Annual Report

2023

SALMAR


Passion
for Salmon

This is SalMar

Sustainability and Corporate Responsibility

Corporate Governance

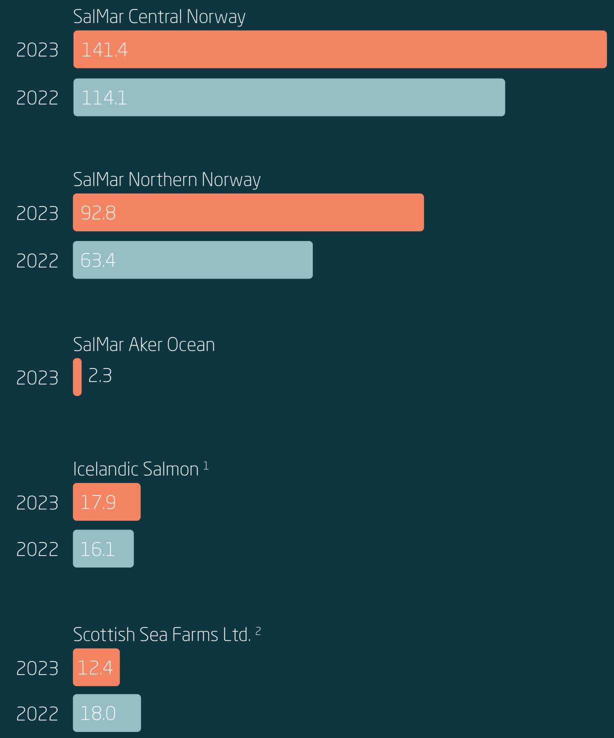
Financial Statement and Results

Key Financial Figures

Our Locations

Harvest volume by segment

1,000 tonnes gutted weight



[2] Joint venture, 50 % share

Key Financial Figures

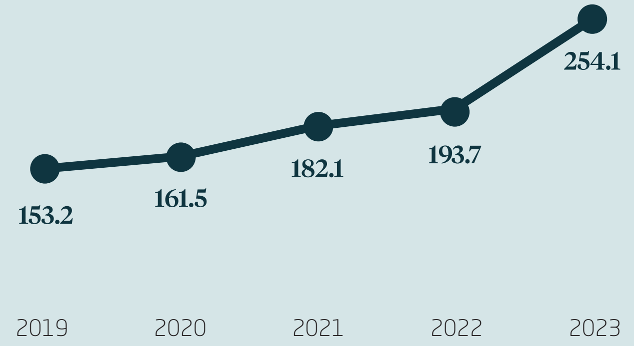
Key Figures - Group

Figures in NOK million	2023	2022
Revenue and other income	28,219	20,158
Operational EBIT	8,088	4,465
Adjusted earnings per share	33.50	25.27
Dividend per share	35.00	20.00
Total Assets	53,331	62,501
Equity Ratio	43.3 %	38.6 %
NIBD incl. lease liabilities	14,952	20,505
NIBD incl. Lease liabilities /EBITDA	1.6	3.7

Financial Statement

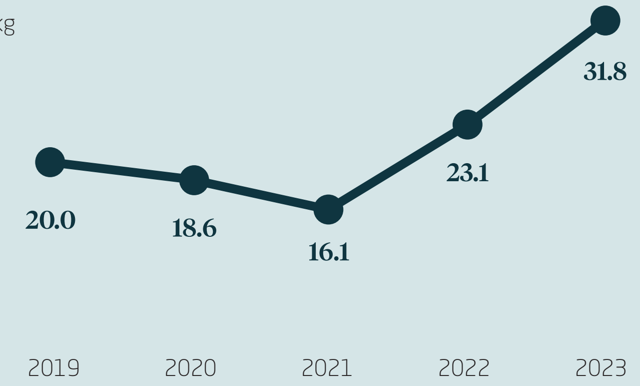
Consolidated Harvest Volume - Group

1,000 tonnes gutted weight



Operational EBIT per kg - Group

NOK per kg



Key ESG Metrics for Norway

Fish

Good fish welfare is the foundation of SalMar's business. We work systematically to create an environment in which the salmon thrives and remains healthy.

Survival rate

94 %

Biological Feed Conversion Ratio

1.12

Fish →

Environment and Technology

SalMar believes in preserving the seas for future generations. We minimise our footprint with measures and routines throughout the entire value chain.

Reduction in Scope 1+2 intensity since 2020

-16 %

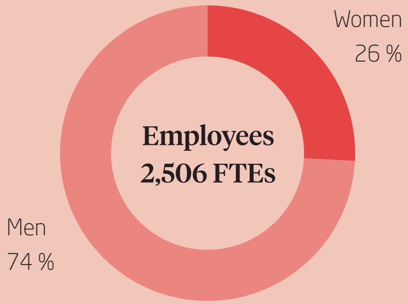
Reduction in Scope 3 intensity since 2020

-25 %

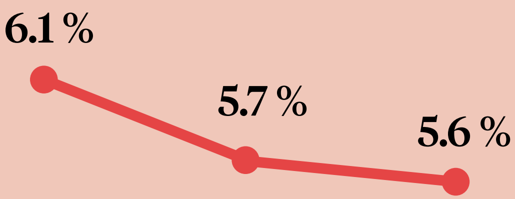
Environment →

People and Society

SalMar acts as a responsible corporate citizen. We believe in creating local value and safe workplaces and support the local communities where we operate.



Sickness absence rate



People →

This is SalMar

Message From the CEO

A deep-rooted coastal culture has passed the test

In 2023, SalMar's corporate culture was put to the test. Our task was to merge four strong aquaculture companies, from various places along the Norwegian coast, into one; from now on, they would coordinate their activities at all levels in both Central and Northern Norway. Most importantly, we aimed to forge a common culture by combining the best that each of the four companies had to offer. As SalMar's CEO, I can proudly say that we passed the test with flying colours. The credit goes primarily to our 2,500 employees, including all those who have recently become part of the SalMar family. They have all worked tirelessly, with good spirits and great expertise, to put the many pieces of a complex and demanding process seamlessly in place. Over the past year, we have built a strong and solid community, from which the company will reap great benefits in the near and long term. I believe this is a result that is deeply rooted in the coastal culture from which we spring.

When I was appointed as SalMar's new CEO in the autumn of 2022, after several years as head of sales and processing, the company was in the middle of a merger process with Norway Royal Salmon (NRS) following the acquisition of NTS, which also meant that SalmoNor and the former Midt-Norsk Havbruk became part of our family. In this case, it is clear to see that one plus one has become a great deal more than two. Even more important than cost synergies are the additional value creation and increased competitiveness that have already been manifested, and that we believe will strengthen in the years to come. This is due not least to our shared culture. *We are one SalMar – one team.*

President & CEO Frode Arntsen

But we cannot rest content with previous successes. The aquaculture industry must address the challenges facing it, and pursue improvements in all areas – especially with respect to the environment and fish welfare. At the same time, we can be proud that Norwegian aquaculture scores highly in terms of sustainability compared to other food producers worldwide. SalMar is also proud that we were named one of the world's most sustainable protein producers by FAIRR in 2023. Nevertheless, we must acknowledge that some things are also moving in the wrong direction. Fish mortality is increasing. Fish welfare is more challenging. It is our responsibility to change that. We must realise that there are simply too many gaps in our knowledge. We need to know more about the salmon which is the most important part of our value chain.

A living laboratory

The Salmon Living Lab will become a laboratory for innovation, research and development. Our ambition is for this knowledge centre to become a valuable contribution to sustainable growth in the aquaculture industry. It is with great pleasure that SalMar launches this initiative in partnership with Cargill, one of the world's leading food producers and a global spearhead in the research, development and production of nutritious fish feed and feed ingredients. SalMar makes its operational facilities available so that research can take place where the challenges are and must be solved in the coastal waters where the salmon live and grow. On the salmon's terms. Both SalMar and Cargill will invest significant resources to establish and develop the innovation centre. It will not be a "SalMar centre" but a collaboration where aquaculture companies, equipment manufacturers and research institutions are welcome to conduct research and innovation covering the entire biological value chain in aquaculture.

The centre will not replace but complement the innovation and development SalMar carries out daily to ensure sustainable value creation in all parts of the value chain. Fish health and fish welfare are of the highest priority for SalMar every single day, as we strive to fulfil our ambition of being the world's best aquaculture company. SalMar also had significantly lower salmon mortality in 2023 than the industry average. But still, we must adhere to SalMar's important rule that everything we do today must be done better than yesterday. This is necessary to fulfil our social mission as an essential contributor to the global food supply. SalMar served two billion health-promoting salmon meals in 2023 to consumers in over 50 countries worldwide, a number that will only continue to increase in the coming years.

Results

As usual, our financial results can be studied in detail in various places in this report, but some figures also belong in the CEO's reflections. Gross operating revenues in 2023 were NOK 28.2 billion, compared with NOK 21.1 billion the previous year. Operational EBIT was NOK 8 billion, compared with 4.5 billion in 2022. These results represent good underlying operations and the ability to achieve the productivity improvements we expected from the acquisition of NTS and the merger with NRS. The results also reflect strong markets with good price achievement and a consistently weak Norwegian krone through the year. To illustrate the cost effects of the merger with NTS, NRS and SalmoNor, 97 per cent of the planned cost synergies have already been realised. NOK 821 million of the estimated NOK 844 million in reduced annual recurring operating costs. This, too, is the result of everyone pulling together, creating a fantastic result through team efforts.

The Group achieved a new record in harvested volume in 2023, partly due to the merger with NRS/SalmoNor, more efficient utilisation of Norwegian licences, and the addition of new licences. The Group as a whole harvested 266,500 tonnes in 2023, up from 211,600 tonnes the previous year. A total of 233,900 tonnes was harvested in Norway, compared with 177,500 tonnes in 2022, while in Iceland, 17,900 tonnes were harvested, compared with 16,100 tonnes the year before. Significant production challenges in Scotland reduced production volume from 18,000 tonnes to 12,400 tonnes (based on SalMar's 50 per cent shareholding in Scottish Sea Farms).

Storm and calm

The Norwegian coast can be both stormy and calm. Safety and predictability are not characteristic of life at the outermost edge of the ocean. From the first day, challenges abounded for our ancestors, who ventured out along a rugged coastline to secure a livelihood based on the sea's resources. Our generation can enjoy a significantly better and safer life thanks to those who lived and worked tirelessly before us. But stormy and calm still characterise life on the coast, something the aquaculture industry must always live with. Production of living animals in the sea presents biological challenges that can arise suddenly and hit hard. For example, a wave of jellyfish – called string jellyfish – spread along the Norwegian coast towards the end of 2023 and infiltrated several of SalMar's locations in both Central and Northern Norway. Jellyfish are one of several risk factors in fish farming, but they rarely cause significant damage to the fish, as was the case in this instance. Fortunately, SalMar has contingency plans that account for such events, and the company has, in close collaboration with the Norwegian Food Safety Authority, taken measures based on fish health assessments. The consequences of the jellyfish attack are a significant outtake of fish, reducing SalMar's estimated volume harvested in Norway in 2024 by 20,000 tonnes, to a total of 237,000 tonnes.

Culture and operations – hand in hand

While SalMar declared 2023 to be the Year of Culture, we have designated 2024 as the Year of Operations. The latter is not meant replace the former but rather reinforce it. Our common SalMar culture should enhance and improve everything we do every single day. As we advance, we will continue to build on the shared cultural platform established during the significant organisational changes in 2023. It is said that the devil is in the details, and in these details, SalMar has shown its strength over the years. This has made us superior in terms of operations, and out in front is where we want to stay in the future.

An important aspect of our operations will be to make even better use of the substantial investments SalMar has made both at sea and on land. These have made SalMar well-equipped for the future. The company has invested several billion kroner in advanced processing facilities on the coast: Vikenco at Aukra in Møre og Romsdal, InnovaMar at Frøya in Trøndelag and InnovaNor at Senja in Troms. Furthermore, we are coming to the end of an extensive programme to construct large new and highly advanced facilities for smolt production. In 2023, SalMar commissioned its new smolt facility at Senja. In 2024, it will commission the new facility at Tjuin in Steinkjer. The investment costs for building the two facilities alone amount to over NOK 3 billion. This will provide good access to smolt for SalMar's operations and, at the same time, a basis for even better quality and more innovation in this part of the value chain.

SalMar is an integral part of the communities in which we operate. What is good for our many coastal communities is also good for SalMar. Each year, SalMar supports a large number of sports, cultural events, associations and teams in municipalities and local communities. We believe this is also part of our social mission. For SalMar, it is important to encourage young girls and boys to choose to live on the coast and see all the fantastic opportunities the coast represents. Naturally, our main contribution is to create profitable, sustainable and attractive jobs. But we want to make sure that it is also appealing to live in the coastal districts outside of working hours, so that people enjoy themselves and have exciting things to do also in their spare time.

Aquaculture in open oceans

SalMar's investment in offshore aquaculture is now being developed in partnership with Aker in SalMar Aker Ocean. This subsidiary has two offshore installations in operation. Ocean Farm 1, the world's first offshore unit for salmon production, is now in its third production cycle off the coast of Trøndelag, after extensive upgrading. In addition, SalMar Aker Ocean took over Arctic Offshore Farming outside Tromsø in 2023. The company and the project originally belonged to NRS but were sold on to SalMar Aker Ocean after the merger with SalMar.

On 25 September 2023, the Directorate of Fisheries granted SalMar Aker Ocean a location permit to establish a Smart Fish Farm 45 nautical miles west of Frøya. The permit is based on commitments for eight development licences for offshore aquaculture, which the Directorate of Fisheries announced in February 2019. However, there is still considerable uncertainty about the framework conditions for aquaculture in the open ocean, both with respect to areas suitable for farming, permits and the future tax regime.

The new resource rent tax will not currently apply to offshore aquaculture. Still, the industry and investors must take into consideration that it could happen if this category of aquaculture also becomes profitable. This means that the industry must take unlimited risk in the build-up phase, while the State will be able to introduce additional tax later if this becomes profitable. SalMar Aker Ocean has decided that further investment in offshore aquaculture will be put on hold until the Norwegian authorities have clarified the framework conditions.

Unpredictable framework conditions

On the 31 May 2023, the Storting decided, despite strong warnings from the industry, to introduce a resource rent tax on aquaculture in Norway at the rate of 25 per cent, with effect for the full 2023 fiscal year. The new tax comes on top of ordinary company tax, so the total marginal tax rate is 47 per cent. The uncertainty surrounding the new tax is reinforced by the fact that a new government price council will determine nominal prices on which the resource rent tax will be calculated. The pricing details have not yet been clarified, so there is still considerable uncertainty about the final tax bill. SalMar and the industry have collectively warned against the new price council and recommended that actual prices be used as the basis for the tax levy, as is the general rule in Norwegian tax law.

Uncertain political framework conditions have meant that SalMar has put on hold a planned investment of approximately NOK 2 billion for a major expansion of the InnovaMar processing plant in Frøya. This decision has been taken because a significant part of the income from aquaculture that was to be channelled into this project will now be subject to resource rent tax, combined with the uncertainty surrounding the framework conditions for offshore aquaculture.

In the latter part of 2023, the industry's organisations put considerable effort into their consultation responses to the government-appointed aquaculture committee, which presented its report on 28 September 2023, see NOU 2023:23, *Comprehensive management of aquaculture for sustainable value creation*. SalMar also submitted its own in-depth consultation statement. The report contains a broad review and assessment of the entire permit system in Norwegian aquaculture. The committee proposes several changes that the aquaculture industry and large parts of the business community and civil society on the Norwegian coast have warned against. This includes abolishing the so-called time-limited demonstration licences.

The Ministry of Trade, Industry and Fisheries has announced that the government will prepare a report to the Storting (white paper) during the first half of 2025, based on the committee's report and the consultation responses. The white paper will cover a wide range of issues affecting the basis for aquaculture permits in Norway. Given the fundamental importance this has for the country's second-largest export industry, we hope the government will engage in a close dialogue with all the parties concerned in its preparation of its report to the Storting. The hasty introduction of the resource rent tax is not an experience anyone wants repeated.

A mass movement

SalMar will continue to invest and give our all to develop the company and the industry within the framework conditions the authorities give us. In 2024, SalMar will invest NOK 1.9 billion in maintenance and capacity increases, and NOK 1.6 of this will be in Norway. SalMar will continue to work systematically to achieve our goals and ambitions. This will be done in close cooperation with our customers and partners, not forgetting our owners. We are immensely grateful to our owners, of which the Norwegian State through the Folketrygdfondet pension fund is the second largest. Our largest shareholder is the investment company Kverva, which channels almost its entire share of the dividend from SalMar into investments in various industries or to enable its owners to pay the tax on Norwegian ownership. SalMar has approximately 23,000 shareholders spread across the world. In addition, several hundred thousand Norwegian women and men indirectly own SalMar as shareholders in different investment and pension funds. We appreciate that our shareholders have such great faith in SalMar that they have chosen to invest their savings in becoming owners of our company. We hope that we can be worthy of this trust. Our owners are so many that we can almost use the term mass movement. In this respect, uncertainty in tax regimes not only affects the companies in the aquaculture sector – but also hundreds of thousands of owners across different countries.

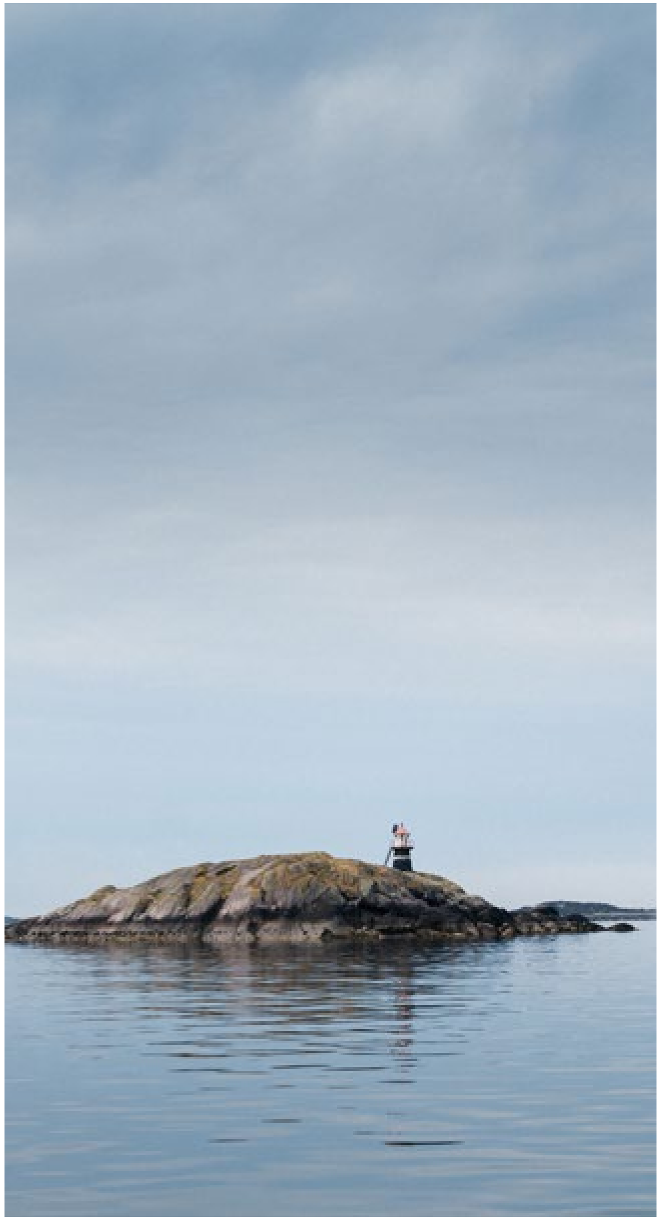
Outlook

The geopolitical challenges, with wars both inside and outside Europe, continue to leave their brutal mark on everyday life around the world. The solutions to these challenges will lie with the governments of the states concerned and the international community. Let us hope that the peace ambitions that laid the foundations for the UN eventually gain the upper hand. The Norwegian aquaculture industry also has a role as a bridge-builder between people and nations. This takes place through constructive cooperation with companies and customers worldwide and the industry's contribution to a sustainable global food supply. The attached sustainability report describes in more detail SalMar's significant efforts in this area in 2023.

Eternal perspective

Salmon will be a key factor in feeding the world's growing population. It is not easy to imagine a more stimulating role than leading a business that supplies healthy and tasty seafood to the whole world. The aquaculture industry has some environmental challenges that must be resolved, as do other food producers. But we at SalMar believe in our social mission to produce renewable and sustainable food that the world needs, for as long as there are people on Earth. Therefore, we also have an eternal perspective on what we do.

I am confident that SalMar, with its employees, culture and expertise, has all the prerequisites to be at the forefront also in the future. We will do everything today better than yesterday and do our utmost to satisfy all parts in the value chain up to the end consumer in the market. Our mission is to produce and bring healthy salmon to all corners of the globe. No one can replace the human competence, the urge to create and the enormous will to drive the world forward. The sum of many talented individuals has created SalMar. Our employees in all parts of the business have brought us to where we are today. At SalMar, we are passionate about continuous development on the salmon and nature's terms; this is our passion – a passion for salmon.



The History of SalMar

Volume harvested in 1000's of tonnes gutted weight

1991

SalMar is founded in Frøya in Sør-Trøndelag following the acquisition of one licence for the production of salmon and a harvesting/processing plant. The company's primary business was the processing of frozen salmon. This was the start of a major restructuring of the Norwegian aquaculture sector, which gradually led to a substantial increase in its level of industrialisation.

1992

Acquisition of two licences for the production of farmed salmon in Central Norway.

1995

Start of smolt production. Acquisition of Follasmolt AS in Verran, Nord-Trøndelag and lease of Kjørsvik Settefisk's hatchery in Aure, Møre & Romsdal.

1997

Kverva Holding AS becomes sole owner of SalMar.

Extension of the processing plant at Nordskaget in Frøya.

2000 (11,000 tonnes gutted weight)

Establishment of operations outside of Central Norway through the acquisition of 49 % of the shares in Senja Sjøfarm AS in Troms.

Scottish Sea Farms

2001 (15,000 tonnes gutted weight)

Establishment of operations in UK through establishment a 50/50 joint venture with Lerøy Seafood Group which became sole owner of Scottish Sea Farms Ltd, the UK's second largest salmon producer.

2005 (35,000 tonnes gutted weight)

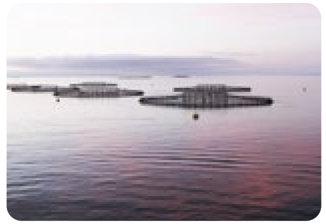
Focus on the core. Divestment of operations SalMar does not consider to be core businesses, including the production of herring, herring oil and fish meal.

2006 (44,000 tonnes gutted weight)

Kverva Holding AS sells 42.5 % of the company's shares to a limited number of Norwegian and international investors.

Acquisition of three new licences in Nordmøre.

Acquisition of the remaining 51 % of the shares in Senja Sjøfarm AS.



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2007

SalMar shares listed on the Oslo Stock Exchange on 8 May 2007.

Acquisition of 4 licences in Møre & Romsdal through Halsa Fiskeoppdrett AS and Henden Fiskeoppdrett AS.

Acquisition of Arctic Salmon AS (four licences) in Nordreisa, Troms.

65

2008

Acquisition of one licence in Central Norway (Møre & Romsdal) and one in Northern Norway (Troms).

Acquisition of 34 % of the shares in Volstad Seafood AS.

77

2009

Acquisition of the remaining 66 % of the shares in Volstad Seafood AS.

79

2010

Acquisition of 75.54 % of Rauma Gruppen AS and 100 % of Stettefisk AS. Broodfish in Central Norway (Møre & Romsdal).

Acquisition of 23.3 % of the shares in the listed Faeroese company Bakkafrost P/f.

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2011

Completion of the world's most innovative and efficient salmon harvesting and processing plant – InnovaMar. Acquisition of 7 licences in Central Norway through Bringsvor Laks A, Krifo Havbruk AS and Villa Miljølaks. Increase of shareholding in P/F Bakkafrost to 24.8 %. Leif Inge Nordhammer steps Down as CEO and is replaced by Yngve Myhre on 6 June.

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2012

Acquisition of 10 licences in Northern Norway (Finnmark) from Villa Artic AS.

Increase of shareholding in P/F Bakkafrost to 25.2 %.

Volume harvested in 1000's of tonnes

128

2013

Acquisition of minority shares in SalMar Rauma AS and 50.4 % of the shares in Villa Organic AS.

Divestment of ownership in P/F Bakkafrost.

154.8

2014

Acquisition of 8 green licences

Yngve Myhre steps down as CEO and is replaced by Leif Inge Nordhammer.

150

2015

Principle approval of the ocean farming pilot.

Establishment on Iceland through acquisition of 22.91 % of the shares in the Icelandic farming company Arnarlax Ehf.

Arnarlax

131

2016

SalMar awarded the first eight development licences for Ocean Farming AS.

SalMar increased shareholding in Arnarlax Ehf to 34 per cent.

Leif Inge Nordhammer steps down as CEO, Trond Williksen new CEO

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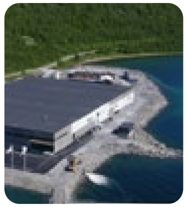
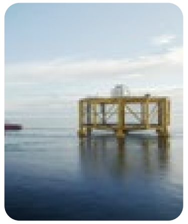


2017

September 2017, Ocean Farm 1 arrived at its destination in Frohavet, off the Trøndelag coast in Central Norway

The new smolt production facility in Senja was completed

159



2018

SalMar increased shareholding in Arnarlax Ehf to 41.95 per cent.

First harvest from the worlds first offshore fish farm, Ocean Farm 1

Aqusition of 51 per cent of the shares in Mariculture AS, to establish fish farming offshore in the open ocean.

Trond Williksen steps down as CEO, Olav-Andreas Ervik new CEO.

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2019

Increased ownership in Icelandic aquaculture company Arnarlax Ehf to 59 per cent.

Gustav Witzøe new CEO following Olav-Andreas Ervik appointment as new CEO in SalMar Ocean which strengthens the focus on offshore fish farming.

Started construction of InnovaNor, the new harvesting and processing plant on Senja in Northern Norway.

174

2020

Started construction of the expansion of the smolt facility on Senja, Senja 2

Successful private placement and listing of Icelandic Salmon on Euronext Growth, SalMars ownership reduced to 51 per cent.

198

2021

InnovaNor in operation, the new harvesting and processing plant on Senja in Northern Norway.

Started construction of a new smolt facility in Central Norway, Tjuin.

Successful issue of the first green bond and a private placement in SalMar ASA.

Strategic partnership with Aker through SalMar Aker Ocean to establish a global offshore aquaculture company

Increasing our production capacity in Central Norway through aqusition of ownership in Refsnes Laks AS and Nekton Havbruk AS

Scottish Sea Farms Ltd. acquired Grieg Seafood Hjaltland UK Ltd. strengthening our value chain and increasing our presence in the Shetland region

SalMarAker**Ocean**

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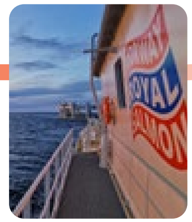


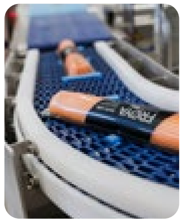
2022

Increasing position of SalMar to the worlds 2nd largest salmon producer by joining forces with NTS, NRS and SalmoNor at the end of 2022 through a series of transactions.

Majority owner in aquaservice company Frøy after the transactions. Finalized construction of new smolt facility on Senja in Northern Norway.

Gustav Witzøe stepped down as CEO and took up the position as Board Chair. Linda L. Aase CEO from May until October and Gunnar Nielsen CFO from April until October. Frode Arntsen new CEO and Ulrik Steinvik new CFO from October.

267



2023

Successfully integrated NTS, NRS and SalmoNor into operational set-up in Norway.

Aquaservice company Frøy sold following a succesful strategic review.

New unsecured financing in place.

Finalized construction of new smolt facility in Tjuin in Central Norway.

First harvest from semi-offshore unit Arctic Offshore Farming.

MENU

The ABC of Salmon Farming

Broodstock

The broodstock are the parent fish which provide the eggs and sperm (milt) required to produce new generations. The fertilised eggs take 60 days to hatch when placed in an incubator kept at eight degrees Celsius.

Eyed salmon eggs

After 25–30 days in the incubator the eggs have developed to the stage where the eyes of the salmon are clearly visible as two black dots inside the egg.

Fry

The egg hatches when the eggshell cracks open, liberating the baby fish (fry) inside. When it hatches the fry is attached to a yolk sac, which provides it with the sustenance it needs during its first few weeks of life. From now on the fish's growth and development will all depend on temperature.

Initial feeding

When most of the yolk sac has been absorbed, the fry can be moved from the incubator into a fish tank. They are now ready for initial feeding. The water temperature is kept at 10–14 degrees Celsius, and the fry are exposed to dim lighting 24 hours a day. The initial feeding period lasts for six weeks. As they grow the fry are sorted and moved to larger tanks. Well ahead of their "smoltification" all the fish are vaccinated before being shipped by wellboat to the fish farm's marine net-pens.

Smoltification

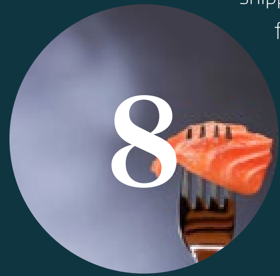
The process whereby the juvenile fish transition from a life in freshwater to a sea-going existence is called smoltification. During this process the fish develop a silver sheen to their bellies, while their backs turn a blue-green colour. Their gills also change when the juvenile fish turns into a smolt.

On-growing

The farming of fish for human consumption takes place in net pens, large enclosed nets suspended in the sea by flotation devices. In addition to a solid anchorage, net pens require regular cleaning and adequate measures to prevent the farmed fish from escaping. Growth in the net pens is affected by feeding, light and water quality. Here too the fish are sorted as they develop and grow.

Harvesting & processing

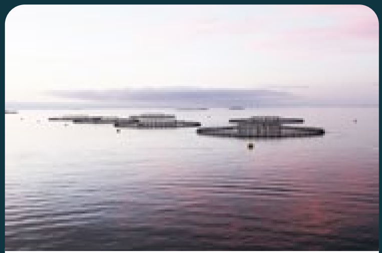
A year after transfer to the marine net pens, the first fish are ready for harvesting. The fish are transported live by wellboat to the processing plant. There the fish are kept in holding pens, before being carefully transferred to the plant itself. The fish are killed and bled out using high tech equipment, and always in accordance with applicable public regulations. After harvesting the salmon is subject to various degrees of processing.



Sales

The fish is sold either as whole gutted salmon (fresh or frozen), fillets, in individual portions or a wide range of other products, which are distributed to markets around the world.

SalMar's Operating Segments



FISH FARMING CENTRAL NORWAY
(Møre og Romsdal & Trøndelag)

Sea-farm production

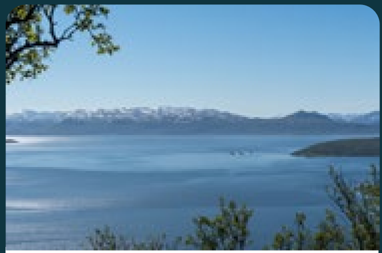
No. of licences:
85,482 tonnes MAB[1]

Harvest volume 2023:
141,100 tonnes gutted weight

Smolt and cleaner fish production

No. facilities:
3 smolt facilities and 1 lumpfish facility

Production in 2023:
Approx. 23.6 million smolt and 1.5 million lumpfish



FISH FARMING NORTHERN NORWAY
(Troms og Finnmark)

Sea-farm production

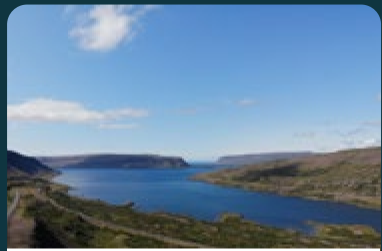
No. licences:
69,275 tonnes MAB[2]

Harvest volume 2023:
92,800 tonnes gutted weight

Smolt production

No. facilities:
2 smolt facilities

Production in 2023:
Approx. 35.6 million smolt



ICELANDIC SALMON

Sea-farm production

No. of licences:
23,700 tonnes MAB

Harvest volume 2023:
17,900 tonnes gutted weight

Smolt production

No. of facilities:
4 smolt facilities in operation

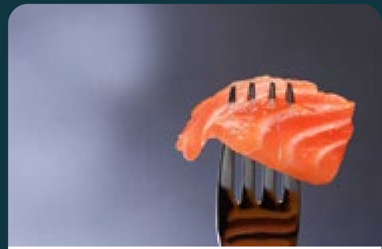
Production in 2023:
Approx. 4.9 million smolt

SALMAR AKER OCEAN

Sea-farm production

No. of licences:
No. licences: 12,355 tonnes MAB[3]

Harvest volume 2023:
2,300 tonnes gutted weight



SALES & INDUSTRY

Volume sold:
Approx. 240,000 tonnes gutted weight

Share of secondary processing:
36.5 %

Number of harvesting- and processing plants:
3 in operation

1 Includes 4 time-limited demonstration licences and 1,100 tonnes MAB in development licences.

2 Includes 2 time-limited demonstration licences.

3 Includes 6,051 tonnes MAB in development licences for the Arctic Offshore Farming project and in addition the company has 8 development licences for the Smart Fish Farm project

Fish Farming Central Norway (Møre og Romsdal & Trøndelag)

Fish Farming Central Norway is the region in which the SalMar Group first established its business. Initially this was based on assets acquired from a company which had gone into liquidation, and which had one licence for the production of farmed salmon and a harvesting and processing plant in Frøya that was designed to handle white fish. Since then, both the Group as a whole and the segment has experienced a fantastic growth journey.

Central Norway has today 85,482 tonnes MAB, and also operates several R&D licences in collaboration with other companies. In 2022 SalMar acquired ownership in SalmoNor. increasing the production capacity in the region. The segment has 3 smolt facilities in operation. In addition the segment has 1 facility for the production of cleaner fish.

The fish farming operations are located in Central Norway, stretching from Sunnmøre in the south to the Namdal coast in the north. Fish Farming Central Norway is divided into 5 regions, which are each led by a regional manager. The environmental conditions for salmon farming in this region are good, with favourable sea temperatures all year round thanks to the Gulf Stream, a high water replacement rate and several suitable locations.

SalMar's fish farms focus on cost-effective operation and maintain a high ethical standard with respect to animal husbandry. In order to contribute to SalMar reaching its goal of being the most cost-effective producer of farmed salmon, there is a continuous focus on sub-goals. The company was quick to introduce its own standards and 'best practices' in order to secure increased efficiency. This involves, among other things, concentrating marine-phase production at large, sustainable facilities stocked with the correct biomass volume and with a good environmental carrying capacity. SalMar is also working strategically to secure locations so that we can take our share of future production growth. In 2021 the first closed net pen for the company was taken into operation and a second closed net pen will start production in 2024. In addition, the segment both has semi-closed and submerged farming technology in operation.

The segments smolt facilities have a high level of expertise with respect to day-to-say operations as well as development/project management. The production of smolt is currently transitioning to the use of recirculating aquaculture systems (RAS) technology. In 2023 a new RAS smolt facility at Tjuin, came into operation where the first smolt will be delivered to sea in 2024.

Fish Farming Northern Norway (Troms og Finnmark)

SalMar has the largest aquaculture operation in Troms og Finnmark County, with activities stretching from Harstad in southern Troms to Sør-Varanger in Finnmark. The business is divided into three regions, which are each led by a regional manager. The segment's head office and administration are located at InnovaNor our harvesting and processing facility on Senja.

The segment has 69,275 tonnes MAB for the production of farmed salmon. In addition, SalMar co-operates several R&D licences. In 2022 SalMar acquired ownership of NRS, increasing the production capacity in the region. The segment has 2 smolt facilities.

Over many years, the segment has focused systematically on enhancing the expertise of its workforce and employs several apprentices. Remote feeding has been an important focus area for the segment. This means joint surveillance and control of all SalMar's sea sites from South Troms to East Finnmark. The sea farms are monitored even when there is no one physically on site. Data collection is more structured in the remote feeding centre, which provides a better foundation for decision making forward in time.

The segment has 2 smolt facilities, which is based on recirculating aquaculture systems (RAS) technology. Robust, high-quality smolt is a decisive factor for the success of the whole value chain and in the 2023 the first smolt from the expansion of the facility on Senja was delivered. The expansion will result not only in the capacity to produce more smolt, but also the flexibility to produce larger sized smolt.

It is possible to produce more salmon in Norway, and Northern Norway has a considerable potential for further growth. This region has excellent environmental conditions for sustainable production, which we nurture through expertise and systematic improvement efforts. The expansion of SalMar's smolt production, production capacity through NRS as well as the new local harvesting and processing plant, InnovaNor, underpin the importance to the Group of both Fish Farming Northern Norway and the region as a whole.

Sales & Industry

Sales & Industry handles the Group's sales activities and harvesting and processing activities in Norway. The segment sold approx. 240,000 tonnes of salmon and other fish-based products in 2023. Sales activities concentrate on the markets of Europe, Asia and America. In all, the segment distributes salmon to more than 50 different countries. Because SalMar attaches particular importance to market proximity, the segment opened a new sales office in Thailand in 2023 and has in addition sales offices in Japan, South Korea, Vietnam, Taiwan and Singapore.

InnovaMar is SalMar's main industrial processing facility. It is located at Nordskaget in Frøya, in close proximity to Fish Farming Central Norway's sea farms. InnovaMar is a modern building covering 17,500m^2. It has an advanced equipment park for harvesting, fileting and portioning. It has the capacity to harvest 150,000 tonnes of salmon annually. A significant portion of the volume harvested goes on to secondary processing before being sent to customers and consumers around the world. Innovative use of production technology increases the quality of the final product, reduces costs and improves the employees' working environment.

Through SalMar's co-ownership of Vikenco AS, SalMar facilitates the harvesting of fish from the southern part of Central Norway and Møre & Romsdal County. In 2021 upgraded Vikenco came into operation increasing both harvesting, processing, storage and freezing capacity of the facility and in 2024 further upgrade of harvest capacity is scheduled to be completed.

At the end 2021 the new harvesting and processing facility in Northern Norway, InnovaNor, came into operation and during 2023 the facility showcased its ability to handle large volumes effectively. This is an important move to strengthen the region as an important industrial engine in the Group's development and will contribute to local value creation and new employment opportunities. InnovaNor is the largest and most modern processing facility in Northern Norway covering 20,000 square meters. It has a capacity to harvest 150,000 tonnes of salmon annually. The building incorporates landing, harvesting, processing, packaging, freezing and storage capabilities including an office wing, which is the new headquarter for all our activities in Northern Norway. The facility is rigged with the latest in technology for value added processing built with scalability in mind with both post and pre-rigor capacity, thereby strengthening our product portfolio and offering to customers in all markets.

Icelandic Salmon

The company is listed on Euronext Growth and from October 2023 also on the Icelandic Stock Exchange NASDAQ First North. At the end of 2023 SalMar owned 52.5 % of the shares in the company.

Icelandic Salmon is Iceland's largest producer of farmed salmon. The company is fully integrated, with its own hatcheries, sea farms, harvesting plant and sales force. The natural conditions, with good quality seawater and temperatures on a par with Northern Norway, provide a sound basis for engaging in sustainable aquaculture in Iceland. The company has its headquarters and harvesting plant in Bildudalur in Iceland's Westfjords region, in close proximity to the sea farms located in the surrounding fjord systems. In addition, the company has 4 smolt facilities, three located on the south coast of Iceland and one in the Westfjords, as well as a sales office in Reykjavik.

Farming in Iceland is still in an early phase, and during 2023 important measures have been implemented in the company that will provide better biological and economic results in the long term. Some highlights in 2023 include improved utilization of MAB capacity, increase of smolt production capacity for further growth and continued progress in the market of the brand Arnarlax-sustainable Icelandic salmon.

SalMar together with Icelandic Salmon has a strong belief in sustainable aquaculture production in Iceland.

SalMar Aker Ocean

To strengthen and concentrate its efforts in the area of offshore aquaculture, SalMar created the subsidiary SalMar Ocean AS, later changed to SalMar Aker Ocean AS. Late 2021 SalMar and Aker through Aker Capital entered into a partnership whereas Aker Capital has 15 % ownership of SalMar Aker Ocean and SalMar ASA control the remaining 85 %, with the purpose of creating the world leading offshore farming company.

The company aims to create the world's most reliable and intelligent offshore farming operations with the highest requirements for fish welfare and with a zero-emissions value chain ambition. With an ambition of producing 150,000 tonnes of salmon per year.

In 2023 the Arctic Offshore Farming project was included in the segment and the segment has currently 2 semi-offshore units in operation. Arctic Offshore Farming started harvesting of its first production cycle at the end of 2023 and finished the production cycled early in 2024. Ocean Farm 1 started its third production cycle in the spring 2023 and harvest is on plan for 2024.

In end of September 2023, site approval for one open ocean unit was granted to SalMar Aker Ocean's Smart Fish Farm, approximately 50 nautical miles west of Frøya in Central Norway. Due to regulatory uncertainty SalMar Aker Ocean decided that further work on offshore aquaculture in Norway is currently on hold. The company will now fully focus on growth semi-offshore and utilize the capacity of its existing two semi-offshore units for the production of sustainable Norwegian salmon. It will also continue to explore opportunities outside of Norway.

SalMar's Cultural Tenets

SalMar's corporate culture is constantly evolving, and builds on the success factors that have been cultivated within the company since its inception in 1991. Although the company's culture is affected by both external and internal framework conditions, it remains firmly anchored in a few overarching principles, in particular a strong focus on good husbandry, operational efficiency and safe food production.

We care

To succeed as a team we must also develop the right attitudes towards, as well as respect and care for salmon, co-workers, customers, business associates and the environment. We must think for ourselves but act with loyalty, and always bear in mind that we are engaged in food production.

The job we do today is vital to the success of us all

Although SalMar as a whole numbers more than 1,800 people, it is vital to develop personal attitudes and an understanding that what happens is up to me and my function. It is therefore vital that everyone is familiar with our vision, objectives and values, and that we support each other for our common passion for salmon, and on our way to being at all times the lowest-cost supplier of farmed salmon.

What we do today we do better than yesterday

To be the most cost-effective salmon producer demands continuous improvement at all stages of the production process. This tenet is about daring to step into the unknown and develop a culture of winning, where performance is both measured and celebrated.

Sustainability in everything we do

High ethical and moral standards form the basis for developing an even stronger focus on safeguarding the environment that we work in day to day, and that we are the temporary custodians of. We shall not deplete the environment, but ensure that we pass it on unimpaired to the next generation. This is our shared social responsibility, and everything we do must stand up to public scrutiny both today and in the future.

The job is not done until the person you are doing it for is satisfied

This means that we will meet the expectations of others and demand high standards of each other, in accordance with our own SalMar standards. There are many 'suppliers' and 'customers' in the production chain, and it is only by treating each other with mutual respect that we will succeed.

Focus on the solution

Everyone who works for SalMar, regardless of position or place, has a duty to help come up with solutions and contribute to improvement processes. We will challenge existing practices and systems, we will jointly implement solutions, and we will talk to, not about, each other.

Passion for Salmon

The aquaculture industry is developing rapidly, and the potential for further growth is enormous. However, at SalMar we are in no doubt that any growth must be sustainable: environmentally, socially and financially.

In 2014, to reinforce our focus on the elements that have made SalMar the company it is today, we adopted a new vision that will henceforth guide our steps:

"Passion for Salmon"

Although SalMar continues to pursue its stated aim of cost leadership, it is moving from a focus on outcomes to a focus on performance. We aim for excellence at all levels and in all aspects of our operation.

The new vision will underpin all activities and all actions within SalMar. All decisions relating to production will be made on the basis of our passion for salmon. The fish will be farmed in conditions most conducive to their well-being. We believe that the best biological results will pave the way for the best financial results, and thus safeguard our position as the most cost-effective producer of farmed salmon in the world.

This new vision and ambition depend on the existence of a winning culture throughout the organisation. The source of SalMar's corporate culture and the company's cultural tenets is our shared passion for salmon. These tenets underpin our vision and describe the attitudes and conduct expected of all employees.

Sustainability and Corporate Responsibility

Sustainability and Corporate Responsibility

Sustainability is essential for SalMar as it ensures the longevity and profitability of our business while promoting environmental and social balance. The transition and maintenance of sustainable practices, such as minimizing environmental impacts and preserving natural resources, can help maintain healthy ecosystems and promote fish welfare. This, in turn, can lead to a reliable and consistent supply of high-quality salmon for our consumers, as well as the long-term viability of the industry. Furthermore, practicing sustainability can also build consumer trust and ensure long-term success in an increasingly eco-conscious market.

Today, the world's population is consuming resources at a rate that surpasses the planet's ability to generate them. Notably, food production is accountable for a significant fraction of the ecological and climate burden on the planet. To sustain the ever-expanding global populace, we require sustainable approaches to food production that minimize environmental impacts. Salmon farming stands out as one of the most sustainable techniques for producing food, primarily due to its eco-friendliness in terms of space utilization, freshwater consumption, and greenhouse gas emissions. Consequently, aquaculture and salmon farming hold great potential to provide the world's growing population with healthy, protein-rich food in the foreseeable future.

Fish

Good fish welfare is the foundation of SalMar's business. We work systematically to create an environment in which the salmon thrives and remains healthy.

Fish →

Environment and Technology

SalMar believes in preserving the seas for future generations. We minimise our footprint with measures and routines throughout the entire value chain.

Environment →

People and Society

SalMar acts as a responsible corporate citizen. We believe in creating local value and safe workplaces and support the local communities where we operate.

People →

Sustainability in Everything We Do

"Sustainability in everything we do" is one of SalMar's key tenets. For SalMar, sustainability extends beyond the scope of its operations, encompassing its behavior in the surrounding areas and our direct and indirect impacts throughout the value chain. SalMar endeavors to safeguard the seas while simultaneously prioritizing the well-being of its employees, salmon, and the environment, and advancing sustainable development. This includes actively contributing to the evolution of new technology to decrease the biological footprint of its production and promote environmental preservation.

The Group recognizes the diversity of its corporate social responsibility, which includes responsibilities as an employer, producer, supplier of healthy food, user of the natural environment, and administrator of financial and intellectual capital. Social responsibility is integral to SalMar's values, and the company is committed to conducting its operations transparently and with accountability, while minimizing the impact on the natural environment.

10 years
of sustainability reporting

SalMar's holistic approach hinges on the understanding of the interdependence between caring for people, the economy, and the environment, which are essential components for sustainability. As a result, sustainability is a crucial consideration in everything that SalMar does.

The 2023 report marks SalMar's 10-year anniversary for sustainability reporting. For ten consecutive years, SalMar have published their sustainability report, an important, and now long-lived, part of our devotion to transparency and benchmarking on important sustainability parameters. Like the previous year, the 2023 report underwent third-party verification by Ernst and Young, as detailed in the appendix. The report includes businesses in which SalMar held over 50 % of the shares and/or had operating control in 2023, and is thus included in the consolidated accounts. Scottish Sea Farms, an associated company of SalMar through Norskott Havbruk, is not part of the sustainability reporting.

Following the largest acquisition in the company's history in late 2022, much of the sustainability-related efforts in 2023 were focused around onboarding new employees, sustaining and progressing a strong corporate culture and establishing best practice.

As previously, the report is prepared according to the principles required by the Global Reporting Initiative (GRI). Information on the report's alignment to the GRI Index is provided as an attachment to the report.

This will be SalMar's final report aligned with the GRI, as SalMar prepares to comply with the upcoming EU Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS) from 2024.

The report is structured around SalMar's three core pillars of sustainability throughout the value chain. Key Performance Indicators (KPIs) under each part of the report are reported in Norway and Iceland, which represent the two key operating regions for SalMar. Our activity through subsidiaries in Norway, i.e., SalMar Aker Ocean, is consolidated in the presented values for Norway.

Please address any queries about the report to SalMar's Head of Sustainability Mats Wærøe Langseth.

Our Principles

SalMar's facilities are strategically located in rural coastal areas of Norway and Iceland, where the clean water and natural conditions are optimal for producing healthy salmon. These facilities have become vital institutions for both large and small coastal communities, providing job opportunities and supporting local economies. SalMar recognizes the importance of these communities and their surrounding environment to its operations and values the benefits it derives from them. Consequently, the Group is committed to fulfilling its responsibilities as an employer, supplier of healthy food, user of the natural environment, and administrator of financial and intellectual capital.

Salmon farming demands optimal environmental conditions to ensure the fish's health and welfare. Therefore, SalMar undertakes extensive monitoring and research and development (R&D) activities to protect the environment and ensure sustainable operations. The Group assesses every aspect of its operations for sustainability risks, and appropriate measures are implemented through established procedures and instructions. To ensure compliance with the guidelines for sound operations, SalMar conducts regular measurements and internal audits.

Leadership of SalMar's sustainability endeavours

The CEO of the Group bears the ultimate responsibility for SalMar's environmental impact and its efforts towards sustainability. SalMar has established quality departments to oversee and evaluate the progress being made in this area. Nonetheless, the Head of Sustainability and management teams in Fish Farming and Sales & Industry, with the assistance of qualified professionals, coordinate these efforts. To ensure that SalMar, as a whole, adopts a cautious approach and can execute necessary measures, systematic risk and opportunity assessments are carried out at the highest level and in all departments, including those related to climate risks. This holds true for SalMar's subsidiaries, where the Group's presence on the board of directors guarantees consideration for these matters.

The departmental management is accountable for ensuring that monitoring activities are conducted and reported. The quality managers follow up and assist in this regard, supporting departmental and operational leaders. Quality managers, along with other quality assurance staff, participate actively in regular management meetings at all levels of the organization. These meetings address quality, safety, the working environment, fish welfare, and environmental/climate issues.

Furthermore, SalMar engages with governing bodies and trade associations to ensure that ESG disclosures are done in accordance with active regulations both nationally and internationally.

Dialogue with stakeholders

SalMar recognizes that it has a diverse group of stakeholders and is committed to maintaining constructive communication with each of them. We engage in this dialogue through various means such as in-person meetings, media outreach, interim and annual reports, stock market notices, GRI reports, advertisements, R&D projects, and our website, www.salmar.no. These dialogues take place both locally and at the corporate level. At SalMar, we understand that our success depends on working collaboratively and treating each other with candour and respect. This is a fundamental part of our guiding principles for all dialogues.

In determining which stakeholders to include in our future sustainability reporting efforts, we consider the extent of their influence over our organization. Our aim is to engage our stakeholders in a meaningful and effective manner, while ensuring that they derive value from their interactions with SalMar. We take important steps in this process, such as gaining acceptance for the issues selected, shedding light on the different perspectives regarding impact, identifying challenges, gathering external feedback, and sharing knowledge.

SalMar engages in a thorough process to identify stakeholders with whom it will initiate dialogue

- Public authorities administer the public interest in the area and grant licences to operate, making them a natural inclusion for stakeholder dialogue.
- Selection and approval of suppliers and engagement with local stakeholders and in R&D activities is determined by management teams in the various parts of the company.
- Identification of the NGOs with which SalMar will have direct contact is determined by Group Management.

The table shows the various stakeholder groups that are included in SalMar's analyses.

SalMar's stakeholders			
Internal influence	**Business associates**	**Customer groups**	**External influence**
Employees	Partners	External customers	Government / regulatory authorities
Shareholders/investors	Suppliers	New customers	Industry associations
Board and Group Management	Service providers	International customers	Discussion partners
	R&D partners	National customers	NGOs
			Research establishments
			Local communities
			Media

Transparent reporting and benchmarking

Open and transparent reporting of our performance increases our stakeholders' trust in us. In 2023, we continued our efforts to report through a greater variety of channels. In furtherance of this, SalMar has also chosen to continue commission third-party verification of its sustainability KPIs and reporting in accordance with the Global Reporting Initiative (GRI). Benchmarking on sustainability and innovation trends is also important for SalMar to understand its position in the industry. This is done through a variety of channels. The table below shows some of the ways SalMar reports on sustainability-related matters.

Annual Report

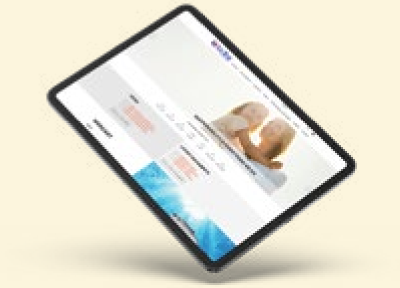
Integrated report combining sustainability reporting with financial reporting.

Quarterly Reports

Quarterly update of financial and operational results.

Salmar.no

Our website is updated regularly. Here you will find relevant information about SalMar.



Green Bond Report

For the allocation of the received proceeds from the green bond for 2021, SalMar issues reports annually outlining how the proceeds were used in accordance with the green bond framework. The report can be found on salmar.no.

CDP Report

Reporting to the Carbon Disclosure Project (CDP) involves reporting of strategy, climate, and energy accounts, with associated initiatives and improvements. SalMar reported to the CDP Climate Change in 2023 and will do so again for 2024.

In 2023 SalMar received a score of A- for its CDP Climate Change response.

ASC reports

Audit reports from our ASC-certified sites are available on our website or at www.asc-aqua.org.

Green licences

A separate report is published annually on SalMar's experience and evaluation of its operations under green licences. This is available on our website.

TCFD Report

Along with this Annual Report, SalMar publishes its TCFD report. The report assesses climate-related risks and opportunities, and their financial and operational implications on SalMar. The report can be found on salmar.no.

Gender Equality Report

In 2022, SalMar published its first Gender Equality Report, evaluating its gender equality practices, hereunder mapping its remuneration practices and involuntary part-time employments. This is a biennial report that complies with the expectations set by the activity duty and the duty to issue a statement set by the Norwegian Equality and Anti-Discrimination Act.

Remuneration Report

SalMar publishes its Remuneration Report on an annual basis, providing a full disclosure of the company`s remuneration decisions relating to the Board of Directors and the Executive Management Team as well as the related business context.

SalMar Policies

In 2022, SalMar published 18 sustainability policies on its webpage. These are public statements from SalMar that give insight into how SalMar conducts its endeavours while always considering sustainability in everything we do.

Sustainability Ratings 2023

SalMar is among Europe's Climate Leaders
- Financial Times and Statista

According to the Financial Times and Statista's annual publication, Europe's Climate Leaders [1], SalMar is acknowledged as standing at the forefront in Europe for reducing Scope 1+2 emission intensity (emissions relative to revenue). The 2023 publication marks the third listing of Europe's Climate Leaders, with SalMar consistently included in all three.

SalMar is a Climate Winner in Norway
- PwC

PwC's annual Climate Index [2] evaluates the 100 largest companies in Norway on their ability to reduce their climate impact. The report concludes that only nine out of the 100 companies are reducing their total climate footprint aligned with the Paris Agreement. SalMar, along with three other aquaculture companies, were announced as "Climate Winners".

SalMar is a Low-Risk Company for ESG Risks
- FAIRR Initative

The Coller FAIRR Protein Producer Index[3] is one of the most detailed assessments of ESG in the world. The Index assesses 60 of the largest listed global meat, dairy and aquaculture companies on ten ESG factors: greenhouse gas emissions, deforestation and biodiversity, water use and scarcity, waste and pollution, antibiotics, working conditions, animal welfare, food safety, governance, and alternative proteins. SalMar ranks 7th among the 60 assessed companies and have for the first time been ranked as a "Low-Risk Company for ESG Risks".

SalMar has an A Score for ESRS readiness
- Position Green

Position Green's annual report ESG100[4] reviews the ESG reporting of the 100 largest listed companies from Norway, Sweden, and Denmark, respectively. The 2023 analysis assesses how well prepared the 300 participating companies are for the introduction of the European Sustainability Reporting Standards (ESRS). SalMar were given an A rating, and will, as previously mentioned, be reporting in accordance with the ESRS from the 2024 annual report.

SalMar achieved an A- Score in CDP Climate Change
- Carbon Disclosure Project (CDP)

The CDP Climate Change assessment is an extensive analysis of a company's climate risks, mitigating actions and commitments. SalMar achieved an A- Score in 2023, placing us in the Leadership category.

SalMar is included in the Euronext ESG Index

SalMar is included in the Norwegian Stock Exchange's ESG Index (OBX ESG)[5], connecting the best performing companies on several hundred ESG KPIs through the Sustainalytics ESG Risk Rating.

1 https://www.ft.com/climate-leaders-europe-2023
2 https://www.pwc.no/no/pwc-aktuelt/pwcs-klimaindeks.html
3 https://www.fairr.org/resources/reports/protein-producer-index-2023
4 https://www.positiongreen.com/esg100/
5 https://live.euronext.com/en/product/indices/NO0012513474-XOSL

Sustainable Supply Chain Management

SalMar are experiencing increased attention and expectations from internal and external stakeholders towards a sustainable supply chain management. Rooted at the senior management, supply chain management is an integral part of SalMar's operational and strategic external dialogue.

SalMar acknowledges that sustainability does not only concern our own operations but must be rooted in all processes throughout the value chain. Obtaining and maintaining a sustainable value chain requires dedicated efforts and clear procedures. Please find SalMar's Procurement Policy and Supply Chain Management Policy on our website. These provide insight into how SalMar works towards ensuring a sustainable supply chain.

SalMar's procurement and due diligence processes assess potential strategic partners on their environmental profile, social performance, professional reliability, and their ability to meet our product demands. Compliance with standards relating to social compliance, environmental practices and relevant regulations are also embedded in contracts with suppliers.

Regular internal and external supplier audits are an integral part of SalMar's supply chain management. As part of SalMar's endeavours to achieve a strong, transparent, and sustainable value chain, and following the Norwegian Transparency Act, SalMar have conducted a due diligence assessment of its value chain related to human rights risks aligned with OECD guidelines. A full statement on findings can be found on our website, in accordance with the Norwegian Transparency Act. SalMar's due diligence process is described in further detail later in this report. For additional information on the topic, please see SalMar's Human Rights Policy and Whistleblowing Policy on our webpage.

Double materiality analysis

A detailed and holistic materiality assessment is key to understanding our impacts, risks, and opportunities. The materiality assessment also provides valuable insights into what topics are most important to our internal and external stakeholders, and thereby reflects important focus areas for SalMar going forward.

In 2023, SalMar initiated the process of carrying out a new double materiality analysis in accordance with the upcoming Corporate Sustainability Reporting Directive requirements. The analysis goes into even greater depth and will involve a larger number of stakeholders. The results will be published in the next Annual Report, in accordance with the CSRD guidelines.

SalMar has performed an annual re-assessment of the existing materiality assessment aligned with the GRI methodology, and the results can be seen in the following figure. The process and results are approved by the Board and the Senior Management. The material aspects identified in our assessment are the foundation for the content covered in this report. The colours indicate the part of the report in which the aspect is described in more detail.

UN's Sustainable Development Goals

At SalMar, we are committed to supporting the United Nations' 17 Sustainable Development Goals (SDGs) through our actions and initiatives. While all SDGs are important to us, some are particularly relevant and provide areas where we can make the greatest contribution. We prioritize these SDGs as focus areas for our Group's efforts.

More information on the targets for each goal can be found at sdgs.un.org/goals

SUSTAINABLE DEVELOPMENT GOALS

2 ZERO HUNGER

Targets in focus: 2.4:

Salmon farming is a sustainable way of producing healthy, nutritious food with a low carbon footprint, low water consumption and high resource efficiency, all on the terms of the salmon to ensure high welfare standards and quality.

3 GOOD HEALTH AND WELL-BEING

Targets in focus: 3.4:

Salmon is a healthy source of protein, an important source of omega-3 and a good source of vitamins and minerals. Moreover, it is well documented that eating salmon contributes to protect against cardiovascular disease.

5 GENDER EQUALITY

Targets in focus: 5.1, 5.5, 5.C:

SalMar published its first Gender Equality Report in 2022, concluding full gender pay equality at SalMar. SalMar also published its first public policy on Non-discrimination and Equal Opportunities, which can be found at our website. Moreover, SalMar's female ratio has increased four years in a row.

6 CLEAN WATER AND SANITATION

Targets in focus: 6.3, 6.4, 6.6:

SalMar promotes circular economies and is working tirelessly to continue its transition towards these. SalMar is continuing to increase water use efficiency and is transitioning to recirculating aquaculture systems.

7 AFFORDABLE AND CLEAN ENERGY

Targets in focus: 7.2:

SalMar have committed to the Science Based Targets initiative to reduce its greenhouse gas emissions by 42 % from 2020 to 2030. For SalMar's direct operations, the most important activities involve transitioning to renewable energy sources. This is one of SalMar's key focus points towards 2030.

8 DECENT WORK AND ECONOMIC GROWTH

Targets in focus: 8.5, 8.8

SalMar is dedicated towards ensuring that all our employees are valued, safe and respected in the workplace. This includes our supply chain. SalMar has an anonymous whistleblowing channel available for all public and public policies on Non-discrimination and Equal Opportunities, and Human Rights.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Targets in focus: 9.4:

SalMar is a forerunner in the industry when it comes to improving, upgrading and transforming operations and activities. Through more than 30 years, SalMar has been adapting and developing new ways of operating. In recent years, SalMar has brought more newbuilds to rural parts of Norway.

10 REDUCED INEQUALITIES

Targets in focus: 10.1, 10.2, 10.4

SalMar contributes to reducing inequalities through fair, non-discriminatory wages, social inclusion for all employees and due diligence of social standards and equality practices through our value chain.
Our Non-Discrimination and Equal Opportunities Policy is available on our website.

11 SUSTAINABLE CITIES AND COMMUNITIES

Targets in focus: 11.3:

SalMar is dedicated to its employees and to the local communities of where we operate. SalMar is conscious that operating in remote areas requires contributing to the local communities so that they also see the value of SalMar's presence.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Targets in focus: 12.2, 12.3, 12.4, 12.5, 12.6, 12.8:

Borrowing natural resources to carry out our operations brings responsibilities that SalMar takes very seriously. This involves responsible and sustainable operations in all parts of the value chain. SalMar is dedicated to reducing waste, food waste and increasing recycling rates and the procurement of products or services with circular designs.

13 CLIMATE ACTION

Targets in focus: 13.1, 13.3:

SalMar published its TCFD Report, evaluating the possible financial impacts on SalMar from different climate-related scenarios. SalMar takes climate change very seriously and is working towards limiting our impacts on the climate. Furthermore, we are ensuring that SalMar is resilient to the consequences that climate change brings.

14 LIFE BELOW WATER

Targets in focus: 14.1, 14.2

SalMar has responsibilities concerning surrounding ecosystems to our operations. SalMar is leading projects to gain more insight into our impacts on surrounding bodies and how to mitigate the adverse impacts. The fish farming industry is strictly regulated, but SalMar always wants to go beyond to be proud of the way we do things.

15 LIFE ON LAND

Targets in focus: 15.2:

SalMar has, along with the rest of the Norwegian fish farming industry, taken a firm stance in the battle against deforestation. SalMar will only purchase feed ingredients that have been certified by a recognized entity to be deforestation free. This way, we ensure that our activities do not contribute to harmful deforestation.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Targets in focus: 16.5, 16.8:

SalMar has a public policy on Anti-corruption and bribery stating that SalMar will stay cognizant on this matter and report any risks or events of wrongdoings. SalMar also takes a firm stance stating that we have zero tolerance for corrupt practices from any employee, manager, member of the Board of Directors or any related third party.

17 PARTNERSHIPS FOR THE GOALS

Targets in focus: 17.14, 17.17

Stakeholder engagement and establishing common goals and pathways toward sustainable development is one of SalMar's most important contributions to the industry, to local communities and to our other stakeholders. We believe that partnership is integral to our shared success of reaching our goals.

EU Taxonomy Reporting

The EU Taxonomy refers to the framework established by the European Union to facilitate sustainable finance by providing a standardized classification system for environmentally sustainable economic activities. It is a key element of the EU's broader sustainable finance agenda aimed at aligning private sector investments with the EU's sustainability goals, particularly those outlined in the European Green Deal.

SalMar's approach to the EU taxonomy starts by identifying the financial activities that have a potential of being sustainable, as per EU Regulation 2020/852 and the supplementing Delegated Acts. These activities are denoted "Taxonomy-eligible activities". Next, the activities need to meet comprehensive technical criteria to be considered sustainable, including making a substantial contribution to one or more of the EU's environmental objectives and doing no significant harm to any of the other objectives. Moreover, the activities must meet the Minimum Safeguards set out in the EU Regulation. The Minimum Safeguards aims to establish whether companies engaging in environmentally sustainable activities also meet certain standards when it comes to human and labour rights, bribery, taxation, and fair competition. If Taxonomy-eligible activities meet the technical criteria and the Minimum Safeguards, they are considered sustainable, denoted "Taxonomy-aligned activities".

The EU's Environmental Objectives

Climate Change Mitigation
Holding the increase in the global average temperature to well below 2 °C and pursuing efforts to limit it to 1.5 °C above pre-industrial levels, as laid down in the Paris Agreement.

Climate Change Adaptation
Adjustment to actual and expected climate change and its impacts.

Sustainable Use and Protection of Water and Marine Resources
Achieving the good status of bodies of water or preventing the deterioration of bodies of water that already have good status.

Transition to a Circular Economy
Foster the efficient use of resources, promote recycling, and minimize waste generation to support the transition to a circular economy.

Pollution Prevention and Control
Prevent and reduce pollution significantly, covering air, water, and soil pollution, and comply with relevant environmental standards.

Protection and Restoration of Biodiversity and Ecosystems
Preserve and restore good condition and resilience of ecosystems and the conservation status of habitats and species.

Identifying Taxonomy-Eligible Activities

As a fish farmer and producer of healthy food with a global reach, SalMar are involved in many economic activities. However, our main activity, aquaculture and food production, of which the majority of our economic activities lay, is not included as a potentially sustainable activity. It is our hope that the EU expands its list of sustainable activities to include food production, a necessary activity for humanity and an activity with a significant potential for being done in a sustainable way.

SalMar has activities strongly related to all the environmental objectives and consider all objectives to be important to our endeavours. When going into the details of the Taxonomy-eligible activities, only one activity was significantly related to SalMar's financial activities and within the scope of SalMar's reporting: *Activity 6.10 - Sea and coastal freight water transport, vessels for port operations and auxiliary activities.* The activity is a transitional activity for Climate Change Mitigation. The activity was assessed against the Climate Change Adaptation criteria which was found not relevant. Each vessel has been assessed separately resulting in lowest level of disaggregation.

SalMar are involved in several other Taxonomy-eligible activities through the use of third parties, e.g., through supplying our sea sites with onshore electrical power and through the recovery of our bio-waste by anaerobic digestion or composting, but the reporting privilege lays with those third parties.

