



SalMar ASA Q4 2021 Presentation

18 February 2022

CEO Gustav Witzøe

CFO & COO Trine Sæther Romuld



**PASSION
FOR
SALMON**



SALMAR

Passion for Salmon

Agenda




- Highlights
- Operational Update
- Financial Update
- Strategic Update
- Outlook



Voluntary offer for all outstanding shares in NTS ASA

Strong strategic rationale with solid track-record from both parties in Central Norway, Northern Norway and West fjords of Iceland

- Potential for significant synergies across the value chain in all regions
 - Improved utilization of MAB and site portfolio
 - Improved biological performance and lower production costs
- Strong expertise combined within sales and distribution improving access to customers worldwide
 - Improved utilization of harvesting and processing facilities
- Catalyst for further sustainable growth in local communities where both parties operate
 - Strengthening local value creation both in Central Norway, Northern Norway and Iceland

FARMING				Aquaservice
	Central Norway	Northern Norway	Iceland	Offshore
Salmar	 Volume 2022E 117,000 tons	 Volume 2022E 58,000 tons	 Volume 2022E 16,000 tons	 Ambition for 150,000 tons within 2030 Ocean Farm 1 in operation
NTS	 Volume 2022E ¹ 34,800 tons	 Volume 2022E ¹ 35,000 tons	 Volume 2022E ¹ 13,000 tons	 Development project Arctic Offshore Farming ¹
				 Largest aquaservice provider in Norway ¹

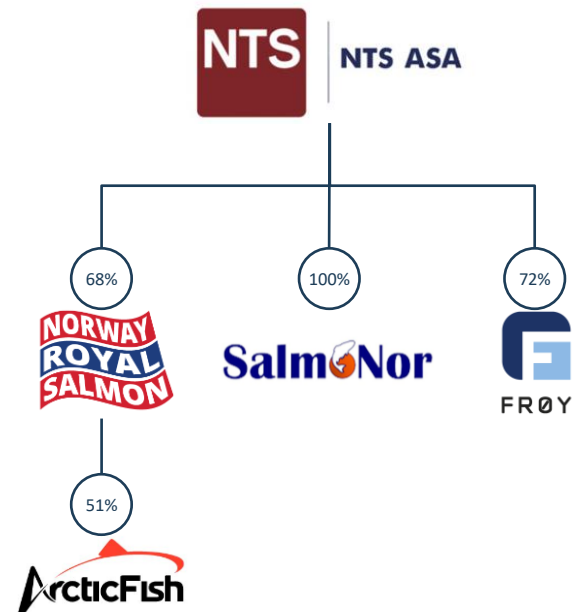
1) Source company presentation from NTS 27th of January 2022. NTS ownership of NRS 68% - arctic offshore project owned 100% by NRS. Arctic Fish owned 51% by NRS. NTS ownership of Frøya 72%
 * For further details see separate stock exchange notice distributed 14th of February 2022.

Key information on the proposed transaction

SalMar has offered to purchase NTS ASA for a total equity valuation of ~NOK 15.1 bn

- The offer is NOK 24 in cash plus 0.143241 SalMar shares per share in NTS, valuing each NTS share at NOK 120 based on the closing price of the Salmar share on 11 Feb 2022
 - 50% of the consideration shares are subject to a 6-month lock-up period from the closing of the offer for the shareholders who have pre-accepted the offer
 - The lock-up period will commence at the latest on 15 June 2022, at which point the cash portion of the offer will also receive interest of 3-month NIBOR + 1.35% p.a. until closing
- Shareholders representing 50.1% of the outstanding shares have pre-accepted the offer
- SalMar is prepared to remain a majority owner, or fully integrate NTS into SalMar's company structure
- An EGM will be called for in SalMar to authorize the board to issue the required number of new shares. The number of shares issued will depend on the acceptance rate, which as of yet is unknown
- There are several conditions to the offer, including regulatory approvals, due diligence and no material adverse change. While the offer document is expected to be presented, and the offer period to commence, no later than 31 March 2022, the timing of when these conditions may be lifted is as of yet uncertain

Company structure NTS¹



1) Source company presentation from NTS 27th of January 2022 – simplified diagram of company structure
* For further details see separate stock exchange notice distributed 14th of February 2022.

