



# SALMAR

Passion for Salmon

# CAPITAL MARKETS DAY

6-7 SEPTEMBER 2023



VIDEO 1 - INTRO





SalMar CMD 2023

# THIS IS SALMAR



SPEAKER:  
**FRODE ARNTSEN**  
CEO SALMAR



# Agenda

## DAY 1

### COMPANY PRESENTATIONS

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- 13:00 – 14:00: Lunch
- 14:00 – 17:40: Company Presentation
  - This is SalMar - *CEO Frode Arntsen*
  - Biology Norway - *COO Biology Roger Bekken*
  - Break – 10 min*
  - Sales & Industry - *COO Sales & Industry Simon Sjøbstad*
  - SalMar Aker Ocean - *CEO SAO Roy Reite*
  - Break – 10 min*
  - Icelandic Salmon - *CEO ISLAX Bjørn Hembre*
  - Scottish Sea Farms - *Managing Director Jim Gallagher*
  - Break – 10 min*
  - Financials - *CFO Ulrik Steinvik*
  - Closing remarks & Q&A - *CEO Frode Arntsen*
- 19:45: Dinner

## DAY 2

### SITE VISIT

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- 07:00: Departure with boat from Tromsø
  - Farming site and remote feeding center
  - Senja 1 & 2 smolt facility
  - InnovaNor – Harvesting & Processing Facility
- 17:00: Arrival Tromsø



# Executive Management SalMar

Experienced team with strong experience from the aquaculture industry and SalMar



**Frode Arntsen**  
CEO

*Joined SalMar: 2017*



**Ulrik Steinvik**  
CFO

*Joined SalMar: 2006*



**Arthur Wisniewski**  
Director HRM

*Joined SalMar: 2016*



**Roger Bekken**  
COO Biology

*Joined SalMar: 2014*



**Eva J. Haugen**  
Director Quality Mgmt/HSE

*Joined SalMar: 2001*



**Simon Søbstad**  
COO Sales & Industry

*Joined SalMar: 2007*



**Runar Sivertsen**  
Chief Strategy Officer

*Joined SalMar: 2010*



# Speakers at today's presentation from Group companies

## SalMarAkerOcean



**Roy Reite**  
CEO SalMar Aker Ocean

*Joined SAO: 2022*



*Subsidiary*  
*Owner share 85%*



## Icelandic Salmon

SUSTAINABLE SALMON FROM ARNARLAX



**Bjørn Hembre**  
CEO Icelandic Salmon

*Joined ISLAX: 2019*



*Subsidiary*  
*Owner share 51%*



## Scottish Sea Farms



**Jim Gallagher**  
Managing Director  
Scottish Sea Farms  
*Joined SSF: 1998*



*Joint Venture*  
*Owner share 50%*



# Additional representatives from SalMar at CMD

## Board of Directors



**Gustav Witzø**  
Board Chair &  
Founder  
*Joined SalMar: 1991*



**Ingvild Kindlihagen**  
Employee Rep.  
*Joined SalMar: 2020*



**Leif Inge Nordhammer**  
Board Member  
*Joined SalMar: 1996*



**Hans Stølan**  
Employee Rep.  
*Joined SalMar: 2002*



**Morten Loktu**  
Board Member  
*Joined SalMar: 2022*

## Representatives from Northern Norway



**Kim S. Johansen**  
Director Farming  
Northern Norway  
*Joined SalMar: 2015*



**Karoline Sandberg**  
Manager visitor  
centers  
*Joined SalMar: 2018*



**Jørn Tore Fjellstad**  
Factory Manager  
InnovaNor  
*Joined SalMar: 2017*



**Silje Christine Haugan**  
HR InnovaNor  
*Joined SalMar: 2021*



**Stian Iversen**  
Prod. Manager Senja  
Smolt Facility  
*Joined SalMar: 2008*

## Investor Relations



**Håkon Husby**  
Head of IR  
*Joined SalMar: 2018*



Our story  
*is about  
utilizing the  
potential in  
the ocean*

Produce **healthy,  
nutritious &  
sustainable food**  
for the world's  
growing population

always on the  
**terms of the  
Salmon** with  
minimal footprint  
while we maximize  
value creation

# Our story

## *A history of growth*



Frøya, Central Norway  
1991

*From a small processing plant on Frøya, to the world's 2nd largest salmon producer*

Northern Norway  
2000

UK  
2001

Iceland  
2015

Offshore  
2017

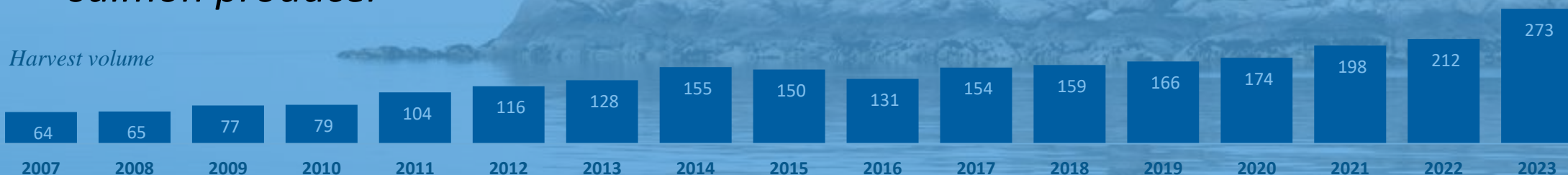
Norway

Offshore

Iceland

UK

Harvest volume

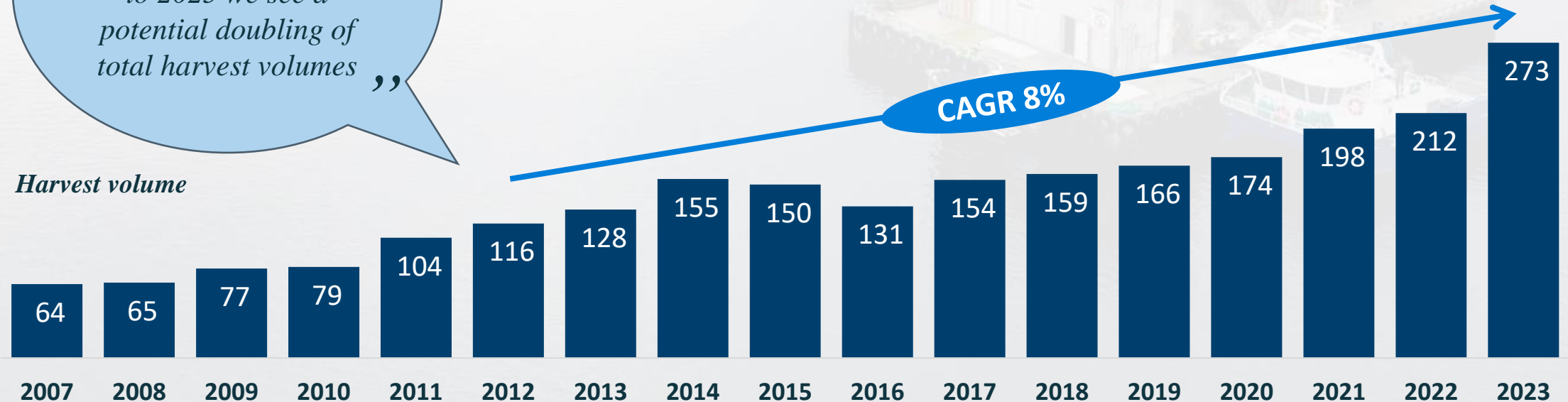


Our growth has outperformed the industry –  
and we have delivered more than what we said at last CMD

**CMD 2012:**

“ With 6% growth, p.y.  
to 2025 we see a  
potential doubling of  
total harvest volumes ”

*Harvest volume*





# Largest acquisition completed in 2022



Successfully integrated NTS, NRS and SalmoNor



Strategically attractive for many years



Presence in optimal location



Strong synergy potential confirmed



# SalMar strategically located in the best regions to produce salmon



*Operating in the best regions in Norway*



*Pioneering and leading the development*



*Largest producer in the West Fjords*



*UK's second largest salmon producer*

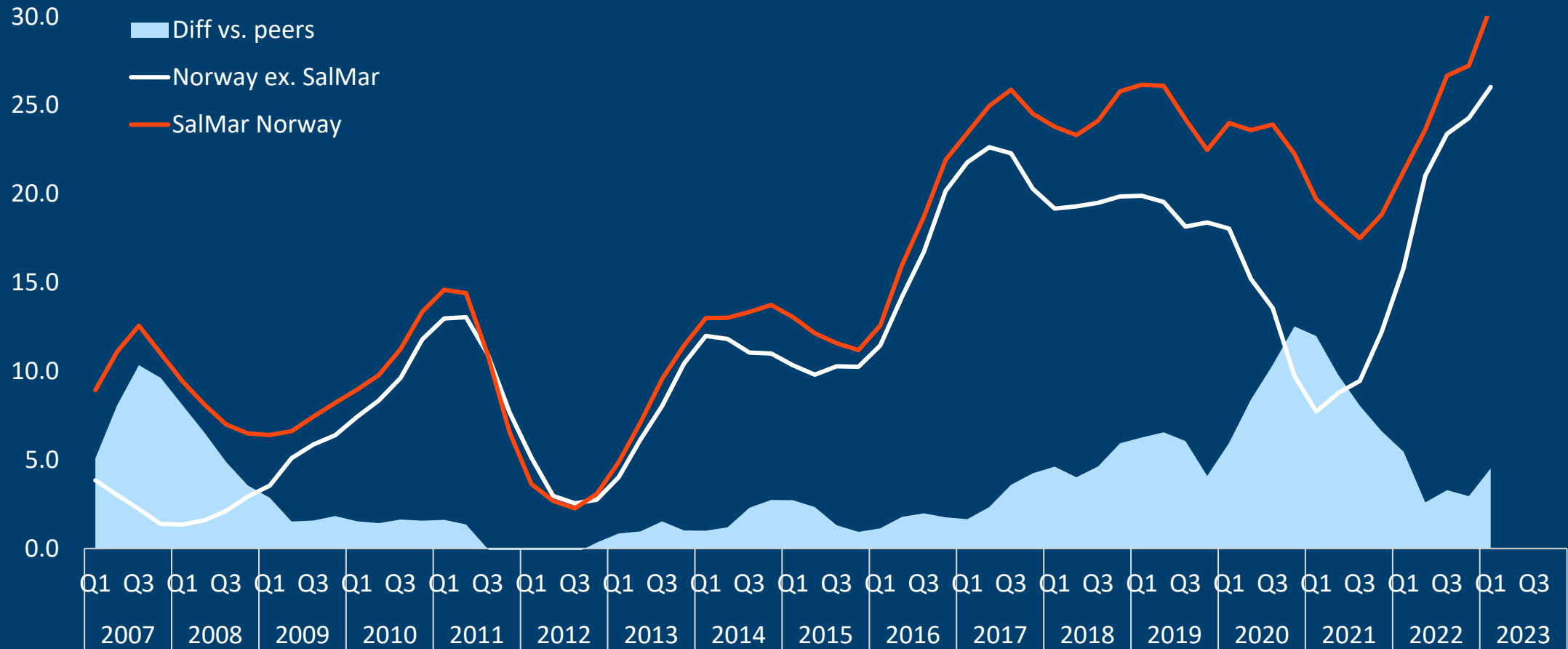
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*Significant untapped growth potential*

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# SalMar consistently delivering strong margins

*EBIT-margin (NOK/kg) – 12 month rolling*

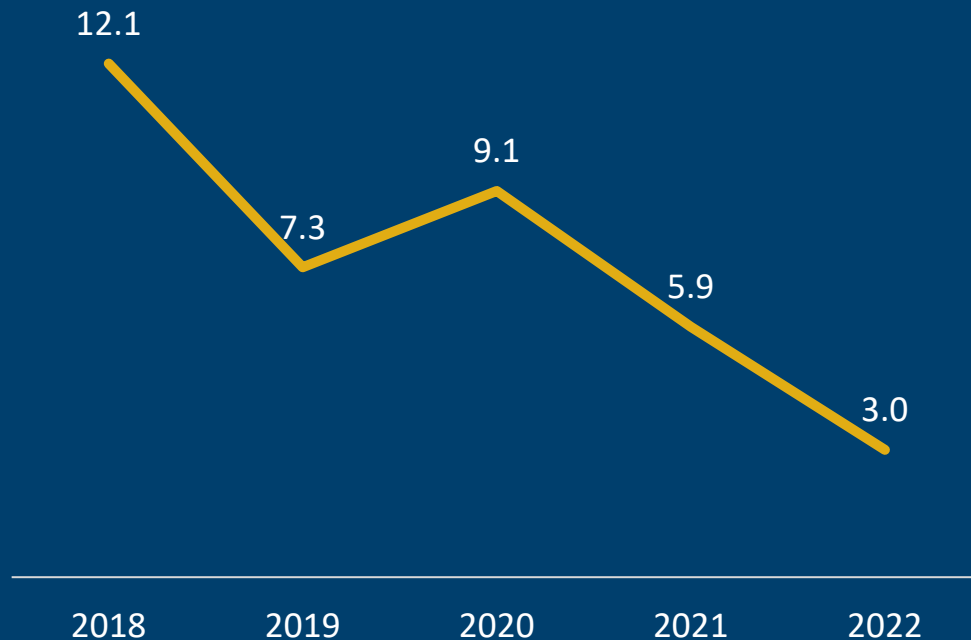




# Key ESG KPIs are moving in the right direction

## Injuries:

H-factor = LTIs per million working hours



## Survival Rate:



## Reduction GHG emissions:



# Strong market outlook for sustainable proteins



## Strong demand for healthy and sustainable proteins

The growing world population wants to eat healthy, organic and sustainable food, with low carbon footprint



## Market and authorities require sustainable food production

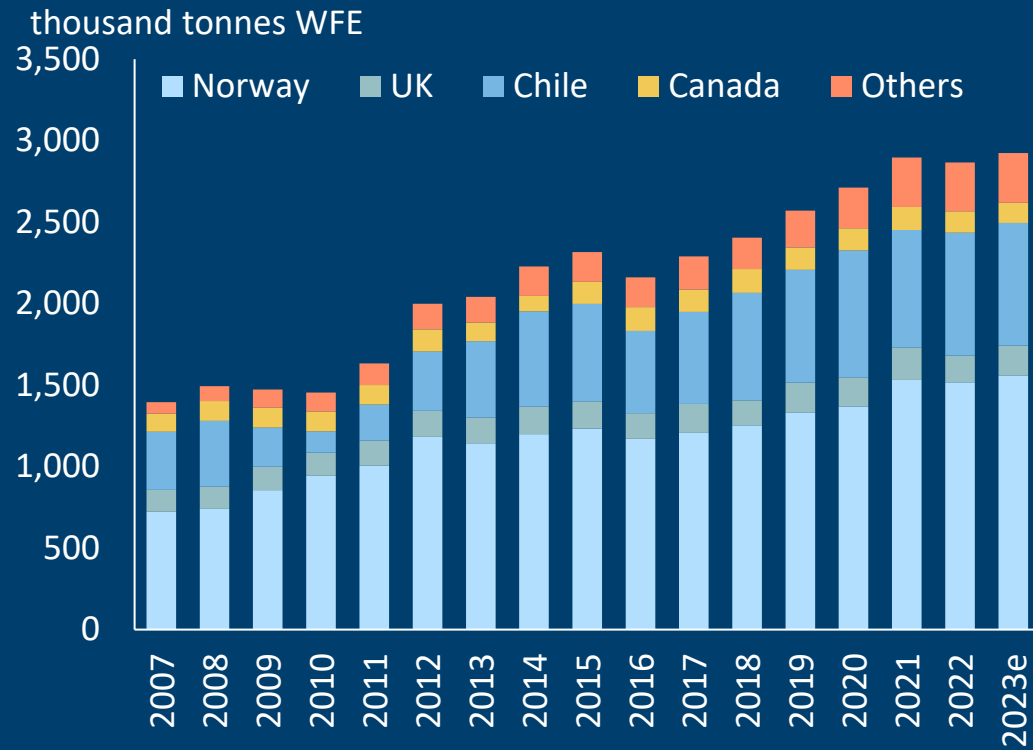
Eu farm to fork strategy, aiming to accelerate the transition to a sustainable food system



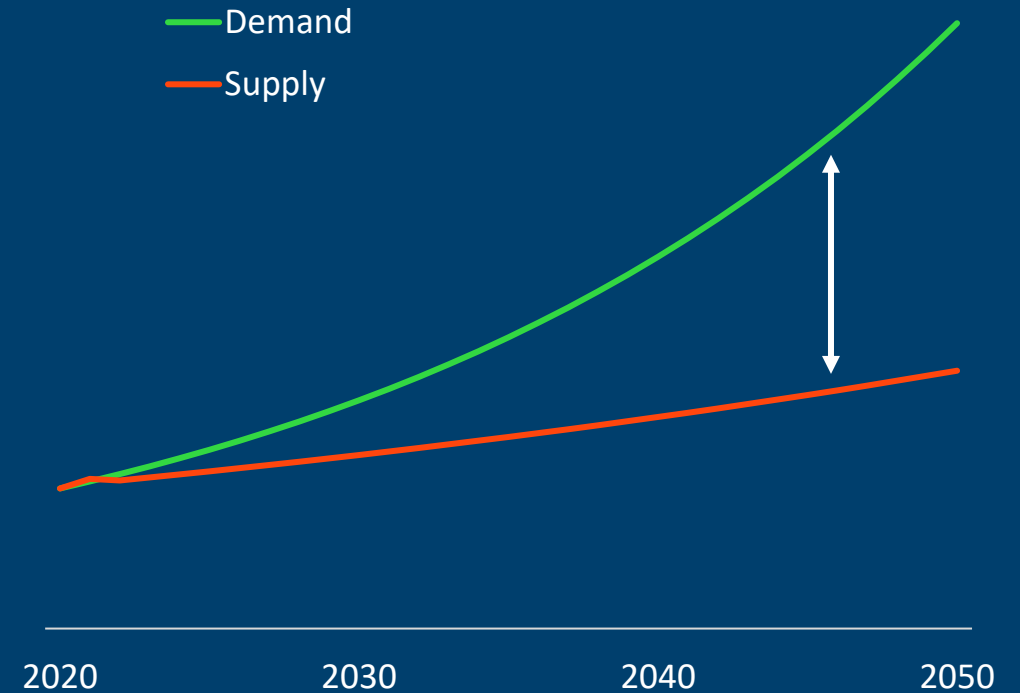
# Still growth potential – but supply growth is lagging the demand

Expect a supply growth of 2-3% from conventional farming until 2030

### Global harvest volume per region



### Demand vs. supply growth





# The industry has gone through a strong development the last decades

Grøntvedt brothers first net pen



Ocean Farm 1  
worlds first offshore unit



SalMars first  
harvesting & processing plant

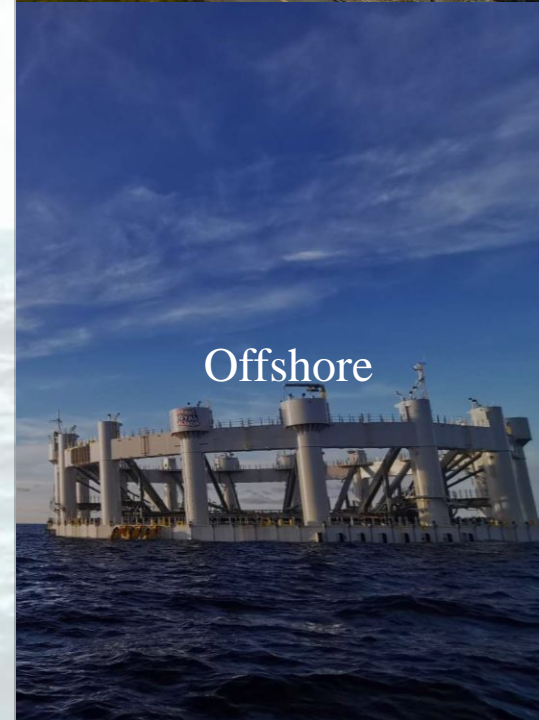


InnovaNor  
harvesting & processing plant



# SalMar in the forefront of innovation and development in the aquaculture industry

- Smolt:
  - New RAS facilities in operation
- New farming technology:
  - Closed, semi-closed, submersible
- Harvesting & processing
  - InnovaMar, InnovaNor, Vikenco - Modern harvest & processing facilities





# Two offshore projects in operation

## SalMar pioneering and leading the development offshore

### *Ocean Farm 1*

- 3rd production cycle started in May
- Located at Håbranden on Frohavet in Central Norway



Ocean Farm 1 at its location Håbranden on Frohavet in Central Norway

### *Arctic Offshore Farming*

- Development project - 1st production cycle started in July
- Located at Fellesholmen in Northern Norway



Arctic Offshore Farming at its location Fellesholmen in Northern Norway

# Robust value chain equipped for further sustainable growth

Strong growth potential and dedicated employees with a *Passion for Salmon*



*Fundamental Operating Principles*



# Our ambition is to be the world's best aquaculture company

Vision	<i>Passion for Salmon</i>		
Ambition	The World's Best Aquaculture Company		
Strategic Focus	<b>Operational Efficiency</b>	<b>Sustainable Growth</b>	<b>Innovate for the Future</b>
Goal	One SalMar	Growth in optimal locations	Sustainable business development
Fundament	Continuous improvements and excellent achievements		
	Solid operational structure		
	Strong corporate culture		

# Sustainability an integrated part of our strategy

## Sustainability in everything we do

### *Fish*

*We work systematically to create an environment in which the salmon thrives and remains healthy*



*Highest survival rate among listed peers*

### *People & Society*

*We believe in creating local value and safe workplaces and support the local communities where we operate*



*Lowest injuries in industry*

### *Environment & Technology*

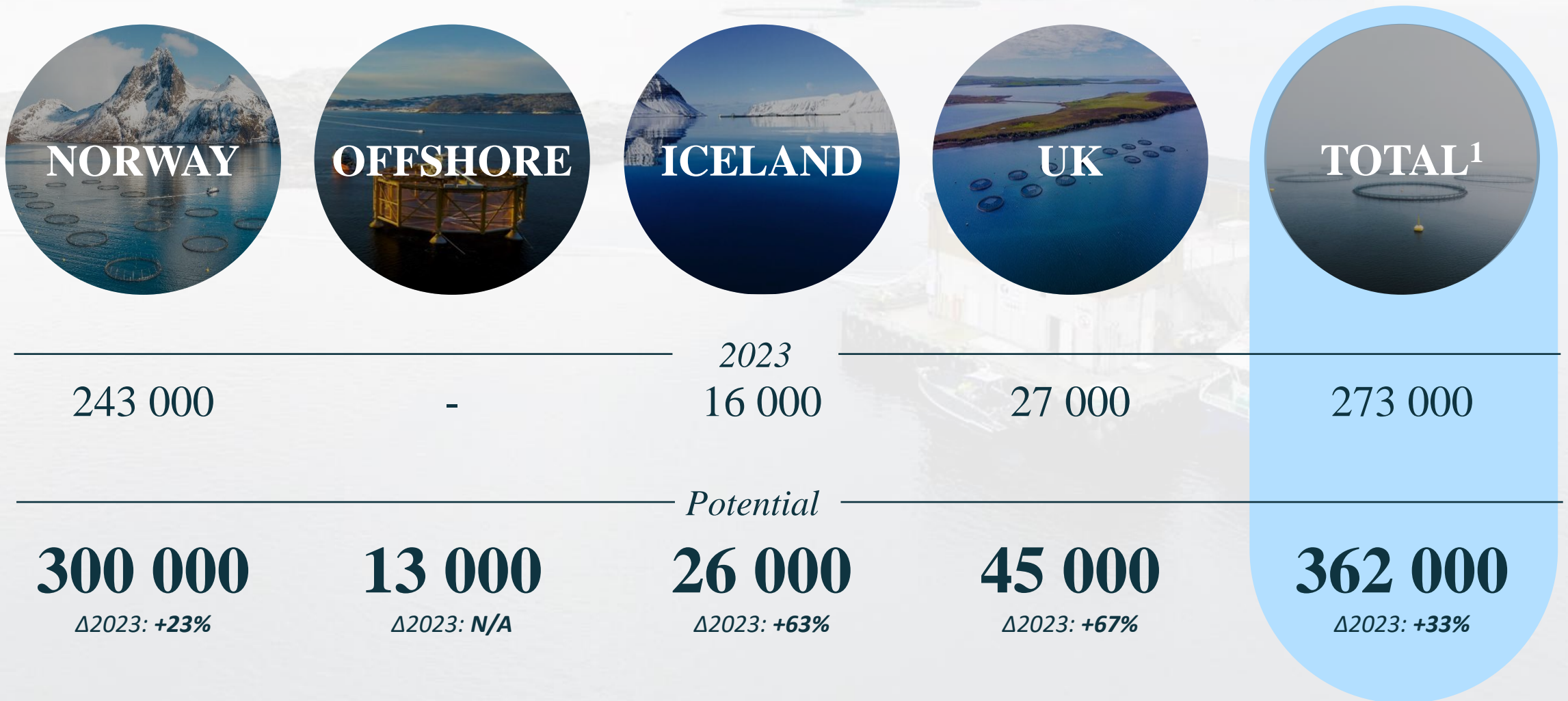
*We minimize our footprint with measures and routines throughout the entire value chain*