Also, SalMar's substantial activity of building our newest smolt facility at Tjuin in 2023 was disregarded from the reporting, as *Taxonomy Activity 7.1 – Construction of new buildings* separates stringently between the structure of the building (e.g. walls, floors, roof) and the technical equipment of the building. Since the building is made for a technical purpose, we found it difficult to separate the two, especially in our accounts.

Identifying Taxonomy-Aligned Activities

After deriving the Taxonomy-eligible activities, the next step is to evaluate the technical criteria for the activity to ensure substantial contribution and no significant harm. For the Taxonomy-eligible activity *6.10 - Sea and coastal freight water transport, vessels for port operations and auxiliary activities*, the substantial contribution to Climate Change Mitigation encompasses the vessels' energy consumption being derived at least 25 % from zero direct (tailpipe) CO_2 emission fuels, and the vessels not being dedicated to the transport of fossil fuels. SalMar's hybrid and electrical workboats meet this criteria, but the hybrid well-boats on long-term lease could not meet this criteria.

The Do No Significant Harm criteria encompassed undertaking an environmental impact assessments and evaluating the risk of environmental impacts and impacts on water quality, fulfilling requirements towards waste handling, scrapping regulations, storage of hazardous materials, limiting emissions to air and to sea, documenting treatment and disposal of ballast water as well as coating used on the vessels, reducing noise and vibrations through choice of propellers and hull design, and overall limiting impacts on biodiversity and ecosystems.

Complying with Minimum Safeguards

Finally, it is necessary to verify that SalMar's activities are undertaken while complying with the minimum safeguards set out under the Taxonomy Regulation. Please refer to the following sections of this report and/or our public policies for information on how we comply with the requirements:

Human rights, including workers' rights
See the section on Society and Value Chain in this report and our Human Rights Policy.

Bribery/corruption
See our Anti-Corruption and Bribery Policy on our website.

Taxation
See our financial notes relating to tax in this report.

Fair competition
See our Anti-Competitive Behaviour Policy on our website.

Note also that all points under the Minimum Safeguards are included in our due diligence process towards our suppliers, ensuring compliance with the Minimum Safeguards also in our value chain.

Accounting Policies

The performance disclosure to the EU Taxonomy shows an eligibility and alignment with EU Taxonomy definitions of sustainable activities for Turnover, CAPEX and OPEX. The Turnover definition of the Delegated Act 2021/2178 Annex I coincide with the turnover reported in SalMar's Consolidated Financial Statements. The CAPEX comprises the additions made in the reporting year, and are broken down as follows with the relevant references to the financial notes:

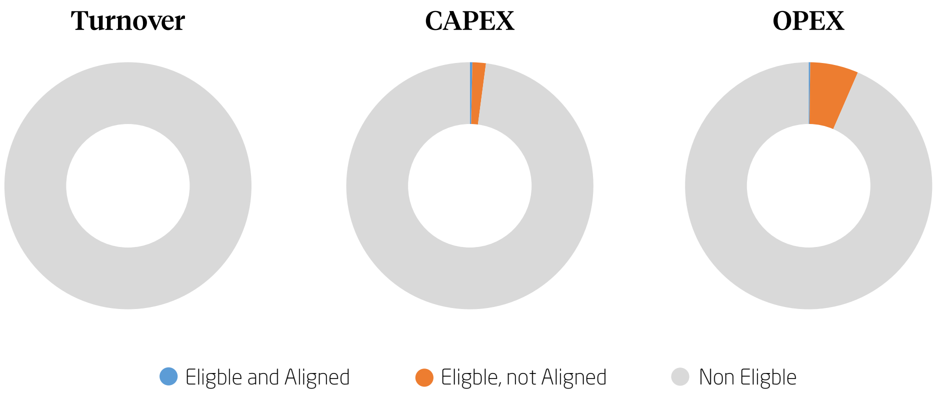
(NOK 1,000) CAPITAL EXPENDITURE	IAS 16 PROPERTY, PLANT & EQUIPMENT	IAS 38 INTANGIBLE ASSETS	IAS 41 AGRI-CULTURE	IFRS 16 LEASES RIGHT OF USE ASSETS	SUM CAPEX
Reference to financial notes	*3.3*	*3.1*	*3.6*	*3.4*	
Additions through purchase	2,268,811	339,163	13,863,422	746,626	17,218,022
Additions through business combination (excl. Goodwill)	0	0	0	0	0
SUM CAPEX	2,268,811	339,163	13,863,422	746,626	17,218,022

The OPEX definition as presented in the Delegated Act 2021/2178 Annex I cannot be derived directly from SalMar's financial notes. All CAPEX and OPEX disclosed are of Type A.

Since we only disclose on one Taxonomy-eligible activity – double counting is not relevant and has not been assessed further. Please see the reporting documents presented in the EU Taxonomy Calculator template as an attachment to this Annual Report, available on our website.

Performance Disclosure

The following tables and graphs summarise SalMar's performance on the EU Taxonomy Reporting for 2023.



(in million NOK)	Turnover	CAPEX	OPEX
Eligible and Aligned Activity	0	57	2
Eligible, not Aligned Activity	0	302	70
Non-Eligible Activities	28,219	16,858	1,037
Total	28,219	17,218	1,109
Eligible and Aligned Activity	0 %	0.3 %	0.2 %
Total Eligible Activity	0 %	2.1 %	7.0 %

Salmon Living Lab

SalMar is launching an ambitious innovation and R&D initiative, Salmon Living Lab, calling upon industry leaders, NGOs, academia, and other people who live by and with the salmon to come together to share and learn. In addition to bringing partners across the salmon supply chain together, the Salmon Living Lab will also lead to the building of an innovation and R&D centre which will house various activities and function as a focal point for knowledge.

> *"Our aquaculture industry is at a crossroads. We have celebrated significant achievements in the past. We have succeeded in bringing large quantity of much sought-after salmon to customers and consumers worldwide. Now, we must acknowledge that we face greater challenges than we have done before. We must realize that there are simply too many gaps in our knowledge. We need to know more about the salmon which is the most important part of our value chain."*
>
> Gustav Witzøe, Founder and Chairman of the Board

In addition to its expertise, SalMar will be supporting the initiative with a strong financial commitment. One envisions about NOK 500 million to ensure that the project get off on a good start. The first partner to sign up for the collaboration is the global food corporation Cargill.

> *"We believe that bringing together the holistic capabilities of SalMar and Cargill will drive greater impact in improving animal welfare and sustainability, ultimately protecting, and aiding further sustainable growth of this critical industry. There is a need for more collaboration to tackle the challenges we are currently facing."*
>
> Helene Ziv-Douki, Cargill Aqua Nutrition President

The aquaculture industry has invested heavily in technology, now it needs to invest more in biology. The Salmon Living Lab will lead the way into the future.

Fish

At SalMar, the salmon is our captain, and everything we do must be on the salmon's terms. A "Passion for Salmon" is the foundation of SalMar's entire business. Our goal is to produce sustainable, healthy and nutritious food for a steadily growing global population. And we will do so with the salmon in focus.

Fish welfare is paramount for successful fish farming, and SalMar is actively engaged in developing and implementing initiatives and procedures to improve fish welfare. We acknowledge that every decision we make regarding the fish's health also affects the financial, social, and environmental aspects of the value chain. Fish welfare exemplifies SalMar's comprehensive approach and highlights the importance of sustainable aquaculture, which must prioritize the well-being of the salmon.

Our KPI Scorecard

The KPI for Norway reflects the results for SalMar and subsidiaries in Norway. The KPI for Iceland reflect the results of SalMar's Icelandic subsidiary, Arnarlax.

All targets are timebound for the following calendar year unless otherwise specified.

			Group			Norway			Iceland		
		Target	2023	2022	2021	2023	2022	2021	2023	2022	2021
Survival	12-month rolling survival rate[1]	>97 % within 2030	93 %	94 %	95 %	94 %	95 %	95 %	86 %	90 %	93 %
Antibiotics	Grams of active pharmaceutical ingredient (API) / tonne produced	0	0	0	0	0	0	0	0	0	0
Lice	Number of observations over the national lice limits	0 %	1 %	3 %	2 %	1 %	3 %	2 %	NA	NA	NA
Interaction with wildlife[2]	Birds – Accidental mortality	0	0.73	0.38	0.44	0.74	0.32	0.47	0.43	0.43	0.17
	Birds – Euthanised	0	0.15	0.05	0.15	0.16	0.09	0.16	0	0	0
	Marine mammals – Accidental mortality	0	0	0	0	0	0	0	0	0	0
	Marine mammals – Euthanised	0	0.01	0	0	0.01[3]	0	0	0	0	0
Fish escapes	No. of incidents	0	3	2	5	3	2	4	0	0	1
	No. of escaped fish	0	168	11	81,790	168	11	226	0	0	81,564
Fish feed	Certification of marine ingredients in fish feed[4]	100 %	94 %	94 %	97 %	94 %	94 %	97 %	96 %	100 %	98 %
	Certification of soya in fish feed[5]	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
	FFDR (Fish meal)[6]	<1.2	0.49	0.46	0.36	0.49	0.47	0.36	0.46	0.34	0.32
	FFDR (Fish oil)[6]	<2.52	1.48	1.36	1.63	1.45	1.36	1.64	1.91	1.38	1.56
	Biological feed conversion ratio[7]	1.10 within 2030	1.12	1.13	1.14	1.12	1.11	1.13	1.19	1.26	1.30
Certification	Share of active sites certified at end of year[8]	100 %	99 %	100 %	99 %	100 %	100 %	100 %	83 %	100 %	83 %

1 12-month rolling survival rate measured in accordance with the Global Salmon Initiative's methodology.
2 Calculated as the number of interactions per active site during the reporting year.
3 A common minke whale made its way into one of our net pens, and the Directorate of Fisheries decided that the safe measure was to euthanise the mammal.
4 Marine ingredients to make fish meal and fish oil, certified in accordance with Marine Trust, MSC or equivalent.
5 Certified in accordance with ProTerra, Europe Soya or equivalent.
6 Calculated based on ASC methodology: https://www.asc-aqua.org/wp-content/uploads/2022/09/ASC-Salmon-Standard-v1.4-Final.pdf
7 Calculated as the total weight of feed fed at sea divided by the gross production at sea – i.e., the kg of feed used to produce one kg of salmon.
8 Sites certified in accordance with GlobalGap, Debio or ASC.

Fish Welfare

SalMar's endeavours in the area of fish welfare build on the "*Five Freedoms of Animal Welfare*". Good fish welfare requires systematic efforts to ensure that the fish's welfare is safeguarded by providing them with optimal conditions throughout their lifecycle. SalMar's Fish Health and Fish Welfare policy can be found on its website. The policy states how SalMar works to ensure the highest standards for fish health and fish welfare at all times, including our cleaner fish. SalMar also has a separate public policy on responsible slaughtering practices of our salmon, named Humane/Ethical Killing Policy.

SalMar uses a variety of metrics to measure fish welfare. Among others, SalMar monitors the salmon's appetite, growth rate, skin health, and wounds during operations, and oxygen uptake during transport. All in all, fish welfare is a prerequisite for SalMar's business and is thus treated with the utmost importance.

We strive to increase our fish's survival rate

In our view, the most reliable indicator of fish welfare is the survival rate of fish from the time they are transferred to our sea farms until they are harvested. To measure this rate, we use a 12-month rolling survival rate, which is measured in absolute numbers and follows the Global Salmon Initiative's methodology. SalMar considers all lives of equal value, which is why all survival rates published in the report are based on number of mortalities rather than biomass.

Over the past few years, SalMar has achieved a survival rate of between 94 % and 96 % in Norway. In 2021, we set an ambitious target of reaching a 97 % survival rate by 2025. However, we have since seen a slight decrease in the survival rate. A major event affecting survival rates in Norway was the jellyfish attack in our Northern operating regions beginning late 2023. In Iceland, we also experienced a decrease in the survival rate. This was partly due to sea lice levels rising above previously seen levels. Our goal is to achieve a survival rate in Iceland of 95 % by 2028 and 97% survival rate in Norway by 2030.

SalMar analyzes seawater samples from around our sea farms as a core part of our algae management plan. Tests are carried out periodically and especially if there is suspicion towards potential algae blooms in the area. Samples are also taken if we see unusual fish behavior and prior to delousing operations.

We recognize that some of the main causes of mortality are smolt quality, infectious diseases, and fish handling. In 2023, we made progress in enhancing smolt quality and fish handling in connection with delousing treatments. However, we acknowledge that we still need to improve our management of diseases such as PD, HSMI, ISA, and CMS, as well as gill health. When disease incidents happen, we comply with the local authority's protocols and report the incidents to the Norwegian Food Safety Authority, who lists diseases by category considering their potential effect on fish and other animals, communities and environment.

SalMar with strong results compared to peers

Benchmarking against industry peers is an important part of developing an understanding of important focus areas and overall peformance. SalMar's annual survival rate is presented also as a monthly average survival rate through the year in the table below:

	Group	Norway	Iceland
12-month rolling survival rate by GSI methodology	93 %	94 %	86 %
Monthly survival rate[1]	99.4 %	99.5 %	98.8 %

Our survival rate is high compared to peers, but we will continue our tireless work towards improving our results further.

We promote cleaner fish welfare

SalMar produces in-house cleaner fish for risk-based use to combat salmon lice in the salmon sea phase, but the number of cleaner fish used has been reduced over the last years. SalMar finds it only natural to promote fish welfare also when it comes to cleaner fish. We aim to maximize cleaner fish survival rates by farming robust cleaner fish and giving them healthy living conditions inside the net pens. SalMar uses a dedicated feed for cleaner fish which helps them grow and stay healthy while carrying out their operations. Furthermore, we use artificial kelp inside the net pens to give the cleaner fish a familiar environment where it can eat, hide out, rest and sleep when not eager at work. SalMar is continuously involved in R&D projects regarding cleaner fish husbandry, relating to cleaner fish species, size, feed, and living conditions. Cleaner fish are also included in our Fish Health and Fish Welfare policy which can be found on our website.

We engage in fish welfare R&D

SalMar is an active part of multiple R&D projects related to fish health and fish welfare. To name a few, SalMar is involved in the DigiHeart project with the Norwegian Veterinary Institute and the Norwegian University of Life Sciences (NMBU) which aims to better understand underlying causes of heart deformations in salmon, including digitalization of cardiac morphology to examine discrepancies.

SalMar is also engaged in the Optismolt project with the NMBU to increase the knowledge on the salmon's smoltification process and how input factors like temperature, light, and salinity affects fish welfare.

Antibiotics usage 2023

0

We prevent antibiotic resistance

In 2023, SalMar did not use antibiotics, neither in Norway, nor in Iceland. This shows that the company's commitment to avoiding the use of antibiotics is ongoing. Important steps to eliminate the use of antibiotics include the vaccination of fish, ensuring good day-to-day fish welfare and upholding the zoning boundaries between generations of fish to minimise the spread of bacterial infection. SalMar engages with public policy officials and civil organisations to ensure that a responsible approach to the use of antibiotics is broadly implemented.

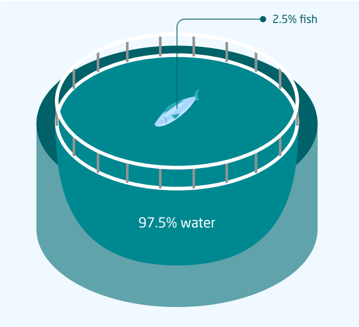
Resistance to antibiotics is a growing problem worldwide. To prevent the development of resistance it is important that all food producers do what they can to keep the use of antibiotics as low as possible. The Norwegian monitoring programme for antibiotic resistance (NORM-VET[2]) concludes once again that the use of antibiotics in the production of Norwegian salmon is extremely low compared to all other animal protein sources.

[1] Monthly mortality rate calculated as number of mortalities in the sea phase in the last 12 months / (number of mortalities the sea phase in the last 12 months + number of individuals harvested in the last 12 months + number of individuals culled in the sea phase + closing number at sea in the last month) / 12.

[2] Source: https://www.vetinst.no/overvaking/antibiotikaresistens-norm-vet

The fish have plenty of space

As regulated by the current legislation in both Norway and Iceland, maximum density is 25 kg/m³ (2.5 %) for conventional salmon and 10 kg/m³ (1 %) for organic salmon. SalMar complies with this in all geographies, and on average the density in each individual net pen is significantly lower than the requirement. This means that the salmon always has more than enough space to freely move, which is an important prerequisite for good fish welfare. The average stocking density in 2023 was 8.45 kg/m3 in Norway and 3.74 kg/m3 in Iceland. As a fish welfare measure, we have decided to set a maximum limit of 13 kg/m3 in the winter season in Iceland.



We keep the number of sea lice down

Sea lice are a naturally occurring parasite in seawater. As fish farmers, it is our responsibility to ensure that our salmon can coexist with the lice. The presence of sea lice can have negative effects on the quality of the salmon's flesh and in severe cases can lead to disease and death. To prevent this, we take preventative measures to minimise lice numbers and use treatment regimes that are gentle to the fish and the environment.

Our goal of staying within the limits set by regulations remains unchanged, and in 2023, SalMar worked systematically to control sea lice at our sites sites in Norway. This resulted in a significant improvement in the share of sea lice observations above national limits, which decreased from 3.3 % in 2022 to 0.9 % in 2023.

In Norway the current regulation stipulates a maximum permitted number of lice. As a rule, the number is capped at 0.5 adult female lice per fish. However, for certain types of licence and in certain areas, the lice threshold is 0.2. All fish farmers report lice numbers to the authorities weekly using the government's online portal Altinn. The updated status from all our farming sites is publicly available at www.barentswatch.no.

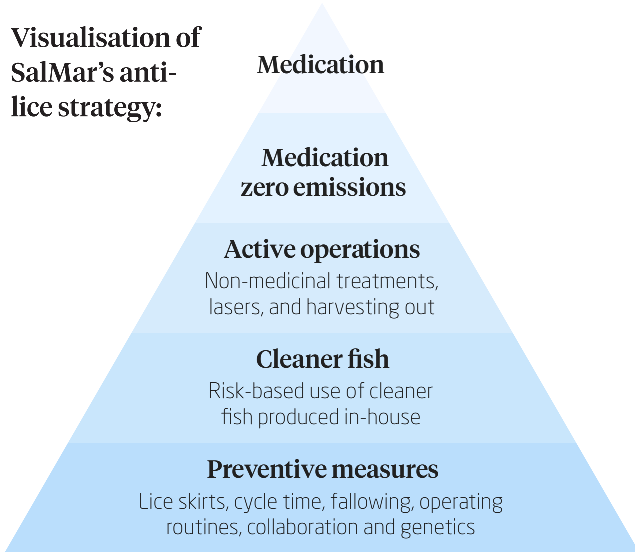
In Iceland, the procedures with the national authorities are different to Norway regarding delousing operations. When the lice levels get close to 0.5 lice per salmon, companies can apply to the Icelandic Food Authority (MAST) for a delousing operation. MAST then engages with relevant third parties to evaluate whether to allow a delousing operation. Since there is no lice limit set by law in Iceland and the procedures for delousing is different, Arnarlax is not included in this KPI.

The main strategy for reducing the number of treatments is through preventive measures, such as lice skirts, reduced cycle time and fallowing, as well as risk-based use of cleaner fish produced in-house. In addition, SalMar has established its own internal capacity for non-medicinal delousing. We are working systematically to reduce the mortality rate from these operations. This includes strong risk assessments for the treatment process and performing evaluations after treatment has been completed. All personnel handling our fish have been sufficiently trained, and follow our handling policy and procedures. Fish welfare is our main focus, and new tools are being developed to improve these work processes.

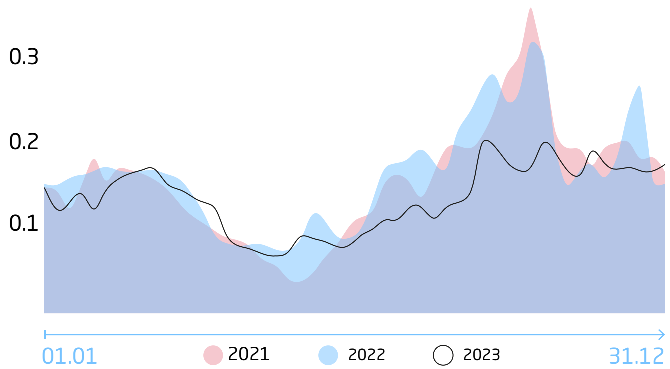
Throughout 2023, SalMar made ongoing efforts to enhance our technical equipment to make it more gentle on the fish and reduce the need for fish handling. We also focused on developing effective tools, such as indicators, that can aid us in better predicting the status of the fish's welfare. These efforts will continue into 2024. Additionally, we have made continued investments to increase our treatment capacity.

SalMar introduced the innovative technology of lice lasers in 2022, where advanced optics identify sea lice on the salmon and remove them using a laser pulse. SalMar will continue to invest further in lasers in 2024. Furthermore, SalMar also introduced the OptoScale optic solution for increased insight and monitoring of fish welfare indicators, weight and lice counts. This has also been a progressive initiative that SalMar will continue to realize in 2024.

Visualisation of SalMar's anti-lice strategy:



Average no. of adult female lice per week at SalMar in Norway



We prevent and limit fish escapes

SalMar has a zero-vision with respect to fish escapes and takes all such incidents seriously. In 2023, SalMar had 3 reported incidents in Norway and none in Iceland. A total of 168 fish escaped from our facilities in Norway and Iceland, which corresponds to less than 0.0001 % of all the fish SalMar had at its sea farms.

Share of escaped salmon for the Group

<0.0001 %

The authorities were informed of the three incidents at an early stage and non-conformance analyses were performed. Relevant remedial measures were then implemented as per established procedures, including recapturing all of the escaped salmon from one of the incidents. SalMar continues to strive every day to prevent fish from escaping. This means focusing on day-to-day routines for monitoring and checking the technical equipment, as well as procedures for operations involving the handling of fish. In addition, we continue to collaborate with suppliers and research institutes on the development of more secure equipment.

SalMar recognizes that damage to net pens is a common cause of fish escapes in the industry. Therefore, in recent years, we have collaborated with our net pen supplier to test different types of pens to find one that offers better protection against escapes. We have found a type of pen that not only provides enhanced protection but also delivers additional environmental benefits. Consequently, SalMar has launched an investment program to reduce incidents related to our net pens, even though our current pens are certified and are subject to strict controls. The number of escape incidents were halved from 2020 to 2021 and more than halved again from 2021 to 2022.

The decrease in incidents in the last years have come despite increasing production, making these improvements extra demanding. No financial costs arising from fish escapes were recorded in 2023. We remain committed to continually improving our net pens to ensure that we meet our targets for fish welfare and sustainability and continue to target zero escapes.

Partnership for wild salmon

SalMar is committed to preserving wild salmon populations and ensuring that aquaculture can coexist with those who depend on wild salmon fishing in our operating areas. We are engaged in several biodiversity initiatives that aim to monitor wild salmon populations and track any escaped farmed salmon. For years, we have partnered with research institutes to monitor Norwegian rivers for escaped farmed salmon.

Over several years, SalMar has been a partner in monitoring the following rivers around Trondheimsfjord: Gaula, Nidelva, Orkla, Skauga, Steinkjerelva, Stjørdalselva, Verdalselva, Figga, Norddalselva and Stordalselva. Scale samples from all fish caught in the rivers are sent for analysis to the Norwegian Veterinary Institute, to determine whether there are farmed salmon in the wild breeding population. 0.7 % of the salmon tested in 2023 were farmed salmon.

In Troms, we participate in the Wild Salmon Industry Collaboration Project, which aims to monitor the status of rivers and implement measures to increase the number of wild salmon in the area. The project covers the following rivers and watercourses: Tennelvvassdraget, Vardnesvassdraget, Ånderelva, Grasmyrvassdraget, Brøstadelva, Rossfjordvassdraget, Skøelva, Salangselva and Breivikelva. We also work closely with Gramyrvassdraget in Senja and Målselv for monitoring and emergency preparedness.

In Finnmark, SalMar participates in such projects for counting farmed salmon in Altaelva and Repparfjordelva, where the level of farmed salmon detected was 0 and 0.5 % respectively. Furthermore, we collaborate with NINA, Ferskvannsbiologen, and Skandinavisk Miljøundersøkelser AS for advice and practical initiatives related to wild salmon conservation.

Along with the Norwegian Seafood Federation and other industry players, SalMar is also running a project relating to the tracing of escaped farmed salmon. This will be achieved through a combination of geoelement markers (traces in fish scales) and DNA (tracing of the parent fish's DNA). This will make it possible to trace escaped farmed fish back to their owner. Efforts to achieve this capability have been underway for several years. OURO[1] is a joint industry initiative which was established in 2015 in response to statutory regulations requiring action to reduce the genetic impact of farmed salmon on wild fish stocks. The OURO initiative's activities are funded by SalMar and other players from the aquaculture industry.

We impact wildlife as little as possible

For SalMar, it is important to have as little impact on wildlife as possible, and we are working actively to prevent this. However, our presence will sometimes affect other animals. In 2023, we experienced an increase in the number of incidents in Norway. SalMar have, as a response, established an internal taskforce to investigate best practice and aim for using equipment at our sites that minimises the risk of harm to wildlife. We will continue working to reduce the number of such incidents in 2024, as we target no interactions with wildlife.

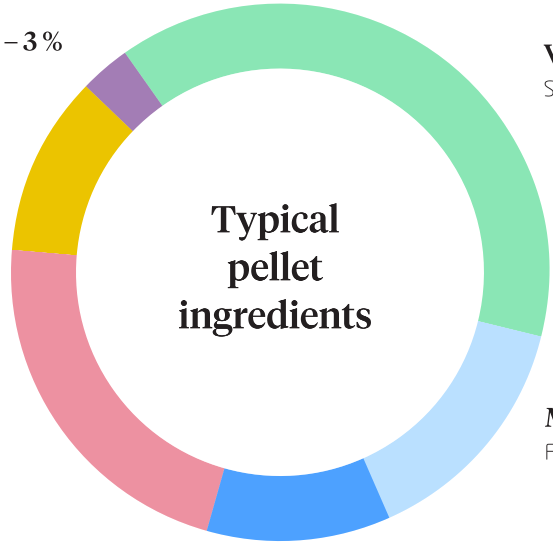
1 http://utfisking.no

Sustainable Feed

Fish feed must have the correct nutritional content, consistency and taste. But for SalMar, it is equally important that the feed is gentle on the environment. We require our feed suppliers to ensure that the ingredients they use are certified, so we can confidently sell a product that has been sustainably produced. This means that the feed ingredients are not genetically modified, have not been produced in areas threatened by deforestation and do not depend on endangered fish stocks. See SalMar's Deforestation Policy at salmar.no.

Sustainable feed ingredients

SalMar uses an all-round feed that optimises production and promotes good fish health. In other words, a high-value salmon feed that ensures good growth, a low feed factor and meets the salmon's nutritional needs. In 2023, around 347,000 tonnes of dry feed pellets were used in SalMar's salmon farming and smolt operations in Norway, and 21,000 tonnes in Iceland. In the pie chart below, a typical pellet is shown by ingredients. The sum of these ingredients makes up a healthy feed for our salmon that optimizes fish health, welfare and growth.



SalMar has a target for 2024 to increase its use of trimmings and by-products in the feed, as an important step in our transition to circular economies. In 2023, 27 % of SalMar's marine ingredients derived from trimmings. More than 60 % of the feed for organic salmon was derived from trimmings. SalMar also targets to increase the inclusion of novel feed ingredients.

SalMar always seeks to apply clear and comparable KPIs and targets. Because of varying definition of "novel feed ingredients" in the industry, SalMar does not wish to set a public numeric target for the inclusion of novel feed ingredients in our feed. However, we stay true to our commitment towards always choosing the best feed composition for our fish, the climate, and the environment. This involves the increased inclusion of innovative, novel, low-emission feed ingredients across operations, as informed by SalMar's risk assessments.

SalMar not only monitors the ingredients it uses, but also evaluates the nutritional value of the feed utilized in its hatcheries and sea farms. To verify the quality, SalMar examines the fat, protein, phosphorus, and fiber content of the feed. Moreover, SalMar conducts regular inspections on the physical quality of the feed upon receipt to identify any instances of non-conformances.

How we safeguard our fish feed

- All fish feed used by SalMar is required to be certified.
- All fish feed used is deforestation-free and not genetically modified.
- SalMar has dedicated personnel who work with fish feed and its nutritional content.
- Continuous improvement through employee training and R&D.
- SalMar has chosen to maintain a strategic partnership with our main feed suppliers (Cargill Aqua Nutrition Norge and Skretting), with whom we work to include sustainable ingredients in the feed we use, improve agricultural practices and nutrient management.
- SalMar is involved in several R&D projects investigating the use of novel feed ingredients, such as algae, insect meal, kelp, salmon oil, seafood trimmings and excess raw material from processing.
- SalMar recognizes that soil health and nutrient management is a global challenge in agriculture and require our feed suppliers to manage soil health and perform nutrient management in a responsible and sustainable manner. We engage with our suppliers to discuss ways of reducing nutrient spill, and make sure that we hold ourselves accountable.

Sustainable Feed Sourcing

Marine ingredients

Marine ingredients currently make up approximately 23 % of the fish feed, where 12 % was fish meal and 10 % was fish oil. 27 % of the fish meal came from trimmings, and 26 % of the fish oil came from trimmings. SalMar requires all its feed suppliers to purchase marine ingredients that are certified in accordance with the Marine Trust, MSC, or equivalent. This is to ensure that the fish stocks from which they are drawn are sustainable. In 2023, 94 % of the marine ingredients used by our feed suppliers came from certified fisheries. This is a small improvement from 2022, but still some way off our target. The uncertified ingredients were mainly due to a weak supply of marine ingredients in the market and were largely derived from trimmings and legal by-catch. In 2023, the share of uncertified ingredients also was negatively impacted by some of the Danish fisheries transitioning from MSC to MarinTrust certification, leaving a period of no certification status.

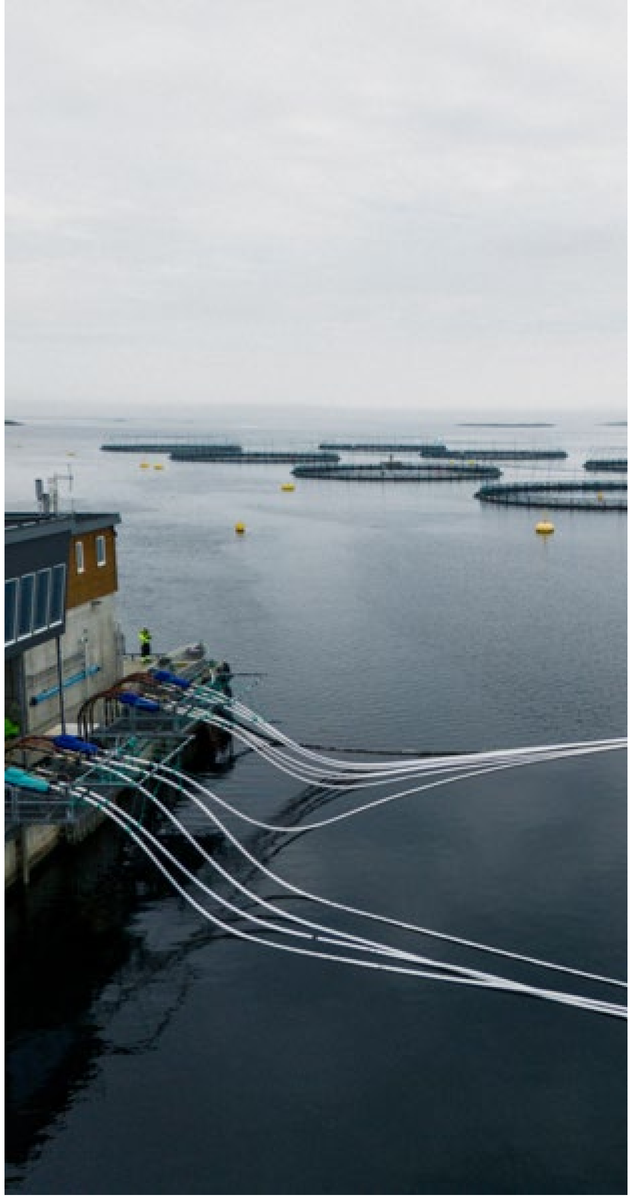
Through due diligence and continuous dialogue, we ensure that our feed suppliers are working purposefully to ensure sustainable feed sourcing. Our feed suppliers are working on the ground and at sea in several parts of the world, to ensure that fisheries are enrolled in Fishery Improvement Projects. Instead of simply changing the supply chain, leaving the issue unresolved, this is a targeted effort to improve the fisheries around the world. SalMar will work purposefully with its suppliers to reach its target of 100 % certified ingredients in 2024.

As a measure of feed sustainability, we use the Fish Forage Dependency Ratio (FFDR). This quantifies our dependence on wild fish stocks as raw materials in our feed. This is done by assessing the volume of live fish that is required to make the amount of fish meal or fish oil needed to produce one unit of farmed salmon. The lower the FFDR we can achieve, the more salmon we can produce based on a globally limited supply of marine raw materials.

According to the ASC standard, the fish feed is withing sustainable limits if its FFDRm is less than 1.2 and its FFDRo is less than 2.52. In 2023, SalMar's Norwegian and Icelandic operations both achieved values well below this level. By volume, the largest sources of marine ingredients in our feed were blue whiting and herring. See the feed suppliers' own sustainability reports for further details[1]

1 Skretting: https://www.skretting.com/en/sustainability/sustainability-reporting/

Cargill Aqua Nutrition: https://www.cargill.com/sustainability/aquaculture/aquaculture-sustainability-reporting



Vegetable ingredients

Vegetable raw materials have become an important ingredient in fish feed. Vegetable-based proteins make up about 39 % of the feed and vegetable oil make up about 22 %. Responsible agriculture is therefore an important part of SalMar's value chain. SalMar ensures sustainable agricultural practices through partnership with feed farmers and suppliers, and through certifications. The sourcing of vegetable raw materials for salmon feed, especially soy, has gained attention due to risks of deforestation and biodiversity loss. A prerequisite for all purchased soy by SalMar is that it is certified by ProTerra or its European equivalent Europe Soya. To reach the certification, feed farmers must comply with ten core principles as presented to the right. The soy purchased from Brazil in 2023 originated from the regions Minas Gerais, Paraná, Mato Grosso, and Goiás

Deforestation and conversion free feed

100 %

Through these principles, SalMar's due diligence processes and our clear policies towards only purchasing certified feed ingredients, we ensure that our feed is sourced responsibly, with responsible water management, pollution control, pesticide control, sustainable nutrient management, good working conditions and rights for workers, and traceability on our feed resources. SalMar requires all soy to be traceable to region within the country sourced from, both for direct and indirect suppliers.

10 core principles of the ProTerra Standard

1: Compliance with law, international conventions, and the ProTerra Standard
This principle demands that organisations implement procedures to assure consistent compliance with laws and the Proterra standard and document compliance for at least five years.

2: Human rights and responsible labour policies and practices
This principle demands the absence of slave and forced labour, child labour, and coercive disciplinary or control methods, as well as working hours in accordance with law and trade organisations. It also demands fair wages, equal opportunities and treatment for workers including equal pay, professional training and development, freedom for workers to organise, join and form associations, worker's rights, right to parental leave, health and safety, and living conditions.

3: Responsible relations with workers and community
This principle requires the establishment and proper documentation of an effective and timely system of communication with all workers and with the local communities, including a system to receive, investigate and respond to all complaints from these parties. Also, it demands that the land use does not impair the rights of traditional other users.

4: Biodiversity conservation, effective environmental management and environmental services
This principle sets the clear no-go policy on deforestation and conversion of native vegetation. Furthermore, it requires companies to maintain and enrich biodiversity, hereunder "organisations shall identify and maintain valuable biodiversity within their areas and shall, with the involvement of an external expert, restore areas of natural vegetation around bodies of water and on steep slopes and hills, and other sensitive parts of the ecosystem." It also demands a social and environmental impact assessment and management plan

5: No use of Genetically Modified Organisms (GMOs)
This principle states that Genetically modified organisms (GMOs) and their byproducts are prohibited. This includes technology that can be used to edit genes within organisms such as CRISPR/Cas9. Furthermore, it requires companies to have a Non-GMO control system to ensure compliance and no contamination of GMOs from external sources.

6: Pollution and waste management
This principle demands responsible management of wastes and pollutant materials, and control of atmospheric pollution.

7: Water management
This principle requires farmers to conserve quantity and quality of existing natural water resources and implement best practices for water management.

8: Greenhouse gases and energy management
This principle requires organisations to adopt practices to minimise the use of energy from non-renewable sources and to derive an increasing proportion of their energy from renewable sources such as solar and wind, or from local, recycled materials. Also, a greenhouse gas emission inventory and reduction targets should be made.

9: Adoption of good agricultural practices
This principle requires farmers to use pesticides responsibly, and to withstand from the use of pesticides listed in WHO Classes Ia, Ib and II lists, Rotterdam Convention and Stockholm Convention, as well as forbidden by local or national law. Farmers are also required to apply methods for agrochemicals use, including pesticide, that minimise harm to human health, wildlife, plant biodiversity, and water and air quality. Further, farmers must apply a suitable programme of pesticide rotation designed to minimise development of pest resistance and improves soil quality. Handling, storage, transport and disposal must be done according to manufacturer's instructions and legal requirements.

10: Traceability and Chain of Custody
The final principle requires all records related to the Chain of Custody System to be kept for five years and have sufficient documentation to present traceability.

Traceability and availability of feed resources

At SalMar, we ensure full traceability of the origin of all feed ingredients used in our fish feed, including those sourced through both direct and indirect suppliers. To ensure sustainability throughout our value chain, we conduct audits on our feed suppliers and verify that all ingredients used in our fish feed come from sustainable sources.

SalMar conducts regular risk assessments to identify how the availability of our feed ingredients impacts our production and how it may influence our production going forward. Feed is the most expensive operating expense for SalMar, and thus predictability is key when it comes to feed costs. In the last few years, we have seen how the access to feed resources may be affected by global events like political conflict and global warming. It remains important for SalMar to collaborate with our feed suppliers in continuously assessing the availability of the necessary feed resources within our feed, while also exploring alternative feed ingredients. This way, we can increase predictability while gaining insight into the most urgent areas for R&D investments.

Novel feed ingredients and feed innovation

SalMar actively explores and invests in projects concerning novel feed ingredients in collaboration with our feed suppliers. To minimize the footprint of our feed ingredients and as a measure to reduce nutrient spill from agriculture, SalMar continuously test and evaluate novel and local feed ingredients such as algae, insect meal, kelp, salmon oil, seafood trimmings and excess raw material from processing. SalMar are prepared to apply sustainable feed ingredients across operations, as they become established through R&D testing and prove themselves suitable for our salmon.

Through the partnership platform Råvareløftet, SalMar's feed suppliers engage to develop new, innovative feed ingredients and analyze the barriers towards implementing them in large scale. The partnership focuses especially on local, low-carbon ingredients that can reduce GHG emissions, water use, improve circularity and enhance food security. Our feed suppliers are also working on ground to establish and increase the modernization of agriculture, specifically projects relating to regenerative agriculture. This promotes biodiversity and soil health.

We ensure efficient feed utilisation

At SalMar, we recognize the importance of not only the nutritional value, consistency, and taste of our fish feed but also the correct dosing to promote effective feed utilization and maintain fish health.

Our continuous monitoring of key performance indicators such as effective feed utilisation helps us achieve several benefits, including optimal growth, reduced environmental emissions, good fish welfare, increased disease resistance, low mortality, less size variations, increased yield at harvest, and high-quality fish.

bFCR - Group

1.12

As such, the feed conversion ratio (bFCR) is a vital sustainability KPI that we prioritize. In 2023, SalMar decided to rather disclose the biological feed conversion ratio (bFCR) than the economic feed conversion ratio (eFCR). The difference is that the bFCR considers the feed used per gross growth at sea, while the eFCR considers the net growth at sea. We made this change because we want to focus on the essence of the KPI, which is how we can achieve optimal feeding and feed compositions that is best suited for our salmon. The bFCR is unaffected by the survival rate, so with the bFCR we can keep the survival rate and the feed conversion separate rather than having two central KPIs influence each other directly. Although not previously publicly disclosed, the bFCR has always been an important KPI internally, and the historic data is strong. The disclosed values for bFCR were verified through the third-party verification process.

In 2023, SalMar saw a decrease in bFCR on the Group level from 1.13 in 2022 to 1.12 in 2023. The improvement comes due to significant focus on optimal feeding and high-energy feed. The improvement was greatest in Iceland where a significant reduction from 1.26 to 1.19 was achieved. We target a bFCR of 1.10 within 2030.

Salmon is a very efficient protein converter. SalMar's Protein Efficiency Ratio (PER) calculated as the gain in animal weight (kg) per protein consumed (kg) was 1.72 in 2023. The results are mostly affected by the feed conversion ratio and the protein content in the feed.

To achieve optimal feeding, we tailor feed to the salmon's appetite in each net pen, monitoring feeding using technologies such as underwater CCTV cameras that show where the fish are located in the water column and monitor their appetite. Our focus on optimizing feeding during the first 12 weeks at sea, providing the greatest amount of feed availability during this period, helps raise healthy and robust fish.

In 2023, SalMar remained committed to the advancement of its feeding centers that are responsible for remotely controlling the feeding of its fish stocks. This has been achieved by bringing together highly skilled staff in a single location, thereby facilitating the development of a central "control room" and enabling the implementation of new routines and continuous learning. SalMar presently operates several feeding centers, each of which remotely feeds several sites from their respective control rooms. These centers are located in Senja, Fosen, Smøla, and Rørvik in Norway, with an additional one situated in Iceland.

The remote feeding scheme has increased our focus on feeding and is considered a good environmental measure in terms of providing strong growth, a fast turnover and effective MAB and site utilisation. It also provides opportunities for increased focus on the competence of those employees who perform one of the most important tasks at SalMar. Facilitating their access to real-time data and customising optimal reporting and support tools are areas the company is continuing to work on.

Safe and Healthy Food

SalMar produces healthy food, which is easy to prepare and tastes delicious. SalMar's products are based on first-class, sustainable raw materials, and the product quality is maintained through the whole value chain until the salmon reaches the customer.

How we provide safe and healthy food to all our customers

- Local processing makes it possible for SalMar to offer a wide range of first-class, fresh, frozen and organic salmon products.
- We ensure good fish welfare and the correct nutritional content in the fish feed we use, which provides healthy food for human consumption.
- Our value chain is certified from roe to plate.
- Employee training with regards to routines and procedures is required to ensure the high quality of SalMar's products
- We perform regular internal audits, and welcome audits and inspections by the regulatory authorities, certification agencies and customers.

For more insight into how SalMar ensures that all food is safe and healthy for its customers, see our Food Safety Policy on our webpage.

SalMar's whole value chain is certified from roe to plate

We strive to conduct ourselves with honesty, propriety, and trustworthiness, and take pride in being transparent about our operations. To this end, we have obtained certification in accordance with the most stringent requirements and guidelines. Our compliance with third-party standards, as well as those set by our customers, is verified through auditing of our operations. In addition to this, our operations are also subject to oversight by government and regulatory authorities.

Global G.A.P.	Debio	KRAV	ASC	Kosher	BRCGS	IFS
Whole value chain				Harvesting/processing		

It is our responsibility to ensure that our customers feel safe when they eat salmon from SalMar and know that it has a healthy nutritional content. For this reason, we are certified in accordance with the strictest requirements and guidelines for sustainable aquaculture, including the Aquaculture Stewardship Council (ASC), Debio, and Global GAP[1].

Share of harvest from certified sites

(ASC, Debio and/or Global GAP)

100 %

All our sea sites in Norway are certified in accordance with Global GAP[1]. In Norway, 61 % of our sea sites are ASC-certified and increase from 57 % in 2022. Furthermore, 8 % of our sea sites are certified by Debio[2] for responsible organic salmon production.

In Iceland, we chose to revoke one of our ASC certifications during 2023, making the certification percentage 83 % at end of year. However, all the salmon harvested in 2023 originated 100 % from certified sites. We are working towards all sites being certified in 2024.

The Aquaculture Stewardship Council (ASC) is an independent, international non-profit organisation, which established the world's most stringent sustainability standard in June 2012. The mission of the ASC Standard is to bring aquaculture one step closer to the sustainable, environmentally and socially responsible production of salmon. This is achieved through effective market mechanisms that create value along the entire value chain. By choosing ASC-certified salmon, consumers can be assured that they are buying salmon from a responsible farmer.

With more than 400 auditing criteria within seven main categories, the ASC Standard is difficult to reach and to retain. It demands substantial resources with respect to documentation and reporting, before, during and after certification. Furthermore, SalMar has been certified in accordance with the ASC's Chain of Custody scheme. Openness regarding our performance is a key aspect of the standard. Further details can be found on our website www.salmar.no, and the ASC's website www.asc-aqua.org. Both the Global GAP and ASC standards have requirements for proper HSE practices, making these standards important certifications on Health and Safety for SalMar.

1 https://www.globalgap.org/

2 https://debio.no/english/

Salmon is a healthy and delicious food

Salmon contains a number of nutrients which makes it an important part of a balanced diet. Salmon is a healthy and delicious food. It is one of the most rigorously investigated foodstuffs and is perfectly safe to eat.

The World Health Organisation (WHO) has published a detailed report on both the risks and benefits of eating salmon. The report concludes that eating oily fish, like salmon, reduces the risk of cardiovascular disease. It is the products' fat composition, with a high content of the omega-3 fatty acids EPA and DHA, but also vitamin D, selenium and easily digestible proteins, which contribute to this health benefit. The report warns of higher human mortality rates if too little seafood is eaten. The biggest challenge with respect to seafood consumption remains the fact that people in general eat too little of the important nutrients provided by fish. One salmon meal a week (150g) has proved sufficient to cover the body's recommended intake of the healthy fatty acids EPA/DHA.

The Norwegian Scientific Committee for Food Safety (VKM) makes recommendations to the Norwegian Food Safety Authority. The VKM has concluded that it is well documented that oily fish protects against cardiovascular disease and has a positive impact on the neural development of babies, both before and after birth. Furthermore, they conclude that the positive effects of eating seafood far outweigh any potentially negative impact.

When you buy salmon from SalMar, you can be sure that it is safe to eat

SalMar's production is subject to Norwegian and Icelandic regulations for food production, and our facilities are regularly inspected by the Norwegian Food Safety Authority (NFSA) and the Icelandic Food and Veterinary Authority (MAST). In addition, the Group has its own sampling programme, under which feed and finished products are analysed and tested for a number of factors. The NFSA's monitoring, performed by the National Institute of Nutrition and Seafood Research (NIFES), shows very little foreign matter in farmed fish, and no samples were found to exceed threshold values in the most recently published reports. For further details regarding the nutritional content and status with respect to contaminants, etc, in Norwegian seafood, please visit the Seafood Data section on NIFES's website[1] or search the Food Composition Table[2].

Production is organised such that the demands of different standards and customers are met. We perform regular internal audits, and welcome the public authorities, certification agencies and customers to carry out external audits and inspections.

In 2023 SalMar performed 356 internal audits and safety inspections, this is 104 more than in 2022. In addition, 289 audits from external-parties were conducted, which is 46 more than in 2022.

Food safety and the regulations relating thereto are taken very seriously. In 2023, there were no such incidents of product recalls.

SalMar has defined routines for the follow-up of customer complaints, and the Group has informed its customers of how they should proceed if a product they have bought does not meet their expectations. All products can be traced back through the whole value chain, and a well-trained team is on hand to deal with any complaints from consumers. The complaints handling process is documented in a dedicated module in our quality system and provides managers with an overview of the current status.

SalMar is BRCGS-certified, which is a part of the GFSI standard. We require our relevant suppliers to hold the same level of certification when engaging in food safety related matters.

Pre-rigor filet

SalMar provides fresh and frozen pre-rigor fillets to its customers. The company's emphasis on pre-rigor filleting is an important strategy for reducing energy consumption, minimizing transport-related emissions, utilizing 100 % of the raw material, and creating local employment opportunities.

Pre-rigor filleting means that the fish is harvested and filleted the same day, before the fish goes into rigor mortis. This processing enables delivery to the market 2–6 days earlier than has been the norm. This way of handling fish has a number of advantages:

- Fresher fish to the customer
- Firmer muscle texture, better colour and lower drip loss
- Longer shelf-life in the market
- No need to store and mature the fish before filleting and boning

Organic salmon

SalMar is one of the world's largest producers of organically farmed salmon. Organic salmon is supplied all year round, and production is vertically integrated from the broodfish and roe down to the finished processed products. To be defined as organic, it must have been produced in compliance with the EU's directives and be approved by Debio. Local processing means that we can deliver a wide variety of first-class fresh and frozen organic salmon products. SalMar supplies both pre- and post-rigor organic salmon. A high content of marine oils means that this salmon is an exceptionally good source of EPA and DHA.

Sashimi quality

Since 2011, SalMar has produced sashimi-quality fish. Every single salmon is handpicked, and only the best boneless pieces of salmon are used. The ready to eat fillets are packed within 2 hours to ensure maximum freshness and taste.

The objective is to offer a salmon product that maintains the same quality and taste as it had on the day it was caught right up until its use-by date. To maintain this level of quality, a unique packing, transport and refrigeration process is used. Our sashimi-quality products are transported in recycled cardboard boxes that are chilled using dry ice, which ensures optimal temperature control.

1 https://sjomatdata.nifes.no/#search/
2 www.matvaretabellen.no

Environment & Technology

SalMar operates under the fundamental principle of having a minimal environmental impact in the areas in which we operate. While food production is a major contributor to global greenhouse gas emissions, the farming of salmon is considered one of the most environmentally friendly methods of producing food. At SalMar, we strive to lead the development of a more sustainable aquaculture industry by protecting our oceans, reducing energy consumption, and minimizing greenhouse gas emissions.

Salmon is considered one of the most sustainable sources of animal protein due to its low carbon emissions, low water consumption, and small area requirement. However, there is still much to learn about sustainable practices. By pursuing new knowledge and innovation, we can protect our natural resources for future generations while still meeting the growing demand for food worldwide. SalMar is committed to driving this development forward. Our Environmental Practices Policy, along with 17 other ESG-related policies, can be found on our website.

Our KPI Scorecard

Full insights into our greenhouse gas emissions for every year back to base year 2020 can be found later in this chapter.

All targets are timebound for the following calendar year unless otherwise specified.

Following the acquisitions of NTS, NRS and SalmoNor i 2022, our GHG emissions have been recalculated back to base year 2020.

			Group			Norway			Iceland		
		Target	2023	2022	2021	2023	2022	2021	2023	2022	2021
Greenhouse gas (GHG) emissions	Scope 1 + 2 (1000 tCO_2e)	42 % reduction from 2020 to 2030[1]	30.8	32.1	32.7	28.6	30.1	30.5	2.2	2.1	2.2
	Intensity Scope 1+2 ($kgCO_2e$/kg produced)		0.10	0.11	0.11	0.10	0.11	0.11	0.13	0.10	0.13
	Scope 3 (1000 tCO_2e)		1,305	1,244	1,422	1,245	1,172	1,354	60	72	68
	Intensity Scope 3 ($kgCO_2e$/kg produced)		4.2	4.4	4.7	4.3	4.5	4.7	3.6	3.4	4.0
	Scope 1+2+3 (1000 tCO_2e)		1,336	1,276	1,455	1,273	1,202	1,385	62	74	70
	Intensity Scope 1+2+3 ($kgCO_2e$/kg produced)		4.3	4.5	4.8	4.3	4.6	4.8	3.7	3.5	4.1
Electrical/ hybrid solutions	Farming sites supplied by onshore electrical power or hybrid solutions	100 %	65 %	55 %	38 %	67 %	59 %	41 %	33 %	0 %	0 %
Secondary processing	Share of secondary processing	40 % within 2030	36 %	42 %	45 %	36 %	42 %	45 %	NA	NA	NA
Site environment	B-analysis benthic score ≤ 2	100 %	89 %	92 %	83 %	89 %	91 %	88 %	100 %	100 %	50 %
Freshwater use[2]	Withdrawal (million m^3)	20 % reduction from 2022 to 2030	59	63	57	39	46	51	20	16	6
	Intensity (liters per kg produced)		190	220	186	133	171	178	1,183	779	325
Water risk & scarcity[3]	Operational areas with low overall water risk and low water scarcity	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Smolt from RAS	Share of smolt from RAS facilities	100 %	89 %	89 %	79 %	96 %	97 %	89 %	0 %	0 %	0 %

1 Targets verified by the Science Based Targets Initiative and aligned with the 1.5°C target set by the United Nations.
2 SalMar's freshwater withdrawal equals SalMar's freshwater consumption and discharge. No water is withdrawn and stored of significant quantities.
3 https://www.wri.org/aqueduct

Greenhouse Gas Emissions

The reduction of global greenhouse gas emissions is a pressing challenge, and SalMar aspires to be a prominent example for other companies worldwide. Salmon farming serves as a low-carbon alternative for food production. A study conducted by SINTEF Fisheries and Aquaculture and the Institutet för Livsmedel och Bioteknik in Sweden (SIK) has confirmed that salmon production is significantly more climate-friendly than pork and beef production. The study found that the carbon equivalent contribution of 1 kg of farmed salmon is only half that of 1 kg of pork, and only one-seventh of that of 1 kg of beef. Nonetheless, SalMar recognizes that simply asserting the climate benefits of salmon farming is not enough. We aspire to lead the way in our industry and continue to develop sustainable practices to ensure our operations remain environmentally responsible.

The groups GHG emission reduction 2020-2023

270.000 tons

CO_2-equivalents

Equaling 9x the Group's own Scope 1+2 emissions

SalMar has pledged to reduce its greenhouse gas emissions

To demonstrate our genuine commitment to reducing greenhouse gas emissions, SalMar recognized the importance of establishing a GHG inventory of the highest quality. As such, we engaged with the Science Based Targets initiative (SBTi) towards the end of 2021 to align our GHG inventory with the Greenhouse Gas Protocol. Through this process, we also revised our existing GHG reduction targets to align with science-based targets that are consistent with the United Nations' 1.5 °C target. This ensures that our GHG reduction efforts are aligned with global scientific consensus on what is required to limit global warming to a manageable level. Our targets are:

Scope 1 and 2 absolute emissions: At least 42 % reduction from 2020 to 2030

Scope 3 absolute emissions: At least 42 % reduction from 2020 to 2030

The target on Scope 1 and 2 emissions means that SalMar must work purposefully towards reducing greenhouse gas emissions from its own operations. This is done by limiting our dependency on fossil fuels and ensuring that all the electrical power we use comes from renewable energy sources.

The Scope 3 target means that SalMar must collaborate with its value chain to ensure that all operations both prior and subsequent to our own operations are done in a carbon efficient manner. This is done by ensuring that our suppliers' climate goals are aligned with ours and setting clear expectations towards this. Both targets include SalMar's activities in Norway and Iceland.

SalMar is very serious when it comes to anti-greenwashing. SalMar commits to always presenting accurate, honest, and holistic information. This also yields for our carbon accounting. SalMar is proud to have achieved a significant GHG reduction since our base year for emission targets. As we approach our already ambitious science-based targets, we will in due course re-evaluate our GHG reduction commitments including evaluating a Net Zero target.

Scope 3 emissions are presented as per Greenhouse Gas Protocol categorizaton.

		Norway		Iceland	
Scope 3	Description	2023	2020	2023	2020
Cat 1	Purchased goods and services	726,117	999,001	41,129	57,859
Cat 3	Fuel and energy related activities	8,028	9,060	673	248
Cat 4	Upstream transportation and distribution	509,351	484,837	18,157	7,640
Cat 5	Waste generated in operations	840	14,380	23	28
Cat 6	Business travel	450	612	32	4
Total	All emissions in Scope 3 target	1,244,786	1,507,890	60,014	65,779

The categories presented above make up SalMar's emission target for Scope 3 and were deemed most relevant to SalMar's activities. SalMar has included categories 2, 7, 9, 10, 12 and 15 into our GHG inventory, but they were deemed negligible or too inaccurate in estimation for inclusion in our Scope 3 targets by our internal team and during consultation with the Science Based Targets initiative. Categories 8, 11, 13 and 14 were deemed not relevant for our activities.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SalMar commits to apply to the Science Based Targets for updated GHG emission reduction targets by the end of 2024 following the Forest, Land and Agriculture (FLAG) recommendations.

Emission reduction performance

In 2023 SalMar continued its strong efforts to reduce GHG emissions. The Group's Scope 1 and 2 emissions were reduced by 4 % from 2022 and is now moving at pace with our reduction target. The main reason for the increase from 2020 to 2021 was the addition of workboats in Iceland, more than doubling the Scope 1 emissions year over year for Icelandic Salmon. The improvements in 2023 comes after a year of focusing on establishing best practice across operations after acquiring two large aquaculture companies in late 2022, and the results show that we are making progress.

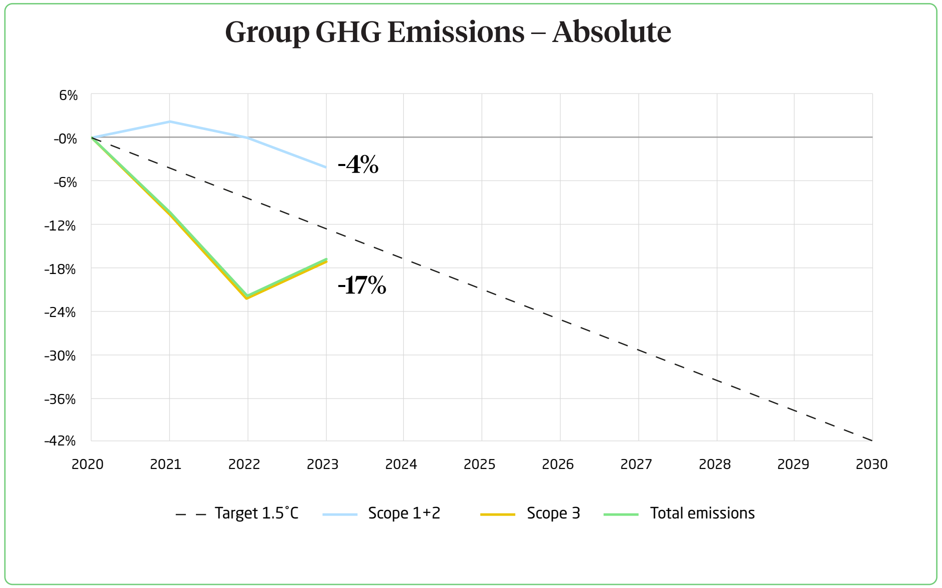
The progress in Scope 1+2 emissions comes despite an increased production, and as can be seen from the GHG emission intensity graph, the Group's emission intensity in Scope 1+2 is now leading our target trajectory.

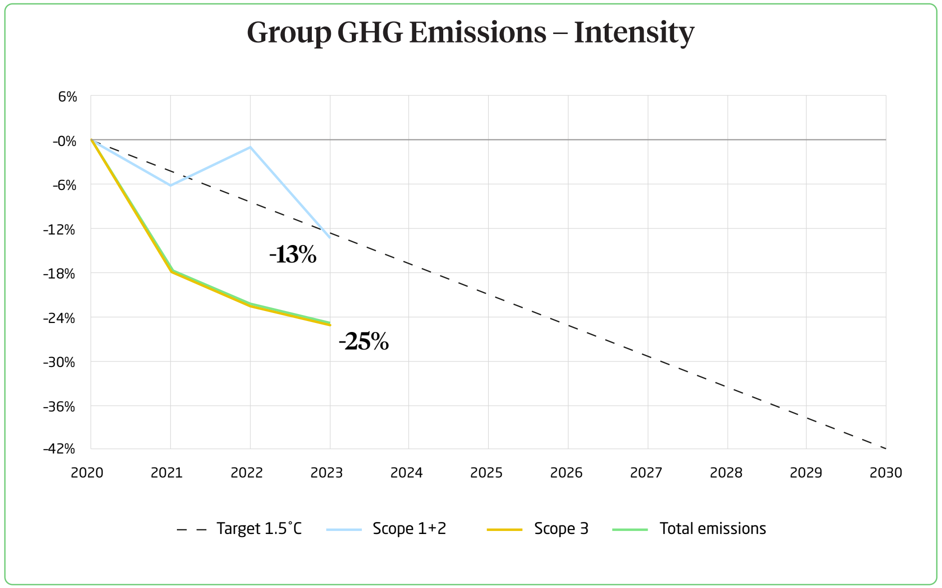
SalMar has been very successful in reducing Scope 3 emissions, resulting from strong collaboration and commitment towards our suppliers. The Group's Scope 3 emissions have been reduced by 17 % since base year. Since Scope 3 emissions make up almost 98 % of the Group's total emissions, this also means that the Group's total emissions have been reduced by 17 % since 2020, a reduction of more than 270,000 tons of CO_2-equivalents. This is an achievement SalMar is very proud of.

SalMar's absolute emissions saw an increase in 2023 due to increased production, but is still leading the GHG reduction target trajectory. SalMar continued to decrease its GHG emission intensity (GHG emissions per gross growth at sea), meaning that SalMar is becoming more climate-efficient every year.

SalMar was in early 2023 listed on the Financial Times publication "Europe's Climate Leaders 2023" for a third consecutive year following their third publication of the list.

SalMar recognizes that its direct emissions in Scope 1 and 2 are small compared to the emissions in its value chain (Scope 3). Engaging with suppliers and trade associations to develop an understanding of best practice and effective emission reductions plans is vital to our strategy and overall performance on climate change mitigation.





Overview of energy and greenhouse gas emissions

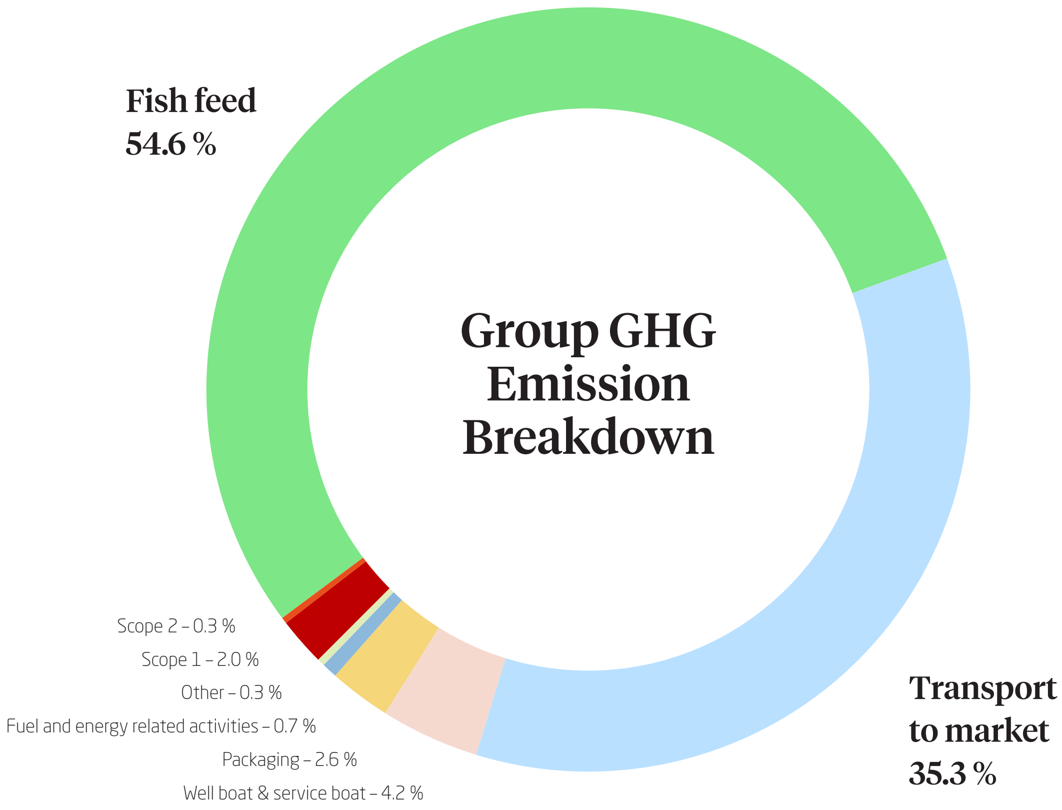
SalMar's greenhouse gas inventory is aligned with the Greenhouse Gas Protocol.[1]. The values are based on data reported from internal and external systems, where one uses a variety of emission factors[2] for the most accurate calculation of the greenhouse gas emissions.

SalMar consumed a total of 10,325,762 litres of fossil fuel (368 TJ) and 182,741 MWh of electricity (658 TJ), where 46,080 MWh of the energy (166 TJ) came from reusing waste heat.

All electricity in Iceland derives from geothermal and local hydro power sources, making the climate impact minimal.

Following the steep increase in cost of Guarantees of Origin Certificates for electrical power, SalMar decided to pause these purchases in 2023. This results in SalMar's total market-based Scope 2 emissions being 46,981 tCO_2e in 2023.

SalMar has performed carbon accounting since 2014. For values presented back to 2014, please see our Annual Report for 2021.



1 The analysis is based on the international standard "A Corporate Accounting and Reporting Standard", which is developed by "the Greenhouse Gas Protocol Initiative" - GHG protocol.
2 Sources emission factors: DEFRA, IEA, IMO, Ecoinvent and information from suppliers in the value chain. The reference list is not complete but contains the most important references to factors used by CEMAsys. In addition, a range of local/national sources is relevant, dependent on which type of emission factor is used.