SalMar leading the way forward in 2021

Strengthening our platform for further sustainable growth

SalMar



GENETICS &
SMOLT



COASTAL
FARMING



INDUSTRY &
SALES



GREEN
FINANCING

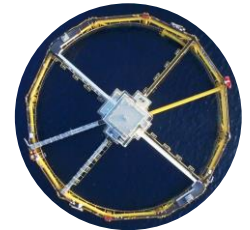


Arnarlax
SUSTAINABLE ICELANDIC SALMON

Icelandic
Salmon



Scottish
Sea Farms



SalMar
Aker Ocean

Main events in 2021

Construction ongoing of new RAS facilities in Senja and Tjuin

First production cycle completed in closed net pen

Increase of MAB capacity through strategic acquisitions, Nekton Havbruk AS and Refsnes Laks AS

Strengthening our local processing capacity

InnovaNor in operation from Q4 21 and upgraded Vikenco in operation from Q2 21

Secured green financing through sustainability linked credit facility and issue of green bond

Launch of new brand

Acquired two smolt facilities, increasing smolt capacity

Increasing production capacity through acquisition of Grieg Seafood Hjaltdland UK

SalMar and Aker join forces

Creating a world leading offshore farming company

Results in 2021 improving in key areas

Room for further improvement across the entire value chain



Farming - Norway¹	FY 2021	FY 2020	Δ YoY
Harvest volume	170.5	150.3	+20.2 (+13%)
EBIT/kg	19.71	20.40	-0.69

- Record high harvest volume in 2021 due to strong utilization of increased MAB capacity
 - Expect further growth in harvest volume in 2022
- Continued strong margins from our farming activity showcasing our dedicated focus on biological production



Sales & Industry	FY 2021	FY 2020	Δ YoY
Local processing ²	44.7%	42.0%	+2.7%
Operational EBIT %	-1.1%	+2.3%	-3.3%

- Increasing our share of local processing
 - Important factor for increasing local value creation and further reducing the carbon footprint of our products
- Margins affected by weak price achievement in 2021
 - Important focus area for improvement in 2022



Icelandic Salmon	FY 2021	FY 2020	Δ YoY
Harvest volume	11.5	11.2	+0.3 (+3%)
EBIT/kg	6.41	-4.49	+10.91

- Significantly improved biological performance and margins
- Launch of new brand starting to materialize in improved price achievement

1) Farming Central Norway & Northern Norway
 2) Share of harvested volume sent for local secondary processing in Norway

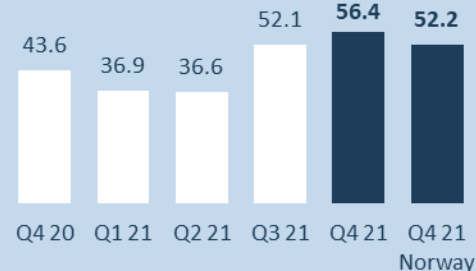
HIGHLIGHTS Q4 2021

Record high harvest volume but results affected by higher costs and weak price achievement

- Total operational EBIT 853 MNOK from Norway, including Icelandic Salmon total operational EBIT 890 MNOK
 - Northern Norway continuing the solid trend with strong biological and operational performance
 - Central Norway with record high harvest volume, but higher costs related to biological challenges weakens result
 - Large volumes through harvesting and processing facilities, but weak price achievement affects results negatively from Sales & Industry
 - Improved price achievement and stable cost development for Icelandic Salmon
- Expect increased volume in all regions in 2022
 - Norway 175,000 tons, Iceland 16,000 tons and Scotland¹ 46,000 tons
- Proposed dividend for 2021 of NOK 20.00 per share

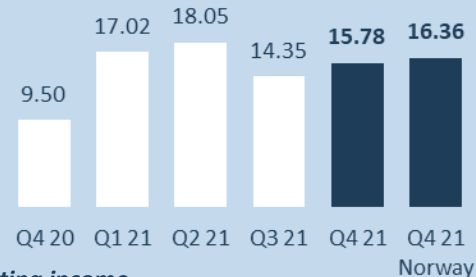
Harvest volume

(1,000 tons gw)



