
Production/license/sales taxes	-3.6	—
Other non-operational items	-0.6	—
<b>EBIT—Salmon of Canadian Origin</b>	<b>-81.4</b>	<b>-84.0</b>



<b>RECONCILIATION CANADIAN ORIGIN</b> (EUR per kg)	<b>2021</b>	<b>2020</b>
<b>Operational EBIT—Salmon of Canadian Origin</b>	<b>-0.23</b>	<b>-0.48</b>
Net fair value adjustment biomass	0.31	-0.97
Restructuring costs	-0.17	-0.19
Impairment losses & write-downs	-1.62	-0.27
Production/license/sales taxes	-0.08	—
Other non-operational items	-0.01	—
<b>EBIT—Salmon of Canadian Origin</b>	<b>-1.80</b>	<b>-1.91</b>

<b>RECONCILIATION CHILEAN ORIGIN</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
<b>Operational EBIT—Salmon of Chilean Origin</b>	<b>471</b>	<b>27.6</b>
Net fair value adjustment biomass	-0.4	29.2
Impairment losses & write-downs	—	-0.1
Production/license/sales taxes	-2.5	—
Other non-operational items	0.8	-5.6
<b>EBIT—Salmon of Chilean Origin</b>	<b>45.1</b>	<b>51.1</b>

<b>RECONCILIATION CHILEAN ORIGIN</b> (EUR per kg)	<b>2021</b>	<b>2020</b>
<b>Operational EBIT—Salmon of Chilean Origin</b>	<b>0.71</b>	<b>0.43</b>
Net fair value adjustment biomass	-0.01	0.45
Production/license/sales taxes	-0.04	—
Other non-operational items	0.01	-0.09
<b>EBIT—Salmon of Chilean Origin</b>	<b>0.68</b>	<b>0.79</b>

<b>RECONCILIATION IRISH ORIGIN</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
<b>Operational EBIT—Salmon of Irish Origin</b>	<b>14.2</b>	<b>22.4</b>
Net fair value adjustment biomass	-5.4	-2.1
Production/license/sales taxes	-0.2	—
<b>EBIT—Salmon of Irish Origin</b>	<b>8.6</b>	<b>20.2</b>

<b>RECONCILIATION IRISH ORIGIN</b> (EUR per kg)	<b>2021</b>	<b>2020</b>
<b>Operational EBIT—Salmon of Irish Origin</b>	<b>2.09</b>	<b>2.81</b>
Net fair value adjustment biomass	-0.80	-0.27
Production/license/sales taxes	-0.03	—
<b>EBIT—Salmon of Irish Origin</b>	<b>1.27</b>	<b>2.54</b>

<b>RECONCILIATION FAROESE ORIGIN</b> (EUR MILLION)	<b>2021</b>	<b>2020</b>
<b>Operational EBIT—Salmon of Faroese Origin</b>	<b>12.7</b>	<b>13.0</b>
Net fair value adjustment biomass	4.6	-6.9
Production/license/sales taxes	-2.9	—
Other non-operational items	—	-1.6
<b>EBIT—Salmon of Faroese Origin</b>	<b>14.3</b>	<b>4.5</b>

RECONCILIATION FAROESE ORIGIN (EUR per kg)	2021	2020
<b>Operational EBIT—Salmon of Faroese Origin</b>	<b>1.28</b>	<b>1.52</b>
Net fair value adjustment biomass	0.46	-0.80
Production/license/sales taxes	-0.29	—
Other non-operational items	—	-0.19
<b>EBIT—Salmon of Faroese Origin</b>	<b>1.44</b>	<b>0.53</b>

## NIBD, ROCE

The following tables set forth our calculation of ROCE, requiring reconciliation of Adjusted EBIT to EBIT and NIBD to non-current interest-bearing debt, for the years ended December 31, 2021 and 2020:

CALCULATION OF ROCE, RECONCILIATION OF ADJUSTED EBIT AND NET INTEREST BEARING DEBT (EUR MILLION, EXCEPT ROCE)	2021	2020
Adjusted EBIT	543.9	329.7
Net fair value adjustment biomass	119.8	-145.6
Onerous contracts provision	-3.2	2.1
Impairment losses & write downs	-74.8	—
Other non-operational items	-26.4	-8.5
Other adjustments	-15.0	—
Income from associated companies and joint ventures <sup>1)</sup>	53.1	—
IFRS 16 Effects	4.8	5.8
<b>EBIT</b>	<b>602.2</b>	<b>183.5</b>
Net interest-bearing debt (NIBD)	1 257.3	1 458.4
Cash	101.7	107.1
<b>Non-current interest-bearing debt</b>	<b>1 358.9</b>	<b>1 565.5</b>
NIBD	1 257.3	1 458.4
Total equity	3 135.2	2 761.5
Fair value adjustment on biological assets	-326.2	-201.0
Onerous contracts provision	3.2	—
<b>Capital employed as of the end of the period</b>	<b>4 069.6</b>	<b>4 018.8</b>
Average capital employed <sup>2)</sup>	4 044.2	3 954.3
Adjusted EBIT	543.9	329.7
<b>ROCE</b>	<b>13.4%</b>	<b>8.3%</b>

1) Realised gain of EUR 53.1 million from the sale of Dess Aquaculture Shipping.

2) Calculated as the average capital employed as of the beginning and the end of the period, except when there are material transactions during the year.

## Underlying EPS

The following table set forth our calculation of Underlying EPS for the year ended December 31, 2021, and 2020:

UNDERLYING EARNINGS PER SHARE (EUR MILLION)	2021	2020
<b>Operational EBIT ex IFRS 16</b>	<b>512.7</b>	<b>331.9</b>
Accrued payable interest (NET)	-41.8	-45.7
Calculated tax expense	-103.6	-62.9
Minority share of profit	-0.2	-1.6
<b>Operational EBIT adjusted for above items</b>	<b>367.0</b>	<b>221.7</b>
Shares outstanding (average)	517 111 091	517 111 091
<b>Underlying EPS (EUR Per share)</b>	<b>0.71</b>	<b>0.43</b>

## Operational EBIT % (Margin)

The following table set forth our calculation of Operational EBIT % for the Group and our segments for the year ended December 31, 2021 and 2020.

GROUP OPEBIT % (EUR MILLION)	2021	2020
<b>Group Operational EBIT</b>	<b>522.6</b>	<b>337.7</b>
Operational revenues	4 207.6	3 761.4
<b>Group Operational EBIT %</b>	<b>12.4%</b>	<b>9.0%</b>

CONSUMER PRODUCTS OPEBIT % (EUR MILLION)	2021	2020
<b>Operational EBIT - Consumer Products</b>	<b>95.5</b>	<b>81.8</b>
Operational revenues	2 810.4	2 634.9
<b>Operational EBIT % - Consumer Products</b>	<b>3.4%</b>	<b>3.1%</b>

MARKETS OPEBIT % (EUR MILLION)	2021	2020
<b>Operational EBIT - Markets</b>	<b>50.5</b>	<b>63.5</b>
Operational revenues	2 863.3	2 433.1
<b>Operational EBIT % - Markets</b>	<b>1.8%</b>	<b>2.6%</b>

FARMING OPEBIT % (EUR MILLION)	2021	2020
<b>Operational EBIT - Farming</b>	<b>370.5</b>	<b>179.2</b>
Operational revenues	2 576.0	2 204.0
<b>Operational EBIT % - Farming</b>	<b>14.4%</b>	<b>8.1%</b>

FEED OPEBIT % (EUR MILLION)	2021	2020
<b>Operational EBIT - Feed</b>	<b>18.4</b>	<b>31.2</b>
Operational revenues	679.1	681.4
<b>Operational EBIT % - Feed</b>	<b>2.7%</b>	<b>4.6%</b>

## Covenant equity ratio

The following table set forth our calculation of Covenants Equity Ratio, requiring reconciliation of Equity to Covenant Equity Ratio, for the year ended December 31, 2021 and 2020.

Covenant Equity Ratio (EUR MILLION)	2021	2020
<b>Total equity</b>	<b>3 131.4</b>	<b>2 764.1</b>
Right of use assets	-513.2	-536.4
Non current leasing liabilities	335.7	379.9
Current leasing liabilities	182.7	153.2
Deferred tax liability	-1.4	0.6
<b>Adjusted total equity</b>	<b>3 135.3</b>	<b>2 761.5</b>
<b>Adjusted total equity and liabilities</b>	<b>5 746.4</b>	<b>5 309.7</b>
<b>Covenant Equity Ratio</b>	<b>54.6%</b>	<b>52.0%</b>

## Net Cash Flow per share

The following table set forth our calculation of Net Cash Flow per share, requiring specification of total net cash flow, for the year ended December 31, 2021 and 2020.

Net Cash Flow per share (EUR MILLION)	2021	2020
Cash flow from investments	-133.7	-283.5
Cash flow from operations	833.1	502.7
Effects of IFRS 16 on cash flow from operations	-205.5	-171.2
Net financial items paid and realised currency effects	-66.6	-58.5
Effects of IFRS 16 on cash flow from financing	12.9	14.3
<b>Total Net Cash Flow<sup>1)</sup></b>	<b>440.1</b>	<b>3.8</b>
Shares outstanding (Average)	517 111 091	517 111 091
<b>Net Cash Flow per share</b>	<b>0.85</b>	<b>0.01</b>

1) Excluding effects of IFRS 16

# Risk and risk management

Risk relates to uncertainty and the factors that may prevent us from generating the expected returns, reaching our goals and deliver on our strategy. Through our risk management processes we identify, quantify, and define actions to manage the risks we are facing. We split our defined risks into subcategories within our four guiding principles - Profit, Planet, Product and People to ensure that they are addressed by our most capable people within each area.

## Risk and how we work to manage it

Our ambition is to be a leading, integrated provider of proteins from the ocean. We aim to be a leader in all key areas from production of fish feed to meeting the needs of the market:

- *Manufacturing high-quality salmon feed.*
- *Farming healthy and safe salmon for own value added processing and third-party whole fish sales.*
- *Processing and selling healthy, delicious and innovative value added seafood products.*

Through our materiality assessment we have identified areas of opportunity and risk that could influence our ability to achieve our goals and deliver on our strategy. Risk management is what we do to manage our risk in order to provide reasonable assurance to our stakeholders that we will achieve our goals. Different risk management frameworks are in use globally, the most widely used being the COSO <sup>2)</sup> enterprise risk framework, which divides risk into four categories:

1. Operational risk
2. Strategic risk
3. Reporting risk
4. Compliance risk

We consider our operational risk to cover several individually important subcategories, and have therefore chosen to divide our operational risks into the following sub categories:

- a. Risks related to the sale/supply of our products
- b. Risks related to governmental regulations
- c. Risks related to our fish farming operations

- d. Risks related to our supply of fish feed and feed operations
- e. Risks related to our industry
- f. Risks related to our business
- g. Risks related to our financial arrangements
- h. Risks related to tax and legal matters
- i. Risks related to climate change
- j. Risk related to cyber security and technological innovation

All risk categories could, if not properly managed, have a material adverse effects on our business operations and financial results. Each risk category includes one or more identified risks factors that individually and/or in combination with others could significantly affect our performance. We are continuously working to mitigate identified risks and capitalise on opportunities by tracking and following up key performance indicators within the framework of our four guiding principles. We believe that our long-term success depends on our ability to manage the relevant risks associated with our operations, strategy, reporting and compliance.

An overview of our identified risk factors, along with our mitigation efforts and what we do to manage our risk, is outlined in the table below. For more detailed descriptions of the risks/ challenges and opportunities associated with our operations, please see the referenced sections in this Integrated Annual Report. We apply the precautionary approach to risk management through our materiality assessment. Mowi reports in accordance with the Global Reporting Initiative requirements. The appendix found on our website [mowi.com](http://mowi.com) provides the required additional disclosures including the GRI disclosure index.