Overview of energy and greenhouse gas emissions

	Target	Group					Norway					Iceland				
		Status vs. Target	2023	2022	2021	Base Year 2020	Status vs. Target	2023	2022	2021	Base Year 2020	Status vs. Target	2023	2022	2021	Base Year 2020
Energy consumption (TJ)																
Scope 1			368	379	326	316		338	349	294	301		31	30	32	15
Scope 2			658	679	640	532		619	637	617	513		39	42	22	18
Scope 1 + 2			**1,026**	**1,058**	**966**	**848**		**957**	**986**	**911**	**814**		**69**	**73**	**55**	**33**
Greenhouse gas emissions (1000 tCO_2e)																
Scope 1	42 % reduction from 2020 to 2030	-5 %	27.3	28.7	29.7	28.7	-9 %	25.1	26.6	27.5	27.7	+110 %	2.2	2.1	2.2	1.0
Scope 2[1]		+5 %	3.5	3.4	3.0	3.4	+5 %	3.5	3.4	3.0	3.4		0.0	0.0	0.0	0.0
Scope 1 + 2		**-4 %**	**30.8**	**32.1**	**32.7**	**32.0**	**-8 %**	**28.6**	**30.1**	**30.5**	**31.0**	**+110 %**	**2.2**	**2.1**	**2.2**	**1.0**
Scope 3		-17 %	1,305	1,244	1,422	1,574	-17 %	1,245	1,172	1,354	1,508	-9 %	60	72	68	66
Total (Scope 1+2+3)		**-17 %**	**1,336**	**1,276**	**1,455**	**1,606**	**-17 %**	**1,273**	**1,202**	**1,385**	**1,539**	**-7 %**	**62**	**74**	**70**	**67**
GHG Intensity - Biological[2]																
Energy intensity (GJ/tonn produced)			3.3	3.7	3.2	3.0		3.3	3.7	3.2	3.1		4.1	3.5	3.2	2.4
Scope 1+2 emission intensity (kgCO2e/tonn produced)	42 % reduction from 2020 to 2030	-13 %	100	113	107	115	-16 %	98	114	106	117	71 %	130	99	128	76
Scope 3 emission intensity (kgCO2e/tonn produced)		-25 %	4,215	4,377	4,666	5,626	-25 %	4,251	4,451	4,707	5,666	-26 %	3,586	3,440	3,980	4,841
Scope 1+2+3 emission intensity (kgCO2e/tonn produced)		-25 %	4,315	4,490	4,773	5,740	-25 %	4,349	4,565	4,812	5,782	-24 %	3,716	3,539	4,108	4,917

1 Location-based. Market-based GHG emissions are 46,981 tonnes CO_2e for the Group in 2023.
2 All intensities are calculated with tonnes produced biomass, gross growth in sea.

We are electrifying the value chain

As part of our endeavor to promote environmental sustainability in the aquaculture industry, SalMar is dedicated to increasing energy efficiency. We are actively exploring various strategies to achieve this goal, including supplying onshore electricity to power our sea farms and electrifying our vessels. We believe that electrifying our value chain will play a crucial role in reducing Scope 1 emissions.

Over the past years, SalMar has undertaken projects to lay power cables from shore to several of our sea farms, resulting in the provision of electric/hybrid solutions to a total of 69 sea farms in Norway and two in Iceland. As of 2023, this represents 65 % of our active sea farms, an increase from 55 % in 2022. In addition to significantly reducing diesel consumption and minimizing emissions, electrification also has positive occupational health impacts by decreasing noise pollution from diesel generators.

Sites supplied by onshore electrical power (hybrid/el)

65 %

Looking ahead, we will continue to expand our efforts by connecting additional sea sites to onshore electricity sources.

In 2016, SalMar started using the world's first fully electric aquaculture work boat. Named the *Elfrida*, the work boat is currently in operation at one of our sites in Møre & Romsdal County. In 2020, SalMar started using the world's first battery-hybrid wellboat, the *RoVision*, and in 2023, SalMar entered the world's first fully electric service vessels into operation.

While we will continue to put more electric and hybrid-propulsion boats into operation, we will also investigate alternative energy sources which can help to reduce our greenhouse gasemissions. In 2024, SalMar plans to put the first ever workboat running on hydrogen into operation. The hydrogen vessel will reduce SalMar's emissions by 300 tons CO_2e per year compared to a conventional workboat.

We use local energy and water resources

As part of our efforts to improve energy efficiency, SalMar prefers to use local water-based energy sources, and we always strive to take advantage of such resources at our facilities.

Our largest hatchery, Follafoss, utilizes heat exchangers to extract energy from the wastewater produced by the nearby cellulose plant. This process yields approximately 20 million kWh of energy, resulting in reduced energy consumption for SalMar. Additionally, the hatchery obtains its production water from the Follafoss Power Plant.

To further harness the potential of the water supply, a turbine has been installed in the hatchery's supply pipe, which generates up to 1.5 MW of electrical power before the water is used for fish production.

In Iceland, the hatcheries take advantage of the region's natural geothermal energy sources by using geothermal heat exchangers to warm the intake water, thereby reducing the energy requirement. Furthermore, the harvesting plant in the Westfjords utilizes the local hydro power to enhance efficiency.

We make effective use of our fish feed

Fish feed accounts for almost 55 % of our Scope 3 emissions. To reduce our overall greenhouse gas emissions, it is therefore crucial to increase the efficiency of our feed consumption, and use novel, low-carbon feed ingredients in our fish feed. 169,651 tons of the Group's GHG emissions came from land-use change, all relating to feed farming operations in our value chain. This denoted 23 % of the emissions from feed production. SalMar is in dialogue with feed suppliers on ways to both include more climate-friendly feed ingredients in the feed, but also on how to improve agricultural practices.

The total emissions deriving from feed farming has been reduced by 29 % since 2020. This is mainly due to strong collaborations with our feed suppliers in reducing the unit carbon footprint of our feed compositions and improving agricultural practices.

Together with our feed suppliers, SalMar are currently running wider trials on projects to reduce emissions from feed farming. This involves introducing novel feed ingredients into our feed with lower carbon footprints, and applying innovative solutions on ground for more sustainable feed sourcing. SalMar are applying solutions across operations continuously as new discoveries on best practices are made.

Another important measure for reducing our carbon footprint through feed is to optimize our feed conversion ratio, i.e., how much feed we need for our salmon to grow. If we can optimize our feeding practices even further, we can reduce our impacts on the climate and environment.

We are cutting emissions by investing in local processing and new methods of transport

Local harvesting and processing of farmed salmon is essential to the industry's value creation, and a core focus of SalMar. It is also a very climate-friendly action. The processing of salmon reduces both the weight and volume of the products to be transported, which cuts transport-related carbon emissions.

Reduction in GHG emissions due to local processing in 2023

90,000

tonnes CO_2e

In 2023, 36.3 % of our harvested volume in Norway was processed locally. This has reduced emissions by more than 90,000 tonnes CO_2e or 17 %, compared to the entire volume sent to markets as whole fish. The level of processing is greatest with respect to overseas markets, which is also where the greatest emission reductions are obtained.

This clearly demonstrates that our focus on local secondary processing is an important factor in reducing greenhouse gas emissions. InnovaMar, our main harvesting and processing plant, is fully operational in Central Norway. The upgrading of our secondary processing plant Vikenco, in Møre & Romsdal County, was completed at the start of 2021, and InnovaNor, our newest harvesting and processing plant in Northern Norway, came into operation at the end of 2021, and is now operating at full force.

SalMar is exploring new methods of market transportation through various projects that combine sea, rail, and road transport. Since 2021, SalMar have trebled its rail transport from Northern Norway, which has almost 300 times lower GHG emissons than trucking. We are also dedicated to improving existing solutions for transport to market. Trucks provide a unique flexibility in salmon transport and remain a central part of our distribution network. Therefore, making sure that we improve the truck transport will be core to reaching our sustainability targets. SalMar have made an agreement at our main processing facility at Frøya for daily transport with trucks running on biogas. This could prove an important step towards reaching our GHG emission targets.

In 2021 a new boat transportation route from Iceland to the east coast of the US was established, reducing the carbon footprint of our products as they previously have been sent with air freight.

We have conducted a study analysing the footprint of different farming technologies

At the end of 2021 SalMar together with experts from the R&D company Asplan Viak conducted a life cycle assessment for the carbon footprint and energy requirement for different salmon farming technologies. The study analysed:

- Open net pen production (Coastal)
- Offshore net pen production
- Closed net pen production (Coastal)
- Land-based production in recirculating aquaculture systems (RAS)

The study showed that open net pen and offshore production have a lower carbon footprint than closed net pen and land-based production before transportation to the end consumer. This is because open and offshore technologies require less energy than closed and land-based technologies.

The study also found that local processing is key to reducing the carbon footprint when using air freight. For the US market, fish produced in open or offshore net pens in Norway and transported as fillets by air freight has a similar carbon footprint to fish produced locally in land-based facilities in the US on an American electricity mix. The study gives us further confidence in SalMar's strategic endeavours both coastal and offshore.

We analyze climate-related risks and opportunities

In 2023, SalMar conducted its annual assessment of climate risk for all its operations across the value chain from roe to plate and accompanying suppliers to the value chain. The assessment is aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework and evaluates both risks and opportunities and associated physical and transitional implications to SalMar's financial position. Some key findings include:

- SalMar's assets running on fossil fuels, e.g., work boats, company cars, etc. are sensitive to SalMar's climate ambitions and external pressure to quickly transition to zero-emission fuels.
- Carbon taxation could have material financial implications on SalMar if introduced on imported and/or exported products.
- Increased frequency of acute physical events like heatwaves and floods can affect the crops necessary to grow some of SalMar's feed ingredients. Reduced availability of feed ingredients contributes to increased costs on what is already SalMar's largest operational expenditure.
- The low carbon footprint of salmon farming relative to other protein sources puts salmon in pole position to withstand CO2-efficiency regulations and presents an attractive option for climate-aware consumers. Central bodies like the Food and Agriculture Organization of the United Nations (FAO) states that the seafood industry will play an important role in achiving the UN's Sustianable Development Goals, given its high nutritional output and low footprint.

In conclusion, there is not currently grounds to write off value from SalMar's assets from climate change and its associated implications on SalMar's activities, nor is there currently grounds to alter expected future cash flow. However, this remains an important matter to continue to assess in the coming years.

No financially material events nor any direct costs occurred as a result of climate risk in the reporting period.

For more information on SalMar's climate risk and opportunity analysis, see SalMar's Task Force on Climate-related Financial Disclosures (TCFD) Report published on our website.

Biodiversity and Site Environment

Salmon thrive and develop optimally in their own natural habitat. At the same time, we have great respect for the fact that we use the local community's shared assets in our production. Coming generations must have the same opportunities as us to draw benefits from the sea, and SalMar has a duty to keep the sea and all its living creatures in good condition. Our technology is therefore tailored to treat both the fish and the environment in a gentle fashion.

We protect the seas

The seabed beneath all our sites is inspected regularly to see whether/to what extent the surroundings have been affected by our operations. We are working continuously to find the optimal locations for our farms, so that we can realise our objective of having all our operational sites in a condition designated as "very good" or "good" B-analysis benthic score of ≤ 2[1]). In 2023, 89 % of our operational sites in Norway achieved this score, while 100 % of our sites in Iceland did so. SalMar carry out risk assessments continuously, assessing the locations of our current and potential sea sites with respect to pollution sensitivity. Locations with a high sensitivity to nutrient pollution will not be chosen for operations.

B-analysis score ≤ 2

Norway:
89 %

Iceland:
100 %

SalMar also monitors inorganic and organic loading, like nitrogen, carbon and phosphorous, through the quantities of uneated feed and the salmon's faecal matter. This is done at all sites to ensure that the loading is within site-specific permits. SalMar have also considered Integrated Multi-Trophic Aquaculture (IMTA) with kelp and mussels as a possible method for removing organic and inorganic loading from the sea and seabed.

1 The B-analysis is set out by the Norwegian Standard NS9410. The condition is graded on a scale of 1 to 4.

Together with the trade union Norwegian Seafood Federation (Sjømat Norge), other fish farmers and research institutions, SalMar monitors large areas to see whether fish farming operations are having a regional impact. The latest Risk Assessment of Norwegian Aquaculture published by the Institute of Marine Research[2] states that the risk of eutrophication deriving from nutrient emissions is considered low in all production areas in Norway, and the risk of environmental impact on the seabed as a result of particulate organic emissions from fish farms is considered low at sites with a soft seabed and moderate at sites with a mixed or hard seabed.

SalMar have in the last years significantly reduced the number of sea sites with copper impregnation in the coating, moving towards zero inclusion. This is due to the negative impact copper may have on the seabed.

In addition, all of our harvesting and processing facilities and onshore hatcheries comply with their discharge permits on excess wastewater which is treated before it is discharged to sea. SalMar measures and monitors wastewater quality at all our facilities to ensure that no breaches of our permits occur. All our facilities are located in areas with low risk within all main categories of the WRI Aqueduct map[3], including water quality risk (physical risk quality), water stress, water depletion, and regulatory and reputational risk.

There were no incidents of non-compliance to water quality permits or to discharge permits in 2023.

Our wastewater volume target is aligned with our water withdrawal target, as we do not store water. All water that is withdrawn is discharged to the recipient after the appropriate treatment. Considering SalMar's water withdrawal reductions in the last years, this also means the same reduction in wastewater discharge.

2 Source: Risk Assessment of Norwegian Aquaculture, www.hi.no
3 www.wri.org/aqueduct

SalMar is involved in a large industrial project in Central Norway where we are developing circular solutions for our sludge and nutritious wastewater from smolt production. The project connects different industries, where the sludge from SalMar's smolt facility is sent to biogas production and the wastewater is sent to vegetable production where the nitrogen is extracted from the wastewater and used directly to grow vegetables. This is one of several examples of SalMar's approach to sustainable development of the industry, showcasing that partnership for the goals is important.

As part of SalMar's community engagement strategy, SalMar engages with all local communities in our operating areas individually on a monthly basis on important topics for our local stakeholders. Here, we openly discuss the positive and negative impacts of our operations on residents and take feedback from the public. Based on these engagements, SalMar have implemented several improvement action, including developing site-specific pollution plans.

Biosecurity

Biosecurity is vital for fish farmers to limit the introduction and spreading of parasites and harmful organisms to the sea sites. SalMar's overarching biosecurity plan is based on maintaining a high level of fish health and welfare, as well as complying with several national laws on animal health and proper aquaculture practices.

SalMar's approach starts prior to our operations, when choosing the optimal locations for our sea sites. SalMar carries out benthic tests and a mapping of biodiversity and ecosystems in the areas around our site. This is then monitored throughout production. The mapping includes spawning grounds, fishing spots, areas with vulnerable species, both fauna and flora, any nearby protected areas and recreational interests, nearby salmon rivers and any other relevant topics at that site.

Important measures also include external factors at the site, like wind, current and wave exposure. This is important due to the spreading of organic and inorganic loading and the direction of movement for potential parasites in the water.

SalMar has site specific biosecurity plans that all site managers must fill out stating their position, distance to other sites, distance to local rivers, any active local regulations at their site, silage management plans, site environment including current speed and directions, and a risk assessment of impacts on other sites and from other sites.

SalMar also has specific biosecurity plans and procedures relating to high-risk operations. One example is when an external vessel approaches the site, or when we move fish from one place to another.

SalMar participates in the NYBROK/BROK project led by the Norwegian Institute for Water Research (NIVA), where the goal is to establish improved measures for biosecurity and biological risk during transport of salmon and operations using well-boats.

We make use of new areas and new technologies

SalMar wishes to make use of the open ocean for food production. For this reason, we have developed the world's first offshore fish farm, in collaboration with partners in the aquaculture, offshore oil & gas industry, and relevant research establishments. In connection with our pilot project Ocean Farm 1, new and innovative equipment technology has been developed, which will benefit the entire aquaculture sector. Offshore fish farming moves the salmon out to its natural habitat, which allows us to operate on the salmon's terms to an even greater extent than today.

At the start of 2021, our first closed net pen went into operation in Møre & Romsdal County. This is a new closed-containment unit, where water is pumped up from beneath the unit and purified before being discharged back into the sea. This increases biosecurity and helps keep control of lice numbers inside the unit. The unit is used for post-smolt production, where the fish will grow from a standard smolt size to around 800–1,000 g before being transferred to conventional open net pens.

Building on this, SalMar began building what will be the world's largest fish farming construction made by thermoplastics, the Marine Donut, in collaboration with Bluegreen in 2022. This is a new, innovative design for closed net pen that SalMar is excited to realize in 2024.

Water Management

Compared to other food production types, salmon farming requires less freshwater since the fish spend much of their lives in the sea. SalMar's total water withdrawal is presented in the table below.

Water withdrawal (1000m^3)	2023			2022		
Freshwater source	Group	Norway	Iceland	Group	Norway	Iceland
Surface water	44,709	37,584	7,125	49,071	44,955	4,116
Ground water	1,978	1,366	612	1,535	1,351	184
Municipal/Third party water	12,064	0	12,064	11,932	0	11,932
Total water withdrawal	**58,751**	**38,950**	**19,801**	**62,538**	**46,306**	**16,232**

The Group saw a 6 % decrease in water withdrawal in the last year, being well on track to reach our 2030 goal.

We use fresh water only from low-risk areas

In large parts of the world, access to water is a challenge. SalMar recognizes the risks posed by water scarcity on a global scale. In SalMar's operations, all withdrawn freshwater comes from areas where the risk of water shortages, or the risk of poor water quality, is low. The water risk map produced by the World Resource Institute[1] provides a good overview of the water risk around the world. All SalMar's activities and infrastructure are in areas defined as having a low water risk and low water stress, both in Norway and Iceland.

In SalMar, we are continuously engaging with our suppliers on sustainability-related matters. An important matter is understanding the impact on freshwater availability, water stress, and overall water risk through our value chain. Therefore, we evaluate and engage specifically with suppliers carrying out activities in areas with a medium or high water risk. Among our suppliers, the suppliers of fish feed, especially soy which makes up approximately 20 % of our feed, are considered to have the largest potential risk of negative impacts on water stress and scarcity in their value chains. SalMar requires its suppliers to withdraw, consume and discharge water responsibly and sustainably. Furthermore, we require our feed suppliers to have a freshwater reduction target including its value chain and a strategy to limit water risk in feed sourcing. It is important to SalMar to hold all suppliers accountable and responsible for their activities and their impacts, and we are in continuous dialogues to identify and implement best practice on sustainability, such as water use efficiency. You can read the approach of one of our feed suppliers in their Land & Water section of their ESG Report for 2023. This supplier also engaged the World Resource Institute to set context-specific water targets across their value chain, culminating in this white paper.

1 www.wri.org/aqueduct

Both our main feed suppliers have carried out analyses on water risk and their impacts and risks through their value chains. The analyses provided strong insights and have resulted in our feed suppliers establishing priority facilities for implementing water stewardship practices, involving substantial guidance and support towards the farmers. Furthermore, our feed suppliers have, through partnerships with third parties, established substantial water restoration targets and targets for reducing water pollutants in water-stressed regions. Progress is monitored by SalMar through continuous dialogue and guidance.

Our largest feed suppliers' has further established a community engagement plan where they target to improve the access to safe drinking water and sanitation for 500,000 people in priority communities.

Our feed supplier's own facilities are all located in Norway and considered to have a low overall water risk according to the WRI Aqueduct Atlas. The water usage at these facilities were 0.14 million m^3 in 2023.

We use state-of-the-art technology to reduce water consumption

SalMar's consumption of fresh water relates largely to its onshore hatcheries. These facilities accounted for 96 % of freshwater consumption in 2023. The remaining consumption comes mostly from our harvesting and processing activities.

In Norway, SalMar has reduced its freshwater withdrawal by 16 % in 2023, and 24 % in the last two years. This denotes a reduced freshwater withdrawal of 12.3 million cubic meters.

Smolt delivered from SalMar in Norway from RAS:

96 %

The reduction in Norway is due to the transition from use of using flow-through technology to recirculating aquaculture systems (RAS) technology in our onshore hatcheries.

The transition from flow-through technology to facilities based on RAS technology is an important part of our strategy to reduce the amount of freshwater used at our hatcheries. All our more recent hatcheries have been built using RAS technology, with 96–99 % of the production water being purified and reused. In 2023, 96 % of the biomass transferred from our smolt facilities in Norway had been raised in RAS facilities. Since all new capacity is built with this technology, water consumption per unit produced will continue to fall in the future.

We target a 20 % reduction in freshwater withdrawal from 2022 to 2030.

See SalMar's Water Management Policy for more information on how SalMar conducts responsible water management.

MENU

Circularity and Nutrient Management

SalMar strives to transition from linear to circular economies, influencing material flow patterns, procurement strategy and strategic partnerships in operational areas with high potential for reuse of resources.

At the Senja hatchery, an ultramodern drying facility has been installed for utilizing the produced sludge as a resource. All the sludge produced by the facility is dried to a 95 % solid, which is then delivered to a third party for use in the production of soil improvement agents that can be found on sale in the retail sector. At the Follafoss hatchery, the sludge is sedimented out to form an 18 % solid. The bulk of the sludge is used for biogas production. Some is also delivered to a third party, which sanitises it by adding it to livestock manure. The resulting product is spread on fields as a soil improvement agent/fertiliser. These are important steps for SalMar in performing responsible nutrient management.

We also carry out monthly measurements of the total organic carbon (TOC), oxygen demand, total nitrogen and total phosphorus in all our wastewater which is sent to local authorities. If resources cannot be effectively reused, one must handle its disposal responsibly. All SalMar departments have a waste management plan, which stipulates the receiving facilities approved for various types of waste. Packaging and fish farming equipment, such as collars, nets and mooring devices are delivered to undertakings that reuse the materials. SalMar will continue to handle our resources responsibly and limit waste generation.

We help to reduce marine pollution

Pollution of the seas, and plastic pollution in particular, is a significant environmental problem. SalMar recognises this and wishes to help reduce the amount of plastic waste polluting the oceans. We are therefore striving for further improvements in our own waste handling and reductions in any microplastic emissions from our operations and are engaging in clean-up efforts along the coast. SalMar is working on several initiatives to reduce the volume of its plastic waste:

- We ensure that obsolete plastic equipment is recycled by delivering it to established return schemes and collecting other waste for delivery to municipal waste handling systems.
- We contribute to more reuse and recycling, particularly of plastic materials. This is achieved by improving the material surrounding our end products and increasing our use of reusable boxes.
- We support measures that help to increase our knowledge of the presence and consequences of microplastics and nanoplastics in the sea.
- We contribute to beach cleaning/collection of plastic waste through funding, lending boats for use during clean-up operations, as well as participating ourselves.
- We work with the Norwegian Seafood Federation and other initiatives to reduce pollution of the seas, in particular by plastic waste.

In 2023, SalMar became a partner in a research programme called DSolve, aiming to research the feasibility of using biodegradable materials as a substitute for plastics in aquaculture. More information about the programme can be found on their website: (DSolve)

Sea pollution through uneaten feed and faecal matter is also a challenge in the fish farming industry. SalMar takes its responsibilities towards being an accountable industry actor seriously and is engaging in projects for increased knowledge on this matter. Furthermore, we are working with new optic technology to optimize feed conversion ratio, thus limiting the feed spilled to sea.

We limit nutrient spill

Through 2023, SalMar has been working with feed suppliers to test a feed type for the smolt phase that contributes to more of the waste particles being taken up in the mechanical filters in the facilities. The results show reduced spill of phosphorous, carbon and nitrogen, and improved water quality. Through collaboration with our feed suppliers, we now have an established software for measuring, analyzing and predicting our organic and inorganic spill to sea (like carbon, nitrogen and phosphorus), down to each sea site, based on feed composition, feed volumes, digestibility of the feed and the salmon's uptake. This provides us with detailed and specific insights into our environmental footprint at site-level, both for dissolved particles and particulate matter.

Through our value chain we also require that our feed suppliers have established Nutrient Management Plans and requirements towards their own suppliers at farm-level to have water quality assessments and targets. Our feed suppliers also require farmers to carry out an assessment of their potential adverse impacts on biodiversity and ecosystem services, and have measures in place to avoid, minimize or rectify these. SalMar are in continuous discussions with feed suppliers on how to optimize agricultural practices on ground. Our feed suppliers are today using crop rotation (e.g., rotating soy and wheat) which helps promote nutrient cycling, interrupt pest/disease cycles, and improves soil health and biodiversity. There is also ongoing work for increased adoption of organic farming techniques, limiting pesticide use.

Raw materials in our feed shall not include highly hazardous pesticides (HHP) such as contaminants outside the limits set forth in the Directive 2002/32/EC on undesirable substances in animal feed (including all amendments afterwards) and Regulation EC 396/2005 on pesticides in food and feed (including all amendments afterwards). For ProTerra certified soy from Brazil, producers shall maintain records of all fertilisers, pesticides, other agrochemicals and other inputs purchased, used, and disposed of, including biocontrol agents. Data on pests, diseases, weather conditions during spraying, and weeds shall also be recorded and retained. Operations that use agrochemicals should make stepwise changes in their systems to significantly minimise or eliminate the need for pesticides. The substances and quantities applied and the number of applications per field should be monitored. Agrochemicals, including pesticides and fertilisers, shall be applied using methods that minimise harm to human health, wildlife, plant biodiversity, and water and air quality.

We exploit every part of the salmon

SalMar exploits all by-products (head, spine, and offcuts) from our salmon fully. All offcuts from the production of fillets at SalMar's harvesting and processing facilities are sent for further processing, resulting in 100 % of the raw materials being utilised. From InnovaMar, the raw materials go directly to Nutrimar via a system of conveyer belts/pipes, which ensures a high degree of freshness and usable volume when processing this raw material. It also means that there is practically no need for input factors relating to its transport and handling. For more information about Nutrimar and its products, see www.nutrimar.no. The fish that die during production are sent to companies that use them as ingredients in the feed industry.

Research and Development

Norway's aquaculture industry has undergone remarkable growth and development, with SalMar being a significant contributor to this progress by prioritizing the advancement of knowledge in its operational areas.

The company achieves this through close collaboration with public authorities, educational and research institutions, and industry associations. In 2023, SalMar continued its extensive research and development activities in various fields, with a focus on fish welfare and lice control. The company undertook significant R&D projects at its processing plant, with considerable attention devoted to optimizing feeding and controlling feeding at its sea farms. SalMar remains committed to providing the industry with sector-specific knowledge, benefiting the sector as a whole.

We support research establishments and academics

SalMar's communications with the NTNU have been growing in scope in recent years, which the company considers to be only natural. The NTNU's Taskforce Salmon Lice research programme was set up in 2020 partly at the initiative of SalMar. The taskforce is a collaborative effort between the NTNU and many aquaculture industry organisations. The objective is to take a broad look at the problems caused by salmon lice. The programme is well underway, and SalMar is participating actively in several of its subprojects. The NTNU has created five doctoral research positions, with postgraduate and undergraduate students connected to each one.

SalMar is also in close contact with the University of Tromsø (UIT) and has signed a cooperation agreement involving the sharing of experience and the initiation of joint projects. One example is the work being done to establish an endowment professorship in the field of recirculating aquaculture systems (RAS) at the UIT. This is a cooperative venture involving several industry players. We are very engaged in supporting the education of tomorrow's researchers and ensure that students gain a good insight into the aquaculture sector, so they can contribute to its further development.

In collaboration with the NTNU, SalMar has endowed a professorship within the field of aquaculture cybernetics. The professorship is intended to promote cross-functional research linking the areas technical cybernetics, biology and aquaculture. It will act as a knowledge base for and link between the aquaculture industry and the academic world. The professorship will also contribute to the recruitment of more students to the field of aquaculture, thus securing the industry's access to highly qualified technological expertise. This professorship will strengthen the NTNU's position as one of the world's leading universities for aquaculture and aquaculture technology.

We actively use R&D licences and have multiple green licences

SalMar has been actively engaged in partnerships with R&D establishments for many years. This also includes collaboration on the operation of R&D licences. The scale and professionalism relating to important development tasks continues to increase. SalMar sees itself as a professional, but demanding partner, whose aim is to ensure that the results of all trials are as relevant as possible, and that plans and protocols take into account the practical realities of fish farming. SalMar has dedicated personnel who organise and assist research establishments in their efforts, at the same time as operational staff gain experience in how best to safeguard research results under busy day-to-day operating conditions. Proximity to the research, with opportunities to influence both its planning and areas of focus are important sources of motivation for SalMar. The development of vaccines, optimisation of medication, feeding and nutrition, and technological issues relating to large-scale operations are examples of important areas for further research.

Following the Norwegian authorities' 2013/2014 round of licence allocations, SalMar obtained "green" licences. The terms of the green licences set stricter limitations on the number of salmon lice and the number of medicinal delousing treatments, as well as a stronger focus on escape prevention. In connection with its green licences, SalMar has focused particularly on the use of cleaner fish, in the form of farmed lumpfish, to control sea lice levels, and the use of a more secure net-pen construction. We have also emphasised participation in a salmon surveillance project in Trøndelag's salmon rivers, in order to assist in the development of methods and expertise related to the tracking and mapping of escaped farmed salmon in rivers. So far, experience from the operation of these sites has been good. A separate report is published annually detailing SalMar's experience and evaluating the operation of its green licences. This report is available on our website.

We are 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. SalMar has its own breeding programme based on the Rauma Broodstock. We use no form of genetic engineering in our breeding programme. See SalMar's GMO and Growth Hormones Policy for more information on this.

SalMar's focus on breeding and genetics includes a collaboration with Benchmark Holding through our co-ownership of SalMar Genetics. SalMar is pleased to see that this model has provided a solid foundation for the further development of the Rauma Broodstock in the years ahead. In this effort, we will be focusing on the development of robust qualities, in addition to general resistance to disease and good growth. The change in focus and intensity of our efforts in this area is a natural consequence of the Group's desire to control the value chain and safeguard the continued development of our products and the long-term future of our business.

We use new packaging solutions and reduce food waste

SalMar is committed to reducing food waste and promoting sustainability through the development of better packing and packaging solutions. As part of this effort, we are involved in national and international projects aimed at creating effective and quality-preserving production, packaging, and distribution methods.

Our focus is on further developing our packaging solutions by adopting more environment-friendly materials, promoting material reuse, and adding other desirable properties. We are working towards increasing the percentage of our products transported in reusable boxes, with a large proportion of our pre-rigor finished products already packed in such boxes. This approach results in significant savings by reducing the need for ice and avoiding polystyrene box disposal.

We have also stopped using ordinary ice for a large part of our fillet production, instead opting for dry ice made from gas derived from fertiliser production. This approach reduces the weight and volume of our consignments and, consequently, the emissions generated during transportation.

Moreover, we are continually developing new and better packaging materials and technologies, focusing on reusable boxes, ice-free shipments, and packaging technology that provides complete bacteriological security. We have initiated several projects aimed at extending the shelf-life of our salmon products through the use of new freezing technology and innovative packaging solutions.

SalMar is involved in the use of Keep-It® shelf-life indicator, a device that displays the temperature and the remaining shelf-life of the product. This indicator helps to increase the shelf-life of the product and reduce food waste by focusing the attention of all links in the value chain, from the factory to the customer.

Currently, we are working on new projects that aim to visualize the quality of the product in the package using new technological solutions. Our objective is to document additional quality attributes through simple technological solutions.

People & Society

At SalMar, we care for our colleagues, partners, and the local communities. As responsible corporate citizens, we believe that our behavior has a positive impact on both our own operations and society at large. With a workforce of over 2,500 employees, we are a significant employer and a key contributor to society, which in turn gives us multiple responsibilities to people, society, and industry. We take these social obligations seriously and uphold ethical business practices as a core value. Our commitment is to operate in an honest, proper, and trustworthy manner, and we take pride in showcasing our operations.

Our focus on sustainable development revolves around creating local value, fostering knowledge development, and enabling people to live a good life. As an employer, producer, supplier of healthy food, user of nature and the environment, and manager of intellectual and financial capital, we understand that these aspects are essential to our business. Given our position, we recognize the importance of positively and sustainably impacting our surroundings, while also giving back to the community whenever possible.

Our KPI Scorecard

All targets are timebound for the following calendar year unless otherwise specified.

		Target	Group 2023	Group 2022	Group 2021	Norway 2023	Norway 2022	Norway 2021	Iceland 2023	Iceland 2022	Iceland 2021
Employees	**Full-time equivalents (FTE)**		**2,674**	**2,266**	**1,960**	**2,506**	**2,112[1]**	**1,828**	**168**	**154**	**133**
	Admin		73	66	51	55	49	36	18	17	15
	Hatcheries		153	125	95	128	101	82	25	24	13
	Fish Farming		1,089	817	720	1,025	759	668	64	58	52
	Sales & Industry		1,357	1,258	1,094	1,297	1,203	1,041	60	55	53
	Female ratio	**Increase**	**26 %**	**28 %**	**27 %**	**26 %**	**28 %**	**28 %**	**28 %**	**26 %**	**23 %**
	Admin	Increase	48 %	44 %	44 %	47 %	44 %	44 %	49 %	51 %	49 %
	Hatcheries	Increase	26 %	22 %	21 %	27 %	22 %	19 %	18 %	20 %	39 %
	Fish Farming	Increase	14 %	13 %	10 %	14 %	13 %	10 %	12 %	12 %	9 %
	Sales & Industry	Increase	36 %	37 %	38 %	35 %	37 %	39 %	39 %	33 %	25 %
Safety & sickness absence	Fatalities	0	0	0	0	0	0	0	0	0	0
	LTIs	0	23	19	24	18	10	17	5	9	7
	H-factor[2]	< 3	5.4	5.3	7.7	4.5	3.0	5.9	3.0	5.8	5.5
	Sickness absence	<4.5 %	5.5 %	5.6 %	6.0 %	5.6 %	5.7 %	6.1 %	4.7 %	4.1 %	4.1 %
Regulatory compliance	Violations	0	1[3]	1	1	1	0	1	0	1	0
	Fines (NOK million)	0	1.7	9	0.2	1.7	0	0.2	0	9	0

1 FTE in Norway in 2022 includes new employees from NRS, NTS and SalmoNor only after the date of acquisition, 1. Nov 2022.
2 SalMar reports H-factor as LTIs per million working hours both on Group level and in Norway. Icelandic Salmon reports H-factor as LTIs per 200.000 working hours. The H-factor in Iceland is 1.5 when using the same calculation method as for Norway and Group.
3 The fine in 2023 was from the Norwegian Food Safety Authority relating to an incident at a farming site.

The Workforce

In order to achieve our strategic goals, it is imperative that we recruit and retain top-notch employees regardless of their gender, age, or background. However, this can only be achieved by providing a working environment that is both appealing and secure. By doing so, we can attract and retain highly skilled individuals who will contribute to our overall success.

We have a diverse workforce

In 2023, the Group employed a total of 2,674 full-time equivalents from 58 different countries. This is 408 full-time equivalents more than in 2022. The workforce was made up of 704 women and 1,970 men. The female ratio of the Executive Management is 14 % in SalMar and 33 % in Icelandic Salmon, SalMar's Icelandic subsidiary.

SalMar works actively towards the recruitment of women in what has traditionally been a male dominated industry. Our goal is to exhibit the vast opportunities for women in all parts of the industry. This is done by actively targeting potential future employees (in school, universities etc.) and having female representatives speak about SalMar as a workplace.

The female ratio of employees increased in all segments in SalMar except for in the Sales & Industry segment. The female ratio is considerably higher at the Group's Admin and Harvesting & Processing plants than at its hatcheries and fish farms. One of SalMar's focus areas have been the Fish Farming segment, as this has the lowest female ratio. This segment has seen an increase in the female ratio for five straight years, more than doubling female employees in this period.

In accordance with the activity duty and the duty to issue a statement set forth in Norwegian regulations to promote more equality and prevent discrimination, SalMar has disclosed its KPIs in relation to this reporting also in 2023. These KPIs include part-time employees, temporary employees, non-guaranteed hours employees, average number of weeks parental leave, average cash benefits[1], median cash benefits and ratio of highest to median cash benefits. Where all KPIs are divided between female and male.

Temporary, part-time and non-guaranteed hours employees constitute a smaller proportion of the total workforce in SalMar. Despite this, it is important to understand whether there is involuntary part-time work carried out. Together with labour union representatives, SalMar regularly assess if there are employees who involuntary work part-time and in dialogue with the employees try to adapt the working situation. SalMar provides its full disclosure for 2023 according to the activity duty and the duty to issue a statement on its webpage within publication deadline 31.07.2024. You can also find SalMar's Gender Equality Report available on our webpage, due to be updated within the publication date mentioned above.

The remuneration assessment for 2023 show that overall cash benefits in Norway are lower for female than for male. This is mostly due to the higher proportion of women within the industry segment with lower salary environment and since the overall seniority level is higher for male employees. Since seniority also is a decisive factor when employing senior managers, male representatives are overrepresented in managerial positions. SalMar's remuneration policy does not accept any form of discrimination of cash benefits provided to employees on the basis of gender. No non-conformance was found from this policy in the latest remuneration assessment. See also our ethical guidelines available on our website.

Icelandic Salmon is certified by BSI, proving that that their remuneration policy promotes equality.

Details of benefits to executive management and compensation according to the remuneration policy for 2023 is presented in a separate remuneration report.

Overview of employees, parental leave and average cash benefits in 2023

	Female	Male	Total	Female ratio
Totalt FTE	704	1970	2674	26 %
Full-time employees	584	1748	2331	25 %
Part-time employees	47	100	148	32 %
Temporary employees	47	67	114	41 %
Non-guaranteed hours employees	26	55	81	32 %

Norway	Female	Male	Total	Difference
Average number of weeks parental leave	27	13	16	14
Average cash benefits (KNOK)	578	718	683	-140
Median cash benefits (KNOK)	513	660	599	-147
Ratio highest to median	4.2	8.0	8.9	NA

We have clear ethical guidelines

In our Code of Conduct, we make our policy clear with respect to the promotion of diversity and equality. SalMar accepts no discrimination, abuse or harassment of our workers or partners, and we treat everyone with courtesy and respect no matter what their ethnicity, gender, national or social background, age, functional capacity, sexual orientation, religious faith, political convictions or other status is. Nobody shall be be unfairly prevented from carrying out their duties and responsibilities. This attitude springs from the acknowledgement that diversity contributes to a better working environment, greater adaptability and better results in the long term.

SalMar's Code of Conduct is available on our website.

All employees can safely report wrongdoing

SalMar has a dedicated whistleblowing channel for both Norway and Iceland, through which all employees can report wrongdoing in the workplace or any grievances they may have. The whistleblowing channel was designed together with employees and trade unions, and is accessible via SalMar's website and on the intranet in both local languages and English. The service is operated by the investigatory unit at BDO AS, and all employees are free to use it either anonymously or under their full names. The whistleblowing channel aims to be a contributor towards keeping all people accountable for their actions. It is encouraged for usage not only for matters regarding oneself, but also if we see others treated unfairly.

All employees are given training in the whistleblowing procedure and know that they are protected from reprisal if they do make a report. The whistleblowing procedure is also described in the management system that is available to all employees. All cases are handled in close collaboration with internal safety representatives and local unions.

The whistleblowing channel is open to the public, meaning that anyone who has grievances can report these to SalMar. This is done to ensure that our suppliers and customers also are accounted for. We require our suppliers to inform their employees that SalMar's grievance mechanism is available if they want to raise concerns.

In 2023, 12 whistleblowing reports were recorded. Six reports were deemed out of scope for the whistleblowing channel and handled individually with the relevant management team, four were related to working environment and two were related to external parties and noise. The grievances were each carefully handled in accordance with internal guidelines (Chap. 12.4 in the Code of Conduct).

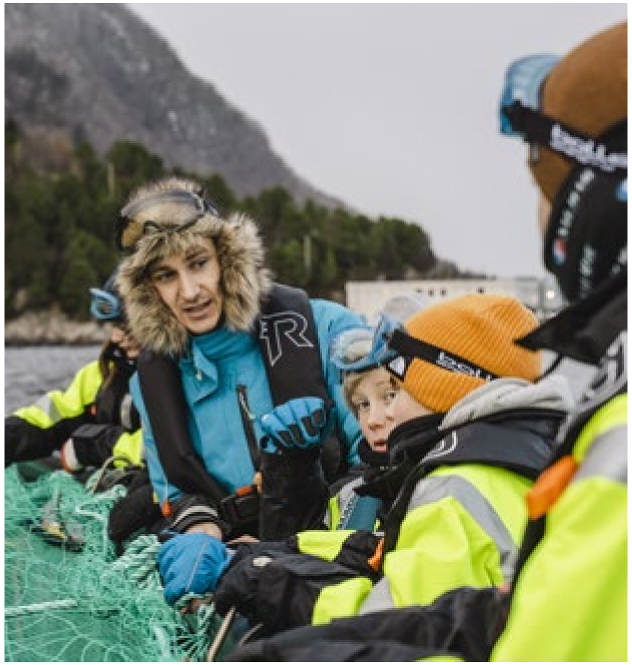
For more information on our whistleblowing channel and SalMar's practices related to this, see our Whistleblowing Policy on salmar.no.

We actively work to ensure equal opportunities and non-discriminatory environments

To properly ensure that SalMar conducts non-discriminatory business, and to uphold the requirements of the Activity Duty and the Duty to Issue a Statement issued through the Norwegian Equality and Anti-Discrimination Act, SalMar has initiated activities internally. The activities include a mapping of SalMar's remuneration practices and the mapping of any involuntary part-time work, as well as activities against discriminatory working environments. The results of this mapping can be seen in our Gender Equality Report published on our website. SalMar will publish an updated Gender Equality assessment in 2024.

In order to work actively, purposefully and well-structured with equality, SalMar has set an internal task force with representation from the senior management to investigate, analyse, and evaluate risks of discrimination. These processes are streamlined to involve all SalMar's segments. Findings and experiences will be discussed in a greater forum with the task force to establish corrective and preventive actions.

> ***"SalMar shall treat everyone with dignity and respect and conduct their activities without discrimination on the basis of race, ethnicity, national or other origin, disability, age, gender, sexual orientation, language, religion or status"***
>
> SalMar's Non-discrimination and Equal Opportunities Policy



We empower our employees and encourage their active participation

If SalMar is going to develop and constantly forge ahead, it is vital that all employees contribute their views and suggestions for new ways of doing things. To facilitate this, the various departments hold regular planning and review meetings. Large parts of the Group make use of a scheduled meeting scheme, which focuses on individual action plans, development goals and close follow-up of the individual employee.

New recruits to SalMar receive HSE training through induction courses, operational seminars, the SalMar School and the Arnarlax Academy. Annual refresher courses are also held on important HSE topics and our Code of Conduct.

The SalMar School and Arnarlax Academy are our arenas for developing individual competence and our corporate culture. In addition to operational updates, these arenas also address matters relating to corporate culture and leadership and involve both managers and employees in the process of creating the world's best aquaculture company. Underpinning all our activities in this area, are our shared management principles and tenets – which enable us to develop even more SalMarians.

The level of risk associated with the work being performed every single day at SalMar means that training and having the right competence is vital. Training is provided internally and in the form of external courses. Day-to-day follow-up and on-the-job learning are, nevertheless, the most important sources for individual competence improvement.

SalMar is conscious of its role in helping to train skilled workers and employs numerous apprentices. We collaborate with "blue" courses of study at both secondary and university level. In Norway, these include schemes such as Ungt Entreprenørskap, Blått Kompetansesenter and the Norwegian University of Science and Technology (NTNU), while in Iceland we collaborate with the Fisktækniskolí.

Furthermore, SalMar conducts periodic development discussions with its employees, at least annually. This is common practice in most businesses, and SalMar considers this to be vital both in developing happy, high-performing employees and in giving the employees a familiar arena where open and honest dialogue with senior management is encouraged.

We provide fair wages

In SalMar, 96 % of our employees are on collective agreements rooted in the national Basic Agreement negotiated between the Confederation of Norwegian Enterprise (NHO) including all its national and local associations and individual enterprises, and the Norwegian Confederation of Trade Unions (LO) including all its unions and associations. This agreement ensures that employees are provided with fair remuneration relative to the cost of living. Industry-specific collective agreements relevant for SalMar's employees are negotiated by the unions on behalf of our employees. In SalMar, The Norwegian United Federation of Trade Unions (Fellesforbundet) and the Norwegian Union of Feed, Beverage, and Allied Workers (NNN) are the largest unions. The agreements are non-discriminatory, meaning that employees at the same level is provided with equal pay regardless of their gender, race, ethnicity, national or other origin, disability, age, sexual orientation, language, religion, or status. This is aligned with SalMar's Non-Discrimination and Equal Opportunities Policy which is available on our website. SalMar also requires suppliers to provide fair wages to their workers, ensuring fair wages to all workers in our value chain. The remaining 4 % in SalMar on individually negotiated contracts are employed in the company administration or in management positions.

It is important to note that the employees have the right to co-determination in matters that are important to their everyday working life. Co-determination in the workplace is exercised through, among other, union representatives who are the employees' representatives vis-à-vis the company management. In addition to local agreements on cooperation, the agenda and rules of this collaboration can be found in collective agreements and various laws. This collaboration is an important mean for SalMar to ensure company insight, involvement and in the end sustainable measures regarding sociopolitical conditions for our employees.

SalMar also provides paid sick leave to employees in accordance with national laws.

Incentive schemes for senior executives are linked to our sustainability KPIs

SalMar has a performance-based bonus scheme for its senior executives, based largely on the achievement of the Group's sustainability KPIs. Different individuals are measured against different KPIs, depending on where in the organisation they work and what their responsibilities are. This applies from members of Group Management down to fish farm technicians.

For example, each individual sea farm has clear KPIs linked to fish welfare, with both survival rate and feed factor being included in the assessment of the performance-based bonus.

We provide a safe and secure workplace

Working at SalMar shall be safe. We work systematically with risk management and training to protect our workforce.

In 2023, a total of 18 Lost Time Injuries (LTI) were recorded in Norway and 5 in Iceland. From the 23 in total, nine were related to fall incidents, eight were related to pinched fingers or hands, three were incidents involving tools, two were related to chemical exposure and one incident came from a falling object. SalMar is again reporting LTIs for subcontractors as a step towards full transparency and accountability throughout the value chain. There were 6 LTIs at SalMar's subcontractors in Norway in 2022 and 0 in Iceland. Three incidents were related to fall accidents, two were related to pinched fingers and one incident was related to a snapped rope.

H-factor Norway
4.5

H-factor Iceland
3.0

SalMar continuously strives for best practice to limit work-related injuries. Continued focus on our internal industrial safety capability is important to further reduce the number of personal injuries in 2024. All segments and/or facilities of the Group have a health and safety representative or committee with worker representatives, and two safety inspections are carried out in each department every year. In 2023, these inspections uncovered important areas for improvement to further reinforce workplace safety.

All serious personal injuries are investigated to prevent similar incidents occurring in the future. In collaboration with DNV GL, our central technical staff department have developed company-specific tools to enable it to investigate such incidents. Nevertheless, prevention remains the most important factor. At SalMar, we place great emphasis on ensuring that hazardous operations are well planned. Operational plans are drawn up before any work commences and associated safe work analyses (SWA) are performed for those taking part. The mapping of our overall risk is the most effective measure we can implement to reduce the probability of injuries occurring.

HSE performance is followed up systematically through targets and action plans. Based on overarching targets, each individual division and department has defined its own local sub-targets. Management has an obligation to monitor performance and evaluate progress, as well as the need for new measures and focus areas. Safety is followed up through weekly and monthly reviews by SalMar's management teams. Lessons learned and improvements are shared across all departments by means of quality-assured reports. All employees are covered by a company health service in the vicinity of their workplace. The Group ensures that everyone receives the training necessary to perform their tasks.

The Working Environment Committee also plays a key role in our HSE activities. The committee comprises selected management representatives along with nominated employees. The committee reports to the Group's governing bodies and the employees' union organisations.

SalMar complies with national regulations also with regards to working hours and sufficient rest. This is paramount to maintain SalMar's strict demands for safe operations.

We are working actively to reduce the sickness absence rate

The sickness absence rate continued to be an area of intense focus in 2023. The sickness absence rate continued to improve for the Group in 2023, but is still some way off our target. Bringing the overall sickness absence rate down towards our company goal will be a continued focus area for 2024.

Society and Value Chain

SalMar has a global supply chain both upstream and downstream, which entails a responsibility to ensure and promote social standards and rights in all our activities, both direct and indirect. SalMar endorses wholeheartedly the principles set out in the Universal Declaration of Human Rights. All aspects are considered closely, and the most relevant for our operations (direct and indirect), are included in the Group's Code of Conduct and other governing documents.

SalMar complies fully with the Norwegian Transparency Act that entered into force in July 2022. This involves proper due diligence of our suppliers on human rights and working conditions. The Act is a strong initiative regarding business transparency and work on human rights aspects.

SalMar performs due diligence on human rights as a core part of the company's supply chain due diligence process. In 2022, SalMar purchased and applied a dedicated software for supply chain management. The software enables initial evaluations of human rights risk based on companies' industry, geography and known suppliers.

SalMar's due diligence process involves a self-assessment questionnaire where suppliers are asked to answer inquiries related to their practices and history on human rights, worker's rights, health and safety, governance, tax, and their own supply chain management processes. The questionnaire answers and the risk assessment done by SalMar's dedicated software, together determine the companies relevant for closer follow-ups. The dialogue with suppliers continues until the identified risks are sufficiently handled. Overall, suppliers are audited on social responsibility certifications, health and safety certifications, employee contractual agreements and policies, procedures and events related to human rights in own operations and in the value chains including forced labor, child labor, fair wages, events of harassment, abuse, threats or violence, specific risk assessments for young workers, right to collective bargaining, freedom of association, freedom of unionization without the company's involvement, discrimination, compliance with the ILO conventions relating to working hours and documentation of any breaches, paid overtime work, workers' rights to vacations and paid leave, established grievance mechanisms, health and safety risks, mitigating actions and nonconformance reporting, corruption, fair competition, tax breaches, and clarity on any specific ESG-related matter.

The suppliers are audited on whether they audit their own suppliers on each of the topics mentioned above. We also audit ourselves on the same standards.

In our 2022 due diligence process, two potential breaches of human rights were identified. Both incident were related to our suppliers' own value chains, specifically two suppliers in China. The first risk was a breach of maximum allowed working hours and the risk is mitigated and monitored by third-party audits on the ground. The second risk was related to a potential breach of indigenous people's rights, and the resulting mitigating action was the termination of the business agreement with this supplier. No risks of human rights breaches were found in our own operations.

A full statement on findings of our 2022 due diligence assessment can be found on our website, in accordance with the Norwegian Transparency Act. The results of the 2023 assessment will be published in line with the annual deadline of the Transparency Act, 30th of June 2024. For additional information on the topic, please see SalMar's Human Rights Policy and Whistleblowing Policy on our webpage.

SalMar has a presence in local communities along the Norwegian coast and is attentive to developments in villages and local districts. Today, we have operations along the coast of Central Norway, Northern Norway and the Westfjords region of Iceland. It is important for our employees that the local communities in which they live have the necessary infrastructures and opportunities for leisure activities. For SalMar, it is crucial that the Group is able to operate at locations offering good growing conditions for our fish stocks. It is also important for SalMar to participate in local arenas for the exchange of views and information, and to take part in planning processes.

Salmon farming is still considered a young industry, and it is important to ensure that local decision-makers and other local residents are informed about our operations and plans for development. Through active participation in business associations and the public debate, SalMar contributes to important sustainable development processes in Norway and Iceland.

We support and sponsor the local communities in which we operate

To give something tangible back to the local communities in which the Group operates, SalMar supports several local sports teams and voluntary associations through the SalMar Fund. Overall, the fund gives priority to sporting and cultural initiatives, particularly those involving children and young people.

SalMar also supports several national charities and campaigns, such as the Norwegian Cancer Society and WWF's efforts to combat ocean plastic.

SalMar continues its collaboration with the Norwegian Labour and Welfare Administration (NAV) to recruit people with shorter résumés to jobs at the InnovaMar harvesting and secondary processing plant in Frøya.

In 2013, SalMar became a sponsor of the football club Rosenborg Ballklubb (RBK). This partnership was expanded in the start of 2023 to also encompass Rosenborg Kvinner, an aspiring female football club in the Norwegian top division. The partnership also includes a separate programme for children and teenagers, and the development of grassroots football clubs in Trøndelag. RBK has highlighted the partnership through the SalMar Sports Ground and the SalMar Academy. The objective is to help transfer competence from Rosenborg to grassroots clubs in Trøndelag County in the form of engaging training sessions to promote player and trainer development.

We operate visitor centres so that the public can learn more about aquaculture

SalMar wishes to increase the public knowledge about the aquaculture industry and the target audience includes locals, tourists and schoolchildren. Through exciting experiences on shore and at sea, the public will gain greater insight into a modern and sustainable industry. A visit to one of SalMars visitor centers includes an interactive exhibition about fish farming in Norway, and visitors can see the high-tech solutions used to remotely feed the salmon. In addition, centers typically feature a modern kitchen where visitors can learn how easy it is to prepare delicious salmon meals. Visitors also have the opportunity to take a trip out to a sea farm, to see with their own eyes how and where the salmon live.

Today SalMar with subsidiaries have six visitor centres open to the public. In 2017, a visitor centre, the SalMar Salmon Centre, opened in Finnsnes/Lysnes in Northern Norway. In 2022, SalMar opened another visitor centre in Molde in Central Norway. The visitor centre from Refsnes Laks is located in Trondheim and the visitor centre from Nekton is located on the Smøla archipelago. Through the acquisition of SalmoNor and NRS two additional visitor centres have been included in the group, one in Rørvik in Trøndelag County and Laksens Hus in Alta in Finnmark county.

We ensure safe road transport

At certain times every winter in Norway and Iceland, the weather makes the roads impassable, and we experience hazardous situations due to heavy goods vehicles not having the proper tyres/chains. We have therefore introduced control measures and routines. As a buyer of transport services, SalMar demands that its suppliers meet certain standards. To transport salmon from our production facilities and harvesting plants, the transport service provider must sign a declaration stating that they comply with the Norwegian Public Roads Administration's technical requirements for vehicles in Norway. They also commit to familiarise themselves with the prevailing driving conditions on the roads they will be using.

Together with the Norwegian Public Roads Administration, SalMar is a participant in the "Safe Trailer" project. This project is intended to help equip heavy vehicles to cope better with winter driving conditions in Norway and will lead to increased safety for all. Specifically, the project involves Norwegian Public Roads Administration staff teaching our employees how to check that tyres and chains are in order, as well as providing useful information to the company's employees and drivers.

In addition, our staff assess whether the trailer is in a technically acceptable condition and whether the driver is "competent" to drive it. In the event of any non-conformance, necessary measures are implemented.

Our financing is linked to our sustainability endeavours

In 2023 SalMar ASA refinanced its credit facilities with a new financing agreement with the intention of making it sustainability linked. SalMar achieves a lower interest margin if we succeed and a higher interest margin if we fail to fulfil the targets for the ESG KPIs. Since the financing was concluded in August 2023 the ESG KPIs linked to the financing will be agreed upon in 2024.

In addition, SalMar issued a green bond at the start of 2021, with the funds raised being used in accordance with the published green bond framework. SalMar publishes a Green Bond Report annually on our webpage showing that the green bond's funds were invested solely in areas that contribute to the sustainable development of the company and the industry at large. See SalMar's website for further details. As part of our financing, SalMar is committed to align its capital expenditures with its GHG emission targets.

We comply with the regulations

The aquaculture industry is strictly regulated, and companies must comply with applicable laws and regulations. SalMar reports the number of regulatory violations that have resulted in fines. This includes all violations relating to products and food safety, environmental and social regulations that resulted in monetary fines.

SalMar's Anti-Corruption and Bribery Policy and Anti-Competitive Behaviour Policy, Policy states how SalMar works to stay compliant with relevant regulations and proper business practices. There were no violations relating to corruption or anti-competitive behaviour in 2023, nor did SalMar identify such events in its supply chain.

Please see Note 4.9 to the annual financial statements for information concerning allegations of price fixing.

GRI Index and Third-Party Verification

Each year, SalMar reports on its activities in the field of corporate social responsibility and sustainability on the basis of the guidelines issued by the international organisation, the Global Reporting Initiative (GRI). Reporting takes place via this report, SalMar's annual report and other information published on our website.

The sustainability reporting for 2023 includes data for a number of disclosures drawn from GRI's guidelines. An overview of which indicators the report covers is presented in a separate publication on our webpage.

EY has carried out a limited third-party verification of the 2022 report. The KPIs in the report that have been verified, along with accompanying comments, are presented below.

Third-party verification

The following shows the KPIs that have been the subject of third-party verification by EY.

Fish

KPI		Indicator
Survival rate	12-month rolling survival rate	GSI
Antibiotics	Grams of active pharmaceutical ingredient (API/tonne produced)	GSI
Interaction with wildlife	Birds – Accidental mortality	GSI
	Birds – Euthanised	GSI
	Marine mammals – Accidental mortality	GSI
	Marine mammals – Euthanised	GSI
Fish escapes	No. of incidents	GSI
	No. of escaped fish	GSI
Fish feed	Certification of marine ingredients in fish feed	Own KPI
	Certification of soya ingredients in fish feed	Own KPI
	FFDR (Fish meal)	Own KPI
	FFDR (Fish oil)	Own KPI
	Biological feed conversion ratio	Own KPI
Certification	Share of active sites certified	GSI

Environment & Technology

KPI		Indicator
Greenhouse gas (GHG) emissions	Scopes 1 + 2 (GHG tCO_2e)	305-1+2
	Intensity Scopes 1+2 ($kgCO_2e$/tonne produced)	305-4
	Scope 3 (GHG tCO_2e)	305-3
	Intensity Scope 3 ($kgCO_2e$/tonn produced)	305-4
	Intensity Scopes 1+2+3 ($kgCO_2e$/tonne produced)	305-4
Secondary processing	Share of secondary processing	Own KPI
Site environment	B-analysis benthic score ≤ 2	Own KPI
Operational areas with low water risk	Share of operational areas with a low overall water risk	303-5
Withdrawal of fresh water	Withdrawal (1,000 m^3)	303-5
	Intensity (liter per kg produced)	Own KPI

People & Society

KPI		Indicator
Safety & sickness absence	LTI – Own employees	403-9
	LTI – Subcontractors	403-9
	H-factor	403-9
	Sickness absence	403-10

Corporate Governance

Corporate Governance at SalMar ASA

SalMar ASA aims to maintain a high standard of corporate governance. Good corporate governance strengthens public confidence in the company and contributes to long-term value creation by regulating the reciprocal roles and responsibilities of shareholders, the Board of Directors and the company's management, over and above that which is provided in laws and other regulations.

Corporate governance at SalMar shall be based on the following main principles:

- All shareholders shall be treated equally.
- SalMar shall maintain open, relevant and reliable communications with its stakeholders, including shareholders, public authorities and the general public, on matters relating to its business.
- SalMar's Board of Directors shall be autonomous and independent of company management.
- A majority of board members shall be independent of the company's majority shareholder.
- SalMar shall have a clear allocation of roles and responsibilities between shareholders, the Board and management.

1. Corporate Governance

Compliance and regulations

SalMar's Board of Directors have overall responsibility for ensuring that the company has adequate corporate governance. The company's Board and management perform a thorough annual assessment of its principles for corporate governance.

SalMar is a Norwegian public limited company listed on the Oslo Stock Exchange. The company is subject to section 3-3b of the Norwegian Accounting Act, pursuant to which the company must annually disclose its principles and practices with respect to corporate governance. In addition, the company is subject to the Oslo Stock Exchange's requirements for an annual statement of its principles and practices with respect to corporate governance. This disclosure shall cover each chapter in the prevailing Norwegian Code of Practice for Corporate Governance (code of practice) issued by the Norwegian Corporate Governance Board (NUES). The Oslo Stock Exchange's Continuing Obligations provide an overview of the information that must be included in the disclosure. The Norwegian Accounting Act is available from www.lovdata.no, while the Continuing Obligations are available from www.oslobors.no.

SalMar complies with the current Code of Practice for Corporate Governance, published 14 October 2021. The code of practice may be found at www.nues.no.

Application of the code of practice is based on the 'comply or explain' principle, which means that the company must provide an explanation if it elects an approach different to that recommended in the code of practice.

SalMar issues a comprehensive statement of its principles for corporate governance in its annual report, and this information is also available from www.salmar.no. This present statement describes how SalMar has conducted itself with respect to the code of practice in 2023

Deviations from the code of practice: Reference is made to item 6.

2. Business and Purpose

SalMar is one of the world's largest producers of farmed salmon. As at 31 December 2023, the company owned licences for marine production of 167,112 tonnes maximum allowable biomass (MAB) in Norway. This includes 6 time-limited demonstration licences and 4 broodstock licences covering 780 tonnes MAB each and 7,151 tonnes MAB in development licences. In addition, the company has 6,240 tonnes MAB development licences through the Mariculture AS. SalMar has substantial secondary processing and sales activities in Frøya at InnovaMar, Senja at InnovaNor and Aukra at Vikenco, as well as six sales offices in Asia.

In 2021 SalMar entered into a strategic partnership with Aker establishing SalMar Aker Ocean. The company has ambition to become a global offshore aquaculture company with an ambition of 150,000 tonnes.

At the end of 2023, SalMar owned 52.48 per cent of the Icelandic aquaculture company Icelandic Salmon, which harvested 17,900 tonnes of salmon in 2023 and holds 23,700 tonnes MAB in licence capacity.

SalMar owns 50 per cent of Norskott Havbruk AS, which in turn owns 100 per cent of Scottish Sea Farms Ltd, the UK's second largest producer of salmon, with an annual capacity of around 45,000 tonnes of salmon.

SalMar ASA's objectives are defined in Article 2 of its articles of association:

"The objective of the company is fish farming, the processing and trading of all types of fish and shellfish, and other financial activities related thereto. The company may, in accordance with directives from the relevant authorities, undertake general investment activities, including participation in other companies with similar or related objectives."

SalMar's Board of Directors has drawn up clear objectives and strategies for the Group to secure optimal value creation for its shareholders and other stakeholders. Each business area has developed its own goals in line with these, and strategic priorities have been defined. Within the framework of the above article, SalMar is currently engaged in broodstock and smolt production, marine-phase farming, harvesting, processing and sale of farmed salmon. The Board also defines risk and sustainability profiles for the Group and ensures that these support value creation for its shareholders, and the board evaluates the risk profile annually.

The company's objectives and main strategies are further discussed in the annual report and can be found on the company's website www.salmar.no.

Corporate values, code of conduct and social responsibility

SalMar's corporate culture is based on the success factors that have underpinned its development since its establishment in 1991. Although this culture is affected by both internal and external work conditions, it is firmly embedded in certain overarching principles, such as sustainability, equality, quality, care for the environment, focus on work tasks and continuous improvement.

Underpinning all of SalMar's actions and business operations is its vision: "Passion for Salmon". This means that all choices relating to the company's production shall be made on the basis of a passion for salmon. Salmon shall be produced on its own terms. SalMar considers that the best biological results will provide the basis for the best financial results, and will safeguard SalMar's position as the world's most cost-effect salmon producer.

SalMar has two main principles: minimizing our environmental impact in the areas we operate, and to maximize value creation from the fish we produce. One of our most important tenets is "sustainability in everything we do". Sustainable food production is an issue that has gained increased significance and focus. SalMar is engaged in a number of initiatives which will help make our already sustainable food production even more sustainable. See our latest sustainability report for further details.

SalMar has a set of tenets that describe desired behaviours and a shared understanding of how employees should behave. Through the SalMar School and day-to-day exposure to SalMar's corporate and performance culture, all employees are given encouragement and opportunities for development. For more information on the SalMar culture, please see the annual report and the company's website www.salmar.no.

SalMar has drawn up a code of conduct and social responsibility, whose purpose is to safeguard and develop the company's values, create a healthy corporate culture and uphold the company's integrity. The code of conduct is also meant to be a tool for self-assessment and for the further development of the company's identity. All employees of the company are bound to comply with the ethical guidelines laid down in the code of conduct. The reporting of any wrongdoing or other causes for concern is covered by specific procedures, which also allow employees to report anonymously through an external channel. The code of conduct is available from the company's website www.salmar.no.

SalMar has a presence in many local communities. The Group is therefore very aware of the diverse nature of its social responsibilities: as an employer, an industrial processor, a producer of healthy food, as a custodian of financial and intellectual capital, and – not least- as a user of the natural environment. Increased biological control is one of the company's most important focus areas, and is a material prerequisite for long-term success. The company is, among other things, working actively to safeguard fish welfare and prevent salmon from escaping.

One of the company's most important tenets is 'We care'. This permeates the SalMar culture, and ensures a high degree of awareness among employees, both internally and externally, in the areas in which the company operates.

Deviations from the code of practice: None

3. Equity and Dividend

Equity

As at 31 December 2023, the group's equity totalled NOK 23,079 million, which corresponds to an equity ratio of 43.3 per cent. The Board considers SalMar's capital structure to be solid in relation to the company's objectives, strategy and risk profile.

Dividend policy

SalMar intends to provide shareholders with a competitive return on invested capital by creating value for shareholders in the form of dividends and share price appreciation over time.

SalMar's dividend policy takes as its starting point that the company shall at all times have a robust balance sheet and a liquidity reserve that is sufficient to meet future obligations.

The company has established long-term financial targets linked to gearing: NIBD[1] in relation to EBITDA in the interval 1.0–2.5. Provided that the company is within these limits, and taking account of future investments, the intention is to pay out surplus liquidity in the form of a dividend or the buyback of treasury shares. Provided the Annual General Meeting (AGM) approves, the aim is to make annual payments of dividend. The company will also consider the buyback of treasury shares within the authorisation limits granted to the Board by the AGM.

For the 2023 financial year, the Board proposes payment of a dividend corresponding to NOK 35.00 per share. This proposal is based on the Board's assessment that company's has demonstrated its capacity to adapt to changing market and regulatory conditions, delivering strong results and successfully completing large transactions, while maintaining a solid financial position with a strong liquidity reserve.

Board authorisations

Authorisations granted to the Board are normally time limited, and are valid only up until the next AGM and no later than 30 June the following year.

The AGM of 8 June 2023 granted the Board four authorisations: to increase SalMar's share capital, to issue convertible loans, to buy back SalMar's own (treasury) shares and to acquire own shares in the market. These were extensions of authorisations granted by the AGM in 2022. In line with the Norwegian Code of Practice for Corporate Governance, each of the authorisations was considered separately.

1 NIBD includes liabilities in accordance with IFRS 16 and EBITDA is without fair value adjustment, onerous contracts and production tax

The authorisation for the Board to increase the company's share capital was limited to NOK 1,814,236.50, through the issue of up to 7,256,946 shares to finance investments and the acquisition of businesses through cash issues and contributions in kind.

The second authorisation allows the Board to issue convertible loans for up to NOK 3,000,000,000 for the purpose of enabling SalMar, at short notice, to use such financial instruments as part of its overall financing requirement. In connection with the conversion of loans raised pursuant to this authorisation, SalMar's share capital may be increased by up to NOK 1,814,236.50, though with account taken of any capital increases undertaken pursuant to the authorisation to increase SalMar's share capital, such that the total capital increase for both authorisations combined may not exceed 5 per cent of the share capital. It follows from the purpose of the authorisations that the Board may need to waive existing shareholders' preference rights.