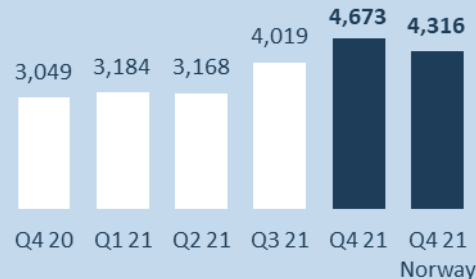
EBIT/kg

(NOK)



Operating income

(NOKm)



1) Associated company Scottish Sea Farms LTD

OPERATIONAL UPDATE



Farming Central Norway

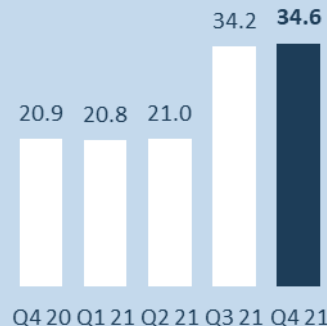
Record high harvest volume, but higher costs weakens result

- Increase in cost QoQ related to handling of biological challenges
 - Harvested out fish from site with ISA affecting both cost and price achievement
 - Higher costs related to the use of external capacity for sea lice treatment in Q4
 - Similar cost level compared to Q3 without these effects
- Autumn 2020 accounted for 70% of the volume in the period
 - Slightly weaker biological performance compared to previous generations
 - Finished harvesting of spring 2020 generation with stable development
- Expect significantly lower volume and slightly lower cost level in Q1 2022
 - Lower volume due to seasonality
 - Will continue harvest of autumn 2020 and start harvest of spring 2021
 - Good status of biomass in sea going into the winter
- Expect to harvest 117,000 tons in 2022
 - Strong utilization of MAB capacity in the region

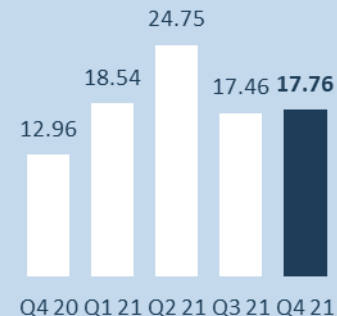
KEY RESULTS

	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating income (NOKm)	2,091	1,086	6,542	5,895
Operational EBIT (NOKm)	615	271	2,118	2,218
Operational EBIT %	29 %	25 %	32 %	38 %
Harvest volume (tgw)	34.6	20.9	110.7	100.4
EBIT/kg	17.76	12.96	19.14	22.10

Harvest volume
(1,000 tons gw)



EBIT/kg
(NOK)



Farming Northern Norway

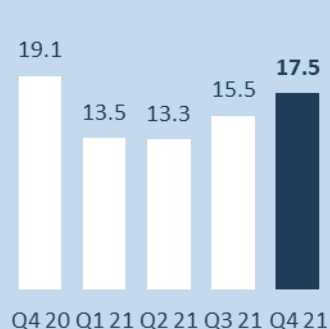
Continuing the solid trend with strong biological and operational performance

- Solid biological performance resulting in continued strong results
 - Cost still affected by high harvest and well boat cost, expect gradual improvement in 2022 when InnovaNor will be up and running
 - Price achievement affected by most of volume harvested in October and November, period of the quarter with lowest spot prices
- Autumn 2020 accounted for 75% of the volume in the period
 - Strong performing generation with solid biological and operational performance
 - Finished harvesting of spring 2020 generation with continued solid performance
- Expect lower volume and similar cost level in Q1 2022
 - Continue harvesting from strong performing autumn 2020 generation
 - Strong growth and biological performance of biomass in sea
- Expect to harvest 58,000 tons in 2022
 - Continued good utilization of MAB capacity in 2022 expect further improvement in 2023