*Climate winner*



# Untapped organic growth potential within existing value chain – without any large investments projects



\*) all figures are harvest volume in tonnes gutted weight

1) Total is including relative share, 50%, from Scottish Sea Farms in UK



# A sustainable regulatory framework needed to utilize the potential

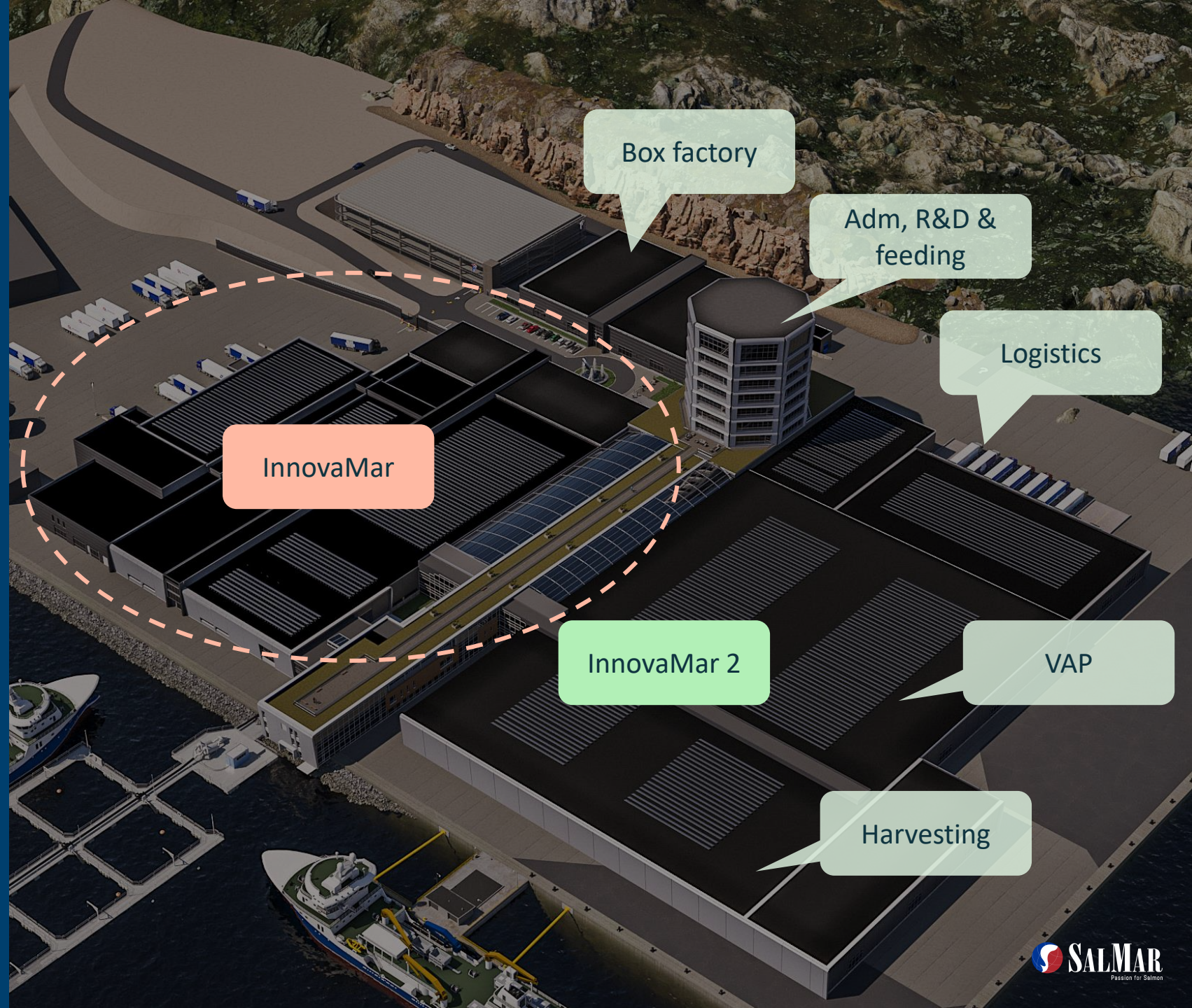




# InnovaMar 2.0

## Next generation harvesting & processing facility

- Plans were ready to double capacity at InnovaMar
  - Estimated investment NOK 2.5 billion
  - Significant local ripple effects
- Project currently on hold due to resource rent tax & regulatory framework for offshore



## VIDEO 2 - INNOVAMAR 2.0



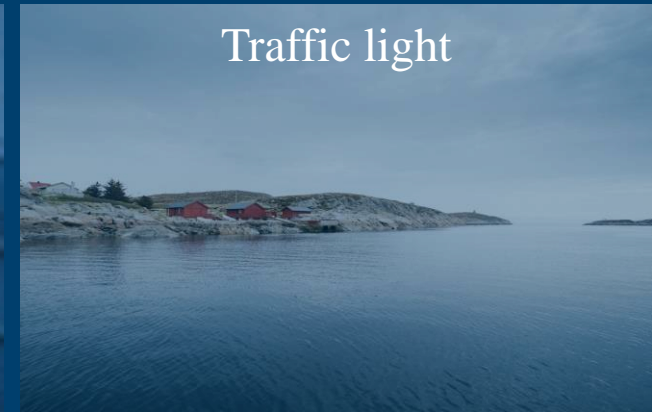
# Significant investments awaiting a sustainable regulatory framework

NOK 5-7 billion in investments still on hold



# In SalMar we are always exploring ways for further sustainable growth

- Where, how soon and how much depends to a large degree on a sustainable regulatory framework
- Key factors for further growth:
  - Biological conditions
  - Regulatory framework
  - Value chain capacity
  - Market access





# Our ambition is to grow at least as much as the rest of the industry

## Further growth potential



*Strong potential, but dependent on regulatory framework and political ambitions*



*Dependent on regulatory framework and access to areas -> significant potential*



*Significant potential through new licenses and opening of new areas*



*Further potential through access in new areas and use of new technology*

# Culture is vital for us to succeed



**WHAT WE DO TODAY WE DO BETTER THAN YESTERDAY**



**THE JOB IS NOT DONE UNTIL THE PERSON YOU ARE DOING IT FOR IS SATISFIED**



**FOCUS ON THE SOLUTION**



**THE JOB WE DO TODAY IS VITAL TO THE SUCCESS OF US ALL**



**SUSTAINABILITY IN EVERYTHING WE DO**



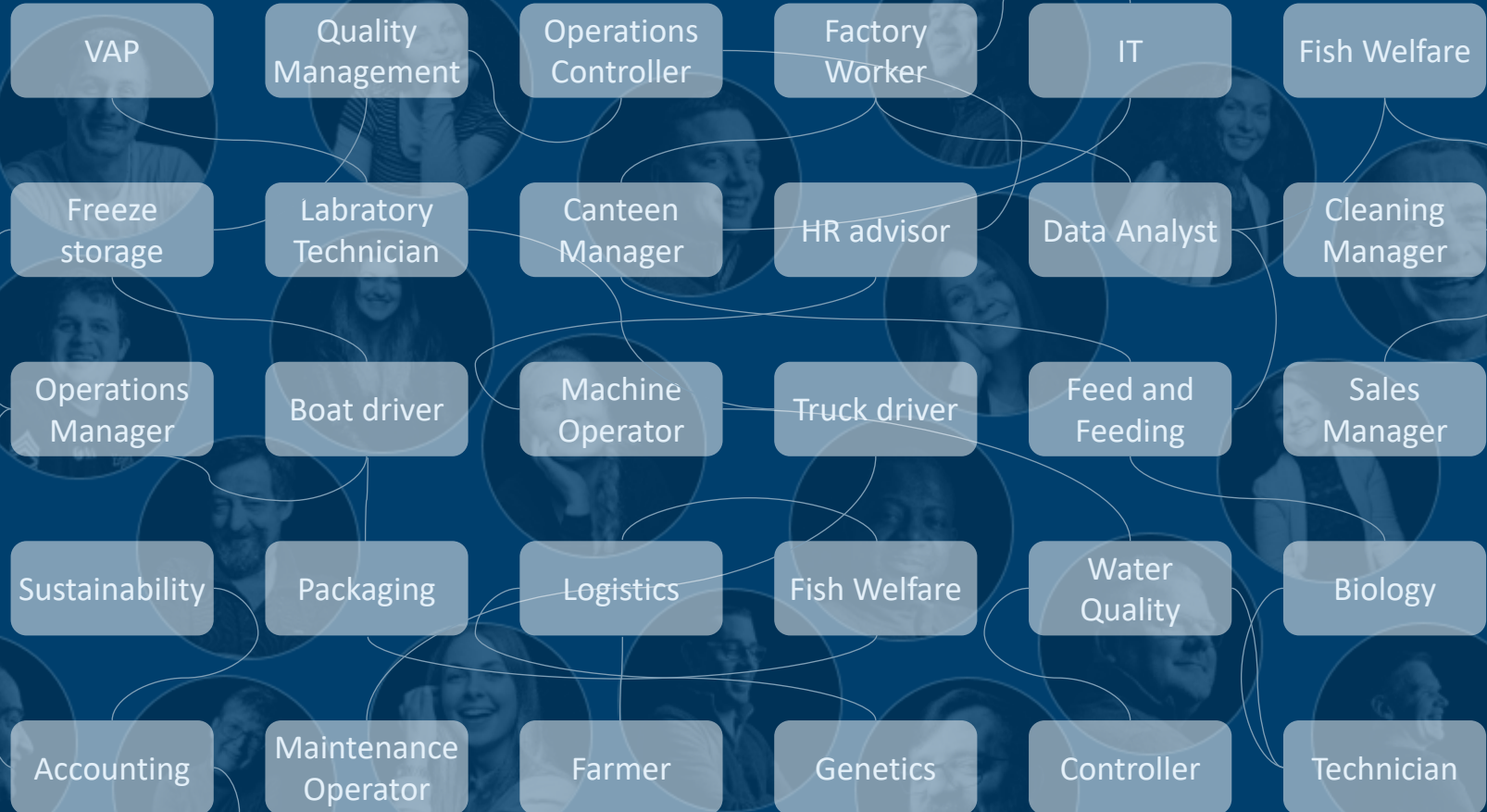
**WE CARE!**



# We need all of our employees to succeed

Production of sustainable food for the world made by people with **strong competence, dedication** and a **Passion for Salmon**

Each and every one equally important to unlock the potential in our organization





# 2023 the year of culture in SalMar

- All employees gathered under one roof in May
  - Corporate culture and team building
  - One united SalMar
- New round of the SalMar School implemented
  - All parts of the value chain and all segments/regions
  - Cocreating and ensuring ownership for the road ahead
- Employee satisfaction survey rolled out last week
  - Vital part of improving ourselves and unlock our potential





# We care about our local communities

*Food donation to Matsentralen*

*DRØMMEFLYET*

*Seminar on mental health with Nidaros Hockey*

*Reflective vests*

*FINNSNES I FEST*

*DA FRA HAVET*

*Finnmarsløpet*

*Kolvereid-dagene*

*Nordkinn football club*

supported **>300** initiatives in 2022

**6** Visitors centers

★ Visitor center





WITH A PASSION FOR SALMON  
WE WILL CONTINUE TO LEAD THE DEVELOPMENT OF THE INDUSTRY



## VIDEO 3 - NORTHERN NORWAY



SalMar CMD 2023

# BIOLOGY NORWAY



SPEAKER:  
**ROGER BEKKEN**  
COO BIOLOGY



# Strong strategic and operational focus through our value chain

Always on the terms of the salmon



All handled by dedicated employees with strong competence and culture and a passion for salmon





# Own genetic breeding programme based on the Rauma strain

- Working long-term to develop a more genetically robust strain of salmon
  - Genetics and the development of a more robust salmon are important preventive measures to reduce biological risk
- Focus on the development of robust qualities
  - Disease resistance, sea lice resistance and growth
- 4 licenses for broodstock production in Central Norway
  - Two onshore facilities for roe production



## Central Norway

### Production area 5 & 6

2 broodstock facilities

4 broodstock licenses

Rimstad

Reistad



# Self sufficient with high quality smolt

- Large investments completed over the last years
  - Senja 2 completed in 2022, Tjuin to be finished in 2023
- Strong capacity to produce the right smolt
  - Overcapacity gives flexibility to adapt smolt production
- All facilities with recirculating aquaculture systems (RAS) technology
  - Infrastructure ready at our facilities for further expansion

## Northern Norway 2 smolt production facilities



Dåfjord

## Central Norway 3 smolt production facilities

Osan

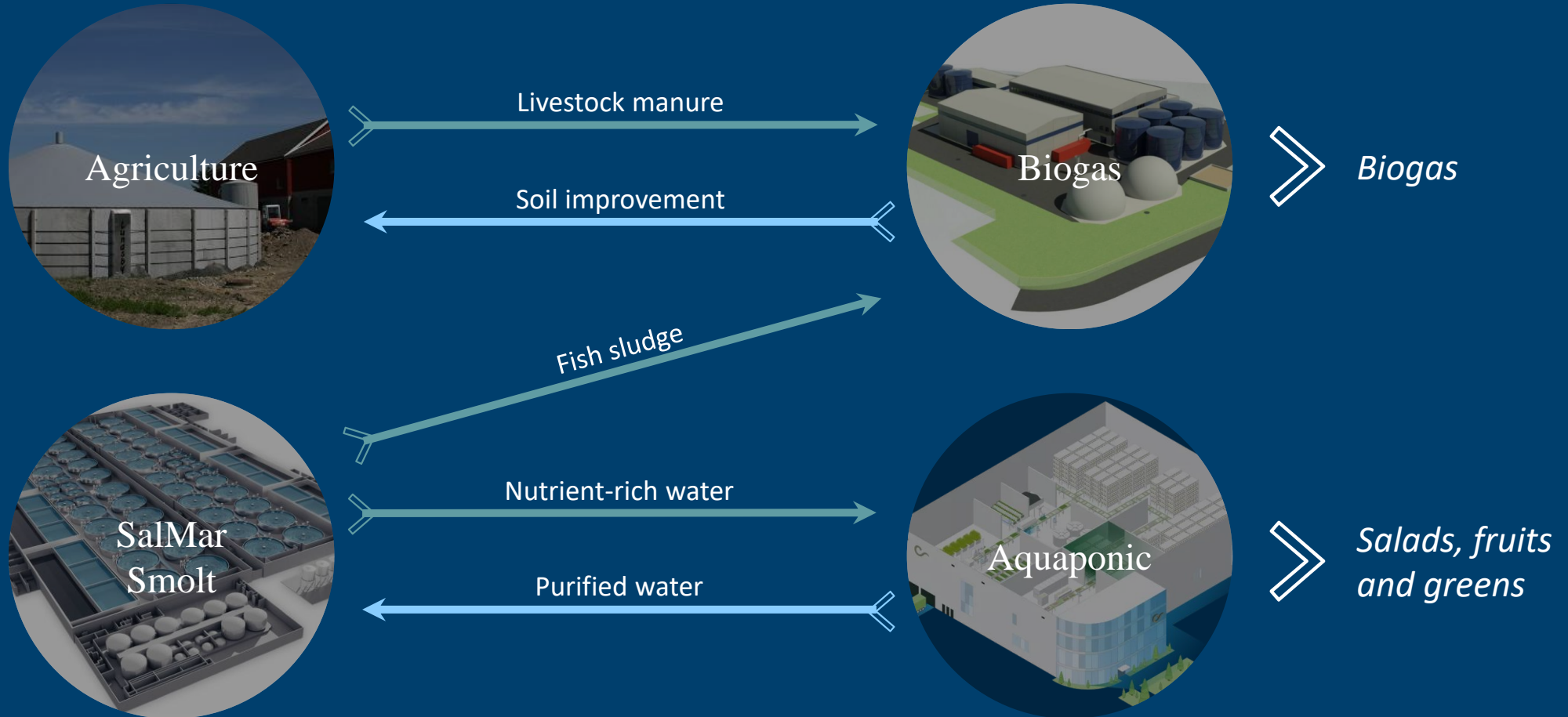
Follafooss



Capacity  
**95 million**  
dependent  
on smolt size

# Exploring circular opportunities from our smolt facilities

Waste from our smolt facility can be used as a vital element for both biogas and aquaponics





# SalMar the largest salmon producer from Møre to Finnmark

- Strong presence along the coast
  - SalMar has a key role in local communities
  - Operate 6 visitor centers open to the public
  - 4 remote feeding centers
- Untapped organic growth potential in both regions
  - Existing value chain with capacity to utilize the potential
  - Largest growth potential in Northern Norway

## Northern Norway

Production area 10-13

49 farming sites

2 visitor centers

1 remote feeding center

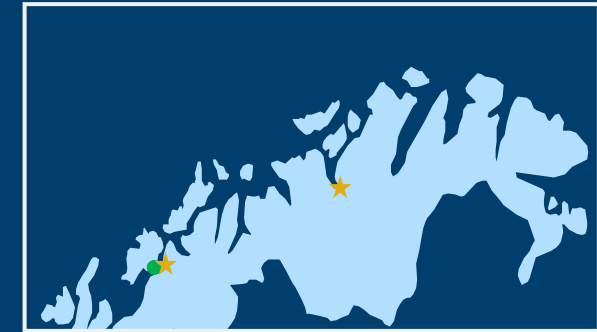
MAB tonnes

67 505 Commercial

1 560 Visitor

Volume potential

130 000 tonnes



## Central Norway

Production area 5-7

78 farming sites

4 visitor centers

3 remote feeding centers

MAB tonnes

77 409 Commercial

3 120 Visitor

3 120 Broodstock

1 100 Development

Volume potential

170 000 tonnes



Organic growth potential

300 000

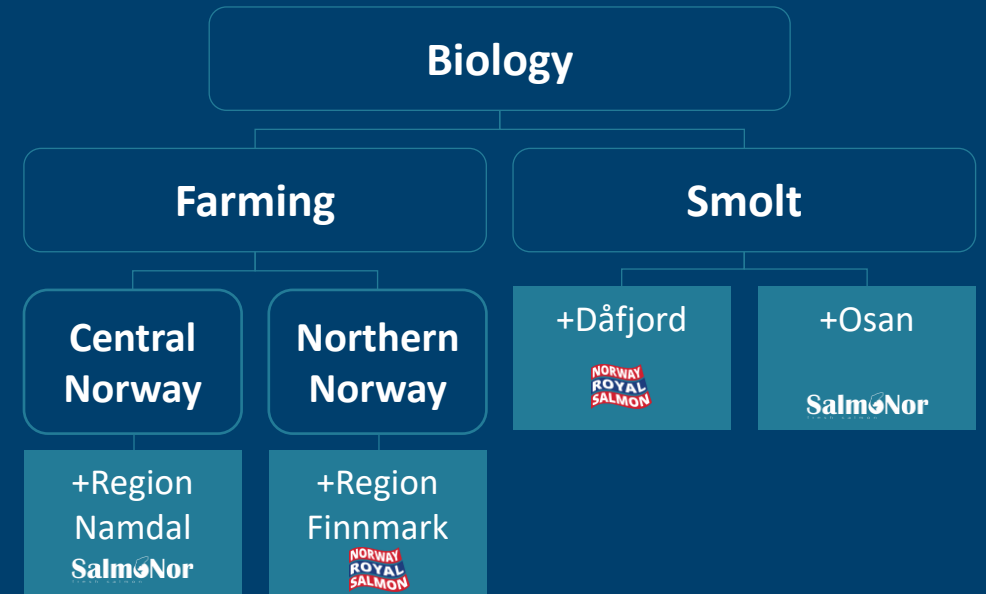
tonnes

★ Visitor center

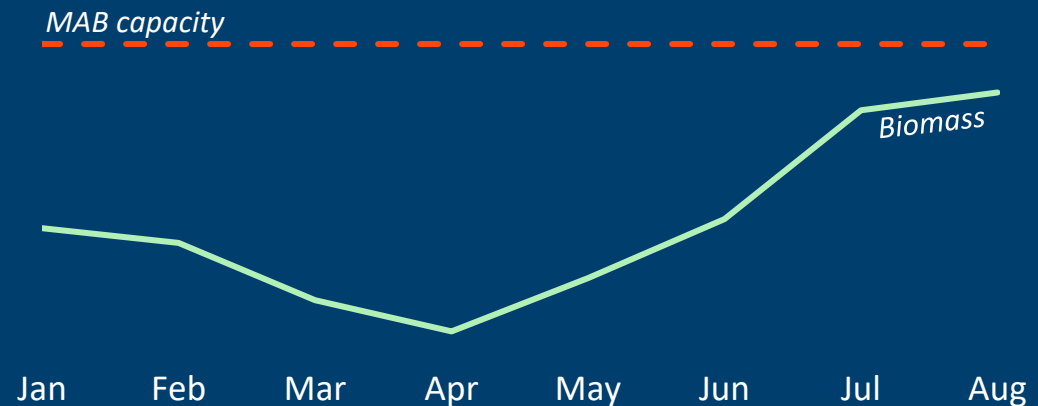
● Remote feeding center

# NRS and SalmoNor integrated into our existing operational set-up

- Farming structure expanded with two new regions
  - Support functions merged into existing structure
- Strong synergy potential
  - NRS with unutilized license capacity
  - SalMar with smolt capacity to utilize potential
  - Cost synergies benefitting from improved operational set-up, increased efficiency and scale advantages
- Strategically attractive for many years
  - Increased presence in optimal locations to produce salmon



## Development MAB Utilization in 2023





# Feed our most important input factor

## Vital for optimizing fish health, welfare and growth

- Recent cost inflation driven by increase in cost of raw materials in feed basket
  - Novel ingredients more attractive when cost has increased
  - Seeking to include more novel feed ingredients both to reduce cost and to reduce environmental impact
- Byproducts from fisheries and aquaculture interesting
  - Local, cost effective and sustainable ingredient
- Fish feed our largest single source of GHG emissions
  - And at the same time also the one with largest reduction
  - Improved feed conversion ratio and sourcing of more climate friendly raw materials driving our reduction