The third authorisation allows the Board to acquire up to 14,513,892 treasury shares with an aggregate par value of up to an aggregate of NOK 3,628,473 at a price per share of no less than NOK 1 and no more than NOK 1,000. The rationale for the Board's proposal was that such arrangement would amongst other things give the Board an extended possibility to utilise mechanisms for distribution of capital to SalMar's shareholders and to facilitate an adequate capital structure of SalMar. Exercise of such authorisation was made subject to principles of equal treatment of shareholders. To ensure that SalMar's majority owner's, Kverva Industrier AS, proportionate shareholding remained equal it was set in place an arrangement whereby any shares acquired in the market would be cancelled through a subsequent share capital decrease and that a corresponding part of Kverva Industrier AS' shares would be redeemed. The total capital increase for the third authorisation may not exceed 10 per cent of the share capital.

All board authorisations are valid up until the next AGM, which will be held on 6 June 2024.

Deviations from the code of practice: None

4. Non-Discrimination of Shareholders and Transactions With Closely Related Parties

As of 31 December 2023, SalMar ASA owned 278,854 treasury shares, which accounts for 0.21 per cent of the company's registered share capital. Transactions involving treasury shares are undertaken on the stock exchange or otherwise at the listed price.

In the event of not immaterial transactions with related parties, the company shall make use of valuations and assessments provided by an independent third party.

In the event of capital increases based on an authorisation issued by a general meeting of shareholders, where the existing shareholders' rights are waived, the reason for this will be provided in a public announcement in connection with the capital increase as it was done on the successful private placement that took place 8 June 2021.

SalMar's code of conduct and regulations regarding insider trading set out what is required of employees with respect to loyalty, conflicts of interest, confidentiality and guidelines for trading in the company's shares. The code of conduct states that all employees must notify the Board if they, directly or indirectly, have a material interest in any agreement entered into by the company. Board members also have a duty to comply with the company's code of conduct.

SalMar's Board Chair Gustav Witzøe is the company's founder. He indirectly owns 93.1 per cent of Kverva AS, which, through Kverva Industrier AS, owns 45.4 per cent of the shares in SalMar ASA. Witzøe is a member of the board of Kverva AS. The instructions regulating the Audit and Risk Committee includes monitoring of the company's routines and follow-up of transactions between related parties.

Transactions with related parties are disclosed in Note 4.8 to the 2023 consolidated financial statements.

Deviations from the code of practice: None

5. Free Transferability

SalMar has only one class of shares and all shares have equal rights. Each share has a face value of NOK 0.25 and carries one vote.

The company's shares are freely transferable on the Oslo Stock Exchange, and its articles of association do not contain any restrictions on the right to own, trade or vote for shares in the company, as long as the regulations governing insider trading are complied with.

Deviations from the code of practice: None

6. General Meeting of Shareholders

The company's highest decision-making body is the General Meeting of Shareholders.

General meetings are open to participation by all shareholders. Pursuant to Article 7 of the company's articles of association, the Annual General Meeting must be held by the end of June each year in Oslo, Trondheim or Kverva in the municipality of Frøya.

The 2024 AGM will be held on 6 June 2024 at the company's head office in Frøya.

An invitation to attend the AGM or an EGM will be issued no later than 21 days prior to the date of the meeting.

In accordance with the company's articles of association, documents relating to matters to be addressed at a general meeting of shareholders may be made available on SalMar ASA's website. The same applies to documents which by law must be included in or attached to the invitation to attend the general meeting. If the documents are made available in this way, the statutory requirement with respect to distribution to shareholders is not applicable. A shareholder may nevertheless ask to be sent documents relating to matters to be discussed at a general meeting by post. Case documents must contain all the documentation necessary to enable shareholders to take a standpoint on all matters to be addressed. Pursuant to section 5-11 of the Public Limited Companies Act, shareholders are also entitled to table their own items for consideration by the general meeting.

The deadline for notification of shareholders' intention to attend a general meeting is stipulated by the Board of Directors in the invitation thereto, no less than five days prior to the date of the meeting. Shareholders may send notification of their attendance, using the form provided, by post or email to the company's account manager Nordea Bank Norge AS, or via the company's website www.salmar.no.

Shareholders are entitled to make proposals and cast their votes either in person or through a proxy, including a proxy appointed by the company. The proxy form also enables shareholders to grant a proxy vote for each individual agenda item and in connection with the election of each board member.

Shareholders are entitled to cast their votes on each individual item on the agenda, including each individual Director nominated to the Board or members for the Nomination Committee.

The Board determines the agenda for the meeting, and the main issues to be dealt with by the AGM are regulated by Article 9 of the company's articles of association and section 5-6 of the Public Limited Companies Act.

The Board Chair and the company's auditor will be represented at general meetings, which will normally be chaired by the Board Chair. Other members of the Board of Directors and members of the Nomination Committee may in addition be represented at general meetings. The present Board Chair, Gustav Witzøe, is a member of the board of Kverva AS, SalMar's majority shareholder through its ownership in Kverva Industrier AS. Nevertheless, SalMar considers its Board Chair to be best suited to chair general meetings. In the event of any disagreement on individual agenda items where the Board Chair belongs to one of the factions, or for some other reason is not deemed to be impartial, a different person will be selected to chair the meeting in order to ensure independence with respect to the matters concerned.

The company will publish the minutes of general meetings of shareholders in accordance with stock exchange regulations.

Deviations from the code of practice: It is considered from time to time whether the entire Board of Directors and the Chair of the Nomination Committee will be present at the general meetings.

7. Nomination Committee

Article 8 of the company's articles of association stipulates that the Nomination Committee shall comprise a total of three people, who shall be shareholders or shareholders' representatives. The Nomination Committee's composition shall be such that the interests of shareholders as a community are upheld, and the majority of committee members shall be independent of management and the Board. The members of the Nomination Committee, including its chair, are elected by the AGM for a term of two years. Members may be re-elected. To ensure continuity, members' terms of office shall not coincide. The remuneration payable to members of the Nomination Committee is determined by the AGM. A set of regulations governing the work of the Nomination Committee was adopted at the board meeting of 21 March 2007 and updated at the AGM in 2014.

As at 31 December 2023, the Nomination Committee comprise of the following:

- Bjørn Wiggen, Chair
- Endre Kolbjørnsen (up for election in 2024)

Karianne O. Tung was appointed member of the Norwegian government and resigned from her position as member of the Nomination Committee 16th of October 2023. A new member to the Nomination Committee will be elected at the AGM in 2024.

The Nomination Committee shall make a recommendation to the AGM with respect to candidates for election to the Board of Directors and Nomination Committee, as well as propose the remuneration payable to the members of the Board and the Nomination Committee. In its work, the Nomination Committee shall take into consideration relevant statutory requirements with respect to the composition of the company's governing bodies, as well as principles for corporate governance laid down in the Norwegian Code of Practice for Corporate Governance drawn up by NUES. Proposals for members of the Board and Nomination Committee should safeguard the shareholder community's interests and the company's need for competence, capacity and diversity. The Nomination Committee has a dialogue with each of the board members yearly.

The Nomination Committee draws up criteria for the selection of candidates for the Board and Nomination Committee, in which both genders should be represented. The Nomination Committee should, over time, balance the requirements for continuity and renewal in the individual governing body. Relevant candidates must be asked whether they are willing to undertake the office of director or deputy director.

The committee should base its recommendations with respect to the remuneration payable on (a) information about the size of the remuneration paid to elected officers in other comparable companies, and (b) on the scope of work and the amount of effort the elected officers are expected to devote to the task on behalf of the company.

The Nomination Committee's recommendation to the AGM must be published in good time, so that it can be communicated to the shareholders before the meeting takes place. The recommendation shall accompany the invitation to attend the AGM, no later than 21 days before the meeting takes place. The committee's recommendation shall contain information about the candidates' independence and competence, including age, education and work experience. If relevant, notice shall also be given about how long the candidate has been an elected officer of the company, any assignments for the company, as well as material assignments for other group companies that may be of significance.

Proposals to the Nomination Committee

All shareholders are entitled to propose candidates for the Board or other elected offices to the Nomination Committee. Such proposals must be submitted to the Nomination Committee no less than six weeks prior to the company's AGM. All proposals shall be sent by email to the Nomination Committee's chair. Contact details are available from the company's website www.salmar.no.

Deviations from the code of practice: None

8. Board of Directors, Composition and Independence

Pursuant to Article 5 of SalMar's articles of association, the Board of Directors shall comprise of five to nine members, to be elected by the AGM. The Board Chair is elected by the AGM. The company's current board is made up of seven members, including two employee representatives. Three out of seven of the company's directors are women, including one female employee representative.

The regulations governing the work of the Nomination Committee state that emphasis shall be placed on ensuring that board members have the necessary competence to carry out an independent assessment of the matters presented to it by management and of the company's business activities. Emphasis shall also be placed on ensuring that there is a reasonable gender balance and that directors are independent with respect to the company. The Nomination Committee's recommendation shall meet the requirements relating to board composition stipulated by applicable legislation and the regulations of the Oslo Stock Exchange. Board members are elected for a term of two years and may be re-elected. An overview of the individual directors' competence and background is available from the company's website www.salmar.no.

Through decades of expertise from the aquaculture industry three of the Board members (Gustav Witzøe, Leif Inge Nordhammer and Margrethe Hauge) has expertise within sustainability and food safety for the industry. In addition both Margrethe Hauge and Morten Loktu both have expertise within product development and innovation.

As at 31 December 2023, four shareholder elected board members, Gustav Witzøe, Leif Inge Nordhammer, Arnhild Holstad and Morten Loktu owned shares in SalMar. And one of the employee-elected board members owned shares in SalMar. See company's website www.salmar.no and Note 4.2 to the 2023 consolidated financial statements for further details.

Independence of the Board

SalMar's Board of Directors is composed such that it is able to act independently of any special interests. Board Chair Gustav Witzøe is also a member of the board of Kverva AS, the company's majority shareholder through its owner share in Kverva Industrier. Further, Leif Inge Nordhammer is also a member of the board of Kverva AS. These two are therefore not deemed to be independent. The remaining directors are deemed to be independent of senior executives, material business associates and the company's largest shareholders. In matters of material importance in which the Board Chair is, or has been, actively engaged, another director is appointed to chair the Board's deliberations. No such matters have been addressed in 2023.

Deviations from the code of practice: None

9. The Board of Directors

The Board of Directors has overall responsibility for the management of the Group and the supervision of its day-to-day management and business activities. Furthermore, the Board determines the Group's overall objectives and strategy, including the overall composition of the Group's portfolio and the business strategies of the individual business unit. The board is formally mandated to oversee all Sustainability/ESG issues. The work of the Board is governed by a set of regulations which describe the Board's responsibilities, tasks and administrative procedures. The Board has also prepared a set of instructions for the group management team that clarifies its duties, lines of authority and responsibilities.

The regulations governing the Board's working practices provide guidelines for how individual directors and the CEO should conduct themselves with respect to matters in which they may have a personal interest. Among them is the stipulation that each director must make a conscious assessment of his/her own impartiality, and inform the Board of any possible conflict of interest.

The Board shall approve the Group's plans and budgets. Proposals relating to targets, strategies and budgets are drawn up and presented by management. Strategy is normally discussed during the autumn, ahead of the Group's budget process. Within the area of strategy, the Board shall play an active role in setting management's course, particularly with regard to organisational restructuring and/or operational changes.

The Board meets as often as necessary to perform its duties. In 2023, the Board held 12 meetings, of which 6 were held digitally. The overall attendance rate at board meetings was 100 per cent.

The Board makes an annual assessment of its own work and competence.

Audit and Risk Committee

Pursuant to the Public Limited Companies Act, SalMar has a board-appointed Audit and Risk Committee. The committee's main tasks are to prepare the Board's follow-up of the financial reporting process, monitor the Group's internal control and risk management systems; monitor its routines and follow-up of transactions with related parties; and maintain an ongoing dialogue with the auditor. The committee held 8 meetings in 2023, with an overall attendance rate of 100 per cent.

With effect from 1 January 2021, the committee has been given broader responsibilities. This has been prompted by changes in the Norwegian Auditing Act and implementation of EU directives. The Board has updated the committee's instructions accordingly.

The Audit and Risk Committee also monitors the routines and follow-up procedures of transactions towards related parties.

At least one committee member must be independent of the business. If the committee has more than two members, a majority must be independent of the business.

As at 31 December 2023, the Audit and Risk Committee comprised the following:

- Margrethe Hauge (independent), chair
- Morten Loktu (independent)

Deviations from the code of practice: None

10. Risk Management and Internal Control

The Board is responsible for ensuring that the company's risk management and internal control systems are adequate in relation to the regulations governing the business. The company's systems and procedures for risk management and internal control are intended to ensure efficient operations, timely and correct financial reporting, as well as compliance with the legislation and regulations to which the company is subject. The Board performs an annual review of the company's risk management/corporate governance.

The most important risk factors for the company are biological risk associated with the biological situation in its hatcheries and sea farms, as well as the risk of fish escaping therefrom, and financial risk (fluctuations in salmon prices, foreign exchange, credit and interest rate risk). In addition, greater emphasis has been placed on IT security and the development of technologies and solutions to secure continued sustainable growth in the field of sustainable food production. These risk factors are monitored and addressed by managers at all levels in the organisation. For further information, please see the Annual Report for 2023. It is the CEO's responsibility to ensure that the company operates in accordance with all relevant statutes and guidelines.

Internal control of financial reporting is achieved through day-to-day follow-up by management and process owners, and supervision by the Audit and Risk Committee. Non-conformances and improvement opportunities are followed up and corrective measures implemented. Financial risk is managed by a central unit at head office, and, where appropriate, consideration is given to the use of financial hedging instruments.

Follow-up and control of compliance with the company's values and code of conduct takes place in the line as part of day-to-day operations.

The largest risk facing SalMar relates to the biological development of its smolt and marine-phase fish stocks. The company has internal controls which encompass systematic planning, organisation, performance and evaluation of the Group's activities in accordance with both public regulations and its own ambitions for continuous improvement. The Group has, for example, drawn up shared objectives for its internal control activities relating to the working environment and personal safety, escape prevention, fish welfare, pollution, food safety and water resources. Please see the annual report for further details.

Deviations from the code of practice: None

11. Directors' Fees

The Nomination Committee's proposal for the remuneration payable to the Board of Directors is approved or rejected by the company's AGM. Directors' fees shall reflect the Board's responsibilities, competence, time spent and the complexity of the business.

Directors' fees are not performance-related and contain no share option element. Additional information relating to directors' fees can be found in the notes to the financial statements included in the Annual Report for 2023.

In accordance with Section 6-16b of the Public Limited Companies Act, a separate report describing remuneration to management and directors in 2023 will be presented to the AGM for approval.

Deviations from the code of practice: None

12. Remuneration to Senior Executives

Pursuant to Section 6-16a of the Public Limited Companies Act, the Board of Directors has prepared a statement relating to the determination of salaries and other benefits payable to senior executives. This statement will, in line with the said statutory provision, be laid before the company's AGM in accordance with the existing regulations.

The company's senior executive remuneration policy is based primarily on the principle that executive pay should be competitive and motivating, in order to attract and retain key personnel with the necessary competence.

The statement refers to the fact that the Board of Directors shall determine the salary and other benefits payable to the CEO. The salary and benefits payable to other senior executives are determined by the CEO in accordance with the guidelines laid down in the statement. The existing compensation scheme is divided into three and comprises a fixed salary, a performance-related bonus and a share-based incentive scheme in line with the Board's authorisation.

At the 2023 AGM, the statement on executive remuneration was set forth as a separate case document, which is available from the company's website www.salmar.no. The AGM voted to approve the establishment of a new share-based incentive scheme for senior executives. The AGM approved separately the item relating to the remuneration of senior executives linked to shares or developments in the price of shares in SalMar or other group companies.

In accordance with Section 6-16b of the Public Limited Companies Act, a separate report describing remuneration to management and directors in 2023 will be issued and presented to the AGM for approval.

Deviations from the code of practice: None

13. Information and Communication

Investor relations

Communication with shareholders, investors and analysts is a high priority for SalMar. The objective is to ensure that the financial markets and shareholders receive correct and timely information, thus providing the soundest possible foundation for a valuation of the company. All market players shall have access to the same information, and all information is published in both Norwegian and English. All notices sent to the stock exchange are made available on the company's website and at www.newsweb.no.

SalMar seeks to comply with the Oslo Stock Exchange's investor relations recommendations, which includes a recommendation to publish information to investors on companies' websites. The company has, in line with the Norwegian Code of Practice for Corporate Governance, also adopted an 'IR Policy', which is available from the company's website. The CEO, CFO and Investor Relations Manager are responsible for communications with shareholders in the period between general meetings.

Financial information

The company holds open investor presentations in association with the publication of its year-end and interim results. These presentations are open to all and provide an overview of the Group's operational and financial performance in the previous quarter, as well as an overview of the general market outlook and company's own future prospects. These presentations are also made available on the company's website.

The company will continue to publish interim reports in line with the Oslo Stock Exchange's recommendation. Such interim results will be published no more than 60 days after the close of each quarter.

Quiet period

SalMar will minimise its contacts with analysts, investors and journalists in the final three weeks before publication of its results. During this period, the company will hold no meetings with investors or analysts and will give no comments to the media or other parties about the Group's results and future outlook. This is to ensure that all interested parties in the market are treated equally.

Financial calendar

Each year SalMar publishes a financial calendar indicating the dates of publication of the Group's interim reports and annual report, as well as the date of its AGM. The calendar is available from the Group's website www.salmar.no. It is also distributed as a stock market notice and updated on the Oslo Stock Exchange's website www.newsweb.no. The calendar is published before 31 December each year.

Icelandic Salmon AS

The subsidiaries Icelandic Salmon AS (previously named Arnarlax AS) is listed on Euronext Growth on the Oslo Stock Exchange and NASDAQ First North on the Icelandic Stock Exchange. Guidelines have been drawn up with respect to the disclosure of information to ensure that all shareholders in SalMar receive the same information (materiality) as shareholders in Icelandic Salmon.

Deviations from the code of practice: None

14. Acquisition

The Board of Directors has drawn up guidelines with respect to takeover bids, in line with the Norwegian Code of Practice for Corporate Governance. The guidelines were adopted by the Board at a meeting on 29 March 2011, and the Board undertakes to act in a professional manner and in accordance with applicable legislation and regulations.

The guidelines shall ensure that the interests of shareholders are safeguarded, and that all shareholders are treated equally. Furthermore, the guidelines shall help ensure that company operations are not unnecessarily disturbed. The Board will strive to provide shareholders with sufficient information to enable them to make up their minds with respect to the specific bid.

If a takeover bid has been made, the Board will make a statement and at the same time assess whether to obtain a valuation from an independent expert. The Board will obtain an independent valuation if a major shareholder, board member, member of the management team, related party or any collaborator of such a related party, or anyone who has recently held one or more of the above-mentioned positions, is either the bidder or has a particular interest in the takeover bid.

The Board will not seek to prevent any takeover bid, unless the Board is of the opinion that such action is justified out of consideration for the company and the company's shareholders. The Board will not exercise any authorisations or adopt other measures for the purpose of preventing the takeover bid. This stipulation may be waived only with the approval of a general meeting of shareholders after a bid has been announced.

Transactions which, in reality, involve the sale of the company's business shall be laid before a general meeting of shareholders for approval.

Deviations from the code of practice: None

15. Auditor

The company's auditor is appointed by the AGM. Each year, the Board of Directors shall receive written confirmation from the auditor that the requirements with respect to independence and objectivity have been met.

Each year, the auditor shall draw up a plan for the execution of their auditing activities, and the plan shall be laid before and discussed by the Audit and Risk Committee. The auditor shall meet with the Audit and Risk Committee annually to review and evaluate the company's internal control activities.

The auditor shall hold at least one meeting each year with the Board of Directors at which no representatives of the company's management are present. The auditor attends the board meeting at which the year-end financial statements are considered. The auditor attends the company's AGM.

The Board shall inform the AGM of the remuneration payable to the auditor, broken down into an auditing and other services component. The AGM shall approve the auditor's fees.

The company has drawn up guidelines to regulate the extent to which it is permitted to use the auditor to perform services other than audit-related services.

Deviations from the code of practice: None

Executive Management

Frode Arntsen

CEO

Frode Arntsen has been CEO since October 2022. He started in SalMar in 2017 as COO, Industry and Sales. He has a background from the Norwegian Military, and is educated as a lecturer within management. He has worked in the seafood industry since 2000, and has previously held senior/director positions at Lerøy Midnor, HitraMat and Lerøy Midt.

Born: 1970

Shares: 6,962

RSU-rights: 9,131

Ulrik Steinvik

CFO

Steinvik started in the position as CFO in October 2021, prior to this he has held several leading positions in the executive management. Mr. Steinvik holds the title as Norwegian state authorized public accountant. Before Steinvik joined SalMar in 2006 he served with Arthur Andersen Norway and Ernst & Young AS from 1998 to 2006. He graduated from the Norwegian School of Economics and Business Administration in 2002.

Born: 1974

Shares: 120,478. Owns 19,721 shares directly and indirectly through personal related parties. Also owns 100 per cent of the shares in Nordpilan AS. Nordpilan AS owns 0.17 per cent of the shares in Kverva AS, which in turn through Kverva Industrier AS owns 45.4 per cent of the shares in SalMar ASA.

RSU-rights: 5,312

Roger Bekken

COO Farming

Roger Bekken took over as COO Farming on 4 June 2018. Mr Bekken has worked in the seafood sector since 1991. He has held a variety of executive positions in the industry. Before joining SalMar is 2014, he was COO of Farming at Norway Royal Salmon (NRS). From 2014 until June 2018, Mr Bekken was managing director at SalMar Farming AS.

Born: 1967

Shares: 14,509. 14,373 directly and 136 shares indirectly through related parties.

RSU-Rights: 6,541

Simon Søbstad

COO Sales & Industry

Simon Søbstad took over as COO Sales & Industry in October 2022. From January 2018 he held the position as second in command Sales & Industry and since he started in SalMar in 2007 he has held several roles. Søbstad has education within aquaculture and has worked in the seafood industry since 2002.

Born: 1982

Shares: 604

RSU-Rights: 4,338

Eva Johanne Haugen

Director Quality Management/HSE

Eva Haugen has held the position as Director Quality Management/HSE since 2013. She has worked in SalMar since 2001 where she has held several leading positions within quality management. She has several years of experience as a teacher in secondary school subjects such as aquaculture, science and biology. Haugen is a graduate from NTNU in the fields of chemistry, biology and education studies and holds a degree in ecotoxicology and physiology in salmonids.

Born: 1971

Shares: 7,900

RSU-Rights: 3,233

Arthur Wisniewski

Director Human Resource Management

Wisniewski has worked at SalMar since 2016 and took up the position as Director Human Resource Management in 2018. He previously worked as HR Manager in the company. Wisniewski came from a similar position at German Wacker Chemicals and has many years of experience working with change and development processes within the HR field as an advisor and consultant in both the private and public sector. He has a Master's degree from NTNU in Science-Technology-Society studies (STS), as well as a Bachelor's degree in sociology from the same university.

Born: 1978

Shares: 2,772

RSU-Rights: 3,888

Runar Sivertsen

Chief Strategy Officer

Sivertsen has worked at SalMar since 2010 and took up the position as Chief Strategy Officer in April 2020. He has previously worked as the Investor Relations Officer and before that as an analyst for the company. Sivertsen has a Master of Science in Business degree from NTNU Business School and has also completed The Solstrand programme Accelerate.

Born: 1985

Shares: 4,509. 4,314 directly and 195 shares indirectly through related parties.

RSU-Rights: 3,806

Board of Directors

Gustav Witzøe
Chair of the Board

Gustav Witzøe joined the board of directors as board chair in SalMar June 2022. Mr. Witzøe is the co-founder of SalMar ASA. He holds a degree in engineering. After several years as an engineer he co-founded BEWI AS, a company producing styrofoam boxes for the fish farming industry. Mr. Witzøe held the position as managing director of BEWI AS until 1990. Since Mr. Witzøe founded SalMar ASA in 1991 he has gained extensive experience in fish farming and processing.

Mr Witzøe indirectly owns 93.02 % of Kverva AS, which in turn through Kverva Industrier AS owns 45.3 % of the shares in SalMar ASA. Mr Witzøe is also a director of Kverva AS.

Citizenship: Norwegian citizen, and resident in Norway

Independent: No

Margrethe Hauge
Vice-Chair of the Board and Leader of the Audit and Risk Committee

Margrethe Hauge is CEO of Goodtech ASA and has held management positions within production, supply chain, service and sales in aqua, agriculture, maritime and oil & gas industries. She has held positions as CEO at Teknisk Bureau AS, Regional Managing Director – Nordic & Germany at MRC Global Inc. and Executive Vice President Services at TTS Group ASA. She has also held several management positions at Kverneland Group. Ms Hauge started her career as trainee at Norsk Hydro ASA. She is member of the board of Borregaard ASA and Mesta AS. She holds a Master's degree in Economics & Business Administration, University of Mannheim, Germany.

Nationality: Norwegian citizen, and resident in Norway

Independent: Yes

Leif Inge Nordhammer
Board Member

Nordhammer was previously CEO in SalMar from 1996 to 2016, with a hiatus from 2011 to 2014. Today he works in his investment company LIN AS and is board member of Kverva AS. He has extensive experience from leadership positions from several companies within aquaculture and has been a part of the industry since 1985. Former companies include Sparebank 1 Midt-Norge, E. Boneng & Sønn, Frøya Holding AS/ and Hydro Seafood AS. Nordhammer has educational background for Norwegian Armed Forces, Trondheim Business School and University in Trondheim. Nordhammer joined the board of SalMar in June 2020.

Nordhammer owns indirectly 1.47 % of the shares in SalMar ASA. He owns 99.1 % of LIN AS which directly owns 1.01 % of the shares in SalMar ASA and indirectly LIN AS owns 0.45 % of the shares in SalMar ASA through its 1 % ownershare in Kverva AS, which through Kverva Industrier AS owns 45.4 % of the shares in SalMar ASA.

Nationality: Norwegian citizen, and resident in Norway

Independent: No

Arnhild Holstad
Board Member

Arnhild Holstad joined the board of directors in SalMar June 2022. She is the Regional Manager at Statskog, and non-executive board member in Helse Midt-Norge RHF. She has previously been the mayor of Namsos for 6 years, and has board experience from Sparebank1 SMN and NTE. She has extensive experience from political and executive positions within communication. She is a graduate of the Norwegian School of Journalism, Norwegian School of Sport Sciences and Norwegian University of Science and Technology (NTNU).

Shares: Owns indirectly through related parties 3,346 shares in SalMar ASA.

Citizenship: Norwegian citizen, and resident in Norway

Independent: Yes

Morten Loktu

Board Member and member of the Audit and Risk Committee

Morten Loktu joined the board of directors in SalMar June 2022. He has held several senior positions at Equinor as Vice President of Corporate Strategy, Senior Vice President (LEAN and Operational Improvement), Senior Vice President (Operations North) and Senior Vice President (Research & Innovation). He was the CEO of SINTEF for 3 years and Executive Vice President of Statoil. He is a graduate of Norwegian University of Science and Technology. He is a board member in SalMar Aker Ocean and Frøy.

Citizenship: Norwegian citizen, and resident in Norway

Independent: Yes

Shares: 1,000

Ingvild Kindlihagen

Board Member Employee Representative

Ingvild Kindlihagen has a degree in Business Economics from UiT and NHH, and has also studied for a year at the University of New South Wales in Sydney and a semester at Gründerskolen (UiO and University of Berkeley). In 2020, Ingvild began her career at SalMar as a Controller for Sales and Industry. She now works as the Financial Manager for InnovaNor and is part of the company's improvement team.

Nationality: Norwegian citizen, and resident in Norway

Shares: 46

RSU-Rights: 974

Hans Stølan

Board Member Employee Representative

Educated traffic pilot. Has been working in the industry since 1993, both on fish farms, as a mate on a freighter vessel, and since 2002 at the factory in Frøya. Chief union representative for NNN InnovaMar since 2020 and currently serving on the National Board for NNN. Has served four terms in the municipal council in Frøya and as Mayor from 2007 to 2011.

Nationality: Norwegian citizen, and resident in Norway

Shares: 0

RSU-Rights: 0

Shareholder Information

SalMar's 20 largest shareholders

Name	Shareholding 31.12.2023	Shareholding (%)
KVERVA INDUSTRIER AS	59,934,476	45.39 %
FOLKETRYGDFONDET	5,787,976	4.38 %
State Street Bank and Trust Comp	2,076,996	1.57 %
TERBOLI INVEST AS	1,425,394	1.08 %
LIN AS	1,337,685	1.01 %
JPMorgan Chase Bank, N.A., London	1,335,830	1.01 %
HASPRO AS	1,330,830	1.01 %
FRØY KAPITAL AS	1,093,815	0.83 %
CACEIS Bank	1,087,941	0.82 %
State Street Bank and Trust Comp	1,087,715	0.82 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	1,055,226	0.80 %
NILS WILLIKSEN AS	1,018,473	0.77 %
CACEIS Bank	923,297	0.70 %
PARETO AKSJE NORGE VERDIPAPIRFOND	916,400	0.69 %
JPMorgan Chase Bank, N.A., London	910,109	0.69 %
CLEARSTREAM BANKING S.A.	861,574	0.65 %
JPMorgan Chase Bank, N.A., London	844,806	0.64 %
Bank Pictet & Cie (Europe) AG	815,145	0.62 %
ANDVARI AS	810,468	0.61 %
State Street Bank and Trust Comp	798,063	0.60 %
Total 20 largest shareholders	85,452,219	64.72 %
Total other shareholders	46,586,701	35.28 %
Total number of shares 31.12.2023	132,038,920	100.00 %
Treasury shares	278,854	

Shareholders by country

As at 31 December 2023 the company had 22,998 shareholders from 83 different countries:

Country	Number of shareholders	Shareholding in %
Norway	21,583	72.7 %
United States	153	9.2 %
Luxembourg	63	4.2 %
United Kingdom	106	3.3 %
Sweden	195	2.1 %
Other countries	898	8.5 %
Total	22,998	100.0 %

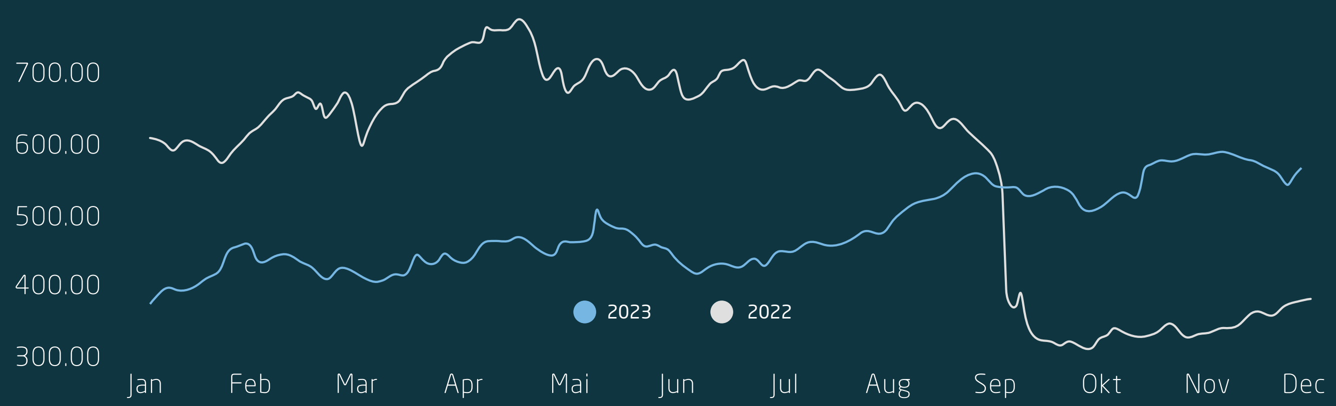
Share Ownership by Number of Shares

Number of shares	Number of shareholders	Shareholding in %
1-100	16,890	0.3 %
101-500	3,752	0.7 %
501-1,000	858	0.5 %
1,001-5,000	847	1.5 %
5,000-10,000	209	1.1 %
10,000-100,000	321	8.0 %
100,001-1,000,000	109	28.5 %
> 1,000,000	12	59.5 %
Total	22,998	100.0 %

Share Price Development

Share price at the start of 2023 was NOK 384.80 per share, valuing SalMar at NOK 55.8 billion. The share price fluctuated between NOK 377.60 per share and NOK 593.40 per share during 2023 At the end of 2023 the share price was NOK 569.20 valuing SalMar at NOK 75.2 billion. Average number of shares traded per day was 239,026.

Share price 2023 vs. 2022



Share information:

As at 31 December 2023 SalMar ASA had 132,038,920 shares, with each share having a face value of NOK 0.25. The company was listed on Oslo Stock Exchange (OSE) 8 May 2007 with the ticker SALM. The green bond SalMar issued in April 2021 was listed on Oslo Stock Exhange 21 July 2022 under the ticker SALM01 ESG. The company's ISIN code is NO0010310956. Registrar is Nordea Bank and Auditor is Ernst & Young.

Dividend

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.

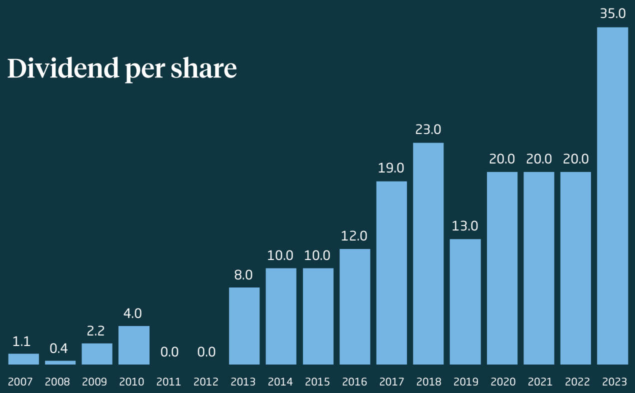
The company has set long-term financing targets related to NIBD/EBITDA* level in the range 1.0-2.5. Provided that the company is within this range and also taking account future investments, the intention is to pay out its surplus liquidity, in the form of cash dividends and/or in the form of share buybacks

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

For the financial year 2023 the Board of Directors propose a cash dividend of NOK 35.00 per share.

The dividend proposal is subject for approval at the annual general meeting 6 June 2024

Dividend per share



IR contact in SalMar

Communication with shareholders, investors and analysts is a high priority for SalMar. The objective is to ensure that the financial market and shareholders receive correct and timely information, thus providing the soundest possible foundation for a valuation of the company. All notices sent to the stock exchange are made available on both the company's website, the Oslo Stock Exchange's www.newsweb.no site and through news agencies.

Håkon Husby
Head of Investor Relations
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+47 936 30 449

Financial calendar 2024

Financial reports will be published through the company's homepage, www.salmar.no, Oslo Børs news site, newsweb.no and other newswires.

SalMar holds quarterly presentations open to the public. The presentations will take place at 08:00 CET, and the material will be available from 06:30 CET.

Annual general meeting: 6 June 2024
Results Q1 2024: 14 May 2024
Results Q2 and first half 2024: 20 August 2024
Results Q3 2024: 12 November 2024

Please note that the dates and location can be changed. Any changes will be communicated. Please see our website for further details

MENU

Report of the Board of Directors

An industrial powerhouse emerged in 2023 when NTS, NRS and SalmoNor were successfully integrated into SalMar after the completion of the transactions at the end of 2022. Thereby positioning SalMar firmly as a leading company in the industry as the second largest salmon producer in the world.

The company posted record high harvest volume and strong annual results driven by continued solid operational performance and strong demand for salmon in markets around the world.

2023 was unfortunately impacted negatively by the introduction of resource rent tax on aquaculture in Norway. This represents a dramatic increase in the tax on seafood production – a tax level no other country has on its food production. Given the increasing competition from a growing number of salmon-producing countries, it is even more important that the Norwegian government ensures Norway's aquaculture sector has stable, competitive and predictable framework conditions.

In 2023, consolidated harvest volume increased with 31 percent to 254,100 tonnes and generated group operating income of NOK 28,219 million. Operational EBIT totalled NOK 8,088 million in 2023.

The Group expects to harvest 244,000 tonnes in Norway[1] , 15,000 tonnes in Iceland and 37,000 tonnes in Scotland[2] in 2024.

1 Includes expected harvest volume in segments Fish Farming Central Norway, Northern Norway and SalMar Aker Ocean.
2 Joint venture Scottish Sea Farms through 50% ownership in Norskott Havbruk AS

Business and Strategy

SalMar ASA is a Norwegian public limited company, whose shares are listed on the Oslo Stock Exchange under the ticker SALM. SalMar is headquartered on Frøya, in Trøndelag County. The Group's registered address is 7266 Kverva.

The Group is one of the world's largest and most cost-efficient producers of Atlantic salmon. It is vertically integrated along the entire value chain from broodstock, roe and smolt to harvesting, processing and sales. Through wholly owned businesses, subsidiaries and associates/joint ventures, SalMar has operations in Norway, Iceland and Scotland. The company sells its products to customers worldwide, with particular focus on markets in Europe, North America and Asia.

At the close of 2023, SalMar had licences to hold a maximum allowable biomass (MAB) of 167,112 tonnes of MAB in Norway, this includes 6 time-limited demonstration licences (3,120 tonnes MAB), and a MAB of 23,700 tonnes in Iceland. In addition, SalMar operates several R&D licences in collaboration with other companies in Norway.

SalMar has a substantial harvesting and processing capacity near its farming operations in Norway. InnovaMar in Frøya and Vikenco in Aukra in Central Norway and InnovaNor on Senja in Northern Norway.

Icelandic Salmon, which is listed on Euronext Growth on the Oslo Stock Exchange and NASDAQ First North on the Icelandic Stock Exchange, is partially owned by SalMar with 52.48 percent of the company's shares. In addition, SalMar owns 50 percent of Scottish Sea Farms Ltd (through Norskott Havbruk AS), which is UK's second largest producer of salmon.

SalMar has for many years explored and developed opportunities to expand its fish farming activities in exposed areas and far out at the open ocean. In 2021, SalMar took one important step further by entering into a strategic partnership with the industrial investment company Aker ASA, and together the two companies aim to create the world's leading offshore aquaculture company. The efforts are being channelled through the company SalMar Aker Ocean, in which SalMar will retain a majority interest. Through the merger with NRS, SalMar also gained ownership in the development project Arctic Offshore Farming, which also became a part of SalMar Aker Ocean in 2023.

Ambition and strategic position

It is SalMar's clearly expressed ambition to be the world's best aquaculture company, driven by our vision: "Passion for Salmon".

SalMar aims to be a driving force for sustainable growth in the global aquaculture industry and is convinced that the establishment of salmon farming in the ocean is an important step for further sustainable growth.

SalMar will therefore pursue two separate growth strategies going forward: one for coastal fish farming and one for offshore fish farming.

Coastal fish farming: The core of SalMar's strategic position in coastal fish farming will continue to be cost leadership and operational efficiency. This will be achieved by operating a focused value chain, with significant emphasis on upstream activities. Furthermore, activities reported in the Sales and Industry segment will secure optimal utilisation of the harvested salmon to maximize value creation. In addition to cost leadership, the company focuses on performance with the aim of achieving excellence at all levels and in all aspects of production.

SalMar's coastal fish farming will represent the core of the Group's production and earnings capacity for many years to come. The company seeks to maintain a leading role in growing and further developing the industry. Salmar will continue to actively pursue attractive M&A opportunities, provided they are on commercially acceptable terms.

Offshore fish farming: With SalMar as the majority owner, SalMar Aker Ocean is a pioneer and leading the development of offshore salmon farming.

By combining Aker and SalMar's knowledge and leading expertise in salmon farming, focus on fish welfare and optimal conditions for the salmon, as well as industrial software and environmental technologies, Salmar Aker Ocean will create the world's most reliable and intelligent offshore aquaculture business, meeting the highest standards for fish welfare.

Important events in 2023

Successful integration of NTS, NRS and SalmoNor: Through a series of transactions, NTS, NRS and SalmoNor became a part of SalMar from November 2022 and throughout 2023 the companies have been successfully merged into SalMars existing operational structure. During 2023 the harvesting facility SalmoSea was closed down and the sales office in Kristiansand was sold. The combination allows for synergies in regions with good farming conditions and during 2023 NOK 821 million in synergies has been realized in yearly recurring cost savings.

Divestment of Frøy: In the beginning of 2023, SalMar announced a strategic review of its indirect holding in Frøy AS with the aim of maximizing value for its shareholders. Through its former subsidiary NTS AS, SalMar held 72.11 percent of the shares in Frøy. Throughout the strategic review, one experienced strong interest from a broad field of reputable investors identifying the attractive business model and growth profile of Frøy. And in August 2023 a transaction was completed where Goldman Sachs Asset Management acquired 72.11 percent of the shares in Frøy for cash consideration of NOK 76.50 per share.

New financing agreement and cancellation of treasury shares: In 2023 SalMar strengthened its balance sheet and financial flexibility by delivering strong financial results. SalMar refinanced its previous credit facilities by entering a new unsecured credit facility, totalling NOK 16 billion and accordion of NOK 3 billion. In addition, 13.1 million treasury shares were cancelled.

Increase of smolt capacity: Expansion of the smolt facility in Tjuin in Trøndelag was completed in 2023, with first transfer of fish to sea planned for the spring 2024. In addition, the second closed net pen, located in the southern parts of Central Norway, finalized construction with first production to start in 2024.

Two semi-offshore projects in operation: Both Ocean Farm 1 and Arctic Offshore Farming started production in 2023 and first harvest from Arctic Offshore Farming commenced late 2023.

Events after the reporting date

Allegations of price collusion: On 6 February 2019, the European Commission launched an investigation of SalMar ASA and several other producers of farmed Norwegian Atlantic salmon, concerning alleged anti-competitive conduct. On 25 January 2024 the European Commission issued a Statement of Objections in the case. The Commission's preliminary assessment is that there may have occurred a breach of EU competition law in the period 2011–2019. SalMar strongly disagrees with the Commission's preliminary assessment and is accounting for SalMar's view in a thorough reply to the Commission. Please see note 4.10 for further details.

Market Conditions

Supply, exports and price of Atlantic salmon

The global supply of Atlantic salmon decreased in 2023 with 2.3 percent, according to Kontali Analyse.

Supply of Atlantic salmon in 1,000 tonnes whole fish equivalents (WFE)	2022	2023	Change
Norway	1,517	1,479	-2.5 %
Chile	753	766	1.7 %
UK	161	154	-4.4 %
North America	153	128	-16.5 %
Faeroes	100	89	-10.2 %
Other countries	180	180	0.3 %
Total global supply	2,863	2,796	-2.3 %

2023 was the best year on record for Norwegian exports of seafood measured in value in NOK. The value of Norway's salmon exports rose by 15 percent, reflecting that the average price of Atlantic salmon was higher in 2023 than the year before. Total export of Atlantic Salmon was around 1,408 tonnes round weight, down 2 percent from 2022.

Norway exported 68 percent of its volume to the EU in 2023. Overall, the EU decreased its imports of salmon from Norway by 2 percent, with the largest market, Poland, increasing their imports by 1 percent and second largest market, France, decreasing with 8 percent.

SalMar sold directly to more than 50 countries in 2023. Europe was the most important destination, with Poland, Sweden and France as the largest single markets. The second most important destination was Asia, with South Korea, Japan and Taiwan as the most prominent. North America is the third largest export destination.

The price of Atlantic Salmon (NASDAQ) was significantly higher in 2023 than in 2022. The year's lowest price was recorded in week 35 at NOK 70.4 per kg, while the highest price came in week 17 at NOK 127.3 per kg. The average price of salmon (NASDAQ Salmon Index) for 2023 was NOK 93.0 per kg, compared to NOK 82.6 per kg the year before while in EUR it was at the same level EUR 8.2 per kg.

From the close of 2022 until the close of 2023, the Norwegian currency (NOK) weakened by seven percent against the EUR, 3 percent against USD and 9 percent against the GBP. A weakening of the NOK against the respective trading currencies could lead to an increase in salmon prices measured in NOK and vice versa.

Framework conditions

Norway

After several years of more stable framework conditions in Norway, the surprising tax proposal from the Norwegian government 28 September 2022 marked a change in this. In September 2022, the Norwegian government proposed the introduction of a resource rent tax on aquaculture production in Norway. On 31 May 2023, with a narrow majority, the Norwegian Parliament voted for implementing an additional resource tax on aquaculture in Norway, with a tax rate of 25 percent. This is in addition to the regular corporate tax and means that the marginal tax rate on aquaculture in the sea phase will increase by over 100 percent, from 22 percent to 47 percent. The new tax applied retroactively from January 1, 2023.

SalMar remains strongly opposed to this the resource rent tax and has consistently cautioned against it. The tax relies on the incorrect assumption that aquaculture food production is a location-bound resource rent industry that consistently generates extraordinary returns disproportionate to the risk involved. The high tax level and the unfavourable design of the new tax are poised to withdraw a substantial portion of investment capital from the industry. Therefore, SalMar will continue its fact-based dialogue with authorities and decision-makers to promptly restoring a tax system and tax level that is appropriate for Norwegian aquaculture. SalMar is open to legal steps in due course.

Iceland

After an improvement in framework conditions for salmon farming in Iceland in 2022, conditions have become more unpredictable at the end of 2023 and in to 2024. In December 2023, a bill was presented by the Icelandic government which could lead to changes in the regulatory framework for the country's aquaculture sector. The aim of the proposed changes is to increase the value of Iceland's aquaculture sector, while do it in a sustainable way. The bill is expected to be finalised and implemented during the first half of 2024.

Icelandic Salmon continues its active and constructive dialogue with the authorities with respect to these issues. The company believes there is room for further growth in Iceland and growth in production and market share is expected to increase going forward. Increased market share of Icelandic salmon the next few years should help infrastructure with much needed scale and therefore improved competitiveness of the Icelandic salmon industry. Increased awareness in the market also creates opportunities related to sales and marketing as Icelandic salmon has not been available in all main markets on a weekly basis.

Icelandic Salmon today holds licences of 23,700 tonnes maximum allowed biomass in the southern part of the Icelandic Westfjords. At the end of February 2024 Icelandic Salmon, was informed that the Icelandic Food and Veterinary Authority (MAST) and Environment Agency of Iceland (UST) have advertised a licence to be issued to Arnarlax of a salmon farming licences in Ísafjarðardjúp. The licence will be for 10,000 tonnes maximum allowed biomass of sterile salmon. The licence is under consultation until 2nd of April 2024 and the formal and final decision will follow up to four weeks after the end of the consultation period.

The company is in the process of applying for additional licences in Arnarfjörður.

Scotland

Framework conditions for salmon farming in Scotland have remained relatively constant over several years. The growing influence of special interests (NGOs, organised anglers, etc.) has led to more challenging regulations than in Norway, which has in turn contributed to a higher level of costs (lower efficiency, less economies of scale). The Scottish authorities have expressed an ambition to grow the aquaculture industry from its present output level of around 170,000 tonnes. In 2023 some positive signals has been received in order to establish new farming sites or grow existing good performing sites.

Access to markets

Russia was previously an important market for SalMar and Norwegian salmon in general. However, trade restrictions introduced in the wake of the Crimean conflict in 2014, and more recently the Russian invasion of Ukraine in 2022, mean that the Russian market will remain closed to Norwegian fish farmers in the foreseeable future.

Financial Performance

Going concern

The annual financial statements for 2023 have been prepared on the assumption that SalMar is a going concern pursuant to section 3-3a of the Norwegian Accounting Act. With reference to the Group's results and financial position, as well as forecasts for the years ahead, the conditions required for continuation as a going concern are hereby confirmed to exist. In the opinion of the Board of Directors, the Group's financial position is solid.

Consolidated Income Statement

The Group generated consolidated operating income of NOK 28,219 million in 2023, compared with NOK 20,158 million in 2022. This represents an increase of 40 percent.

In 2023, consolidated harvest volume was 254,100 tonnes: 233,900 tonnes in Norway, 2,300 tonnes in SalMar Aker Ocean and 17,900 tonnes in Iceland. In addition, Norskott Havbruk harvested 24,900 tonnes, of which SalMar's share was 12,400 tonnes (50 percent).

The average price of salmon (NASDAQ) in 2023 came to NOK 93.0 per kg, up 13 percent from the average in 2022, which came to NOK 82.6 per kg. The price of salmon was higher in 2023 mainly due to continued strong demand of products in all core markets, price inflation on proteins in general and a weakening of NOK.

Around 19 percent of SalMar's total volume harvested in Norway in 2023 was sold under fixed-price contracts. The terms of these contracts vary, but do not normally last for more than 12 months. Overall, the price achieved under these fixed-price contracts was on par with the spot price (NASDAQ) for the year as a whole.

The fish farming segments in Norway performed well throughout the year, although the results in Northern Norway was negatively impacted by string jellyfish at the end of 2023.

The SalMar Group had salary and personnel expenses of NOK 2,454 million in 2023, compared with NOK 1,894 million in 2022. The number of full-time equivalents (FTEs) in the Group rose by 18 percent in 2023, from 2,266 FTEs at the close of 2022 to 2,674 FTEs at the close of 2023. The main reason for the increase is the inclusion of NTS, NRS and SalmoNor for the full year in 2023 compared to only 2 months in 2022.

Operational EBIT is SalMar's most important measure of performance, this is an alternative performance measure used by the Group, since it shows the results of underlying operations during the period. Specific items not associated with underlying operations are presented on separate lines in the consolidated financial statements. See note 4.11 for further details.

The SalMar Group made an operational EBIT of NOK 8,088 million in 2023, compared with NOK 4,465 million in 2022.

Production tax reduced profits with NOK 208 million, onerous contracts reduced profits with NOK 237 million, fair value adjustments increased profits by NOK 1,589 million and fair value adjustments included in the cost of goods sold due to business combinations reduced profits with NOK 723 million in 2023. The corresponding elements in 2022 increased profits by NOK 274 million for production tax, onerous contracts, fair value adjustments and fair value adjustments included in the cost of goods sold due to business combinations. Fair value adjustments comprise changes in the fair value of the biological assets and unrealised value of Fish Pool contracts. See note 2.6, 2.11, 2.9 and 3.13 for further details.

SalMar made an operating profit of NOK 8,509 million in 2023, up from NOK 4,738 million in 2022.

Income from investments in associates and joint ventures contributed less to the 2023 results than the year before. This is largely attributable to reduced results by Norskott Havbruk. SalMar's share of the loss from these investments totalled NOK -27 million in 2023, compared with a profit of NOK 66 million in 2022.

Net financial items in 2023 totalled NOK -1,203 million, compared with NOK -243 million in 2022. The change is largely due to increased interest bearing debt following completion of the transactions at the end of 2022 and increased interest rates and thereby interest expenses. SalMar's net interest income and expenses for 2023 totalled NOK 1,172 million, an increase from NOK 336 million in 2022. Financial income totalled NOK 30 million in 2023, a decrease from NOK 95 million in 2022. Financial expenses totalled NOK 60 million, an increase from NOK 2 million in 2022. See Note 2.10 for further details.

SalMar's profit before tax from continuing operations in 2023 totalled NOK 7,279 million, up from NOK 4,562 million in 2022. A tax expense of NOK 4,534 million has been calculated for 2023, up from NOK 954 million in 2022. The largest increase in tax expense in the profit and loss is due to implementation of resource rent tax in Norway, see Note 2.11 for further details.

SalMar's profit for the year from continuing operations totalled NOK 2,746 million in 2023, compared with NOK 3,608 million in 2022.

Until Frøy was sold in August 2023 it was recognized as discontinued operations, see note 4.7 for further details, and profit after tax from discontinued operations amounted to NOK 657 million in 2022, compared with NOK 107 million in 2022.

Profit for the year totalled NOK 3,402 million in 2023 down from NOK 3,715 million in 2022.

Consolidated Statement of Cash Flows

SalMar achieved a positive cash flow from operating activities of NOK 8,975 million in 2023, compared with NOK 4,222 million in 2022. During 2023, SalMar's working capital increased with NOK 209 million, compared with an increase of NOK 806 million in 2022. In addition, SalMar paid NOK 608 million in corporate tax in 2023, compared with NOK 552 million the year before.

Net cash flow from investing activities totalled NOK 1,775 million in 2023, compared with net NOK -2,633 million in 2022. See Notes 2.10, 3.1, 3.3, 3.5, 4.4 and 4.7 for further details.

Net cash flow from financing activities totalled NOK -12,989 million in 2023, compared with NOK 164 million in 2022. Cash flow from interest-bearing debt and overdraft came to NOK -7,947 million in 2023, while repayments relating to leasing liabilities totalled NOK 321 million. Net interest paid came to NOK 1,247 million. A dividend payment of NOK 2,748 million was made in 2023. Acquisition of non-controlling interests totalled NOK 755 million while cash-flow from financing activities related to discontinued operations totalled NOK 29 million.

In total, including currency translation of cash and cash equivalent, this gave SalMar a cash flow for 2023 of NOK -2,246 million. This decreased the Group's cash and cash equivalents to NOK 785 million at the close of the year.

Consolidated Statement of Financial Position

As of 31 December 2023, SalMar had a total balance of NOK 53,331 million, a decrease of NOK 9,170 million since the end of 2022. The main reason for the decrease is the sale of Frøy.

The book value of the Group's intangible assets increased with NOK 394 million in 2023. At the end of the year, the value of the Group capitalised intangible assets was NOK 18,685 million.

The book value of property, plant and equipment totalled NOK 14,169 million at the end of 2023, an increase of NOK 1,651 million during the year. This includes right-to-use assets of NOK 1,797 million, compared with NOK 1,386 million in 2022.

The Group's non-current financial assets totalled NOK 2,679 million at the end of 2023, down from NOK 2,746 million at the end of 2022.

The Group's biological assets were valued at 13,265 million at the end of the year. This is NOK 1,510 million higher than at the end of 2022. Measured in tonnes, the biomass is at the same level as at the end of 2022. See Note 3.6 for further details. The value of the Group's other inventory at the end of 2023 stood at NOK 1,230 million.

Trade receivables totalled NOK 1,457 million in 2023, up from NOK 1,414 million at the end of 2022. Other receivables increased by NOK 398 million during the period to NOK 1,061 million. At the end of the year, SalMar had cash and cash equivalents totalling NOK 785 million.

At the end of 2022 Frøy was classified as assets held for sale and in August 2023 the company was sold, therefore assets held for sale stood at 0 at the end of 2023 compared to NOK 11,472 million at the end of 2022. See Note 4.7 for further details.

At the end of 2023, the Group's equity totalled NOK 23,079 million, down from NOK 24,155 million at the end of 2022. Due to reduction in total assets the equity ratio has increased from 38.6 percent at the end of 2022 to 43.3 percent at the end of 2023.

Net interest-bearing debt (interest-bearing debt less cash and cash equivalents) totalled NOK 13,107 million at the end of the year, down from NOK 19,079 million at the end of 2022. See Note 3.11 for further details.

The NOK 9,170 million decrease in the Group's total capital in 2023 can be primarily attributed to the sale of Frøy decreasing the liabilities directly associated with the assets held for sale and also decreasing the interest-bearing debt. The Group's solvency and financial position remains solid at the end of 2023 with a strong liquidity reserve.

Reporting Segments

Fish Farming Central Norway

NOK million	2023	2022
Revenue and income	12,419	8,872
Operational EBIT	4,612	3,599
Volume harvested (tonnes gutted weight)	141,139	114,139
Operational EBIT/kg (NOK/kg gw)	32.7	31.5

Fish Farming Central Norway, the Group's largest fish farming segment, posted good financial results in 2023 on the back of a continued strong operational performance. The segment's operating income increased by NOK 3,547 million from 2022, to NOK 12,419 million in 2023. Operational EBIT increased with NOK 1,014 million to NOK 4,612 million in the same period.

Operational EBIT per kg gutted weight increased with NOK 1.15 compared to 2022. The increase is attributable to higher salmon prices, despite an increase in cost level due to cost inflation on input factors. On average, the segment experienced an increase in the price achieved for its harvested salmon of NOK 10.2 per kg. The production cost of the harvested biomass has, on average, increased with NOK 9.1 per kg compared with 2022 driven by feed price inflation and weakening of NOK.

Fish Farming Central Norway harvested a total of 141,139 tonnes in 2023, compared with 114,139 tonnes in 2022. This represents an increase of 24 percent. SalMar expects harvest volume in this segment will amount to 146,000 tonnes in 2024. The segment has unexploited potential within existing licences for further growth and SalMar expects good volume growth in the years to come.

Fish Farming Northern Norway

NOK million	2023	2022
Revenue and income	7,894	4,883
Operational EBIT	3,402	2,526
Volume harvested (tonnes gutted weight)	92,777	63,392
Operational EBIT/kg (NOK/kg gw)	36.7	39.8

Fish Farming Northern Norway had another solid year, where strong operational performance, has resulted in increased volume and solid cost level on harvested volume. Combined with higher salmon prices in 2023 this has contributed to the strong results. Unfortunately, the end of the year was negatively affected by string jellyfish leading to slightly lower harvest volume for 2023 and culling of fish which affects volume growth in 2024.

The segment's operating income increased with NOK 3,011 million from 2022, to NOK 7,894 million in 2023. Operational EBIT rose with NOK 876 million to NOK 3,402 million.

Operational EBIT per kg gutted weight came to NOK 36.7 in 2023, compared with NOK 39.8 in 2022. The decrease of NOK 3.2 per kg was caused by inclusion of former NRS sites which had a higher cost compared to former SalMar sites. The average price achievement increased with NOK 8.1 per kg and the production cost increased with NOK 11.2 per kg driven by feed price inflation, weakening of NOK and inclusion of former NRS sites.

Harvest volume in Fish Farming Northern Norway was 92,777 tonnes in 2023, compared with 63,392 tonnes in 2022. This represents an increase of 46 percent. SalMar expects a harvest volume of 91,000 tonnes in 2024. The slight decrease is due to the impact of string jellyfish attack at the end of 2023. The segment has unexploited potential within existing licences for further growth and SalMar expects strong volume growth in the years to come.

Icelandic Salmon

NOK million	2023	2022
Revenue and income	1,871	1,595
Operational EBIT	230	366
Volume harvested (tonnes gutted weight)	17,919	16,139
Operational EBIT/kg (NOK/kg gw)	12.8	22.7

Icelandic Salmon is Iceland's largest producer and processor of farmed salmon. The company is fully vertically integrated, with its own hatchery, sea farms, harvesting plant and sales force. SalMar controlled 52.5 percent of the company's shares at the end of 2023.

The segment's operating income increased with NOK 276 million from 2022, to NOK 1,871 million in 2023. Operational EBIT decreased with NOK 136 million to NOK 230 million in 2023. Operational EBIT per kg gutted weight came to NOK 12.8 in 2023, compared with NOK 22.7 in 2022. The reduction is driven by biological challenges at the end of 2023 and feed price inflation.

The company harvested a total of 17,919 tonnes in 2023 and Icelandic Salmon expects to harvest 15,000 tonnes in 2024. The reduction is due to the biological challenges at the end of 2023 leading to slightly lower volume in 2024. The increase in smolt capacity in 2021 and 2022 will come to effect in 2025, when the company expects a significant increase in harvest volume on Iceland.

Sales and Industry

NOK million	2023	2022
Revenue and income	27,094	19,141
Operational EBIT	254	-1,286

This segment places and sells the entire harvested volume of the Group in Norway. The fish is bought from SalMar's farming segments at market prices.

The segment's income increased to NOK 27,094 million in 2023 up from NOK 19,141 million in 2022. Operational EBIT came to NOK 254 million in 2023 a strong increase from NOK -1,286 million in 2022.

The margins for the Sales and Industry segment increased in 2023, due to higher price achievement and strong operational performance. In 2022 price point compared with average spot prices of our fixed-price contracts was lower compared to 2023 and together with strong operational performance and increased utilization of harvesting and processing capacity, this led to increase profitability for the segment. In 2023, around 18 percent of the volume harvested was sold under fixed-price contracts and in addition 1 % was sold on financial contracts with fixed price.

Around 214,000 tonnes of fish were harvested at InnovaMar and InnovaNor in 2023, compared with 181,000 tonnes in 2022. During 2022 volume at InnovaNor was gradually ramped up and in 2023 the facility showcased its ability to handle large volume and has shown itself as a important strategic and industrial investment for SalMar. Our harvesting and processing facilities is an important element for further improvement of biological and operational performance in the whole value chain.

Strategically, SalMar process a relatively large portion of the raw material in Norway. This does not only increase the quality of the product sold to the customer, but it also enables by-products to be dealt with efficiently, reducing freight cost, as well as reduces CO2 emissions and boosts local value creation.

SalMar Aker Ocean

NOK million	2023	2022
Revenue and income	173	32
Operational EBIT	-53	-155
Volume harvested (tonnes gutted weight)	2,267	-
Operational EBIT/kg (NOK/kg gw)	-23.2	-

Salmar Aker Ocean reported as a separate segment effective from 1 January 2022.

To strengthen and concentrate its efforts in offshore aquaculture, SalMar created the subsidiary SalMar Ocean AS, later changed to SalMar Aker Ocean AS. Late 2021, SalMar and Aker through Aker Capital entered into a partnership whereas Aker Capital has 15 % ownership of SalMar Aker Ocean and SalMar ASA control the remaining 85 %, with the purpose of creating the world leading offshore farming company.

In 2023 the segment got two semi-offshore projects in operation. Ocean Farm 1 started its third production cycle following an upgrade in 2022 while Arctic Offshore Farming project became a part of the segment at the end of 2023 and also started its first production cycle in 2023.

In 2023 the segment harvested a total of 2,267 tonnes from the Arctic Offshore Farming project. Operational EBIT totalled NOK -53 million in 2023. In 2024 the segment expects to harvest around 7,000 tonnes where the first production cycle of the Arctic Offshore Farming project will be concluded and harvest from Ocean Farm 1 will commence.

In the end of September 2023, site approval for one open ocean unit was granted to SalMar Aker Ocean's Smart Fish Farm, approximately 50 nautical miles west of Frøya in Central Norway. Due to regulatory uncertainty SalMar Aker Ocean decided that further work on offshore aquaculture in Norway is currently on hold. The company will now fully focus on growth semi-offshore and utilize the capacity of its existing two semi-offshore units for the production of sustainable Norwegian salmon. It will also continue to explore opportunities outside of Norway.

Joint Ventures

Norskott Havbruk

NOK million	2023	2022
Revenue and income	2,561	3,188
Operational EBIT	-304	214
Volume harvested (tonnes gutted weight)	24,900	35,900
Operational EBIT/kg (NOK/kg gw)	-12.2	6.0

Through its wholly owned subsidiary Scottish Sea Farms, Norskott Havbruk engages in the farming of salmon in mainland Scotland, Orkney and Shetland. SalMar controls 50 percent of the business.

The company generated revenues of NOK 2,561 million in 2023, compared with NOK 3,188 million in 2022. The decrease in revenues is due to lower volume harvested.

Operational EBIT for the year ended at NOK -304 million, down from NOK 214 million in 2022. Operational EBIT per kg gutted weight came to NOK -12.2 in 2023, compared with NOK 6.0 in 2022. Biological challenges, particularly those linked to gill health, have had a negative impact on the results in 2023. It has led to harvesting of fish with a lower average weight, which has affected both cost and price achieved, and lower harvest volume than anticipated going into 2023.

The company harvested a total of 24,900 tonnes in 2023, down from 35,900 tonnes in 2022.

Going into 2024 conditions have improved, and the company sees improved biological situation for generations to be harvested during 2024. Volume guidance for 2024 is expected at 37,000 tonnes.

Norskott Havbruk is recognised as a joint venture, with SalMar's share of profit/loss after tax and fair value adjustment of the biomass (50 percent) recognised as financial income. SalMar's share of the company's net profit in 2023 came to NOK -168 million, compared with NOK 41 million in 2022.

The parent company's financial statements and allocation of the profit for the year

The parent company, SalMar ASA, is a shareholding and administrative entity. Group management and administrative resources are employed by this company. In 2022, it employed a total of 55 full-time equivalents.

The annual financial statements for the parent company have been prepared in accordance with the Norwegian Accounting Act of 1998 and Generally Accepted Accounting Principles in Norway (NGAAP).

SalMar ASA made a net profit for the year of NOK 4,042 million in 2023, compared with NOK 2,785 million in 2022. Total operating revenues totalled NOK 836 million and total operating expenses amounted to NOK -679 million, thereby giving a total operating profit of NOK 157 million.

Income from investments in group companies amounted to NOK 4,945 million. In addition, SalMar ASA manages the Group's primary financing arrangements and recognised NOK 1,213 million in interest income on loans to group companies and other interest income. Interest expenses amounting to NOK -1,251 million were incurred mostly in association with the Group's financing arrangements.

SalMar ASA had recognised total assets of NOK 29,840 million at the close of 2023. Of this amount, non-current assets accounted for NOK 24,910 million, of which NOK 16,502 million comprised of intercompany non-current receivables and NOK 6,763 million comprised of investment in subsidiaries. Current asset accounted for NOK 4,929 million where intercompany current receivables totalled NOK 4,853 million cash and cash equivalents was NOK 16 million at the close of 2023. Equity as of 31 December 2023 totalled NOK 10,050 million, which corresponds to an equity ratio of 33.7 percent. Non-current liabilities totalled NOK 11,165 million and mainly comprised interest-bearing debt. Current liabilities totalled NOK 8,625 million, of which current interest-bearing debt accounted for NOK 1,044 million and dividend provisions came to NOK 4,612 million.

The Board of Directors is proposing a dividend of NOK 35.00 per share for the 2023 financial year. The Board proposes the following allocation of the year's profit:

Dividend	NOK 4,612 million
Transferred from (-) /to(+) retained earnings	NOK 1,984 million
Transferred from (-) /to(+) other paid-in equity	NOK -392 million
Transferred from (-) /to(+) share premium	NOK -2,161 million
Total allocated	**NOK 4,042 million**

At the close of the year, the company had a distributable reserve of NOK 10,017 million.

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Risks and Risk Management

Risk management is a key function of the management team. The Group has systems and routines in place to monitor important risk factors in all business areas, and places particular emphasis on the control and follow up of production facilities in accordance with quality and certification standards.

It is the CEO's responsibility to ensure that the Group operates in compliance with all relevant legislation and operating guidelines for group entities. Follow-up and control of risk factors, as well as compliance with the Group's values and code of conduct, is carried out in the line organisation as part of day-to-day operations.

See Note 4.10 for details with respect to allegations of price fixing.

SalMar has board liability insurance which covers both the Board of Directors, the CEO and executive management.

Operational risk

SalMar's most important operational risk relates to the biological development of its fish stocks, at both its hatcheries and sea farms. Even though SalMar develops and implements risk-reducing measures, the nature of the industry is such that the inherent biological risk will always be present. In recent years, the aquaculture industry has faced challenges associated with the increasingly widespread presence of sea lice and greater prevalence of medicinally resistant lice. This has forced SalMar, along with the rest of the industry, to change the methods used and intensify its efforts to deal with the lice situation. And at the end of 2023 string jellyfish attacks particularly in our operations in Northern Norway, clearly showcased the inherent biological risk the industry is facing, as the attacks led to early harvest and also culling of fish to safeguard fish welfare.