2) Committee of Sponsoring organisations



## RISK AND RISK MANAGEMENT

	RISK	SHORT DESCRIPTION	MITIGATION ACTION	REFERENCE
1a	<b>Risks related to the sale and supply of our products</b>			
I	Our results depend on salmon prices.	Our results are substantially dependent on salmon prices, and salmon prices are subject to large short and long-term fluctuations due to variations in supply and demand caused by factors such as smolt transfer, biological factors, quality, shifts in consumption and license changes. Short- or long-term decreases in the price of farm-raised salmon may have a materially adverse effect on our financial figures.	<ul style="list-style-type: none"> <li>– Sales contract policy to reduce exposure to fluctuations</li> <li>– Downstream integration to reduce dependence on spot whole-fish prices</li> <li>– Product innovation to grow overall salmon sales</li> <li>– Commitment to sustainable development of the industry and information exchange with authorities to ensure a sustainable operational framework for steady growth</li> </ul>	<ul style="list-style-type: none"> <li>– Profit</li> <li>– Note 13 Group</li> <li>– Leading the Blue Revolution</li> <li>– Product</li> <li>– Planet</li> <li>– R&amp;D</li> <li>– Analytical information</li> </ul>
II	A reduction in the price of salmon may trigger substantial reduction in the value of our biological assets.	A reduction in the price of salmon may trigger substantial reduction in the value of our biological assets, as the price of salmon is a significant factor in the valuation of these assets.	<ul style="list-style-type: none"> <li>– Ref Salmon prices above</li> </ul>	<ul style="list-style-type: none"> <li>– Ref Salmon prices above</li> <li>– Note 6 Group</li> </ul>
III	We may be unable to effectively hedge our exposure to short- and medium-term fluctuations in salmon prices.	We seek to manage our exposure to short and medium-term fluctuations in salmon reference prices through sales contracts and Fish Pool financial futures, as well as through our secondary processing activities. An inability to effectively hedge our exposure to short- and medium-term fluctuations in salmon prices may have a materially adverse effect on our financial figures.	<ul style="list-style-type: none"> <li>– Sales contract policy to reduce exposure to fluctuations</li> <li>– Downstream integration to reduce dependence on spot whole-fish prices</li> </ul>	<ul style="list-style-type: none"> <li>– Profit</li> <li>– Note 13 Group</li> <li>– Analytical information</li> <li>– Leading the Blue Revolution</li> </ul>
IV	Market demand for our products may decrease.	Increased competition, consolidation and overcapacity may lead to reductions in the price of competing products that could curtail demand for our products. This may have a materially adverse effect on our financial figures.	<ul style="list-style-type: none"> <li>– Focus on health benefits of salmon consumption</li> <li>– Continuous effort to find sustainable, more affordable raw materials for feed production and focus on best operational practices to reduce operational costs</li> <li>– Branding strategy</li> </ul>	<ul style="list-style-type: none"> <li>– Product</li> <li>– Planet</li> <li>– R&amp;D</li> </ul>
V	Changes in consumer preferences/lack of product innovation may have an adverse effect on our business.	Our continued success will depend in part on our ability to anticipate, identify and respond quickly to changing consumer preferences for fish, especially secondary processed seafood. If we are unable to do so, this may have a materially adverse effect on our financial figures.	<ul style="list-style-type: none"> <li>– Focus on health benefits of salmon consumption</li> <li>– Product innovation to grow overall salmon sales</li> <li>– Continue to strengthen our market and new product development</li> </ul>	<ul style="list-style-type: none"> <li>– Product</li> <li>– R&amp;D</li> </ul>
VI	Disruptions to our supply chain may impair our ability to bring our products to market.	We source and transport our salmon over long distances. As most of our products are perishable and can be stored only for a limited time, disruptions to our supply chain due to weather, earthquakes, natural disaster, fire or explosion, terrorism, pandemics, strikes, government action, environmental incidents or other matters beyond our control could impair our ability to bring our products to the market (timely or at all).	<ul style="list-style-type: none"> <li>– Emergency plans to mitigate consequences</li> <li>– Global footprint for farming and processing enabling cross-production</li> <li>– Branding strategy</li> </ul>	<ul style="list-style-type: none"> <li>– Analytical information</li> </ul>
VII	Natural disasters, catastrophes, fire or other unexpected events could cause significant losses of operational capacity.	Our facilities could be materially damaged by natural disasters, and we could incur uninsured losses and liabilities arising from such events, including damage to our reputation and/or suffer material losses in operational capacity.	<ul style="list-style-type: none"> <li>– Risk-based insurance coverage</li> <li>– Emergency plans to mitigate consequences</li> <li>– Strict standards for construction of operating units</li> <li>– Global footprint for farming and processing enabling cross-production</li> </ul>	<ul style="list-style-type: none"> <li>– Analytical information</li> </ul>

	RISK	SHORT DESCRIPTION	MITIGATION ACTION	REFERENCE
<b>1b</b>	<b>Risks related to governmental regulations</b>			
I	Governmental regulations affect our business.	The fish farming and processing industries are subject to local, regional and national government regulations relating to the farming, processing, packaging, storage, distribution, advertising, labeling, quality and safety of food products. Our operations are also subject to extensive and increasingly stringent regulations administered by environmental agencies in the jurisdictions in which we operate.	<ul style="list-style-type: none"> <li>– Continuous dialog with the authorities in the countries in which we operate to secure a sustainable operational framework</li> <li>– Active participation, alone or through joint industry groups, in consultative processes for new or updated regulatory frameworks</li> <li>– Rigorous testing to ensure that our products are safe and healthy</li> <li>– Third-party certification</li> </ul>	<ul style="list-style-type: none"> <li>– Leading the Blue Revolution</li> <li>– R&amp;D</li> <li>– Product</li> </ul>
II	Trade restrictions could have a negative impact on price in some countries.	Trade restrictions resulting in suboptimal distribution of salmon may be intensified, creating a negative impact on price in some countries. Many of our production sites are located outside our principal markets, leaving us exposed to trade restrictions. The effects of trade restrictions may have a significant negative impact on our ability to sell in certain regions or our ability to charge competitive prices for our products in such regions.	<ul style="list-style-type: none"> <li>– Dialog with authorities to ensure access to markets globally</li> <li>– Sales contract policy to reduce exposure to fluctuations</li> <li>– Global farming and processing footprint to mitigate the effects of trade restrictions with regional reach</li> <li>– Promotion of health benefits of salmon</li> </ul>	<ul style="list-style-type: none"> <li>– Leading the Blue Revolution</li> <li>– Profit</li> <li>– Note 13 Group</li> <li>– Analytical information</li> </ul>
III	We may face restrictions with regard to operating sites located close to protected or highly sensitive areas.	Some of our sites are located close to or within sensitive areas with respect to biodiversity. The effect of salmon farming on the environment and biodiversity is being intensively discussed and new regulations in this area could result in the closure of sites or require the implementation of costly measures. In addition, new regulations could result in restrictions to certain additives used in fish feed and in medication becoming prohibited at these sites if they are believed to have an adverse impact on the environment. Compliance with such laws, rules and regulations, or a breach of them, may have a materially adverse effect on our business and financial figures.	<ul style="list-style-type: none"> <li>– Continuous dialog with the authorities in the countries in which we operate to document that biodiversity is not adversely affected by our operations</li> <li>– Cooperation agreement with WWF</li> <li>– Norway for mutual exchange of ideas and information</li> <li>– Environmental testing and documentation to ensure that our operations do not leave a lasting footprint</li> </ul>	<ul style="list-style-type: none"> <li>– Leading the Blue Revolution</li> <li>– R&amp;D</li> <li>– Planet</li> <li>– BoD report</li> </ul>
IV	Our fish farming operations are dependent on fish farming licenses.	In the jurisdictions in which we operate, we are required to obtain licenses in order to farm fish. We have obtained and currently hold such licenses for our operations. Governments may, however, change the way licenses are distributed, or otherwise dilute or invalidate our licenses. If we are unable to maintain existing or obtain new fish farming licenses, or if a new licensing regulation dilutes the value of our licenses, this may have a materially adverse effect on our business.	<ul style="list-style-type: none"> <li>– Continuous dialog with the authorities in the countries in which we operate to discuss our and their role in securing the sustainable development of the industry</li> </ul>	<ul style="list-style-type: none"> <li>– Dear stakeholders</li> <li>– Leading the Blue Revolution</li> <li>– R&amp;D</li> <li>– Note 9 Group</li> </ul>
V	Antitrust and competition regulations may restrict further growth in some of the jurisdictions in which we operate.	Our business and operations are subject to regulation by antitrust or competition authorities, particularly due to our significant market shares in the jurisdictions in which we operate. The risks of infringing competition laws and regulations are higher in markets in which we hold a leading position. In an acquisition setting, we may be forced to divest certain parts of the acquisition, which may have a materially adverse effect on our business and financial figures.	<ul style="list-style-type: none"> <li>– Continuous dialog with the authorities in the countries in which we operate to discuss the potential benefits of industry consolidation from a sustainability point of view</li> </ul>	<ul style="list-style-type: none"> <li>– Dear stakeholders</li> <li>– Leading the Blue Revolution</li> </ul>
VI	We could be adversely affected by violations of the acceptable anti-corruption laws.	Applicable anti-corruption laws, including the US Foreign Corrupt Practices Act and the UK Bribery Act of 2010, generally prohibit companies and their intermediaries from making improper payments, and require companies to keep accurate books and records as well as appropriate internal controls. We operate in some parts of the world that have experienced governmental corruption, and if we were found liable for violations of anti-corruption laws, we may incur civil and criminal penalties which could have a materially adverse effect on our business, financial figures and reputation.	<ul style="list-style-type: none"> <li>– Code of Conduct</li> <li>– Leadership Principles</li> </ul>	<ul style="list-style-type: none"> <li>– Leading the Blue Revolution</li> <li>– People</li> <li>– Corporate governance</li> </ul>

	RISK	SHORT DESCRIPTION	MITIGATION ACTION	REFERENCE
<b>1c</b>	<b>Risks related to our fish farming operations</b>			
I	Fish are adversely affected by sea lice, and we may incur significant costs and be exposed to regulatory actions if the challenge is not addressed.	The authorities in all countries with an aquaculture industry have set limits for the acceptable number of sea lice per fish. A failure to control sea lice levels may result in an increased number of treatments, compromised fish welfare, higher costs and the possibility of regulatory actions.	<ul style="list-style-type: none"> <li>– <i>Implementation of our sea lice strategy.</i></li> <li>– <i>Continuous R&amp;D efforts on most effective lice strategy, as well as new tools to control sea lice in a sustainable manner</i></li> </ul>	<ul style="list-style-type: none"> <li>– <i>R&amp;D</i></li> <li>– <i>Planet</i></li> </ul>
II	We may be exposed to criticism and regulatory actions arising from our farming of and use of wild caught cleaner fish for sea lice control.	Our sea lice control strategy is primarily based on using non-medicinal tools and includes the use of cleaner fish. Catch, farming and use of cleaner fish have raised concerns with regards to protection of wild stocks, husbandry practices, fish welfare and survival. Therefore, the use of cleaner fish could result in negative publicity, reputational harm and possibly regulatory actions.	<ul style="list-style-type: none"> <li>– <i>R&amp;D in key areas including fish health, fish nutrition and husbandry</i></li> <li>– <i>Good farming practices (identification and implementation of best practices during farming of cleaner fish, as well as at the salmon farms)</i></li> </ul>	<ul style="list-style-type: none"> <li>– <i>R&amp;D</i></li> <li>– <i>Planet</i></li> </ul>
III	Our fish stocks, operations and reputation can be adversely affected by various diseases.	Our fish are affected by diseases caused by viruses, bacteria and parasites which may have an adverse effect on fish survival, health, growth and welfare and result in reduced harvest weight and volume, downgrading of products, claims from customers and increased costs. Continued disease problems may also attract negative media attention and public concerns.	<ul style="list-style-type: none"> <li>– <i>Disease registration and tracking of reasons for reduced survival to monitor development and prioritise R&amp;D</i></li> <li>– <i>Applying best farming practices for disease control</i></li> <li>– <i>R&amp;D efforts within disease management and control, including more knowledge of best farming practices, vaccine testing and use, breeding program which includes selection of best genetics related to fish robustness and resistance to diseases</i></li> </ul>	<ul style="list-style-type: none"> <li>– <i>R&amp;D</i></li> <li>– <i>Planet</i></li> </ul>
IV	Our fish stocks can be depleted by environmental factors such as plankton, low oxygen levels and fluctuating seawater temperatures.	Our salmon farming operations are subject to a number of environmental risks which may impact profitability and cash flows through adverse effects on growth, harvest weight, harvest volume, mortality, downgrading and claims.	<ul style="list-style-type: none"> <li>– <i>Continuous R&amp;D effort to manage the challenges including the use of skirts around the pens and continuous oxygen monitoring systems at the bottom of the pens</i></li> <li>– <i>Plankton (including algae) surveillance systems</i></li> </ul>	<ul style="list-style-type: none"> <li>– <i>Planet</i></li> </ul>
V	Our fish stocks are subject to risks associated with fish escapes and predation.	Salmon escapes are most commonly caused by human error, severe weather and structural issues at our farming sites. In addition to affecting our salmon count, escaped farmed salmon may impact wild salmonid stocks by genetic interaction and the risk of transferring disease. This may result in negative publicity and penalties or other sanctions from governmental authorities. Our salmon is also subject to predation by other animals which can affect our salmon count and adversely impact our results of operations.	<ul style="list-style-type: none"> <li>– <i>Escape prevention and mitigation plans</i></li> <li>– <i>Tracking of all escape incidents and investigation for cause of incident for information sharing and learning</i></li> <li>– <i>Applying best practices for escape prevention</i></li> <li>– <i>Continuous R&amp;D effort to test farming equipment for severe weather conditions</i></li> </ul>	<ul style="list-style-type: none"> <li>– <i>R&amp;D</i></li> <li>– <i>Planet</i></li> <li>– <i>BoD report</i></li> </ul>
VI	Intensive production may result in physical deformities, leading to downgrading and/or losses of biomass as well as to reputational harm.	Intensified production may push the boundaries for how fast fish can grow, and cause production-related disorders relating to physical deformities and cataracts. High water temperatures of more than 14 degrees Celsius early in the freshwater stage, water quality and diet composition may all be contributing factors. Deformities and cataracts may lead to financial losses and damage to the industry and our reputation.	<ul style="list-style-type: none"> <li>– <i>R&amp;D - feed research trials to document that the diets used in commercial salmon farming are not compromising fish health and welfare</i></li> <li>– <i>R&amp;D salmon growth trials to develop best farming practices for growth</i></li> </ul>	<ul style="list-style-type: none"> <li>– <i>R&amp;D</i></li> <li>– <i>Planet</i></li> </ul>
VII	Our fish stocks might be exposed to contaminants, leading to product recalls, product liability, negative publicity and governmental sanctions	Farm-raised salmon may be exposed to contamination by undesirable substances through raw materials and ingredients in the fish feed, polluted waters, poor processing hygiene and cross-contamination during handling. Contamination may affect food safety, fish health and the environment, and reduce the public's confidence in eating salmon.	<ul style="list-style-type: none"> <li>– <i>Vigorous product testing to document that our products are safe</i></li> <li>– <i>Requirements to suppliers and certification of raw materials used in our fish feed</i></li> <li>– <i>Testing of raw materials and feed used in our farming operations</i></li> </ul>	<ul style="list-style-type: none"> <li>– <i>R&amp;D</i></li> <li>– <i>Planet</i></li> <li>– <i>Product</i></li> </ul>