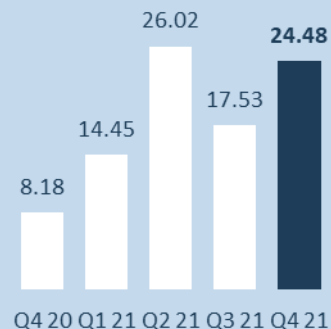
KEY RESULTS

	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating income (NOKm)	1,022	822	3,343	2,613
Operational EBIT (NOKm)	429	156	1,243	848
Operational EBIT %	42 %	19 %	37 %	32 %
Harvest volume (tgw)	17.5	19.1	59.8	49.9
EBIT/kg	24.48	8.18	20.76	16.99

Harvest volume
(1,000 tons gw)



EBIT/kg
(NOK)



Sales & Industry

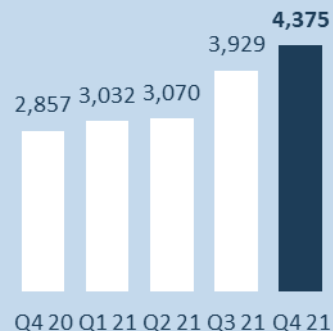
Large volumes through harvesting and processing facilities, but weak price achievement affects results negatively

- Continued strong utilization of our harvesting and processing plants
 - Strong capacity utilization at both InnovaMar and Vikenco
 - Expect lower volume and activity level in Q1 2022 due to seasonality
 - InnovaNor in operation - Gradual ramp up of both harvesting and VAP activity during 2022
- Weak price achievement in a period with large volumes
 - Contract share at 26% in the period with negative contribution due to higher spot prices
 - Weaker margin achieved on spot sales compared to previous quarters mainly due to biological challenges in farming
- Contract share currently at 35% for Q1 2022 and 30% for FY 2022
 - Increased prices on contract portfolio compared to 2021

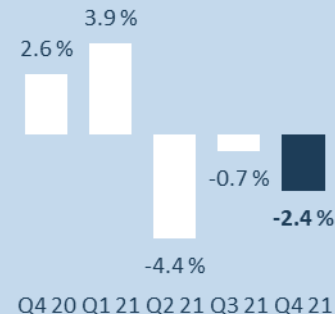
KEY RESULTS

	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating income (NOKm)	4,375	2,857	14,406	12,393
Operational EBIT (NOKm)	-106	73	-152	282
Operational EBIT %	-2.4 %	2.6 %	-1.1 %	2.3 %

Operating income
(NOKm)



EBIT-margin
(%)



Icelandic Salmon

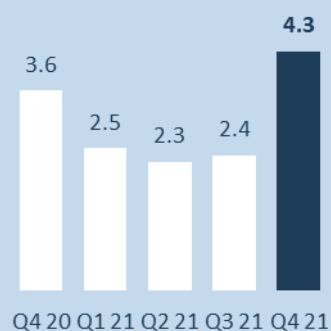
Improved price achievement and stable cost development

- Finished harvest of 2019 generation with stable cost development
 - Significantly improved biological performance compared to previous generations
 - Started harvesting of 2020 generation with good biological performance
- Improved price achievement already starting to materialize
 - Launch of new brand in August: Arnarlax – Sustainable Icelandic Salmon
- Expect lower volume and stable cost level in Q1 2022
 - Continue harvesting from 2020 generation
 - Good status of biomass going into the winter period
- Expect 16,000 tons harvest volume in 2022

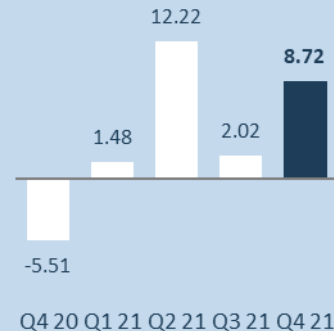
KEY RESULTS

	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating income (NOKm)	357	173	919	662
Operational EBIT (NOKm)	37	-20	74	-50
Operational EBIT %	10 %	-11 %	8 %	-8 %
Harvest volume (tgw)	4.3	3.6	11.5	11.2
EBIT/kg	8.72	-5.51	6.41	-4.49