SalMar takes a holistic, strategic approach to biological risk, including sea lice, which encompasses preventive measures and activities designed to limit damage to its stocks and further increase the fish welfare. SalMar continuously makes operational assessments to protect the welfare of its fish.

Access to suitable production areas is a crucial preventive measure. For SalMar, it is important that production take place in areas that have the capacity needed to sustainably produce the volumes involved. Offshore could lead to new and better locations being used. Selective breeding and the genetic development of a more robust salmon is another important preventive measure to reduce biological risk.

SalMar's operating procedures are designed to reduce biological risk. Vaccination against various fish diseases is a key element in the company's operating procedures. It will always be necessary to use medication in connection with any form of biological production. However, such medication must be applied prudently to prevent the development of resistance. The company takes a risk-based approach to the sea lice situation, which involves both preventive and corrective measures. SalMar has teams of employees working specifically in this area. In the past couple of years, a substantial delousing capacity has been built up in the form of mechanical delousing equipment that also collects the lice to prevent reproduction, and SalMar are continuously evaluating and expanding its toolbox to handle sea lice. For further details of SalMar's lice management and procedures related to fish welfare, please see the Sustainability Report.

Over time, SalMar has built up an effective response capability to deal with biological challenges. Our harvesting capacity at InnovaMar and InnovaNor enables us to respond effectively. Furthermore, SalMar has good access to wellboat capacity.

Access to suitable feed raw materials is a vital part of risk management as feed is the most important input factor for the fish during the lifecycle. SalMar are continuously evaluating and expanding feed ingredients suitable for the nutritional needs of the fish while at the same time securing access to raw material sources.

Financial risk

The follow-up of internal controls associated with financial reporting, is carried out through management's day-to-day supervision, the process owners' follow-up and monitoring by the Board's Audit and Risk Committee. Non-conformances and improvement areas are followed up and remedial measures implemented. Financial risk is managed by a central unit at the head office, and financial hedging instruments are employed where they are considered appropriate.

Through its activities, the Group is exposed to various kinds of financial risk e.g.: market risk, credit risk and liquidity risk. The Group management oversees the management of these risks and draws up guidelines for dealing with them. The Group makes use of financial derivatives to hedge against certain risks. The Board of Directors has defined a financial risk appetite that sets overarching limits.

The Group has credit facilities with a syndicate of banks, which ensures sufficient flexibility both operationally and with respect to the financing of investments in SalMar's operations. In 2023 the group refinanced its financing agreements with unsecured credit facilities totalling NOK 16 billion with an accordion of NOK 3 billion. In 2021 the Group issued its first green bond totalling NOK 3.5 billion. In addition, the company has financial instruments, such as trade receivables, trade payables, etc., which are directly related to day-to-day business operations.

It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

Foreign exchange risk

The bulk of the Group's output is sold internationally, with accounts settled largely in EUR, USD, GBP and JPY. Changes in exchange rates therefore represent both a direct and indirect financial risk for the Group. Foreign exchange exposure linked to the Group's costs is, however, more limited compare to effect on revenue, since input factors and salaries are paid largely in NOK. The Group enters into forward currency contracts to reduce the risk associated with sales revenues denominated in foreign currencies that derive from contracts with customers. NOK 1,000 million of the green bond has been swapped to EUR with a fixed interest rate, this is a hedging of the currency exposure in Icelandic Salmon. For further details and description of use of forward currency contracts see Note 3.9.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

With effect from February 2022, SalMar ASA entered into fixed rate interest swap contracts with a total principal of NOK 2,250 million. 750 million has a duration of 7 years starting 22 April 2022, 750 million has a duration of 7 years starting 22 January 2025, and 750 million has a duration of 10 years starting 22 January 2024. The interest swap contracts are established with the purpose to reduce the interest rate risk related to long-term loans. In 2021 the Group has entered into a to cross-currency interest swap and an interest swap to manage the interest rate. For more details regarding the swaps see note 3.9.

Price risk

SalMar's entire business is related to salmon. The Group's profitability and cash flows are strongly correlated with movements in the price of salmon. Historically, salmon prices have been highly volatile seen in an annual, quarterly and monthly perspective. In 2023, the spot price of Atlantic salmon fluctuated between NOK 70.4 and NOK 127.3 per kg, measured weekly on the NASDAQ salmon index.

The global salmon market is largely a fresh-fish market, where most of the fish harvested is sold immediately to processing companies or directly to the consumer. For several years, growth in demand has been relatively stable, while growth in supply has varied more substantially from year to year. In addition to planned output volumes defined by the number of smolt transferred to sea farms, supply is also affected by a number of external factors. Fluctuations in sea temperatures, the spread of sea lice and outbreaks of disease or other environmental challenges are all factors which, directly or indirectly, affect fish growth and thus supply. As a consequence, relatively substantial variations in supply may occur within short periods of time. With relatively stable demand, this can result in considerable price volatility.

SalMar sells a portion of its output through fixed-price contracts. The Group has drawn up guidelines for such contracts to limit exposure to salmon price volatility. It is the Sales and Industry segment which sells the entire Group's harvested volume in Norway, the impact of the fixed-price contracts is therefore recognised in this segment's financial statements. Approximately 19 percent of the Group's volume was sold under fixed-price contracts in 2023.

Credit risk

The risk of a counterparty not having the financial resources to meet its obligations has, historically, been considered low, and SalMar's losses resulting from bad debts have been small. The Group has guidelines to ensure that sales are made only to customers who have not previously had material payment issues, and that outstanding totals do not exceed defined credit limits. Credit insurance is taken out as a general rule.

The Group does not have any material credit risk associated with an individual counterparty or counterparties which may be considered a group due to similarities in the credit risk they represent, see Note 4.1 for further details.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

SalMar's objective is to have sufficient cash, cash equivalents or short and medium-term credit facilities to meet its day-to-day funding requirement. The Group prepares regular cash-flow forecasts to ensure that it has sufficient liquidity at all times. Furthermore, a flexible financing structure is maintained through established credit facilities. Unused credit facilities are described in the notes to the financial statements.

The Group's equity ratio, its prospects for future profits and current credit facilities mean that the Group's liquidity risk is considered to be low.

SalMar has a BBB+ credit rating from Nordic Credit Rating, please visit their website for their latest assessment of the credit rating.

R&D

For many years, SalMar has engaged with various R&D institutes, including partnership relating to the operation of R&D licences. The scale and professionalism of important development activities has increased and continues to do so. For SalMar it is important to be a professional, but demanding partner, such that the outcomes of ongoing trials are as relevant as possible. SalMar has allocated personnel specifically to organising and assisting R&D environments involved in such collaborative efforts, while production staff are becoming increasingly experienced with regards to the best way to safeguard research results in a busy working day. Proximity to the research, and the opportunity to influence both its planning and its area of focus are important sources of motivation for SalMar.

SalMar is not satisfied with how the development over the last years has been with respect to both increased mortality and more challenging fish welfare. Therefore, early in 2024 SalMar announced the broad industry initiative, Salmon Living Lab. This is a unique initiative that seeks to engage an entire industry in solving the challenges the salmon face today. In addition to bringing partners across the salmon supply chain together, it will also lead to building of an innovation and R&D centre which will house various activities and function as a focal point for knowledge. In addition to its expertise, SalMar will be supporting the initiative with a strong financial commitment. One envisions about NOK 500 million to ensure that the project get off on a good start where the contribution will be shared among the parties who join the project. The first partner to sign up is Cargill, a trusted partner for farmers and food and agriculture companies worldwide.

The scale of SalMar's R&D activities in a wide range of fields was substantial in 2023. During the year, SalMar continued to focus on fish welfare and sea lice control. Development projects were conducted at the secondary processing plant and great emphasis has been placed on feed optimisation. In addition, SalMar continuously assesses its own work processes and aims to establish more long-term projects and a closer cooperation with the supply industry and research institutions.

SalMar's efforts in the field of breeding and genetics include a collaboration with Benchmark Holding PLC's subsidiary SalmoBreed, through the joint venture, SalMar Genetics. This model has created a solid foundation for the further development of the Rauma strain in the years ahead, and that this work may also offer synergies in other areas that SalMar is focusing on.

In 2023, SalMar continued its R&D activities in feed and collaborates with its main feed providers. SalMar sees a substantial need for greater focus on basic knowledge of how the fish are fed and how we can ensure that the entire population enjoys optimal conditions throughout the production cycle. It is SalMar's clearly expressed goal to initiate better and more comprehensive research into these issues under large-scale conditions. And several of these projects will be included in the Salmon Living Lab initiative.

For many years, fish farming in the open ocean has been an important part of SalMar's strategy to ensure sustainable growth. The company has further strengthened its efforts in this field by transferring its activities and channelling all further R&D efforts and investments in offshore fish farming into SalMar Aker Ocean, jointly owned with Aker. The company has two semi-offshore projects in operation after also Arctic Offshore Farming was included in this company from 2023.

Ocean Farm 1 was the first offshore project to be awarded special development licences in 2016. Since then, the company has completed two successful production cycles at this pioneering facility. In 2023 the third production cycle started which will be harvested in 2024.

Through the acquisition of NRS, SalMar gained the ownership in the development project Arctic Offshore Farming. The technology differs from both Ocean Farm 1 and Smart Fish Farm where there are 2 cages which can be submerged and a barge connected between the cages. First production cycle started in 2023 and the harvest from the project was completed in December 2023 and January 2024.

A third development project is also underway, this time for the world's first fully offshore fish farm suitable for the open ocean, the Smart Fish Farm. SalMar has been granted eight development licences for this novel deep-water project. In end September 2023, site approval for one open ocean unit was granted to SalMar Aker Ocean's Smart Fish Farm, approximately 50 nautical miles west of Frøya in Central Norway. Due to regulatory uncertainty SalMar Aker Ocean decided that further work on offshore aquaculture in Norway is currently on hold. The company will now fully focus on growth semi-offshore and utilize the capacity of its existing two semi-offshore units for the production of sustainable Norwegian salmon. It will also continue to explore opportunities outside of Norway

Organisation, Sustainability, and Social Responsibility

It is SalMar's goal to secure long-term profitability and growth through sustainable aquaculture and processing activities, and by acting as a responsible corporate citizen. For SalMar, the important thing is what sustainability is actually about: the future. It concerns not only the future of our children and grandchildren, but the protection of our fellow citizens today. In this, lies an acknowledgement that we have only one planet, with limited resources, which it is vital to preserve and protect.

Today, the world's population uses more resources than the planet manages to generate, and food production accounts for a substantial portion of humanity's environmental and climate footprint. New ways of producing food are needed for an ever-growing global population, at the same time as we must minimise the impact we have on the environment.

Salmon farming is one of the most environment-friendly ways of producing food, affording considerable benefits in the form of space, freshwater consumption and greenhouse gas emissions. Aquaculture and salmon farming will therefore make a significant contribution to providing a growing global population with healthy, protein-rich food in the years ahead.

Sustainability in everything we do is one of SalMar's key tenets. For us, sustainability is about the way we operate as a company and how we behave in the areas surrounding our operations. This includes taking care of our employees, the salmon and the environment while developing the industry and moving society in a more sustainable direction.

SalMar aims to safeguard the seas, while maximising our production at the terms of the salmon. This includes contributing to the development of new technology, so that we can continue to reduce the biological footprint of our production.

The Group recognises the diversity of its corporate social responsibility, as an employer, producer, supplier of healthy food, user of the natural environment and administrator of financial and intellectual capital. Social responsibility is important for us, and we want everything we do to stand the light of day. At the same time, we aim to minimise the impact our operations have on the natural environment.

Our holistic approach rests on awareness of the link between caring for people, economy, and the environment, which determines whether something is sustainable. This is the core reason for why we think sustainability in everything we do.

As an employer, SalMar aims to provide a safe and developing workplace. The Group works continuously to enhance measures and processes associated with health, safety, and the environment (HSE), as well as provide professional development opportunities for managers and employees. Good employees, irrespective of gender, age, or background, are crucial if we are to succeed in reaching our strategic goals. At the same time, it is important that we provide an attractive and safe working environment which makes it possible to attract and retain the most talented people.

In 2023, SalMar employed a total of 2,674 full-time equivalents from 58 different countries. The workforce was made up of 704 females and 1,970 males. The female ratio of the Executive Management Team is 14 %. SalMar works actively towards recruitment of women in what has traditionally been a male dominated industry. Our goal is to exhibit the vast opportunities for women in all parts of the industry. This is done by actively targeting potential future employees (in school, universities etc.) and having female representatives speak about SalMar as a workplace.

The female ratio of employees was 26 % in 2023 and increased in all segments in SalMar except for in the Sales & Industry segment. The female ratio is considerably higher at the Group's Admin and Harvesting & Processing plants than at its hatcheries and fish farms. One of SalMar's focus areas have been the Fish Farming segment, as this has the lowest female ratio. This segment has seen an increase in the female ratio for five straight years, more than doubling female employees in this period. This shows that SalMar's continuous efforts to increase the female ratio of its workforce is effective.

In its Code of Conduct, the Group makes its policy clear with respect to the promotion of diversity and equality. SalMar accepts no discrimination, abuse or harassment of our workers or partners, and we treat everyone with courtesy and respect no matter what their ethnicity, gender, national or social background, age, functional capacity, sexual orientation, religious faith, political convictions or other status. Respect for the individual is the cornerstone of the company's policy. Everyone shall be treated with dignity and respect and shall not be unfairly prevented from carrying out their duties and responsibilities. This perspective arises from the recognition that diversity plays a crucial role in creating an improved work environment, increased adaptability, and ultimately, better long-term outcomes.

SalMar complies with national regulations also with regards to working hours and sufficient rest. This is paramount to maintain SalMar's strict demands for safe operations.

Pursuant to section 3-3c of the Norwegian Accounting Act, the Board of Directors has drawn up guidelines covering business ethics and corporate social responsibility. These are available from the Group's website www.salmar.no. SalMar's activities in sustainability and corporate social responsibility, including human rights, labour rights, the working environment, equality, discrimination, anti-corruption, activity duty and the external environment, are described in further detail in the sustainability report.

In 2022 and 2023, SalMar published sustainability policies on its webpage. These are public statements from SalMar that give insight into how SalMar conducts its endeavours while always considering sustainability in everything we do.

Shares and Shareholders

In 2023 the share price increased 48 percent from the closing price of NOK 384.80 at the end of 2022. The price on 29 December, the last day of trading in 2023, was NOK 569.20 per share.

SalMar held its AGM on 8 June 2023. The AGM voted to pay a dividend of NOK 20 per share. The shares were traded ex. dividend from 9 June, with payment taking place on 22 June 2023.

SalMar held an extraordinary general meeting (EGM) on 23 October 2023 regarding capital reduction following completion of intra-group merger with NTS AS. In December 2023, SalMar completed the share capital reduction which implied that SalMar reduced its share capital by NOK 3,275,000 from 36,284,730 to NOK 33,009,730 by cancellation of 13,100,000 treasury shares.

As at 31 December 2023 SalMar ASA owned 278,854 treasury shares, this corresponds to 0.2 percent of the total number of shares outstanding as of 31 December 2023.

The number of outstanding shares in SalMar was 132,038,920 as of 31 December 2023, divided between 22,998 shareholders. The company's major shareholder, Kverva Industrier AS, owns 45.4 percent of the shares. The 20 largest shareholders own a total of 64.7 percent of the shares.

The company's Articles of Association contain no stipulations limiting the transferability of the company's shares. Furthermore, the company is not aware of any agreements between shareholders that limit the possibility of trading in or exercising voting rights with respect to shares.

Corporate Governance

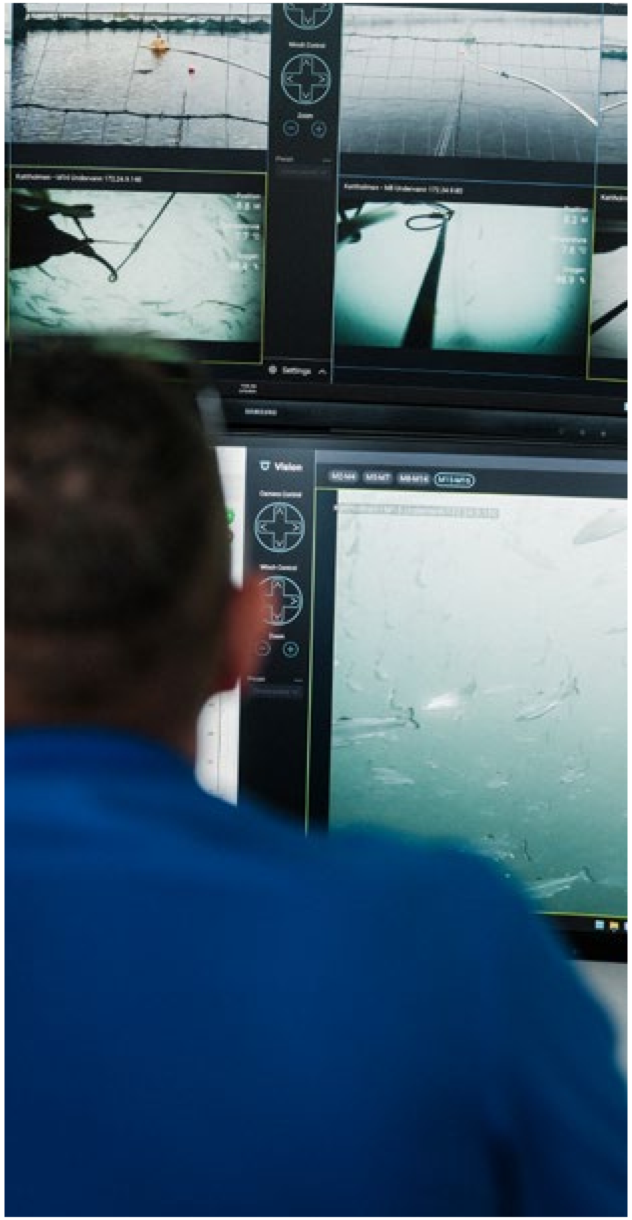
SalMar complies with the legislation, regulations, and recommendations to which a public limited company is subject, including Section 3-3b of the Norwegian Accounting Act on corporate governance, day-to-day obligations of a company listed on the Oslo Stock Exchange and the current version of the Norwegian Code of Practice for Corporate Governance. These principles are discussed in detail in a separate chapter of the annual report and are available from the company's website.

The Group's Board of Directors comprises five members elected by the shareholders and two employee representatives. Three of the board members are women, including one employee representative.

Changes in the Board's Composition

As recommended by the nomination committee, the annual general meeting (AGM) on 8 June 2023 voted to re-elect Margrethe Hauge and Leif Inge Nordhammer as board members for a term of two years.

Information relating to the competence and background of the various board members is available from SalMar's website www.salmar.no.



Outlook

Market outlook

In 2024 figures from Kontali Analyse, a leading provider of aquaculture data and research, estimate a limited supply growth of global harvest volume. The global volume of salmon harvested is expected to Increase with around 61,000 tonnes or 2 percent.

The harvested volume is expected to increase with 3 percent in Norway, 9 percent in UK, 15 percent in Faroe Island, 4 percent in North America and 10 percent in other markets. In Chile it is expected to decrease with 5 percent.

The limited growth in supply while combined with continued strong demand gives an optimistic market outlook for 2024.

Supply of Atlantic salmon
in 1,000 tonnes
whole fish equivalents (WFE)

	2024E	Change
Norway	1,525	+3 %
Chile	731	-5 %
UK	167	+9 %
North America	133	+4 %
Faroes	103	+15 %
Other countries	197	+10 %
Total, global supply	2,858	+2 %

Outlook for SalMar and associates

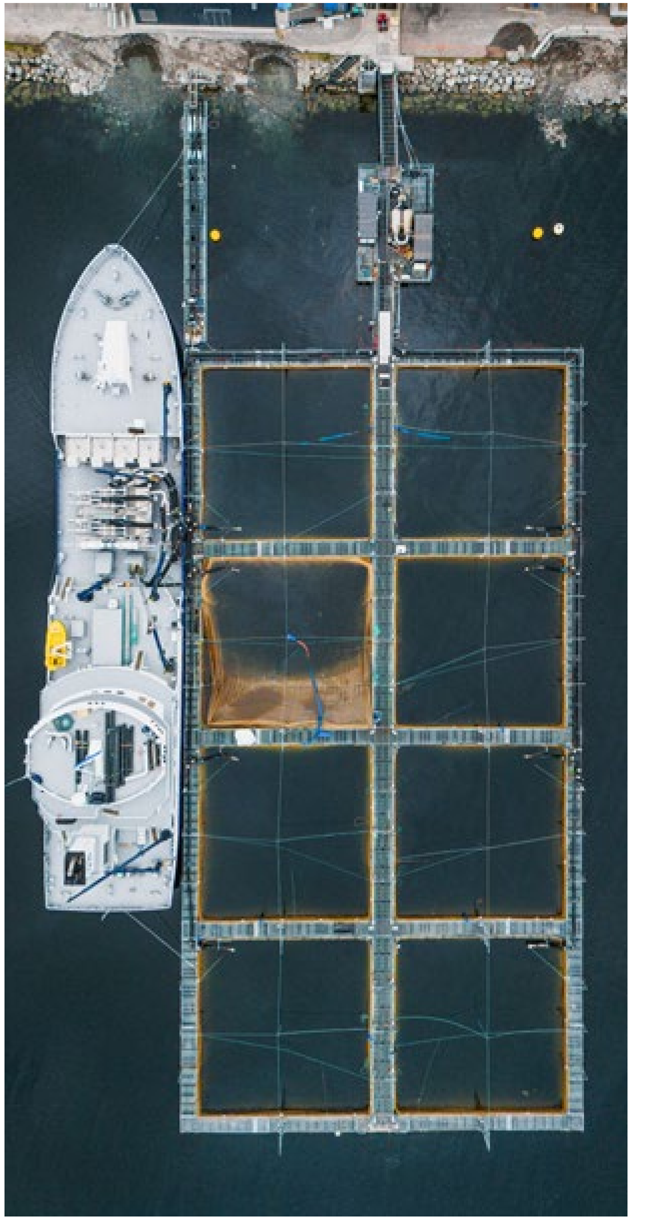
SalMar expects an increase in harvest volume in 2024. SalMar expects to harvest 237,000 tonnes in Norway, SalMar Aker Ocean 7,000 tonnes and 15,000 tonnes in Iceland in 2024. In addition, SalMar expects its share of the volume harvested by Norskott Havbruk (50 percent) to come to 18,500 tonnes in 2024. This totals a harvest volume of 277,500 tonnes or an increase of 4 % from 2023.

It is expected that around 40 percent of the volume will be harvested in the first half of the year, with the remaining 60 percent in the second half. In 2023, SalMar expects a contract share in Norway of around 25 percent for the full year of the expected volume harvested. The contracts portfolio average price and volume is relatively stable through the whole of 2024, where the prices on contracts are higher than the contract prices in 2023. In addition to the fixed price contracts SalMar also has several volume contracts where the price of the contract is linked to the current spot market prices.

Over time, SalMar has invested heavily to increase its competence and capacity to handle biological challenges in the best possible way. SalMar has a high level of preparedness at its harvesting facility, to ensure that extraordinary events can be handled in compliance with the regulations and optimally for the fish welfare. In addition, efforts are continuously being made to develop the most sustainable and best production sites. In this context, SalMar's offshore farming strategy is important.

SalMar expects stable cost in the value chain in 2024. Feed is the most important cost factor in salmon farming. SalMar expects feed prices to be more stable in 2024 compared to the significant increase experienced in 2022, due to inflationary pressure on raw materials.

Following the completion of the transactions with NTS, NRS and SalmoNor, SalMar has reinforced its position as a leader in the aquaculture industry, and thereby wants to utilize this position to make an important contribution to the sustainable development of salmon farming, both coastal and offshore. As announced on the capital markets day in September 2023 SalMar has a significant organic growth potential within existing licence without the need for larger investments. A total of 362,000 tonnes including relative share of Scottish Sea Farms implying a growth of 35 % from the harvested volume in 2023 and 30 % from the expected volume in 2024.



Investments

Due to the resource rent tax, all new larger industrial projects are still on hold in SalMar in Norway. Therefore, SalMar is only finalizing already sanctioned projects in 2024. SalMar expects to invest NOK 1.6 billion in its Norwegian operations. Maintenance investments accounts for NOK 0.7 billion or around 2.8 NOK/kg in line with company guidance of around 3 NOK/kg. Capacity investments account for NOK 0.7 billion where expansion of Vikenco accounts for the largest single investment. In addition, construction of Tjuin will be finalized, Dåfjord smolt facility will be upgraded and there are farming investments in the value chain to reduce cost and improve fish welfare.

To unlock potential on Iceland one expects to invest NOK 0.2 billion in 2024 where increased seawater farming capacity accounts for the largest investment. In SalMar Aker Ocean one expects NOK 0.1 billion.

The Board's assessment

Through hard work and dedication over many years, SalMar has built a strong position in a growing aquaculture industry. And through the transactions with NTS, NRS and SalmoNor SalMar has firmly positioned itself as a leading company in the industry and the world's second largest salmon producer. Both Norway and Iceland benefit from excellent conditions for the farming of salmon and in 2023 SalMar has increased its presence in its core regions in Norway. SalMar will continue to manage these resources in the best possible way for its shareholders, employees, customers and affected local communities.

The SalMar Group is determined to maintain its position as one of the world's top aquaculture companies with sustained profitability in the future, given its strong market standing. The Board of Directors believes that SalMar is well-equipped to achieve this goal. SalMar is committed to producing healthy food sustainably, and the increasing global population requires more food. Salmon farming is one of the most sustainable methods of food production, as it provides significant advantages in terms of space utilization, freshwater consumption, and greenhouse gas emissions. As a result, aquaculture and salmon farming will make a significant contribution to supplying the world's expanding population with nutritious and protein-rich food in the future, and SalMar will continue to focus on achieving sustainable growth on the salmon's terms.

However, the new tax regime in Norway from 2023 will have a major impact on the capacity for innovation and investments in the Norwegian aquaculture industry. This strengthens the need to seek efficiency and economies of scale. Given the greater competition from a growing number of salmon-producing countries, it is even more important that the Norwegian government ensures Norway's aquaculture sector has stable and predictable framework conditions.

In 2023, SalMar has demonstrated its capacity to adapt to changing market and regulatory conditions, delivering strong results and successfully completing large transactions, realizing synergies while building a solid financial position with a strong liquidity reserve. It is important for SalMar to provide its 23,000 shareholders a competitive return on invested capital. Due to strong results in 2023 and the strong financial position the board of directors has resolved to propose a cash dividend of NOK 35.00 per share for the financial year 2023.

The SalMar culture, expressed through our cultural tenets, is fundamental to the entire business, and our vision, "Passion for Salmon", is the vision that guides us on our way towards realising our ambition of being the world's best aquaculture company. SalMar's employees are our most important resource in our quest for further success. Continuous development of the organisation and culture is therefore a key focus area for the Group. The Board of Directors would like to thank all the company's employees for the dedicated efforts they put in every single day. It is these efforts which have created the SalMar Group's excellent results year after year, and which will underpin our continued success in the years ahead.

Frøya, 12 April 2024

Gustav Witzøe
Chair of the Board

Margrethe Hauge
Vice-Chair of the Board

Morten Loktu
Board Member

Arnhild Holstad
Board Member

Leif Inge Nordhammer
Board Member

Hans Stølan
Board Member
Employee representative

Frode Arntsen
CEO

Ingvild Kindlihagen
Board Member
Employee representative

Financial Statement and Results

Consolidated Financial Statements

2023

SalMar Group

Consolidated Statement of Profit or Loss

NOK 1,000	Note	2023	2022
Revenues from contracts with customers	2.2	28,099,174	20,070,115
Other operating income		119,374	88,164
Revenue and other income		**28,218,548**	**20,158,279**
Cost of goods sold		12,880,225	9,599,414
Fair value adjustment included in cost of goods sold due to business combination	2.9	-722,809	-283,398
Salary and personnel expenses	2.3, 2.4, 2.5	2,453,907	1,893,764
Other operating expenses	2.6, 3.4	4,067,095	3,446,233
Depreciation and amortisation	3.1, 3.3, 3.4	1,419,159	1,001,053
Write-downs	3.3, 3.4	33,071	36,642
Total operating expenses		**20,130,648**	**15,693,708**
Operational EBIT		**8,087,900**	**4,464,571**
Production tax	2.6, 2.11	-208,374	-85,232
Onerous contracts	3.13	-237,346	126,330
Fair value adjustments	2.9	1,589,853	515,887
Fair value adjustment included in cost of goods sold due to business combination	2.9	-722,809	-283,398
Operating profit		**8,509,224**	**4,738,158**
Income/loss from from investments in associates and joint venture	**3.5**	**-27,295**	**66,432**
Financial items			
Interest income	2.10	51,087	28,408
Financial income	2.10	29,737	95,052
Interest expenses	2.10	1,223,249	364,247
Financial expenses	2.10	60,183	1,771
Net financial items		**-1,202,608**	**-242,558**
Profit before tax from continuing operations		**7,279,321**	**4,562,032**
Income tax expense	2.11	4,533,736	953,996
Profit for the year from continuing operations		**2,745,585**	**3,608,036**
Profit after tax from discontinued operations	4.7	656,594	107,372
Profit for the year		**3,402,179**	**3,715,408**
Profit for the year attributable to:			
Non-controlling interests	4.6	**199,423**	**403,453**
Shareholders in SalMar ASA		**3,202,756**	**3,311,955**
Earnings per share	4.3, 4.11	24.36	27.64
Earnings per share - diluted	4.3, 4.11	24.33	27.60

Consolidated Statement of Other Comprehensive Income

NOK 1,000	Note	2023	2022
Profit for the year		3,402,179	3,715,408
Other comprehensive income:			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Translation differences in associated companies and joint venture	3.5	93,024	21,444
Translation differences in group companies		164,010	124,028
Gain/loss on hedge of net investment	3.9	-68,442	-51,997
Gain/loss on cash flow hedges	3.9	375,879	200,931
Net change in costs of hedging	3.9	-39,165	69,290
Tax related to other comprehensive income	2.11	-59,020	-49,085
Net other comprehensive income that may be reclassified to profit or loss		*466,286*	*314,611*
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement gain on defined benefit plans	2.5	708	3,422
Tax related to gain on defined benefit plans	2.5	-156	-753
Net other comprehensive income that will not be reclassified to profit or loss		552	2,669
Other comprehensive income		466,838	317,280
Total comprehensive income		3,869,017	4,032,688
Comprehensive income for the year attributable to			
Non-controlling interests	4.6	321,038	477,406
Shareholders in SalMar ASA		3,547,979	3,555,282

Consolidated Balance Sheet

NOK 1,000

Assets	Note	31.12.2023	31.12.2022
Non-current assets			
Intangible assets			
Licences	3.1, 3.12	15,216,687	14,875,519
Goodwill	3.1	3,011,250	2,999,859
Other intangible assets	3.1	456,660	415,674
Total intangible assets		18,684,597	18,291,052
Property, plant and equipment			
Property, plant and equipment	3.3, 3.12	12,371,370	11,131,221
Right-to-use assets	3.4, 3.12	1,797,701	1,386,604
Total property, plant and equipment		14,169,071	12,517,825
Non-current financial assets			
Investments in associates and joint venture	3.5	2,417,700	2,371,747
Investments in shares and other securities		17,102	42,434
Pension fund assets	2.5	2,985	2,802
Other receivables	3.7, 3.9	241,634	328,876
Total non-current financial assets		2,679,421	2,745,859
Total non-current assets		35,533,089	33,554,736
Current assets			
Biological assets	3.6, 3.12	13,264,679	11,754,721
Other inventory	3.6, 3.12	1,229,653	929,877
Total inventory		14,494,332	12,684,598
Receivables			
Trade receivables	3.7, 3.12	1,456,963	1,414,135
Other current receivables	3.7, 3.9	1,061,256	662,978
Total receivables		2,518,219	2,077,113
Cash and cash equivalents	3.10, 3.11	785,271	2,712,707
Total current assets		17,797,822	17,474,418
Assets held for sale	4.7	0	11,471,809
Total assets		53,330,911	62,500,963

Consolidated Balance Sheet, continued

Equity and Liabilities

Equity	Note	31.12.2023	31.12.2022
Paid-in equity			
Share capital	4.2	33,010	36,285
Treasury shares	4.2	-70	-3,185
Share premium		10,016,688	12,182,189
Other paid-in equity		0	343,902
Total paid-in equity		**10,049,628**	**12,559,191**
Retained earnings			
Retained earnings		9,851,408	6,796,778
Total equity attributable to shareholders of the parent		**19,901,036**	**19,355,969**
Non-controlling interests	4.6	3,177,806	4,798,794
Total equity		**23,078,842**	**24,154,763**
Liabilities			
Non-current liabilities			
Pension liabilities	2.5	8,020	17,877
Other non current liabilities	3.9	12,898	0
Deferred tax liability	2.11	6,724,797	1,927,804
Non-current interest-bearing debts	3.11, 3.12	12,211,226	18,349,972
Long-term lease liabilities	3.4, 3.11, 3.12	1,501,741	1,152,216
Total non-current liabilities		**20,458,682**	**21,447,869**
Current liabilities			
Current interest-bearing debts	3.11, 3.12	1,680,742	3,442,121
Short-term lease liabilities	3.4, 3.11, 3.12	343,753	273,081
Trade payables	3.11	3,965,936	3,337,649
Tax payable	2.11	1,814,423	2,612,569
Public duties payable		534,636	350,512
Other current liabilities	3.9, 3.13	1,453,897	1,269,954
Total current liabilities		**9,793,387**	**11,285,886**
Liabilities directly associated with the assets held for sale	4.7	0	5,612,445
Total liabilities		**30,252,069**	**38,346,200**
Total Equity and Liabilities		**53,330,911**	**62,500,963**

Frøya, 12 April 2024

Gustav Witzøe
Chair of the Board

Margrethe Hauge
Vice-Chair of the Board

Morten Loktu
Board Member

Arnhild Holstad
Board Member

Leif Inge Nordhammer
Board Member

Hans Stølan
Board Member
Employee representative

Frode Arntsen
CEO

Ingvild Kindlihagen
Board Member
Employee representative

Consolidated statement of changes in equity

NOK 1,000	Note	Share capital	Treasury shares	Share premium	Other paid-in equity	Other equity	Foreign currency translation differences	Cashflow hedges	Hedge of net investments	Cost of hedging reserve	Attributable to shareholders of the parent	Non-controlling interests	Total equity
As at 1 January 2022		29,450	-26	3,101,961	295,105	9,657,823	92,653	57,593	5,734	-9,944	13,230,349	2,252,827	15,483,176
Profit for the year		0	0	0	0	3,311,955	0	0	0	0	3,311,955	403,453	3,715,408
Other comprehensive income													
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:													
Translation differences in associates and joint venture	3.5	0	0	0	0	0	21,444	0	0	0	21,444	0	21,444
Translation differences in subsidiaries		0	0	0	0	0	62,813	0	0	0	62,813	61,215	124,028
Gain/loss on hedge of net investment	3.9	0	0	0	0	0	0	0	-51,997	0	-51,997	0	-51,997
Gain/loss on cash flow hedges	3.9	0	0	0	0	0	0	184,145	0	0	184,145	16,786	200,931
Net change in costs of hedging	3.9	0	0	0	0	0	0	0	0	69,290	69,290	0	69,290
Tax related to other comprehensive income	2.11	0	0	0	0	0	0	-41,232	11,439	-15,244	-45,037	-4,048	-49,085
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		*0*	*0*	*0*	*0*	*0*	*84,257*	*142,913*	*-40,558*	*54,046*	240,658	*73,953*	314,611
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:													
Remeasurement gain on defined benefit plans	2.5	0	0	0	0	3,422	0	0	0	0	3,422	0	3,422
Tax related to gain on defined benefit plans	2.5	0	0	0	0	-753	0	0	0	0	-753	0	-753
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		*0*	*0*	*0*	*0*	*2,669*	*0*	*0*	*0*	*0*	2,669	*0*	2,669
Other comprehensive income		0	0	0	0	2,669	84,257	142,913	-40,558	54,046	243,327	73,953	317,280
Total comprehensive income		0	0	0	0	3,314,624	84,257	142,913	-40,558	54,046	3,555,282	477,406	4,032,688
Transactions with shareholders													
Share-based payment, expensed	2.4	0	0	0	51,818	1,522	0	0	0	0	53,340	926	54,266
Share-based payment, tax effect	2.11	0	0	0	-2,838	0	0	0	0	0	-2,838	0	-2,838
Share-based payment, release	2.4	0	30	0	0	-30	0	0	0	0	0	0	0
Dividend	4.2	0	0	0	0	-2,353,953	0	0	0	0	-2,353,953	-51,400	-2,405,353
Borrowed treasury shares	4.3	0	-8	-11,536	0	0	0	0	0	0	-11,544	0	-11,544
Issue of share capital	4.2	6,835	0	9,091,995	0	0	0	0	0	0	9,098,830	0	9,098,830
Contribution of equity in group companies	4.6	0	0	0	0	7,154	0	0	0	0	7,154	3,753	10,907
Transaction costs related to capital contribution, net of tax		0	0	-238	0	-67	0	0	0	0	-305	0	-305
Acquisition of non-controlling interests	4.6	0	0	0	0	0	0	0	0	0	0	6,268,346	6,268,346
Treasury shares in subsidiaries	4.2	0	-3,181	0	0	-4,190,629	0	0	0	0	-4,193,810	-319,060	-4,512,870
Change in non-controlling interests	4.6	0	0	0	0	-40,155	0	0	0	0	-40,155	-3,832,936	-3,873,091
Reclassifications and Other changes		0	0	7	-183	3,702	0	10,093	0	0	13,619	-1,068	12,551
Total transactions with shareholders		6,835	-3,159	9,080,228	48,797	-6,572,456	0	10,093	0	0	2,570,338	2,068,561	4,638,899
At 31 December 2022		36,285	-3,185	12,182,189	343,902	6,399,991	176,910	210,599	-34,824	44,102	19,355,969	4,798,794	24,154,763

Consolidated statement of changes in Equity, continued

NOK 1,000	Note	Share capital	Treasury shares	Share premium	Other paid-in equity	Other equity	Foreign currency translation differences	Cashflow hedges	Hedge of net investments	Cost of hedging reserve	Attributable to shareholders of the parent	Non-controlling interests	Total equity
As at 1 January 2023		36,285	-3,185	12,182,189	343,902	6,399,991	176,910	210,599	-34,824	44,102	19,355,969	4,798,794	24,154,763
Profit for the year		0	0	-2,163,200	-392,469	5,758,425	0	0	0	0	3,202,756	199,423	3,402,179
Other comprehensive income													
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:													
Translation differences in associates and joint venture	3.5	0	0	0	0	0	93,024	0	0	0	93,024	0	93,024
Translation differences in subsidiaries		0	0	0	0	0	79,415	0	0	0	79,415	84,595	164,010
Gain/loss on hedge of net investment	3.9	0	0	0	0	0	0	0	-68,442	0	-68,442	0	-68,442
Gain/loss on cash flow hedges	3.9	0	0	0	0	0	0	328,416	0	0	328,416	47,463	375,879
Net change in costs of hedging	3.9	0	0	0	0	0	0	0	0	-39,165	-39,165	0	-39,165
Tax related to other comprehensive income	2.11	0	0	0	0	0	0	-72,250	15,057	8,616	-48,577	-10,443	-59,020
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		*0*	*0*	*0*	*0*	*0*	*172,439*	*256,166*	*-53,385*	*-30,549*	344,671	*121,615*	466,286
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:													
Remeasurement gain on defined benefit plans	2.5	0	0	0	0	708	0	0	0	0	708	0	708
Tax related to gain on defined benefit plans	2.5	0	0	0	0	-156	0	0	0	0	-156	0	-156
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		*0*	*0*	*0*	*0*	*552*	*0*	*0*	*0*	*0*	552	*0*	552
Other comprehensive income		0	0	0	0	552	172,439	256,166	-53,385	-30,549	345,223	121,615	466,838
Total comprehensive income		0	0	-2,163,200	-392,469	5,758,977	172,439	256,166	-53,385	-30,549	3,547,979	321,038	3,869,017
Transactions with shareholders													
Share-based payment, expensed	2.4	0	0	0	43,750	2,857	0	0	0	0	46,607	1,133	47,740
Share-based payment, tax effect	2.11	0	0	0	766	2,670	0	0	0	0	3,436	0	3,436
Share-based payment, release	2.4	0	22	0	-22	0	0	0	0	0	0	0	0
Dividend	4.2	0	0	0	0	-2,628,651	0	0	0	0	-2,628,651	-136,981	-2,765,632
Sales of treasury shares	4.3	0	8	-4,626	0	16,162	0	0	0	0	11,544	0	11,544
Acquisition of interests with settlement in treasury shares	4.5, 4.6	0	52	0	4,073	112,763	0	0	0	0	116,888	130,377	247,265
Treasury shares in subsidiaries	4.6	0	-242	0	0	-318,818	0	0	0	0	-319,060	319,060	0
Change in non-controlling interests	4.6	0	0	0	0	-239,271	0	0	0	0	-239,271	-516,073	-755,344
Divestment of non-controlling interests	4.6	0	0	0	0	0	0	0	0	0	0	-1,737,163	-1,737,163
Share capital reduction	4.2	-3,275	3,275	0	0	0	0	0	0	0	0	0	0
Reclassifications and Other changes		0	0	2,325	0	3,270	0	0	0	0	5,595	-2,379	3,216
Total transactions with shareholders		-3,275	3,115	-2,301	48,567	-3,049,018	0	0	0	0	-3,002,912	-1,942,026	-4,944,938
At 31 December 2023		33,010	-70	10,016,688	0	9,109,949	349,349	466,765	-88,209	13,553	19,901,036	3,177,806	23,078,842

Consolidated Statement of Cash Flows

NOK 1,000	Note	2023	2022
Cash flow from operating activities			
Profit before tax		7,279,321	4,562,032
Profit before tax from discontinued operations		684,567	91,098
Tax paid in the period	2.11	-608,301	-551,630
Depreciation, amortisation and write-downs	3.1, 3.3, 3.4	1,452,230	1,037,695
Employee share schemes charged to expenses	2.4	47,740	54,266
Income from associated companies and joint venture	3.5	27,295	-66,432
Gain related to remeasured shares in associated companies	3.5	0	-90,776
Gains on disposal of shares in group companies	4.7	-365,154	0
Gains/losses on sale of non-current assets	3.3	-31,005	0
Net interest expenses	2.10	1,172,162	335,839
Onerous contracts		237,346	-126,330
Fair value adjustments	2.9	-867,044	-232,489
Change in inventory / biological assets at cost		-903,550	-1,103,935
Change in trade receivables		-31,607	-158,776
Change in trade payables		620,955	44,178
Change in other accruals		105,409	412,092
Cash flow from operating activities related to discontinued operations	4.7	155,113	15,612
Net cash flow from operating activities		**8,975,477**	**4,222,444**
Cash flow from investing activities			
Receipts from disposal of property, plant and equipment	3.3	4,031	104,473
Purchase of property, plant and equipment	3.3	-2,268,811	-2,265,008
Purchase of intangible assets	3.1	-83,512	-189,884
Receipts from disposal of group companies	4.4, 4.7	4,453,707	1,859,913
Receipts from disposal of other investments		45,000	0
Payments on business combinations, net of cash	4.5	0	-2,091,790
Dividends from associated companies	3.5	18,446	2,865
Dividends from other companies		6,664	0
Loan to third parties		-14,169	22,020
Interest received	2.10	25,086	4,112
Cash flow from investing activates related to discontinued operations	4.7	-411,853	-79,927
Net cash flow from investing activities		**1,774,589**	**-2,633,226**

Consolidated Statement of Cash Flows, continued

NOK 1,000	Note	2023	2022
Cash flow from financing activities			
Proceeds from interest-bearing debts	3.11	7,788,052	11,604,620
Repayment of interest-bearing debts	3.11	-16,448,307	-4,458,033
Net change in overdraft	3.11	713,521	-127,923
Payment of instalments on lease liabilities	3.4, 3.11	-321,096	-229,333
Payment of interest on lease liabilities	3.4, 3.11	-102,177	-64,654
Interest paid	2.10	-1,145,257	-215,410
Dividend	4.2	-2,747,573	-2,405,353
Net proceeds from issuance of shares in group companies	4.6	0	10,907
Acquisition of non-controlling interests	4.6	-755,344	-3,873,091
Cash flow from financing activities related to discontinued operations	4.7	29,060	-77,494
Net cash flow from financing activities		**-12,989,121**	**164,236**
Net change in cash and cash equivalents		-2,239,055	1,753,454
Currency translation of cash and cash equivalents		-7,086	6,898
Cash and cash equivalents as at 01.01		2,712,707	901,644
Cash and cash equivalents discontinued operations at acquisition		0	369,416
Cash and cash equivalents discontinued operations as at 01.01		318,705	0
Cash and cash equivalents as at 31.12	**3.10**	**785,271**	**3,031,412**
Of which cash and cash equivalents in discontinued operations as at 31.12	4.7	0	318,705
Cash and cash equivalents excluding discontinued operations as at 31.12		**785,271**	**2,712,707**
Unused drawing rights	3.11	9,754,227	8,133,813

Notes to the Financial Statements for 2023

Part 1 General information and significant accounting policies

NOTE 1.1 General information

SalMar ASA is a listed public limited liability company, registered and domiciled in Norway. The company's shares are listed on the Oslo Stock Exchange. The company's head office is located at Industriveien 51, 7266 Kverva, in the municipality of Frøya.

SalMar's consolidated financial statements of 31 December 2023 and for the year as a whole is comprised of SalMar ASA and its subsidiaries, as well as the Group's share of associates and joint venture accounted for using the equity method. The Group operates in Norway, Iceland and Asia, and has operations in Scotland through an associate.

The annual financial statements were formally approved by the Board of Directors on 12 April 2024.

NOTE 1.2 Basis of preparation

SalMar's consolidated financial statements is comprised of the statement of profit or loss, statement of other comprehensive income, balance sheet, statement of changes in equity and Statement of Cash Flows. The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS as adopted by EU. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) at 31 December 2023, as well as disclosure requirements pursuant to the Norwegian Accounting Act as at 31 December 2023.

Significant accounting principles relating to specific accounting lines and accounting items are described in the introduction to the relevant notes.

The consolidated financial statements are presented in Norwegian kroner (NOK). The financial statements have been prepared on a historical cost basis, except for the following:

- Biological assets – measured at fair value (Note 3.6)
- Financial derivatives - measured at fair value (Note 3.8)
- Other shares and securities – measured at fair value (Note 3.8)

New and amended standards adopted by the group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not on measurement, recognition or presentation of any items in the Group's financial statements.

Definition of Accounting Estimates - Amendments to IAS 8
The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. The amendments had no impact on the Group's consolidated financial statements.

New standards and interpretations not yet adopted

At the end of 2023 there are some amendments to existing standards that are not yet effective. There are no amendments that is expected to have a significant impact on the Group's financial statements.

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NOTE 1.3 Principles of consolidation

SalMar's consolidated financial statements encompass SalMar ASA and its subsidiaries as at 31 December 2023.

Subsidiaries are all entities over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. If the Group has a majority of the voting rights in an entity, the entity is presumed to be a subsidiary of the Group. To substantiate this presumption, and where the Group does not hold a majority of the voting rights, the Group considers all relevant facts and circumstances to determine whether the Group has control over the entity in which it has invested. This includes assessing the size of its shareholding, its voting share, the shareholder structure and its relative strength therein, as well as options controlled by the Group, shareholder agreements or other agreements. This assessment is performed for each investment. A reassessment is performed when facts and circumstances indicate that changes have taken place in one or more of the factors determining control.

The acquisition method of accounting is used to account for business combinations by the group. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The entity perspective is applied in connection with acquisitions where control is established. The exception is goodwill, where for each acquisition it is optional whether to recognise the controlling owners' share or 100 %. In the cases where the fair value of the acquired assets exceeds the amount paid, the difference is treated as income in profit and loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of SalMar ASA.

When the Group no longer has control, any remaining shareholding is measured at fair value, with changes in value recognised through profit and loss. In connection with its future recognition as an investment, associate, jointly controlled entity or financial asset, fair value is deemed to equal acquisition cost. Amounts which were previously recognised in OCI with respect to this company are treated as if the Group had divested the underlying assets and liabilities. This may mean that amounts which have previously been recognised in OCI are reclassified to profit and loss.

NOTE 1.4 Principles of classification

Changes in the fair value of biological assets are presented as fair value adjustments and are included in the Group's operating profit/loss. Fair value adjustments also includes changes in the unrealised value of Fish Pool contracts. Operational EBIT is reported before fair value adjustment, changes in onerous contracts and production tax in the period in order to show the Group's underlying sales performance during the period.

NOTE 1.5 Functional currency and translation of foreign currencies

The consolidated financial statements are presented in Norwegian kroner (NOK), which is the parent company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges and qualifying net investment hedges.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a. assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
b. income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates
c. all resulting exchange differences are recognised in other comprehensive income.

NOTE 1.6 Statement of Cash Flows

The Group's Statement of Cash Flows shows a breakdown of the Group's overall cash flow into operating, investing and financing activities. The statement shows the individual activity's impact on liquid assets. Cash flow deriving from the acquisition and sale of businesses is presented under investing activities.

NOTE 1.7 Use of estimates

Preparation of the financial statements in accordance with IFRS requires management to make evaluations, estimates and assumptions which affect the application of accounting principles and the value of assets and liabilities recognised in the Consolidated balance sheet as well as income and expenses in the Statement of profit or loss for the financial year. Estimates and their underlying assumptions are based on past experience and other factors deemed relevant and probable at the time the evaluations are made. These evaluations affect the book value of the assets and liabilities whose valuation is not based on other sources. Estimates are reviewed continuously and final values and results may differ from these estimates. Changes in accounting estimates are included in the period in which the changes occur.

The following evaluations and estimates are considered to be significant for the Group:

Fair value of the biomass

Biological assets held at the Group's sea farms are measured in accordance with IAS 41. The principles for calculating fair value are described in Note 3.6 "Biological assets and other inventory".

The valuation is based on a number of assumptions that require considerable discretionary judgement. The key assumptions relate to volume, costs, price and the discount rate.

The estimated volume at harvest is based on the number of fish held at sea farms, adjusted for estimated growth and mortality from the time the fish were transferred to the sea until they have actually been harvested. The actual volume harvested may deviate from the estimated volume as a result of biological developments. Uncertainty with regard to biological developments may affect the date of harvest and therefore the discounting period in the model.

Expected market prices underpin the measurement of fish at fair value. The industry considers the Fish Pool forward price to be the best estimate of market prices. Historically, the market price for fish has proved susceptible to relatively large fluctuations from period to period and between seasons. The price achieved will moreover, differ depending on the size and quality of the fish at harvest. At the same time, the date of harvest will depend on the fish's biological development.

There is considerable uncertainty to the estimated remaining production costs to harvest. Biological challenges, such as disease and sea lice infestations, will affect fish-related costs. In addition, there is uncertainty related to the price of other important input factors, such as fish feed.

Expected future cash flows for the individual sites are discounted by a monthly discount factor. The discount factor is comprised of several elements (see Note 3.6 "Inventory and biological assets" for further details). As described in Note 3.6, a synthetic licence fee and site leasing cost is added to the discount factor in the model, instead of these elements being treated as a cost in the calculation. In order to engage in the farming of salmon, it is necessary to have access to infrastructure in the form of production licences and sites. The market price for a production licence in today's market is high, and it is reasonable to assume that in a hypothetical market there would be a considerable cost attached to use of the infrastructure and licences necessary to operate an aquaculture business. This cost is reflected as an element of the discount rate and will be subject to considerable discretionary judgement.

Fair value at acquisition

In connection with an acquisition, the cost price of the acquired entity must be allocated such that the opening balance in the Group's accounts reflects the estimated fair value of the acquired assets and liabilities. To determine the fair value at acquisition, alternative methods are used to determine the fair value of assets for which there is no active market. Value excess identifiable assets and liabilities is recognised in the Consolidated balance sheet as goodwill. If the fair value of equity in the acquired entity exceeds the consideration paid, the excess amount is immediately recognised as income. The allocation of cost price in connection with business combinations is updated if, no later than 12 months after the acquisition took place, new information is obtained with respect to fair value on the date of takeover and assumption of control.

NOTE 2.1 Business segments

Accounting policies

The Group's business areas comprise of Fish Farming, Sales & Industry and the Group's operations in Iceland which are reported as a separate unit and are defined as a separate segment. In addition, SalMar Aker Ocean, the Group's offshore farming is defined as a separate segment.

Fish farming in Norway is divided into two regions, Fish Farming Central Norway and Fish Farming Northern Norway, which are defined as separate segments, and are reported and administered as such internally. The Group's hatchery operations are also included in these segments. The operating unit Icelandic Salmon, located in Iceland, is a fully integrated aquaculture company, with its own hatchery, sea farms, harvesting plant and sales force. This segment's combined results are reported through the business segment Icelandic Salmon. SalMar Aker Ocean is a partnership between SalMar (85 per cent ownership) and Aker (15 per cent) that specialise in offshore farming. The company has two semi-offshore units in operation, Ocean Farm 1 in Central Norway and Arctic Offshore Farming in Northern Norway.

Group management evaluates the segments' performance on the basis of Operational EBIT.

The column Other/Eliminations includes costs relating to share-based employee cost, R&D costs relating to jointly operated licences and other overheads not allocated to segments. In addition, it includes transaction costs from business combinations, restructuring cost and for 2022 costs incurred in the settlement of allegations of price collusion related to lawsuits in North America.

Sales between segments are carried out in accordance with the arm's length principle. When revenues from external parties are reported to group management, they are measured at the same amount recognised in profit and loss. Assets and liabilities are not reported to group management at segment level.

2023 (NOK 1,000)	Fish Farming Central Norway	Fish Farming Northern Norway	Sales & Industry	Icelandic Salmon	SalMar Aker Ocean	Other/ Eliminations	SalMar Group
External operating revenue - sale of goods and services	170,134	50,825	26,017,108	1,861,107	0	0	28,099,174
Internal operating revenue - sale of goods and services	12,128,520	7,829,649	1,057,997	1,284	172,834	-21,190,283	0
TOTAL revenues from contracts with customers	**12,298,654**	**7,880,474**	**27,075,104**	**1,862,391**	**172,834**	**-21,190,283**	**28,099,174**
Compensation	10,998	8,989	0	0	0	0	19,987
Other operating income	109,673	4,855	18,982	8,865	1	-42,989	99,387
Revenue and income	**12,419,325**	**7,894,318**	**27,094,086**	**1,871,256**	**172,835**	**-21,233,272**	**28,218,548**
Depreciation and amortisation	656,799	362,578	201,762	103,160	77,637	17,222	1,419,159
Write-downs	0	16	1,965	0	-7,543	38,633	33,071
Other operating expenses	7,150,100	4,129,703	26,636,056	1,537,896	155,313	-20,930,650	18,678,418
Operational EBIT	**4,612,426**	**3,402,021**	**254,303**	**230,199**	**-52,572**	**-358,478**	**8,087,900**
Production tax							-208,374
Onerous contracts							-237,346
Fair value adjustments							1,589,853
Fair value adjustment included in cost of goods sold due to business combination							-722,809
Operating profit/loss							**8,509,224**
Income from investments in associates and joint venture							-27,295
Net financial items							-1,202,608
Profit before tax							**7,279,321**
Tax							4,533,736
Profit for the year from continuing operations							**2,745,585**
Profit after tax from discontinued operations							656,594
Profit for the year							**3,402,179**
Investments in PP&E	957,299	561,041	357,222	294,138	98,114	997	2,268,811
Investments in right-to-use assets	723,657	38,379	0	9,132	0	0	771,169
Investments in licences	255,651	32,571	0	0	0	0	288,223

2022 (NOK 1,000)	Fish Farming Central Norway	Fish Farming Northern Norway	Sales & Industry	Icelandic Salmon	SalMar Aker Ocean	Other/ Eliminations	SalMar Group
External operating revenue - sale of goods and services	3,317	50,825	18,429,251	1,586,722	0	0	20,070,115
Internal operating revenue - sale of goods and services	8,831,134	4,830,067	675,897	7,402	0	-14,344,500	0
TOTAL revenues from contracts with customers	**8,834,451**	**4,880,892**	**19,105,148**	**1,594,124**	**0**	**-14,344,500**	**20,070,115**
Compensation	3,901	0	0	0	32,460	10	36,371
Other operating income	33,971	2,231	36,267	1,052	0	-21,728	51,793
Revenue and income	**8,872,323**	**4,883,123**	**19,141,415**	**1,595,176**	**32,460**	**-14,366,219**	**20,158,279**
Depreciation and amortisation	480,084	186,472	176,278	75,472	72,420	10,328	1,001,053
Write-downs	2,788	0	213	0	33,641	0	36,642
Other operating expenses	4,790,235	2,170,897	20,251,179	1,153,761	81,167	-13,791,227	14,656,013
Operational EBIT	**3,599,217**	**2,525,754**	**-1,286,255**	**365,943**	**-154,769**	**-585,319**	**4,464,571**
Production tax							-85,232
Onerous contracts							126,330
Fair value adjustments							515,887
Fair value adjustment included in cost of goods sold due to business combination							-283,398
Operating profit/loss							**4,738,158**
Income from investments in associates and joint venture							66,432
Net financial items							-242,558
Profit before tax							**4,562,032**
Tax							953,996
Profit for the year from continuing operations							**3,608,036**
Profit after tax from discontinued operations							107,372
Profit for the year							**3,715,408**
Investments in PP&E	1,291,718	244,919	280,340	168,200	265,565	14,265	2,265,008
Investments in PP&E through business combinations	999,317	1,121,628	163,367	195,909	0	99,259	2,579,479
Investments in right-to-use assets	49,107	56,313	5,220	28,148	3,509	0	142,296
Investments in right-to-use assets through business combinations	163,499	270,558	40,094	0	0	72,753	546,905
Investments in licences	50,000	0	0	2,812	0	0	52,812
Investments in licences through business combinations	2,968,852	4,293,183	0	3,857	0	0	7,265,892

NOTE 2.2 Revenues from contracts with customers and material customers

Accounting policies

Income from the sale of goods comes mainly from the sale of fresh whole Atlantic salmon and a wide selection of fresh and frozen salmon products, either on spot sales or from contracts. Income from the sale of services mainly relates to the sale of harvesting services. Revenue is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for these goods. This is typically when the goods are picked up by the carrier or on delivery to a terminal or the customer. This depends on the delivery conditions and varies from customer to customer. The normal credit period is 30 days net. Income from harvesting services is recognised as income as the services are provided.

For further details, see Note 2.1 for operating revenues relating to the Group's business segments.

Specification of revenues (NOK 1,000)	2023	2022
Sale of goods	27,828,296	19,800,190
Sale of services	270,878	269,925
Total revenues from contracts with customers	28,099,174	20,070,115

No individual customers have accounted for more than 10 per cent of the Group's revenue in the past two years.

Specification of the Group's revenues by geographic market	2023	%	2022	%
Asia	6,433,961	22.9 %	4,729,240	23.6 %
USA/Canada	5,174,950	18.4 %	4,155,643	20.7 %
Europe, ex. Norway	9,716,399	34.6 %	8,369,116	41.7 %
Norway	6,444,116	22.9 %	2,269,477	11.3 %
Other	329,748	1.2 %	546,638	2.7 %
Total Revenues from contracts with customers	28,099,174	100.0 %	20,070,115	100.0 %

Specification of the Group's revenues by currency	2023	%	2022	%
NOK	8,406,400	29.9 %	4,318,522	21.5 %
JPY	1,223,998	4.4 %	1,046,147	5.2 %
GBP	289,588	1.0 %	253,989	1.3 %
USD	9,941,620	35.4 %	7,371,387	36.7 %
EUR	7,441,625	26.5 %	6,315,563	31.5 %
SEK	335,321	1.2 %	310,512	1.5 %
KRW	61,089	0.2 %	67,651	0.3 %
CAD	361,234	1.3 %	347,875	1.7 %
CHF	2,174	0.0 %	2,167	0.0 %
ISK	36,125	0.1 %	36,301	0.2 %
Total Revenues from contracts with customers	28,099,174	100.0 %	20,070,115	100.0 %

NOTE 2.3 Salary and personnel expenses:

Salary and personnel expenses:

NOK 1,000	2023	2022
Salaries and other short-term employee benefits	2,058,602	1,548,764
Social security expenses	157,358	117,907
Pension expenses	107,763	92,498
Employee share schemes charged to expenses	47,740	54,266
Other benefits	82,443	80,329
Total	2,453,907	1,893,764
Average number of full-time employee equivalent in the Group	2,674	2,266

Loans and guarantees granted to employees:

NOK 1,000	Loans	Guarantees
Employees	251	0

Remuneration paid to Executive Management and Board of Directors:

Reference is made to the Board's guidelines for remuneration and other benefits for SalMar ASA's senior executives adopted by the ordinary general meeting on 8 June 2021.

	Fixed remuneration				Variable remuneration				
Executive Management 2023 (NOK 1,000)	Base salary	Pension	Benefits	Total fixed remuneration	Severance pay	Bonus	Shares	Total variable remuneration	Total remuneration
Frode Arntsen, CEO	4,461	87	10	4,559	0	850	1,145	1,995	6,554
Linda Litlekalsøy Aase, former CEO[2]	0	0	0	0	2,043	0	0	2,043	2,043
Ulrik Steinvik, CFO	2,559	83	10	2,652	0	800	867	1,667	4,319
Roger Bekken, COO Farming	3,160	95	10	3,265	0	800	1,026	1,826	5,091
Simon Andre Søbstad, COO Sales & Industry	2,179	175	10	2,364	0	650	595	1,245	3,609
Eva Haugen, Director Quality Management/HSE	1,550	83	10	1,643	0	450	572	1,022	2,664
Arthur Wisniewski, Director Human Resource Management	1,861	77	10	1,948	0	650	600	1,250	3,199
Runar Sivertsen, Chief Strategy Officer	1,838	77	10	1,925	0	650	512	1,162	3,086
Total earned 2023	17,607	676	73	18,356	2,043	4,850	5,317	12,210	30,565

	Fixed remuneration				Variable remuneration				
Executive Management 2022 (NOK 1,000)	Base salary	Pension	Benefits	Total fixed remuneration	Severance pay	Bonus	Shares	Total variable remuneration	Total remuneration
Frode Arntsen, CEO, former COO Industry & Sales[1]	2,710	84	9	2,804	0	750	765	1,515	4,319
Linda Litlekalsøy Aase, CEO[2]	2,576	55	117	2,749	6,643	1,800	0	8,443	11,191
Gustav Witzøe, CEO[3]	1,090	34	3	1,127	0	0	0	0	1,127
Ulrik Steinvik, CFO, former Director Business Improvement[4]	2,081	80	9	2,170	0	670	673	1,343	3,514
Gunnar Nielsen, CFO[5]	1,583	18	6	1,607	0	0	0	0	1,607
Trine Sæther Romuld, CFO & COO[6]	1,051	31	2	1,084	0	2,943	0	2,943	4,028
Roger Bekken, COO Farming[7]	2,454	91	9	2,555	0	700	782	1,482	4,037
Simon Andre Søbstad, COO Sales & Industry[7]	1,413	45	11	1,468	0	380	428	808	2,277
Eva Haugen, Director Quality Management/HSE[7]	1,384	79	9	1,473	0	360	460	820	2,292
Arthur Wisniewski, Director Human Resource Management[7]	1,660	75	9	1,745	0	600	451	1,051	2,796
Runar Sivertsen, Chief Strategy Officer[7]	1,432	75	9	1,516	0	535	358	893	2,409
Total earned 2022	19,434	668	196	20,298	6,643	8,738	3,917	19,298	39,596

1 From 24 October 2022
2 From 9 May 2022 to 23 October 2022. Ms Aase had a severance agreement of one year fixed and variable remuneration. 2/3 of the severance pay was settled as per 31.12.2022.
3 Until 9 May 2022
4 From 27 October 2022
5 From 1 April 2022 to 26 October 2022
6 Until 31 March 2022
7 From 28 October 2022

Board of Directors 2023 (NOK 1,000)	Annual base fee	Audit and Risk Committee	Nomination Committee	Salary and benefits	Total remuneration
Gustav Witzøe, Chair of the Board	545	0	0	103	648
Leif Inge Nordhammer, Board member	305	0	0	0	305
Margrethe Hauge, Vice-Chair of the Board	305	130	0	0	435
Arnhild Holstad, Board member	305	0	0	0	305
Morten Loktu, Board member[8]	305	138	0	0	443
Employee representatives					
Ingvild Kindlihagen, Board Member (from 8 June 2023)	80	0	0	902	982
Hans Stølan, Board Member (from 8 June 2023)	80	0	0	504	584
Nomination Committee					
Bjørn M. Wiggen, Chair of the Nomination Committee	0	0	44	0	44
Endre Kolbjørnsen	0	0	28	0	28
Karianne O. Tung	0	0	28	0	28
Former members of the Board of Directors and the Nomination Committee					
Simon Andre Søbstad, Employee representatives (until 7 June 2023)	73	0	0	0	73
Tone Ingebrigtsen, Employee representatives (until 7 June 2023)	73	0	0	0	73
Total remuneration 2023	**2,070**	**268**	**100**	**1,509**	**3,946**

[8] Full period effect on audit-and risk committee

Board of Directors 2022 (NOK 1,000)	Annual base fee	Audit and Risk Committee	Nomination Committee	Salary and benefits	Total remuneration
Gustav Witzøe, Chair of the Board (from 8 June 2022)	260	0	0	0	260
Leif Inge Nordhammer, Board member (Chair of the Board until 8 June 2022)	395	0	0	0	395
Margrethe Hauge, Vice-Chair of the Board	283	123	0	0	405
Arnhild Holstad, Board member (from 8 June 2022)	145	0	0	0	145
Morten Loktu, Board member (from 8 June 2022)	145	43	0	0	188
Employee representatives					
Simon Andre Søbstad, Board Member	141	0	0	2,277	2,418
Tone Ingebrigtsen, Board Member	141	0	0	1,311	1,453
Nomination Committee					
Bjørn M. Wiggen, Chair of the Nomination Committee	0	0	41	0	41
Endre Kolbjørnsen	0	0	26	0	26
Karianne O. Tung	0	0	26	0	26
Former members of the Board of Directors and the Nomination Committee					
Magnus Dybvad, Board Member (until 8 June 2022)	138	40	0	0	178
Linda Litlekalsøy Aase, Board Member (former representative until 9 May 2022)	138	0	0	0	138
Total remuneration 2022	**1,785**	**205**	**92**	**3,588**	**5,670**

NOTE 2.4 Share-based incentive scheme

Accounting policies

The Group has a share-based incentive scheme, whereby the companies receive services from the employees in return for Restricted Share Units (RSUs) in the Group. The fair value of the services received by the business units from the employees in return for the RSU entitlements awarded is recognised as an expense.