	RISK	SHORT DESCRIPTION	MITIGATION ACTION	REFERENCE
VIII	Our fish may be exposed to pollutants from open seas resulting in mortality and poor end-product quality	Fish farming is conducted using open net pen systems located in marine environments. Operations are therefore exposed to pollution from the open sea, including potential oil leaks or spills. Oil products floating into a farm will severely affect the fish's normal oxygen uptake, reduce fish survival and leave an unpleasant taste on surviving fish, making it inedible.	<ul style="list-style-type: none"> <li>– Testing of end-products to document that they are safe and of high quality</li> <li>– Locating farms in areas with clean waters and a low risk of pollution</li> </ul>	<ul style="list-style-type: none"> <li>– R&amp;D</li> <li>– Product</li> </ul>
IX	Inclement weather could hurt our stocks negatively affect our operations and damage our facilities	Unusually warm or cold temperatures, altered oxygen levels in the sea resulting from annual variations, as well as extreme weather in the regions where we operate could cause impairment of the health and growth of our fish or result in fish escapes, loss of biomass, lost feeding days, repair costs, damage to infrastructure, etc.	<ul style="list-style-type: none"> <li>– Ref Fish Escapes above</li> <li>– New technology</li> <li>– Evaluation of environmental conditions and use of equipment fit for the conditions in the area</li> </ul>	<ul style="list-style-type: none"> <li>– Ref Fish Escapes above</li> <li>– R&amp;D</li> </ul>
X	Our operations are exposed to risks related to biological events or natural phenomena for which insurance coverage is expensive, limited and potentially inadequate.	Our business operations are subject to a number of adverse biological risks, including risks relating to sea lice, fish mortality, disease, predation and other biological risks. There will always be a risk that certain biological events or natural phenomena may occur for which no or only partial insurance coverage is payable.	<ul style="list-style-type: none"> <li>– Ref Sea lice above</li> <li>– Ref Disease above</li> <li>– Risk-based insurance coverage</li> </ul>	<ul style="list-style-type: none"> <li>– Ref Sea lice above</li> <li>– Ref Disease above</li> </ul>
<b>1d</b>	<b>Risks related to our supply of fish feed and our feed operations</b>			
I	Reduced availability of the main ingredients used in fish feed production could result in higher costs for fish feed.	Fish feed is a main cost driver approximately 40-50% of our "cost in box". Global inventories, currency fluctuations and seawater temperatures all affect the supply of feed ingredients. Fish oil and fish meal are produced using wild caught fish such as anchovies. The extensive use of fish oil combined with a growing fish farming industry presents a sustainability challenge for the industry. Other key ingredients such as canola oil, soy bean protein and wheat are subject to unpredictable price changes caused by supply and demand fluctuations, weather, size of harvest, transportation and storage cost, global policies, etc.	<ul style="list-style-type: none"> <li>– Continuously working in-house and with feed suppliers to ensure that the feed recipes are altered based on relative prices to secure the lowest possible cost without compromising fish health</li> <li>– Efforts to test and document feeds with lower levels of marine ingredients without compromising fish health/performance</li> </ul>	<ul style="list-style-type: none"> <li>– R&amp;D</li> <li>– Profit</li> <li>– Planet</li> <li>– Analytical information</li> </ul>
II	Termination of one or more of our feed contracts at short notice could result in material additional costs.	We still depend on third-party feed suppliers. The fish feed industry is dominated by three large, global suppliers, which normally adapt their production volumes to prevailing supply commitments. If one or more of our feed contracts were terminated at short notice prior to their respective expiration dates, we may be forced to find alternative suppliers at short notice, incurring additional costs.	<ul style="list-style-type: none"> <li>– Long-term supply contracts with termination clauses</li> <li>– Own feed production</li> </ul>	<ul style="list-style-type: none"> <li>– Leading the Blue Revolution</li> </ul>
III	Production issues in our own feed operations could cause us to incur material additional costs.	If our feed operation were to encounter production challenges, including those related to contaminated fish feed/feed ingredients, labour stoppages, disruptions in the supply chain and environmental and regulatory issues, we may be forced to find alternative suppliers in the market at short notice, incurring additional costs and potential disruptions to our farming operations. We could also be liable for losses incurred by third party feed customers.	<ul style="list-style-type: none"> <li>– Certification of raw materials used</li> <li>– Testing of feed ingredients</li> <li>– Employee HSE surveys</li> <li>– Use of numerous suppliers of feed ingredients</li> </ul>	<ul style="list-style-type: none"> <li>– Planet</li> <li>– People</li> </ul>
IV	A reduction in the quality of our fish feed could have a materially adverse effect on our production.	Fish feed is essential to our fish production, as its quality affects the quality and volume of our harvests. Our feed conversion rate may increase due to lower quality or a suboptimal mix of ingredients used.	<ul style="list-style-type: none"> <li>– Testing to document that our feed is of high quality, contributing to good growth and favourable feed conversion rates</li> </ul>	<ul style="list-style-type: none"> <li>– R&amp;D</li> <li>– Planet</li> </ul>
V	Inferior or contaminated fish feed could result in product liability or other serious adverse consequences for us.	Harmful substances may be found in feed ingredients, and although we have implemented risk analysis and screening protocols to prevent the contamination of our feed, undetected contamination could cause severe damage to the salmon, potentially causing health issues for consumers and resulting in liability claims.	<ul style="list-style-type: none"> <li>– Certification of raw materials used</li> <li>– Testing of feed ingredients</li> <li>– Testing of end products</li> <li>– Risk analysis and screening protocols</li> </ul>	<ul style="list-style-type: none"> <li>– R&amp;D</li> <li>– Planet</li> <li>– Product</li> </ul>

	RISK	SHORT DESCRIPTION	MITIGATION ACTION	REFERENCE
<b>1e</b>	<b>Risks related to our industry</b>			
I	Our facilities may be the target of sabotage by environmental organisations.	Some environmental organisations have the eradication of salmon farming as one of their stated aims. A risk of sabotage can therefore not be ruled out.	<ul style="list-style-type: none"> <li>– Stakeholder dialog for the exchange of information and ideas</li> </ul>	<ul style="list-style-type: none"> <li>– Leading the Blue Revolution</li> </ul>
II	The aquaculture industry may be subject to negative media coverage.	Farm-raised salmon has in some instances been subject to criticism from various research communities and NGOs, which may affect consumer attitudes towards farm-raised salmon. Such negative consumer attitudes may result in a lower demand for our products.	<ul style="list-style-type: none"> <li>– Stakeholder dialog for the exchange of information and ideas</li> <li>– Documentation of our farming practices and third-party certification</li> </ul>	<ul style="list-style-type: none"> <li>– Leading the Blue Revolution</li> <li>– Planet</li> <li>– Product</li> </ul>
<b>1f</b>	<b>Risks related to our business</b>			
I	We derive nearly all our revenues from sales of Atlantic salmon and are heavily dependent on the market for Atlantic salmon.	Our business consists primarily of raising and selling Atlantic salmon, and we expect this to continue for the foreseeable future. Accordingly, our business is heavily dependent on the market for Atlantic salmon.	<ul style="list-style-type: none"> <li>– Ref Market demand for our products above</li> <li>– Ref Change in consumer preferences above</li> </ul>	<ul style="list-style-type: none"> <li>– Ref Market demand for our products above</li> <li>– Ref Change in consumer preferences above</li> </ul>
II	We rely heavily on the services of key personnel.	We depend substantially on the leadership of a small number of executive officers and other key employees. The loss of the services provided by these individuals could have a materially adverse effect on our business. We may also find it difficult to attract the necessary employee resources in the remote areas in which we operate.	<ul style="list-style-type: none"> <li>– Roll out our leadership principles and continue to build a winning culture that supports employee development and attracts new employees</li> <li>– Remuneration of key management personnel</li> </ul>	<ul style="list-style-type: none"> <li>– Leading the Blue Revolution</li> <li>– People</li> <li>– Note 14 Group</li> <li>– Note 15 ASA</li> </ul>
III	We are subject to risks associated with our international operations and our expansion into emerging markets.	Our global operational footprint means we are subject to various risks and uncertainties relating to our international operations. These include the imposition of trade protection measures, corruption, the impact of exchange rate fluctuations, political, social and economic conditions, compliance with domestic and international laws, different regulatory structures, differing tax regimes and distribution. Negative consequences in these regards could limit our ability to transact business in current or future markets.	<ul style="list-style-type: none"> <li>– Identification of risk and risk mitigating actions prior to entering new markets</li> <li>– Risk mapping on a continuous basis</li> </ul>	<ul style="list-style-type: none"> <li>– Risk an Risk Management</li> </ul>
IV	Political instability may have a material adverse effect on our business, results of operation and financial condition.	Political instability has in the past, and may in the future, adversely affect our operational results. The Russian ban on imports of salmon products from certain countries and the Chinese restrictions on imports of Norwegian salmon are recent examples in this regard.	<ul style="list-style-type: none"> <li>– Global farming, processing and supply footprint expanding the opportunities if political actions target a specific place of origin only</li> </ul>	<ul style="list-style-type: none"> <li>– Analytical information</li> </ul>
V	We depend on the availability of and good relations with our employees.	Our operations depend on the availability, retention and relative cost of labour, and on maintaining satisfactory relations with employees and labour unions. Labour relation issues may arise from time to time, which could result in strikes or other labour disputes.	<ul style="list-style-type: none"> <li>– Roll out our leadership principles and continue to build a winning culture that supports employee development and attracts new employees</li> <li>– Fair compensation</li> <li>– Cooperation with employees organisations and unions</li> </ul>	<ul style="list-style-type: none"> <li>– Leading the Blue Revolution</li> <li>– People</li> </ul>
VI	We depend on a small number of contractors for key industry supplies, such as fish feed and well boats.	We depend on major industry suppliers of well boats and fish feed. We hire most of our well boats, and we purchase a significant share of our fish feed from third parties. There is a limited number of key suppliers of these items to our industry, and failure to maintain good business relationships with these suppliers may have a significantly adverse effect on us.	<ul style="list-style-type: none"> <li>– Own feed production</li> <li>– Stakeholder dialog</li> </ul>	<ul style="list-style-type: none"> <li>– Leading the Blue Revolution</li> </ul>