Harvest volume
(1,000 tons gw)



EBIT/kg
(NOK)



Scottish Sea Farms¹

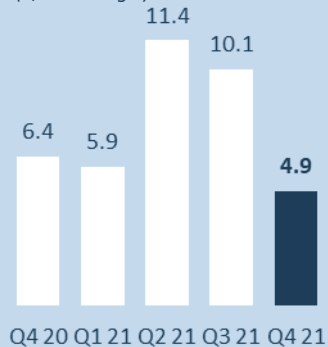
Biological challenges affecting results

- Acquisition of Grieg Seafood Hjaltdland UK Ltd completed 15th of Dec 2021
 - Good status of biomass and assets
 - Integration of company into SSF to realize operational synergies
 - Results from GSF Shetland included from 15th of December 2022
 - One-off costs related to acquisition recognized in Q4 affecting results with 6.7 NOK/kg
- Biological challenges due to gill health affecting results negatively
 - Early harvest of fish impacting both cost and price achievement
 - High mortality costs in the quarter
- Expect 46,000 tons harvest volume in 2022
 - Significant increase from 2021 due to acquisition of Grieg Shetland

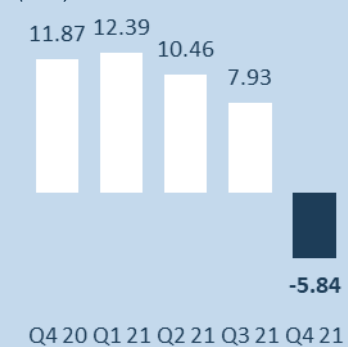
KEY RESULTS

	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating income (NOKm)	344	427	2,307	1,699
Operational EBIT (NOKm)	-29	76	244	308
Operational EBIT %	-8.3 %	17.8 %	10.6 %	18.2 %
Value adjustments biomass	7	-21	15	-143
Profit before tax	-27	50	242	143
SalMar's share after tax	-11	22	94	49
Harvested volume (t _{gw})	4.9	6.4	32.4	24.0
EBIT/kg	-5.84	11.87	7.55	12.87

Harvest volume
(1,000 tons gw)



EBIT/kg
(NOK)



1) Associated company Scottish Sea Farms LTD through Norskott Havbruk, ownership 50%

FINANCIAL UPDATE



Operational EBIT deviation analysis (qoq)

Norway

EBIT per kg (NOK)



Δ QoQ
+1.41
NOK per kg



- Net sales price increased due to higher spot prices, but price achievement reduced compared with Nasdaq prices
- Cost increase driven by higher costs in Central Norway due to handling of biological challenges

Group

EBIT per kg (NOK)



Δ QoQ
+1.43
NOK per kg



- Group EBIT per kg increased QoQ following higher spot prices
- Increased margin from Icelandic Salmon

Group profit and loss

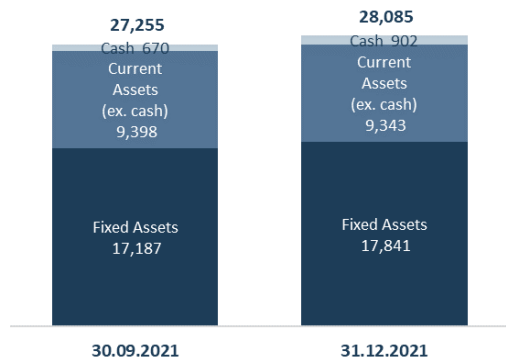
NOK million	Q4 2021	Q4 2020	Δ%	FY 2021	FY 2020	Δ%
Operating income	4,673	3,049	53 %	15,044	12,912	17 %
EBITDA	1,105	648	70 %	3,734	3,820	-2 %
Depreciations and write-downs	215	234		807	812	
Operational EBIT	890	414	115 %	2,927	3,009	-3 %
Production tax	-22			-72		
Fair value adjustment	-320	-329		596	-180	
EBIT	548	85	543 %	3,451	2,828	22 %
Income from investments in associates	-8	9		95	42	
Net financial items	-46	-17		-159	-299	
<i>Net interest costs</i>	-48	-30		-169	-140	
<i>Other financial items</i>	2	13		11	-159	
Profit before tax	493	77	544 %	3,387	2,572	32 %
Tax	97	25		719	563	
Net profit for the period	396	52	666 %	2,668	2,008	33 %
Other comprehensive income	4	-86		-158	212	
Total comprehensive income	400	-34		2,510	2,220	
Earnings per share (NOK)	3.51	0.22		22.61	17.52	
Harvested volume (t _{gw})	56.4	43.6	30 %	182.1	161.5	13 %
EBIT per kg (NOK)	15.78	9.50	66 %	16.08	18.62	-14 %
Nasdaq spot price (average)	60.08	43.69	38 %	57.92	54.34	7 %