The fair value of RSU entitlements is established when they are granted. The fair value of RSU entitlements that are not at market terms are valued at the share price in effect when the RSUs are granted. The probability of the performance criteria being met is considered when assessing how many RSU entitlements will be redeemed. The fair value of RSU entitlements that are not at market terms is calculated using a Monte-Carlo simulation.

The value is established when they are granted and charged in profit and loss over the RSU's vesting period, with a corresponding increase in paid-in equity. Employers' national insurance contributions are recognised over the vesting period.

Restricted Share Unit Plan (RSU):

In accordance with the authorisation granted by the company's Annual General Meeting, SalMar ASA's Board of Directors has implemented a share-based incentive scheme (Restricted Share Unit Plan) for senior executives and key personnel employed by the company and its subsidiaries. As at 31 December 2023, the scheme encompassed up to 323,380 shares and has a term of three years. The company's board members do not receive RSUs, with the exception of those elected by the employees, who may take part in the programme in their capacity as employees. The company's obligations under the scheme will be covered by its existing holding of treasury shares.

Participants of the plan are granted Restricted Share Units (RSUs) free of charge. These will be released and transferred as shares to participants after a vesting period subject to predefined performance criteria. The shares are then transferred to the employee free of charge. The plan comprises three vesting periods of, respectively, one, two and three calendar years. Each vesting period covers 1/3 of the total annual RSUs in the plan. One RSU affords a contingent entitlement to one share. The award of RSUs in each of the three vesting periods rests on the following performance criteria:

- 1/3 of the RSUs will vest irrespective of the performance criteria.
- 1/3 of the RSUs will vest provided that SalMar achieves a better EBIT/kg ratio than other aquaculture enterprises listed on the Oslo Stock Exchange during the vesting period.
- 1/3 of the RSUs will vest provided that SalMar's shares deliver a higher total shareholder return (TSR) than a defined group of comparable companies during the vesting period.

The plan stipulates that RSUs will vest only if the participant is still an employee of the Group. The total gains from released RSUs during the course of one calendar year may not exceed 100 % of the participant's basic salary.

The fair value of the RSU entitlements is calculated on the date they are granted. The total fair value of the entitlements as at 31 December 2023 is calculated to be NOK 184.1million (2022: NOK 114.5 million). The cost is expensed over the vesting period, and a total of NOK 43.4 million was recognised in connection with the scheme in 2023 (2022: NOK 51.8 million). Provisions for employers' national insurance contributions in respect of the scheme have also been made. The expense is recognised to the extent that the performance criteria are met.

The fair value of RSU entitlements that are not at market condition is set as the share price on the date the award was made. The probability of the performance criteria being met is taken into account when assessing how many RSU entitlements will be redeemed. When the 2023 award was formally made on 19 December 2023, the share price was NOK 571.44. (2022: NOK 379.60).

The fair value of the RSU entitlements that are at market terms is calculated using a Monte-Carlo simulation. The most important input data when calculating the value of these RSU entitlements is the share price on the date the award was made, volatility, risk-free interest rate, expected yield and the vesting period. Based on the Monte-Carlo simulation, each RSU entitlement is worth NOK 556.89 for those awarded on 19 December 2023, NOK 289.99 for those awarded on 21 December 2022 and NOK 544.46 for those awarded on 20 December 2021.

In 2023, 87,990 RSUs were exercised. The market price per share at the time the RSUs were exercised was NOK 569.05. Correspondingly, 118,075 RSUs were exercised in 2022. The market price per share on the date these RSUs were exercised was NOK 338.73. The value of the RSUs exercised is treated as a salary payment to the individual employee.

Movements in the number of outstanding RSUs:

	2023	2022
1 January	297,503	234,954
Granted during the year	162,394	184,859
Released during the year	-87,990	-118,075
Forfeited	-6,231	-11,623
Performance adjustment	-53,278	0
Dividend adjustment	10,982	7,388
31 December	323,380	297,503

Calculation of the year's award was based on the following parameters :

	2023	2022
Grant date	19.12.2023	21.12.2022
Plan	2023	2022
Share price on date of issue	571.00	379.60
Weighted average fair values at the measurement date	556.89	288.99
Dividend yield (%)	0 %	0 %
Expected volatility (%)	38.73 %	44.76 %
Risk-free interest rate (%)	3.76 %	3.07 %
Expected lifetime	1.92	1.92
Model used	Monte Carlo & Black-Scholes	Monte Carlo & Black-Scholes

Vesting period for the outstanding RSUs at year end:

Date granted	Vesting period	2023	2022
17.12.2020	2020–23		42,117
20.12.2021	2021–23		35,495
20.12.2021	2021–24	35,992	35,537
21.12.2022	2022–23		61,397
21.12.2022	2022–24	62,455	61,435
21.12.2022	2022–25	62,539	61,522
19.12.2023	2023–24	54,071	
19.12.2023	2023–25	54,125	
19.12.2023	2023–26	54,198	
Outstanding RSUs as at 31 December		323,380	297,503

Outstanding RSUs - group management:

	Outstanding per 01.01	Granted	Released	Performance adjustment	Dividend adjustment	Outstanding per 31.12
Frode Arntsen, CEO	8,454	4,024	-2,022	-1,662	337	9,131
Ulrik Steinvik, CFO	5,300	2,311	-1,530	-975	206	5,312
Roger Bekken, COO Farming	6,427	2,865	-1,811	-1,194	254	6,541
Simon A. Søbstad, COO Sales & Industry	4,074	1,941	-1,050	-782	155	4,338
Eva J. Haugen, Director Quality Management/ HSE	3,332	1,386	-1,009	-602	126	3,233
Arthur Wisniewski, Director Human Resource Management	3,857	1,664	-1,060	-722	149	3,888
Runar Sivertsen, Chief Strategy Officer	3,606	1,664	-903	-698	137	3,806

Share option agreements - Icelandic Salmon AS:

On 19 February 2021, Icelandic Salmon AS granted 205,850 share options with an exercise price of NOK 115.00, respectively, to CEO and key employees. The company's intention is that the options will be equity-settled with shares in Icelandic Salmon AS. The option holders must stay in the employment of the group over a three year vesting period from the grant date until 19 February 2024. As at 31 December 2023 the fair value of the agreements was determined to be NOK 5.2 million. In 2023 a total amount of NOK 1.4 million was expensed as other employee benefits, with a corresponding entry to other paid in equity.

Share option agreements - SalMar Aker Ocean AS:

On 21 December 2021, SalMar Aker Ocean AS entered into an option agreement with the company's CEO. The agreement have a six year vesting period from the grant date. The fair value of the agreements was determined to be NOK 7.3 million at grant date. In 2023 a total amount of NOK 1.2 million was expensed as other employee benefits, with a corresponding entry to other paid in equity. The company's intention is that the options will be equity-settled with shares in SalMar Aker Ocean AS, see further information below.

In 2022 SalMar Aker Ocean AS entered into a share option agreement with key employees and granted 574,396 share options with an exercise price of NOK 49.50. The program is based on given criteria, and gives the employees the right to buy a certain number of shares at a given price, and where the price is set equal to the value the company was valued at when Aker Capital AS invested in the company in 2021. The company's intention is that the options will be equity-settled with shares in SalMar Aker Ocean AS, assuming a listing of the SalMar Aker Ocean group before 31 December 2024. If the condition is not met, the share options could be cash settled. The option holders must stay in the employment of the group over the vesting period from the grant date 1 January 2022, alternatively from the startdate, until 31 December 2024. At grant date the fair value of the agreements was determined to be NOK 9.8 million. In 2023 a total amount of NOK 1.3 million was expensed as other employee benefits, with a corresponding entry to other paid in equity.

NOTE 2.5 Pensions plans

Accounting policies

The Group has a defined-contribution pension scheme for its employees. The company pays contributions to a privately held insurance plan and under this scheme, it has no further payment obligation once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Social security costs are charged based on the contribution paid.

SalMar has a defined contribution plan that is in accordance with the legal requirements in Norway.

After the business combination with Norway Royal Salmon ASA (NRS) in 2022, SalMar also has a defined benefit scheme which entitles the 11 members of the scheme to defined future benefits. These are mainly dependent on the number of years of entitlement, level of salary upon reaching retirement age and the size of the pension benefits paid by the National Insurance Scheme. The liability is funded through an insurance company.

Specification of the pension cost for the Group:

NOK 1,000	2023	2022
Defined-contribution scheme	107,158	67,920
Defined-benefits plan (Early Retirement Pension)	30,008	23,682
Defined-benefits plan	-8,617	883
Employers' national insurance contributions	9,148	6,188
Total pension cost	**137,697**	**98,673**

NOK 1,000	2023	2022
Prepaid pension contributions	2,985	2,802
Pension liabilities foreign operations	8,020	7,717
Pension liabilities defined benefits plan	0	10,161
Total pension liabilities in balance sheet	**8,020**	**17,878**

Liabilities associated with the Early Retirement Pension are not included in the Group's pension calculations. For accounting purposes, the scheme is deemed to be a multi-employer occupational pension plan. The Group is unable to identify its share of the scheme's underlying financial position and results with sufficient reliability, and therefore recognises it as a defined-contribution scheme. This means that liabilities in respect of the Early Retirement Pension are not provided for. Contribution paid into the scheme are charged to expenses as they accrue.

Specification of the pension cost for the Group under the defined benefit scheme:

Members in the defined benefit scheme was in 2023 reduced due to the sale of the sales business in former NRS. The employees related to this sales business left SalMar as a result of the sale, and no compensation was paid to these employees. As a consequence of reduced members, there was recognised a gain of NOK 9.5 million related to the settlement in 2023.

NOK 1,000	2023	01.11.2022-31.12.2022
Current service cost	722	715
Interest cost	56	59
Payroll tax	112	109
Administration cost	17	0
Net pension costs service - defined benefit scheme	907	883
Settlement/ curtailment	-9,524	0
Net pension costs service - defined benefit scheme net of settlement/ curtailment	-8,617	883

Assumptions defined benefit scheme:	31.12.23	31.12.22
Discount rate	3.7 %	3.0 %
Future salary increases	3.8 %	3.5 %
Inflation rate	2.0 %	3.0 %
Future pension increase	2.4 %	1.5 %

Demographic factors:		
Disability table	IR02	IR02
Mortality table	K2013 BE	K2013 BE

Number of employees in the scheme		
Active	2	22
Pensioners	9	8
Total	11	30
Paid into the scheme during the period	1,105	0

Calculation of amount recognised in the balance sheet:		
Present value of funded obligations	12,045	65,783
Fair value of plan assets	-12,489	-55,622
Net pension liabilities in balance sheet	-444	10,161

NOTE 2.6 Other operating expenses

Specification of other operating expenses (NOK 1,000)	2023	2022
Maintenance	555,820	304,810
Energy	480,797	329,902
Third-party services	161,548	142,978
Freight	1,838,027	1,668,036
Insurance	87,749	61,376
Travel cost	35,655	21,866
Other operating expenses	907,499	917,266
Total other operating expenses	4,067,095	3,446,233

Production tax

The production tax implemented on the Norwegian aquaculture activity with effect from 01 January 2021. The production tax on the Norwegian activity increased from NOK 0.56 per kg to NOK 0.90 per kg with effect form 1 July 2023. For 2022 the production tax was NOK 0.405 pr kg.

With effect from 2020 production tax was implemented on Iceland. The production tax will increase gradually over a seven-year period from 2020. According to a temporary provision of the law, the amount of the fee was 4/7th of the calculated fee in 2023 and will be 5/7th in 2024. From 2026 the fee charged will be full fee in accordance with the law.

Of the total cost of NOK 208.4 million in 2023, NOK 183.5 million is related to the activity in Norway and NOK 24.9 million is related to the activity in Iceland. The corresponding numbers in 2022 were a total production tax of NOK 85.2 million, whereof NOK 71.8 million was related to activity in Norway and NOK 13.5 million to activity in Iceland.

To highlight the performance of underlying operations before deduction of the production tax, SalMar has chosen to report it on a separate line in the income statement below Operational EBIT. To ensure consistent treatment of the equivalent tax in Iceland, the resource tax in Iceland has been classified similarly in the financial statement.

NOTE 2.7 Government grants

Accounting policies

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of capitalised operating assets reduce the carrying amount of the assets. The grant is then recognised in profit or loss over the useful life of the depreciable asset by way of reduced depreciation charge.

In 2023, Group companies recognised NOK 3.4 million in tax incentives under the SkatteFUNN scheme and derecognised NOK 13.0 million in SkatteFUNN-related amounts in respect of capitalised operating assets. (2022: NOK 6.3 million recognised in income, and derecognised NOK 11.9 million in Skatte-FUNN-related amounts in respect of capitalised operating assets).

In addition to this, the group occasionally receives various grants, which are not of significant value.

NOTE 2.8 Audit fees

Breakdown of total auditor's fee:

2023 (NOK 1,000)	EY	Others[1]
Audit services	6,480	1,140
Other certification services	1,939	177
Tax advisory services	1,307	22
Other non-audit services	711	0
Total 2023	**10,436**	**1,339**

2022 (NOK 1,000)	EY	Others[1]
Audit services	5,979	981
Other certification services	1,524	50
Tax advisory services	359	0
Other non-audit services	2,186	123
Total 2022	**10,048**	**1,154**

1 Some of the fees disclosed are inclusive of VAT.

NOTE 2.9 Fair value adjustments

Fair value adjustments are part of the Group's operating profit. Changes in fair value are presented on a separate line to provide a better understanding of the Group's profit and loss with respect to goods sold.

NOK 1,000	2023	2022
Change in unrealised value of Fish Pool contracts	18,737	69,737
Change in the fair value of the biological assets	1,571,116	446,150
Fair value adjustment	1,589,853	515,887
Fair value adjustment included in cost of goods sold due to business combination	-722,809	-283,398
Total fair value adjustments	**867,044**	**232,489**

See Note 3.6 for details regarding change in fair value of biological assets and change in fair value adjustment due to business combination. See Note 3.9 for details regarding change in fair value of Fish Pool contracts.

NOTE 2.10 Net financial items

Financial items (NOK 1,000)	2023	2022
Interest income	51,087	28,408
Change in fair value of derivatives	0	18,661
Dividends and gain on investment in other companies	26,640	0
Remeasurement of previously held equity interest	0	90,776
Other financial income	3,097	4,251
Total financial income	29,737	113,688
Interest expenses	1,223,249	364,247
Other exchange differences	10,231	18,637
Change in fair value of derivatives	6,990	0
Other financial expenses	42,963	1,771
Total financial expenses	60,183	20,408
Net financial items	-1,202,608	-242,558

Included in interest expense is an amount of total NOK 60.5 million that relates to income from interest rate swap contracts. Corresponding income in 2022 was NOK 20.5 million.

Changes in fair value of derivatives through profit or loss relates to inefficiency in forward currency contracts which do qualify for hedge accounting. For more details see note 3.9.

Remeasurement of previously held equity interest

With effect from 17 August 2022, the Group acquired 50 % of the shares in the smolt facility Isthor in Iceland. Prior to the transaction SalMar Group owned 50 % of the shares in Isthor through SalMar's 51.02 % ownership in Icelandic Salmon AS. Icelandic Salmon AS owns 100 % of the shares in Arnarlax Ehf, which owns the shares in Isthor. The Group's holdings prior to the acquisition date, was remeasured at fair value at the time control was obtained, and a gain of NOK 90.8 million was recognised as other financial items in the profit or loss in 2022. See Note 4.5 for more information.

NOTE 2.11 Income tax, resource rent tax and production tax

Accounting policies and general information

Income tax
Income taxes is comprised of taxes on the taxable profit for the year, changes in deferred taxes and any adjustments in prior years' taxes. Income tax relating to items recognised in the equity are recognised directly in equity.

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 net settled within one tax regime.

Resource rent tax
On 31 May 2023, the Norwegian Parliament approved an additional resource rent tax on aquaculture in Norway with a tax rate of 25 % The resource rent tax is structured as a cash-flow-tax, and is related to the aquaculture business in the sea phase. The resource rent tax is in addition to the regular corporate tax on 22 %, gives a total tax rate on aquaculture in sea phase of 47 %. The new tax applied retroactively from 1 January 2023.

An implementation effect related to deferred resource rent tax on biomass and the deductible consideration on historical acquisition of production capacity has been recognised in the comprehensive income.

Production tax
The production tax implemented on the Norwegian aquaculture activity with effect from 1 January 2021 is directly deductible in the payable resource rent tax with effect from 1 January 2023. The total resource rent tax related to the profit in the period is therefore the total of production tax related to the Norwegian aquaculture activity and resource rent tax calculated in the period. The production tax is not classified as a tax expense in the statement of comprehensive income, but are included on a separate line in the Operational EBIT. See Note 2.6 for further information. The total effect of the resource rent tax including production tax is shown below.

Nominal tax rate in the consolidated statement of profit or loss:	Norway	Iceland
Income tax rate	22 %	20 %
Resource rent tax rate	25 %	

With effect from 2024 the income tax on Iceland increases to 21 %. Deferred tax liability related to temporary differences on Iceland at 31 December 2023 are calculated with a tax rate of 21 %.

Tax expense in the consolidated statement of profit or loss (NOK 1,000)	2023	2022
Income tax payable	1,292,859	2,589,042
Income tax payable abroad	49,383	31,266
Income tax - change in deferred tax	279,386	-1,670,885
Resource rent tax payable	464,329	0
Resource rent tax- change in deferred tax	371,633	0
Resource rent tax -implementation effect (deferred tax)	2,079,987	0
Adjustment for tax of prior periods	-3,843	4,573
Tax expense in the consolidated statement of profit or loss	**4,533,736**	**953,996**

Tax payable in the balance sheet	2023	2022
Income tax payable - Norway *	1,311,451	2,589,049
Income tax payable - abroad	38,643	23,520
Resource rent tax payable	464,329	0
Tax payable in the balance sheet	**1,814,423**	**2,612,569**

* At 31 December 2022 the income tax payable in Norway was calculated to NOK 2,589 million. The high calculated tax payable was due to the fact that no deduction was made for production costs related to stock of live fish at 31 December 2022 related to legal entities subject to resource rent tax. The background was unclear legislation related to the resource rent tax implemented with effect from 1 January 2023. At 31 December 2022 there was high degree of uncertainty whether production costs on fish in the sea would be deductible in the resource rent tax in 2023. At the end of April 2023 the authorities stated that no deduction will be granted in the resource rent tax for 2023 related to historical cost on existing biomass at 31 December 2022. SalMar strongly disagrees with this conclusion. However, the production cost was deducted in the income tax calculated in the final tax report for 2022 finalized in June 2023. As a consequence of this, the tax payable was reduced with NOK 1,999 million with a corresponding increase in deferred tax liability.

Deferred income tax liability - comprise	2023	2022
Non-current assets	1,972,491	1,709,435
Inventory	2,696,076	390,133
Receivables	-5,576	-1,624
Derivatives	133,246	69,435
Provision onerous contracts	-75,211	-22,742
Other	-69,794	-43,919
Tax losses carried forward	-378,057	-172,914
Deferred income tax liability	**4,273,176**	**1,927,804**

Deferred resource tax liability - comprise:	2023	2022
Inventory	2,768,345	0
Other	-245,171	0
Tax losses carried forward	-71,554	0
Deferred resource tax liability	**2,451,621**	**0**
Total deferred tax liability	**6,724,797**	**1,927,804**

Tax losses carried forward are mainly related to the companies in the subgroup SalMar Aker Ocean and other Norwegian group companies not included in tax groups. The loss carry forward are expected to be deducted from taxable income in the future. In assessing the recoverability of tax assets the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

NOK 1,000

Change in net deferred tax liability	2023	2022
Deferred tax liability at 1 January	1,927,804	2,258,689
Deferred tax liability associated with acquisitions	0	2,222,092
Deferred tax liability associated discontinued operations	0	-939,965
Change in deferred tax liability	279,386	-1,670,885
Deferred tax liability associated with equity transactions	-3,247	2,771
Deferred tax liability on items recognised in OCI	59,020	49,085
Deferred tax related to disposal of group companies	-2,007	0
Other changes in deferred tax liability	-5,095	0
Reclassification between tax payable and deferred tax liability *	1,998,631	0
Deferred resource tax - implementation effect	2,079,987	0
Change in deferred resource tax liability	371,633	0
Translation differences	18,685	6,017
Deferred tax liability at 31 December	**6,724,797**	**1,927,804**

* Regarding reclassification between tax payable and deferred tax liability in 2023, see information above.

Tax reconciliation	2023	2022
Profit before tax	7,279,321	4,562,032
Tax calculated at nominal Norwegian tax rate (22 %)	1,601,451	1,003,647
Foreign tax rate differences	-4,139	-10,888
Income from investments in associates and joint venture	6,005	-14,615
Net of other permanent differences	2,096	-28,720
Change in unrecognised deferred tax assets	16,216	0
Resource rent tax expense (25 %)	835,962	0
Resource rent tax - implementation effect (25 %)	2,079,987	0
Adjustment of income tax from previous years	-3,843	4,573
Calculated tax expense	4,533,736	953,996
Effective tax rate	62.3 %	20.9 %
Effective tax rate exclusive implementation effekt	33.7 %	

Total resource rent tax including production tax in the consolidated statement of profit or loss	2023	2022
Production tax recognised in the period	208,374	85,232
Production tax related to activity on Iceland	24,924	13,453
Production tax related to activity in Norway	183,450	71,779
Resource rent tax payable	464,329	0
Resource rent tax – change in deferred tax	371,633	0
Resource rent tax – implementation effect (deferred tax)	2,079,987	0
Total resource rent tax and production tax related to the activity in Norway	**3,099,400**	**71,779**

Part 3 Assets and liabilities

NOTE 3.1 Intangible assets

Accounting policies

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.

Intangible assets with a limited economic life are amortised over the economic useful life. Impairments of intangible assets are recognised in the extend of which the carrying amount of the asset exceeds its recoverable amount.

Expenses related to research are expensed as they are incurred. Development costs are capitalised when specific criteria relating to future benefits are met. Capitalised development costs are recognised at acquisition cost, less accumulated amortisation and write-downs. With respect to major development projects, a specific assessment is made to determine when the project has changed from being a development project to a construction project. Capitalised development costs are amortised in a straight line over the asset's estimated useful life. Depreciation commences when the asset is put into operation.

Fish-farming licences

Licences acquired by the Group are capitalised at cost. Fish-farming licences are deemed to have an indefinite useful life and are not amortised, but are tested annually for impairment or more frequently if there is indication of impairment, see Note 3.2 for further information.

Norway

Licences that the Group owns are capitalised at cost. Licences granted in Norway are deemed to have an indefinite usable life and are therefore not amortised, but tested annually for impairment. The exception is time-limited licences, which are depreciated over their remaining life. Any value identified in connection with the acquisition of licences is capitalised as an intangible asset.

Iceland

The sea farming licences in Iceland are issued, in accordance with the current regulations, with a nominal lifespan of 16 years. The licences will be renewed if the applicant meets the requirements set pursuant to statute and regulation at the time the licence comes up for renewal. A small fee must be paid for the licence renewal. This means that sea farming licences are operated in a 16-year rolling lifespan system, where the licences are renewed every 16th year. The Groups judgment is that the fish-farming licences on Iceland, which are capitalized, will not be amortised, but tested annually for impairment.

Goodwill

When the company assumes control over a separate business entity for a consideration that exceeds the fair value of the individual assets and liabilities assumed, the difference is entered as goodwill in the statement of financial position. Goodwill deriving from purchases of subsidiaries is presented under intangible assets. Goodwill is not depreciated but is tested for impairment annually and when there are indications that its value is lower than the carrying amount. When assessing the need to write-down goodwill, this is assigned to relevant cash flow generating units or groups, which are expected to benefit from the acquisition. See Note 3.2 for further information.

NOK 1,000	Licences	Goodwill	Other intangible assets	TOTAL
Acquisition cost at 1 January 2023	14,903,657	3,023,585	519,960	18,447,202
Additions	288,223	0	50,941	339,163
Disposal	-2,500	0	0	-2,500
Currency translation differences	98,270	11,391	398	110,058
Acquisition cost at 31 December 2023	**15,287,649**	**3,034,975**	**571,298**	**18,893,923**
Accumulated depreciation & write-downs at 1 January 2023	28,137	23,725	104,286	156,149
Depreciation	42,824	0	10,353	53,177
Accumulated depreciation & write-downs at 31 December 2023	**70,962**	**23,725**	**114,639**	**209,326**
Carrying amount at 31 December 2023	**15,216,687**	**3,011,250**	**456,660**	**18,684,597**
Estimated lifetime	Indefinite/3–7.5 years	Indefinite	5–50 years	
Depreciation method	Linear		Linear	

The majority of other intangible assets totalling NOK 456.7 million are made up of capitalised development costs. NOK 10.5 million of this is comprised of capitalised development costs relating to the development of the Ocean Farm 1 installation. These costs are amortised over 5 years. A further total of NOK 397.9 million relates to the development of the Group's Smart Fish Farm concept and Ocean Farm 2. This projects is still in the development phase and amortisation has not yet commenced. In addition, other intangible assets includes excess value relating to the purchase of breeding nuclei. Breeding nuclei are depreciated over 50 years, and their residual value as of 31 December 2023 was NOK 22.0 million.

Of the total carrying amount related to licences of NOK 15,217 million, NOK 212 million is related to time-limited demonstration licences. The licences is amortised over the remaining life which various from 3 years to 7.5 years.

NOK 1,000	Licences	Goodwill	Other intangible assets	TOTAL
Acquisition cost at 1 January 2022	7,508,421	775,788	380,778	8,664,987
Additions through business combinations	7,265,892	2,241,170	1,791	9,508,853
Additions	52,812	0	137,072	189,884
Currency translation differences	76,532	6,627	319	83,477
Acquisition cost at 31 December 2022	**14,903,657**	**3,023,585**	**519,960**	**18,447,202**
Accumulated depreciation & write-downs at 1 January 2022	21,000	23,725	89,791	134,517
Depreciation	7,137	0	14,495	21,633
Accumulated depreciation & write-downs at 31 December 2022	**28,137**	**23,725**	**104,286**	**156,149**
Carrying amount at 31 December 2022	**14,875,519**	**2,999,859**	**415,674**	**18,291,052**
Estimated lifetime	Indefinite/3–.5 years	Indefinite	5–50 years	
Depreciation method	Linear		Linear	

Specification of fish farming licences 2023 (NOK 1,000)	MAB tonnes	Acquisition cost	Carrying amount 31.12.2023
Fish Farming Northern Norway	69,275	5,398,841	5,387,540
Fish Farming Central Norway	85,482	7,362,214	7,297,360
SalMar Aker Ocean	12,355	1,035,173	1,035,173
Norway	**167,112**	**13,796,228**	**13,720,074**
Icelandic Salmon	23,700	1,278,560	1,496,614
Group	**190,812**	**15,074,788**	**15,216,687**

Specification of fish farming licences 2022 (NOK 1,000)	MAB tonnes	Acquisition cost	Carrying amount 31.12.2022
Fish Farming Northern Norway	75,116	6,305,262	6,300,262
Fish Farming Central Norway	84,749	7,109,063	7,080,732
SalMar Aker Ocean	6,304	96,181	96,181
Norway	**166,169**	**13,510,506**	**13,477,175**
Icelandic Salmon	23,700	1,278,560	1,398,344
Group	**189,869**	**14,789,065**	**14,875,519**

Additional information

Icelandic Salmon holds licence of MAB 23,700 tonnes in the Icelandic Westfjords. Of the total MAB, 10,000 tonnes must be renewed by the end of 2026, 12,200 tonnes by the end of 2029 and 1,500 tonnes by the end of 2038.

Included in the specification of fish farming licences above there are 4 time-limited demonstration licences in Central Norway, and 2 time-limited demonstration licence in Northern Norway. In addition SalMar operates several R&D licences in collaboration with other companies.

SalMar Group also holds 8 development licences with a total of MAB 6,240 tonnes. The licences is owned through the sub-group SalMar Aker Ocean. The licences was granted in 2019 by the Norwegian Directorate of Fisheries to develop the Smart Fish Farm, a specially designed deepwater installation for the farming of fish in the open ocean. No consideration has been paid for the 8 development licences.

2023 Change in fish farming licences (MAB tonnes)

In 2023, SalMar increased its production capacity through the acquisition of Øylaks MTB AS. The fair value of the licences was NOK 255.7 million. This led to a net increase in MAB of 733 tonnes in Central Norway.

In addition SalMar acquired MAB of 210 tonnes in Northern Norway through the governments auction of residual capacity with a total amount of NOK 32.8 million.

In 2023 Arctic Offshore Farming AS was sold from SalMar ASA to the 85 per cent owned subsidiary SalMar Aker Ocean AS. Through the transaction development licences with a total of MAB 6,051 tonnes and a total carrying amount of MNOK 939.0 was moved from Fish Farming Northern Norway to SalMar Aker Ocean. See Note 4.6 for further information about the transaction.

The disposal in the period is related to the sale of the subsidiary Salmonor Settefisk AS, and had no impact on the MAB.

2022 Change in fish farming licences (MAB tonnes)

In 2022, SalMar increased its production capacity through the acquisitions of NTS and the merger with NRS. The fair value of licences related to the transactions was NOK 7,262 million. This led to a net increase in MAB of 19,635 tonnes in Central Norway and a net increase in MAB of 30,814 tonnes in Northern Norway. In addition the acquisition included 8 aquaculture development licences in Northern Norway with MAB of 6,051 tonnes. The total MAB includes one time-limited demonstration licence in Central Norway and one time-limited demonstration licence in Northern Norway. See Note 4.5 for further information.

In addition SalMar acquired MAB 1,100 tonnes in development licences in 2022. Total consideration for the licences was NOK 50 million.

Specification of goodwill 2023 (NOK 1,000)	Acquisition year	Acquisition cost	Carrying amount 31.12.2023
Fish Farming Northern Norway	2022	1,482,363	1,482,363
Fish Farming Central Norway	2022	602,850	602,850
Goodwill arising from the acquisition and merger of NTS and NRS	2022	2,085,213	2,085,213
Fish Farming Northern Norway	2006	95,114	95,114
Fish Farming Central Norway	1999-2021	680,674	656,949
Icelandic Salmon	2022	155,956	173,973
Total goodwill		**3,016,957**	**3,011,250**

Specification of goodwill 2022 (NOK 1,000)	Acquisition year	Acquisition cost	Carrying amount 31.12.2022
Fish Farming Northern Norway	2022	1,482,363	1,482,363
Fish Farming Central Norway	2022	602,850	602,850
Goodwill arising from the acquisition and merger of NTS and NRS	2022	2,085,213	2,085,213
Fish Farming Northern Norway	2006	95,114	95,114
Fish Farming Central Norway	1999-2021	680,674	656,949
Icelandic Salmon	2022	155,956	162,583
Total goodwill		**3,016,957**	**2,999,859**

The goodwill of NOK 2,085 million arising from the acquisition and merger of NTS and NRS in 2022, comprises both the value of expected synergies arising from the acquisition which is not separately recognised and technical goodwill. Due to fish farming licences having an indefinite useful life, SalMar has assessed that the present value of the deferred tax related to the excess value identified for licences being close to 0. Deferred tax related to excess value identified for licences amounts to a total of NOK 789 million, which is recognised as technical goodwill. The deferred tax is computed with the statutory tax in Norway of 22 %.

The goodwill of NOK 156 million allocated to segment Icelandic Salmon is arising from the acquisition of Eldisstødin Isthor Ehf in 2022.

NOTE 3.2 Impairment of non-financial assets

Accounting policies

Annually or upon indication, each cash generating unit, 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. The Group has substantial assets with indefinite lives in the form of licences and goodwill. The licences are subject to impairment testing in combination with goodwill in the annual test. Assets that are subject to amortization are reviewed for impairment whenever there are indications that future earnings do not justify the carrying value.

SalMar has identified the Group's business segments as cash generating units. In connection with acquisitions, goodwill and intangible assets are allocated to each of the Group's cash generating units that are expected to benefit from the combination. The cash generating units are the lowest level in which independent cash flows can be identified, and no higher than the Group's business segments based on the geographic distribution of its sea farming operations in Norway, the segments Fish Farming Central Norway and Fish Farming Northern Norway, Sales & Industry, Icelandic Salmon and SalMar Aker Ocean.

Impairment testing is carried out by calculating the net present value of estimated future cash flows (value in use) for the cash-generating unit and comparing the net present value of the cash flow towards the carrying amount of net assets held by the cash-generating unit. The cash flow used in the calculations represents the management's best estimate at the time of reporting. If the carrying amount is higher than the calculated value in use, the assets are considered impaired. The estimated cash flow is based on the assumption of continued operation. Value in use is calculated by estimating future cash flows, based on approved budgets and forecasts. Cash flow growth after the last year in the calculation is assumed to equal the expected rate of inflation. Cash flows are discounted by a rate of interest before tax which takes account of relevant market risk. If the calculated value in use is less than the carrying amount of the cash flow-generating entity, goodwill is impaired first and then other assets as required.

The groups analyses of climate risk have so far not identified climate-related matters with substantially affect on the value of the groups assets or future cash flow. For further information see Note 4.9.

Carrying amount of licences and goodwill allocated to cash generating units as at 31 December 2023:

NOK 1,000	Goodwill	Licences	Total 31.12.2023
Fish Farming Northern Norway	1,577,477	5,387,540	6,965,017
Fish Farming Central Norway	1,259,799	7,297,360	8,557,159
SalMar Aker Ocean	0	1,035,173	1,035,173
Icelandic Salmon	173,974	1,496,614	1,670,588
	3,011,250	15,216,687	18,227,938

Carrying amount of licences and goodwill allocated to cash generating units as at 31 December 2022:

NOK 1,000	Goodwill	Licences	Total 31.12.2022
Fish Farming Northern Norway	1,577,477	6,300,262	7,877,739
Fish Farming Central Norway	1,259,799	7,080,732	8,340,531
SalMar Aker Ocean	0	96,181	96,181
Icelandic Salmon	162,583	1,398,344	1,560,927
	2,999,859	14,875,519	17,875,378

At the end of the reporting periods, 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.

Key assumptions

The key assumptions used in the calculation of value in use are harvested volume, EBIT/ kg, capital expenditure, tax, discount rates and the terminal growth rates.

Discount rate

The discount rates are based on the Weighted Average Cost of Capital (WACC) methodology. In the model a ten-year risk-free rate has been used. Calculation of the final discount rates also takes into account market risk premium, debt risk premium, gearing and beta value. In the calculations, the Group has applied estimated cash flows after tax and the corresponding discount rates after tax. The discount rate after tax and before tax is calculated at 7.7 % and 7.9 % respectively for the Group's Norwegian entities. For the operations in Iceland, the discount rate after tax and before tax is 8.1 % and 10.2 % respectively. In the sensitivity analysis the discount rate after tax is tested as it will yield the same result as before tax.

Terminal growth rate

The growth rate is set at 2.5 % for Norway and 2.0 % for Iceland.

EBIT/ kg

EBIT margin per kg is highly volatile with respect to changes in salmon prices. Forward prices are based on the Fish Pool Index at the reporting day and estimates. Estimates for production cost are based on historic figures and expectations.

Harvested volume

Harvested volume is based on the current stocking plans for each unit, and forecasted figures for growth, assumed harvest weight and mortality, based on historical figures.

Tax

A 22 % corporate tax has been used for Norwegian entities and 21 % on Iceland. For Norwegian entities estimate of resource rent tax has been added in the calculation. In addition current resource tax and licence tax has been added for Iceland.

Climate Risk

As mentioned in note 4.9 SalMar has conducted a climate risk analysis of its assets. Based on current knowledge this is deemed to be less sensitive compared to the other factors used in the impairment evaluation.

Based on the above assessments, there were no impairment indicators identified related to the fish farming licences or goodwill as of 31 December 2023. All segments have a material positive difference between the calculated recoverable value and book value.

Sensitivity

In connection with the impairment testing of intangible assets, a sensitivity analysis has been carried out. Sensitivity analysis has been performed for each of the defined cash generating units.

Value in use is sensitive to changes in the assumptions made, the most important of which are the discount rate and EBIT/kg. The table below shows the extent of which the input factors must be changed for the value in use to be equal to the carrying amount of net assets held by the cash-generating unit.

Cash generating units	Discount rate after tax	EBIT/kg (NOK)
Fish Farming Northern Norway	+4.9 %	-14.3
Fish Farming Central Norway	+8.9 %	-17.8
Salmar Aker Ocean	+6.7 %	-15.3
Icelandic Salmon	+0.8 %	-2.1

NOTE 3.3 Property, plant and equipment

Accounting policies

Property, plant and equipment (PPE) is measured at acquisition cost, less a deduction for accumulated depreciation and write-downs. Borrowing cost that are directly attributable to the construction of a qualifying asset form part of the cost of the 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.

PPE under construction is not depreciated. Depreciation is charged to expenses when the asset is ready for use.

Impairment tests for PPE are performed when there are indications of impairment. If the recoverable amount is estimated to be less than the carrying amount of the net asset, impairment to the recoverable amount is recognised. The recoverable amount is the higher of net sales value and value in use. Value in use is the present value of future cash flows which the asset will generate.

NOK 1,000	Land & buildings	Machinery & equipment	Boats & barges	Other operating assets	Assets under construction	Total
Acquisition cost at 1 January 2023	4,769,724	5,924,366	2,332,729	318,589	1,941,887	15,287,295
Additions	211,890	887,838	389,660	63,551	715,871	2,268,811
Reclassification asset under construction	832,935	706,906	25,421	20,652	-1,585,914	0
Reclassification between categories	0	496,720	-457,932	-38,787	0	0
Reclassification RoU	32,066	5,319	232	0	0	37,618
Disposal group company	-38,034	-2,044	0	-1,329	0	-41,408
Disposals	-2,312	-48,720	-19,931	-10,961	0	-81,923
Currency translation differences	26,823	15,382	17,521	175	6,234	66,135
Acquisition cost at 31 December 2023	**5,833,092**	**7,985,767**	**2,287,700**	**351,890**	**1,078,078**	**17,536,527**
Accumulated depreciation & write-downs at 1 January 2023	402,407	2,683,855	880,049	189,447	317	4,156,075
Disposal group company	-28,052	-805	0	-104	0	-28,961
Depreciation	236,987	594,994	171,528	36,292	0	1,039,802
Write-downs	27	30,000	0	1,079	0	31,106
Disposal depreciation and write-downs	-850	-44,568	-15,448	-6,833	0	-67,699
Reclassification RoU	2,210	-4,630	15,057	0	0	12,636
Reclassification between categories	0	193,769	-179,784	-13,668	-317	0
Currency translation differences	2,451	5,606	14,011	131	0	22,198
Accumulated depreciation & write-downs at 31 December 2023	615,180	3,458,219	885,414	206,345	0	5,165,157
Carrying amount at 31 December 2023	**5,217,912**	**4,527,548**	**1,402,286**	**145,545**	**1,078,078**	**12,371,370**
Estimated lifetime	5-33 years	5-25 years	3-15 years	3-20 years	N/A	
Depreciation method	Linear	Linear	Linear	Linear	N/A	
Gains/losses on the sale of PP&E	0	-86	0	-3,406	0	-3,492

NOK 1,000	Land & buildings	Machinery & equipment	Boats & barges	Other operating assets	Assets under construction	Total
Acquisition cost at 1 January 2022	2,503,586	4,312,018	1,806,879	276,327	1,838,751	10,737,560
Additions through business combinations	1,482,389	421,005	546,186	23,801	106,099	2,579,479
Additions	139,765	624,599	100,593	9,453	1,390,598	2,265,008
Reclassification assets under construction	819,515	403,014	153,692	38,271	-1,414,492	0
Disposals	-139,611	-151,858	-30	-49,844	1,425	-339,919
Reclassification	-36,195	306,921	-299,077	16,529	11,822	0
Currency translation differences	276	8,668	24,488	4,052	7,684	45,167
Acquisition cost at 31 December 2022	4,769,724	5,924,366	2,332,729	318,589	1,941,887	15,287,295
Accumulated depreciation & write-downs at 1 January 2022	308,805	2,349,679	734,312	211,251	267	3,604,314
Depreciation	137,728	435,929	135,358	25,021	50	734,085
Write-downs	0	34,144	0	2,499	0	36,642
Disposal depreciation and write-downs	-45,802	-139,981	-30	-49,425	0	-235,238
Currency translation differences	1,677	4,083	10,409	102	0	16,272
Accumulated depreciation & write-downs at 31 December 2022	402,407	2,683,855	880,049	189,447	317	4,156,074
Carrying amount at 31 December 2022	4,367,316	3,240,512	1,452,681	129,142	1,941,570	11,131,221
Estimated lifetime	5-33 years	5-25 years	3-15 years	3-20 years	N/A	
Depreciation method	Linear	Linear	Linear	Linear	N/A	
Gains/losses on the sale of PP&E	0	426	0	0	0	426

As of 31 December 2023, the company had capitalised a total of NOK 1,078 million in connection with assets under construction. The amount was divided into NOK 387.1 million on real estate, NOK 461.9 million on plant and equipment, NOK 218.8 million on vessels, and NOK10.3 million on other operating assets. As of 31 December 2022, the company had capitalised a total of NOK 1,942 million in work on investment projects that had not been completed and put into operation and for which depreciation had not commenced. Of this was NOK NOK 835.3 million related to real estate, NOK 998.8 million to plant and equipment, NOK 63.4 million to vessels and NOK 44.2 million to other operating assets.

Write-downs in 2023 derive primarily from a NOK 30 million impairment in the value of Salmosea plant and equipment. For 2022 there was a NOK 36.6 million impairment in the value of the net relating to the Ocean Farm 1 installation.

NOTE 3.4 Right-of-use assets and lease liabilities

Accounting policies

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. 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.

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 recognised as expense over the lease term.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. This applies to some of the groups lease arrangements of wellboats and service boats, where crew and other service elements are included in the contract. The cost related to service elements not defined as lease, are expensed in the period they occur.

The lease liabilities at commencement date are 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.

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.

Right-of-use assets and lease liabilities includes offices and production facilities, including the InnovaMar facility in Frøya. There are also significant leasing agreements in place for wellboats, service boats, plant and equipment.

Right-of-Use Assets

NOK 1,000	Land & buildings	Machinery & equipment	Boats & barges	Total
Acquisition cost at 1 January 2023	451,380	536,518	1,506,046	2,493,943
Adjustments of existing agreements	0	0	24,544	24,544
Additions	11,966	12,577	722,082	746,626
Disposal acquisition cost	-1,299	-3,108	-20,205	-24,611
Reclassification of acquisition cost to property, plant and equipment	-32,066	-5,319	-232	-37,618
Currency translation differences	0	3,557	2,776	6,332
Acquisition cost at 31 December 2023	**429,981**	**544,224**	**2,235,010**	**3,209,216**
Accumulated depreciation & write-downs at 1 January 2023	158,250	257,019	692,070	1,107,339
Depreciation	29,593	57,989	238,598	326,180
Write-down	0	1,965	0	1,965
Disposal accumulated depreciation	0	-774	-12,470	-13,244
Reclassification of depreciation to property, plant and equipment	-2,210	4,630	-15,057	-12,636
Currency translation differences	0	850	1,061	1,911
Accumulated depreciation & write-downs at 31 December 2023	**185,633**	**321,680**	**904,202**	**1,411,515**
Carrying amount at 31 December 2023	**244,348**	**222,544**	**1,330,808**	**1,797,701**
Estimated lifetime	2 - 30 years	1 - 5 years	1 - 9 years	
Depreciation method	Linear	Linear	Linear	

NOK 1,000	Land & buildings	Machinery & equipment	Boats & barges	Total
Acquisition cost at 1 January 2022	380,201	390,392	977,027	1,747,619
Additions through business combinations	22,410	85,479	439,016	546,905
Adjustments of existing agreements	-1,573	0	54,644	53,071
Additions	50,343	62,228	29,725	142,296
Disposal acquisition cost	0	-1,582	-5,719	-7,300
Currency translation differences	0	0	11,352	11,352
Acquisition cost at 31 December 2022	**451,380**	**536,518**	**1,506,046**	**2,493,943**
Accumulated depreciation & write-downs at 1 January 2022	132,846	213,584	524,385	870,816
Depreciation	27,210	45,016	173,109	245,335
Disposal accumulated depreciation	0	-1,582	-427	-2,009
Currency translation differences	-1,806	0	-4,997	-6,803
Accumulated depreciation & write-downs at 31 December 2022	**158,250**	**257,019**	**692,070**	**1,107,339**
Carrying amount at 31 December 2022	**293,130**	**279,499**	**813,975**	**1,386,604**
Estimated lifetime	2 - 30 years	1 - 5 years	1 - 9 years	
Depreciation method	Linear	Linear	Linear	

Other leasing costs recognised in profit and loss (NOK 1,000)	2023	2022
Costs relating to short-term leases (less than 12 months duration)	263,323	125,413
Costs relating to the lease of low-value assets	51,802	32,993
Total leasing costs included in other operating expenses	**315,125**	**158,405**

Leases of low value are recognised in other operating expenses. Costs relating to short-term leases mainly relates to ad hoc leasing of service boats.

Lease liabilities

NOK 1,000	2023	2022
Lease liability 1 January	1,425,297	967,166
Additions through business combinations	0	483,609
Adjustment of lease liabilities	24,544	54,429
New contracts	746,626	145,708
Interest on lease liability (profit and loss)	102,177	64,654
Instalments on lease liabilities paid (cash flow)	-321,096	-229,333
Interest on lease liabilities paid (cash flow)	-102,177	-64,654
Disposal and reclassification of lease liabilities	-32,372	0
Currency translation differences	2,496	3,718
Total lease liabilities at 31 December	**1,845,494**	**1,425,297**
Short-term lease liabilities	343,753	273,081
Long-term lease liabilities	1,501,741	1,152,216
Total lease liabilities at 31 December	**1,845,494**	**1,425,297**

Cash flow relating to lease liabilities

NOK 1,000	2023	2022
Instalments on lease liabilities paid (cash flow)	321,096	229,333
Interest on lease liabilities paid (cash flow)	102,177	64,654
Lease liabilities recognised in profit or loss	315,125	158,405
Total cash flow relating to lease liabilities	**738,398**	**452,392**

See Note 4.1 for further details of the lease liabilities' maturity profile.

NOTE 3.5 Investments in associated companies and joint ventures

Accounting policies

Joint ventures are entities where the group has joint control and the parties in the joint arrangement have right to the net assets of the arrangement. Associates are all entities, except joint ventures, over which the group has significant influence but not control. This is generally the case where the group holds between 20 % and 50 % of the voting rights. Investments in associates and joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity-accounted investments is tested for impairment in accordance with principles described in Note 3.2.

Investments in joint ventures and associated companies at 31 December 2023:

Company	Head office	Sector	Ownership 01.01	Ownership 31.12
Norskott Havbruk AS	Bergen	Fish farming	50.00 %	50.00 %
SalMar Genetics AS	Rauma	Genetics	50.00 %	50.00 %
Kirkenes Processing AS	Kirkenes	Harvesting	50.00 %	50.00 %
Romsdal Processing AS	Molde	Harvesting & processing	44.45 %	44.45 %
Yu Fish Ltd	Singapore	Sales	45.30 %	45.30 %
Wilsgård Fiskeoppdrett AS	Torsken	Fish farming	37.50 %	37.50 %
Hellesund Fiskeoppdrett AS	Høvåg	Fish farming	33.47 %	33.47 %
Nordnorsk Smolt AS	Hasvik	Fish farming	50.00 %	50.00 %
Sikkerhetssenteret Rørvik AS	Rørvik	Education	21.26 %	21.26 %
Flatanger Settefisk AS	Flatanger	Smolt production	41.00 %	41.00 %
Oppdretternes Miljøservice AS	Rørvik	Aquaculture services	25.00 %	25.00 %
Skamik AS	Ottersøy	Aquaculture services	24.88 %	24.88 %

All associates and joint ventures are accounted for using the equity method. Since none of the Group's associates or joint ventures are listed on a stock exchange, no observable market values are available.

Companies recognised in accordance with the equity method

NOK 1,000	Wilsgård Fiskeoppdrett AS	Hellesund Fiskeoppdrett AS	Norskott Havbruk AS	Others	TOTAL
Opening balance at 1 January 2023	572,330	433,407	1,152,989	213,024	2,371,747
- goodwill	0	0	0	3,605	3,605
Income from associated companies and joint ventures	80,449	40,209	-167,703	19,750	-27,295
Items recognised in other comprehensive income	0	0	90,809	2,215	93,024
Dividend received	0	-10,060	0	-8,386	-18,446
Other changes	-1,445	0	0	116	-1,329
Carrying amount at 31 December 2023	**651,335**	**463,555**	**1,076,095**	**226,718**	**2,417,700**

NOK 1,000	Wilsgård Fiskeoppdrett AS	Hellesund Fiskeoppdrett AS	Norskott Havbruk AS	Others	TOTAL
Opening balance at 1 January 2022	0	0	1,094,686	79,745	1,174,428
- excess value not amortised	0	0	0	327	327
- goodwill	0	0	0	3,051	3,051
Addition recognised through business acquisition	559,000	420,000	0	145,161	1,124,161
- addition of excess value not amortised	302,898	220,471	0	0	0
Remeasurement of equity interest at fair value	0	0	0	90,776	90,776
Derecognition due to reclassification to subsidiary	0	0	0	-105,632	-105,632
Income from associated companies	13,330	7,551	41,492	4,058	66,432
Items recognised in other comprehensive income	0	0	16,811	4,632	21,444
Dividend received	0	0	0	-2,865	-2,865
Other changes	0	5,855	0	-2,853	3,002
Carrying amount at 31 December 2022	**572,330**	**433,407**	**1,152,989**	**213,024**	**2,371,747**

In 2022 the Group acquired 50 % of the shares in the smolt facility Isthor in Iceland and the company was consolidated in the Group's financial statements. The recognition according to equity method was from the same time ended, with a remeasurement of already held equity interest at fair value at acquisition. See Note 4.5 for further information.

Furthermore, with effect from 01.11.2022, a number of associates were added to the Group in the acquisition and merger of NTS and NRS, of which Wilsgård Fiskeoppdrett AS and Hellesund Fiskeoppdrett AS are considered material associates. Excess value in the two material associates mainly relates to licences. See Note 4.5 for further information.

Material associates and joint ventures

Based on an overall assessment, in which size and complexity have been taken into account, Norskott Havbruk AS, Wilsgård Fiskeoppdrett AS and Hellesund Fiskeoppdrett AS are considered to be material associates and joint ventures. Further details relating to these material assets are presented below.

Wilsgård Fiskeoppdrett AS

Located in Senja, Wilsgård Fiskeoppdrett AS is a fishfarming company with 6 ordinary licences. SalMar ASA owns 37.5 % of the shares in the company.

Hellesund Fiskeoppdrett AS

SalMar ASA has a ownership share of 33.5 % in Hellesund Fiskeoppdrett AS. The company has one licence in Lillesand kommune in the southern part of Norway. In addition it owns 75 % of the shares in Korshavn Havbruk AS, a fishfarming company with one licence in Lyngdal, and 100 % of the shares of Sørvest Laks AS, with one licence in Lillesand.

Norskott Havbruk AS

Located in Bergen, Norskott Havbruk AS is a holding company that owns 100 % of Scottish Sea Farms Ltd, which has operations in mainland Scotland and Shetland.

Norskott Havbruk is 50/50 owned by SalMar ASA and Lerøy Seafood AS. The board of directors has 4 members, with each shareholder represented by 2 directors. The shareholders alternate in having the board's chair. SalMar and Lerøy are consider to have joint control over the investment and are classified a joint venture.

The following table shows a summary of financial information relating to material associates, based on 100 % figures:

	Wilsgård Fiskeoppdrett AS		Hellesund Fiskeoppdrett AS	
NOK 1,000	2023	01.11.2022-31.12.2022	2023	01.11.2022-31.12.2022
Operating revenues	733,342	159,674	264,976	64,493
Operating expenses	542,734	88,207	125,033	29,068
Fair value adjustments	50,181	-29,594	-6,513	-912
Net profit/loss	**214,531**	**36,831**	**120,146**	**83,430**
Non-current assets	351,332	391,583	70,941	77,872
Current assets	940,280	679,020	734,070	660,405
Non-current liabilities	192,795	224,556	5,117	50,770
Current liabilities	215,539	173,446	62,693	40,806
Equity	**883,278**	**672,601**	**737,201**	**615,305**
The Group's share of equity	331,229	252,225	246,741	205,942
Excess value	302,898	302,898	220,471	220,471
Carrying amount at 31 December	**651,335**	**572,330**	**463,555**	**433,407**

The following table shows a summary of financial information relating to material joint ventures, based on 100 % figures:

	Norskott Havbruk AS	
NOK 1,000	2023	2022
Operating revenues	2,561,466	3,187,853
Operating expenses	2,865,278	2,914,267
Fair value adjustments	16,337	-28,582
Net profit/loss	**-335,406**	**82,984**
Non-current assets	3,591,919	3,403,086
Current assets	2,539,809	1,904,111
Non-current liabilities	2,396,226	2,080,868
Current liabilities	1,583,312	920,249
Equity	**2,152,190**	**2,306,080**
The Group's share of equity	1,076,095	1,153,040
Carrying amount at 31 December	**1,076,095**	**1,152,989**

NOTE 3.6 Biological assets and other inventories

Accounting policies

Inventory and biological assets
Live fish are recognised at fair value less sales costs.

Other inventory is comprised of feed, packaging materials, roe, fry, smolt, cleaner fish and finished goods. Inventories of goods are measured at the lowest 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 is based on the principle of first-in first-out.

Biological assets
Live fish are accounted for in accordance with IAS 41 Agriculture. The general rule is that such assets are measured at fair value less sales costs. Fair value is measured in accordance with IFRS 13 within level 3, based on factors not drawn from observable markets. Changes in value are recognised and classified under fair value adjustments in Consolidated statement of profit and loss.

Roe, fry, smolt and cleaner fish are valued at historic cost. Historic cost is deemed to be the best estimate of fair value for these assets, due to little biological conversion.

The fair value of biological assets held at the Group's sea farms is calculated using a model based on future cash flow. The present value is calculated on the basis of estimated revenues, less estimated remaining production costs until the fish is harvestable at the individual site. A fish is harvestable when it has reached the estimated weight required for harvesting specified in the company's budgets and plans. The estimated value is discounted to present value on the reporting date. Present value is estimated for the biomass at each site.

Incoming cash flows are calculated as the estimated biomass at harvest multiplied by the price expected to be achieved at the same time. The estimated biomass (volume) at harvest is calculated on the basis of the number of individual fish held at sea farms on the reporting date, adjusted for expected mortality until harvest and multiplied by the estimated weight of the fish at harvest.

The price is calculated using the Fish Pool forward price for the estimated harvesting date that was in effect on the reporting date. Forward prices are adjusted for an exporter supplement, as well as harvesting, sales and well-boat costs. In addition, an adjustment is made to take account of expected differences in fish quality. The price is also reduced by production tax. Se further information in note 2.6. The price adjustments are made at the site level. In the absence of price quotations on Fishpool, forward prices for 2025 have been calculated on the basis of price expectations obtained from industry analysts.

Estimated remaining production costs are estimated costs that a rational person would presume necessary for the farming of fish up until they reach a harvestable weight. In the model, instead of being a separate cost element in the calculation, compensation for licence fees and site rent are included in the discount factor, and thereby reduces the fair value of the biomass.

The fair value of the biomass is calculated using a monthly discounting of the cash flow based on the harvest plan. The discount factor is intended to reflect three main components:

1. Risk of incidents that affect cash flow
2. Hypothetical licence fees and site rental cost
3. Time value of money

The discount factor is set on the basis of an average for all the Group's sites, which, in the Group's assessment, provides a sensible growth curve for the fish - from smolt to harvestable size.

The risk adjustment must take into account the biological risks of farming, including the average time in sea for the fish. The number of months left until harvesting will affect the risk. Biological risk, the risk of increased costs and price risk will be the most important elements to be recognised. The present value model includes a theoretical compensation for licence fees and site rent as an addition to the discount factor in the model, instead of being a cost-increasing factor in the calculation.

A discount rate of 6.5 % per month has been used to calculate the fair value of biological assets for the Group's Norwegian operations. Correspondingly, a discount rate of 6 % per month was used in 2022. For the Group's operations in Iceland, a discount rate of 5 % per month was used both in 2023 and 2022. The discount rate reflects the biomass's capital cost, risk and synthetic licence fees and site rental charges. Change in margins as a result of changes in prices or cost, will cause a change in the synthetic licence fee and the discount rate. The increase in the discount rate in 2023 for the Norwegian operation is based on higher forward prices and thereby an expectation of higher margins.

Fair Value due to business combinations

Due to business combinations, assets and liabilities are taken over at fair value. Fair value adjustment on biological assets at the time of acquisition are included in the cost of biological assets. In order to give the users of the financial statement an better understanding of the Group's profit and loss related to goods sold in the period, the effect of fair value adjustment from the acquisition related to sold fish in the period have reduced the cost of goods sold. The effect is shown in a separate line in the statement of profit or loss, and the corresponding effect is presented on a separate line together with fair value adjustments. Change in fair value adjustment due to business combination is included in the group's operating profit.

Incident-based mortality

In the event of incidents exceeding 3 % mortality in a period based on a single incident, or if the mortality exceeds 5 % over several periods based on one and the same incident, an assessment is made as to whether there is a basis for write-down. The assessment relates to the number of fish and is carried out at site level. Incident-based mortality is recognised under cost of goods sold in the Consolidated Statement of Profit or Loss.

Carrying amount of inventory

NOK 1,000	31.12.2023	31.12.2022
Raw materials	433,528	426,741
Finished goods	796,125	503,136
Total carrying amount of other inventory	**1,229,653**	**929,877**
Biological assets	13,264,679	11,754,721
Total carrying amount of inventory	**14,494,332**	**12,684,598**

Carrying amount of biological assets

NOK 1,000	31.12.2023	31.12.2022
Biological assets held at sea farms at cost	7,887,537	7,295,443
Fair value adjustment of biological assets	4,760,821	3,908,118
Total carrying amount of biological assets held at sea farms	**12,648,358**	**11,203,560**
Roe, fry, smolt and cleaner fish at cost	616,320	551,160
Total carrying amount of biological assets	**13,264,679**	**11,754,721**

Raw materials mainly comprise feed for smolt and fish at sea farms. In addition, raw materials are used in connection with processing and packaging. Stocks of biological assets relate to SalMars fish farming operations both in freshwater and seawater, and comprise roe, fry, smolt, cleaner fish and fish at sea farms. Finished goods comprise whole fish (fresh and frozen), as well as processed salmon products.

	Tonnes		Carrying amount (NOK 1,000)	
Change in biological assets:	2023	2022	2023	2022
Biological assets at 1 January	161,542	124,884	11,754,721	7,280,917
Increase from business combination	0	42,423	0	3,254,063
Increase due to production	299,922	220,811	13,863,422	8,647,629
Decrease due to sale/ harvesting	-296,094	-225,586	-13,006,570	-7,575,881
Decrease due to incident-based mortality	-3,528	-991	-251,089	-62,061
Decrease due to sale of group companies			-8,612	0
Fair value adjustment at 01.01			-3,908,118	-2,645,574
Fair value adjustment from business combination due to fish not sold on opening balance			813,222	0
Fair value adjustment from business combination due to fish not sold on closing balance			-90,413	-813,222
Fair value adjustment from business combination included in cost of goods sold in the period			-722,809	-283,398
Fair value adjustment at 31.12			4,760,821	3,908,118
Currency translation differences			60,103	44,131
Biological assets at 31 December	**161,841**	**161,542**	**13,264,679**	**11,754,721**

The calculation is based on following estimated forward prices:

Expected harvesting period	31.12.2023
Q1–2024	107.95
Q2–2024	113.45
Q3–2024	83.70
Q4–2024	86.12
1st half 2025	101.11
2nd half 2025	74.60

Expected harvesting period	31.12.2022
Q1–2023	91.75
Q2–2023	95.55
Q3–2023	76.48
Q4–2023	78.22
1st half 2024	85.91
2nd half 2024	75.00

Sensitivity:

The change in the estimated fair value of biological assets has been calculated by changing individual parameters in the calculation. The effect on the carrying amount of biological assets is summarised below.

2023 (NOK 1,000)	Increase	Effect on estimated fair value at 31.12.2023	Decrease	Effect on estimated fair value at 31.12.2023
Change in forward price	+ NOK 5.00 per kg	796,399	NOK 5.00 per kg	-796,399
Change in monthly discount factor	1 %	-748,613	-1 %	831,296
Change in harvesting date	1 month earlier	1,123,469	1 month later	-817,731
Change in number of fish held at sea farms	1 %	144,607	-1 %	-144,607

2022 (NOK 1,000)	Increase	Effect on estimated fair value at 31.12.2022	Decrease	Effect on estimated fair value at 31.12.2022
Change in forward price	+ NOK 5.00 per kg	901,185	NOK 5.00 per kg	-901,185
Change in monthly discount factor	1 %	-695,372	-1 %	772,027
Change in harvesting date	1 month earlier	855,123	1 month later	-679,186
Change in number of fish held at sea farms	1 %	47,854	-1 %	-47,854

NOTE 3.7 Trade and other receivables

Accounting principles

The Group's receivables are recognised at amortised cost. Receivables in foreign currency are converted at the exchange rate at the time of the transaction. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

The group uses a simplified method to calculate provisions for losses on trade receivables. The group uses credit insurance to secure its accounts receivable and makes provisions for expected losses on the excess that is not covered by the insurance. The group measures the provision for bad debts based on the expected credit loss over the remaining lifetime of the exposure, and not based on an expected loss of 12 months.

NOK 1,000	31.12.2023	31.12.2022
Trade receivables	1,468,617	1,429,071
Allowance for credit losses	-11,654	-14,936
Total trade receivables at 31 December	**1,456,963**	**1,414,135**
Other current receivables	1,061,256	662,978
Other non-current receivables	241,634	328,876
Total receivables at 31 December	**2,759,853**	**2,405,989**
Prepaid expenses included in other current receivables	113,233	89,681
VAT refunds included in other current receivables	13	225,680
Derivatives included in other current receivables	469,162	99,082
Derivatives included in other non-current receivables	158,522	247,802

Credit losses are classified as other operating expenses in profit and loss. Changes in allowance for credit losses and credit losses charged to expenses during the period are presented below.

For further information related to credit risk and foreign exchange risk, see Note 4.1.

NOK 1,000	31.12.2023	31.12.2022
Provisions for bad debt 1 Jan	14,936	8,946
Provisions for bad debts 31 Dec	11,654	14,936
Change in provisions for bad debts during the period	**-3,282**	**5,990**
Actual bad debts	9,694	2,451
Change in provisions for bad debts	-3,282	5,990
Bad debts charged to expenses during the period	**6,411**	**8,440**

Trade receivables had the following maturity profile

NOK 1,000	Not due	<30 d	30-45d	45-90d	>90d	Total
31.12.2023	1,161,096	172,013	44,684	2,762	88,062	1,468,617
31.12.2022	1,016,521	330,067	18,167	8,493	55,822	1,429,071

Receivable Purchase Agreement

SalMar has entered into an agreement with a credit institution for the purchase of trade receivables that meet certain specified criteria. SalMar transfers trade receivables that meet these criteria as and when they arise and receives immediate settlement thereof. Normal maturity of trade receivables is 30–45 days. The material part of the credit risk is transferred when the trade receivables is transferred to the credit institution. The receivables are derecognised in the balance on the date the transfer takes place. As at 31 December 2023, a total of NOK 1,299.9 million in outstanding receivables has been transferred and derecognised (31 December 2022, a total of NOK 1,103.8 million). The change in trade receivables deriving from this derecognition is included under operating activities in the statement of cash flow.

NOTE 3.8 Financial assets and financial liabilities

Accounting policies

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 is comprised of derivatives, unlisted equity investments, other receivables, and cash & cash equivalents.

The classification of financial assets at initial recognition depends on the nature of the asset's contractually determined cash flows, and which business model the Group applies to the management of its financial assets. At initial recognition, financial assets are recognised at fair value. Transaction costs may be added if financial assets are measured at amortised cost.

The Group classifies its financial assets in three categories:

- Financial assets measured at amortised cost
- Financial assets measured at fair value with changes in value through profit and loss
- Financial assets measured at fair value in other comprehensive income (OCI)

Financial assets measured at amortised cost

The Group measures financial assets at amortised cost if the following conditions are met: The financial asset is being kept in a business model whose purpose is to receive contractually determined cash flows, and the contractual terms and conditions for the financial asset give rise to cash flows solely comprising payments of interest and principal on certain dates.

The Group's financial assets at amortised cost comprise trade receivables, other receivables, cash & cash equivalents. Trade receivables which do not have a substantial financing element are measured at the transaction price in accordance with IFRS 15 Revenue from Contracts with Customers.

Financial instruments measured at fair value with changes in value through profit and loss

The Group makes use of forward currency contracts to hedge against fluctuations in exchange rates that arise during its operational activities. The contracts are initially recognised at fair value. Changes in fair value related to contracts that don't qualify for hedge accounting are recognised in profit and loss.

The Group enters into contracts on Fish Pool to manage the salmon price risk. Fish Pool contracts are also used to hedge margins in certain cases relating to salmon purchase agreements. The derivatives are recognised at fair value at the date of acquisition. Any subsequent changes in value are classified on the line for fair value adjustments in profit and loss.

This category also includes the Group's unlisted equity instrument and other receivables. These instruments are recognised at fair value on the date the contract is entered into and subsequently measured at fair value.

Financial instruments measured at fair value in other comprehensive income (OCI)

The Group uses derivatives to hedge against fluctuations in foreign exchange rates that arise during its operational activities. When forward currency contracts meet the requirements for hedge accounting, changes in fair value are recognised in OCI.

The Group has entered into a cross-currency interest swap and interest rate swaps to hedge risk related to interest-bearing debt and the operations on Iceland. Changes in fair value in these derivatives are recognised in OCI.