*eFCR:*

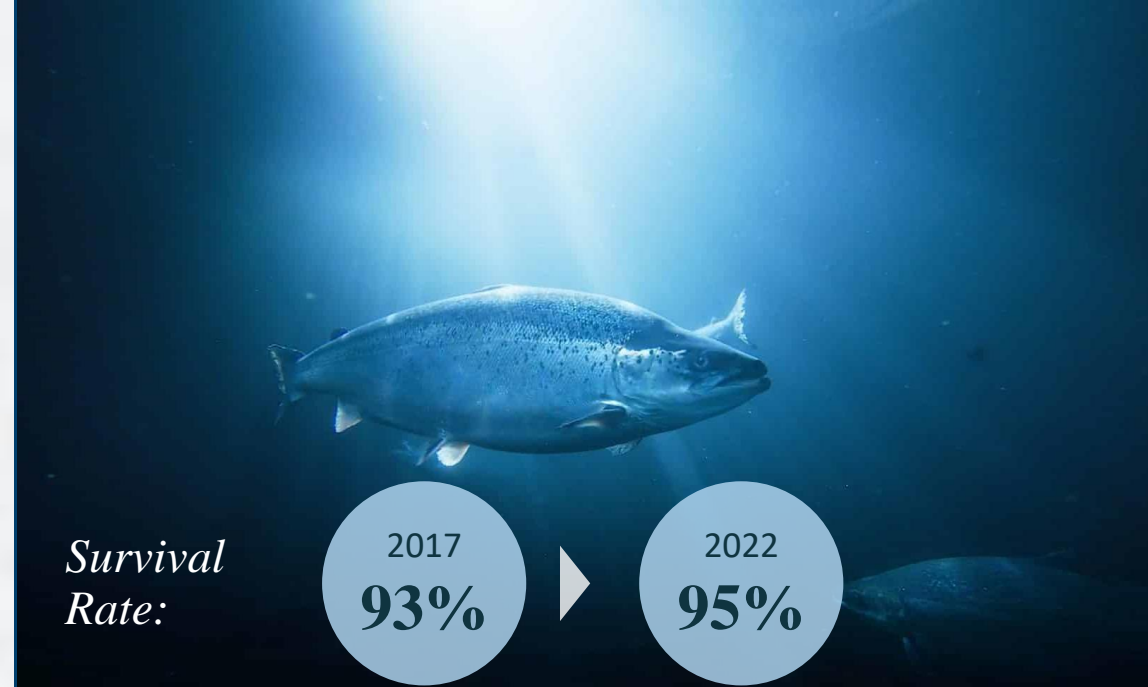
2017  
**1.21**



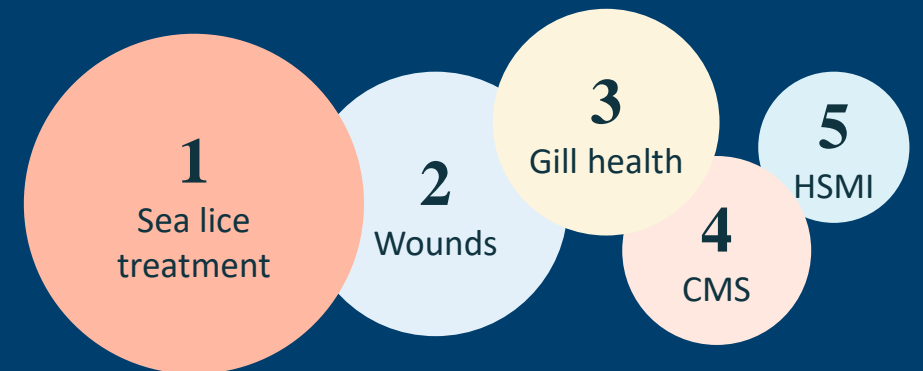
2022  
**1.18**

# We work systematically to create an environment in which the salmon thrives and remains healthy

- Fish welfare crucial for production of healthy, nutritious and sustainable food
  - SalMar with strong performance compared to peers, but see large potential for improvement
- A robust smolt delivered at the right time to right location a prerequisite for fish welfare and to increase survival
  - Key measures to handle wounds: Robust smolt, gentle handling of salmon, improved vaccines
  - Key measures to handle gill health: Robust smolt, surveillance of water quality and freshwater treatment
- Sea lice still a biological challenge



## TOP 5 CAUSES FOR MORTALITY LAST 3 YEARS





# Working actively to limit use of sea lice treatments

- Actively using new technology and methods
  - Both for preventive measures and corrective
  - Rigged with large capacity for sea lice treatments
- Own internal employees operating our units
  - Strong operational procedures and competent employees with a passion for their work
  - Employees incentivized to increase survival rate -> mortality after treatment reduced with 50% from 2017 to 2022
- Expanded our toolbox to handle peak periods
  - Need capacity to handle seasonal variations
  - 5 barges with hydrolicers for flushing
  - 5 well boats rigged with equipment for freshwater, thermal and flushing
  - Several of our boats are rigged with a combination of equipment in order to perform treatments at lower intensity



# Increasing our well boat capacity

- Both to handle harvest transportation, but also treatment capacity
- Two new vessels in operation from 2023
  - RoSenja and Gåsø Odin
- Two new vessels to be delivered in 2024
  - Rigged with the latest technology
- Reduced environmental footprint through use of battery-hybrid technology
  - RoVision worlds first battery hybrid well boat





## Reduced environmental footprint through use of new technology

- 50% of feed barges with low emission technology
- Several vessels in use with low emission technology
  - Battery hybrid technology
  - Fully electric technology
- SalMar a frontrunner in the industry
  - Worlds first battery-hybrid well boat - RoVision
  - Worlds first fully electric service boat - Multi Electric & Enovation
  - Worlds first fully electric work boat - Elfrida
- Significant reduction in emission and fuel consumption
  - A fully electric service boat reduces GHG emissions similar to 215 cars per year

*Worlds first fully electric service boat*

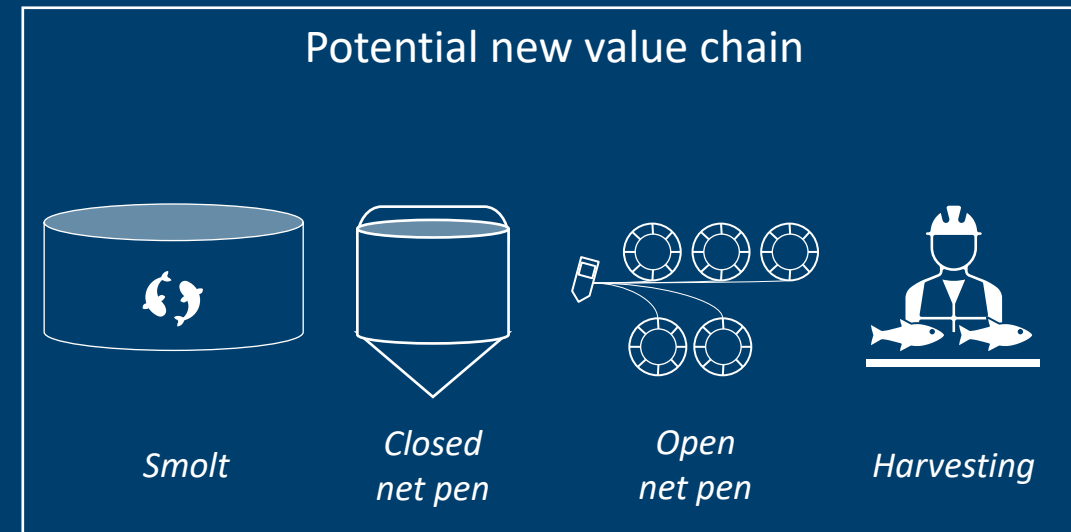
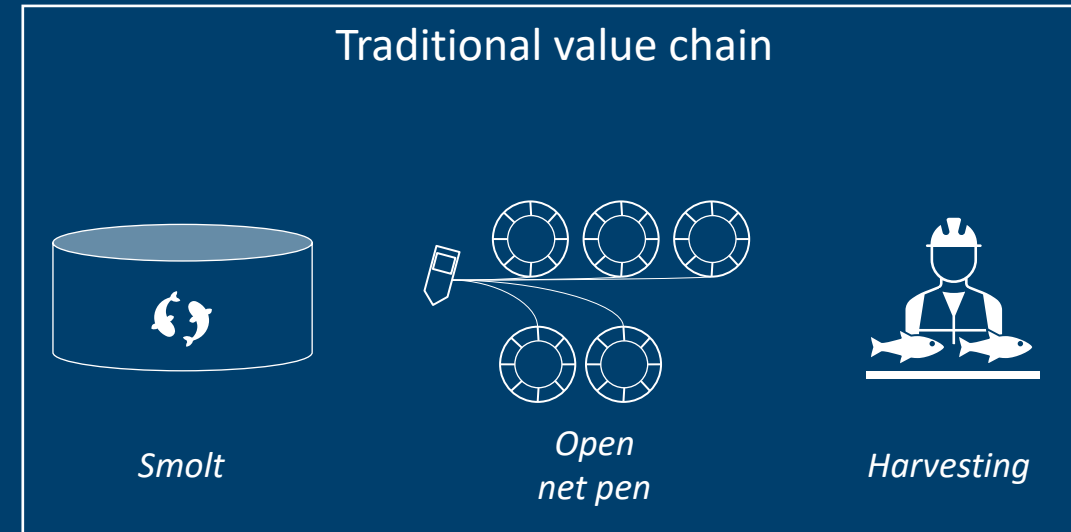


*Worlds first fully electric work boat*



# SalMar a frontrunner in testing out new farming technology

- Ambition to increase operational efficiency through interaction with our existing value chain
  - Enhance efficiency of smolt facilities, sites, vessels and harvesting facilities
- Own internal project group established to handle larger innovation projects
- Projects with closed, semi-closed and submersible in operation

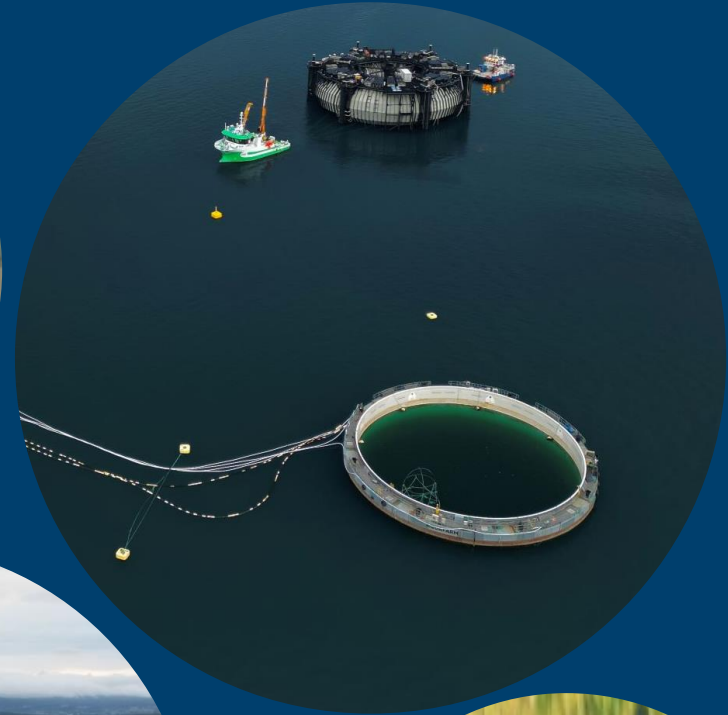




# Closed net pens

## *Neptun 4*

- SalMars first closed net pen
- Three production cycles completed



## *Marine Donut*

- Development project
- First production cycle to commence autumn 2023



# Semi-closed and submersible

## *Aquatraz*

- Semi-closed net pen
- Previous development project
- Several cycles completed



## *Submersible*

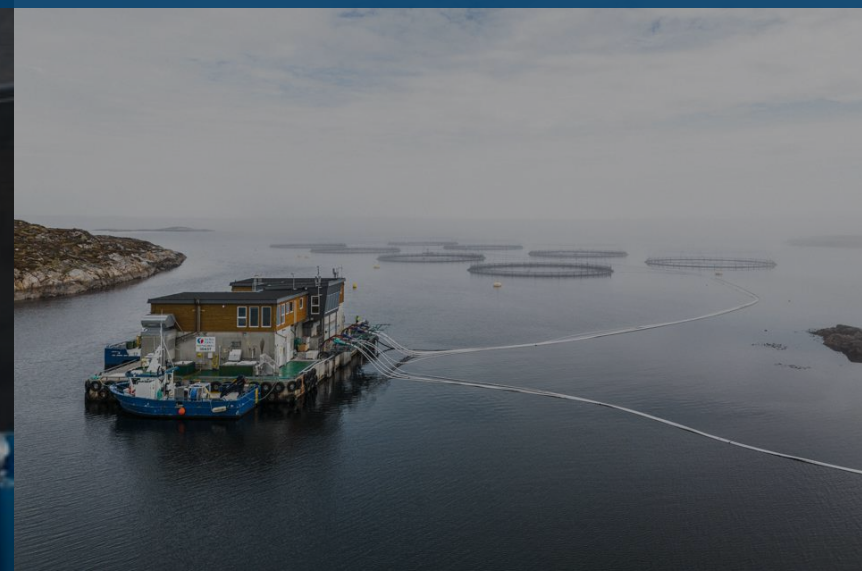
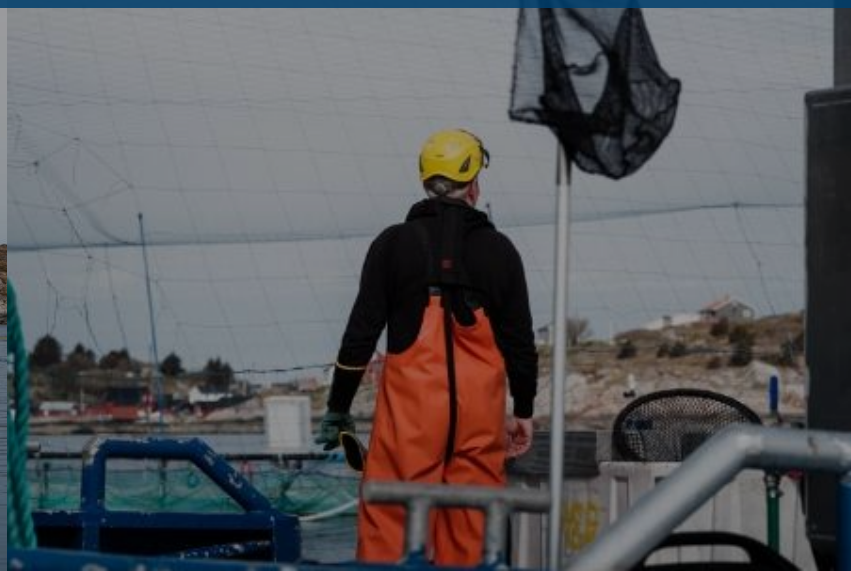
- In use at several sites in Central Norway







WITH A PASSION FOR SALMON  
WE WILL CONTINUE TO BE THE LEADING FARMER WITH RESPECT TO  
BOTH COST POSITION AND FISH WELFARE





A group of people, likely crew members or researchers, are working on a fishing boat. They are wearing safety gear, including high-visibility jackets and helmets. The boat is equipped with large green fishing nets. The background shows a body of water and a cloudy sky. The text "SalMar CMD 2023" is overlaid on the image.

SalMar CMD 2023

# Q&A



An aerial photograph of a rugged, snow-covered mountain range overlooking a deep blue fjord. The mountains are jagged and partially covered in snow, with some rocky outcrops visible. The water in the fjord is a deep, clear blue, and there are some small ice floes or rocks visible in the lower right. The sky is a pale, clear blue.

SalMar CMD 2023

# BREAK

10 MIN

## VIDEO 4 - FRØYAS





SalMar CMD 2023

# SALES & INDUSTRY



SPEAKER:  
**SIMON SØBSTAD**  
COO SALES & INDUSTRY

# We have flexible sales & processing capacity to handle the volume

**Always on the terms of the salmon**





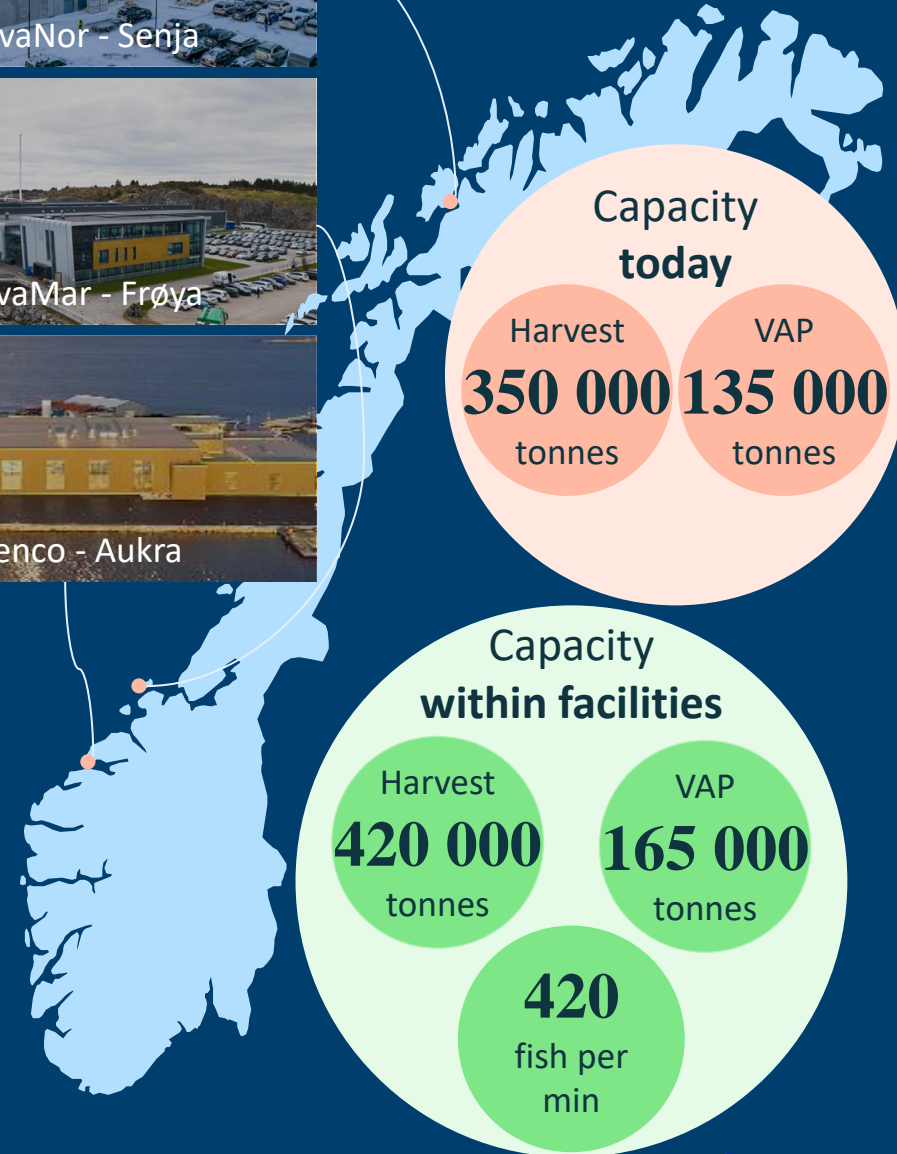
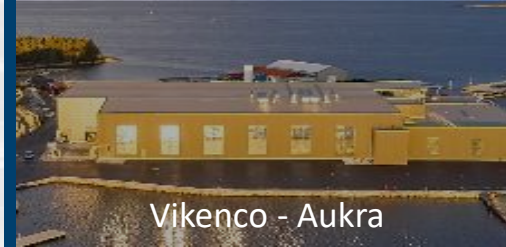


1 300 DEDICATED EMPLOYEES WITH STRONG COMPETENCE,  
CULTURE AND A PASSION FOR SALMON



# Largest and most flexible local harvesting and processing capacity

- Built large capacity in close proximity to farming operations
  - Reduces biological risk in sea and optimizes biological production
  - Capacity to handle 1/5 of all volume in Norway
- Facilities rigged with the latest technology for both harvesting and value added processing and built with scalability in mind
- Significant value creation to the local communities
  - Attractive, exciting and sustainable jobs
  - Utilizing local suppliers to provide a wide range of services for the facilities

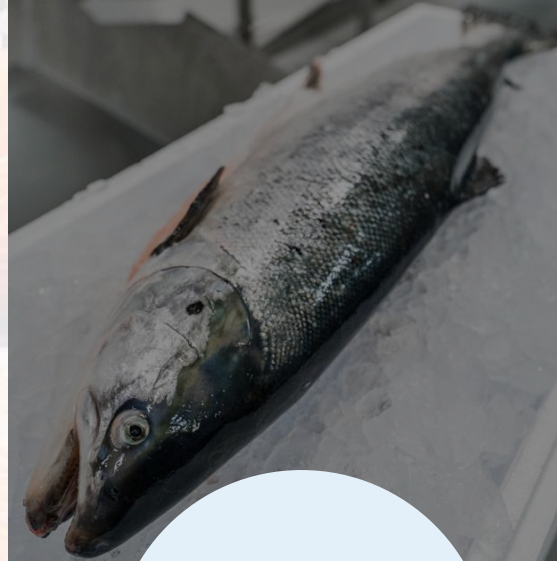




# Local secondary processing capacity a strong strategic advantage for SalMar

- Our facilities rigged with the latest technology for value added processing
  - Built with scalability in mind
  - Both post and pre-rigor capacity
- Flexibility to provide the market with the right product
  - Broad product portfolio for customers in all markets
  - Right fish to right product
- VAP reducing climate gas emissions
  - Transport volume reduced

Whole fish



**42%**

Secondary processed in 2022

Fillet



Reduction in GHG emissions due to local processing

**86,000**  
tonnes CO<sub>2</sub>E

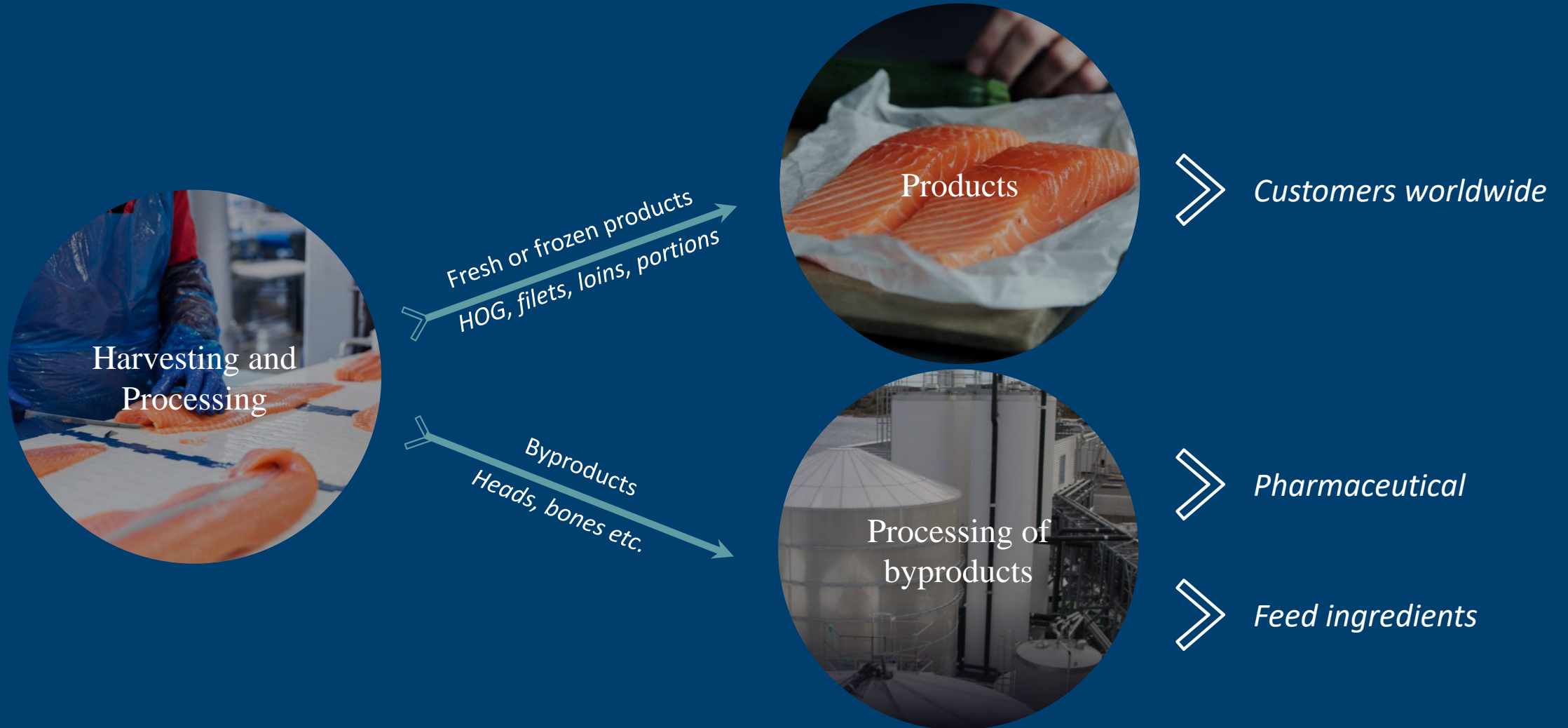
Portions



Loins



# 100% utilization of the salmon





# Optimizing logistics to our customers worldwide

- Facilities in close proximity to farming operations
  - Reduces logistics for inbound well-boat transportation
  - Box-factory built in connection with InnovaNor facility, reducing need for inbound transport
- Flexible outbound logistics
  - Most of volume sent via truck
  - New routes established with boat and train
  - Several airports in use to overseas markets
- All markets reached within maximum 3 days