FY 2021 vs. FY 2020

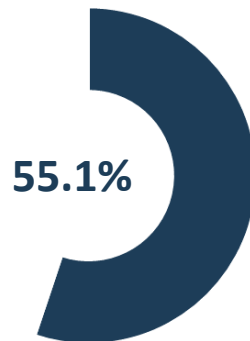
- Revenue increased following higher volume and higher spot prices
- Operational EBIT 3% lower
- Production tax included from Q1 21 at NOK 0.40 NOK/kg in Norway
 - Production tax includes resource tax in Iceland
- Fair value adjustment positive due to higher volume and higher forward prices in biomass calculation
- Income from associates increased due to positive fair value adjustment from Scottish Sea Farms
- Net interest costs increased driven by successful placement of green bond in Q2 2021
 - Other financial costs lower due to less currency fluctuations
- Note that SalMar Aker Ocean will be reported as a separate segment in financial reporting from 2022

Group balance sheet

Assets

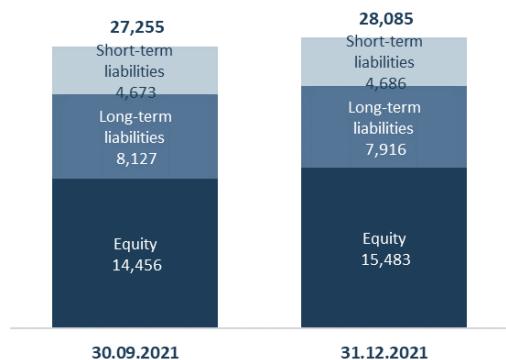


Equity ratio

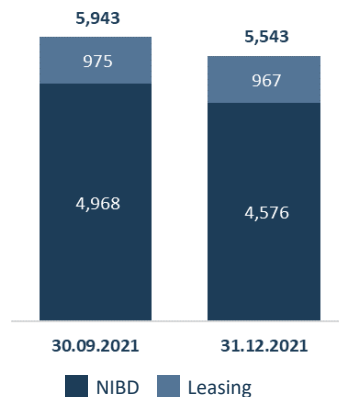


- Investments in the value chain progressing according to plan
- Higher standing biomass YoY and lower QoQ
- Net Interest-bearing debt incl. leasing liabilities decreased with NOK 400 million during the quarter
 - NIBD incl. leasing at NOK 5,543 million
- Solid financial position with equity ratio at 55.1% and NIBD incl. leasing/EBITDA at 1.48