Derecognition of financial assets

A financial asset or, if relevant, a portion of a financial asset or portion of a group of identical financial assets, is derecognised if:

- The contractual entitlement to receive cash flows from the financial asset expires, or
- The Group has transferred the contractual entitlement to receive cash flows from the financial asset or retains the right to receive the cash flows from a financial asset but at the same time pledges to transfer these to a counterparty, and either:

  a. The Group has transferred the bulk of the risk and benefits associated with the asset, or
  a. The Group has neither transferred nor retained the bulk of the risk and benefits associated with the asset but has transferred control over the asset.

Provisions for losses on financial assets

The Group has made a provision for expected losses on all debt instruments that are not classified at fair value through profit and loss. The Group recognises expected credit losses based on a specific assessment of each individual customer. The Group recognises its loss provision based on expected credit losses over the remaining life of the exposure, and not the 12-month expected loss.

Financial liabilities

Financial liabilities are, after initial recognition, classified as loans and liabilities, or derivatives designated as hedging instruments in an effective hedging arrangement. Derivatives are initially recognised at fair value. Loans and liabilities are recognised at fair value adjusted for directly attributable transaction costs. Derivatives are financial liabilities when the effective interest method fair value is negative, and are treated for accounting purposes in the same way as derivatives that are assets.

Loans and liabilities

After initial recognition, interest-bearing loans will be measured at amortised cost. Gains and losses are recognised in profit and loss when the liability is derecognised. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest method amortisation process. Amortised cost is calculated by recognising any discount or premium on acquisition and fees or costs that are an integral part of the effective interest method. The effective interest method amortisation is included as finance cost in the statement of profit or loss. See Note 3.11 for further details.

Financial instruments by category

Financial instruments at 31 December 2023

NOK 1,000	At amortised cost	At fair value through profit & loss	At fair value in OCI	TOTAL
Assets				
Derivatives				
Forward currency contracts	0	0	444,343	444,343
Interest and currency rate swaps	0	0	158,522	158,522
Financial contracts Fish Pool	0	24,819	0	24,819
Equity instruments				
Unlisted equity instruments	0	17,102	0	17,102
Debt instruments				
Other non-current receivables	83,112	0	0	83,112
Trade receivables	1,456,963	0	0	1,456,963
Other current receivables	478,861	0	0	478,861
Cash and cash equivalents	785,271	0	0	785,271
Total financial assets	2,804,207	41,921	602,864	3,448,993
Liabilities				
Interest-bearing debt				
Debts to credit institutions	10,416,775	0	0	10,416,775
Green bond	3,475,193	0	0	3,475,193
Derivatives				
Interest and currency rate swaps	0	0	12,898	12,898
Other financial liabilities				
Trade payables	3,965,936	0	0	3,965,936
Total financial liabilities	17,857,904	0	12,898	17,870,802

Financial instruments at 31 December 2022

NOK 1,000	At amortised cost	At fair value through profit & loss	At fair value in OCI	TOTAL
Assets				
Derivatives				
Forward currency contracts	0	-3,028	69,105	66,076
Interest and currency rate swaps	0	0	247,802	247,802
Financial contracts Fish Pool	0	33,006	0	33,006
Equity instruments				
Unlisted equity instruments	0	42,434	0	42,434
Debt instruments				
Other non-current receivables	81,074	0	0	81,074
Trade receivables	1,414,135	0	0	1,414,135
Other current receivables	544,728	10,561	0	555,289
Cash and cash equivalents	2,712,707	0	0	2,712,707
Total financial assets	4,752,644	82,973	316,907	5,152,524
Liabilities				
Interest-bearing debt				
Debts to credit institutions	18,324,946	0	0	18,324,946
Green bond	3,467,147	0	0	3,467,147
Derivatives				
Financial contracts Fish Pool	0	26,924	0	26,924
Other financial liabilities				
Trade payables	3,337,649	0	0	3,337,649
Total financial liabilities	25,129,742	26,924	0	25,156,666

Financial instruments – assessment of fair value

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant observable inputs an minimising the use of unobservable inputs.

- Level 1 - Price listed in an active market for identical assets or liabilities
- Level 2 - Valuation based on other observable inputs either directly (price) or indirectly (deduced from prices) than listed price (used in level 1) for the asset or liability
- Level 3 - Valuation based on inputs not derived from observable markets (non-observable assumptions)

The following table presents the fair value measurement hierarchy of the Group's assets and liabilities. See Note 3.9 for details of derivatives measured at fair value under Level 2.

31 December 2023 (NOK 1,000)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets				
Derivatives				
Forward currency contracts	0	444,343	0	444,343
Interest and currency derivatives	0	158,522	0	158,522
Financial contracts Fish Pool	0	24,819	0	24,819
Equity instruments				
Other shares and securities	0	0	17,102	17,102
TOTAL assets	0	627,684	17,102	644,786
Liabilities				
Derivatives				
Interest and currency rate swaps	0	0	12,898	12,898
TOTAL liabilities	0	0	12,898	12,898

31 December 2022 (NOK 1,000)	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets				
Derivatives				
Forward currency contracts	0	66,076	0	66,076
Interest and currency derivatives	0	247,802	0	247,802
Financial contracts Fish Pool	0	33,006	0	33,006
Equity instruments				
Other shares and securities	0	0	42,434	42,434
Debt instruments				
Other receivables	0	0	10,561	10,561
TOTAL assets	0	346,884	52,995	399,879
Liabilities				
Derivatives				
Financial contracts Fish Pool	0	26,924	0	26,924
TOTAL liabilities	0	26,924	0	26,924

NOTE 3.9 Hedging activities and derivatives

Accounting policies

Forward currency contracts
The Group uses forward currency contracts and currency option contracts to reduce the foreign exchange risk relating to future sales revenues deriving from customer contracts denominated in foreign currencies for the physical delivery of salmon. The Group's contracts fall due for payment between January 2024 and December 2025, and hedge all trade receivables and cash flows from sales contracts in foreign currencies during this period.

The contracts are recognised at fair value in the balance sheet. The fair value are measured by using valuation techniques, which employ the use of market observable inputs such as forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies. Recognition of gains and losses relating to the forward currency contracts depends on whether they qualify for hedge accounting.

For forward currency contracts and currency option contracts that qualify for hedge accounting, the fair value of the effective portion is recognised in other comprehensive income. When time differences arise between receipts from sales contracts and the settlement of forward hedges, the currency account replaces the forward hedges as the hedging instrument. Drawdowns on the currency account, when this is deemed to be the hedging instrument, are recognised at the exchange rate in effect on the reporting date and the revaluation effect is recognised in OCI. Gains and losses recognised in OCI and accumulated equity are recycled to profit and loss in the same period as the hedged expected future cash flows affect profit and loss. Inefficiency in hedging factors arises when the hedged volume deviates from the delivered volume. The inefficiency is recognised as a financial item in profit and loss.

The Group complies with the criteria set out in IFRS 9 when assessing whether the contract meets the requirements for hedge accounting. This means that satisfactory documentation of the matter to be hedged must exist when the hedge is entered into, and there must be a high level of efficiency, in that the hedge reflects the expected cash flow from the underlying sales contract. There must also be a high degree of probability that the future cash flow will materialise and the efficiency of the hedge must be measurable. The efficiency of hedges is monitored continuously.

For contracts which do not qualify for hedge accounting, any change in the fair value are recognised as a change in fair value through profit and loss.

The hedging rate is the spot rate adjusted for a forward element. The forward element is the difference between the spot rate and the forward rate, and reflects the difference in the rate of interest between NOK and the currency traded. When several forward hedges are linked to a sales contract, the hedging rate is calculated as the volume-weighted forward rate for the underlying hedges.

Interest and currency swaps
The group has entered into interest swaps and a cross-currency interest rate swap with the purpose of hedging interest rate risk for a share of the group's loans with floating interest rates and hedging of currency risk related to the operations in Iceland. The hedging of interest rate risk is a cash flow hedging, and the hedging of the business in Iceland is a net investment hedging, both hedging conditions are considered to satisfy the requirements for hedge accounting. The fair value of the swaps are valued using valuation techniques, which employ the use of market observable inputs such as forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves. Recognition of gains and losses relating to the forward currency contracts depends on whether they qualify for hedge accounting. The fair value changes of the swaps qualifying for hedge accounting are recognised in other comprehensive income, and the swap costs are amortised as interest costs over the term of the agreement. The effectiveness of hedging is measured at the end of each period, any ineffective portion will be recognised as a financial item in the profit and loss.

Financial contracts with Fish Pool
The Group enters into financial contracts on Fish Pool to hedge prices relating to purchase and sales contracts for the physical delivery of salmon. The contracts fall due for settlement within one year. Realised gains or losses on these contracts are recognised in operating profit/loss. The contracts are measured at fair value. Unrealised gains and losses are included in fair value adjustments in profit and loss. The fair value of Fish Pool contracts is calculated on the basis of the contract's agreed settlement price, the market value of the fish on the reporting date, the contract's term and observable market prices for contracts with an equivalent term.

Derivatives

Recognised at fair value at 31 Dec (1,000 NOK)	2023 Other non-current receivables	2023 Other current receivables	2023 Other non-current liabilities	2022 Other non-current receivables	2022 Other current receivables	2022 Other current liabilities
Forward currency contracts		444,343	0		66,076	0
Interest and currency swaps	158,522	0	12,898	247,802	0	0
Financial contracts Fish Pool		24,819	0		33,006	26,924
Total	**158,522**	**469,162**	**12,898**	**247,802**	**99,082**	**26,924**

Forward currency contracts

Forward currency contracts with changes in value through profit and loss (NOK 1,000)	2024 Currency amount (1,000)	2024 Average volume-weighted hedging rate	2025 Currency amount (1,000)	2025 Average volume-weighted hedging rate	Carrying amount
Forward Sale CAD	4,500	7.10	0	0	-2,608
Forward Sale EUR	86,248	11.81	0	0	1,933
Forward Sale GBP	476	13.34	0	0	53
Forward Sale JPY	1,301,105	0.076	0	0	5,184
Forward Sale SEK	6,565	1.022	0	0	50
Forward Sale USD	37,368	10.55	0	0	13,999
Total					**18,612**
Forward currency contracts with changes in value through OCI (NOK 1,000)					
Forward Sale CAD	-39,500	7.86	0	0.00	14,467
Forward Sale EUR	174,857	11.79	1,108	12	90,849
Forward Sale GBP	16,242	13.27	0	0	6,515
Forward Sale JPY	2,402,385	0.077	31,734	0	10,683
Forward Sale USD	442,580	10.66	7,700	10.80	248,943
FX Option EUR	104,400		10,800		54,273
Total					**371,457**
Carrying amount at 31 December 2023					**444,343**

Forward currency contracts with changes in value through profit and loss (NOK 1,000)	2023 Currency amount (1,000)	2023 Average volume-weighted hedging rate	2024 Currency amount (1,000)	2024 Average volume-weighted hedging rate	Carrying amount
Forward Sale CAD	4,700	7.08	0	0	-991
Forward Sale EUR	4,883	10.41	0	0	-486
Forward Sale GBP	190	11.86	0	0	-5
Forward Sale JPY	341,193	0.075	0	0	290
Forward Sale SEK	2,385	0.95	0	0	1
Forward Sale USD	35,297	9.66	0	0	-2,570
Total					**-3,762**
Forward currency contracts with changes in value through OCI (NOK 1,000)					
Forward Sale CAD	37,500	7.14	800	7.61	-6,468
Forward Sale EUR	19,814	10.19	0	0.00	-6,469
Forward Sale GBP	912	12.02	0	0.00	150
Forward Sale JPY	4,338,968	0.075	0	0.000	-1,052
Forward Sale USD	347,317	10.21	5,870	10.06	83,677
Total					**69,838**
Carrying amount at 31 December 2022					**66,076**

Specification of cash flow hedging through OCI	As at 1 January	As at 31 Dec	Change in value of drawdowns on currency account	Change in fair value through OCI
2023	69,838	433,642	8,363	355,441
2022	53,801	69,838	688	15,349

For forward currency contracts which qualify for hedge accounting, an inefficiency of NOK -10.3 million has been recognised in 2023 (NOK -9.2 million in 2022). The effect is classified as a financial expense in profit and loss.

Interest and currency derivatives regarding debt 2023

Interest and currency derivatives with changes in value through OCI (NOK 1,000)	Nominal value hedge instruments (1000 NOK)	Book value hedge object (1000 NOK)	Nominal value hedge instruments (1000 EUR)	Carrying value of net investment (1000 EUR)	Hedging efficiency	Carrying amount
Cash flow hedge reserve	3,434,667	3,434,667			100 %	220,825
Net investment reserve			-98,335	126,260	100 %	-102,662
Cost of hedging reserve						19,322
Total						**137,485**
Changes through profit and loss						
Accrued value of net interest						8,138
Carrying amount at 31 December 2023						**145,623**

Specification of hedging effects in OCI in 2023	As at 1 January	As at 31 Dec	Changes over OCI
Changes in Cash flow hedge reserve	217,578	219,790	2,213
Changes in Net investment reserve	-34,221	-102,662	-68,441
Changes in Cost of hedging reserve	58,487	19,322	-39,165
Total	**241,844**	**136,450**	**-105,393**

Specification of hedging effects over profit and loss in 2023	As at 1 January	As at 31 Dec	Changes over profit and loss
Changes in net accrued interest	5,958	8,138	2,180
Amortization of swap cost reclassified from hedging reserve to interest cost	-3,124	-4,970	-1,845
Total			**334**

In 2021, an interest rate currency swap agreement was entered into of which NOK 1,000 million of the group's bond loan (note 3.11) with floating interest rates was swapped to EUR 98,335 million with fixed interest rates (the agreement is divided between three banks). The agreement matures in January 2027. The change from floating interest rates to fixed interest rates in NOK in the agreement is defined as cash flow hedging of interest costs. Interest rate conditions and maturity structure on the bond loan and swap are identical and there is therefore an effective financial connection between the hedging instrument and the hedged item. The conversion of loan amounts from NOK to EUR debt through the swap contract is defined as Net Investment Hedging. This is a hedging of the currency value of investing in Icelandic Salmon. The hedging of the exposure in EUR in Iceland will be effective as long as the nominal value of the net investment is greater than the nominal value of the hedging instrument. There has been no inefficiency in hedging conditions in the past year.

In 2021 an interest rate swap was entered into in which NOK 192.7 million of the groups bank loan (note 3.11) with floating interest rates was swapped to a fixed rate. The agreement matures in January 2032.

With effect from 4 February 2022, SalMar ASA entered into fixed rate interest swap contracts with a total principal of NOK 2,250 million. 750 million has a duration of 7 years starting 22 April 2022, 750 million has a duration of 7 years starting 22 January 2025, and 750 million has a duration of 10 years starting 22 January 2024. The interest swap contracts are established with the purpose to reduce the interest rate risk related to long-term loan.

Interest and currency derivatives regarding debt 2022

Interest and currency derivatives with changes in value through OCI (NOK 1,000)	Nominal value hedge instruments (1000 NOK)	Book value hedge object (1000 NOK)	Nominal value hedge instruments (1000 EUR)	Carrying value of net investment (1000 EUR)	Hedging efficiency	Carrying amount
Cash flow hedge reserve	3,442,667	3,442,667			100 %	217,578
Net investment reserve			-98,335	119,458	100 %	-34,221
Cost of hedging reserve						58,487
Total						241,844
Changes through profit and loss						
Accrued value of net interest						5,958
Carrying amount at 31 December 2022						247,802

Specification of hedging effects in OCI in 2022	As at 1 January	As at 31 Dec	Changes over OCI
Changes in Cash flow hedge reserve	0	217,578	217,578
Changes in Net investment reserve	0	-34,221	-34,221
Changes in Cost of hedging reserve	0	58,487	58,487
Total	0	241,844	241,844

Specification of hedging effects over profit and loss in 2022	As at 1 January	As at 31 Dec	Changes over profit and loss
Changes in net accrued interest	691	5,958	5,267
Amortization of swap cost reclassified from hedging reserve to interest cost	-1,279	-3,124	-1,845
Total			3,422

Financial contracts Fish Pool

2024

NOK 1,000	Type	Volume (1,000)	Average volume-weighted price per kg	Market value
Fish Pool contracts	Sale	2,260	91.3	-15,811
Fish Pool contracts	Buy	5,700	90.9	40,630
Carrying amount at 31 December 2023				24,819

2023

NOK 1,000	Type	Volume (1,000)	Average volume-weighted price per kg	Market value
Fish Pool contracts	Sale	1,430	65.3	6,082
Carrying amount at 31 December 2022				6,082

In 2023, a net profit of NOK 50.1 million (net loss of NOK 307.0 million in 2022) was realised on Fish Pool contracts . Gains and losses are recognised in the operating result. In 2023, unrealised changes in the fair value of Fish Pool contracts amounted to a net gain of NOK 18.7 million. Unrealised changes in the fair value of Fish Pool contracts amounted in 2022 to a net gain of NOK 91.3 million, of which NOK 69.7 was through fair value adjustment and NOK 21.5 was classified as other financial income.

NOTE 3.10 Cash & cash equivalents

NOK 1,000	31.12.2023	31.12.2022
Cash and cash equivalents, unrestricted funds	621,103	2,558,078
Cash and cash equivalents, restricted funds	164,169	154,629
Total cash and cash equivalents at 31 December	785,271	2,712,707

A total of NOK 164.2 million (2022: NOK 154.6 million) in restricted tax withholdings is included in the item cash and cash equivalents.

NOTE 3.11 Interest-bearing liabilities

Non-current interest-bearing liabilities (NOK 1,000)	31.12.2023	31.12.2022
Non-current interest bearing liabilities	9,258,965	17,830,132
Green bond	3,500,000	3,500,000
Amortised cost	-89,919	-32,853
Total	12,669,046	21,297,279
Next year's instalment on non-current interest bearing liabilities	-457,820	-2,947,307
Total	12,211,226	18,349,972
Lease liabilities	1,845,494	1,425,297
Next year's instalment on lease liabilities	-343,753	-273,081
Total	1,501,741	1,152,216
Total carrying amount at 31 December	13,712,967	19,502,188

Current interest bearing liabilities	2023	2022
Bank overdraft	1,222,922	494,814
Next year's instalment on non-current interest bearing liabilities	457,820	2,947,307
Current interest bearing liabilities ex. lease liabilities	1,680,742	3,442,121
Next year's instalment on lease liabilities	343,753	273,081
Total carrying amount at 31 December	2,024,495	3,715,203
Total interest-bearing liabilities	15,737,462	23,217,390
Cash and cash equivalents	785,271	2,712,707
Lease liabilities	1,845,494	1,425,297
Net interest-bearing debt	13,106,697	19,079,386

Total interest-bearing liabilities	2023	2022
Unused credit facilities	8,740,369	6,476,426
Unused bank overdraft	1,013,858	1,657,387
Total unused drawing rights	9,754,227	8,133,813

The fair value of borrowings are not materially different from their carrying amounts since the interest payable on the borrowings is either close the current market rates or the borrowings are of short-term nature. Next year's instalments on bank loans and lease agreements are classified as current liabilities in the balance sheet. See Note 4.1 for details of the maturity profile of the Group's liabilities.

In 2021 and 2022 the Group entered into a cross-currency interest swap and interest rate swaps to reduce the risk related to floating interest rate. These contracts are established with the purpose to reduce the interest rate risk related to long-term loan. See note 3.9 "Hedging activities and derivatives" and note 4.1 "Financial risk management" for further details regarding the swaps.

As at 31 December 2023 per currency

NOK 1,000	NOK	EUR	JPY	USD	GBP	Other	Total
Non-current interest bearing liabilities	11,595,839	615,387	0	0	0	0	12,211,226
Lease liabilities	1,804,234	0	0	0	0	41,261	1,845,494
Current interest-bearing liabilities	1,467,156	75,670	75,554	38,978	18,176	5,207	1,680,742
Total interest-bearing debts	14,867,229	691,057	75,554	38,978	18,176	46,468	15,737,462
Cash and cash equivalents	607,284	47,460	36,704	59,851	13,116	20,857	785,271
Lease liabilities	1,804,234	0	0	0	0	41,261	1,845,494
Net interest-bearing debts	**12,455,711**	**643,597**	**38,851**	**-20,873**	**5,059**	**-15,650**	**13,106,697**

As at 31 December 2022 per currency

NOK 1,000	NOK	EUR	JPY	USD	GBP	Other	Total
Non-current interest bearing liabilities	17,804,959	545,013	0	0	0	0	18,349,972
Lease liabilities	1,380,072	7,567	0	0	0	37,658	1,425,297
Current interest-bearing liabilities	3,176,402	111,144	2,931	78,988	39,726	32,931	3,442,121
Total interest-bearing debts	22,361,433	663,723	2,931	78,988	39,726	70,589	23,217,390
Cash and cash equivalents	2,764,389	-80,665	-53,538	59,548	5,813	17,161	2,712,707
Lease liabilities	1,380,072	7,567	0	0	0	37,658	1,425,297
Net interest-bearing debts	**18,216,972**	**736,822**	**56,469**	**19,440**	**33,914**	**15,770**	**19,079,386**

Financing activities - changes in liability at 31 December 2023:

	31.12.22	Cash flow from financing activities	Non-cash generating effects: Currency effects	Non-cash generating effects: Change in next year's instalments on long-term debts	Non-cash generating effects: Other effects	31.12.23
Non-current debts	18,349,972	-8,660,255	39,596	2,489,487	-7,575	12,211,226
Current debts to credit institutions	3,442,121	713,521	3,310	-2,489,487	11,276	1,680,742
Total debts to credit institutions	21,792,093	-7,946,734	42,907	0	3,701	13,891,967
Non-current and current lease liabilities	1,425,297	-321,096	2,501	0	738,792	1,845,494
Total interest-bearing debts	**23,217,390**	**-8,267,829**	**45,408**	**0**	**742,493**	**15,737,462**

Financing activities - changes in liability at 31 December 2022:

	31.12.21	Cash flow from financing activities	Non-cash generating effects: Changes through business combinations	Non-cash generating effects: Currency effects	Non-cash generating effects: Change in next year's instalments on long-term debts	Non-cash generating effects: Other effects	31.12.22
Non-current debts	4,906,560	7,191,840	9,008,620	28,242	-2,785,290	0	18,349,972
Current debts to credit institutions	571,274	-127,923	211,704	1,742	2,785,290	0	3,442,121
Total debts to credit institutions	5,477,834	7,063,917	9,220,324	29,983	0	0	21,792,093
Non-current and current lease liabilities	967,166	-229,333	484,370	3,771	0	199,323	1,425,297
Total interest-bearing debts	**6,445,000**	**6,834,585**	**9,704,694**	**33,754**	**0**	**199,323**	**23,217,390**

For details regarding change in subsidiaries see Note 4.5.

Interest-bearing debt in more detail

In August 2023, SalMar entered into a new senior unsecured credit facility agreement, totalling NOK 16,000 million, with the intention of making it sustainability linked. The agreement comprises a 3+1+1 year term loan with a total of NOK 6,000 million, a 5+1+1 year rolling credit facility of NOK 10,000 million, and a NOK 3,000 million in accordion option. The facilities have an interest rate based on 3-months NIBOR plus a margin. The new senior unsecured credit facility is a syndicated agreement that consists of 5 banks composed in two tiers, each tier with various share of the total facility.

SalMar has annually renewable multicurrency cash pooling arrangements limited to NOK 1,600 million. As at 31 December 2023, the Group had drawn NOK 1,223 million on this arrangement (2022: no drawdown). Deposits and drawdowns in various currencies relating to the group account scheme are recognised net in the Group's financial statements.

With effect from 22 April 2021, SalMar ASA issued an unsecured green bond totalling NOK 3,500 million. No installments on the loan are payable during the period of the agreement, which matures on 22 January 2027. The bond carries an interest rate at 3-months NIBOR + 1.35 % per annum, due quarterly. The loan is capitalised at amortised cost using the effective interest rate method. The loan's net book value as at 31 December 2023 is NOK 3,475 million. The bond loan is listed on the Oslo Stock Exchange under the ticker SALM01 ESG.

During November 2023, Arnarlax Ehf, the groups subsidiary in Iceland completed a refinancing process totalling facilities of 95 MEUR. The facilities consist of a term loan of 30 MEUR, a revolving facility of 65 MEUR and an additional overdraft facility of 5 MEUR. The current facility agreement is valid until November 2026 with a possibility of two years extension. Per 31.12.2023 there were no drawdown on the overdraft facility. The covenants require an equity ratio above 35 per cent and profit requirement that requires that the Company's 12-month rolling interest coverage ratio must not be lower than 4.0:1. In addition, the Company's NIBD / 12-month rolling EBITDA should not exceed 6.0:1 each relevant period expiring on or prior to 31 December 2024 and not exceed 4.0:1 each relevant period expiring thereafter.

In November 2023, the subgroup SalMar Aker Ocean entered into a new credit facility agreement, comprising of a term loan of NOK 200 million and an annually renewable overdraft facility of NOK 250 million. The term loan is a bullet loan with termination date 27 November 2026. Per 31.12.2023 there were no drawdown on the overdraft facility. The covenants are based on standard ratios and has financial requirements of an equity ratio above 40 per cent.

Financial covenants

The most important financial covenants for the long-term financing of SalMar ASA are, respectively, a solvency requirement, which stipulates that the Group's recognised equity ratio shall exceed 30 %, and a profitability requirement, which stipulates that the Group's interest coverage rate (EBITDA/net financial expenses) shall not fall below 3.0.

The green bond has a financial covenant requiring an equity ratio of 30 % in the agreement period.

The financing schemes of Arnarlax Ehf and SalMar Aker Ocean are independent from SalMar ASA. Both SalMar ASA, Arnarlax Ehf and SalMar Aker Ocean were in compliance with all the above-mentioned covenants as of 31 December 2023.

Subsidiaries with individual financial agreements

Vikenco has an overdraft facility capped at NOK 50 million, of which there was no drawdown as at 31. December 2023. In addition, the company has two instalment loans with a carrying amount of respectively NOK 178 million and NOK 58 million.

Osan Settefisk AS has a term loan with net carrying amount at 31 December 2023 of NOK 414 million (2022: NOK 445 million) and an overdraft facility agreement of NOK 15 million, of which there was no drawdown as at 31. December 2023.

Refsnes Laks AS, has a term loan with net carrying amount at 31 December 2023 of NOK 48.3 million (2022: 0), the loan matures in June 2025.

Supply Chain Financing

The Group has entered into a supply chain financing agreement (SCF), meaning that some vendors will indirectly offer extended credit terms to the company through a separate agreement with the Group's bank. The vendors sell their trade receivables to the bank 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 are therefore classified as trade payables, and changes in trade payables related to the SCF agreement is classified as cash flow from operating activities in the statement of cash flow. As at 31 December 2023 the carrying amount of the financed amount was NOK 2,562.2 million (31 December 2022: NOK 1,672.7 million), and of this NOK 2,532.3 million was paid to the vendors.

Receivable Purchase Agreement

SalMar has entered into an agreement with a financial institution for transferred receivables that meet certain predefined criteria. See Note 3.7 for further details of this arrangement.

Lease liabilities

See Note 3.4 for further details of the Group's capitalised lease liabilities.

NOTE 3.12 Mortgage and guarantees

Liabilities secured by mortgage (NOK 1,000)	31.12.2023	31.12.2022
Non-current interest bearing debt *	1,112,205	14,882,825
Current interest bearing debt *	570,153	3,442,121
Lease liabilities	1,845,494	1,425,297
Total debt secured by mortgages and pledges at 31 December	3,527,852	19,750,243

'* During the third quarter in 2023, SalMar entered into a new senior unsecured credit facility agreement totalling NOK 16 billion. The non-current and current interest bearing debt that is secured by mortgage is represented by Group companies with independent financing schemes. See Note 3.11 for further information.

Assets pledged as security for debt (NOK 1,000)	31.12.2023	31.12.2022
Licences	3,438,018	14,875,519
Property, plant and equipment and right-to-use assets	4,512,098	12,517,825
Biological assets and other inventory	1,576,980	11,754,721
Trade receivables	632,737	1,414,135
Total assets pledged as security at 31 December	10,159,834	40,562,200

NOTE 3.13 Current liabilities

Accounting policies

Onerous contacts
Physical fixed-price sales contracts whose price is less than the price used as the basis for adjusting the fair value of the biomass are recognised as liabilities in the financial statements. The amount recognised as a liability is the difference between the market price at the balance sheet date plus costs to sell and the contract price. Changes in provisions are recognised in a separate line in the statement of profit and loss and are included in the operational profit.

Other current liabilities (NOK 1,000)	31.12.2023	31.12.2022
Salaries and vacation pay due	214,380	207,510
Derivatives	0	26,924
Accruals for clean-up cost	304,077	224,173
Accrued interest cost	53,595	117,462
Other accrued expenses	401,053	515,156
Accruals for production tax	83,465	18,805
Contingent liability from business combination	55,125	55,125
Provisions for onerous contracts	342,202	104,799
Total carrying amount at 31 December	1,453,897	1,269,954

Provisions related to onerous contracts is increased by NOK 237.3 million (2022: Provision decreased by NOK 126.3 million in 2022, recognised in operating profit).

There is a contingent liability related to a previous business combination in Salmar Farming AS, related to merged-in company SalMar Namdal AS.. As part of the purchase agreement with the previous owners of MNH Holding AS, a contingent consideration was agreed. The consideration is dependent on licence volumes for Fiskeldi Austfjarda and is measured at fair value over the result.

NOTE 4.1 Financial risk management

Financial risk

Through its activities, the Group is exposed to various kinds of financial risk: market risk, credit risk and liquidity risk. The Group management oversees the management of these risks and draws up guidelines for dealing with them. The Group makes use of financial derivatives to hedge against certain risks. The Board of Directors has defined a financial risk appetite that sets overarching limits.

The Group has drawing facilities on a syndicate of banks, which ensure sufficient flexibility both operationally and with respect to the financing of investments in SalMar's operations. In August 2023, SalMar entered into a new senior unsecured credit facility agreement, with the intention of making it sustainability linked. The agreement includes NOK 3,000 million in accordion option and is a syndicated agreement that consists of 5 banks composed in two tiers, each tier with various share of the total facility. In 2021 the Group issued a green bond to secure further sustainable growth. In addition, the company has financial instruments, such as trade receivables, trade payables, etc., which are directly related to day-to-day business operations.

The two subgroup's, Arnarlax Ehf and SalMar Aker Ocean, have independent financing schemes. In addition, Vikenco, Osan Settefisk AS and Refsnes Laks AS are subsidiaries with individual financial agreements.

It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The risk is partly reduced by the opposite effect on cash equivalents which earn floating interest.

With effect from 4 February 2022, SalMar ASA entered into fixed rate interest swap contracts with a total principal of NOK 2,250 million. 750 million has a duration of 7 years starting 22 April 2022, 750 million has a duration of 7 years starting 22 January 2025, and 750 million has a duration of 10 years starting 22 January 2024. The interest swap contracts are established with the purpose to reduce the interest rate risk related to long-term loan. In 2021 the Group has entered into a to cross-currency interest swap and a interest swap to manage the interest rate. For more details regarding the swaps see note 3.9.

Interest rate sensitivity

Given the financial instruments in effect on 31 December 2023, after the impact of hedge accounting, an increased interest rate of 1.0 per cent would reduce the Group's profit by net NOK 130.9 million (2022: reduced profit by NOK 242.2 million), all other variables remaining constant. The effect related to the hedging instruments over OCI would rise by NOK 19.3 million given an increase in the interest rate of 1 % (2022: 1 % rise would lead to a positive effect of NOK 19.4 million). See note 3.11 for more information regarding interest-bearing debt.

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and the Group's net investments in the operations on Iceland. The Group operates internationally, and is exposed to foreign exchange risk in several currencies. This risk is particularly relevant with respect to the USD, EUR, GBP, CAD and JPY.

The foreign exchange risk associated with revenues and assets denominated in foreign currencies is partly hedged through the use of forward contracts and currency accounts. The use of forward currency contracts is described in Note 3.9.

The foreign exchange risk associated with the operations at Iceland is hedged by the cross-currency interest swap described in section "Interest rate risk". The swap hedges the full carrying value of the net investment.

Foreign currency sensitivity

Given the financial instruments in effect on 31 December 2023, a weakening of 10 per cent of the NOK would increase the Group's profit before tax by NOK 940.0 million (2022: NOK 454.6 million). The whole effect would go through the profit and loss in 2024 as all material financial instruments fall due within the end of 2024.

The following table demonstrate the impact on the Group's profit before tax related to a reduction in the exchange rate of 10 per cent:

NOK 1,000	31.12.2023	31.12.2022
EUR	-62,165	-12,300
JPY	3,307	-3,380
GBP	-3,198	-159
CAD	-5,049	-3,353
USD	-66,644	-45,880

The Group's exposure to foreign currency changes for all other currencies is not material.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily from trade receivables. The Group's policy is to credit insure material trade receivables, and losses due to bad debts have historically been low. The Group has guidelines to ensure that sales are made only to customers that have not previously had material payment problems, and where outstanding balances do not exceed fixed credit limits. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. Credit risk relating to the Group's cash holding is deemed low.

Gross credit risk on the reporting date equals the Group's total receivables on the same date. See Note 3.7.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they are due. Cash flow forecasts are prepared on a regular basis and the Finance Dept. monitors rolling forecasts for the Group's liquidity requirements to ensure that the Group has sufficient cash equivalents to meet operational liabilities, as well as at all times having adequate flexibility in the form of unused credit facilities (see Statement of Cash Flows), such that the Group does not infringe borrowing limits or specific borrowing conditions. The Group's objective is to have sufficient cash, cash equivalents or medium-term credit facilities to meet its borrowing requirements in the short term. See Note 3.11 for details of the Group's available credit facilities.

The table below details the Group's non-derivative financial liabilities classified by maturity structure. The figures presented in the table are undiscounted contractual cash flows.

Maturity structure for financial liabilities at 31 December 2023

Maturity	Total	2024	2025	2026	2027	2028	After 2028
Long-term debt	12,669,046	426,203	40,322	6,576,430	3,719,090	1,719,333	187,667
Interest on long-term debt	2,330,999	742,145	737,028	544,090	231,388	64,898	11,449
Lease liabilities	1,845,494	343,752	275,618	221,630	178,757	144,631	681,106
Interest on lease liabilities	374,540	111,717	93,065	58,214	46,080	35,223	30,239
Short-term credit facilities	46,745	46,745	0	0	0	0	0
Interest on short-term debt	803	803	0	0	0	0	0
Trade payables	3,965,936	3,965,936	0	0	0	0	0
Total liabilities	21,233,563	5,637,302	1,146,033	7,400,365	4,175,316	1,964,086	910,461

Maturity structure for financial liabilities at 31 December 2022

Maturity	Total	2023	2024	2025	2026	2027	After 2027
Long-term debt	21,297,279	2,947,307	12,147,649	2,506,681	9,646	3,515,329	170,667
Interest on long-term debt	1,706,433	1,000,633	301,477	217,970	158,975	16,666	10,712
Lease liabilities	1,425,297	273,081	209,221	162,488	127,947	102,132	550,427
Interest on lease liabilities	323,310	65,583	57,880	56,244	51,393	47,624	44,587
Short-term credit facilities	494,814	494,814	0	0	0	0	0
Interest on short-term debt	70,908	70,908	0	0	0	0	0
Trade payables	3,337,649	3,337,649	0	0	0	0	0
Total liabilities	28,655,690	8,189,975	12,716,227	2,943,383	347,961	3,681,752	776,394

Maturity

The Group's trade payables are normally at net 30 payment terms, except for payables related to the purchase of feed, which has a longer credit time.

For a description of the maturity structure for the Group's long-term debt, see Note 3.11.

Capital structure and equity

The objective of the Group's capital management is to safeguard the Group's continued operations in order to secure a return on investment for shareholders and other stakeholders, and maintain an optimal capital structure for reducing capital costs. By ensuring a good debt to-equity ratio the Group will support its business operations, and thereby maximise the value of the Group's shares.

To further focus on the objective to maximise the value of the Group's shares, reference is made to the stock exchange announcement on 23 October 2023 regarding the general meeting of SalMar ASA ("SalMar") resolving to reduce SalMar's share capital by NOK 3,275,000 from 36,284,730 to NOK 33,009,730 by cancelling of 13,100,000 own treasury shares. See Note 4.2 and 4.3 for further details.

The Group manages and makes changes to its capital structure in response to an ongoing assessment of the financial conditions under which the business operates, and its short and medium-term outlook, including any adjustment in dividend pay-outs, buyback of treasury shares, capital reduction or issue of new shares. No changes were made in the guidelines covering this area in 2023.

The company monitors its capital management on the basis of the covenants stipulated. These are based on equity ratio, interest coverage ratio and the ratio of net interest-bearing debt to EBITDA. See Note 3.11 for further details.

As at 31 December 2023, the Group had an equity ratio of 43.3 per cent (31 December 2022: 38.6 per cent). At the close of 2023, the Group's net interest-bearing debt stood at NOK 13,106.7 million (2022: NOK 19,079.4 million) See Note 3.11 for further details of the Group's net interest-bearing debt.

NOTE 4.2 Share capital and shareholders

At 31 December 2023, the parent company's share capital comprised:

NOK 1,000	Number of shares	Face value	Book value
Ordinary shares	132,038,920	0.25	33,009,730

There are no current limitations on voting rights or trade limitations related to the SalMar share.

On 13 December 2023, SalMar ASA's share capital was decreased by 13,100,000 shares (nominal value of NOK 0.25 per share), from 145,138,920 shares to 132,038,920 shares. The share capital was thus decreased by a total of NOK 3.275 million, from NOK 36.285 million to NOK 33.010 million.

As at 31 December 2023, SalMar ASA owned 278,854 treasury shares, a reduction by 13,427,392 shares, from 13,706,246 treasury shares as at 31 December 2022.

Shareholders

Overview of the largest shareholders 31.12.2023	Number of shares	Shareholding	Voting share
KVERVA INDUSTRIER AS	59,934,476	45.39 %	45.49 %
FOLKETRYGDFONDET	5,787,976	4.38 %	4.39 %
State Street Bank and Trust Comp	2,076,996	1.57 %	1.58 %
TERBOLI INVEST AS	1,425,394	1.08 %	1.08 %
LIN AS	1,337,685	1.01 %	1.02 %
JPMorgan Chase Bank, N.A., London	1,335,830	1.01 %	1.01 %
HASPRO AS	1,330,830	1.01 %	1.01 %
FRØY KAPITAL AS	1,093,815	0.83 %	0.83 %
CACEIS Bank	1,087,941	0.82 %	0.83 %
State Street Bank and Trust Comp	1,087,715	0.82 %	0.83 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	1,055,226	0.80 %	0.80 %
NILS WILLIKSEN AS	1,018,473	0.77 %	0.77 %
CACEIS Bank	923,297	0.70 %	0.70 %
PARETO AKSJE NORGE VERDIPAPIRFOND	916,400	0.69 %	0.70 %
JPMorgan Chase Bank, N.A., London	910,109	0.69 %	0.69 %
CLEARSTREAM BANKING S.A.	861,574	0.65 %	0.65 %
JPMorgan Chase Bank, N.A., London	844,806	0.64 %	0.64 %
Bank Pictet & Cie (Europe) AG	815,145	0.62 %	0.62 %
ANDVARI AS	810,468	0.61 %	0.62 %
State Street Bank and Trust Comp	798,063	0.60 %	0.61 %
Total 20 largest shareholders	85,452,219	64.72 %	64.85 %
Total other shareholders	46,586,701	35.28 %	35.15 %
Total number of shares 31.12.2023	132,038,920	100.00 %	100.00 %

Shares owned by Board Members and Senior Executives:

Name		Number of shares	Shareholding
Gustav Witzøe	Chair of the Board	*	
Leif Inge Nordhammer	Board Member	**	
Morten Loktu	Board Member	1,000	0.00 %
Arnhild Holstad ****	Board Member	3,346	0.00 %
Ingvild Kindlihagen	Board Member - Employees representative	46	0.00 %
Frode Arntsen	CEO	6,962	0.01 %
Ulrik Steinvik	CFO	***	
Roger Bekken ****	COO Farming	14,509	0.01 %
Simon A. Søbstad	COO Sales & Industry	604	0.00 %
Runar Sivertsen ****	Chief Strategy Officer	4,509	0.00 %
Eva Haugen	Director Quality Management/HSE	7,900	0.01 %
Arthur Wisniewski	Director Human Resource Management	2,772	0.00 %

* Owns shares indirectly through Kvarv AS, the parent company in the Kverva Group. Kvarv AS directly, and indirectly via its subsidiary Kverva AS, owns 93.05 per cent of the shares in Kverva AS, which owns 100 per cent of the shares in Kverva Industrier AS. Kverva Industrier AS owns 45.39 per cent of the shares in SalMar ASA and a voting share of 45.49 per cent. Gustav Witzøe has a voting share of 80 per cent and has a 1 per cent shareholding in Kvarv AS through his ownership of A-shares in the company.

** Owns, directly and indirectly, 1.47 per cent of the shares in SalMar ASA. Leif Inge Nordhammer owns 99.1 per cent of the shares in LIN AS. LIN AS directly owns 1.01 per cent of the shares in SalMar ASA. In addition, LIN AS owns 0.45 per cent of the shares in the company though a 1 per cent shareholding in Kverva AS, which, through Kverva Industrier AS, owns 45.39 per cent of the shares in SalMar ASA and has a corresponding 45.49 per cent voting share.

*** Owns directly and indirectly 0.09 per cent of the shares in SalMar ASA. Ulrik Steinvik owns 20,121 shares directly and indirectly through personal related parties, he also owns 100 per cent of the shares in Nordpilan AS. Nordpilan AS owns 0.17 per cent of the shares in Kverva AS, which owns 100 per cent of the shares in Kverva Industrier AS. Kverva Industrier AS owns 45.39 per cent of the shares in SalMar ASA and has a corresponding 45.49 per cent voting share.

**** Shares held directly and indirectly through personal related parties.

Board authorisations

Authorisations granted to the Board are normally time limited and are valid only up until the next AGM in 2024 and no later than 30 June 2024.

The Board of Directors has been granted the following authorisations which may impact the share capital at 31 December 2023:

To increase the company's share capital limited to NOK 1,814.236.50 through the issue of up to 7,256,946 shares to finance investments and the acquisition of businesses through cash issues and contributions in kind.

To issue convertible loans for up to NOK 3,000,000,000 for the purpose of enabling SalMar, at short notice, to use such financial instruments as part of its overall financing requirement. In connection with the conversion of loans raised pursuant to this authorisation, SalMar's share capital may be increased by up to NOK 1,814,236.50, though with account taken of any capital increases undertaken pursuant to the authorisation to increase SalMar's share capital, such that the total capital increase for both authorisations combined may not exceed 5 per cent of the share capital. It follows from the purpose of the authorisations that the Board may need to waive existing shareholders' preference rights.

An authorisation to acquire own shares, cf. the Public Limited Liability Companies Act Section 9 4, for up to 14,513,892 shares with an aggregate par value of NOK 3,628,473. The rationale for the Board's proposal was that such arrangement would amongst other things give the Board an extended possibility to utilise mechanisms for distribution of capital to SalMar's shareholders and to facilitate an adequate capital structure of SalMar. In addition the Board can buy back the Company's own shares in order to meet its obligation under its share-based incentive schemes. The amount payable per share could be in the range between NOK 1 and NOK 1,000 per SalMar Share. Exercise of such authorisation was made subject to principles of equal treatment of shareholders. To ensure that SalMar's majority owner's, Kverva Industrier AS, proportionate shareholding remained equal it was set in place an arrangement whereby any shares acquired in the market would be cancelled through a subsequent share capital decrease and that a corresponding part of Kverva Industrier AS' shares would be redeemed.

Dividend

The Board is proposing payment of a dividend of NOK 35 per share, totalling NOK 4,611.6 million, as at 31 December 2023. No dividend is paid on the company's treasury shares.

For the 2022 financial year, a dividend of NOK 20 per share, totalling NOK 2,628.7 million, was paid out by SalMar ASA.

NOTE 4.3 Earnings per share

NOK 1,000	2023	2022
Profit for the year attributable to owners of SalMar ASA	3,202,756	3,311,955
Ordinary shares as at 01.01	145,138,920	117,799,999
Treasury shares as at 01.01	13,706,246	102,361
Contributions of equity - increase in number of shares	0	27,338,921
Effect of treasury shares borrowed from Kverva	30,000	-30,000
Effect of treasury shares after acquisition of NTS ASA	0	-13,691,960
Effect of cancellation of treasury shares	13,100,000	0
Effect of treasury shares in acquisition of company	209,402	0
Effect of treasury shares awarded to employees	87,990	118,075
Ordinary shares outstanding as at 31.12	131,760,066	131,432,674
Weighted average number of ordinary shares for basic EPS	131,452,354	119,800,565
Effects of dilution from share options	180,589	178,240
Weighted average number of ordinary shares adjusted for the effect of dilution	131,632,942	119,978,805
Earnings per share		
Basic	24.36	27.64
Diluted	24.33	27.60

NOTE 4.4 Group companies

The consolidated financial statements for 2023 includes the following subsidiaries:

Company	Owner	Country	Registered office	Shareholding 31.12.2023
SalMar Oppdrett AS	SalMar Farming AS	Norway	Kverva	100.00 %
SalMar Settefisk AS	SalMar ASA	Norway	Kverva	100.00 %
SalMar Smolt AS	SalMar Settefisk AS	Norway	Kverva	100.00 %
SalMar Farming AS	SalMar ASA	Norway	Kverva	100.00 %
Øylaks MTB AS*	SalMar Farming AS	Norway	Midsund	49.00 %
Hitramat Farming AS	SalMar ASA	Norway	Kverva	51.00 %
Nor Seafood AS	SalMar ASA	Norway	Botnhamn	82.49 %
Nekton Havbruk AS	SalMar Farming AS	Norway	Kverva	51.00 %
Refsnes Laks AS**	SalMar Farming AS	Norway	Kverva	45.00 %
SalMar Aker Ocean AS	SalMar ASA	Norway	Kverva	85.00 %
Ocean Farming AS	SalMar Aker Ocean AS	Norway	Kverva	85.00 %
Mariculture AS	SalMar Aker Ocean AS	Norway	Kverva	85.00 %
Arctic Offshore Farming AS	SalMar Aker Ocean AS	Norway	Kverva	85.00 %
Osan Settefisk AS	SalMar Farming AS	Norway	Kolvereid	66.00 %
MNH Rederi AS	SalMar Farming AS	Norway	Rørvik	100.00 %
SalmoSea AS	SalMar Farming AS	Norway	Rørvik	74.31 %
Icelandic Salmon AS	SalMar ASA	Norway	Kverva	52.48 %
Arnarlax Ehf	Icelandic Salmon AS	Iceland	Bildudalur	52.48 %
Icelandic Salmon Ehf	Arnarlax Ehf	Iceland	Talknafjørdur	52.48 %
Fjallalax Ehf	Arnarlax Ehf	Iceland	Bildudalur	52.48 %
Vikenco AS	SalMar AS	Norway	Aukra	51.00 %
SalMar Japan KK	SalMar AS	Japan	Japan	100.00 %
SalMar Singapore PTE Ltd.	SalMar AS	Singapore	Singapore	100.00 %
SalMar Vietnam Co., Ltd	SalMar AS	Vietnam	Ho Chi Minh City	100.00 %
SalMar-Tunet AS	SalMar ASA	Norway	Kverva	100.00 %

* Through shareholders agreement, SalMar has established control and has the power to affect the return from the involvement in Øylaks MTB AS. For further information, see Note 4.5

** Through shareholders agreement, SalMar has established control and has the power to affect the return from the involvement in Refsnes Laks AS.

Disposal of Group companies.

On 5 September 2023 the sale of the Group company Salmonor Settefisk AS was completed. The total consideration net of cash in the company was NOK 53.8 million. As a result of the transaction, there is recognised a gain of NOK 15.4 million included in other operating income.

On 14 August 2023 the sale of SalMars entire ownership stake in Frøy AS, representing approximately 72.11 per cent of the shares in the company, was completed. See Note 4.7 for further information.

NOTE 4.5 Business combinations and other investments in group companies

2023 – Business combinations and other investments in group companies

Business combinations
With the exception of a business combination in Frøy AS, there have not been any acquisition in the group in 2023. Please see note 4.7, Discontinued operations for more information about the business combination in Frøy.

Acquisition of company not considered to constitute a business
With effect from 28 December 2023, the Group acquired 49 per cent of the shares in Øylaks MTB AS. Through shareholder agreements, SalMar has established control and the company is consolidated into the SalMar Group from the time of acquisition. Øylaks MTB AS owns one licence for the production of Atlantic salmon. The licence is operated by SalMar. Except from owning the licence, there are no other activity in the company. The activity carried out in the company is therefore not considered to constitute a business. The total consideration for the 49 per cent interest was NOK 125.3 million, consisting of 209,402 consideration shares valued at NOK 116.9 million and NOK 8.4 million to be paid in cash. The fair value of the salmon licence allocated at the date for purchase was NOK 255.7 million, see Note 3.1 for further information.

2022 – Business combinations

Acquisition and merger of NTS ASA and Norway Royal Salmon ASA (NRS)
On 17 March 2022, SalMar made a voluntary tender offer to acquire all outstanding shares in NTS. The acceptance period for the offer was from 18 March to 29 April 2022. The voluntary offer was conditional on amongst other things approval by the competition authorities in both Norway and the EU. At the end of the acceptance period, 52.69 per cent of NTSs shareholders, corresponding to 66,235,009 shares and votes in NTS, had accepted the offer. At 31 December 2022, SalMar owned 92.93 per cent of the shares in NTS. See note 4.6 for further information related to the transaction.

The rationale behind the acquisition was to increase value creation in the regions where the companies operate and enable the realization of synergies between the companies. The companies have several overlapping industrial activities in all the areas in which they operate, and the transactions contribute to a more efficient utilization of their resources. This will enable improved utilization of Maximum Allowable Biomass (MAB) and site portfolios, improved utilization of smolt, harvesting, and processing facilities.

In parallel with the voluntary offer, a merger plan between SalMar and Norway Royal Salmon (NRS) with SalMar as the acquiring entity was entered into. The merger plan was approved by both companies' general meetings on 30 June 2022. The merger was, among other things, conditional on that all conditions for the completion of the offer for had been met or waived.

The transactions were approved by the Norwegian Competition Authority on 15 July 2022. The European Commission granted its final approval on 31 October 2022.

In connection with the clearance by the European Commission, SalMar undertook a commitment to divest the shares in Arctic Fish Holding AS, assumed by SalMar at the time of completion of the merger. SalMar undertook, with some exceptions, not to exercise any influence or control over Arctic Fish in the period from completion of the merger until a disposal was completed. The shares represented approximately 51.28 per cent of the shares and votes in Arctic Fish. The sales transaction of the shares was completed on 29 December 2022, with a total contribution net of transaction cost amounted to NOK 1,860 million.

The merger with NRS was completed on 7 November 2022. The shareholders of NRS received a merger consideration consisting of a cash consideration of NOK 3,104 million, and a total share consideration of NOK 5,884 million. The share consideration consisting of 17,851,550 shares valued at a share price of NOK 329.60 which represents the share price at the time of completion of the merger.

In accordance with the merger plan, NRS completed immediately prior to the merger the agreed acquisition of SalmoNor from NTS, with settlement in cash and NRS shares. Total cash consideration in the transaction was NOK 1,713 million.

Of the total consideration under the merger NOK 2,380 million of the merger cash consideration was paid to NTS, in addition NTS received 13,691,960 of the total 17,851,550 consideration shares. Further, the cash consideration of NOK 1,713 million was paid from NRS to NTS in connection with the acquisition of 100 per cent of the shares in SalmoNor. The total cash consideration to NTS is as such NOK 4,093 million. In addition, NTS will own 13,697,303 SalMar shares. The SalMar shares owned by NTS were valuated to NOK 4,513 million at the time of the merger. The shares are treated as treasury shares in the SalMar group, where NOK 2,378 million reduces the equity attributable to shareholders in SalMar, and NOK 2,135 reduces the non-controlling interest at the date of acquisition.

The voluntary offer was completed 10 November 2022. The total cash consideration payable in the transaction was NOK 1,807 million, and total share consideration amounts to NOK 3,215 million. The share consideration consisted of total of 9,487,371 new SalMar shares valuated at a share price of NOK 338.87 which represent volume-weighted average price the last 3 trading days before 31 October 2022.

From the time of completion of the offer, SalMar achieved control over NTS. Upon completion of the offer, NRS was merged into SalMar and SalMar has assumed all assets, rights and obligations in NRS. For accounting purposes, the transactions was treated as a business combination and the companies was consolidated into the SalMar group with effect from 1 November 2022. Shares in SalMar owned by NTS was, as mentioned above, treated as treasury shares in the SalMar Group. The Group elected to measure the non-controlling interests in the acquiree at fair value. Total acquisition and merger costs of NOK 82.2 million was in 2022 recognised as other operating expenses in the income statement.

The starting point for the transactions was the voluntary offer made for all outstanding shares in NTS on 17 March 2022, as well as the subsequent decision to merge SalMar and NRS. The merger was conditional on the offer being completed and this has been the starting point for valuation assessments of assets and liabilities resolutions associated with the offer and the merger. For technical reasons, the transactions were completed sequentially with some days in between. For accounting purposes, the total consideration for the offer and the merger was the basis for the purchase price allocation.

The fair values of the identifiable assets and liabilities of NTS Group and NRS Group as at the date of acquisition and merger was as follows:

Acquisition's effect on the balance sheet (NOK 1,000)	Fair value recognised on acquisition
Assets	
Licences	7,265,892
Property, plant & equipment	12,485,211
Right-of-use assets	1,058,557
Biological assets and other inventory	3,488,894
Investment in associates	1,145,505
Investment in SalMar shares (treasury shares)	4,512,870
Other financial investments	2,025,600
Trade receivables and other current receivables	824,274
Cash and cash equivalents	3,296,943
Total identifiable assets at fair value	**36,103,746**
Liabilities	
Deferred tax liabilities	2,209,785
Interest-bearing liabilities	14,199,097
Trade payables	1,085,716
Other current liabilities	416,228
Total identifiable liabilities at fair value	**17,910,826**
Total identifiable net assets at fair value	**18,192,920**
Non-controlling interest measured at fair value	-6,268,346
Goodwill	2,085,214
Total consideration	**14,009,788**

Purchase consideration	Acquisition NTS	Merger NRS	Total
Shares issued	3,214,959	5,883,871	9,098,830
Cash consideration	1,807,393	3,103,565	4,910,958
Total consideration	**5,022,352**	**8,987,436**	**14,009,788**

The goodwill of NOK 2,085 million comprises both of the value of expected synergies arising from the acquisition which is not separately recognised with NOK 1,296 million, and technical goodwill of NOK 789 million recognised due to deferred tax on the excess value identified for licences computed with statutory tax rate in Norway of 22 %. Goodwill is allocated to the segments Farming Central Norway and Farming Northern Norway. Goodwill is not deductible for income tax purposes.

From the date of acquisition the companies in NTS and NRS contributed NOK 1,405.1 million of revenue and a operational EBIT with NOK 208.9 million. The profit before tax from continuing operations of the Group has been negatively affected with NOK 188.3 million from the acquired companies in the period. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been NOK 26,702.8 million, operational EBIT NOK 5,067.7 million and profit before tax from continuing operations for the Group would have been NOK 5,864.8 million.

Eldisstødin Isthor Ehf (Isthor)
With effect from 17 August 2022, the Group acquired 50 % of the shares in the smolt facility Isthor in Iceland. The transaction was approved by the Icelandic Competition Authorities. Prior to the transaction SalMar Group indirectly owned 25.51 % of the shares in Isthor through SalMars 51.02 % ownership in Icelandic Salmon AS. Icelandic Salmon AS owns 100 % of the shares in Arnarlax Ehf, which owns the shares in Isthor. After the transaction, Arnarlax Ehf owns 100 % of the shares in Isthor.

The Group's holdings prior to the acquisition date, was remeasured at fair value at the time control was obtained. The fair value of the equity interest was NOK 107.2 million, and a gain of NOK 90.8 million was in 2022 recognised as other financial items in the profit or loss.

After the transaction the Group owns 100 % of the shares in Isthor. The purpose of the transaction was to increase the flexibility in size of smolt and increased number of smolt supporting the company's growth plans. For accounting purposes, the transaction are treated as a business combination with effect from the acquisition date. No material external transaction costs were incurred in the connection with the acquisition.

As part of the acquisition agreement, the Group repaid to the former owners a liability amounting to NOK 43.4 million.

The fair values of the identifiable assets and liabilities of Isthor as at the date of acquisition was as follows:

Acquisition's effect on the balance sheet (NOK 1,000)	Fair value recognised on acquisition
Property, plant & equipment	196,657
Current assets	533
Deferred tax	-12,307
Non-current liabilities	-48,576
Other current liabilities	-14,105
Net identifiable assets and liabilities	**122,201**
Goodwill	155,952
Fair value of intercompany long-term liability	-63,806
Fair value of the investment at the time of acquisition	-107,174
Cash consideration	**107,173**

NOTE 4.6 Non-controlling interests

Non-controlling interests relating to subsidiaries

31 December 2023	Non-controlling interests shareholding	Non-controlling interests accumulated share of equity 1 Jan	Non-controlling interests from business combination and other investments in group companies	Share of profit allocated to non-controlling interests	OCI allocated to non-controlling interests	Equity transactions allocated to non-controlling interests	Other changes in non-controlling interests	Non-controlling interests accumulated share of equity 31 Dec
Øylaks MTB AS	51.00 %	0	130,377	6,891	0	-5	0	137,263
Refsnes Laks AS	55.00 %	864,892	0	4,119	0	-50,050	0	818,961
Nekton Havbruk AS	49.00 %	101,973	0	14,166	0	-14,210	0	101,929
SalMar Aker Ocean AS	15.00 %	224,866	0	448	0	-2,029	206,246	429,531
Icelandic Salmon AS	47.52 %	1,210,182	0	49,172	84,595	656	-38,791	1,305,814
Hitramat Farming AS	49.00 %	54,214	0	11,185	0	-15,460	0	49,940
Vikenco AS	49.00 %	163,472	0	48,479	37,021	-39,216	0	209,756
NTS AS	0.00 %	64,139	0	0	0	0	-64,139	0
Frøy AS	0.00 %	1,974,134	0	81,283	0	-17,925	-2,037,492	0
Osan Settefisk AS	34.00 %	53,607	0	7,107	0	8	0	60,723
Nor Seafood AS	17.51 %	88,288	0	-4,382	0	0	0	83,907
SalmoSea AS	25.69 %	-971	0	-19,046	0	0	0	-20,017
		4,798,794	130,377	199,423	121,615	-138,232	-1,934,176	3,177,806

Arctic Offshore Farming AS

With effect from 29 November 2023, the 100 per cent owned company Arctic Offshore Farming AS was sold from SalMar ASA to the 85 per cent owned subsidiary SalMar Aker Ocean AS. The transaction was part of the group's internal reorganization to consolidate the group's offshore investment under SalMar Aker Ocean. Apart from reallocation in equity where non-controlling ownership interests increases by NOK 206.2 million, the transaction has no accounting consequences for SalMar Group. The increase is recognised in the equity as a change in non-controlling interests, and where the equity attributable to shareholders of the parent are reduced accordingly.

Øylaks MTB AS

Through the acquisition of Øylaks MTB AS the non-controlling interest in the Group increased with NOK 130.4 million. The non-controlling interest are assessed at fair value and for accounting purposes recognised directly to equity. See Note 4.5 for further information.

Icelandic Salmon AS

On 11 November 2023 SalMar ASA has acquired a total for 450,000 shares in Icelandic Salmon AS priced at NOK 187 per share. Through the transaction SalMar increased its shareholding in the company from 51.02 per cent to 52.48 per cent. For accounting purposes, the transaction has been recognised as a change in non-controlling interests, with the NOK 84.15 million effect recognised directly to equity. Of the total amount of NOK 84.15, NOK 38.8 have an effect on non-controlling interest.

NTS

Following the completion of the mandatory offer for to acquire all shares in NTS in December 2022, SalMar owned 92.93 per cent of the shares in the company. On 3 January 2023 SalMar publicly announced that they resolved to carry out a compulsory acquisition of all remaining shares in the company not owned by SalMar and with effect from 3 January 2023, SalMar became 100 per cent owner of all shares in NTS. The total consideration for the remaining shares was NOK 674.3 million. For accounting purposes, the effect of the transaction is recognised directly to equity. Of the total amount of NOK 674.3, NOK 683.5 have an effect on non-controlling interest.

As a consequence of the transaction the non-controlling interest related to treasury shares owned by NTS amounting to NOK 319.2 million has reduced the equity attributable to shareholders in SalMar accordingly.

Certain former minority shareholders that were subject to the compulsory acquisition have made a formal complaint and initiated legal proceedings about the redemption sum.

Frøy

On 14 August 2023 the sale of SalMar's entire ownership stake in Frøy AS, representing approximately 72.11 per cent of the shares in the company, was completed. As a consequence of the transaction, the non-controlling interest in Frøy AS, amounting to NOK 1,737.2 million, was derecognised at the time of the transaction. For accounting purposes, the effect of the transaction is recognised directly to the equity in the period. For further information, see note 4.7.

31 December 2022	Non-controlling interests shareholding	Non-controlling interests accumulated share of equity 1 Jan	Non-controlling interests from business combination	Share of profit allocated to non-controlling interests	OCI allocated to non-controlling interests	Equity transactions allocated to non-controlling interests	Other changes in non-controlling interests	Non-controlling interests accumulated share of equity 31 Dec
Refsnes Laks AS	55.00 %	823,237	0	63,655	0	-22,000	0	864,892
Nekton Havbruk AS	49.00 %	84,115	0	17,858	0	0	0	101,973
SalMar Aker Ocean AS	15.00 %	238,830	0	-17,390	0	3,426	0	224,866
Icelandic Salmon AS	48.98 %	960,678	0	188,180	61,143	181	0	1,210,182
Hitramat Farming AS	49.00 %	48,543	0	15,471	0	-9,800	0	54,214
Vikenco AS	49.00 %	97,425	0	71,223	14,424	-19,600	0	163,472
NTS ASA	7.07 %	0	2,534,089	3,231	0	-319,060	-2,154,122	64,139
Frøy ASA	32.99 %	0	3,588,977	65,583	-1,613	0	-1,678,813	1,974,134
Osan Settefisk AS	34.00 %	0	54,756	-1,149	0	0	0	53,607
Nor Seafood AS	17.51 %	0	91,368	-3,080	0	0	0	88,288
SalmoSea AS	25.69 %	0	-843	-128	0	0	0	-971
		2,252,827	6,268,346	403,453	73,953	-366,854	-3,832,936	4,798,794

Acquisition and merger of NTS and NRS

Through the acquisition and merger of NTS and NRS non-controlling interest in the Group increased with NOK 6,268.3 million. The increase in non-controlling interest consists of interests in NTS ASA, Frøy ASA, Osan Settefisk AS, Nor Seafood AS and SalmoSea AS.

At the time of acquisition through the voluntary offer of NTS, SalMar acquired 52.69 per cent of the shares in the NTS. Through the merger between SalMar and NRS, became an owner of 13,697,303 SalMar share with at total value of MNOK 4,513 million at the time of the merger. The shares are treated as treasury shares in the SalMar group, where NOK 2,378 million reduces the equity attributable to shareholders in SalMar, and NOK 2,135 reduces the non-controlling interest at the date of acquisition.

On 22 November 2022 SalMar announced that the settlement of the voluntary offer of NTS triggered an obligation to make a mandatory offer for all the remaining shares in NTS. With effect from 29 December 2022, the mandatory offer was completed. SalMar acquired additional 40.24 per cent of the shares in the company and owned 92.93 per cent of the shares in NTS after completion of the offer. The total consideration for the remaining shares was NOK 3,819 million. For accounting purposes, the effect of the transaction was recognised directly to equity in the period. The non-controlling interest related to treasury shares owned by NTS was reduced by NOK 1,816 million during the transaction and the equity attributable to shareholders in SalMar was reduced accordingly. On 31 December 2022 the non-controlling interest related to the treasury shares in NTS were reduced to NOK 319 million.

At the time of acquisition NTS owned 72.11 per cent of the shares in Frøy which resulted in an indirect non-controlling interest of 62.01 per cent in the company. The acquisition of further 40.24 per cent of the shares in NTS, reduced the indirect non-controlling interest in Frøy to 32.99 per cent. Of the total consideration of NOK 3,836 million for 40.24 per cent of the NTS shares, MNOK 2,154 million reduced the non-controlling interest in NTS and MNOK 1,679 million reduced the non-controlling interest in Frøy.

Mariculture AS

With effect from 19 April 2022, SalMar Group has acquired 49 % of the shares in Mariculture AS. Mariculture AS is a subsidiary of SalMar Aker Ocean AS, which is owned 85.0 per cent of SalMar Group. After the transaction SalMar Aker Ocean AS owns 100.0 per cent of the shares in Mariculture AS. For accounting purposes, the effect of the transaction is recognised directly to equity in the period.

Subsidiaries with material non-controlling interests:

The Group considers non-controlling interests in Icelandic Salmon Group, Refsnes Laks AS and SalMar Aker Ocean Group to be material. Further details relating to this companies are disclosed below.

Frøy AS, with a material non-controlling interest, was classified as held for sale on 31 December 2022, and was subsequently sold during 2023. For further information relating to Frøy, see note 4.7 Discontinued Operations.