# Exploring new sustainable packaging

- Continuous work to reduce footprint and extend shelf life of our products
- Engaged in a wide range of projects
  - Recyclable styrofoam boxes
  - Alternative box materials and design
  - New freezing and chilling methods
  - Alternatives to plastic





# Global presence through sales offices close to key markets

- All volume produced in Norway sold via in-house sales force
  - Operational set-up in place to handle increased volume
- Frøya & Ålesund our main sales offices in Norway
  - Handling all volume excluding volume to Asia
  - A strategic advantage to have sales in close connection to our operations
- Six sales offices in Asia, new office established in Thailand
  - Local presence has been a recipe of success
  - Always exploring establishment also in other regions



# Our go-to-market approach reaches customers worldwide

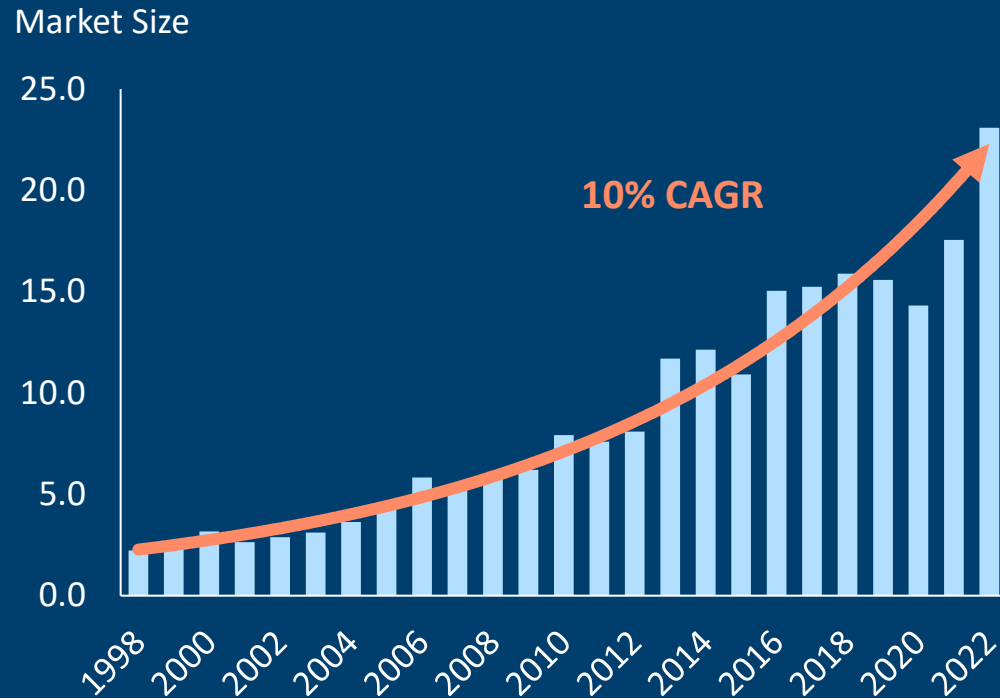
- 2/3 of volume sold to the European market
  - Largest and most mature salmon market in the world
- 1/3 of volume sold overseas
  - Split between North America and Asia
  - High share of VAP to overseas markets
- Strong development especially in emerging markets
  - 18% of volume in 2023 secured on fixed price<sup>1</sup> contracts





# Global demand for salmon has been fantastic – the development will continue

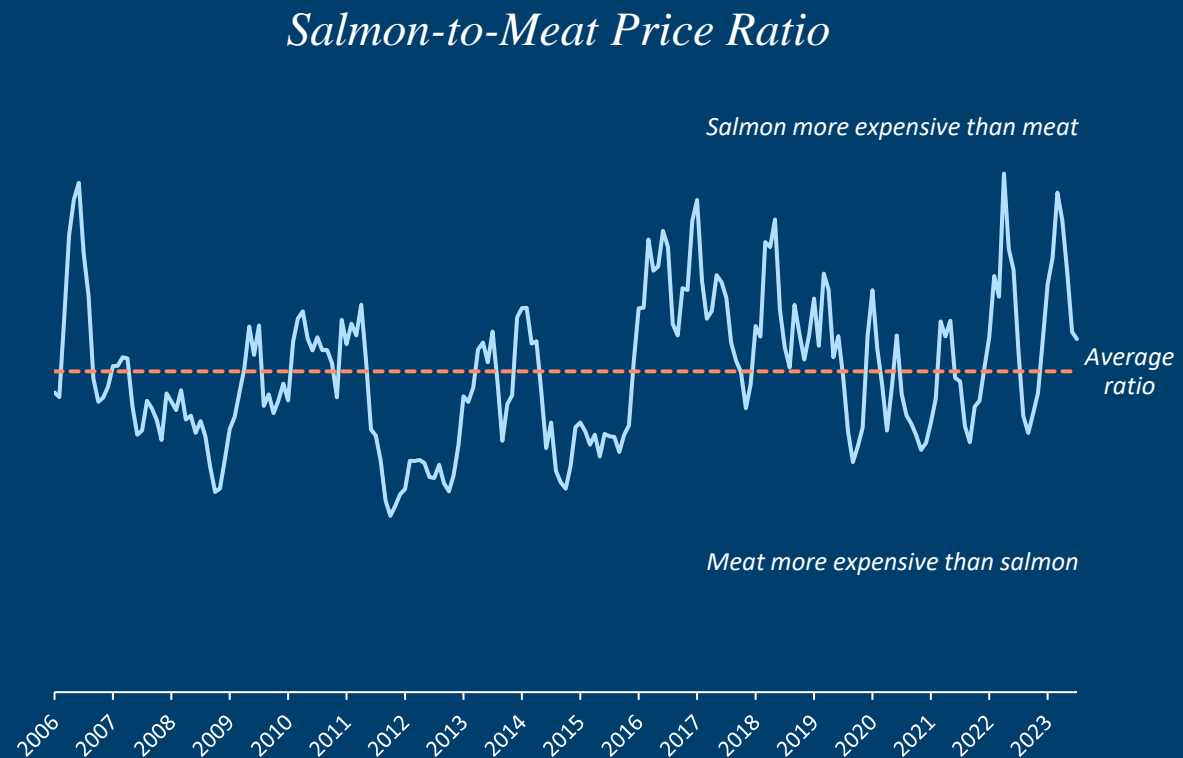
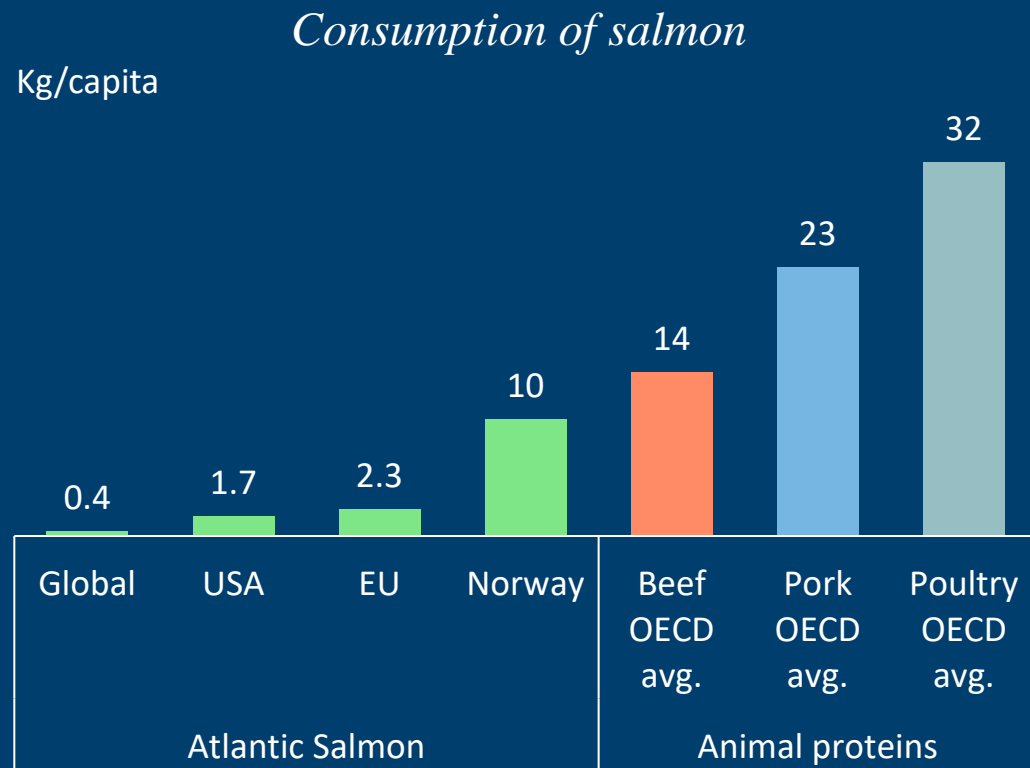
*Global demand for salmon is increasing*



- Salmon demand is building on super trends
  - Healthy, nutritious and sustainable proteins
  - Focus on sustainability increasingly important for end-consumers
- Salmon one of the most sustainable animal proteins
  - Salmon with a low CO2 footprint, low water usage, low feed conversion ratio and high edible yield compared to other animal proteins

# Consumption is still low in most markets

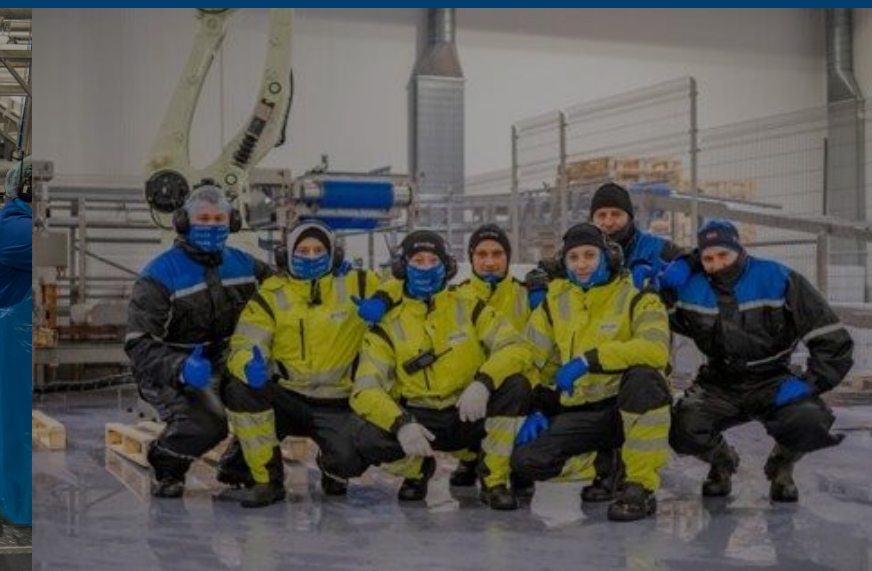
– and salmon is not considered expensive compared to other proteins







WITH A PASSION FOR SALMON  
WE PROVIDE SUSTAINABLE FOOD WORLDWIDE





A group of people, likely a crew or students, are working on a large green fishing net in the ocean. They are wearing safety gear, including high-visibility jackets and helmets. The net is stretched across the water, and the background shows a cloudy sky and the horizon. The text "SalMar CMD 2023" is overlaid on the image.

SalMar CMD 2023

# Q&A



## VIDEO 5 - CAPTAIN'S LOG

SalMar CMD 2023

# SALMAR AKER OCEAN



SPEAKER:  
**ROY REITE**  
CEO SALMAR AKER OCEAN





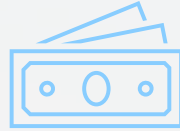
# The future is our inspiration



Healthy food



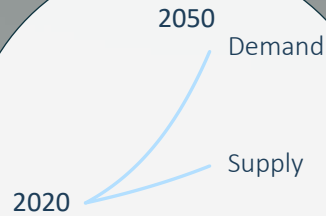
Protein with lower footprint



Growing middle class



Population growth



New technology needed

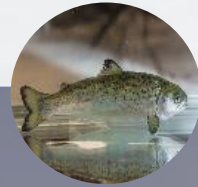


# The salmon is the 'captain' of our value chain

– meaning fish welfare and bio security are the core of everything we do



Hatchery



Smolt

Sea phase in the ocean



Processing



Sales and distribution



Less temperature variations



An even ocean current and greater distances between facilities



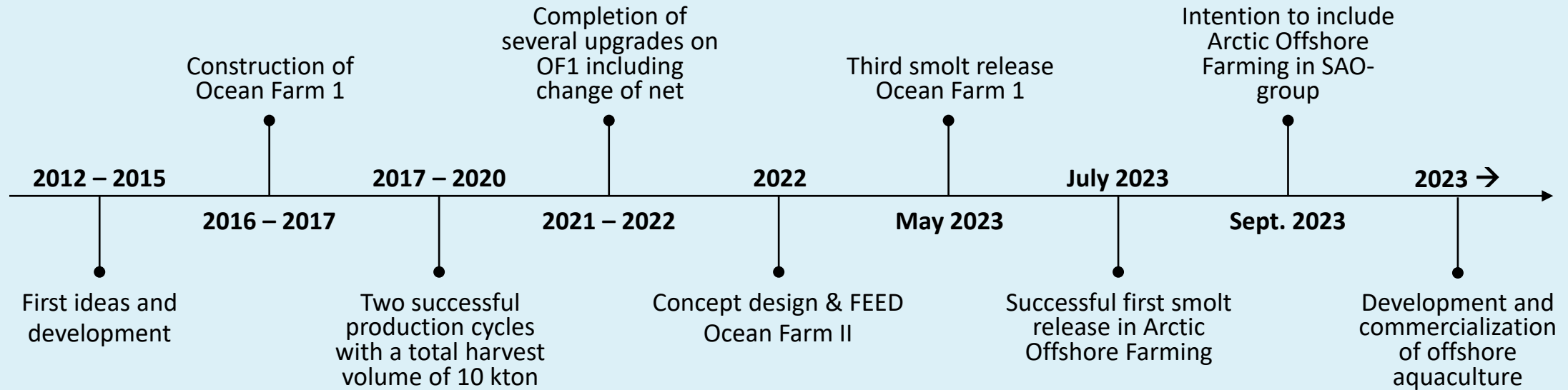
A rigid and large structure allows for more space and better monitoring



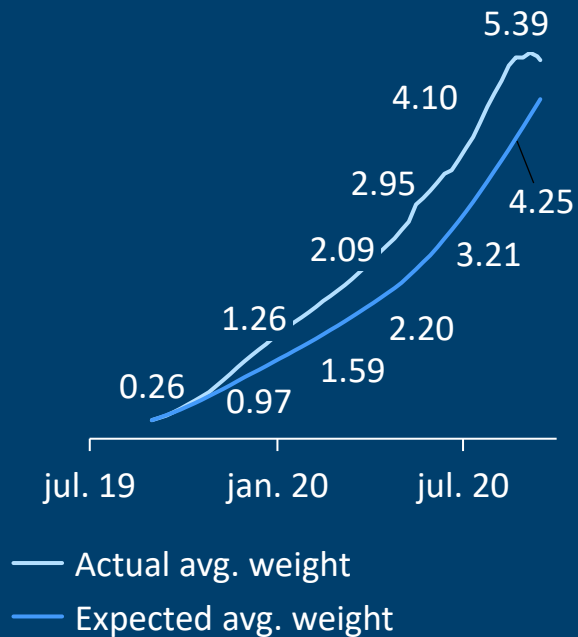
Natural and healthy conditions creates a positive circle for the fish and environment



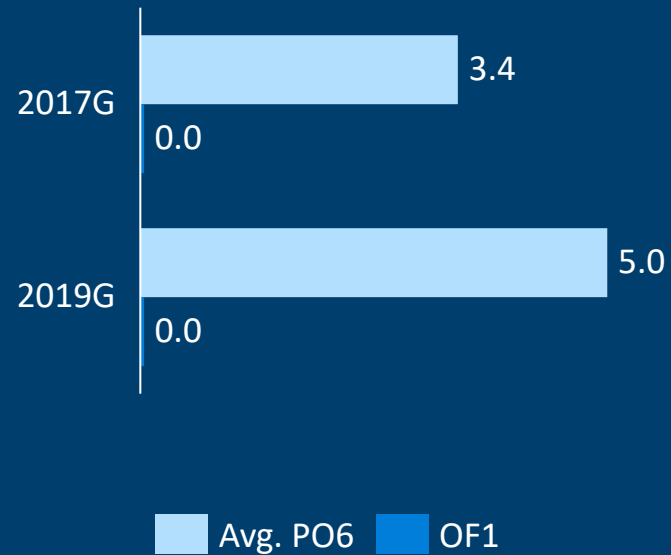
# Our journey has given crucial experience and insight



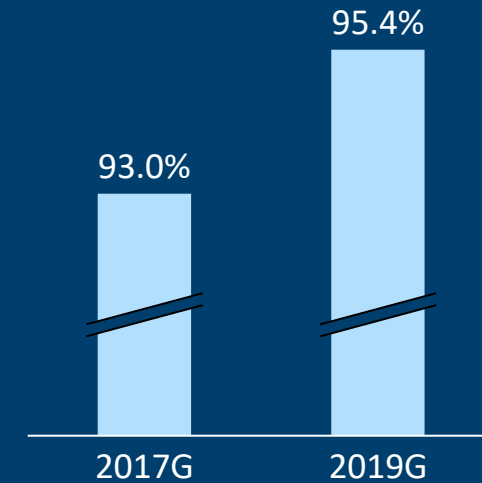
# Strong results from the first two production cycles for Ocean Farm 1



*Solid growth*



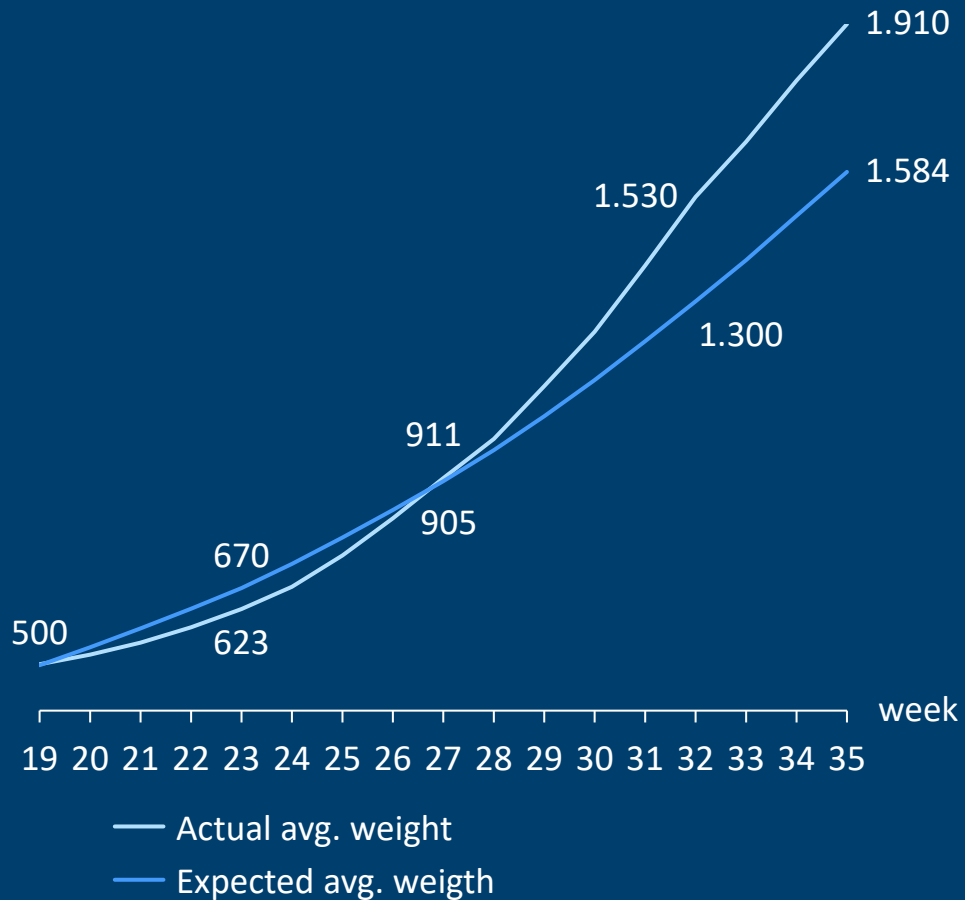
*No lice treatment*



*High survival rate*



*Growth third production cycle OF1 vs expected growth*



## Another good production cycle underway at Ocean Farm 1



Growth on track to outperform the first two production cycles



Very low mortality – accumulated mortality of only 1,2%



Low levels of salmon lice



# Intention to include Arctic Offshore Farming in SalMar Aker Ocean Group

## Arctic Offshore Farming

Intention to include the development licenses and operations of Arctic Offshore Farming in SalMar Aker Ocean Group



## Harvest capacity

Adding ~6 000 tons of annual harvest capacity. Combined annual capacity for Ocean Farm 1 and Arctic Offshore farming of ~13 000 tons