	RISK	SHORT DESCRIPTION	MITIGATION ACTION	REFERENCE
VII	Some steps of the production process are outside our control.	We purchase seafood from third parties as an input factor in some of our secondary processing activities. We do not control the production process for the seafood we purchase, and it may contain foreign elements that are harmful or prohibited under the laws of the countries in which we distribute the product. Furthermore, substantial sales of generic and private label products mean that we do not always control the brand under which our products are sold. This may have a negative impact on our reputation in addition to making it difficult for us to build brand loyalty.	<ul style="list-style-type: none"> <li>– Brand building to differentiate our products</li> <li>– Product testing</li> <li>– Supplier commitment to our code of conduct</li> </ul>	<ul style="list-style-type: none"> <li>– Product</li> <li>– People</li> </ul>
<b>1g</b>	<b>Risks related to our financing arrangements</b>			
I	If we are unable to access capital, we may be unable to grow or implement our strategy as designed.	Feed production, salmon farming and seafood processing are capital intensive industries. Our future development and growth may depend on access to external capital in the form of debt and/ or equity capital. A lack of access to such capital, or material changes in the terms and conditions of our external financing could limit our future growth and strategy.	<ul style="list-style-type: none"> <li>– Ref all actions to safeguard profit and reduce/manage costs</li> <li>– Ref Salmon price, market demand, sea lice, disease, Kudoa above</li> </ul>	<ul style="list-style-type: none"> <li>– Ref salmon price, market demand, sea lice, disease, kudoa, contractors for key industry supplies above</li> <li>– Note 13 Group</li> <li>– BoD report</li> </ul>
II	We are highly leveraged and subject to restrictions in our financing agreements that impose constraints on our operating and financing flexibility.	We have substantial debts outstanding. We may need to refinance some or all of our borrowings, and may not be able to do so at attractive terms or at all. We may incur additional debt in the future, subject to limitations under our credit facilities and bond terms.	<ul style="list-style-type: none"> <li>– Ref all actions to safeguard profit and reduce/manage costs</li> <li>– Ref salmon price, market demand, sea lice, disease, Kudoa above</li> <li>– Using a portfolio of financing options to reduce dependence on our syndicated credit facility</li> </ul>	<ul style="list-style-type: none"> <li>– Ref salmon price, market demand, sea lice, disease, kudoa, contractors for key industry supplies above</li> <li>– Note 13 Group</li> <li>– BoD report</li> </ul>
III	Fluctuations in the value of the derivatives used to hedge our exposure to salmon prices may adversely impact our operating results.	Our business is exposed to fluctuating salmon prices, and we use contracts and derivative financial instruments to reduce such exposure. The use of derivative financial instruments reduces our exposure to changes in prices, but may also limit our ability to benefit from favourable trends in salmon prices, while our contracts can adversely affect our profitability when spot prices are rising.	<ul style="list-style-type: none"> <li>– Ref salmon price above</li> </ul>	<ul style="list-style-type: none"> <li>– Ref salmon price above</li> <li>– Note 13 Group</li> <li>– BoD report</li> </ul>
IV	Fluctuations in foreign exchange rates may adversely impact our operating results.	We are exposed to changes in foreign exchange rates as a part of our business operations. Although we seek to hedge our exposure to currency risk, such hedging arrangements may not be effective, which may ultimately have a materially adverse effect on our business and financial figures.	<ul style="list-style-type: none"> <li>– Foreign Exchange Strategy</li> <li>– Hedging Policy</li> </ul>	<ul style="list-style-type: none"> <li>– Note 13 Group</li> <li>– BoD report</li> </ul>
V	We are subject to fluctuations in interest rates due to the prevalence of floating interest rates in our debt.	We are partly financed at floating interest rates, and our hedges against interest rate fluctuations in the main currencies related to our interest-bearing debt may be ineffective in protecting us from the effects of interest rate increases.	<ul style="list-style-type: none"> <li>– Hedging policy - interest rate swaps</li> </ul>	<ul style="list-style-type: none"> <li>– Note 13 Group</li> <li>– BoD report</li> </ul>
VI	If our customers fail to fulfill their contractual obligations we may suffer losses.	We are exposed to the risk of losses if one or more contractual partners do not meet their obligations. We cannot guarantee that we will be able to recover losses from trade receivables from credit insurance companies or that our credit evaluations of trading partners will be effective.	<ul style="list-style-type: none"> <li>– Insurance policy</li> <li>– Credit ratings of all customers</li> <li>– Close follow up of customers</li> </ul>	<ul style="list-style-type: none"> <li>– Note 13 Group</li> <li>– BoD report</li> </ul>

	RISK	SHORT DESCRIPTION	MITIGATION ACTION	REFERENCE
<b>1h</b>	<b>Risks related to tax and legal matters</b>			
I	We are exposed to potentially adverse changes in the tax regimes of the jurisdictions in which we operate.	Significant changes in the tax regimes in the countries in which we operate may have a materially adverse effect on our financial figures.	<ul style="list-style-type: none"> <li>– Tax optimisation within the laws of the countries in which we operate</li> </ul>	– Note 15 Group
II	We may become involved in legal disputes.	We may from time to time become involved in legal disputes. We could be involved in criminal or civil proceedings relating to product liability, environmental, food safety, competition or anti-bribery regulations, and other types of dispute which may have a materially adverse effect.	<ul style="list-style-type: none"> <li>– Contract negotiations</li> <li>– Use of expert advisers in complex matters</li> </ul>	– Note 27 Group
<b>1i</b>	<b>Risks related to climate change</b>			
I	Physical related risks: the tangible effect of climate change have the potential to damage fish farming facilities, disrupt production activities and could cause us to incur significant costs.	Climate change could affect the severity of weather, sea levels and temperatures, the frequency of algae blooms, and the availability of the raw materials for our fish feeds. If any such effects were to occur, they may have a materially adverse effect on our business and financial figures.	<ul style="list-style-type: none"> <li>– Doing our part: to reducing our carbon footprint and build up mitigation strategies connected with more resilient equipment</li> <li>– Testing of alternative raw materials in feed and focusing on low carbon footprint feed raw materials</li> <li>– Assessment of specific risks related to each facility used in our operation</li> </ul>	<ul style="list-style-type: none"> <li>– R&amp;D</li> <li>– Planet</li> </ul>
II	Transitional related risks: climate change rules and regulations could increase the costs of operating our facilities or transporting our products.	Climate change and its link to the emission of greenhouse gases is receiving more and more attention. Certain countries and regions have adopted, or are considering, legislation or regulations imposing overall caps or taxes on greenhouse gas emissions, or mandating the increased use of electricity from renewable energy sources. These actions could increase our operating costs.	<ul style="list-style-type: none"> <li>– Doing our part: endorsing global sustainability issues and addressing climate change by implementing our low carbon transition plan</li> </ul>	<ul style="list-style-type: none"> <li>– Dear stakeholder</li> <li>– Planet</li> </ul>
<b>1J</b>	<b>Risk related to cyber security and technological innovation</b>			
I	We are subject to risks related to IT and cyber security.	As dependency on IT systems increases in all parts of our business, and conflict levels escalate around the world, the risk of falling victim to a sophisticated cyberattack is rising to companies in general, Mowi being no exception.	<ul style="list-style-type: none"> <li>– Monitoring and testing of IT systems, including backup / restoration procedures</li> <li>– Crisis management plan</li> <li>– Extensive mandatory security training. Non-compliant users disabled.</li> <li>– "Ethical hacking" and use of expert advisers in complex matters</li> <li>– Reporting / blocking of phishing emails and Multi-factor authentication enabled</li> </ul>	– People
II	We are subject to risks related to Access Management and IT Change Management.	With enterprise systems there is a risk of 1) unauthorized system access, 2) authorized users not getting access to the necessary data, 3) authorized access is not sufficiently restricted. Changes to IT Applications introduce new functionality which can have an unintended negative impact on operations	<ul style="list-style-type: none"> <li>– Strict Access Management procedures defined, with supporting tools</li> <li>– Regular audits of access</li> <li>– Strong documentation and approval procedures for software changes.</li> <li>– Strong documentation and approval procedures for software changes.</li> </ul>	– People
III	We are subject to IT risks related to our operations and operational risk.	As IT systems become ubiquitous in our business, the risk of business disruptions if the mission-critical systems are unavailable or if support is not readily available.	<ul style="list-style-type: none"> <li>– Monitoring of factory systems, networks, cloud solutions</li> <li>– Network maintenance and patching</li> <li>– Global ServiceDesk</li> <li>– Enforcing best practices regarding patching and updating of systems</li> <li>– Enforcing best practices regarding patching and updating of systems</li> </ul>	

	RISK	SHORT DESCRIPTION	MITIGATION ACTION	REFERENCE
IV	We are subject to IT risks related to implementation of new systems and improvement projects	Implementation of standard enterprise applications and new Information Technology can put demands on the organisation, on processes and on the ability to change the way of working.	<ul style="list-style-type: none"> <li>– Formal approval of new projects</li> <li>– Project governance with strong IT / Business partnership</li> <li>– Framework to track quality, timeliness and cost of project / program deliverables</li> <li>– Framework to track quality, timeliness and cost of project / program deliverables</li> </ul>	
<b>2 Risks related to our strategy - acquisitions and expansions</b>				
I	The construction and potential benefits of our fresh water expansion projects are subject to risks and uncertainties.	The expected benefits are higher quality and larger smolt, produced in a controlled environment and at a lower cost. The anticipated benefits may not be achieved or if achieved, may not be achieved in the expected time frame.	<ul style="list-style-type: none"> <li>– Build on group wide know how and skills in the construction and production processes.</li> </ul>	<ul style="list-style-type: none"> <li>– Leading the Blue Revolution</li> </ul>
II	We would be adversely affected if we expanded our business through acquisitions or greenfield projects but failed to successfully integrate them or run them efficiently or retain the associated fish farming licenses.	We regularly evaluate expansion opportunities, such as acquiring other businesses, or building new processing plants and expanding our fish farming operations, or expanding into new related areas of operations. Significant expansion involves risks, and if we are unable to integrate acquired businesses or newly formed operations, expansion may have a materially adverse effect on our business and financial figures.	<ul style="list-style-type: none"> <li>– Draw on internal key resources</li> <li>– Recruitment of experienced staff</li> <li>– Use of expert advisers in complex matters</li> </ul>	<ul style="list-style-type: none"> <li>– People</li> </ul>
<b>3 Risks related to reporting</b>				
I	A failure to run an effective risk assessment process and update our internal control system accordingly, could imply that there is a risk of material mistakes in our financial figures.	As of December 31, 2021 we consider our internal control system to be effective, but there can be no assurance that, going forward, our efforts will effectively prevent material misstatements in our consolidated statements. If we are unable to maintain effective internal control, this could have a materially adverse effect on our business.	<ul style="list-style-type: none"> <li>– Global risk and risk management focus</li> </ul>	<ul style="list-style-type: none"> <li>– BoD report</li> <li>– Corporate Governance</li> </ul>
<b>4 Risks related to other legal matters</b>				
I	Developments related to antitrust investigations could have a materially adverse effect.	We are subject to a variety of laws and regulations that govern our business, including those relating to competition (antitrust). If we are found to have violated the competition laws in a jurisdiction, we may be fined, which could have a materially adverse effect on our financial figures.	<ul style="list-style-type: none"> <li>– Use of expert advisers in complex matters</li> <li>– Specific training of personnel including training sessions performed by external experts</li> <li>– Code of Conduct including testing</li> </ul>	<ul style="list-style-type: none"> <li>– Note 27 Group</li> </ul>
II	Failure to ensure food safety and compliance with food safety standards could result in serious adverse consequences for us.	The food industry in general experiences high levels of customer awareness with respect to food safety and product quality, information and traceability. We may fail to meet new and exacting customer requirements, which could reduce demand for our products.	<ul style="list-style-type: none"> <li>– Applying best practices related to food safety at all stages of the production chain</li> <li>– Vigorous product testing to document that our products are safe</li> <li>– Third-party certification with respect to best practices in hygiene and food safety</li> </ul>	<ul style="list-style-type: none"> <li>– R&amp;D</li> <li>– Product</li> </ul>
III	Any failure to comply with laws and regulations in the countries in which we operate could result in serious adverse consequences for us.	Our global operational footprint makes us subject to various risks and uncertainties relating to our international operations, including compliance with domestic and international laws. Any failure to comply with the laws and regulations in the countries in which we operate could result in fines, withdrawal of operating rights and other serious adverse consequences for us.	<ul style="list-style-type: none"> <li>– Use of expert advisers in complex matters</li> <li>– Recruitment of highly skilled employees</li> <li>– Code of Conduct</li> <li>– Independent Whistleblower channel</li> </ul>	<ul style="list-style-type: none"> <li>– People</li> </ul>

# GRI Index

**Profit**

Kristian Ellingsen  
*Chief Financial Officer*

**Planet**

Catarina Martins  
*Chief Sustainability Officer and Chief Technology Officer*

**Product**

Ola Brattvoll  
*Chief Operating Officer Sales & Marketing*

**People**

Anne Lorgen Riise  
*Chief Human Resource Officer*

Mowi uses the GRI Standards core option for voluntary reporting of sustainable development. The guidelines comprise economic, environmental and social dimensions relating to an enterprise's activities, products and services. GRI collaborates with the United Nations Environment Program and UN Global Compact. Mowi has reported according to GRI since 2010.

We believe that our reporting practice is consistent with GRI's reporting principles in all material respects.

The report is externally assured by our auditor EY. The external assurance, as outlined in the Independent Auditor's Assurance report, concludes that the report is presented, in all material respects in accordance with the GRI Standards, core option.

The GRI index, including the full definition of each indicator and references to specific sections in this report as well as additional information, can be

found on our website Mowi.com and the index is also presented in this integrated annual report.

GRI Standards, both general and specific, are comprised of requirements. The general standard applies to all reporting organisations depending on the chosen 'in accordance' level. The specific standard is selected with regard to the materiality principle. In order to report 'in accordance' with the core requirements Mowi has answered each of the requirements for the required standards. Only in exceptional cases, if certain required information has not been possible to disclose, accepted reasons for omission have been applied.

The Index is a reference to the disclosed information and gives an overview over the omissions and the reasons why omissions are applied.

Any page reference in the index refers to Mowi's Annual Report.