Equity & liabilities

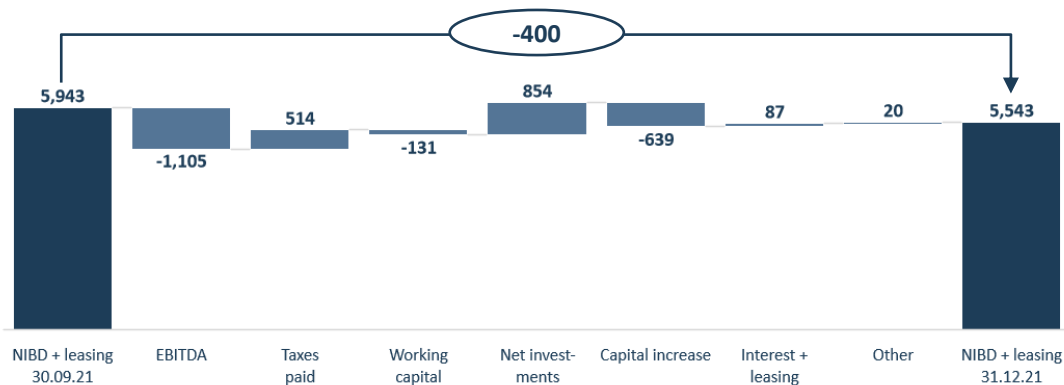


NIBD incl. leasing



*) all figures in NOK million

Movement in net interest-bearing debt



- Cash flow from operations impacted by taxes paid
- Net investments at NOK 854 million
 - Investment in associated company Norskott Havbruk¹ to finance acquisition of GSF Shetland NOK 306 million
 - Smolt and hatchery NOK 242 million
 - Farming and Ocean NOK 147 million
 - Sales & Industry NOK 121 million
 - Icelandic Salmon NOK 40 million
 - Other NOK -2 million
- Capital increase due to payment of first installment from Aker into SalMar Aker Ocean NOK 639 million
- NIBD incl. leasing reduced with NOK 400 million

1) Norskott Havbruk parent company of Scottish Sea Farms LTD

Proposed dividend for the financial year 2021

The Board of Directors proposes dividend of NOK 20.00 per share

- Results in 2021 shows that SalMar has delivered strong results with a continued solid financial position
- The Board of Directors proposes dividend of NOK 20.00 per share for the financial year 2021
 - Cash dividend to be approved at AGM 8th of June 2022

Dividend policy

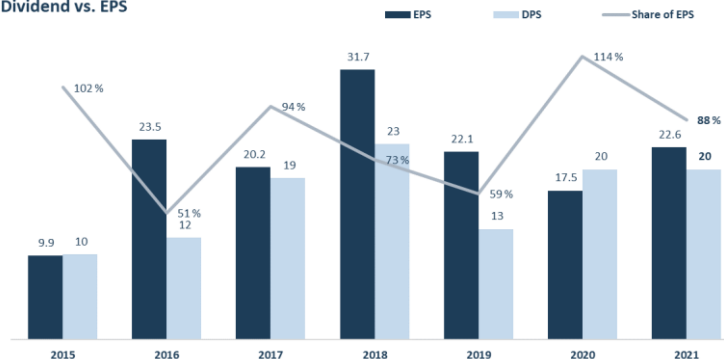
“SalMar ASA aim to provide shareholders with a competitive return on invested capital. This return shall be achieved through a combination of share price increase and the payment of a dividend by the group.

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”*

**NIBD includes leasing according to IFRS 16 and EBITDA is without fair value adjustment*

Dividend vs. EPS



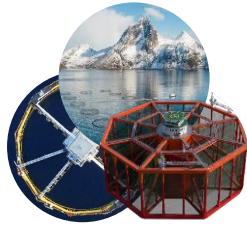
STRATEGIC UPDATE



Strong strategic and operational focus throughout the value chain

Always on the terms of the salmon

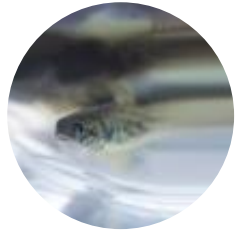
Flexibility and capacity to deliver the **right smolt** at the **right time** ...



... to deliver the **best fish** through good fish welfare...



... for local processing with the **right capacity** at strategic locations...



... for production at the **optimal locations** with minimal footprint...



... with **flexibility** to handle the volume when the fish is ready for harvest...



... to **maximize value creation** of the salmon...