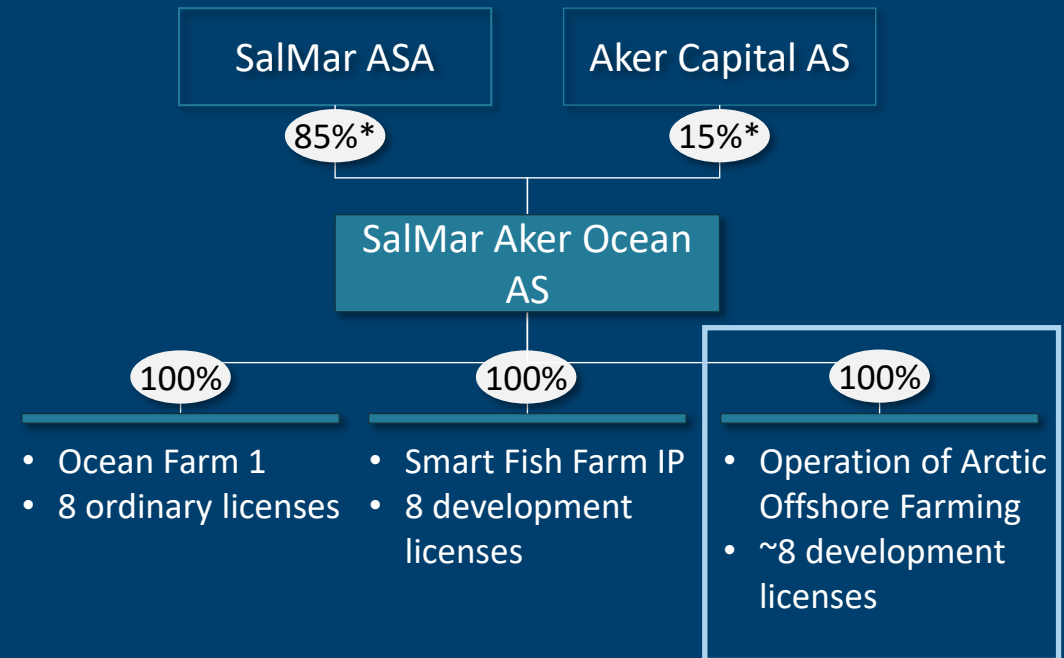


## Experience

Gaining experience with submerged production and strengthens SalMar Aker Oceans leading position within exposed and offshore salmon farming



## *Intended company structure*





# Experience from exposed farming enables future growth offshore

*EXPOSED*



- **Larger and more advanced** units than traditional farming
- **Two successful production cycles** on Ocean Farm 1, the third underway with good results so far
- **Successful first outlet of fish** in AOF – now in operation
- **Investments in new semi-offshore units on hold** due to uncertainty of future license regime for exposed operations

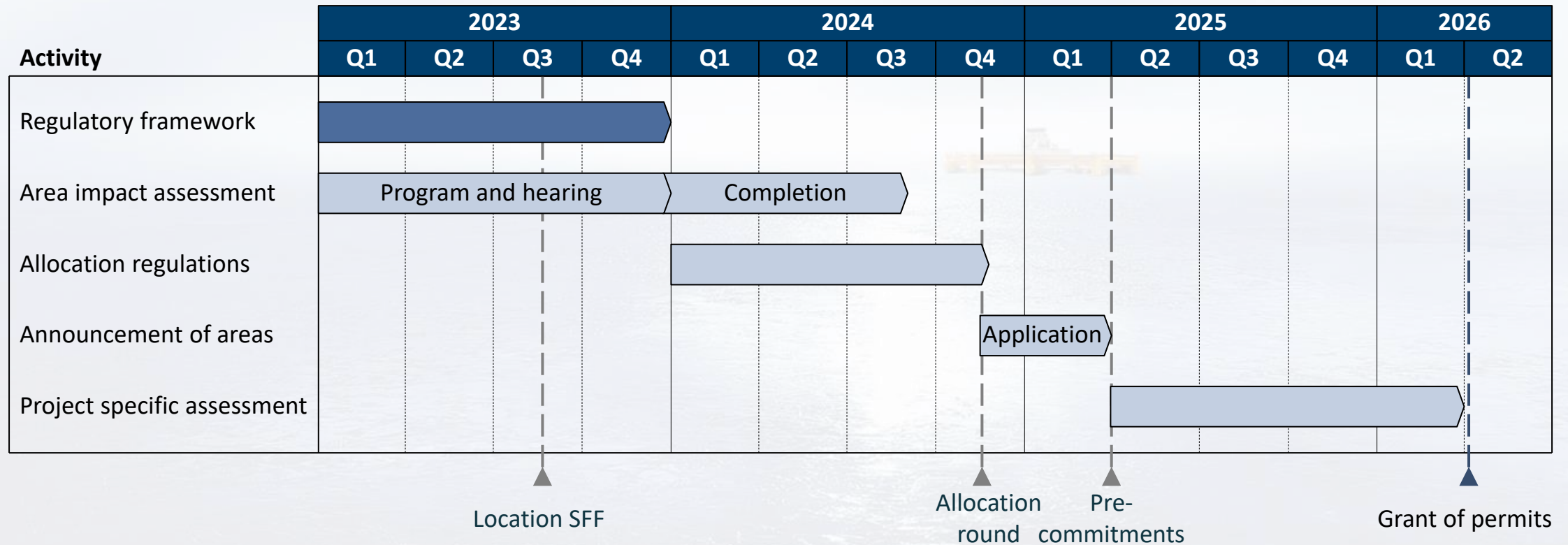
Important  
steppingstone to  
go offshore

*OPEN OCEAN*



- **8 development licenses**
- **Expect location mid September** in Norskehavet
- **Building on experience** from exposed operation
- **Regulatory framework** progressing
- Offshore farming represents **huge potentials**

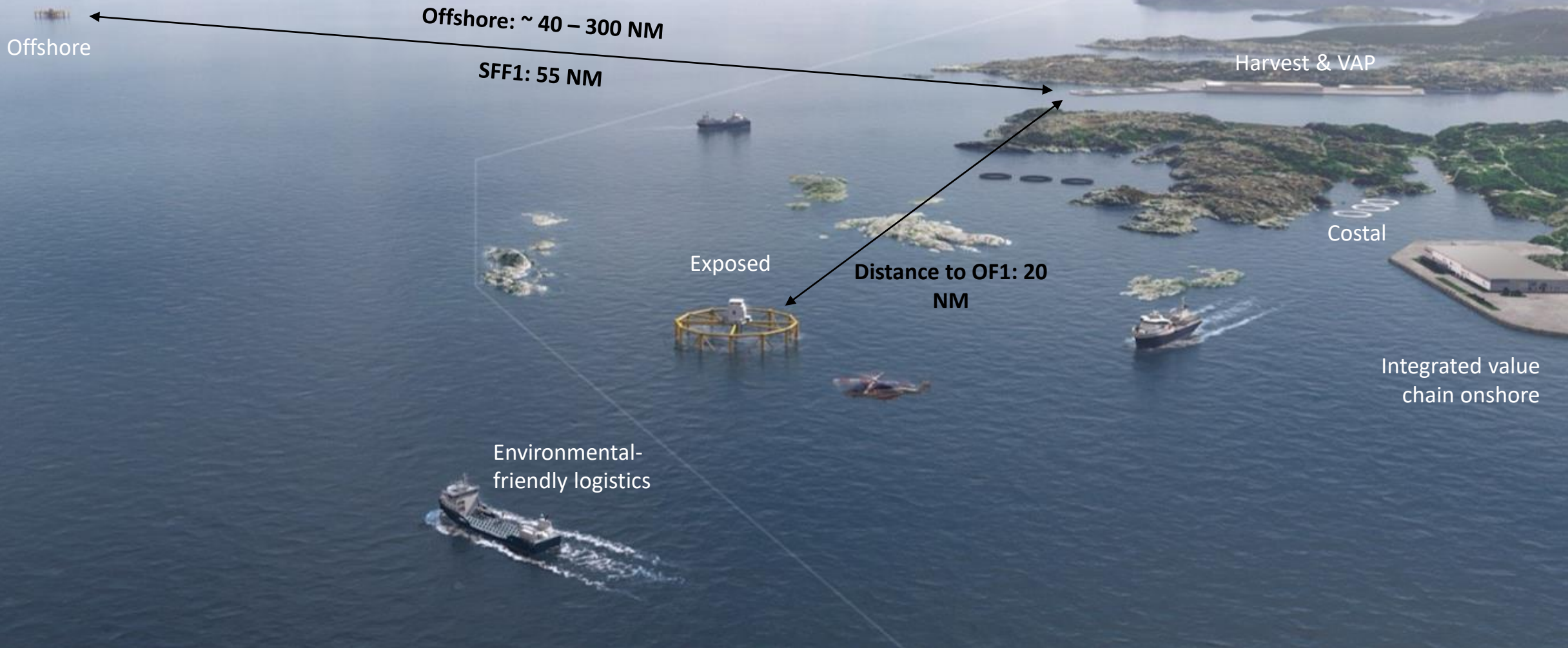
# Clarity regarding tax and regulatory framework will be crucial for making investment decisions



**Regulatory process and milestones for offshore farming in Norway**



# From pilot to scale – development of a new value chain



# Offshore farming opens opportunities around the world

## *Key factors for establishment*



Biological conditions



Value chain capacity



Regulatory framework



Proximity to market



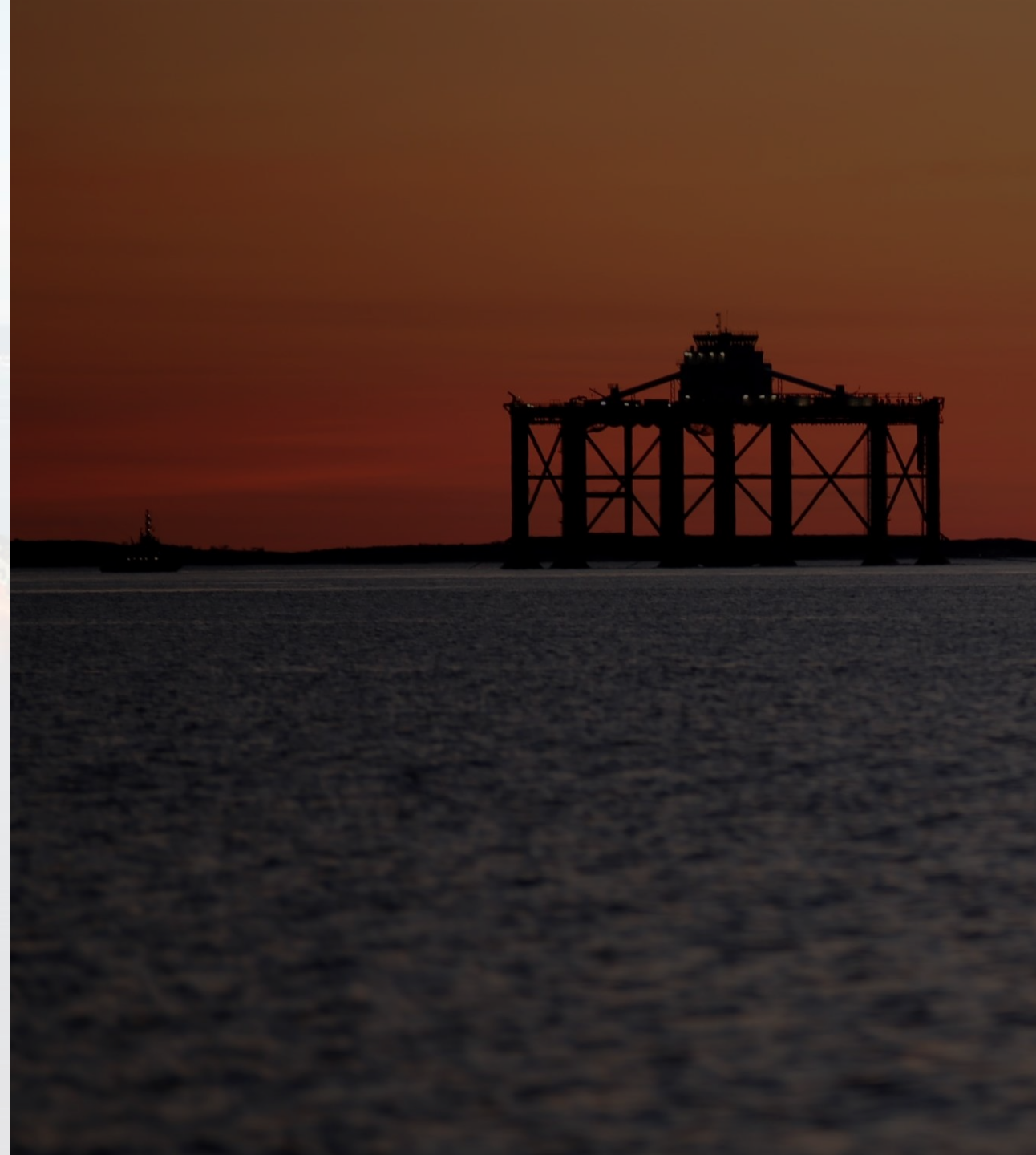
Leveres av Bing  
© Australian Bureau of Statistics, GeoNames, Microsoft, Navinfo, OpenStreetMap, TomTom, Zenrin



# SalMar Aker Oceans vision and ambition



Targets annual  
production of  
**150 000**  
tonnes globally



A group of people, likely a crew or students, are working on a large green fishing net in the ocean. They are wearing safety gear, including high-visibility jackets and helmets. The net is stretched across the water, and the background shows a cloudy sky and the horizon. The text "SalMar CMD 2023" is overlaid on the image.

SalMar CMD 2023

# Q&A



An aerial photograph of a rugged, snow-covered mountain range overlooking a deep blue fjord. The mountains are jagged and partially covered in snow, with some rocky outcrops visible. The water in the fjord is a deep, clear blue, and the sky is a pale, hazy blue. The overall scene is serene and majestic.

SalMar CMD 2023

# BREAK

10 MIN

## VIDEO 6 - ICELAND



SalMar CMD 2023

# ICELANDIC SALMON



SPEAKER:

**BJØRN HEMBRE**

CEO ICELANDIC SALMON

# THIS IS ICELANDIC SALMON



Icelandic Salmon AS is listed on the Euronext Growth market in Oslo.

The company is the sole owner and parent company of Arnarlax ehf.



All operational activities of the group are performed in Arnarlax ehf.



Arnarlax – Sustainable Icelandic Salmon is the common brand for all operational activities and products from Icelandic Salmon

Four smolt facilities,  
Current capacity  
of 7-8 million smolt,  
depending on size  
of smolt



Farming in seven sites in three fjords

All production  
ASC\*\* certified

Total MAB 23,700 tonnes

Harvesting plant  
in Bíldudalur.

BRCGS\* certified  
30,000 tonnes  
per year capacity



Sales by  
internal team

Domestic and  
global markets



# ICELANDIC SALMON

## WHERE DO WE OPERATE?



- Current operation
- Licence application



All production ASC certified

# ICELANDIC SALMON

## SMOLT PRODUCTION

### SMOLT FACILITIES

- Have today 3 facilities in operation, and a 4th under reconstruction
- Capacity of 7-8 mill smolts, depending on smolt size
- Have licences for 3.000 tonnes of MAB
- Have sufficient smolt capacity for existing licences in sea

### SMOLT STRATEGY

- Implement best-practice
- Good smolt quality
- Increase smoltweight,
- Have sufficient number of smolts





# ICELANDIC SALMON

## SEA FARMING

### SEA OPERATION

- 23.700 tonnes of MAB, in 3 fjords.
- 8 sites
  - Split into 5 generation zones.
- All production is ASC certified



### OPERATION CENTER – FEEDING

- Arnarlax operates a high class feeding center in land at Bíldudalur.
  - Where people are constantly monitoring and feeding the salmon



# ICELANDIC SALMON HARVESTING

## HARVEST PLANT

- Located in Bíldudalur with short distance to sea-water operations
- Capacity 30.000 tonnes/year
- BRCGS certified
- Use super-chill to extend shelf life



**BRCGS**

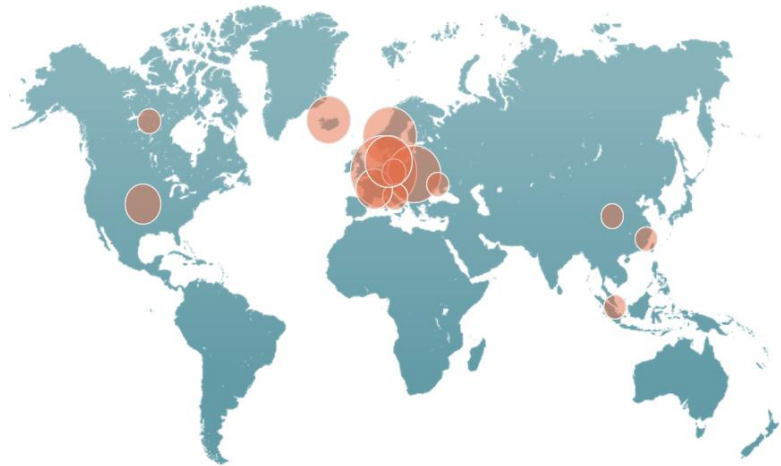


# ICELANDIC SALMON

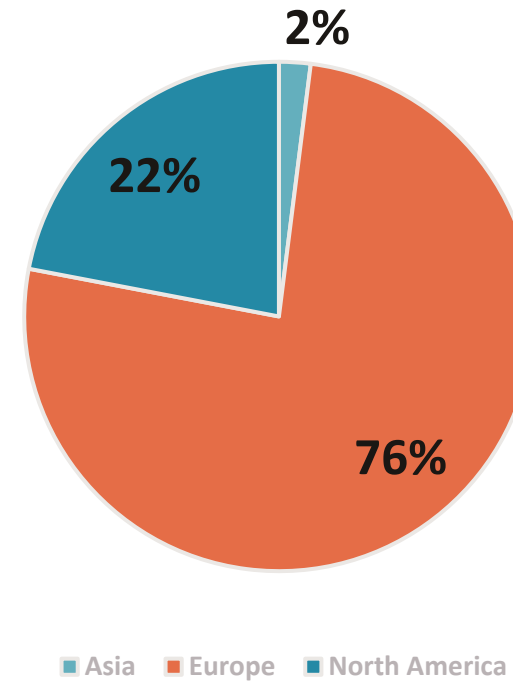
## SALES

### SALES TEAM

- Located in Reykjavik
- Our internal sales team sell all of our salmon
- Working close with premium customers in US and Europe
- Focus on Quality, Sustainability and Origin

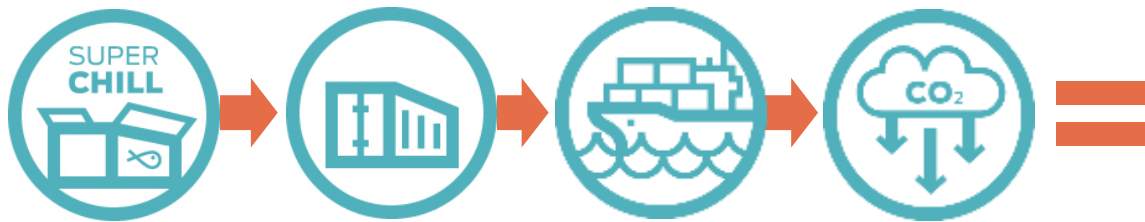


### Where are our customers in 2022?



# SHIFT TO LOW-CARBON FOOTPRINT MARINE TRANSPORT

## STRATEGIC UPDATE



**95 %** REDUCTION  
IN CO2 EMISSIONS



# ICELANDIC SALMON

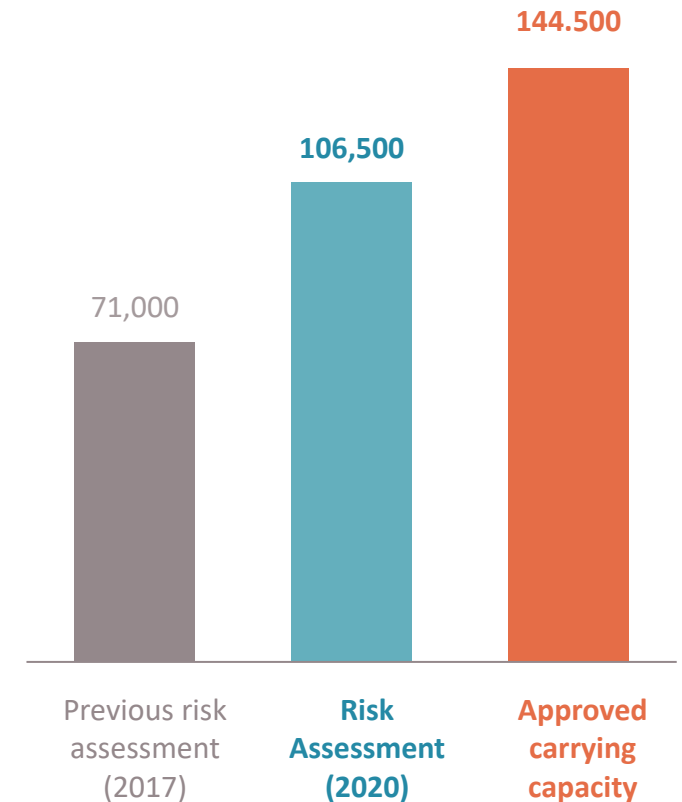
## THE NEXT BIG REGION WITHIN SALMON FARMING



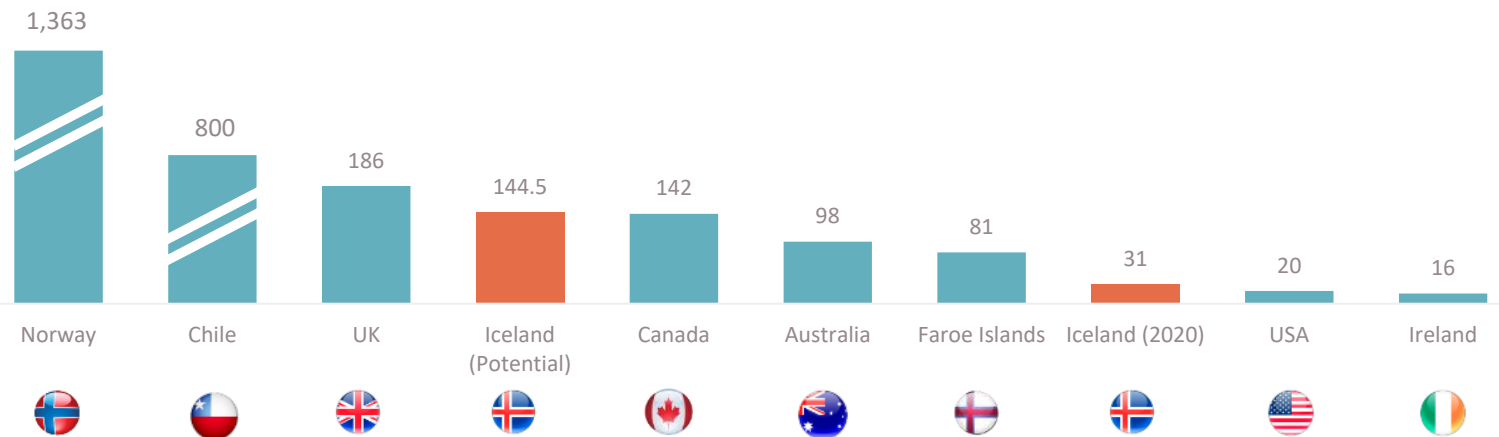
### A FRAMEWORK FOR FUTURE GROWTH

- The Marine Research Institute (MRI) recently carried out an updated Risk Assessment
  - A figure of **106,500 tonnes** of fertile salmon was set .
- Total of 10 fjords have a calculated carrying capacity biomass of 144,500 tonnes
  - Making Iceland, potentially, one of the largest Atlantic salmon producers in the world
- Potential for new areas:
  - Jökulfirðir, Mjóifjörður, and Eyjafjörður.