## GENERAL STANDARD DISCLOSURES

Disclosure No.	Disclosure description	Mowi Response / Source	Assured by third party
<b>Organisational profile</b>			
102-1	Name of the organisation	MOWI ASA	Yes
102-2	Activities, brands, products, and services	Part 1 (pages 4-9) and Part 2, Segment overview (page 33)	Yes
102-3	Location of headquarters	Sandviksboder 77AB, 50 35 Bergen, Norway	Yes
102-4	Location of operations	Part 1, Map of Business Areas (pages 4-5) & Part 3, Note 4 (page 187)	Yes
102-5	Ownership and legal form	Part 3, Corporate Governance, Note 24, Share capital in Group Financial Statements (page 221) and Part 4, Share and shareholder information (pages 266-270)	Yes
102-6	Markets served	Part 2, Profit (pages 31,32) & Product (pages 80-83), Part 4 Analytical information (pages 256,257)	Yes
102-7	Scale of the organisation	Key figures, Business areas (pages 4-11)	Yes
102-8	Information on employees and other workers	Part 2, People (pages 101-123)	Yes
102-9	Supply chain	Part 1, Leading the Blue Revolution (pages 18,19), Part 2, People (pages 102-108), Part 4 Analytical information (pages 280-283)	Yes
102-10	Significant changes to the organisation and its supply chain	Part 1, Dear stakeholder (pages 6-9) & Leading the Blue Revolution (pages 12-24)	Yes
102-11	Precautionary Principle or approach	Part 1, Dear stakeholder (pages 6-9) & Leading the Blue Revolution (pages 12-24)	Yes
102-12	External initiatives	Part 2, Planet (pages 43-75) & Part 4 Risk and Risk Management (pages 279-287)	Yes
102-13	Membership of associations	Part 1, Leading the Blue Revolution (page 18)	Yes
<b>Strategy</b>			
102-14	Statement from senior decision-maker	Part 1, Dear stakeholder (CEO, pages 6-9), Part 3, Board Report (pages 144-158)	Yes
<b>Ethics and Integrity</b>			
102-16	Values, principles, standards, and norms of behavior	Part 1, Long term value drivers (pages 19,21)	Yes
<b>Governance</b>			
102-18	Governance structure	Part 1, Leading the Blue Revolution (pages 12-24), Part 2, People (pages 101-123), Part 3 Corporate Governance (pages 160-170)	Yes
<b>Stakeholder engagement</b>			
102-40	List of stakeholder Groups	Part 1, Leading the Blue Revolution (page 17), Part 2, People (pages 112,113)	Yes
102-41	Collective bargaining agreements	Part 2, People (page 103)	Yes
102-42	Identifying and selecting stakeholders	Part 1, Leading the Blue Revolution (pages 16-18) and Part 3, Corporate Governance (pages 160-170)	Yes
102-43	Approach to stakeholder engagement	Part 1, Leading the Blue Revolution (pages 16-18); Part 2, People (pages 101-123), and Part 3, Corporate Governance (pages 160-170)	Yes
102-44	Key topics and concerns raised	Part 1, Leading the Blue Revolution (pages 16-18)	Yes



Disclosure No.	Disclosure description	Mowi Response / Source	Assured by third party
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	Part 3, Group Results note 1 & 23 (pages 178 and 219)	Yes
102-46	Defining report content and topic boundaries	This index, Part 1 Leading the Blue Revolution (Mowi's most material value drivers, page 21)	Yes
102-47	List of material topics	This index, Part 1 Leading the Blue Revolution (Mowi's most material value drivers, page 21)	Yes
102-48	Restatement of information	Refer to page 48, 49 for the description of changes made in previously reported Scope 1 and Scope 3 data	Yes
102-49	Changes in reporting	No significant changes in reporting	Yes
102-50	Reporting period	01.01.2021-31.12.2021	Yes
102-51	Date of most recent report	March 29, 2022	Yes
102-52	Reporting cycle	Annual/Yearly	Yes
102-53	Contact point for questions regarding the report	Chief Technology and Sustainability Officer	Yes
102-54	Claims of reporting in accordance with the GRI standards	GRI standards core	Yes
102-55	GRI content index	This index	Yes
102-56	External Assurance	Integrated Annual Report and GRI Reporting are assured by our external auditor EY	Yes

## SPECIFIC STANDARD DISCLOSURES

Disclosure No.	Disclosure description	Reference	Omission	Reason for omission	Explanation of omission	Assured by third party
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### Mowi Material topic: Climate friendly food production

#### GRI Management approach

103-1	Explanation of the material topic and its Boundary	Part 1, Dear stakeholder Material long term value drivers (page 19,21)	No			Yes
103-2	The management approach and its components	Part 1, Dear stakeholder Material long term value drivers (pages 19,21)	No			Yes
103-3	Evaluation of the management approach	Key figures (page 10), Part 1, Material long term value drivers (pages 19,21)	No			Yes

#### GRI 201: Economic Performance

201-2	Financial implications and other risks and opportunities due to climate change	Risks related to climate change in Part 4, Risk and Risk Management (page 286) and TCFD report (section 4, pages 297-303)	No			Yes
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#### GRI 302- Energy

302-1	Energy consumption within the organisation	Part 2, Planet, The Global Picture - Climate Friendly Food production (pages 44-49)	No			Yes
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Disclosure No.	Disclosure description	Reference	Omission	Reason for omission	Explanation of omission	Assured by third party
<b>GRI 303- Water and effluents</b>						
303-3 *	Water withdrawal	Part 2, Planet, Freshwater use (page 62)	No			Yes

<b>GRI 305- Emissions</b>						
305-1 **	Direct (Scope 1) GHG emissions	Part 2, Planet, The Global Picture - Climate Friendly Food Production & Salmon: The Climate Friendly Protein (page 49)	No			Yes
305-2	Energy indirect (Scope 2) GHG emissions (location based)	Part 2, Planet, The Global Picture - Climate Friendly Food Production & Salmon: The Climate Friendly Protein (page 49)	No			Yes
305-3	Other indirect (Scope 3) GHG emissions	Disclosed in Part 2, Planet, The Global Picture - Climate Friendly Food Production (page 48,49)	No			Yes
Mowi own disclosure	No. and percentage of sites ASC certified and % of harvest volume certified with a GSSI recognised standard	Part 2, Planet, The Global Picture (page 50,51)	No			Yes

**Mowi Material topic: Fish escape prevention**

<b>GRI Management approach</b>						
103-1	Explanation of the material topic and its Boundary	Part 2, Planet, Escape Prevention (pages 53,54)	No			Yes
103-2	The management approach and its components	Part 2, Planet, Escape Prevention (pages 53,54)	No			Yes
103-3	Evaluation of the management approach	Part 2, Planet, Escape Prevention (pages 53,54)	No			Yes
Mowi own disclosure	Number of salmon escaped and not recaptured	Part 2, Planet, Escape Prevention (pages 53,54)	No			Yes

**Mowi Material topic: Fish welfare, health and robustness**

<b>GRI Management approach</b>						
103-1	Explanation of the material topic and its Boundary	Part 2, Planet, Fish Health and Welfare (pages 55-57)	No			Yes
103-2	The management approach and its components	Part 2, Planet, Fish Health and Welfare (pages 55-57)	No			Yes
103-3	Evaluation of the management approach	Part 2, Planet, Fish Health and Welfare (pages 55-57)	No			Yes
Mowi own disclosure	Main causes of mortality	Part 2, Planet, Fish Health and Welfare (pages 55-57)	No			Yes
Mowi own disclosure	% survival in sea	Part 2, Planet, Fish Health and Welfare (pages 55-57)	No			Yes
Mowi own disclosure	% survival in freshwater	Part 2, Planet, Fish Health and Welfare (pages 55-57)	No			Yes
Mowi own disclosure	Average monthly standing stocking density	Part 2, Planet, Fish Health and Welfare (pages 55-57)	No			Yes

**Mowi Material topic: Sea lice management**

<b>GRI Management approach</b>						
103-1	Explanation of the material topic and its Boundary	Part 2, Planet, Sea Lice Management (pages 58,59)	No			Yes

Disclosure No.	Disclosure description	Reference	Omission	Reason for omission	Explanation of omission	Assured by third party
103-2	The management approach and its components	Part 2, Planet, Sea Lice Management (pages 58,59)	No			Yes
103-3	Evaluation of the management approach	Part 2, Planet, Sea Lice Management (pages 58,59)	No			Yes
Mowi own disclosure	Sites above national action limits	Part 2, Planet, Sea Lice Management (page 58)	No			Yes

### Mowi Material topic: Responsible use of medicines and chemicals

#### GRI Management approach

103-1	Explanation of the material topic and its Boundary	Part 2, Planet, Medicine Use (pages 59-61)	No			Yes
103-2	The management approach and its components	Part 2, Planet, Medicine Use (pages 59-61)	No			Yes
103-3	Evaluation of the management approach	Part 2, Planet, Medicine Use (pages 59-61)	No			Yes
Mowi own disclosure	% sites using cleaner fish	Part 2, Planet, Sea Lice Management (page 59)	No			Yes
Mowi own disclosure	% treated fish using non-medicinal tools	Part 2, Planet, Sea Lice Management (page 59)	No			Yes
Mowi own disclosure	% reduction in total medicine use	Part 2, Planet, Sea Lice Management (page 59)	No			Yes
Mowi own disclosure	Antimicrobial use- active substance use per tonne biomass produced	Part 2, Planet, Medicine Use (page 71)	No			Yes

### Mowi Material topic: Responsible and circular nutrient and waste management

#### GRI Management approach

103-1	Explanation of the material topic and its Boundary	Part 2, Planet, Biodiversity (pages 60-66)	No			Yes
103-2	The management approach and its components	Part 2, Planet, Biodiversity (pages 60-66)	No			Yes
103-3	Evaluation of the management approach	Part 2, Planet, Biodiversity (pages 60-66)	No			Yes
Mowi own disclosure	% of sites operating within nationally acceptable benthic levels	Part 2, Planet, Biodiversity (page 64)	No			Yes

### Mowi Material topic: Wildlife interactions

#### GRI Management approach

103-1	Explanation of the material topic and its Boundary	Part 2, Planet, Biodiversity (pages 62,63)	No			Yes
103-2	The management approach and its components	Part 2, Planet, Biodiversity (pages 62,63)	No			Yes
103-3	Evaluation of the management approach	Part 2, Planet, Biodiversity (pages 62,63)	No			Yes
GRI 304- Biodiversity						
304-1 ***	Biodiversity area impacts	Part 2, Planet, Biodiversity (page 60)	No			Yes
304-2	Description of biodiversity impacts	Part 2, Planet, Biodiversity (page 60)	No			Yes

Disclosure No.	Disclosure description	Reference	Omission	Reason for omission	Explanation of omission	Assured by third party
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### Mowi Material topic: Efficient and sustainable fish feed

#### GRI Management approach

103-1	Explanation of the material topic and its Boundary	Planet, Part 2, Sustainable Feed (page 65-69)	No			Yes
103-2	The management approach and its components	Planet, Part 2, Sustainable Feed (page 65-69)	No			Yes
103-3	Evaluation of the management approach	Planet, Part 2, Sustainable Feed (page 65-69)	No			Yes
Mowi own disclosure	Fish-in fish-out ratio (FIFO), forage fish dependency ratio - oil (FFDRo) and meal (FFDRm)	Planet, Part 2, Sustainable Feed (pages 68,73)	No			Yes
Mowi own disclosure	Source of feed raw materials (% origin)	Planet, Part 2, Sustainable Feed (page 68)	No			Yes
Mowi own disclosure	% certified feed raw materials (fish and soy)	Planet, Part 2, Sustainable Feed (pages 65,66)	No			Yes
Mowi own disclosure	Fish meal inclusion in % per tonne feed used	Planet, Part 2, Sustainable Feed (page 72)	No			Yes
Mowi own disclosure	Fish oil inclusion in % per tonne feed used	Planet, Part 2, Sustainable Feed (page 72)	No			Yes

### Mowi Material topic: Ensure food safety and quality

#### GRI Management approach

103-1	Explanation of the material topic and its Boundary	Part 2, Product, Safe Seafood (pages 90,91)	No			Yes
103-2	The management approach and its components	Part 2, Product, Safe Seafood (pages 90,91)	No			Yes
103-3	Evaluation of the management approach	Part 2, Product, Safe Seafood (pages 90,91)	No			Yes

#### GRI 416- Customer health & safety

416-1	Products assessed for risks to customer health & safety	Part 2, Product, Safe Seafood (pages 90,91)	No			Yes
Mowi own disclosure	Level of dioxins and dioxin-like PCBs (pg-WHO-TEQ/g)	Part 2, Product, Data section (page 98)	No			Yes
Mowi own disclosure	Level of mercury (mg/kg)	Part 2, Product, Data section (page 98)	No			Yes

### Mowi Material topic: Healthy seafood

#### GRI Management approach

103-1	Explanation of the material topic and its Boundary	Part 2, Product, Healthy Seafood (pages 92-95)	No			Yes
103-2	The management approach and its components	Part 2, Product, Healthy Seafood (pages 92-95)	No			Yes
103-3	Evaluation of the management approach	Part 2, Product, Healthy Seafood (pages 92-95)	No			Yes
Mowi own disclosure	Omega 3 levels in harvested fish and other nutrient levels	Part 2, Product, Data section (page 95)	No			Yes