... all handled by **fantastic dedicated employees** with **strong competence & culture** and a **passion for salmon**



Strengthening our platform for further sustainable growth

Investing in increased capacity in all regions

- Expect to invest NOK 1,7 billion in Norway in 2022
 - Maintenance investments NOK 0,4 billion (~2 NOK/kg)
 - Capacity investments NOK 1,3 billion
 - Construction of new smolt facilities in Central and Northern Norway largest single investments
- Expect to invest NOK 0,2 billion in Icelandic Salmon in 2022
 - Largest investment in increased seawater farming capacity
- Expect to invest NOK 0,2 billion in SalMar Aker Ocean in 2022
 - Upgrade of Ocean Farm 1 and finalizing of design for new units Smart Fish Farm and Ocean Farm 2

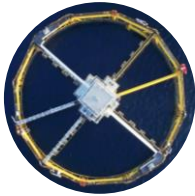


Creating a world leading offshore farming company

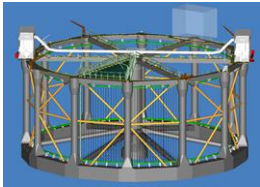
SalMar Aker Ocean has an ambition to build a series of units for offshore production

EXPOSED

Ocean Farm (OF)



NEW SEMI-OFFSHORE UNIT



OPEN OCEAN

Smart Fish Farm (SFF)



- **SalMar Aker Ocean established in November 2021**
 - Joint ownership between SalMar (66,6%) and Aker (33,4%)
 - Together SalMar and Aker have the strengths to realize the potential offshore
 - Closing completed earlier than previously announced showcasing the commitment from both parties
- **Roy Reite appointed as new CEO of SalMar Aker Ocean**
 - Ongoing recruitment of key roles in the organization
 - Gradual ramp up of organization to handle growth ambition of 150,000 tons in 2030
- **Committed to new offshore investments as soon as the regulatory framework is in place**
 - Significant positive ripple effects to the entire value chain and supplier industry
 - Immediate effect on employment, exports and sustainability
 - Global market potential
 - Norwegian government released public hearing note 02.02.2022 for proposed regulatory framework
- **SalMar Aker Ocean ready for the next steps offshore**
 - Awaiting approval for site application for first open ocean unit, Smart Fish Farm
 - Ambition to make investment decision for a new semi-offshore unit as soon as possible

OUTLOOK





Outlook

- SalMar has strong operational and financial flexibility and is well equipped to build an even more robust platform for further sustainable growth
 - Continued strong strategic and operational focus with dedicated employees and strong corporate culture set for growth
 - Expect to invest NOK 2,1 billion for further sustainable growth in 2022
- Leading and pioneering the way offshore through SalMar Aker Ocean
 - Creating a world leading offshore farming company
- Proposed dividend for 2021 of NOK 20.00 per share
- Voluntary offer for all outstanding shares in NTS ASA
 - Strong strategic rationale with solid track-record from both parties in Central Norway, Northern Norway and West fjords of Iceland
- Expect lower volume and slightly lower cost level in Q1 2022
 - Contract share for Q1 2022 around 35% and FY 2022 30%
- Expect increased volume in all regions in 2022
 - Norway 175,000 tons (+4,500 tons / +3 %)
 - Iceland 16,000 tons (+4,500 tons / +39 %)
 - Scotland¹ 46,000 tons (+12,700 tons / +39 %)
- Optimistic outlook for the future of the aquaculture industry
 - Expect low increase in global supply in 2022

1) Associated company Scottish Sea Farms LTD through Norskott Havbruk, ownership 50%

Capital Markets Day 2022

Tuesday 28th and Wednesday 29th of June 2022

- We are looking forward to welcome you to Northern Norway
 - You will get the opportunity to visit our state-of-the-art facilities across the entire value chain
 - Senja 1&2 smolt facility, conventional farming site and InnovaNor our new harvesting & processing facility
- In addition, the executive management will give insights into the strategic ambitions going forward both coastal and offshore
- More information and link for registration will be sent a later notice

Smolt



Coastal Farming



Offshore Farming



Harvesting & Processing





**THANK YOU
FOR YOUR
ATTENTION**

Financial Calendar

Annual Report 2021 - 22 April 2022

Q1 2022 presentation - 12 May 2022

Annual General Meeting - 8 June 2022

Capital Market Day - 28-29 June 2022

Q2 2022 presentation - 25 August 2022

Q3 2022 presentation - 10 November 2022

For more information see
www.salmar.no

**PASSION
FOR
SALMON**

 **SALMAR**
Passion for Salmon