### MRI RAISED MAB TO 106,500 TONNES IN 2020



### ICELAND TODAY VS POTENTIAL BASED ON MRI ASSESSMENT (000 MT)



Source: Kontali Salmon World 2020, Arnarlax

# ICELANDIC SALMON

## FUTURE POSSIBILITIES

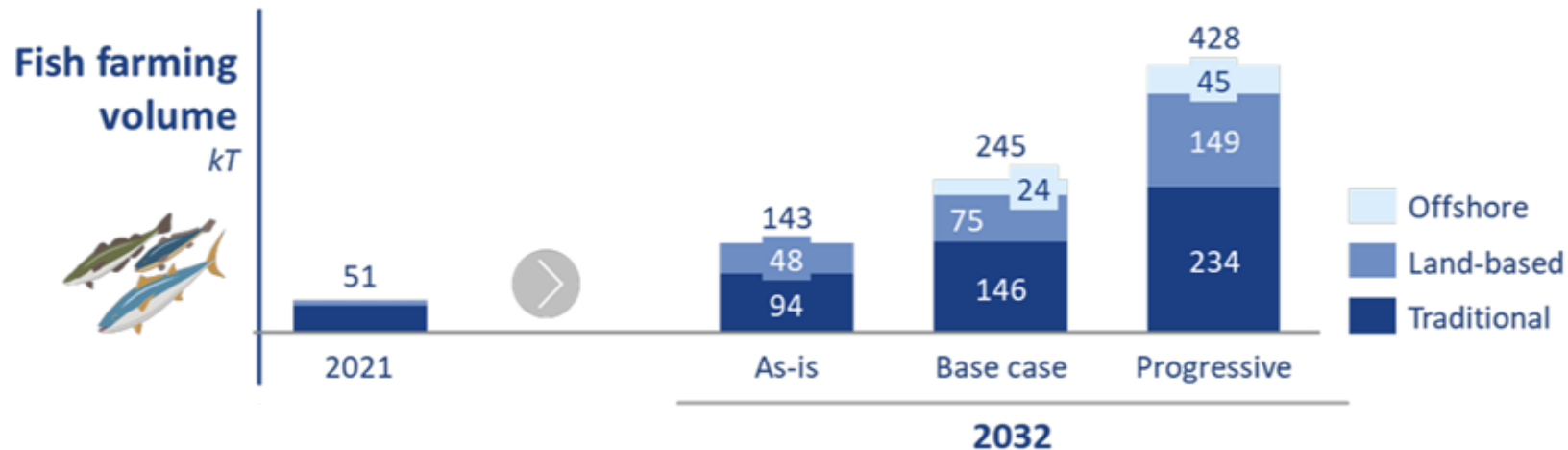
### Boston Consulting Group Report

- The minister asked BCG to investigate and make a report on the possibilities of aquaculture in Iceland
- Three possible goals in sea farming
  - Unchanged – 94.000tons
  - Base picture – 146.000tons
  - Progressive – 234.000tons

### Critical mass of Production

- Most industries are dependent on a critical produced volume to obtain large scale effects (to be able to compete)
  - To be able to deliver salmon to the market every week
  - Value added products
- Industry development in Iceland that will come with more production
  - Feed producer in Iceland to provide the industry
  - More the income for the government
  - Supply education

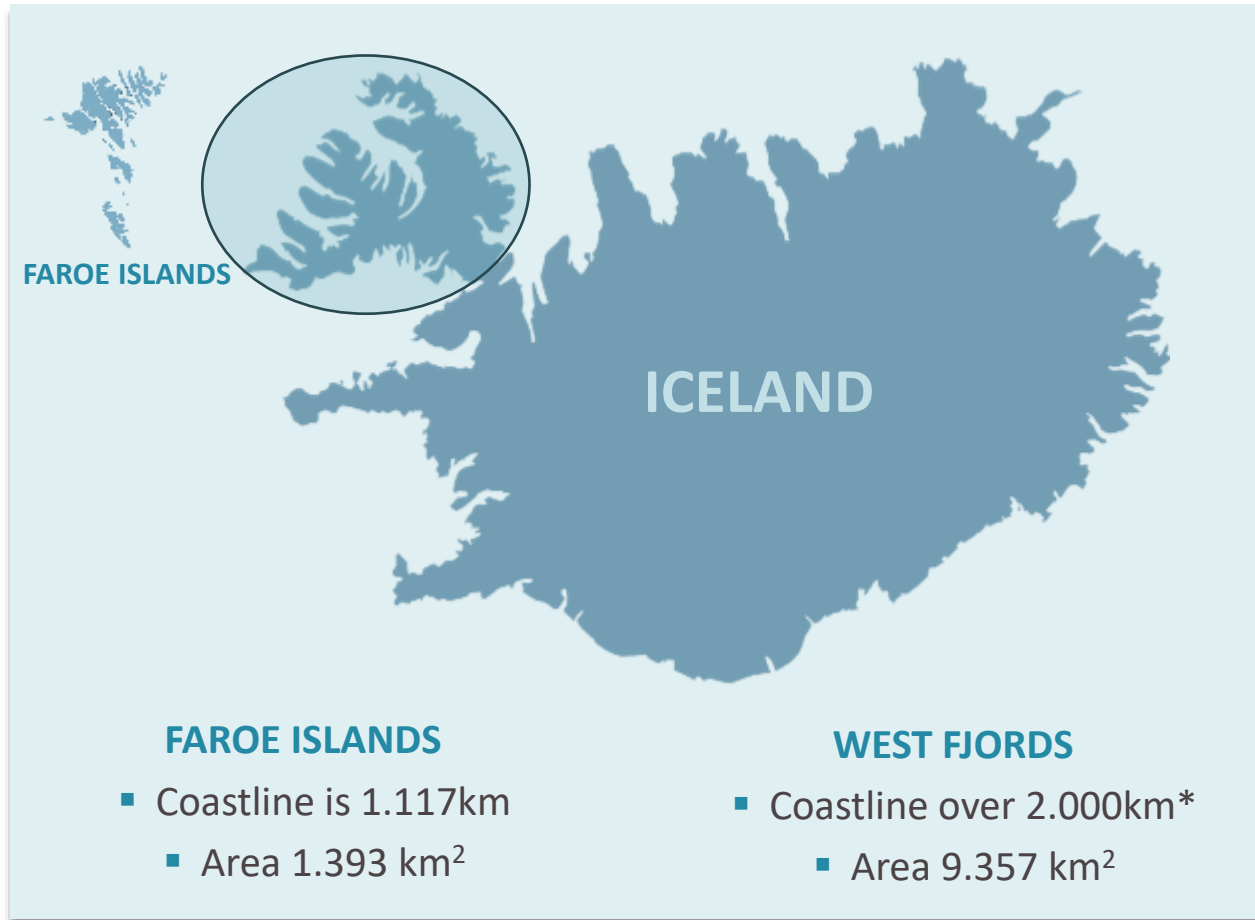
FIGURE 2.11: VOLUME ACROSS AQUACULTURE SECTORS, SCENARIOS AND TIME





# ICELANDIC SALMON

## COMPARISON WITH FAROE ISLAND



- Faroe Islands produced with only 56% of the coastline of West Fjords
  - 89.000 tonnes in 2022
- There are 3 companies operating in Faroe Island
  - *Bakkafrost, Hiddenfjord and MOWI Faroe Islands*
- Export value of DKK 4,68 billion (2022)
  - 45% of total export value of Faroe Island
- Direct jobs inside the aquaculture around 1.200
  - *About 2,3% of total population of Faroe Islands.*

Note.: \* Excluded islands and reef.

Source: Landmælingar Íslands, Faroese Fish Farmers Association

<https://www.faroese seafood.com/fishery-aquaculture/stats/>

<https://hagstova.fo/en/news/exports-continue-rise-0>

# OUTLOOK

## STRATEGIC STEPS

### Harvest volumes within existing licences

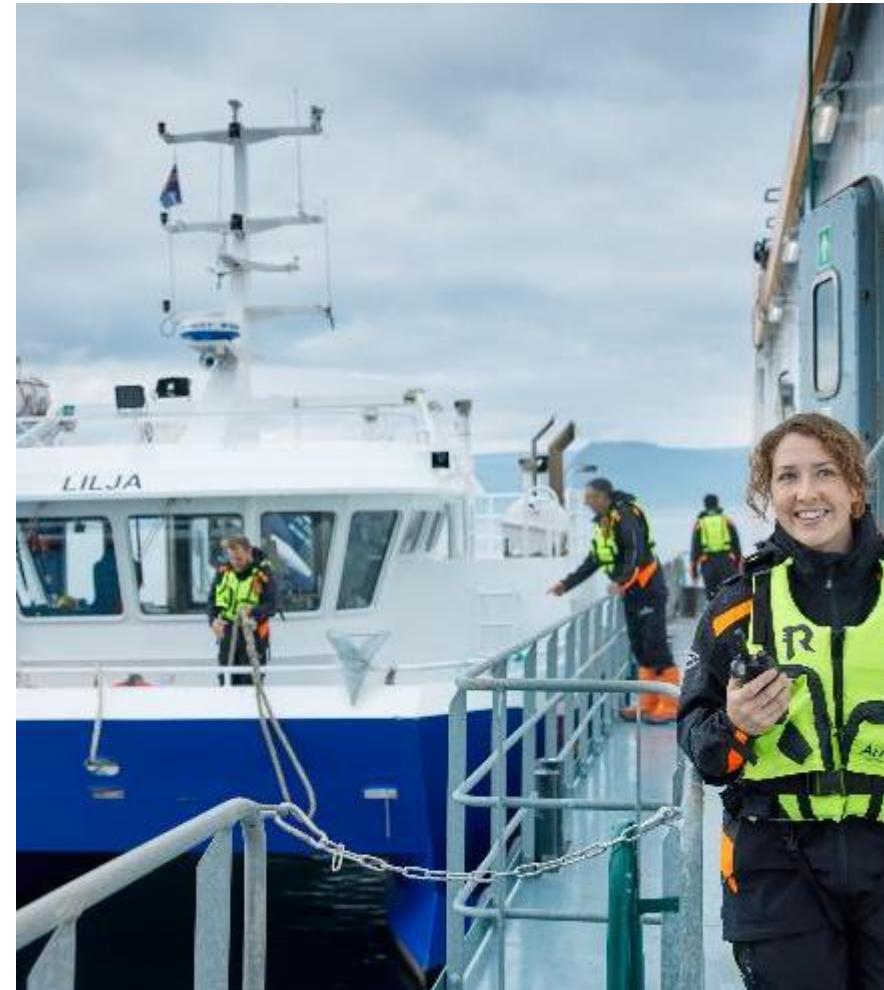
- 2023: 16.000 tonnes
- 26.000 tonnes within existing licences

### Measures for organic growth

- Bigger and more smolt of good quality
- Best operational practice
- 2 more sites in Arnarfjörður
- Bigger farming areas on existing sites

### Potential growth in addition to existing licenses

- New licenses of 10.000 tonnes MAB in Ísafjörður
- If Ministries proposal for new structure for the industry is decided
- New license of 4.500 tonnes in Arnarfjörður
- Total potential of 50.000 tonnes





# DUAL LISTING

## STRATEGIC STEPS

---

### DUAL LISTING ON FIRST NORTH

- Group has engaged in advisory service agreement with Arion Bank, with the objective of preparing for listing of the Group's shares on the First North stock exchange in Iceland.
  - *Depository notes.*
  - *No new shares issued.*
- Expected to be open for trading in second half 2023.
- Purpose to increase access for Icelandic investors.







A family of six people is gathered around a table outdoors, enjoying a meal. The setting is a scenic outdoor area with a large body of water, mountains, and a sailboat in the background. The family includes a young girl with red hair, a young boy, a young girl with long blonde hair, a man, and an older man with a white beard. They are all smiling and holding glasses, suggesting a toast. The table is set with plates of food, including salmon and vegetables, and a white teapot. The overall atmosphere is warm and inviting.

SUSTAINABILITY  
IT'S IN OUR NATURE

Strandgata 1 Iceland  
465 Bíldudalur (354) 456 0100

arnarlax.is  
arnarlax@arnarlax.is



A group of people, likely a crew or students, are working on a large green fishing net in the ocean. They are wearing safety gear, including high-visibility jackets and helmets. The net is stretched across the water, and the background shows a cloudy sky and the horizon. The text "SalMar CMD 2023" is overlaid on the image.

SalMar CMD 2023

# Q&A



SalMar CMD 2023

# SCOTTISH SEA FARMS



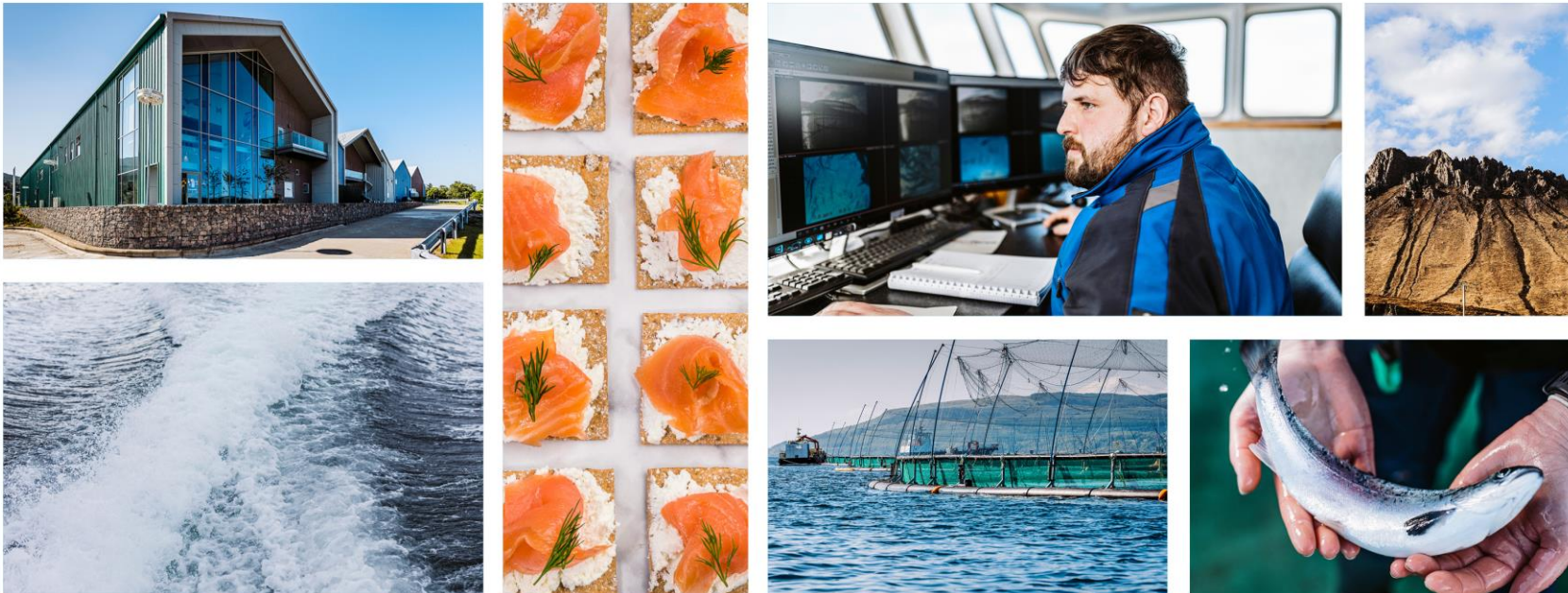
SPEAKER:  
**JIM GALLAGHER**  
MANAGING DIRECTOR SSF



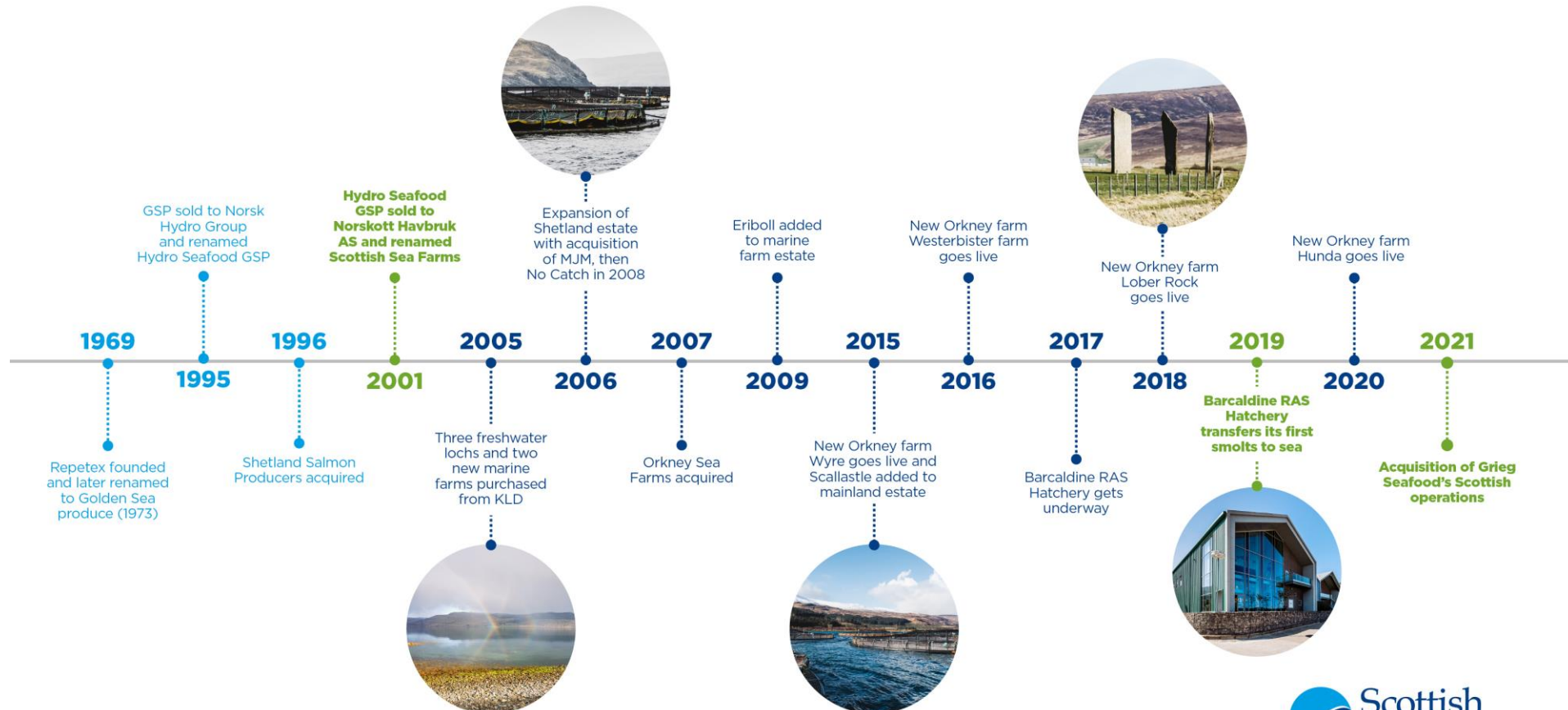
# Premium farmed salmon, grown with care



Capital Markets Day presentation, September 2023



# Growing Scottish salmon for over 50 years





# Our farming locations

## Three key farming regions

### 57 marine farms

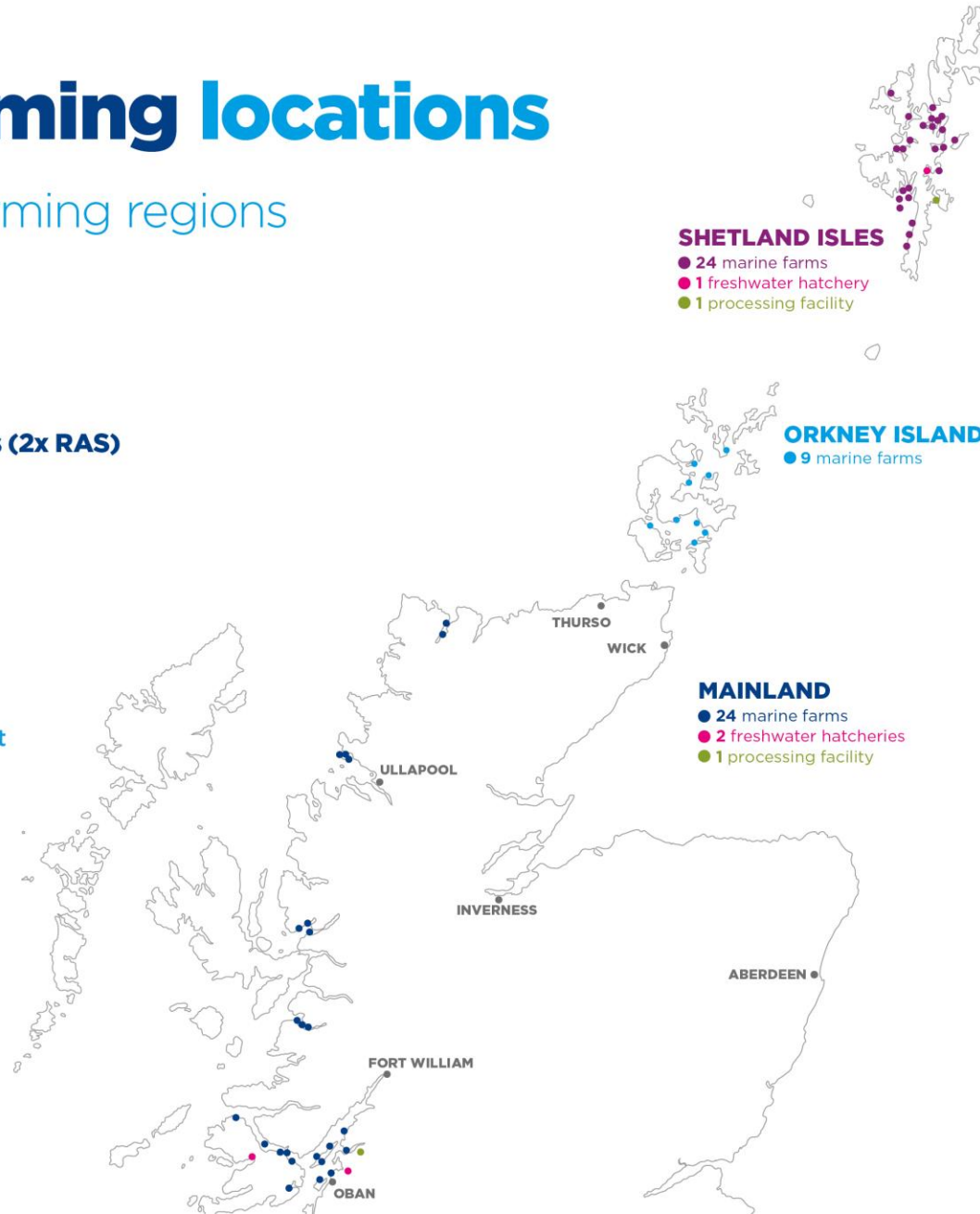
Mainland  
Orkney  
Shetland

### 3 freshwater hatcheries (2x RAS)

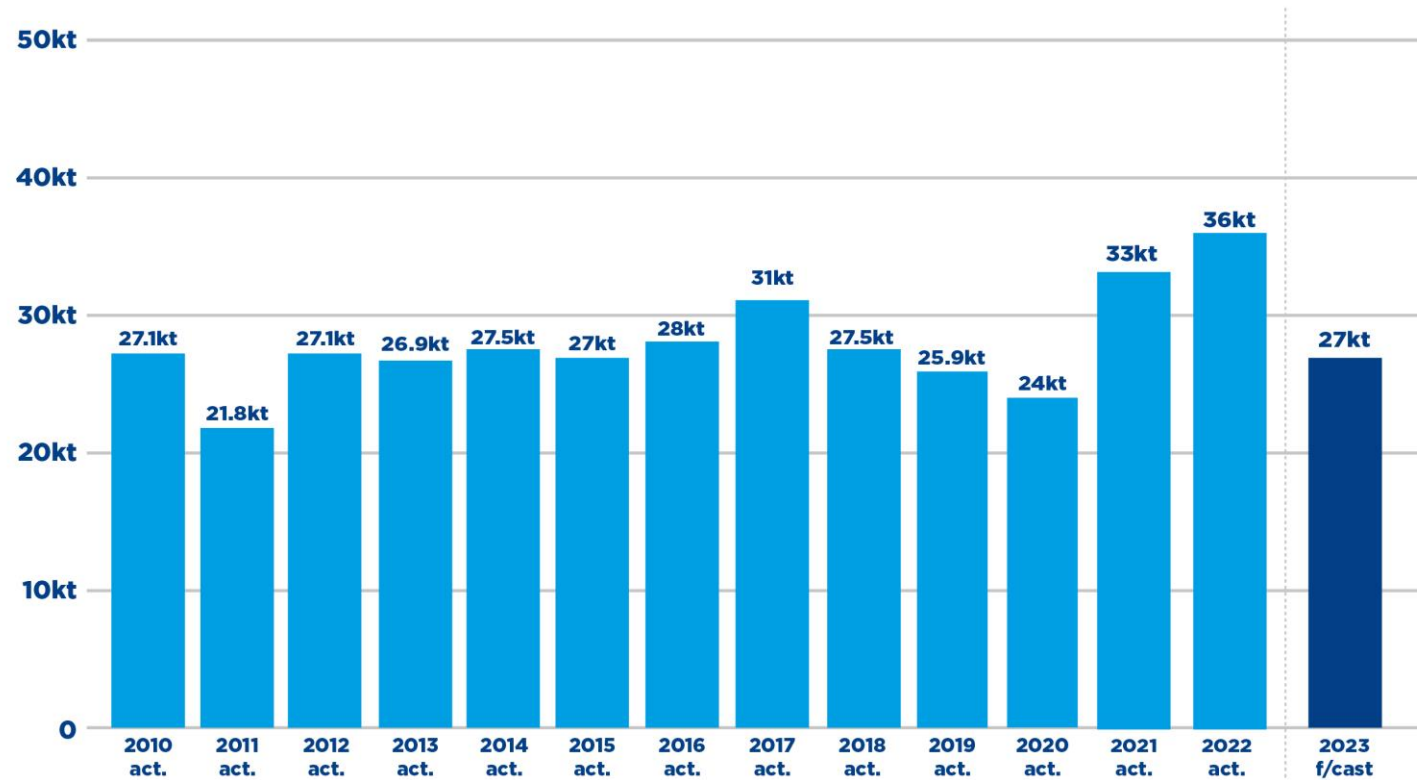
Barcaldine 10mill  
Knock 1.5mill  
Girista 3.5mill  
Total annual capacity  
15M smolt @ 150g