Disclosure No.	Disclosure description	Reference	Omission	Reason for omission	Explanation of omission	Assured by third party
<b>Mowi Material topic: Ethical business conduct</b>						
<b>GRI Management approach</b>						
103-1	Explanation of the material topic and its Boundary	Part 2, People, Ethical Business Conduct (pages 107,108)	No			Yes
103-2	The management approach and its components	Part 2, People, Ethical Business Conduct (pages 107,108)	No			Yes
103-3	Evaluation of the management approach	Part 2, People, Ethical Business Conduct (pages 107,108)	No			Yes
<b>GRI 205: Anti-corruption</b>						
205-1	Operations assessed for risks related to corruption	Part 4, Risk & Risk Management (page 281)	No			Yes
205-3	Confirmed incidents of corruption and actions taken	Part 2, People (page 107)	No			Yes
<b>GRI 205: Anti-competitive behaviour</b>						
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Part 4, Risk Management (page 281)	No			Yes
<b>GRI 307: Environmental compliance</b>						
307-1	Non-compliance with environmental laws and regulations	Part 2, People, Ethical Business Conduct (page 108)	No			Yes
<b>GRI 419: Socioeconomic compliance</b>						
419-1	Non-compliance with laws and regulations in the social and economic area	Part 2, People, Ethical Business Conduct (pages 107,108)	No			Yes
<b>Mowi Material topic: Ensure employee safety and security</b>						
<b>GRI Management approach</b>						
103-1	Explanation of the material topic and its Boundary	Part 2, People, Employee Health and Safety (pages 109-111)	No			Yes
103-2	The management approach and its components	Part 2, People, Employee Health and Safety (pages 109-111)	No			Yes
103-3	Evaluation of the management approach	Part 2, People, Employee Health and Safety (pages 109-111)	No			Yes
<b>GRI 403: Occupational health and safety</b>						
403-1	Occupational health and safety management system	Part 2, People, Employee Health and Safety (pages 109-111)	No			Yes
403-2	Hazard identification, risk assessment, and incident investigation	Part 2, People, Employee Health and Safety (pages 109-111)	No			Yes
403-3	Occupational health services	Part 2, People, Employee Health and Safety (pages 109-111)	No			Yes
403-4	Worker participation, consultation, and communication on occupational health and safety	Part 2, People, Employee Health and Safety (pages 109-111)	No			Yes
403-5	Worker training on occupational health and safety	Part 2, People, Employee Health and Safety (pages 109-111)	No			Yes
403-6	Promotion of worker health	Part 2, People, Employee Health and Safety (pages 109-111)	No			Yes



Disclosure No.	Disclosure description	Reference	Omission	Reason for omission	Explanation of omission	Assured by third party
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Part 2, People, Employee Health and Safety (pages 109-111)	No			Yes
403-9	Work-related injuries	Part 2, People, Employee Health and Safety (pages 109-111)	No			Yes

### Mowi Material topic: Purpose driven organisation

#### GRI Management approach

103-1	Explanation of the material topic and its Boundary	Part 1, Leading the Blue Revolution (pages 14-16), Part 2, People, Providing safe and meaningful jobs (pages 101-119)	No			Yes
103-2	The management approach and its components	Part 1, Leading the Blue Revolution (pages 14-16), Part 2, People, Providing safe and meaningful jobs (pages 101-119)	No			Yes
103-3	Evaluation of the management approach	Part 1, Leading the Blue Revolution (pages 14-16), Part 2, People, Providing safe and meaningful jobs (pages 101-119)	No			Yes

#### GRI 201: Economic Performance

201-3	Coverage of the organisation's defined benefit plan obligations	Part 1, Leading the Blue Revolution: Part 2, Profit : Part 3, Financial statement, notes, analytical information (page 211)	No			Yes
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#### GRI 406: Non-discrimination

406-1	Incidents of discrimination and corrective actions taken	Part 2, People, Ethical Business Conduct (pages 107,108)	No			Yes
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### Mowi Material topic: Respectful use of local areas

#### GRI Management approach

103-1	Explanation of the material topic and its Boundary	Part 2, People, Commitment to local Communities (pages 112,113)	No			Yes
103-2	The management approach and its components	Part 2, People, Commitment to local Communities (pages 112,113)	No			Yes
103-3	Evaluation of the management approach	Part 2, People, Commitment to local Communities (pages 112,113)	No			Yes

### Mowi Material topic: Local jobs and value creation

#### GRI Management approach

103-1	Explanation of the material topic and its Boundary	Part 2, People, Commitment to local Communities (pages 112,113)	No			Yes
103-2	The management approach and its components	Part 2, People, Commitment to local Communities (pages 112,113)	No			Yes
103-3	Evaluation of the management approach	Part 2, People, Commitment to local Communities (pages 112,113)	No			Yes

#### GRI 203: Indirect economic impacts

203-1	Infrastructure investments and services supported	Part 2, People, Commitment to local Communities (pages 112,113)	No			Yes
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\*GRI 303-3 aiii and 303-3biii. Seawater withdrawal is not applicable as a GRI disclosure for our business as Atlantic salmon grows at sea in pens.

\*\* GRI 305-1. Biogenic CO2 emissions (tCO2) are not material for our operations.

\*\*\* GRI 304-1 aii and v. These disclosures are not applicable to our business as our salmon is grown at sea.

# SASB Index

The Sustainability Accounting Standards Board (SASB) is an independent standards-setting organisation that promotes disclosure of material sustainability information to meet investor needs. The table below references selected indicators from the SASB standards for the Meat, Poultry & Dairy industry which is an

industry wide standard. Therefore, only part of the disclosures are applicable to Mowi. We will continue to work towards an improvement of additional SASB related disclosures that are relevant to our business.

Disclosure no.	Disclosure Description	Reference	Comment
<b>Energy management and GHG Emissions</b>			
SASB FB-MP-130.a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Part 2, Planet, The Global Picture - Climate Friendly Food Production	partial overlap with GRI 302-1
SASB FB-MP-110a.1	Gross global Scope 1 emissions	Part 2, Planet, The Global Picture - Climate Friendly Food Production	see GRI 305-1
SASB FB-MP-110.a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets, and an analysis of performance against those targets	Part 2, Planet, The Global Picture - Climate Friendly Food Production & TCFD report	partial overlap with GRI 201-2
<b>Food Safety</b>			
SASB FB-MP-250.a.1	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Part 2, Product, Quality Seafood	Partial overlap with GRI 103.
SASB FB-MP-250.a.2	Percentage of supplier facilities certified to a Global Food Safety Initiative (GFSI) food safety certification program	Part 2, Product, Quality Seafood	see GRI 416-1
SASB FB-MP-250.a.3	(1) Number of recalls issued and (2) total weight of products recalled	Part 2, Product, Safe Seafood	Partial overlap with GRI 416-1.
SASB FB-MP-250.a.4	Discussion of markets that ban imports of the entity's products	Part 2, Product, Safe Seafood	see GRI 416-1
<b>Workforce Health &amp; Safety</b>			
SASB FB-MP-320.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate	Part 2, People, Employee Health and Safety	Partial overlap with GRI 403
<b>Water Management</b>			
SASB FB-MP 140 a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Part 2, Planet, Biodiversity, Freshwater Use and Policy	see GRI 303-3
SASB FB-MP 140 a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Part 2, Planet, Biodiversity, Freshwater Use and Policy	see GRI 303-3
<b>Activity Metric</b>			
SASB FB-MP-000.A	Number of processing and manufacturing facilities	See Business Areas prior to Part 1	
SASB FB-MP-000.B	Animal protein production, by category; percentage outsourced	See Business Areas prior to Part 1	

## Task Force on Climate-related Financial Disclosures (TCFD) report

Climate change and food security remain the biggest challenges facing humanity. We recognise the growing significance of climate change on our business and the increasing role of producing food from the ocean as a solution to climate change. As a climate-friendly food producer, we disclose climate-related risks and opportunities by adopting the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Mowi had adopted a global approach to climate change which is aligned with climate science (our targets are approved by the SBTi) and the Paris Agreement to limit the increase in the global

average temperature to well below 2°C, and ideally no more than 1.5°C, above pre-industrial levels by the end of the century.

Mowi integrates climate-related disclosures in this Annual report (see our Planet and the Risk and Risk management sections) and in addition, we have also summarised the risks and opportunities arising from climate change, our strategic approach towards a low carbon economy and our corporate targets in this TCFD report. For a more extensive description of our GHG emissions and climate strategy please see our CDP report.



## MOWI CLIMATE- RELATED RISKS AND OPPORTUNITIES

<b>Regulatory risks</b>	Compliance to existing regulation is a requirement for all our operations across all our business areas (feed, farming and sales & marketing). Any risk that can result in potential non-compliance should be included in our internal risk assessments at business level. For example, our farming operations in Europe could be impacted by regulations of fuel prices leading to an increase cost of production at sites relying on diesel use as the main energy source. Another example is the risks arising from the implementation of regulations that require CO2 labelling on products in some European countries including France which is our biggest European market. Not adapting to this regulation may jeopardise our access to those markets.
<b>Emerging regulation</b>	Risks associated with emerging regulation are always included in organisation's climate-related assessment as long as they may imply higher operational costs, disruption in production capacity or inability to do the business. Where known, such emerging regulations which impacts our business should be assessed in terms of impact and likelihood. An example of the risk arising from the emerging regulation is increased carbon taxation for road and air freight transportation which could increase downstream transportation costs from Norway to the other markets. Another example of risk arising from emerging regulation are restrictions to fish farming due to climate change in specific areas which may be introduced in countries where we operate.
<b>Technology</b>	The energy efficiency of new technology is considered when evaluating its implementation potential and risks for our climate change strategy. For example, the use of Recirculating Aquaculture Technologies which bring several advantages from an environmental point of view including very low risk of escapes, can lead to an increase of energy use/tonne of fish produced. This risk has been pointed out by a number of peer-reviewed studies which show that RAS systems are more energy-intensity than the net pen technology
<b>Market</b>	The market status and dynamics regarding acceptance of our product is always monitored and part of our risk-assessment at business level. An example is an increased focus on planetary diets where vegetables, fruits and fish are positioned as recommended future diets. However, the communication lines towards consumers often seems to be made towards reducing the consumption of all animal-based products which could lead to consumers reducing their consumption also of fish. This is a risk of decreasing market and hence revenue.
<b>Reputation</b>	Reputational risks are always included in organisation's climate-related assessment as long as they may imply reduced stock price (market valuation). An example of reputational risk is critical journalism based on statements and publications from various research communities and Non-Governmental Organisations (NGOs). This type of attack has had and may potentially result in temporary damage to the industry and can only be countered by good practices and well-documented information from the industry.
<b>Acute physical</b>	Acute physical risks are always included in organisation's climate-related assessments as long as they may imply disruption in production capacity. An example of acute physical risk is change in frequency of extreme weather events that may cause storms, flooding, landslides, resulting in damage especially to fish farm sites with sea water cages. This may have consequences for the safety of employees and insurance costs.
<b>Chronic physical</b>	Chronic physical risks are always included in organisation's climate-related assessment as long as they may imply disruption in production capacity. An example of chronic physical risk are changes to oceanic circulation and uncertain climate variability patterns (i.e. El Nino) that may impact the productivity of farms in the future. Another example of chronic physical risk is change in mean (average) precipitation. Mowi's salmon farming operations are subject to a number of biological risk elements which might impact profitability and cash flows through adverse effect on factors such as growth, harvest weight, harvest volume, mortality, downgrading percentage and claims from customers. The biological parameters are impacted by e.g. diseases, algae blooms, low oxygen levels and fluctuating sea water temperatures. Another example are difficult weather conditions with excessive snowing and low temperatures that can impact the distribution of fresh products. If the goods do not reach the market on time, it can lead to increased capital cost, reduce the demand for goods due to reputational risk and stock prices. This risk is also indirect as it may impact our suppliers.