NOK 1,000	SalMar Aker Ocean Group 2023	Refsnes Laks AS 2023	Icelandic Salmon Group 2023
Income statement			
Operating revenues	172,891	636,642	1,871,256
Net profit/loss	-72,079	7,490	97,280
OCI	0	0	167,996
Total comprehensive income	-72,079	7,490	265,276
Total comprehensive income allocated to non-controlling interests	448	4,119	133,767
Dividend paid to non-controlling interests	0	-50,050	0
Statement of financial position as at 31 December			
Non-current assets	2,946,372	179,573	1,632,360
Current assets	712,843	424,723	1,096,581
Equity	1,927,920	264,869	1,764,555
Non-current liabilities	1,481,323	144,953	704,608
Current liabilities	249,972	194,473	259,777
Recognised excess value of licences and goodwill - net after tax	938,993	1,224,151	977,132
Share of equity allocated to shareholders of SalMar ASA	2,437,382	670,059	1,435,873
Share of equity allocated to non-controlling interests	429,531	818,961	1,305,814
Cash flows			
From operating activities	-350,577	331,980	418,415
From investing activities	-145,409	-36,074	-293,295
From financing activities	195,431	-59,459	-22,101
Net increase/decrease in cash and cash equivalents	-300,555	236,447	103,019

NOK 1,000	SalMar Aker Ocean Group 2022	Refsnes Laks AS 2022	Icelandic Salmon Group 2022
Income statement			
Operating revenues	32,460	481,065	1,595,176
Net profit/loss	-115,931	115,736	382,821
OCI	0	0	124,980
Total comprehensive income	-115,931	115,736	507,801
Total comprehensive income allocated to non-controlling interests	-17,390	63,655	249,323
Dividend paid to non-controlling interests	0	-22,000	0
Statement of financial position as at 31 December			
Non-current assets	2,111,421	165,549	1,349,386
Current assets	500,039	341,076	1,161,909
Equity	1,498,137	333,123	1,557,542
Non-current liabilities	997,611	87,277	643,486
Current liabilities	115,713	86,225	310,267
Recognised excess value of licences - net after tax	0	1,238,690	913,155
Share of equity allocated to shareholders of SalMar ASA	1,273,271	706,921	1,260,516
Share of equity allocated to non-controlling interests	224,866	864,892	1,210,182
Cash flows			
From operating activities	-7,797	96,231	152,550
From investing activities	-398,640	-40,441	-285,624
From financing activities	203,557	-55,294	116,279
Net increase/decrease in cash and cash equivalents	-202,881	496	-16,795

NOTE 4.7 Discontinued operations

Accounting policies

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense

Through the acquisition of NTS in 2022, Frøy AS became a subsidiary of the SalMar group. SalMar owned 100 per cent of the shares in NTS, which owned 72.11 per cent of the shares in Frøy AS. On 13 January 2023, SalMar announced that, based on incoming interest regarding Frøy AS, the group decided to explore strategic alternatives with the aim of maximizing value for its shareholders. On 14 August 2023, it was announced that a transaction between NTS AS, Falcon Bidco AS, a company indirectly wholly owned by infrastructure funds managed by Goldman Sachs Asset Management, and Frøy AS was completed. Falcon Bidco AS acquired NTS' entire ownership stake in Frøy, and a cash consideration of NOK 76.50 per share was paid in the transaction, with proceeds from the sale amounting to NOK 4,764 million.

Following the decision made by the SalMar board in December 2022 to explore the strategic alternatives, Frøy AS was classified as a disposal group held for sale and as a discontinued operation from the completion of the voluntary offer of all outstanding shares in NTS AS with effect from 1 November 2022, until the completion of the transaction 14 August 2023.

The cash consideration from the sale of Frøy AS amounted to NOK 4,764 million. Cash in Frøy at the time of the transaction amounted to NOK 364 million. Total proceeds from the sale of Frøy AS net of cash amounted to NOK 4,400 million.

Closing of the transaction where Frøy AS acquired 100 % of the shares of Marinus Aquaservice AS took place beginning of April and Marinus is included in Frøy AS's consolidated accounts from 01.04.2023.

	01.01.2023-14.08.2023	01.11.2022-31.12.2022
Total operating revenues	1,227,552	379,102
Cost of goods sold	252,411	86,160
Salary and personnel expenses	402,026	111,174
Other operating expenses	234,441	71,121
EBITDA	338,674	110,647
Operating profit	**338,674**	**110,647**
Income from investments in associates and joint ventures	7,381	912
Net interest expenses	-85,784	-14,811
Other financial items	59,142	-5,649
Profit from discontinued operation before tax	**319,414**	**91,098**
Income tax expense from the ordinary activities for the period	27,973	-16,273
Profit for the period from discontinued operations	**291,440**	**107,372**
Profit for the period from discontinued operations, gain from sale	**365,154**	**0**
Total profit from discontinued operations	**656,594**	**107,372**
Other comprehensive income:		
Items that may be reclassified to profit or loss in subsequent periods:		
Change in fair value of financial instruments, net after tax	0	-4,889
Total comprehensive income from discontinued operations	**656,594**	**102,483**
Profit for the period from discontinued operations attributable to equity holders of SalMar ASA	575,311	65,583
Earnings per share		
Diluted profit for the period from discontinued operations	4.37	0.52
Profit for the period from discontinued operations	4.38	0.52

The major classes of assets and liabilities of Frøy AS as held for sale as at year end 2022 were as follows:

ASSETS	31.12.2022
Non-current tangible assets	10,201,182
Right-of-use assets	489,144
Non-current financial assets	120,194
Total non-current assets	10,810,520
Inventory	14,966
Trade receivables	256,621
Other current receivables	70,997
Cash and cash equivalents	318,705
Total current assets	661,289
TOTAL ASSETS	11,471,809

LIABILITIES	
Deferred tax liability	919,073
Non-current interest-bearing liabilities	3,608,202
Non-current lease liabilities	314,340
Total non-current liabilities	4,841,615
Current interest-bearing liabilities	515,059
Current lease liabilities	91,177
Other current liabilities	164,594
Total current liabilities	770,830
TOTAL LIABILITIES	5,612,445

NOTE 4.8 Related party transactions

The group's parent company is SalMar ASA. The ultimate parent company is Kvarv AS, which indirectly through the Kverva group based on a qualitative assessment, is considered to have power over the company. There are several factors that support the conclusion, including the dispersed ownership of the remaining shares in SalMar ASA. See note 4.2 for further details.

Transactions with related parties in 2023 (NOK 1,000)	Sales	Purchases	Receivables	Liabilities
Associates of the SalMar Group	303,535	85,543	10,112	45
Companies controlled by the parent company Kverva AS	2,286,780	569,302	180,147	20,018
Associates of the parent company Kverva AS	84,226	26,954	20,118	1,225

Transactions with related parties in 2022 (NOK 1,000)	Sales	Purchases	Receivables	Liabilities
Associates of the SalMar Group	215,388	100,735	30,428	10,990
Companies controlled by the parent company Kverva AS	2,060,367	455,541	248,893	16,929
Associates of the parent company Kverva AS	56,183	22,296	3,135	9

Transactions between the Group and related parties are undertaken at market terms and conditions. In addition, dividends have been received from associates (see Note 3.5), while benefits have been paid to members of the Board and senior executives (see Note 2.3).

NOTE 4.9 Climate risk

In 2023, SalMar conducted its annual assessment of climate risk for all its operations across the value chain from roe to plate and accompanying suppliers to the value chain. The assessment is aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework and evaluates both risks and opportunities and associated physical and transitional implications to SalMar's financial position.

Some key findings include:

- SalMar's assets running on fossil fuels, e.g., work boats, company cars, etc. are sensitive to SalMar's climate ambitions and external pressure to quickly transition to zero-emission fuels.
- Carbon taxation could have material financial implications on SalMar if introduced on imported and/or exported products.
- Increased frequency of acute physical events like heatwaves and floods can affect the crops necessary to grow some of SalMar's feed ingredients. Reduced availability of feed ingredients contributes to increased costs on what is already SalMar's largest operational expenditure.
- The low carbon footprint of salmon farming relative to other protein sources puts salmon in pole position to withstand CO2-efficiency regulations and presents an attractive option for climate-aware consumers. Central bodies like the Food and Agriculture Organization of the United Nations (FAO) states that the seafood industry will play an important role in achieving the UN's Sustainable Development Goals, given its high nutritional output and low footprint.

In conclusion, there are currently no indicators of potential climate risks having a material impact of the carrying amount of SalMar's assets, or have material impact on SalMar's activities and the expected future cash flows. However, this remains an important matter to continue to assess in the coming years.

NOTE 4.10 Allegations of price collusion and events occurring after the reporting period

On 6 February 2019, the European Commission launched an investigation of the SalMar ASA and several other producers of farmed Norwegian Atlantic salmon, concerning alleged anti-competitive conduct. Per 31 December 2023 the investigation was ongoing and SalMar did not have insight in the European Commission's view. On 25 January 2024 the European Commission issued a Statement of Objections in the case. The Commission's preliminary assessment is that there may have occurred a breach of EU competition law in the period 2011–2019, related to spot sales into the EU of fresh, whole salmon farmed in Norway. The Statement of Objections does not include calculation of a potential fine. SalMar's potential economic liability therefore remains uncertain. SalMar strongly disagrees with the Commission's preliminary assessment and is accounting for SalMar's view in a thorough reply to the Commission.

Following the European Commission's investigation, complaints were filed against SalMar ASA, as one of several Norwegian salmon producers, before a Federal Court in Toronto on 11 October 2019 and 3 January 2020. The cases were consolidated. Lawsuits were also filed before local courts in Vancouver and in Quebec but put on hold pending a decision in the Federal Court. The cases all concern the same allegation of anti-competitive conduct. In 2023 SalMar entered a collective settlement agreement, which was finally approved by the Federal Court 9 February 2024. The settlement was entered purely for commercial reasons and due to the costs associated with litigation. The settlement effectively concludes the Canadian lawsuits.

In addition, in February 2024 a group of UK supermarkets issued claims for damages against SalMar ASA as one of several salmon producers, alleging anti-competitive conduct. SalMar rejects these allegations and strongly believes that the claims lack merit. The case is in an early phase and SalMar understands that the claims have been issued at this stage to interrupt a limitation period. SalMar will take appropriate measures in following up and defending the claims.

NOTE 4.11 Alternative performance measures

The SalMar Group prepares its financial statements in accordance with International Financial Reporting Standards (IFRS). In addition, management has established alternative performance measures (APMs) to provide useful and relevant information to users of the financial statements. APMs have been established to provide greater understanding of the company's underlying performance, and do not replace the consolidated financial statement prepared in accordance with IFRS. The performance parameters have been reviewed and approved by the Group's management and Board of Directors. APMs may be defined and used in other ways by other companies.

The APMs are deduced from the performance measures defined in IFRS. The figures are defined below and calculated in a consistent manner. They are presented in addition to other performance measures, in keeping with the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA).

Operational EBIT

Operational EBIT is an APM used by the Group. The relationship between Operational EBIT and operating profit/loss is presented in the table below. The difference between Operational EBIT and operating profit/loss relates to provisions for production tax and onerous contracts, and items which are classified in the financial statements on the line for fair value adjustments. These items are market value and fair value assessments linked to assumptions about the future. Operational EBIT shows the underlying operation and the results of transactions undertaken in the period.

NOK 1,000	2023	2022
Operating profit/loss	8,509,224	4,738,158
Production tax	208,374	85,232
Onerous contracts	237,346	-126,330
Fair value adjustment:		
Change in fair value of the biological assets	-1,571,116	-446,150
Change in fair value adjustment due to business combination - included in cost of goods sold	722,809	283,398
Change in unrealised Fish Pool contracts	-18,737	-69,737
Operational EBIT	8,087,900	4,464,571

Operational EBITDA

Operational EBITDA is another alternative performance measure used by the Group. EBITDA is operational EBIT plus depreciation, write-downs and amortization.

NOK 1,000	2023	2022
Operational EBIT	8,087,900	4,464,571
Depreciation and write-downs	1,452,230	1,037,695
Operational EBITDA	9,540,130	5,502,266

Operational EBIT/kg gw and Operational EBITDA/kg gw

Operational EBITDA and operational EBIT per kg gutted weight is defined as a key performance parameter for SalMar. The performance parameter is used to assess the profitability of the goods sold and the Group's operations. The performance parameter is expressed per kg of harvested volume.

2023	Fish Farming Central Norway	Fish Farming Northern Norway	Icelandic Salmon	SalMar Aker Ocean	SalMar Group
Volume harvested (tonnes)	141,139	92,777	17,919	2,267	254,102
Operational EBITDA (NOK 1,000)	5,269,225	3,764,615	333,360	17,522	9,540,130
EBITDA/kg gw (NOK)	37.3	40.6	18.6	7.7	37.5
Operational EBIT (NOK 1,000)	4,612,426	3,402,021	230,199	-52,572	8,087,900
EBIT/kg gw (NOK)	32.7	36.7	12.8	-23.2	31.8

2022	Fish Farming Central Norway	Fish Farming Northern Norway	Icelandic Salmon	SalMar Aker Ocean	SalMar Group
Volume harvested (tonnes)	114,139	63,392	16,139	0	193,670
Operational EBITDA (NOK 1,000)	4,082,088	2,712,226	441,415	-48,708	5,502,266
EBITDA/kg gw (NOK)	35.8	42.8	27.4	0	28.4
Operational EBIT (NOK 1,000)	3,599,217	2,525,754	365,943	-154,769	4,464,571
EBIT/kg gw (NOK)	31.5	39.8	22.7	0	23.1

Net interest-bearing debt (NIBD) and net interest-bearing debt including leasing liabilities

Net interest-bearing debt is an alternative performance measure used by the Group. The performance measure is used to express the Group's working capital and is an important performance measure for investors and other users, because it the shows net borrowed capital used to finance the Group. Net interest-bearing debt is defined as long-term and short-term debt to credit institutions, less cash & cash equivalents. Leasing liabilities under IFRS 16 are not included in the calculation of net interest-bearing debt. To highlight total interest bearing debt including leasing liabilities, this is presented as a separate measure.

NOK 1,000	31.12.2023	31.12.2022
Long-term debt to credit institutions	12,211,226	18,349,972
Short-term debt to credit institutions	1,680,742	3,442,121
Cash & cash equivalents	-785,271	-2,712,707
Net interest-bearing debt (NIBD)	**13,106,697**	**19,079,386**
Lease liabilities	1,845,494	1,425,297
NIBD incl. lease liabilities	**14,952,191**	**20,504,683**

Cash flow per share - diluted

NOK 1,000	2023	2022
Cash flow from operating activities	8,975,477	4,222,818
Average no. of shares outstanding (diluted) in the period (1,000 shares)	131,633	119,979
Diluted cash flow per share (NOK)	**68.19**	**35.20**

NIBD incl. lease liabilities / EBITDA

NIBD incl. lease liabilities / EBITDA is an APM used by the Group to measure leverage. The figure is arrived at by dividing NIBD incl. lease liabilities at the end of the period with EBITDA for the last 12 months.

Adjusted earnings per share

The Group uses adjusted earnings per share to reflect earnings excluding implementation effect resource rent tax and net fair value adjustments. The key figure is arrived at by dividing the profit for the period adjusted for onerous contracts, fair value adjustments and changes in deferred taxes by the average number of shares outstanding (diluted) in the period.

NOK 1,000	2023	2022
Profit for the period attributable to shareholders in SalMar ASA	3,202,756	3,311,955
Onerous contracts *)	237,346	-126,330
Fair value adjustment *)	-1,589,853	-515,887
Fair value adjustment included in cost of goods sold due to business combination *)	722,809	283,398
Calculated tax effect of adjustments **)	-243,361	78,940
Resource rent tax - implementation effect (deferred tax) *)	2,079,987	0
Adjusted profit for the period attributable to shareholders in SalMar ASA *)	**4,409,683**	**3,032,076**
Average no. of shares outstanding (diluted) in the period (1,000 shares)	131,633	119,979
Adjusted earnings per share	**33.50**	**25.27**

*) The adjustments made to the profit for the period attributable to shareholders in SalMar ASA in the table above, are inclusive of non-controlling interest.

**) Calculated tax rate 22 % for Onerous contracts, Fair value adjustment and Fair value adjustment included in cost of goods sold due to business combination. For 2023 the calculated change in deferred resource rent tax on fair value adjustment has been added.

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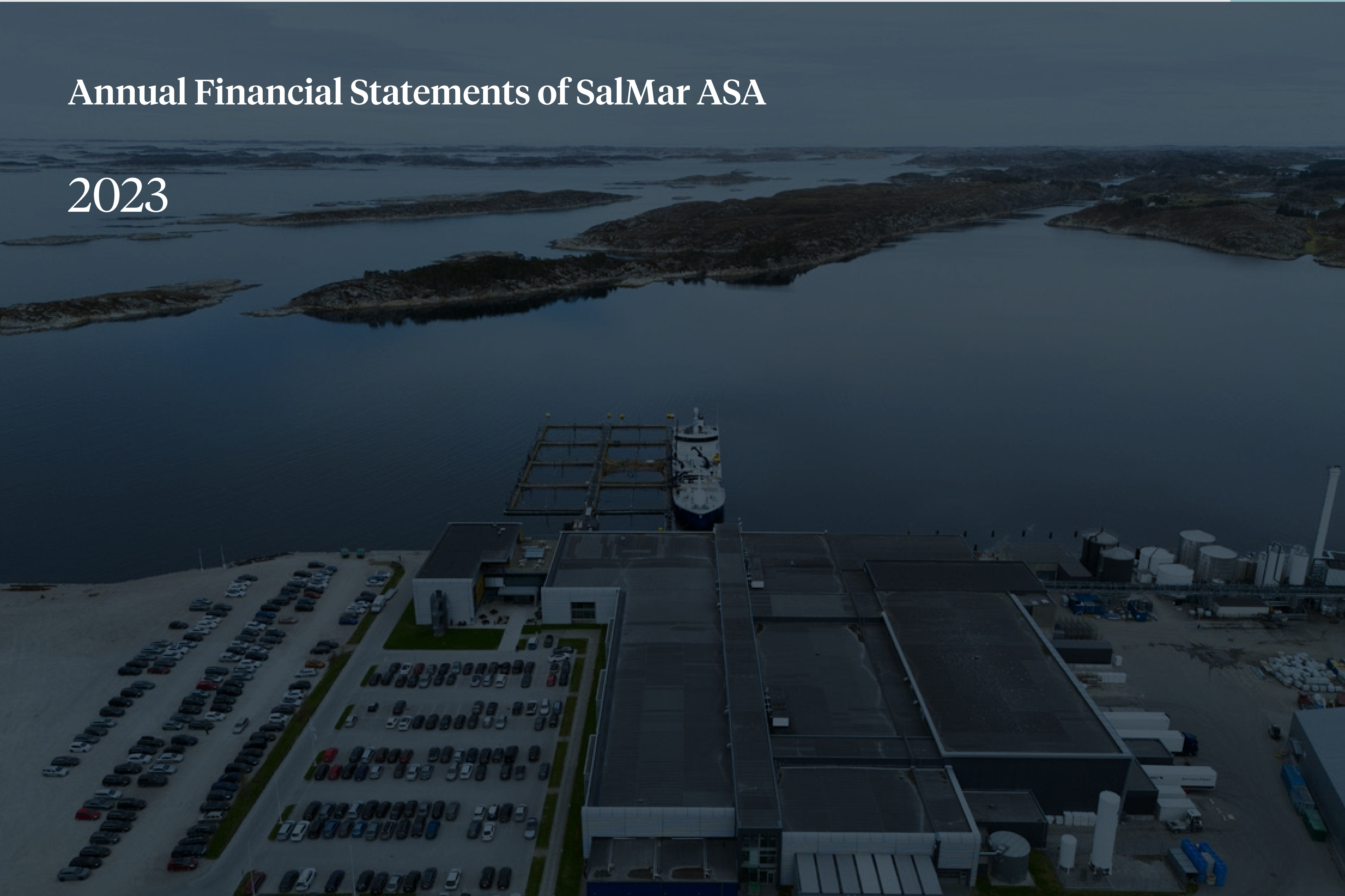

Annual Financial Statements

SalMar ASA

2023

Statement of Profit or Loss

NOK 1,000

Operating revenue and expenses	Note	2023	2022
Operating revenue	2, 7	836,826	1,487,791
Total operating revenue		**836,826**	**1,487,791**
Cost of goods sold	7	-419,990	-1,409,110
Salary and personnel expenses	3, 4	-129,058	-94,044
Depreciation and amortisation	9, 10	-9,537	-4,887
Write-downs	10	-1,090	0
Other operating expenses	5, 7	-119,907	-285,712
Total operating expenses		**-679,583**	**-1,793,753**
Operating profit/ loss		**157,243**	**-305,962**
Financial items			
Income from investments in group companies	6, 7	4,944,737	3,031,955
Income from investments in associated companies	6	10,060	0
Interest income	6, 7	1,212,624	358,143
Interest expenses	6, 7	-1,250,567	-302,741
Other financial items	6	-128,300	85,053
Net financial items		**4,788,553**	**3,172,409**
Profit before tax		**4,945,797**	**2,866,448**
Income tax expense	8	-903,735	-81,377
Profit for the year		**4,042,062**	**2,785,071**
Allocated to:			
Dividend	18	4,611,602	2,628,653
Transferred from (-) /to(+) retained earnings		1,983,803	156,417
Transferred from (-) /to(+) other paid-in equity		-392,468	0
Transferred from (-) /to(+) share premium		-2,160,876	0
Total allocated		**4,042,062**	**2,785,071**

Balance Sheet

NOK 1,000

Assets	Note	31.12.2023	31.12.2022
Non-current assets			
Intangible assets	9	11,182	14,040
Property, plant and equipment	10	35,146	8,868
Investments in subsidiaries	11	6,763,064	13,772,615
Investments in associates and joint ventures	12	1,452,136	1,447,287
Intercompany non-current receivables	13	16,501,597	13,805,920
Other non-current receivables	14, 15	145,086	266,182
Other non-current financial assets		2,065	152
Total non-current assets		24,910,277	29,315,064
Current assets			
Inventory		0	100,605
Trade receivables	16	4,870	281,295
Intercompany current receivables	13	4,852,636	6,260,987
Other current receivables		56,265	24,926
Other financial instruments	15	0	9,792
Cash and cash equivalents	17	15,557	1,411,280
Total current assets		4,929,328	8,088,886
Total assets		29,839,605	37,403,949

Balance Sheet (continued)

NOK 1,000

Equity and liabilities	Note	31.12.2023	31.12.2022
Equity			
Share capital	18	33,010	36,285
Treasury shares		-70	-4
Share premium		10,016,688	12,182,189
Other paid-in equity		0	343,902
Total paid-in equity		**10,049,628**	**12,562,373**
Retained Earnings		0	2,336,919
Total retained earnings		**0**	**2,336,919**
Total equity		**10,049,628**	**14,899,292**
Non-current liabilities			
Pension liabilities	4	0	10,161
Deferred tax liabilities	8	41,204	56,561
Non-current financial liabilities	15	12,898	0
Non-current interest bearing debt	19, 20	11,111,053	17,267,373
Total non-current liabilities		**11,165,156**	**17,334,094**
Current liabilities			
Current interest bearing debt	19, 20	1,043,816	423,354
Trade payables		12,174	414,137
Tax payable	8	919,410	0
Dividend	18	4,611,602	2,628,653
Public duties payable		20,229	55,945
Intercompany current liabilities	13	1,941,307	1,375,382
Other current liabilities		76,283	273,092
Total current liabilities		**8,624,820**	**5,170,563**
Total liabilities		**19,789,977**	**22,504,658**
Total Equity and Liabilities		**29,839,605**	**37,403,949**

Frøya, 12 April 2024

Gustav Witzøe
Chair of the Board

Margrethe Hauge
Vice-Chair of the Board

Morten Loktu
Board Member

Arnhild Holstad
Board Member

Leif Inge Nordhammer
Board Member

Ingvild Kindlihagen
Board Member
Employee representative

Frode Arntsen
CEO

Hans Stølan
Board Member
Employee representative

MENU

Statement of changes in equity

NOK 1,000

NOK 1,000	Note	Share capital	Treasury shares	Share premium	Other paid-in equity	Retained Earnings	Total equity
Equity 31.12.2022		36,285	-4	12,182,189	343,902	2,336,919	14,899,292
Profit for the year		0	0	-2,160,876	-392,468	6,595,406	**4,042,062**
Gain on cash flow hedges, net of tax	15	0	0	0	0	4,033	**4,033**
Dividend	18	0	0	0	0	-4,611,602	**-4,611,602**
Merger with NTS AS - effect of treasury shares	21	0	-3,423	0	0	-4,509,447	**-4,512,870**
Merger with NTS AS	21	0	0	0	0	55,412	**55,412**
Share capital reduction	21	-3,275	3,275	0	0	0	**0**
Sales of treasury shares		0	8	-4,626	0	16,163	**11,544**
Acquisition of shares with settlement in treasury shares		0	52	0	4,073	112,763	**116,888**
Share-based payment, release	3	0	22	0	-22	0	**0**
Share-based payment, expensed	3	0	0	0	43,750	0	**43,750**
Share-based payment, tax effect	3	0	0	0	765	0	**765**
Remeasurement gain/ loss on defined benefit plans, net of tax	4	0	0	0	0	552	**552**
Other changes		0	0	0	0	-199	**-199**
Equity 31.12.2023		33,010	-70	10,016,688	0	0	10,049,628

SalMar ASA was merged with NTS AS with effect from 13 December 2023. For accounting purposes, the merger is accounted for with group continuity with effect from 1 January 2023. See Note 21 for further details.

See Note 18 for information regarding share capital reduction and dividend in the year.

See Note 15 for further information regarding cash flow hedges.

A share-based remuneration scheme has been established for senior executives and other key personnel. See Note 3 for further details.

With effect from 28 December 2023, SalMar Farming AS acquired 49 per cent of the shares in Øylaks MTB AS. The consideration for the 49 per cent interest was partially settled with shares from SalMar ASA, a total of 209,402 shares valued at NOK 116.9 million. A total of NOK 116.9 million are recognised as intercompany non-current receivables against SalMar Farming AS. See further information in Note 13.

Statement of Cash flows

NOK 1,000

NOK 1,000	Note	2023	2022
Cash flows from operating activities			
Profit before tax		4,945,797	2,866,448
Tax paid in the period	8	0	-493,505
Tax paid in the period from merged company	8	-84,462	0
Income from investments in group companies	6	-4,944,737	-3,031,955
Income from investments in associated companies	6	-10,060	0
Net interest expenses	6	37,943	-55,402
Depreciation and amortisation	9, 10	9,537	4,887
Write-downs	10	1,090	0
Gains/losses on sale of non-current assets		-701	0
Share-based payment, expensed	3	8,774	8,700
Change in trade receivables	13	-109,149	-61,552
Change in trade payables	13	-161,099	-200,138
Change in inventory		100,605	42,111
Change in other accruals		-149,879	-37,604
Net cash flows from operating activities		**-356,340**	**-958,010**
Cash flows from investing activities			
Receipts from disposal of property, plant and equipment	10	3,383	0
Purchase of property, plant & equipment	10	-997	-1,881
Purchase of intangible assets	9	-1,630	-9,209
Net payments related to loans to others		33,002	0
Net payments related to loans to group companies	7	1,626,341	-1,856,642
Receipts of group contributions and dividends from subsidiaries	7	3,639,639	2,371,315
Receipts of dividends from associated companies	6	10,060	0
Receipts from disposal of other investments	22	4,744,886	1,859,913
Cash consideration related to merger, net of cash	21	108,488	-3,128,248
Payments for other investments in subsidiaries	11, 21	-758,474	-5,667,573
Increase of share capital in group companies	22	-1,114,069	-55,000
Net interest income from group companies	6	867,168	308,621
Other interest income related to investment activities		1,272	1
Net cash flows from investing activities		**9,159,069**	**-6,178,702**

Statement of Cash flows, continued

NOK 1,000

NOK 1,000	Note	2023	2022
Cash flows from financing activities			
Repayments on long-term debts		-14,510,119	-158,835
Proceeds from long-term debts		7,198,786	11,334,168
Change in overdraft facility		620,462	-107,509
Contributions of equity net of transaction cost		0	-305
Dividend paid	18	-2,628,653	-2,353,953
Interest paid	6	-878,929	-177,275
Net cash flows from financing activities		**-10,198,453**	**8,536,292**
Net change in cash and cash equivalents		-1,395,723	1,399,579
Cash and cash equivalents 01.01		1,411,280	10,814
Cash and cash equivalents 31.12	15	**15,557**	**1,410,394**
Unused drawing rights	19	8,819,806	6,900,000

Notes to the Financial Statements for 2023, SalMar ASA

NOTE 1 General information and accounting policies

The annual financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and Generally Accepted Accounting Principles in Norway (NGAAP). The accounting policies described below are applied only to the parent company SalMar ASA. The financial statement for SalMar Group have been prepared in accordance to International Financial Reporting Standards (IFRS).

SalMar ASA was merged with NTS AS with effect from 13 December 2023. For accounting purposes, the merger is accounted for with group continuity with effect from 1 January 2023. From this time, SalMar ASA has assumed all assets, rights and obligations in NTS AS. For tax purpose the merger is carried out with full tax continuity in accordance with the Norwegian Tax Act.

Use of estimates

Preparation of the financial statements in accordance with NGAAP requires management to make estimates and assumptions which affect the value of assets and liabilities recognised in the Balance Sheet as well as income and expenses in the Statement of profit and loss for the financial year. Estimates and their underlying assumptions are based on past experience and other factors deemed relevant and probable at the time they are made. Estimates are reviewed continuously and final values and results may differ from these estimates. Changes in accounting estimates are accounted for in the period in which the changes occur.

Classification and valuation of balance sheet items

Assets intended for long-term ownership or use are classified as non-current assets. Assets related to the normal operating cycle are classified as current assets. Receivables are classified as current assets if they are expected to be repaid within 12 months of the transaction date. Similar criteria are applied to liabilities.

Current assets are valued at the lower of cost and fair value. Current liabilities are recognised in the balance sheet at nominal value. Non-current assets are valued at historical cost. Property, plant and equipment whose value will deteriorate is depreciated on a straight-line basis over the asset's estimated useful life. Non-current assets are written down to fair value where this is required by accounting rules.

Revenues

Services are recognised in revenue as they are delivered. Revenues from sales of goods is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for these goods. This is typically when the goods are picked up by the carrier or on delivery to a terminal or the customer. This depends on the delivery conditions and varies from customer to customer. The normal credit period is 30 days net. Revenues are recognised at the value of the consideration at the transaction date.

Receivables

Trade and other receivables are recognised at their nominal value, less a provision for expected bad debts. Provisions for bad debts are made on the basis of an individual assessment of the receivable concerned.

Property, plant and equipment

Property plant & equipment are capitalised at historic cost and depreciated over the asset's expected economic life. Direct maintenance costs are recognised in operating expenses as they arise, while upgrades or improvements are added to the asset's cost price and depreciated in line with the asset concerned. Impairments are recognised when its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of net sales value and value in use. Value in use is the present value of the future cash flows the asset will generate.

Subsidiaries, associated company and joint ventures

Subsidiaries, associates and joint ventures are measured at cost in the statutory accounts. The investment is evaluated at acquisition cost less any impairment. An impairment loss is recognised if the impairment is not considered to be temporary and is required pursuant to generally accepted accounting principles. Impairments are reversed when the basis for the impairment no longer applies.

Dividends and Group contributions are recognised in the same year as they are proposed in the subsidiary's financial statements. If dividends/ Group contributions materially exceed retained earnings after acquisition, the excess amount is regarded as a reimbursement of invested capital and is deducted from the recorded cost in the balance sheet. Dividends and group contributions received are recognised as other financial income.

Pensions

The company's pension schemes are according to the requirements of the Mandatory Occupational Pensions Act. The company operates a defined contribution pensions scheme for its employees. The company pays contributions to a privately held insurance plan and has no further payment obligation once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Social security costs are charged based on the contribution paid.

After the merger with Norway Royal Salmon in 2022, SalMar also has a defined benefit scheme which entitles the 11 members of the scheme to defined future benefits. These are mainly dependent on the number of years of entitlement, level of salary upon reaching retirement age and the size of the pension benefits paid by the National Insurance Scheme. The liability is funded through an insurance company.

Interest and currency swaps

The company has entered into interest rate swap agreements to reduce the risk associated with the company's floating rate loans. The swap agreements satisfy the requirements for hedge accounting, and are classified as cash flow hedges. The swap agreements are recognised at fair value in the balance sheet and changes in fair value are accounted for in comprehensive income. The effectiveness of the hedge is measured at the end of each period, any ineffective part will be entered as a financial item in the result. The company has also entered into a cross-currency interest rate swap to reduce the interest rate risk and the currency risk linked to the subsidiary in Iceland. This instrument does not qualify for hedge accounting, and changes in fair value are recognised as other financial items in the profit or loss statement.

Share-based payment - Restricted Share Unit Plan (RSU)

The company has a share-based incentive scheme, under which the company receives services from employees in return for Restricted Share Units (RSUs). The fair value of the services received by the company from the employees in return for the RSU granted is recognised as an expense, with a corresponding increase in paid-in equity. The total amount expensed over the vesting period is determined on the basis of fair value on the date the RSUs are granted and the number of RSUs that are expected to vest.

Fair value includes the effect of any vesting conditions, but does not take account of any vesting conditions which are not market conditions. However, vesting conditions which are not market conditions affect the number of RSUs expected to accrue.

The total cost is recognised over the vesting period. On the reporting date, the company revises its estimate of the number of RSUs that are expected to vest. The effect of the change from the original estimate is recognised by means of a corresponding adjustment in equity. The value of the RSUs relating to employees in subsidiaries is recognised as an investment in subsidiaries.

Tax

Income tax expense in the financial statements includes tax payable and the change in deferred tax for the period. Tax relating to equity transactions is recognised directly in equity. Deferred tax/tax assets are calculated at 22 per cent on all temporary differences between the book value and tax value of assets and liabilities, and loss carried forward at the end of the reporting period. Taxable and deductible temporary differences that reverse or may reverse in the same period are offset. Deferred tax assets are recognised when it is probable that the company will have adequate profit for tax purposes in subsequent periods to utilise the tax asset.

Statement of Cash Flows

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term highly liquid investments which entail no appreciable exchange rate risk, and which mature within three months of the purchase date.

NOTE 2 Operating revenue

The parent company SalMar ASA is a holding company, which primarily provides administrative services to group companies.

Through the merger with Norway Royal Salmon ASA on 7 November 2022 the sales business in former NRS ASA was included in SalMar ASA. With effect from 28th of February 2023 the sales office for former NRS ASA in Kristiansand was sold. With effect from 1 March 2023 the sales activities in SalMar took place through the legal entity SalMar AS and all sales activities in SalMar ASA ceased from the same time. The sale of the sales office had no significant effect on the statement of profit or loss or the balance sheet.

NOK 1,000	2023	2022
Revenue intercompany services	410,762	105,292
Revenue intercompany sale of goods	19,276	0
Revenue from sale of goods	394,439	1,381,946
Other intercompany revenue	10,184	0
Other revenues	2,166	552
Total	836,826	1,487,791

Geographic breakdown of sales revenues from sales of goods (NOK 1,000)	2023	2022
Norway	34,629	181,376
Europe	257,923	983,973
Asia	118,706	181,707
Other countries	2,457	34,891
Total	413,714	1,381,946

Breakdown of sales revenues from sales of goods by currency (NOK 1,000)	2023	2022
CHF	2,174	2,167
EUR	232,045	857,229
GBP	24,037	87,104
JPY	405	4,249
NOK	44,857	259,676
SEK	571	4,670
USD	109,627	166,851
Total	413,714	1,381,946

NOTE 3 Salary and personnel expenses

Salary and personnel expenses (NOK 1,000)	2023	2022
Salaries and other short-term employee benefits	87,124	58,781
Social security expenses	18,621	9,999
Pension expenses	-4,186	3,683
Share-based payment	8,774	8,700
Other benefits and personnel expenses	18,725	12,880
Total	129,058	94,044
Average number of full-time equivalents employed during the financial year	55	47

Benefits paid to senior executives and the board of directors

See Note 2.3 to the consolidated financial statements for details of the remuneration paid to senior executives and the board of directors and Note 2.4 to the consolidated financial statements for details related to outstanding RSUs for members of the senior executives.

Share-based payment - Restricted Share Unit Plan (RSU)

The share-based payment scheme (RSU) comprises annual allocations by the Board of Directors to the senior executives and other key personnel. The award for 2023 was made on 19 December 2023. In connection with this, 27 employees were granted 31,601 RSUs with respect to company shares. In the corresponding award in 2022, 20 employees was granted a total of 37,202 RSUs. The RSUs accrue over a period of three years, with 1/3 vesting annually. The fair value of the cost to SalMar ASA is calculated on the date the award is made and recognised over the vesting period. The cost in 2023 was NOK 8.8 million (2022: NOK 8.7 million). A provision for social security tax has been made with respect to this cost.

See Note 2.4 to the consolidated financial statements for further details of SalMar's share-based incentive scheme.

NOTE 4 Pension cost

SalMar ASA has a defined contribution plan that is in accordance with the legal requirements in Norway.

Premiums paid with respect to the defined-contribution scheme are expensed as incurred. In 2023, NOK 3.6 million in pension contributions were recognised in expenses. The scheme includes 58 people.

SalMar ASA also have a defined benefit scheme from the merger of Norway Royal Salmon. Members in the scheme are reduced during the year and there was recognised a gain of NOK 9.5 million related to the settlement.

Specification of the pension cost for the Group under the defined benefit scheme:

NOK 1,000	2023	01.11.2022-31.12.2022
Current service cost	722	715
Interest cost	56	59
Payroll tax	112	109
Administration cost	17	0
Net pension costs service – defined benefit scheme	907	883
Settlement/ curtailment	-9,524	0
Net pension costs service – defined benefit scheme net of settlement/ curtailment	-8,617	883

See Note 2.5 to the consolidated financial statements for further details related to the defined benefit scheme.

NOTE 5 Auditors fees

Auditor	EY	
Breakdown of auditor's fee (NOK 1,000)	2023	2022
Audit services	1,650	1,137
Other certification services	759	1,380
Tax advisory services	1,182	357
Other non-audit fees	29	321
Total	3,620	3,194

**The fees are ex. VAT*

Auditor	Others	
Breakdown of auditor's fee (NOK 1,000)	2023	2022
Audit services	909	507
Other certification services	0	5
Tax advisory services	0	0
Other non-audit fees	34	123
Total	944	635

NOTE 6 Financial items

Financial income and expenses (NOK 1,000)	2023	2022
Group contributions	4,117,943	571,755
Dividends from group companies	16,091	2,460,200
Gain and loss on disposal of subsidiaries	810,703	0
Income from investments in group companies	4,944,737	3,031,955
Dividends from associated companies	10,060	0
Interest income group companies	1,189,768	353,617
Other interest income	22,857	4,526
Total interest income	1,212,624	358,143
Interest expense group companies	-322,599	-44,996
Other interest expense	-927,968	-257,745
Total interest expense	-1,250,567	-302,741
Change in fair value - other financial instruments	-117,022	87,218
Other financial items	-11,278	-2,165
Total other financial items	-128,300	85,053
Net financial items	4,788,553	3,172,409

Gain and loss on disposal of subsidiaries is related to sales transactions of Frøy AS and Arctic Offshore Farming AS. See Note 21 and Note 22 for further information.

NOTE 7 Intercompany transactions – revenue and cost

Group internal revenue and cost (NOK 1,000)	2023	2022
Revenue intercompany services	410,762	105,292
Revenue intercompany sale of goods	19,276	29,523
Other intercompany revenue	10,184	0
Revenue from group companies	440,222	134,815
Cost of goods sold	-59,879	-780,266
Other costs	-7,857	0
Group contributions	4,117,943	571,755
Dividends from group companies	16,091	2,460,200
Income from investments in group companies	4,134,033	3,031,955
Interest income group companies	1,189,768	353,617
Interest expense group companies	-322,599	-44,996
Net interest income group companies	867,168	308,621

NOTE 8 Tax

SalMar ASA was merged with NTS AS with effect from 13 December 2023. For accounting purposes, the merger is accounted for with continuity with effect from 1 January 2023. From this time, SalMar ASA has assumed all assets, rights and obligations in NTS AS. For tax purpose the merger is carried out with full tax continuity in accordance with the Norwegian Tax Act.

Specification of this year's tax expense (NOK 1,000)	2023	2022
Tax payable	919,410	0
Change in deferred tax	-15,675	80,833
Adjustment of previous year taxes	0	544
Total income tax expense in the statement of profit and loss	903,735	81,377

Basis for tax payable (NOK 1,000)	2023	2022
Profit before tax	4,945,797	2,866,448
Dividends recognised in profit and loss	-26,151	-2,460,200
Gain or loss on realisation of shares in subsidiaries	-810,703	0
Profit before tax in NRS ASA for the period 1 January till 31 October	0	-226,337
Other permanent differences	-1,397	-38,824
Other permanent differences with tax effect against equity	708	12,962
Change in temporary differences	72,024	-119,190
Utilisation of previously unrecognised tax losses	-1,140	-34,859
Taxable profit	4,179,138	0

Tax payable in the Balance sheet (NOK 1,000)	2023	2022
Tax payable on this year's profit	919,410	0
Tax payable	919,410	0

Specification of temporary differences (NOK 1,000)	2023	2022
Non-current assets	-18,316	-2,456
Derivatives	129,905	241,756
Current assets	-5,602	-5,909
Other differences	81,307	23,704
Total basis for deferred tax	187,293	257,095
Deferred tax liabilities (+) / deferred tax assets (-)	41,204	56,561

Change in carrying amount of net deferred tax (NOK 1,000)	2023	2022
Deferred tax liability (+)/ deferred tax assets (-) at 1 January	56,561	3,771
Change in deferred tax liability	-15,675	80,833
Deferred tax assets associated with merger	-210	-51,992
Deferred tax liability associated with equity transactions	528	30,328
Adjustment for deferred tax assets related to prior year	0	-6,379
Deferred tax liabilities (+) / deferred tax assets (-) at 31 December	41,204	56,561

Reconciliation between nominal and effective tax rates (NOK 1,000)	2023	2022
Profit before tax	4,945,797	2,866,448
Tax calculated with nominal tax rate	1,088,075	630,618
Dividends and gain/ loss on realisation of shares in subsidiaries	-184,108	-541,244
Other permanent differences	-232	-8,541
Adjustment of previous year taxes	0	544
Total income tax expense in the statement of profit and loss	903,735	81,377
Effective tax rate	18.3 %	2.8 %

NOTE 9 Intangible assets

2023 - NOK 1,000	Intangible assets
Acquisition cost at 1 January 2023	16,369
Additions	1,630
Acquisition cost at 31 December 2023	17,999
Accumulated depreciation & write-downs at 1 January 2023	2,329
Depreciation in the year	4,488
Accumulated depreciation & write-downs at 31 December 2023	6,817
Carrying amount at 31 December 2023	**11,182**
Economic lifetime	3-5 years
Depreciation method	Linear

2022 - NOK 1,000	Intangible assets
Acquisition cost at 1 January 2022	7,160
Additions	9,209
Acquisition cost at 31 December 2022	16,369
Accumulated depreciation & write-downs at 1 January 2022	0
Depreciation in the year	2,329
Accumulated depreciation & write-downs at 31 December 2022	2,329
Carrying amount at 31 December 2022	**14,040**
Economic lifetime	3-5 years
Depreciation method	Linear

Capitalised other intangible assets are implementation cost related to cloud based arrangements.

NOTE 10 Property, plant and equipment

2023 - NOK 1,000	Land and buildings	Equipment and fixtures	Total
Acquisition cost at 1 January 2023	3,573	39,780	43,353
Additions	18	980	997
Additions through merger	40,706	4,407	45,113
Disposals	0	-4,277	-4,277
Acquisition cost at 31 December 2023	44,297	40,889	85,187
Accumulated depreciation & write-downs at 1 January 2023	171	34,314	34,485
Additions through merger	10,986	2,571	13,557
Depreciation in the year	1,536	3,512	5,049
Disposals	0	-4,140	-4,140
Write-down in the year	27	1,064	1,090
Accumulated depreciation & write-downs at 31 December 2023	12,720	37,320	50,040
Carrying amount at 31 December 2023	31,577	3,569	35,146
Economic lifetime	17 years/Indefinite	5–10 years	
Depreciation method	Linear	Linear	
Annual lease of uncapitalised operating assets	9,786	0	9,786

2022 - NOK 1,000	Land and buildings	Equipment and fixtures	Total
Acquisition cost at 1 January 2022	3,558	37,914	41,472
Additions	15	1,865	1,881
Acquisition cost at 31 December 2022	3,573	39,780	43,353
Accumulated depreciation & write-downs at 1 January 2022	171	31,756	31,927
Depreciation in the year	0	2,558	2,558
Accumulated depreciation & write-downs at 31 December 2022	171	34,314	34,485
Carrying amount at 31 December 2022	3,402	5,467	8,868
Economic lifetime	Indefinite	5–10 years	
Depreciation method	Linear	Linear	
Annual lease of uncapitalised operating assets	6,124	0	6,124

NOTE 11 Subsidiaries

Company (NOK 1,000)	Registered office	% of ownership interest	Carrying amount 2023	% of ownership interest	Carrying amount 2022
SalMar Settefisk AS	Kverva	100.0 %	223,745	100.0 %	224,057
SalMar Farming AS	Kverva	100.0 %	3,252,425	100.0 %	489,375
SalMar AS	Kverva	100.0 %	1,199,631	100.0 %	1,200,165
SalMar Tunet AS	Kverva	100.0 %	7,400	100.0 %	7,400
Hitramat Farming AS	Hitra	51.0 %	28,785	51.0 %	28,785
SalMar Aker Ocean AS	Kverva	85.0 %	951,471	85.0 %	952,517
Icelandic Salmon AS	Kverva	52.48 %	744,199	51.02 %	660,049
Nor Seafood AS	Senja	82.49 %	355,409	82.49 %	355,409
NTS AS	Rørvik			92.93 %	8,882,532
SalMar Finnmark AS	Alta			100.0 %	972,325
Arctic Offshore Farming AS	Kverva			100.0 %	0
Total			6,763,064		13,772,615

Investments 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.

SalMar ASA was merged with NTS AS with effect from 13 December 2023. See Note 21 for further details.

SalMar Finnmark AS was merged with SalMar Farming AS with effect from 9 November 2023.

On 11 November 2023 SalMar ASA has acquired a total for 450,000 shares in Icelandic Salmon AS with at total consideration of NOK 84.15 million. Through the transaction SalMar ASA increased its shareholding in the company from 51.02 per cent to 52.48 per cent.

With effect from 29 November 2023, the 100 per cent owned company Arctic Offshore Farming AS was sold from SalMar ASA to SalMar Aker Ocean AS. See Note 22 for further information.

NOTE 12 Associates and joint ventures

Investments in associates and joint ventures are recognised in accordance with the cost method.

Company (NOK 1,000)	Registered office	% of ownership interest	Carrying amount 2023	Carrying amount 2022
Norskott Havbruk AS	Bergen	50.0 %	468,287	468,287
Wilsgård Fiskeoppdrett AS	Torsken	37.5 %	559,000	559,000
Hellesund Fiskeoppdrett AS	Høvåg	33.5 %	420,000	420,000
Skamik AS	Ottersøy	24.9 %	4,850	0
Total			1,452,136	1,447,287

With effect from 01.01.2023, Skamik AS were recognised as associates in SalMar ASA following the merger with NTS AS. See further information in note 21.

Company (NOK 1,000)	Recognised dividend	Total equity in latest annual financial statements	Profit for the year in latest annual financial statements
Norskott Havbruk AS	0	2,152,190	-335,406
Wilsgård Fiskeoppdrett AS	0	883,279	214,531
Hellesund Fiskeoppdrett AS	10,600	737,201	120,146
Skamik AS	0	29,512	9,465

NOTE 13 Intercompany transactions - receivables and liabilities

Group internal receivables and liabilities (NOK 1,000)	31.12.2023	31.12.2022
Intercompany non-current receivables	16,501,597	13,805,920
Trade receivables	734,693	306,927
Group financing receivables	0	2,932,306
Group contributions	4,117,943	571,755
Dividends from group companies	0	2,450,000
Intercompany current receivables	4,852,636	6,260,987
Trade payables	497,162	254,454
Group financing payables	1,444,144	1,120,929
Intercompany current liabilities	1,941,307	1,375,382

In the intercompany non-current receivables a contingent asset of NOK 949.6 million is included. The contingent assets is the estimated consideration from the sale of the shares in Arctic Offshore Farming AS to SalMar Aker Ocean AS. See Note 22 for further information.

NOTE 14 Other non-current receivables

NOK 1,000	31.12.2023	31.12.2022
Market value of derivatives	142,803	231,964
Other non-current receivables	2,283	34,218
Total	145,086	266,182

Other non-current receivables included a loan to Gyda EHF with a carrying amount of NOK 34.1 million at 31 December 2022. The loan was a seller's credit arise from sale of a tranche of shares in Icelandic Salmon AS in 2019 with the total amount of NOK 35.7 million. The loan, including interest was repaid in 2023.

NOTE 15 Derivatives

Forward currency contracts:

The company had no forward exchange contracts at the end of 2023, as the sale office for former NRS ASA was sold during the year. See Note 2 for further information.

Forward currency contracts with changes in market value over profit and loss in 2022 (NOK 1,000)	Currency amount	Average volume-weighted hedging rate	Carrying amount 31.12.2022
Forward Sale EUR	18,467	10.2	-4,991
Forward Sale GBP	912	12.018	150
Forward Sale USD	15,657	10.79	14,633
Total			9,792

All forward currency contracts matured in 2023.

Financial contracts with Fish Pool

The company has not traded any contracts during the year, and had no positions with Fish-pool per 31.12.2023.

In 2022 there were realised a net loss of NOK 13.4 million and recognised a unrealised gain of NOK 13.3 million on Fish Pool contracts. The company had no positions with Fishpool per 31.12.2022.

Interest and currency derivatives

Interest derivatives with changes in value through equity (NOK 1,000)	Nominal value hedge instruments (NOK 1,000)	Book value hedge object (NOK 1,000)	Hedging efficiency	Carrying amount 31.12.2023
Market value excl. Interest, (Cash flow hedge reserve)	2,250,000	2,250,000	100 %	139,058
Accrued net interest				3,745
Sum non-current financial assets				142,803

Cross Currency Interest Rate Swaps with change in value through profit and loss (NOK 1,000)	Nominal value hedge instruments (NOK 1,000)	Carrying amount 31.12.2023
Market value excl. Interest	1,000,000	-17,291
Accrued net interest		4,393
Sum non-current financial liability		-12,898

Specification of Cash flow hedge reserve in the equity 2023	As of 1 January	As of 31 Dec	Changes over equity
Changes in Cash flow hedge reserve	133,887	139,058	5,171
Tax	-29,455	-30,593	-1,138
Total	104,432	108,465	4,033

Interest derivatives with changes in value through equity (NOK 1,000)	Nominal value hedge instruments (NOK 1,000)	Book value hedge object (NOK 1,000)	Hedging efficiency	Carrying amount 31.12.2022
Market value excl. Interest, (Cash flow hedge reserve)	2,250,000	2,250,000	100 %	133,887
Accrued net interest				1,780
Sum				135,667

Cross Currency Interest Rate Swaps with change in value through profit and loss (NOK 1,000)	Nominal value hedge instruments (NOK 1,000)	Carrying amount 31.12.2022
Cross Currency Interest Rate Swaps	1,000,000	92,597
Accrued value of net interest		3,701
Sum		96,297
Total non-current financial assets		231,964

Specification of Cash flow hedge reserve in the equity 2022	As of 1 January	As of 31 Dec	Changes over equity
Changes in Cash flow hedge reserve	0	133,887	133,887
Tax	0	-29,455	-29,455
Total	0	104,432	104,432

The company has entered into fixed rate interest swap contracts with a total principal of NOK 2,250 million. 750 million has a duration of 7 years starting 22 April 2022, 750 million has a duration of 10 years starting 22 January 2024, and 750 million has a duration of 7 years starting 22 January 2025. The interest swap contracts are establish with the purpose to reduce the interest rate risk related to long-term loan.

The cross currency interest rate swap agreement where NOK 1.000 million of the bond loan was swapped to EUR 98.335 million with fixed rates, hedges NOK 1.000 million of the bond loan, and the currency risk linked to the investment in the group company Icelandic Salmon AS. The agreement expires in January 2027.

NOTE 16 Trade and other receivables

NOK 1,000	31.12.2023	31.12.2022
Trade receivables	11,672	286,060
Provisions for bad debts	-6,802	-4,765
Total trade receivables at 31 December	4,870	281,295

NOK 1,000	31.12.2023	31.12.2022
Provisions for bad debt 1 Jan	4,765	0
Provisions for bad debts 31 Dec	6,802	4,765
Change in provisions for bad debts during the period	2,038	4,765
Actual bad debts	2,482	-1,548
Provisions for bad debts acquired through merger with NRS ASA	0	6,591
Change in provisions for bad debts	2,038	-1,827
Bad debts charged to expenses during the period	4,520	3,217

Trade receivables had the following maturity profile	Not due	<30 d	30-45d	45-90d	>90d	Total
31.12.2023	50	75	0	2,329	9,218	11,672
31.12.2022	112,860	147,912	17,493	829	6,965	286,060

Transferred receivables

During the year, SalMar ASA terminated the receivables purchase agreement and there are no outstanding balance with the bank in this regard. Expected insurance settlement has been taken in to account when provision for bad debts has been calculated.

NOTE 17 Cash and cash equivalents

Cash and cash equivalents (NOK 1,000)	31.12.2023	31.12.2022
Cash at bank	520	1,392,390
Restricted cash - withholding tax	13,789	17,663
Other restricted cash	1,248	1,227
Cash and cash equivalents	15,557	1,411,280

NOTE 18 Share capital and shareholders information

Share capital and number of shares 31.12.2023 (NOK 1,000)	Total number of shares	Nominal value	Total share capital
Ordinary shares	132,038,920	0.25	33,010

As of 31 December 2023, SalMar ASA has 132,038,920 shares with a nominal value of NOK 0.25 per share. All shares issued by the Company are fully paid. There is one class of shares and all shares have the same rights.

As of 31 December 2023, SalMar ASA owned 278,854 treasury shares.

See Note 4.2 to the consolidated financials statements for a list of the company's largest shareholders and the shareholdings of senior executives.

Share capital reduction in connection with intra-group merger

On 13 December 2023, SalMar ASA's share capital was decreased by 13,100,000 shares (nominal value of NOK 0.25 per share), from 145,138,920 shares to 132,038,920 shares. The share capital was thus decreased by a total of NOK 3,275 million, from NOK 36,285 million to NOK 33,010 million. For further information regarding the intra-group merger with NTS, please see note 21.

Dividend

Provision has been made for a dividend payment of NOK 35.00 per share, totalling NOK 4,611.6 million, as at 31 December 2023. No provision is made with respect to treasury shares

NOTE 19 Non-current interest bearing debt

Non-current interest bearing debt

NOK 1,000	31.12.2023	31.12.2022
Green bond	3,500,000	3,500,000
Non-current loan	6,000,000	12,734,567
Non-current revolver credit facility	1,700,000	1,100,000
Amortised cost	-88,947	-67,194
Total non-current interest bearing debt	11,111,053	17,267,373

Maturity profile - non-current interest bearing debt

NOK 1,000	2024	2025	2026	2027	2028	Total
Green bond	0	0	0	3,500,000	0	3,500,000
Non-current loan	0	0	6,000,000	0	0	6,000,000
Non-current revolver credit facility	0	0	0	0	1,700,000	1,700,000
Amortised cost	-31,374	-31,709	-25,864	0	0	-88,947
Total	-31,374	-31,709	5,974,136	3,500,000	1,700,000	11,111,053

In August 2023, SalMar entered into a new senior unsecured credit facility agreement, totalling NOK 16,000 million, with the intention of making it sustainability linked. The agreement comprises a 3+1+1 year term loan with a total of NOK 6,000 million, a 5+1+1 year rolling credit facility of NOK 10,000 million, and a NOK 3,000 million in accordion option. The new senior unsecured credit facility is a syndicated agreement that consists of 5 banks composed in two tiers, each tier with various share of the total facility.

With effect from 22 April 2021, SalMar ASA issued an unsecured green bond totalling NOK 3,500 million. No installments on the loan are payable during the period of the agreement, which matures on 22 January 2027. The bond carries an interest rate at 3-months NIBOR + 1.35 % per annum, due quarterly. The loan is capitalised at amortised cost using the effective interest rate method. The bond loan is listed on the Oslo Stock Exchange under the ticker SALM01 ESG.

SalMar has annually renewable multicurrency cash pooling arrangements limited to NOK 1,600 million. As of 31 December 2023, the Group had drawn down NOK 1,080 million (2022: 0) on these arrangements. Deposits and drawdowns in various currencies relating to the group account scheme are recognised net in the Group's financial statements.

Financial covenants

The new senior unsecured credit facility agreement features improved terms compared to previous facilities and includes covenants of an equity ratio above 30 per cent and interest cover exceeding 3.0. The green bond has a financial covenant requiring an equity ratio of 30 % in the agreement period.

SalMar was in compliance with all of the above-mentioned covenants as of 31 December 2023.

NOTE 20 Security pledges and contingent liabilities

Carrying amount of interest bearing debt secured by mortgages and pledges:

NOK 1,000	31.12.2023	31.12.2023
Non-current interest bearing debt	0	13,834,567
Current interest bearing debt	0	423,354
Total	0	14,257,923

During the third quarter in 2023, SalMar entered into a new senior unsecured credit facility agreement, hence there are no debt secured by mortgages as at 31.12.2023.

Carrying amount of assets pledged as security for recognised debt:

NOK 1,000	31.12.2023	31.12.2022
Property, plant and equipment	0	8,868
Investments in subsidiaries	0	13,772,615
Trade receivables	0	281,295
Current and non-current receivables	0	20,066,907
Total	0	34,129,687

SalMar ASA has issued a guarantee in the amount of NOK 95 million with respect to a long-term loan to SalMar AS. The loan has been granted by Innovasjon Norge.

SalMar ASA has issued a guarantee to Frøya Industrieiendom AS with respect to any and all amounts which SalMar AS has an obligation to pay Frøya Industrieiendom AS under the terms of a lease, with supplementary agreement, between SalMar AS and Frøya Industrieiendom AS. The guarantee is valid during the leasing period, as specified in the lease, plus three months.

SalMar ASA has issued a guarantee to KLP Eiendom Trondheim AS in the amount of NOK 1.6 million. The guarantee has been issued as security for SalMar ASA's office rental liabilities and is valid during the rental period.

SalMar ASA has issued a guarantee to HENT AS in the amount of NOK 544.1 million. The guarantee has been issued as security for SalMar AS's liabilities to the creditor in respect to an engineering, procurement and construction contract for a new harvesting and processing plant - InnovaNor.

NOTE 21 Acquisition of remaining shares and merger of NTS AS

Compulsory acquisition of all remaining shares in NTS AS

Through a voluntary offer to acquire all outstanding shares in NTS AS, and a following mandatory offer to acquire the remaining shares, SalMar ASA owned 92.93 per cent of the shares in NTS AS as at 31 December 2022. The total consideration for the investment was NOK 8,882.5 million including transaction cost of NOK 41.6 million.

On 3 January 2023 SalMar publicly announced that they resolved to carry out a compulsory acquisition of all remaining shares in the company not owned by SalMar and with effect from 3 January 2023, SalMar became 100 per cent owner of all shares in NTS AS. The total consideration for the remaining shares was NOK 674.3 million.

Certain former minority shareholders that were subject to the compulsory acquisition have made a formal complaint and initiated legal proceedings about the redemption sum.

Merger of NTS AS

On 13 December 2023 SalMar ASA was merged with NTS AS. For accounting purposes, the merger are accounted for with group continuity with effect from 1 January 2023. From this time, SalMar ASA has assumed all assets, rights and obligations in NTS AS. For tax purpose the merger is carried out with full tax continuity in accordance with the Norwegian Tax Act.

At the time of merger NTS AS hold 13,691,960 shares in SalMar ASA with a carrying amount of NOK 4,512.9 million witch is accounted for as treasury shares in SalMar ASA.

NTS AS also owned 72.11 per cent of the shares in Frøy ASA with a carrying amount of NOK 1,262.2 million. In addition as a consequence of the merger with NTS AS the group acquisition effect related to Frøy ASA is added to the carrying amount with a net effect of NOK 2,507.5 million. SalMars total carrying amount of the shares in Frøy ASA was after the merger NOK 3,769.7 million.

NOTE 22 Divestment of subsidiaries

Frøy AS

On 14 August 2023 the sale of SalMars entire ownership stake in Frøy, representing 72.11 per cent of the shares in Frøy AS, was completed. A cash consideration of NOK 76.50 per share was paid in the transaction, with proceeds from the sale amounting to NOK 4,764 million. The gain for SalMar ASA from the transaction amounted to NOK 975.2 million net of transaction cost. The gain are included in income from investments in group companies. See Note 6 for further information.

Arctic Offshore Farming AS

With effect from 29 November 2023, the 100 per cent owned company Arctic Offshore Farming AS was sold from SalMar ASA to the 85 per cent owned subsidiary SalMar Aker Ocean AS. The transaction was part of the group's internal reorganization to consolidate the group's offshore investment under SalMar Aker Ocean AS.

Before the sale SalMar ASA carried out a capital contribution in Arctic Offshore Farming AS with a total amount of NOK 1,114.1 million. Settlement of the shares is an earn-out agreement where the consideration is depended on certain conditions being met. At the time of the transaction the consideration was estimated to NOK 949.6 million. The consideration is recognised in the balance sheet as a contingent assets and classified as intercompany non-current receivables. See Note 13 for further information. SalMar ASAs loss related to the transaction of NOK 164.5 million are included in income from investments in group companies. See Note 6 for further information.

NOTE 23 Financial risk

See Note 4.1 to the consolidated financial statements for further details concerning the management of the company and the Group's financial market risk.

NOTE 24 Allegations of price collusion and events occurring after the reporting period

See Note 4.10 to the consolidated financial statements for further details concerning the allegations of price collusion including events occurring after the reporting period related to this issue.

Statement by the Board of Directors and CEO

We confirm, to the best of our knowledge, that:

We confirm, to the best of our knowledge, that:

The Group financial statements for the period from 1 January to 31 December 2023 have been prepared in accordance with IFRS, as adopted by the EU.

The financial statements of SalMar ASA for the period from 1 January to 31 December 2023 have been prepared in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

The financial statements give a true and fair view of the Group and the Company's consolidated assets, liabilities, financial position and results of operations.

The Report of Board of Directors provides a true and fair view of the development and performance of the business and the position of the Group and the Company, together with a description of the key risks and uncertainty factors that the Group and the Company is facing.

Frøya, 12 April 2024
The Board of Directors of SalMar ASA

Gustav Witzøe
Chair of the Board

Margrethe Hauge
Vice-Chair of the Board

Morten Loktu
Board Member

Arnhild Holstad
Board Member

Leif Inge Nordhammer
Board Member

Ingvild Kindlihagen
Board Member
Employee representative

Frode Arntsen
CEO

Hans Stølan
Board Member
Employee representative

Independent Auditor's Report

To the Annual Shareholders' Meeting of SalMar ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SalMar 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 balance sheet as at 31 December 2023 and the statement of profit or loss, 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. The consolidated financial statements of the Group comprise the balance sheet as at 31 December 2023, the statement of profit or loss, statement of other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and 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 2023 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group 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 11 years from the election by the general meeting of the shareholders on 5 June 2013 for the accounting year 2013 (with a renewed election in 2018).

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 2023. 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 Group measures biological assets at fair value less costs to sell in accordance with IAS 41 and IFRS 13. At 31 December 2023 the biological assets amounted to NOK 13,264.7 million. The difference between the fair value of the biological assets and the related cost is recognized as a fair value adjustment. In 2023, the recognized fair value adjustment amounted to NOK 1,571.1 million. The fair value adjustment included in the carrying amount was NOK 4,760.8 million. For fish in sea the fair value less costs to sell was calculated using a model based on a net present value methodology. This is calculated based on assumptions of biomass volumes, quality, market prices at the harvest dates, remaining expenses to produce, harvest and sell the biomass and time in sea until harvest mature. The market prices are based on observable forward prices for the period when harvesting is expected. The fair value of biological assets was a key audit matter due to the significant amount, the level of judgements involved in the valuation and the assumptions used in the calculation.

Our audit response

We evaluated the valuation and the model against the requirements in IAS 41, IFRS 13 and industry practice. We observed the routines and tested controls related to the calculation of the fair value adjustment of the biomass. We compared the prices applied against observable market prices at the expected harvesting dates. In addition, we evaluated the estimated remaining expenses to produce the harvest mature fish, including assumptions on size distribution of the biomass, time in sea until harvest mature, mortality and quality of the live fish in sea. Furthermore, we evaluated the historical accuracy in prior periods' estimates and the sensitivity analysis of changes in expected prices, biomass and discount rate. We recalculated the model used to calculate fair value for the relevant weight classes. We refer to note 1.7, note 2.9 and note 3.6 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 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 the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance or the statement on corporate social responsibility, 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 of the financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern 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.

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 the audit of the financial statements of SalMar ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name salmarasa-2023-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work 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 about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include 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.

EY
Building a better working world

Trondheim, 12 April 2024
Ernst & Young AS

Christian Ronæss
State Authorised Public Accountant (Norway)

To the Board of Directors of SalMar ASA

Independent Accountant's Assurance Report

Scope

We have been engaged by SalMar 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 SalMar ASA's sustainability reporting as defined and specified in the SalMar ASA's GRI Index (see the document GRI content index 2023 on page 70 in SalMar ASA's Annual report) (the "Subject Matter") as for the year then ended.

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 Annual report, and accordingly, we do not express a conclusion on this information.

Criteria applied by SalMar ASA

In preparing the Subject Matter, SalMar ASA applied the relevant criteria from the Global Reporting Initiative (GRI) sustainability reporting standards as well as its own defined published criteria (the "Criteria"). The Criteria can be accessed at globalreporting.org and are available to the public. SalMar ASA has also applied relevant criteria from the reporting standards of the Global Salmon Initiative (GSI). 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.

SalMar ASA's responsibilities

The Board of Directors and Group Chief Executive Officer (management) are responsible for 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 conclusion.

Our Independence and Quality Control

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.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or 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 if a reasonable assurance engagement had 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:

- Interviews with key personnel to understand the business and the reporting process
- Interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period
- Test on a sample basis the calculation Criteria against the methodologies outlined in the Criteria
- Analytical review procedures of the data
- Comparison, on a sample basis, of data with the underlying source information
- Comparison of the presentation of the Subject Matter with the presentation requirements outlined in the Criteria.

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.

We have performed these procedures on the following indicators that also form the scope of our conclusion:

GRI/GSI	Custom
GRI 303-5	Certification of marine ingredients in fish feed
GRI 305-1	Certification of soya ingredients in fish feed
GRI 305-2	Forage fish dependency ratio (FFDR) for fish meal
GRI 305-3	Forage fish dependency ratio (FFDR) for fish oil
GRI 305-4	Biological feed conversion ratio
GRI 403-9	Share of secondary processing
GRI 403-10	B-analysis benthic score ≤ 2
GSI Fish Mortality	Fresh water intensity (liter per kg pro-duced)
GSI Antibiotic Use	
GSI Wildlife interactions	
GSI Fish Escapes	
GSI Certifications	

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 as for the year then ended in order for it to be in accordance with the Criteria.

Building a better working world

Trondheim, 12 April 2024
Ernst & Young AS

Christian Ronæss
State Authorised Public Accountant

Passion
for **Salmon**

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