### 2 processing facilities

South Shian 30kt  
Lerwick 50kt  
Total annual capacity 80kt



# Annual harvest volumes



'24 guidance given in Q3 '23 update



# Supplying customers in over 30 countries



## c.60% UK

Sole supplier,  
since 2006

**M&S**  
— FOOD —

Also supplying  
other key UK  
retailers including

**WAITROSE**  
& PARTNERS

## c.40% export

### Far East

China  
Taiwan  
Japan

### US

France

Achieving a  
premium in  
all markets



# Farming challenges 2022 and 2023

Biological challenges arising from changing environment



## Prolonged periods of dry weather

Affecting oxygen, salinity and nutrient levels in seawater



## Increases in seawater temperatures

Encouraging plankton, parasites and other health challenges



## Unseasonably mild winters

Allowing water-borne bugs and challenges to persist



## Oceanic conditions

Driving north higher numbers of harmful micro-jellyfish



Giving rise to CGD, AGD and CMS



Higher than average fish mortalities

Lower than forecast harvest volumes & av. wgt

Affecting cost and price achieved



# Mitigation measures undertaken

Using the lessons learned to shape current and future practice

## Freshwater stage



### Egg quality and survival

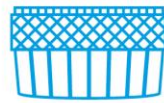
- Advancing work to strip eggs from broodstock known to have thrived at our farms
- Completing (Q4 '23) new £2M incubation facility at Barcaldine Hatchery
- Completing (Q4 '23) £2M upgrade of Girlsta Hatchery to produce bigger, more robust smolts



### Smolt survival

- Revising smolt input stocking plans

## Marine stage



### Improving growing conditions

- Ongoing programme of consolidation and modernisation: 14 farms by end '23
- Resting 5 farms
- Adding aeration capacity



### Increasing treatment capacity

- Adding 2 freshwater vessels '23 (1 x 2,200m<sup>3</sup>; 1 x 3,000m<sup>3</sup>)
- Deploying second thermos-delousing vessel
- Introducing FLS delousing capability

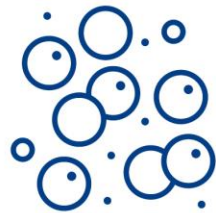


### Enhancing environmental surveillance

- Investing in new surveillance equipment across estate
- Implementing daily water quality monitoring at every farm

# Farming for the future: smolt quality

Building on our £58M investment in Barcaldine RAS Hatchery by:



## Improving egg quality, survival and security of supply

### Upgrade of Girsta Hatchery, Shetland

#### Targeted work to:

- Improve water quality
- Deliver bigger, more robust smolts
- Enhance survival at sea

### New incubation unit, Barcaldine

#### Creating ability to:

- Fertilise eggs on-site
- Incubate through most fragile stages
- Control water quality and temperature
- Boost egg survival

### Investment in Scottish-grown broodstock

#### Improving security of supply:

- Broodstock selected from best performers at our own farms
- Their eggs then hatched and reared at Barcaldine Hatchery



### Shortening the marine cycle

- Barcaldine phase II
  - Planning permission granted with 3kt consent
  - Detailed design and costing completed
  - Est. £57M investment
- Evaluating land and sea-based options



# Farming for the future: marine

Streamlining and consolidating in the best farming locations



## Here and now

**56 active farms**  
**1.6kt** avge consent  
**88.4kt** cumulative consent

**39 inactive farms**  
with 44kt consent  
Total 133kt cumulative MAB



## Strategic approach

Completed extensive hydrodynamic modelling

Reconfiguring existing cumulative MAB into fewer, larger farms

Increasing pen size (160m), spacing and water exchange

Improving fish biology



## The future (within 5yrs)

**28 active farms**  
• **10** modernised + consolidated  
• **15** relocated + consolidated  
• **3** more exposed locations  
**3.5kt** avge consent

(Potential for **2** additional farms **4kt** avge consent)  
Total 106kt cumulative MAB

# Farming for the future: processing and packing

Two primary processing facilities at Lerwick and South Shian





# Putting sustainability at the heart of our work

Key areas include:



## Reducing use of marine ingredients

Diet now consists of just 23% marine materials vs 73% plant-based/others



## Reducing primary processing plastics

2.5M+ polystyrene boxes saved since 2017



## Sourcing mains power from renewable sources

2.5Mkg+ CO2e saved annually



## Minimising road miles

c.479,000kg+ CO2e saved annually

## Other initiatives:

Repurposing fish waste into fertiliser

Extracting oils from fish mortalities

De-carbonising our business fleet

Trialling multi-trophic farming

Exploring solar, wave and wind power

# Benchmarking our performance

Accreditations and awards include:

## Accreditations

First Scottish salmon farmer to gain and retain:

**INVESTORS IN PEOPLE™**  
We invest in people Platinum

**INVESTORS IN PEOPLE™**  
We invest in wellbeing Gold



Since 2017



Since 2023



## Recent awards

### 2023

Outstanding Contribution  
M&S Innovation Award

### 2022

Finfish Farmer of the Year  
Economic Sustainability  
M&S Low Carbon Farming Pioneer  
Sustainability

### 2021

Waitrose Best in Class Farm  
VIBES Good Practice Award  
Digital Professional Award  
Top 10 Under 40

### 2020

VIBES Good Practice Award  
Best Finfish Farm Manager  
Economic Sustainability  
Top 10 Under 40

### 2019

Best Export Business  
Diversity Award  
M&S Innovation Award  
People's Champion  
Applied Research Award





# The magic ingredient: our people

Striving to be the employer of choice in our communities and sector



## VIDEO 7 - SCOTTISH SEA FARMS



A group of people, likely a crew or students, are working on a large green fishing net in the ocean. They are wearing safety gear, including high-visibility jackets and helmets. The net is stretched across the water, and the background shows a hazy, overcast sky. The text "SalMar CMD 2023" is overlaid on the image.

SalMar CMD 2023

# Q&A



An aerial photograph of a rugged, snow-covered mountain range overlooking a deep blue fjord. The mountains are jagged and partially covered in snow, with some rocky outcrops visible. The water in the fjord is a deep, clear blue, and the sky is a pale, hazy blue. The overall scene is serene and majestic.

SalMar CMD 2023

# BREAK

10 MIN





SalMar CMD 2023

# FINANCIALS



SPEAKER:  
**ULRIK STEINVIK**  
CFO



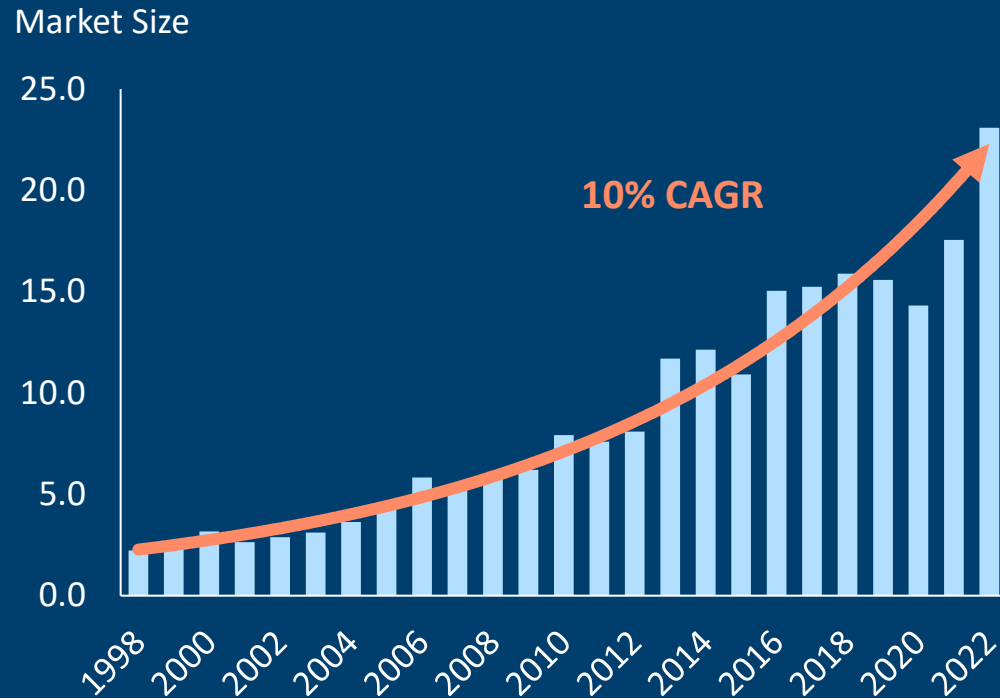
# Key enablers for continued value creation



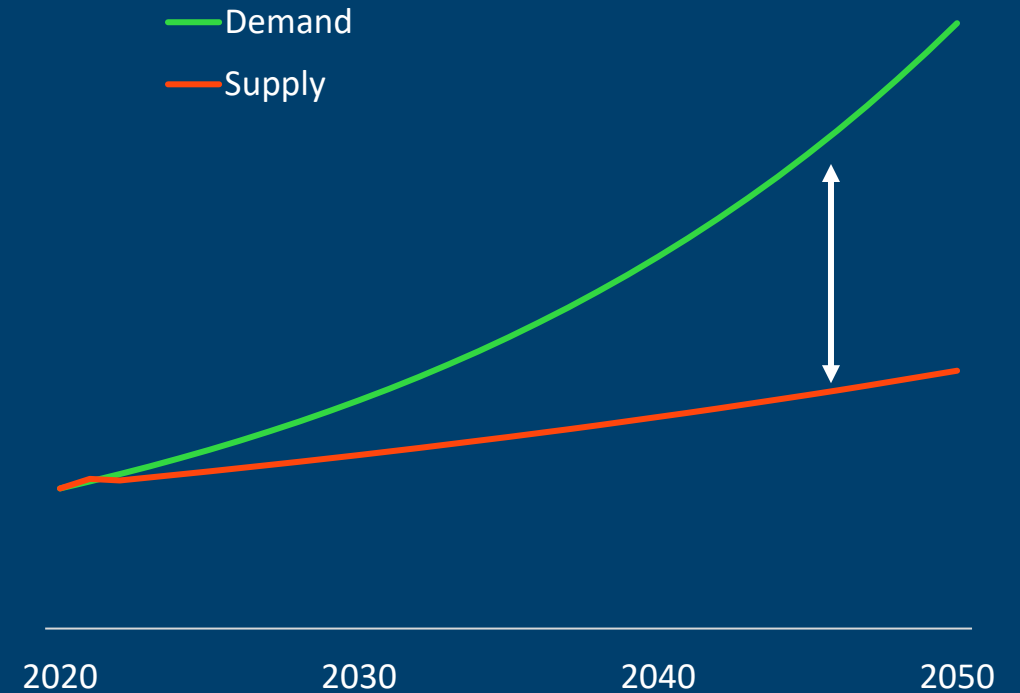


# A fundamental need for more sustainable proteins for the growing world population

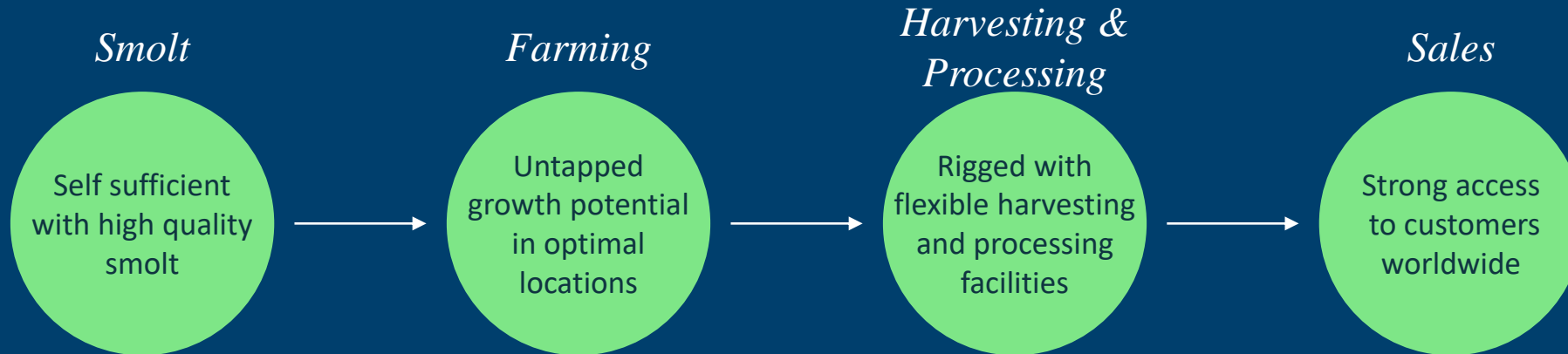
*Global demand for salmon is increasing...*



*...but supply growth is lagging the demand*



# SalMar is well positioned to utilize the organic growth potential in our value chain



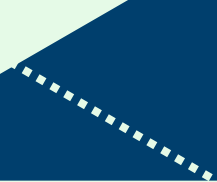
Organic growth      Further potential  
 M&A      Other



**NO:** 300 000  
 $\Delta 2023$ : +23%



**SAO:** 13 000  
 $\Delta 2023$ : N/A



**IS:** 26 000  
 $\Delta 2023$ : +63%

**UK:** 45 000  
 $\Delta 2023$ : +67%

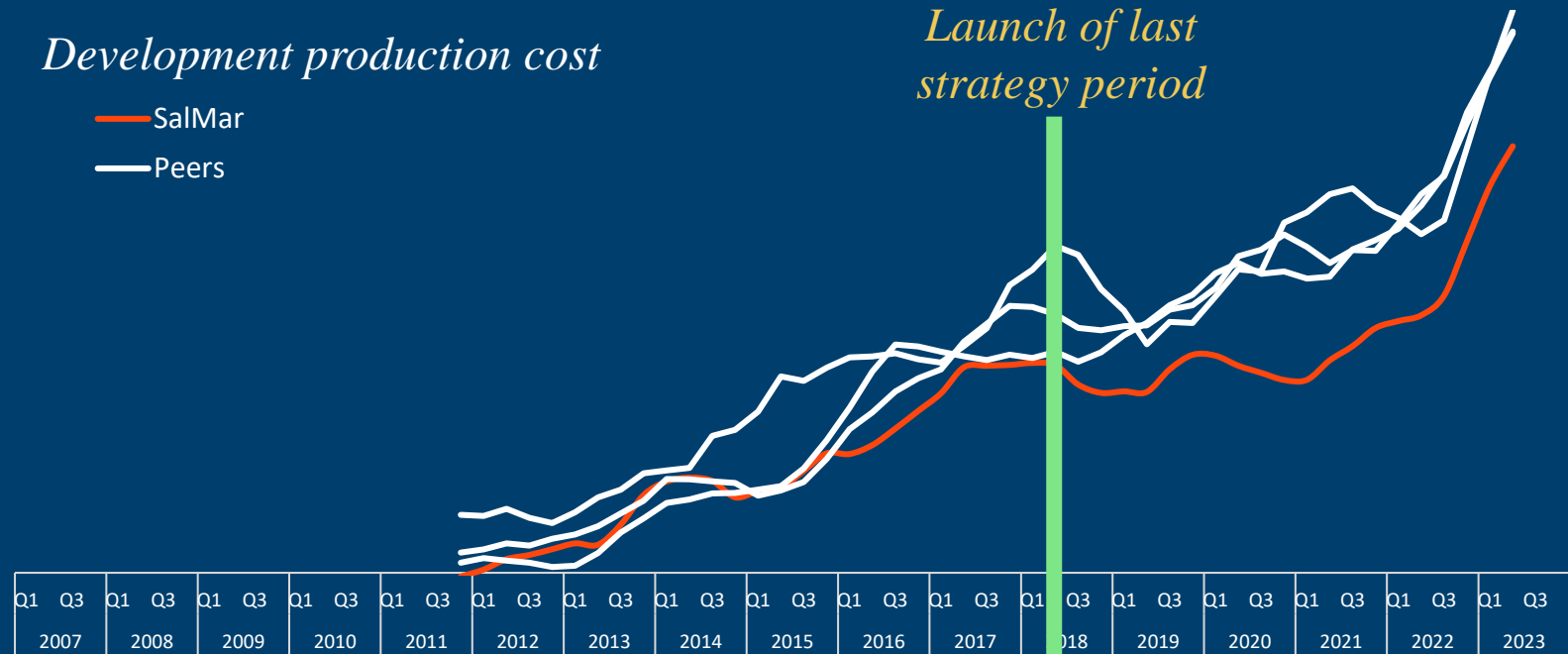




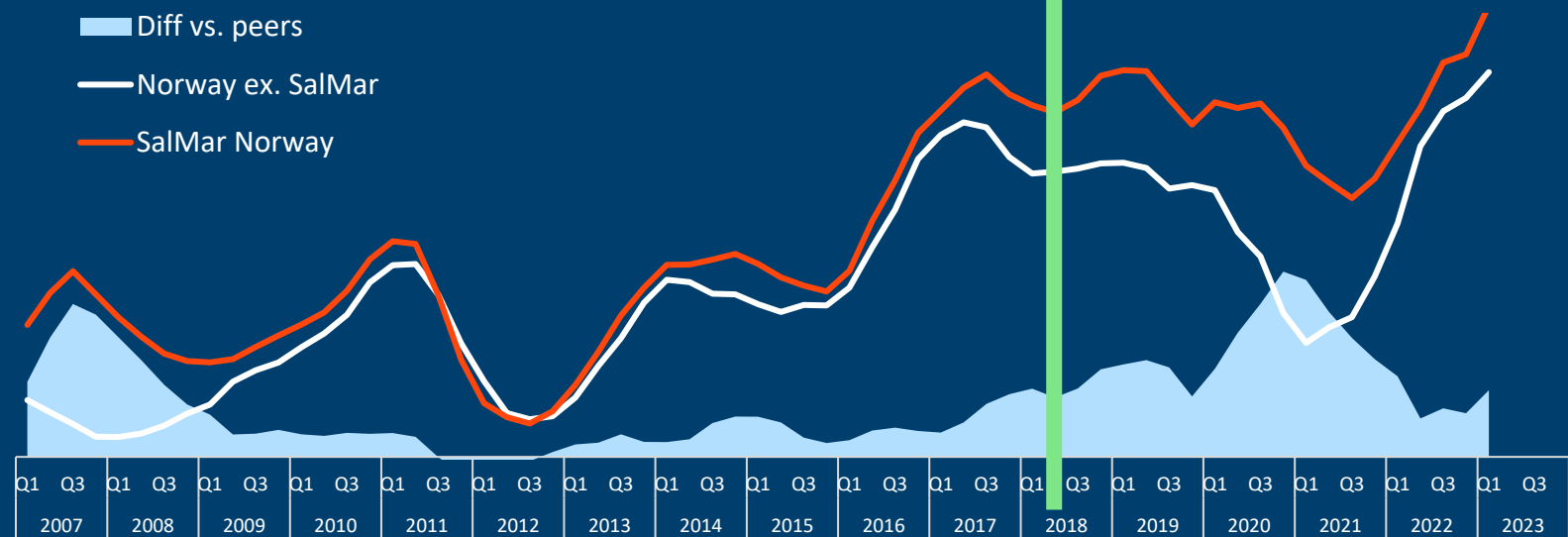
# SalMar with a strong development during the last strategy period

- Strengthened position as a leader in the industry
  - Lower cost increase compared to peers
  - Increased the difference in margin
  - Increased share of local processing
  - Largest growth in the industry
  - Pioneered and led the development offshore
- Going forward, challenges still remain similar
  - Cost inflation, biological challenges, access to area, supply growth from new technology, increasing demand vs. supply gap

Development production cost



Development EBIT-margin



# Achieved this through a strong strategic and operational focus

*We have believed in a concept...*

*...made strategic moves that fit in...*

*... and we have built a strong culture*

Our ambition is to be the world's best aquaculture company

Vision	Passion for Salmon		
Ambition	The World's Best Aquaculture Company		
Strategic Focus	Operational Efficiency	Sustainable Growth	Innovate for the Future
Goal	One SalMar	Growth in optimal locations	Sustainable business development
Fundament	Continuous improvements and excellent achievements		
	Solid operational structure		
	Strong corporate culture		





# Rigorous focus on performance throughout the organization

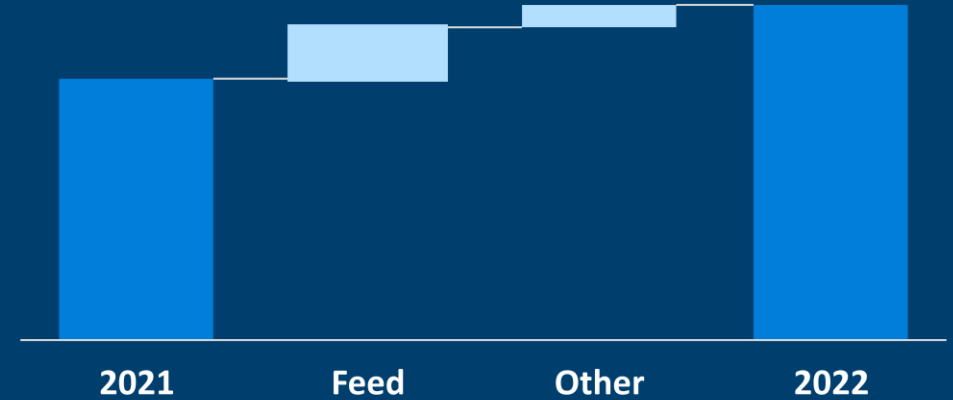
- Salmon farming is all about the details
- SalMar operating a focused value chain to ensure optimal performance at each and every step
  - Strategic suppliers for key input factors
- Focus is on the elements we can impact
  - Our employees are measured on the elements they can do something about
  - Strong local management teams in each region