**TCFD MATRIX : RESULTS 2021**

#	DISCLOSURE	RESPONSE	REFERENCE
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**GOVERNANCE**

1	<b>Describe the board's oversight of climate related risk and opportunities</b>	The Board of Directors take overall accountability and oversight of all risks and opportunities, including climate change (see section Board of Directors for an overview of board members which have an ESG responsibility including our climate change agenda). Follow-up and implementation is carried out by the Chief Sustainability Officer (member of the group's management team and reporting directly to the CEO) and the heads of our Business Units. The Board of Directors have an oversight of the group's progress towards our Science-Based Targets (SBT) for reduction of GHG emissions as well as progress on Mowi's low carbon transition plan. In addition, the board oversees significant financial decisions such as issuing the Green Bond and investments such as the construction of the new feed plants. The location of these feed plants allows a more efficient supply chain reducing the emissions linked with inbound and outbound logistics while at the same time ensuring feed raw materials are sourced from sustainable sources.	For more information about our risk management, see Part 3 - Corporate Governance and Board of Directors report in the Annual Report
2	<b>Describe management's role in assessing and managing climate-related risks and opportunities</b>	The integration of Mowi's sustainability strategy, <i>Leading the Blue Revolution Plan</i> , into our business strategy is ensured by the Group Management Team (GMT) which includes a Chief Sustainability Officer (CSO). The CSO reports directly to the CEO and runs Global Operational Sustainability Networks to drive the implementation of our sustainability strategy across the business units. In addition, a Strategic Sustainability Network is also in place as part of our governance groups to support strategic discussions on climate-related risks and opportunities. The management team and the strategic networks have an oversight of the quarterly and annual energy use and GHG emission's results. Mowi has a global policy on climate change, internal standards on energy use, reporting and energy-saving initiatives and technical reports on energy use and GHG emissions for all business areas which are revised frequently by the management team. Climate change is also identified as a material topic in Mowi's materiality and risk assessment and specific KPIs as well as reduction targets have been developed and reported internally (technical quarter reports) and externally (annual report, CDP and TCFD).	For more information about our climate strategy, see Part 2 - Planet in the Annual Report. For more information about our risk management, see Part 3 - Corporate Governance and Board of Directors report in the Annual Report

**STRATEGY**

3	<b>Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term</b>	Climate change has been identified as an operational risk to Mowi which can potentially impact our business in the short, medium and long term. Mowi follows the COSO (Committee of Sponsoring Organisations) enterprise risk framework to assess and identify risks, including climate change risks. The physical related climate risks and opportunities relate to extreme weather events, sea levels and temperatures, the frequency of algae blooms, and the availability of the raw materials for our fish feeds (medium to long term impact). Climate change is likely to influence the water temperature along the coast of Norway. Some areas in the North of Norway could experience higher sea water temperatures leading to an increased production. This could lead to shorter production cycles at sea which would lead to a reduced GHG emissions/tonne of fish produced at sea. Mowi is acting towards capturing this opportunity by considering the potential benefit of sea water temperature profiles when planning new sites.  The transition risks and opportunities include legislation or regulations imposing overall caps or taxes on greenhouse gas emissions, or mandating the increased use of electricity from renewable energy sources (short-term impact).	For more information about our climate change risks and mitigation actions, see our risk and risk management section in the Annual Report.
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TCFD MATRIX : RESULTS 2021			
#	DISCLOSURE	RESPONSE	REFERENCE
4	Describe the impact of climate-related risks and opportunities on the organisations's business strategy and financial planning	<p>The physical and transition risks and opportunities identified above have driven the development of Mowi's low carbon transition plan including key business strategy and financial planning in our core business areas.</p> <p><b>Feed</b> - Our largest impact originates from sourcing of feed raw materials. Our actions include purchasing only deforestation-free soy and working with our suppliers in Brazil to receive suppliers-specific LCA data, include carbon footprint of feed raw materials in our formulation criteria, designing feeds for optimal FCR, operating energy-efficient feed plants and optimising inbound and outbound logistics.</p> <p><b>Farming</b> - Our actions include reducing the dependency of diesel to run our farming sites by connecting them to land power or introducing hybrid generators. Increasing the share of renewable electricity at our freshwater and processing plants is also part of our action plan.</p> <p><b>Sales &amp; Marketing</b> - Our actions include optimising logistics, working with our suppliers to promote a climate-friendly supply chain and running more energy-efficient processing plants with increasing share of renewable electricity.</p>	
5	Describe the resilience of the organisations's strategy, taking into consideration different climate-related scenarios, including a 2.0°C or lower scenario	<p>Mowi has chosen to pursue the Representative Concentration Pathways (RCP) 2.6 pathways and the climate scenario that will limit the global average temperature to 2°C above pre-industrial levels. As part of this process we also run a high-level assessment of the impact of 2°C and 4°C global warming scenarios to inform our strategy and financial planning.</p> <p>The main impacts of the 2°C scenario relate with regulatory changes. The Norwegian Climate act sets ambitious goals to reduce GHG emissions ( at least 40 % by 2030 compared with the reference year 1990). Therefore a number of actions including increased carbon-related taxes are already being applied and can be expected to increase. According to the 'below 2°C' Sustainable Development Scenario (SDS) from the International Energy Agency (IEA), direct carbon pricing schemes are likely to expand both in scope and in pricing level, with carbon costs going past €100 per tonne of CO<sub>2</sub> in Europe and reaching €120 in Canada by 2030. Mowi based its risk analysis linked to carbon pricing on this scenario.</p> <p>A further increase on fuel taxation will impact production costs as fuel is still mainly used in marine vessels that support farming operations and as an energy source of feeding equipment at sea sites. Therefore, if a transition to clean energy is not done an increased operational cost can be expected. Mowi is already transitioning to a low carbon economy. An example is the transition from diesel generations at our sea site operations to land power as a source of electricity and an increased share of renewable electricity use at our processing plants. The main impact of the 4°C scenario relate with acute and chronic risks like extreme weather events, increased seawater temperatures and frequency of algae blooms. These could affect production volumes due to increased mortality and escape events. Availability of feed raw materials can also be affected by weather events. Our business model is adapting to these risks by increasing the robustness of our farming equipment, adopting technical standards and increasing forecasting, monitoring and mitigation actions related to algae blooms. In addition, we source only from deforestation-free areas and are working towards increasing the flexibility of our feed raw material alternatives.</p>	



**TCFD MATRIX : RESULTS 2021**

#	DISCLOSURE	RESPONSE	REFERENCE
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**RISK MANAGEMENT**

<p>6</p>	<p><b>Describe the organisations processes for identifying and assessing climate-related risks.</b></p>	<p>Our materiality analysis is conducted by our Group management team with input from key environmental resources, and allows us to take a close and considered look at the sustainability and climate change related issues that are deemed critical for Mowi and our stakeholders, in that they could significantly affect our ability to execute our business strategy and operations.</p> <p>Our stakeholders include a wide range of groups and individuals that affect our operations and that are affected by our actions. In our assessment we have evaluated how our business affects the different stakeholder groups, which issues are of the highest importance to them and to what extent these stakeholders have a significant interest in the development of Mowi.</p> <p>The materiality analysis highlights areas of both opportunity and risk. The results of the analysis define our priorities and direct our R&amp;D efforts, both at group-wide and asset level. In conducting our materiality analysis, we began with an evaluation of stakeholder concerns related to climate change, such as reputational risks on a global level and physical and regulatory risks at asset level. Regulatory, physical and other risks are assessed as the combination of likelihood that an incident will occur and the consequence or impact it could potentially have for the entire Mowi group. Since we export our products all over the world, a risk at asset level can impact global operations. First, we assessed the potential strategic impact and significance of each area of concern (aspect). Then each aspect was assessed and ranked according to the significance of its potential impact, and the significance of related business risks. Mowi's process to respond to climate-related risks and opportunities that were identified to have a substantive financial or strategic impact is centred in Global Networks which include one representative from each business unit. This representative has the responsibility to bring climate-related risks and opportunities identified in their own business units. When significant risks and opportunities are identified by the global network this is then discussed with the Managing Directors and several of the C-suite officers, including e.g. Chief Sustainability officer and the CEO. Technical reports produced every month are used to support the decision-making process as well as the outcome of stakeholder engagement. The criteria for determining priorities are based on likelihood and total impact of the potential risk. Described process for identification, assessment and response to climate-related risks and opportunities applies for all time horizons</p>	
<p>7</p>	<p><b>Describe the organisations processes for managing climate related risks.</b></p>	<p>Mowi responds to climate-related risks through:</p> <ul style="list-style-type: none"> <li>– <i>internal policies and procedures,</i></li> <li>– <i>KPIs monitoring</i></li> <li>– <i>Development and implementation of a low carbon transition plan</i></li> <li>– <i>Global Sustainability Networks to ensure operationalisation of Mowi's sustainability strategy including actions on climate change</i></li> <li>– <i>insurance programs</i></li> </ul>	
<p>8</p>	<p><b>Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisations's overall risk management</b></p>	<p>Mowi uses the Committee of Sponsoring Organization (COSO) enterprise risk framework, which divides risk into four categories:</p> <ol style="list-style-type: none"> <li>1. <i>Operational risk</i></li> <li>2. <i>Strategic risk</i></li> <li>3. <i>Reporting risk</i></li> <li>4. <i>Compliance risk</i></li> </ol>	

TCFD MATRIX : RESULTS 2021			
#	DISCLOSURE	RESPONSE	REFERENCE
8		<p>We consider our operational risk to cover several individually important subcategories, and have therefore chosen to divide our operational risks into the following sub categories:</p> <ul style="list-style-type: none"> <li>a. Risks related to the sale/supply of our products</li> <li>b. Risks related to governmental regulations</li> <li>c. Risks related to our fish farming operations</li> <li>d. Risks related to our supply of fish feed and feed operations</li> <li>e. Risks related to our industry</li> <li>f. Risks related to our business</li> <li>g. Risks related to our financial arrangements</li> <li>h. Risks related to tax and legal matters</li> <li>i. Risks related to climate change</li> <li>j. Risk related to cyber security and technological innovation</li> </ul> <p>All risk categories could, if not properly managed, have a material adverse effects on our business operations and financial results.</p> <p>Each risk category includes one or more identified risks factors that individually and/or in combination with others could significantly affect our performance. We are continuously working to mitigate identified risks and capitalise on opportunities by tracking and following up key performance indicators within the framework of our four guiding principles. We believe that our long-term success depends on our ability to manage the relevant risks associated with our operations, strategy, reporting and compliance.</p> <p>An overview of our identified risk factors, along with our mitigation efforts and what we do to manage our risk, is outlined in our Annual report including risks related to Climate Change. We apply the precautionary approach to risk management through our materiality assessment. Mowi reports in accordance with the Global Reporting Initiative requirements.</p>	

## METRICS & TARGETS

9	<p>Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<p><b>Risk 1 - Emerging regulation/Enhanced emissions-reporting obligations</b></p> <p><b>Potential financial impact figure:</b> from 3 up to 20 MEUR cost on scope 1 emissions in 2030 in a 'below 2°C' scenario, and possible additional pass-through costs on scope 2 emissions.</p> <p><b>Explanation:</b> in the 'below 2°C' Sustainable Scenario described by the IEA, direct carbon costs are expected to expand in scope (covering more geographies and more activities) and to increase rapidly. By 2030, in a worst-case scenario where 100% of Mowi's activities were covered by pricing schemes and with approximately the same carbon footprint observed in 2021, carbon costs for scope 1 emissions would reach 11-13 MEUR for farming, 2-4 MEUR for fish feed and 2-4 MEUR for sales and processing. In a less ambitious scenario in terms of carbon pricing like the Stated Policies Scenario, with the same carbon emissions total carbon costs for scope 1 could range between 3 MEUR (50% activity coverage) and 10 MEUR (100 activity coverage) by 2030.</p> <p>Regarding scope 2 emissions, the observed pass-through carbon cost from energy providers to energy consumers reaches 80-100%. Thus, in the 'below 2°C' Sustainable Scenario, as direct carbon prices are expected to increase quickly, an additional share of electricity-related carbon cost would be passed through to Mowi (up to 15 MEUR in a very conservative approach, assuming a 100% pass-through and Mowi's market-based scope 2 emissions). However, these pass-through costs mostly depend on the suppliers' energy production mix and would be included in the final electricity prices, which also result from a wide range of other factors.</p>	
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TCFD MATRIX : RESULTS 2021			
#	DISCLOSURE	RESPONSE	REFERENCE
9		<p><b>Risk 2 - Acute physical/Increased severity and frequency of extreme weather events such as cyclones and floods leading to escape incidents</b></p> <p><b>Potential financial impact figure (MEUR):</b> 15 MEUR</p> <p><b>Explanation:</b> The financial impact assumes an escape event where 600 000 fish escape from one site. Considering the harvest values of 5kg fish at 5 EUR/kg, the financial impact would be approximately 15 MEUR).</p> <p><b>Risk 3 - Acute physical/Increased seawater temperatures leading to increased frequency of Harmful Algae Blooms (HAB) and mortality</b></p> <p><b>Potential financial impact figure (MEUR):</b> 0.05 - 60 MEUR</p> <p><b>Explanation:</b> The potential costs of increased HAB can vary significantly from partial mortality at one pen to mass mortalities in the entire site. The number of sites affected can also differ significantly depending on how large the affected area is. The estimate presented here is based on the estimated volume lost in peer-Norwegian companies (Mowi Norway was not affected) after a HAB event during 2019 (approx 12 000 tonnes were lost). If we take a sales price of 5 EUR/kg the total financial impact would be 12 000 000 kg * 5 = 60 MEUR. Therefore, the impact of this risk would be significant for the company. On the minimum financial impact, we can simulate a scenario where 1% of the number of fish of one pen is affected (1% of a maximum of 200 000 individual on one pen = 2000 fish lost). If we take a sales price of 5 EUR/kg the total financial impact would be 2000 fish * end harvest weight of 5kg * 5 EUR/kg = 50 000 EUR</p> <p><b>Opportunity 1 - Increased revenues resulting from increased production capacity in farming</b></p> <p><b>Potential financial impact figure (MEUR):</b> &gt; 2 MEUR</p> <p><b>Explanation:</b> Assuming an increase of 1 % of production volume (465 600 tonnes in 2021) as a result of an increase of seawater temperature by 1 °C in the northern parts of Norway and harvest values of 5 kg fish at 5 EUR/kg, the financial impact of additional production volumes (4 656 tonne) would be approx MEUR 23. Realization of this opportunity may significantly impact the company.</p> <p><b>Opportunity 2 - Use of new technology to reduce dependency of fossil fuels</b></p> <p><b>Potential financial impact figure (MEUR):</b> 2 MEUR</p> <p><b>Explanation:</b> The potential financial impact refers to reducing diesel consumption by 50% at 40 sea sites in Norway. An assumption of 100 000 liter of diesel used per site and per year was used (at 1 EUR per liter). The yearly cost related with diesel use in one site powered by traditional diesel generators would be 1 00 000 EUR (4 000 000 EUR for 40 sites). A reduction of 50% diesel use would mean 2 000 000 EUR saved in one year.</p>	
10	Disclose Scope 1, Scope 2 and scope 3 greenhouse gas (GHG) emissions, and the related risks.	See Mowi's Scope 1, Scope 2 and Scope 3 emissions in Part 2 - The climate friendly food production, in the Annual Report 2021	See Mowi's Scope 1, Scope 2 and Scope 3 emissions in Part 2 - The climate friendly food production, in the Annual Report 2021
11	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance-against targets.	<p>Our approved science-based targets are:</p> <ul style="list-style-type: none"> <li>- Reduce absolute scope 1 and 2 GHG emissions 35% by 2030 and 72% by 2050 from a 2016 base year</li> <li>- Reduce absolute scope 3 GHG emissions 35% by 2030 and 72% by 2050 from a 2018 base year</li> </ul>	See Part 2 of our Annual report - The Climate friendly food production.