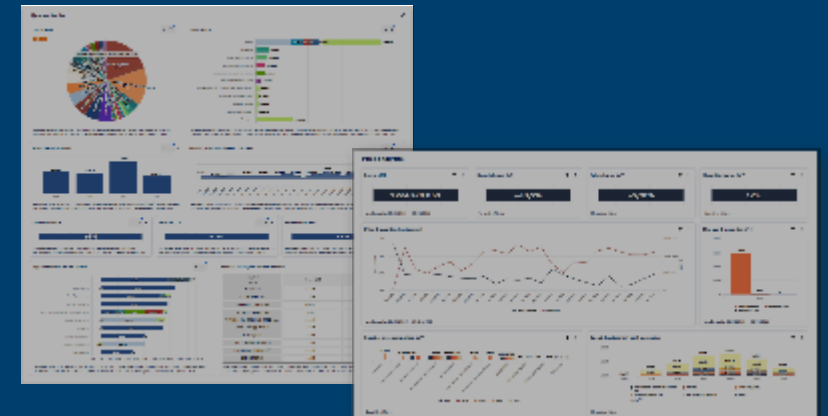
# Recent cost inflation related to feed

- Cost of raw materials in feed basket has been the main driver for recent increase in cost
  - Other cost elements increased due to general inflationary pressure
- Continuous monitoring of cost development
  - Systems in place to track our input factors
- SalMars position as cost leader in the industry vital to secure pole position going forward

*Change in production cost - farming*



*Internal cost development monitoring*

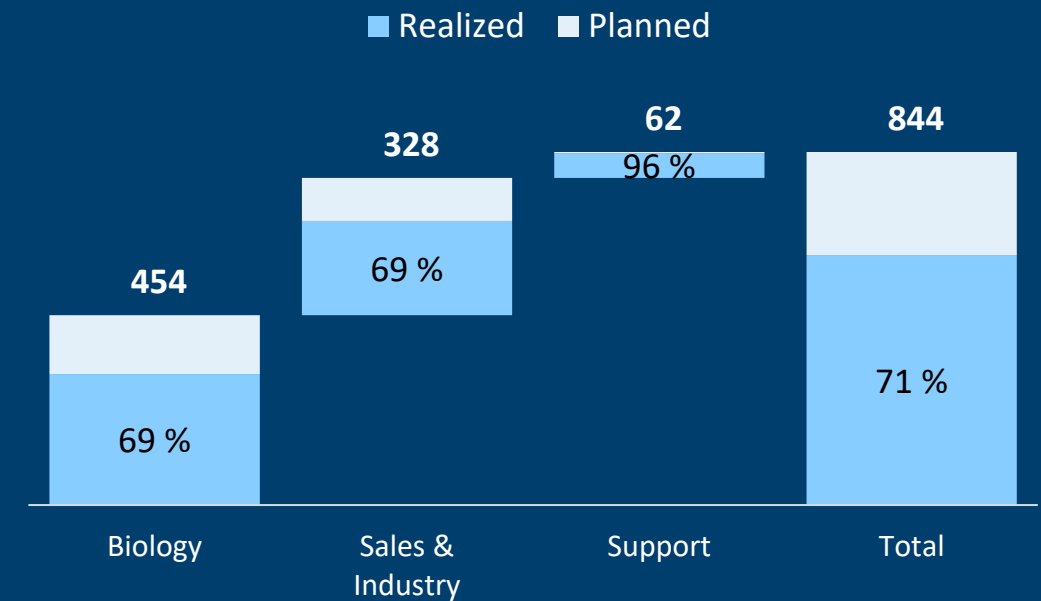




## Strong synergy potential with NRS, NTS and SalmoNor confirmed and increased

- Estimate of total synergies increased to NOK 844 million
  - Increased 26% from previous target of NOK 671 million
  - Estimated total restructuring cost NOK 103 million unchanged
- At the end of August 71% or NOK 597 million realized
  - Expect 100% to be realized at the end of 2023
- Yearly recurring cost savings achieved through:
  - Improved operational set-up
  - Increased efficiency
  - Scale advantages
- Strong utilization of increased license capacity in 2023
  - Increased utilization materializing in increased harvest volume from 2024

### Synergi realization as of August 2023



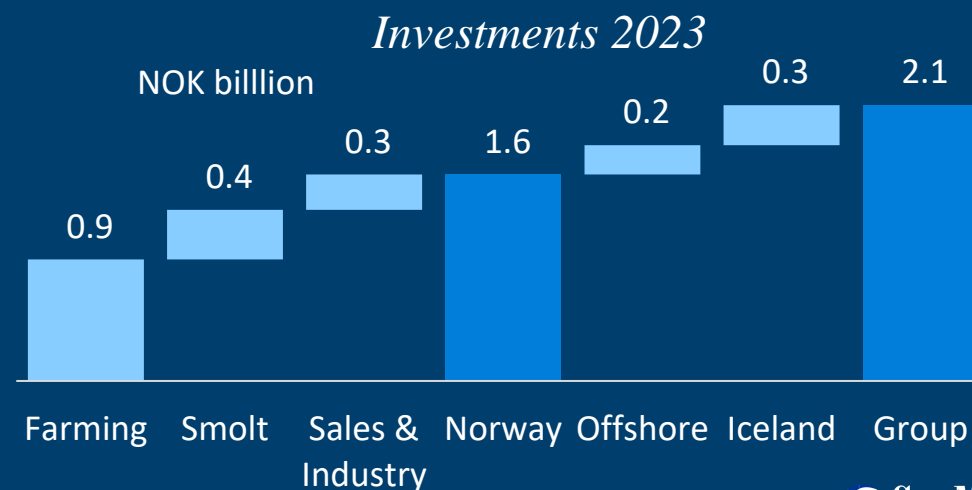
### Development MAB Utilization in 2023



## Ongoing investments continuing – large industrial investments on hold

- Expected investment in 2023 unchanged from previous guidance in February
  - Expect to invest NOK 1,6 billion in Norway in 2023
  - Maintenance investments NOK 0,9 billion (~3,7 NOK/kg)
  - Capacity investments NOK 0,7 billion
- Going forward all large investments projects in Norway are still on hold
  - Our largest ongoing investments will be finalized during 2023
- Expect maintenance CAPEX of around NOK 3.0 per kg in Norway going forward
  - Any new larger CAPEX projects will be communicated

Tjuin Smolt Facility  
largest single investment in 2023

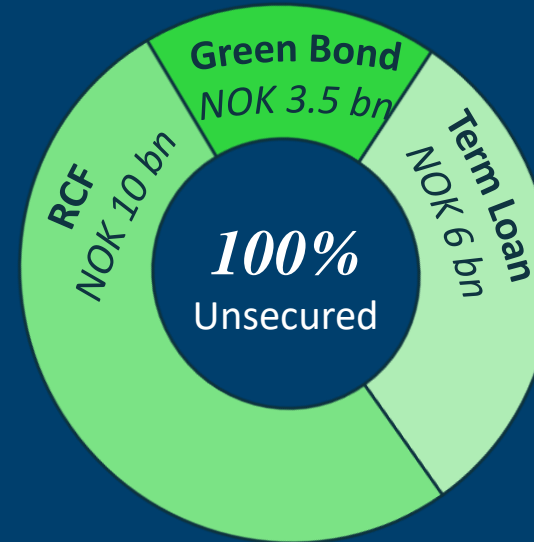




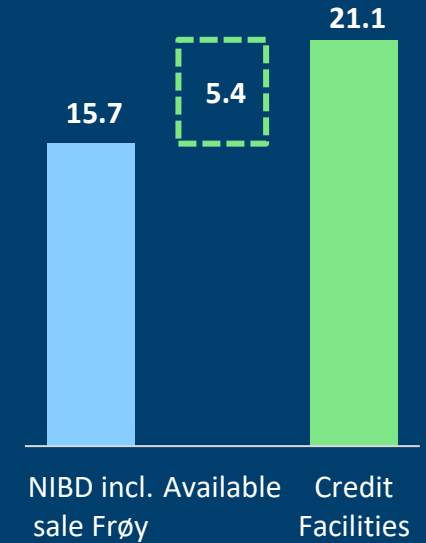
# New financing in place ensuring financial flexibility for further growth

- Recently completed refinancing in SalMar ASA
  - NOK 16 billion unsecured credit facility
  - NOK 3 billion in accordion option
  - Improved terms compared to previous credit facilities
  - Intention to be sustainability linked
- Additional facilities in SalMar ASA
  - NOK 3.5 billion Green Bond, maturity 2027
  - NOK 1.6 billion overdraft facilities, annual renewal
- Partially owned subsidiaries with separate financing

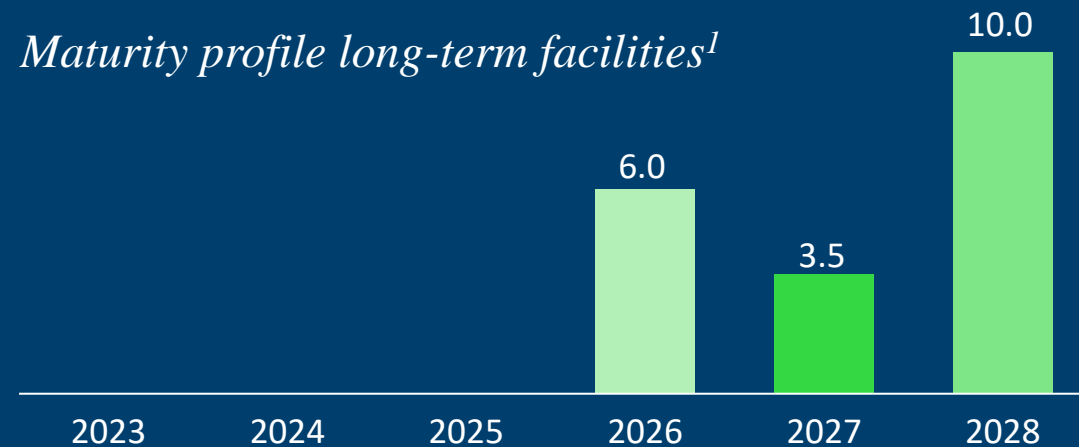
Overview facilities<sup>1</sup>



Available liquidity<sup>2</sup>



Maturity profile long-term facilities<sup>1</sup>



All figures in NOK billion

1) Long-term facilities in SalMar ASA

2) Available liquidity in SalMar ASA as of Q2 2023 incl. sales of Frøy

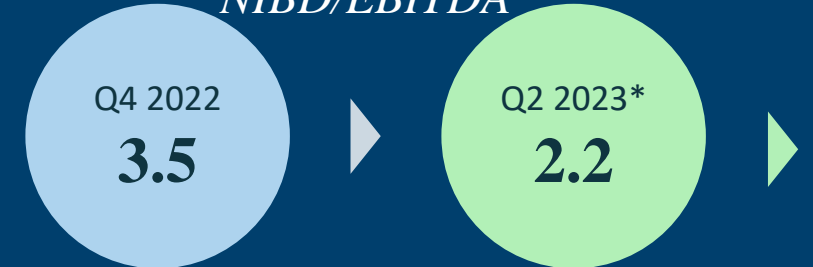
# SalMar committed to maintain investment grade ranking

- SalMar with BBB+ credit rating from NCR with stable outlook
- Financial position in SalMar improved during 2023
  - Sale of Frøy completed
  - New financing agreement in place
  - Debt level reduced, financial KPIs improved
- SalMar expect to be within our long-term target of NIBD/EBITDA below 2.0 at year end 2023
  - Showcasing our ability to handle the increased debt level following the acquisition

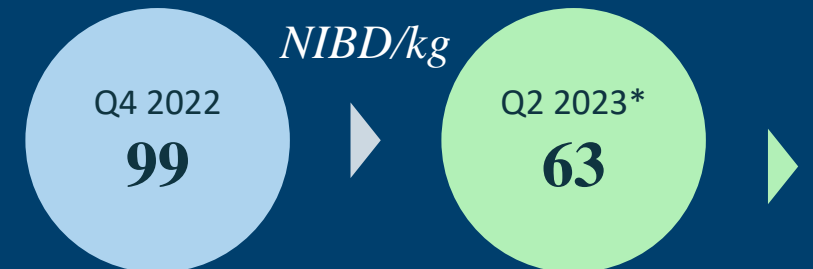
## Net Interesting Bearing Debt (NIBD)



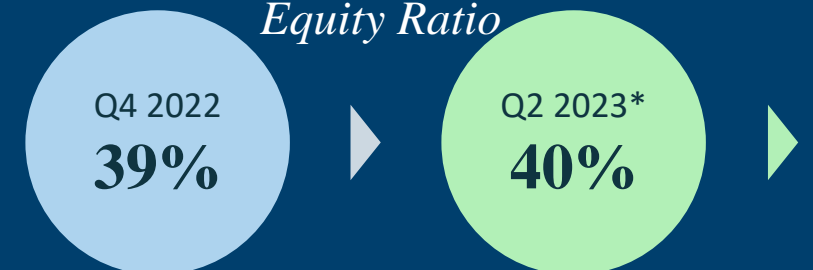
## NIBD/EBITDA



## NIBD/kg



## Equity Ratio



\*Figures for Q2 2023 includes cash contribution of of NOK 4.8 billion from sale of Frøy in August



# Cancellation of treasury shares

- As of Q2 2023 SalMar has 13.7 million treasury shares
- Financial position in SalMar improved during 2023
- The Board of SalMar propose to cancel 13.1 million treasury shares
- Extraordinary general meeting to be held at a later point of time



# Resource rent tax in Norway

## A new tax regime creates more awareness of internal value creation - Right tax to right place

- Tax approved in May with a tax rate at 25%
  - SalMar strongly opposes both the proposed tax model and level
  - Significantly reduces the capacity for growth in the Norwegian aquaculture industry
- Previously all parts value chain considered cost centers
  - Internally we have been focusing on - One SalMar
  - New tax system leads us to revisit internal transfer pricing
- Only commercial licenses a part of the proposed tax
- Consideration paid in previous traffic light auctions deductible
  - SalMar a strong participant in previous auction rounds
  - Deduction amounts to NOK 245 million per year





# SalMar with a strong track record for providing our shareholders with a competitive return

- Intention to provide surplus liquidity to our shareholders
  - Provided that the company is within leverage range
  - And also taking into account future investments
- Dividend paid out annually after AGM in June

## Dividend Policy

*SalMar ASA aim to provide shareholders with a competitive return on invested capital. This return shall be achieved through a combination of share price increase and the payment of a dividend by the group.*

*SalMar ASA's dividend policy is based on the company at all times having a solid balance sheet and liquidity reserve that is sufficient to handle future liabilities.*

*The company has set long-term financing targets related to NIBD/EBITDA\* level in the range 1,0-2,5. Provided that the company is within this range and also taking account future investments, the intention is to pay out its surplus liquidity, in the form of cash dividends and/or in the form of share buybacks*

### Dividend (NOK/share)



\*NIBD includes leasing according to IFRS16 and EBITDA is without fair value adjustments

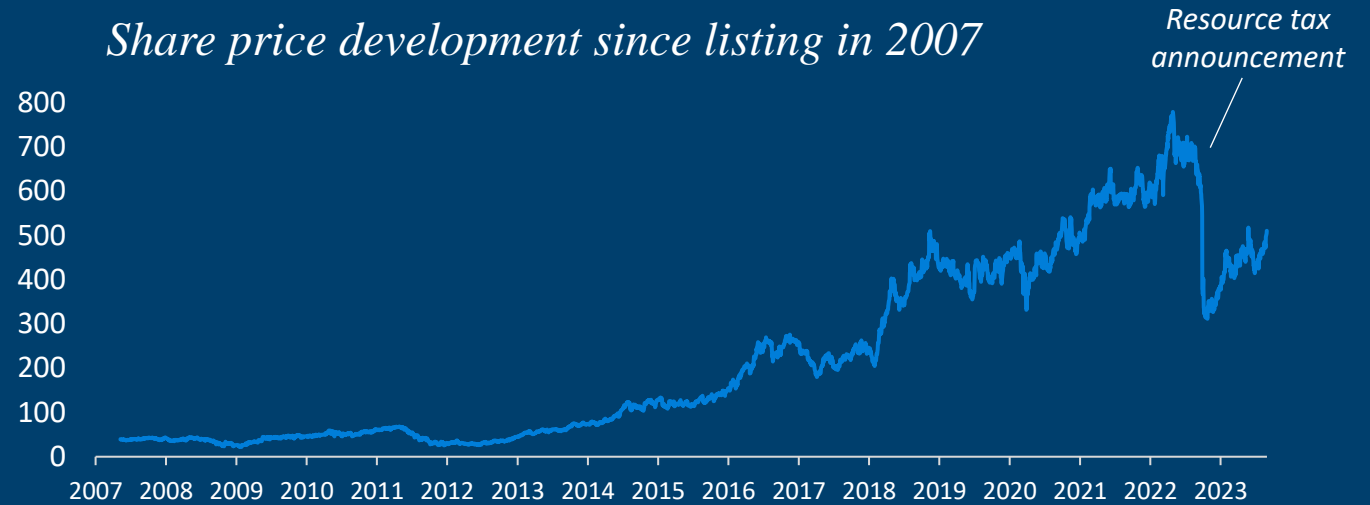
SalMar with a strong track record for providing our shareholders with a competitive return

*Since 2007*

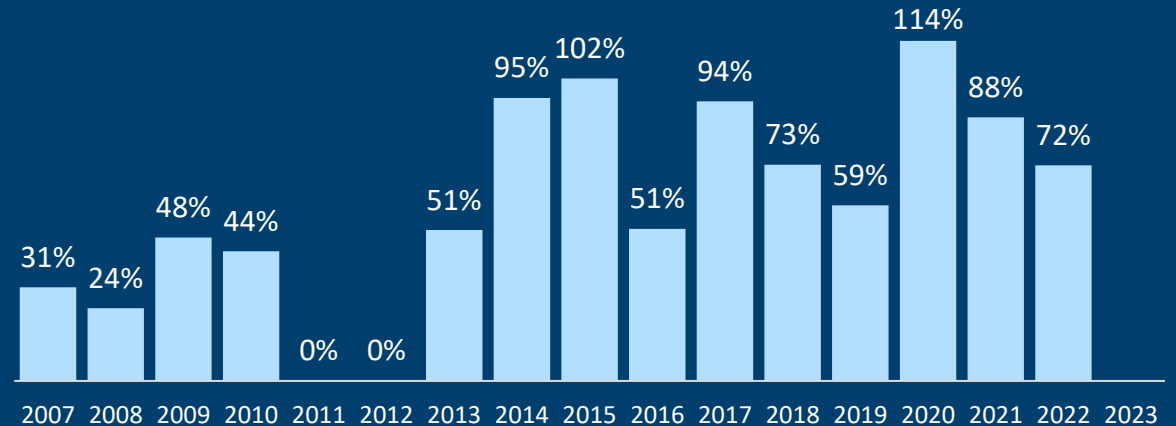
Total shareholder return

**16.0x**

*Share price development since listing in 2007*



*Dividend payout ratio (DPS/EPS)*





SalMar is committed to still be in pole position going forward and be a frontrunner in the future development of the aquaculture industry







SalMar CMD 2023

# CLOSING REMARKS



SPEAKER:  
FRODE ARNTSEN  
CEO SALMAR





# SalMar in regions with optimal conditions to perform

North Atlantic production with global reach



Largest Salmon Producer along the coast of Norway from Møre to the north, with the largest processing capacity



Pioneered and leads the development of offshore aquaculture



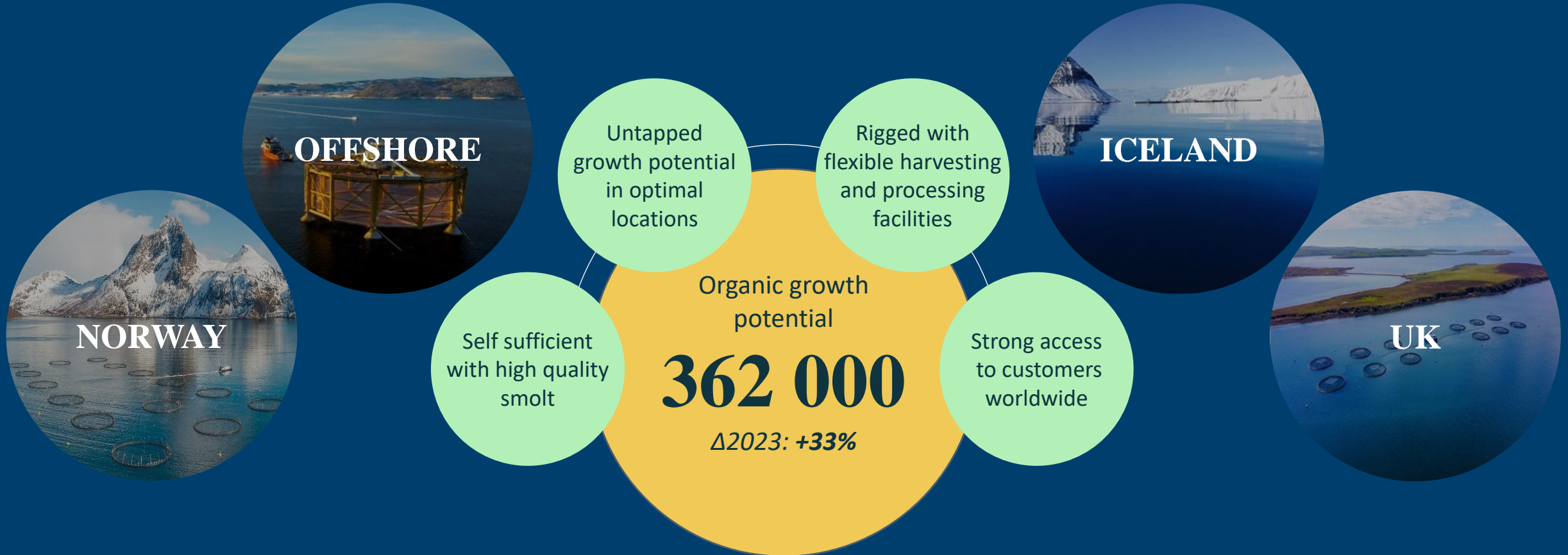
Largest Salmon Producer in Iceland, with hatcheries, sea farms, harvesting plant and sales force



UK's second largest Salmon Producer with operations in Scotland, Shetland, and Orkney.

# SalMar well equipped for further sustainable growth

With dedicated, passionate and competent employees with a *Passion for Salmon*



*always on the terms of the salmon*



“They who often score goals,  
score goals often.”

*- Legendary Norwegian football coach  
Nils Arne Eggen*



SalMar from 11 people in 1991  
to the worlds 2<sup>nd</sup> largest salmon producer





A group of people, likely a crew or students, are working on a large green fishing net in the ocean. They are wearing safety gear, including high-visibility jackets and helmets. One person in the foreground has a jacket with 'AGUATA' and 'VAN LEVIGARD' written on it. The background shows a vast expanse of water and a cloudy sky.

SalMar CMD 2023

# Q&A



# Next steps on the agenda

## DAY 1

- 19:45: Dinner

## DAY 2

### SITE VISIT

- 07:00: Departure with boat from Tromsø
  - Farming site & remote feeding center
  - Senja 1 & 2 smolt facility
  - InnovaNor – Harvesting & Processing Facility
- 17:00: Arrival Tromsø

● Smolt Facility

● Coastal Farming Site

● Offshore Farming Site

● Harvesting & processing facility

★ Visitor Centre

— Boat route on site visit





SALMAR CMD 2023

THANK YOU FOR  
YOUR ATTENTION