# ESG Index 2021

Mowi collects and reports on a large number of sustainability metrics. The table below consolidates our environmental and social data to help with further analysis.

Mowi Group	2021	2020	2019
<b>Energy consumption</b>			
Direct energy consumption (Scope 1)	2 006	2 212	2 119
Indirect energy consumption (Scope 2)	1 476	1 578	1 379
Total energy consumption (TJ)	3 482	3 790	3 498
% renewable electricity	25%	8%	n/a
<b>GHG emissions</b>			
Direct energy consumption (Scope 1)	137 374	159 961	155 640
Indirect energy consumption (Scope 2), market-based	126 285	162 875	201 121
Indirect energy consumption (Scope 2), location-based	85 131	96 114	93 215
<b>Total GHG emissions - scope 1 and 2 (tonne CO<sub>2</sub>e; market-based scope 2)</b>	<b>263 660</b>	<b>322 836</b>	<b>356 762</b>
Indirect energy consumption (Scope 3)	1 825 745	1 941 085	1 979 211
<b>Total GHG emissions - scope 1, 2 and 3 (tonne CO<sub>2</sub>e; market-based scope 2)</b>	<b>2 089 405</b>	<b>2 263 921</b>	<b>2 335 973</b>
<b>Sustainability certifications</b>			
% of the harvested volume certified by a GSSI recognised standard	98%	100%	100%
Number of ASC sites certified	133	128	99
% of total sites that are ASC certified	50%	45%	37%
<b>Plastic Packaging</b>			
% reusable, recyclable or compostable	74%	n/a	n/a
% recycled content	12%	n/a	n/a
% of farming plastic equipment reused or recycled	88%	85%	n/a
<b>Waste to landfill</b>			
% of waste volume sent to landfill	4%	18%	n/a



Mowi Group	2021	2020	2019
<b>Escape Prevention</b>			
Number of escape incidents	7	17	16
Number of escaped fish	20 599	146 873	68 145
<b>Fish Welfare</b>			
Average monthly survival in Seawater, Group (% numbers)	99.2%	99.3%	99.2%
Average monthly survival in Seawater, Norway (% numbers)	99.4%	99.4%	99.3%
Average monthly survival in Freshwater, Group (% numbers)	99.3%	99.5%	99.3%
Average monthly stocking density (kg/m <sup>3</sup> )	7.4	8.1	7.8
Operational Welfare Indicator (OWI) rating	1.6	n/a	n/a
Mortality % in seawater reported in accordance with the Global Salmon Initiative (GSI) methodology: (total # mortality in sea last 12 months / (closing # in sea last month + total # mortality # in sea last 12 months + total # harvested last 12 months + total # culled fish in sea) X 100)/12			
<b>Antimicrobial use</b>			
Active substance (gram) per tonne biomass produced	91	54	44
<b>Sea Lice Management</b>			
% of fish treated with non-medicinal treatment systems	56%	64%	68%
% of sites above national lice limits at any time	6%	12%	11%
Active substance per tonne biomass produced: Oral (g-1 t)	13	16	35
Active substance per tonne biomass produced: Topical (g-1 t)	113	155	138
Active substance per tonne biomass produced: Peroxide (ltr-1 t / 10)	39	66	73
<b>Freshwater Withdrawal</b>			
Total freshwater withdrawal (Farming, Processing and Feed) (m <sup>3</sup> )	387 105 333	386 245 165	360 672 814
% freshwater withdrawal from water-stress areas	0.08%	n/a	n/a
<b>Benthic Impact</b>			
% of sites with minimal benthic impact	95%	93%	90%
<b>Wildlife Interactions</b>			
Accidental mortalities - Birds *	0.2	0.3	0.0
Intentional mortalities - Birds*	0.0	0.0	0.0
Accidental mortalities - Mammals *	0.0	0.0	0.0
Intentional mortalities - Mammals *	0.0	0.1	0.0
<b># Biodiversity related projects</b>	26	18	15



Mowi Group	2021	2020	2019
<b>Sustainable Feed</b>			
Fish in-Fish Out Ratio (FIFO)**	0.8	0.68	0.66
Recapture FIFO (rFIFO)***	0.68	0.57	n/a
Feed conversion ratio (FCR)	1.16	1.18	1.14
Forage fish dependency ratio - oil (FFDRo)* - Group	1.8	1.6	1.6
Norway	1.8	1.5	1.6
Scotland	1.7	1.9	1.6
Ireland	0.2	0.8	1.3
Faroe Islands	2.4	1.8	1.4
Canada	2.6	1.8	1.7
Chile	1.7	1.9	1.8
Forage fish dependency ratio - meal (FFDRm)* - Group	0.5	0.4	0.4
Norway	0.6	0.5	0.5
Scotland	0.5	0.6	0.5
Ireland	0.4	0.6	1.2
Faroe Islands	0.9	0.5	0.4
Canada	0.5	0.2	0.2
Chile	0.3	0.2	0.2
% soy originated from deforestation-free areas	100%	100%	100%
Compliance of marine raw materials with our sourcing policy	100%	100%	84%
% inclusion of emerging feed raw materials	4%	n/a	n/a
*FFDRo and FFDRm calculated according to the ASC standard			
<b>Food Safety Audits</b>			
External food safety audits	236	266	200
External food safety audits	339	405	299
<b>Employees &amp; FTE</b>			
FTE total, (number)	13 984	14 645	14 998
Employees permanent, (number)	10 484	11 684	11 881
Employees, temp, (number)	1 334	558	582
Employees, 3rd party, (number)	2 166	2 403	2 535
Employees, disability, (number)	301	n/a	n/a
Employees, female (%)	39%	40%	40%
Employees, male (%)	61%	60%	60%
Employees, younger than 30, (%)	19%	n/a	n/a
Employees, aged 30-50, (%)	53%	n/a	n/a

Mowi Group	2021	2020	2019
Employees, older than 50, (%)	28%	n/a	n/a
Female managers (%)	25%	25%	24%
Male managers (%)	75%	75%	76%
<b>Turnover</b>			
Turnover total (%)	17%	n/a	n/a
Turnover, female (%)	39%	n/a	n/a
Turnover, male (%)	61%	n/a	n/a
Turnover of employees younger than 30 (%)	39%	n/a	n/a
Turnover of employees aged 30-50, (%)	46%	n/a	n/a
Turnover of employees older than 50 (%)	15%	n/a	n/a
Employees who have taken out retirement (%)	5%	n/a	n/a
Turnover of employees with seniority < 5 years	72%	n/a	n/a
Turnover of employees with seniority 5-10 years	18%	n/a	n/a
Turnover of employees with seniority 10-20 years	8%	n/a	n/a
Turnover of employees with seniority Seniority > 20	2%	n/a	n/a
<b>New hires</b>			
New hires total (number)	1 830	n/a	n/a
New hires, female (%)	44%	n/a	n/a
New hires, male (%)	56%	n/a	n/a
New hires, younger than 30 (%)	36%	n/a	n/a
New hires, aged 30-50 (%)	49%	n/a	n/a
New hires, older than 50 (%)	15%	n/a	n/a
<b>Promotions internal</b>			
Employees promoted internally (number)	325	n/a	n/a
Female promotions, (%)	39%	n/a	n/a
Male promotions, (%)	61%	n/a	n/a
<b>Insurance, Unionisation, Employment terms</b>			
Employees with occupational injury insurance (%)	100%	100%	100%
Employees in labour unions total (%)	17%	24%	n/a
Employees with written employment terms (%)	100%	100%	100%
<b>Employee Survey</b>			
Responses to global employee survey, (number)	5 797	n/a	9 000

Mowi Group	2021	2020	2019
<b>Training and further education</b>			
Employees who took part in training initiatives, (number)	7 434	6 000	n/a
Total hours of training delivered, (number)	116 231	n/a	n/a
Female participants, (%)	35%	n/a	n/a
Male participants, (%)	65%	n/a	n/a
Employees younger than 30 who participated (%)	22%	n/a	n/a
Employees aged 30-50 who participated (%)	50%	n/a	n/a
Employees older than 50 who participated (%)	28%	n/a	n/a
Employees with seniority < 5 years, (%)	39%	n/a	n/a
Employees with seniority 5-10 years, (%)	29%	n/a	n/a
Employees with seniority 10-20 years, (%)	19%	n/a	n/a
Employees with seniority > 20 years, (%)	13%	n/a	n/a
Employees who took part in health & safety training , (number)	7 105	n/a	n/a
Employees who took part in leadership development training , (number)	312	n/a	n/a
Code of conduct training, white colours,(%)	100%	100%	100%
<b>Trainees, Apprentices, Internships</b>			
Trainees, (number)	18	n/a	n/a
Apprentices, (number)	137	n/a	n/a
Internships, (number)	24	n/a	n/a
<b>Mobility</b>			
Employees on international assignment, (number)	75	58	56
<b>Health and Safety</b>			
Absence rate in % of total hours worked (own employees)	5.2	5.1	4.7
Female absence, (%)	41%	n/a	n/a
Male absence, (%)	59%	n/a	n/a
Employees younger than 30 who was absent, (%)	12%	n/a	n/a
Employees aged 30-50 who was absent, (%)	37%	n/a	n/a
Employees older than 50 who was absent, (%)	51%	n/a	n/a
LTI per million hours worked (own employees)	2.5	2.7	4.3
Total number of incidents, LTI, (own employees) (number)	67	75	118
LTI subcontractors	6	15	11
LTI grading - Low (situations/occurrences that are not dangerous), (number)	27	50	66
LTI grading - Medium (moderately dangerous situations/occurrences), (number)	22	14	37
LTI grading - High (extremely dangerous situations/occurrences), (number)	18	11	15

Mowi Group	2021	2020	2019
LTI category - injury caused by slip, stumble, fall (%)	42	39	—
LTI category - injury caused by squeeze, cut, punch (%)	37	45	—
LTI category - injury caused by gas/ smoke/ chemicals (%)	9	—	—
LTI category - injury caused by other (%)	12	16	—
Fatalities, (number)	—	2	1

#### Whistleblowing

Whistleblowing cases (number)	17	13	23
Cases involving sexual harassment, (number)	2	—	—
Cases involving harassment, (number)	4	4	—
Cases involving breach of policy, (number)	8	3	—
Cases involving related to claims of breach of law	3	7	—
Human rights breach, (number)	—	—	—

#### Community engagement

Events, (number)	430	467	498
People outreach, (number)	37 736	n/a	193 529
Amount spent / sponsoring, (number)	1 088 316	2 184 700	1 470 000

n/a = Numbers not available

\* (total interactions/total number of sites)

\*\*  $FIFO = ((\%FM \text{ in diet} + \%FO \text{ in diet}) / (\%yield FM + \%yield FO)) * eFCR$ ; where FM is fish meal and FO is fish oil and eFCR is economic feed conversion ratio.

\*\*\*  $rFIFO = ((\%rFM \text{ in diet} + \%rFO \text{ in diet}) / (\%yield FM + \%yield FO)) * eFCR$ ; Where rFM and rFO is the recaptured fish meal and fish oil (i.e. fish meal and oil produced from by-products originated from salmon processing)





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