



SalMar ASA Q1 2022 Presentation

12 May 2022

CEO Linda L. Aase
CFO Gunnar Nielsen



**PASSION
FOR
SALMON**



Linda Litlekalsøy Aase

New CEO in SalMar from 9th of May 2022



- Over 20 years of industrial experience
- Former Executive Vice President in various management positions at Aker Solutions since 2014 and before that at Rolls-Royce Marine
- MSc. in Material Technology from Norwegian University of Science and Technology (NTNU) and has studied business economic and management at Norwegian School of Economics (NHH)
- Member of Board of Directors in SalMar since June 2020

Citizenship: Norway

Tel: +47 900 74 413

Email: linda.aase@salmar.no

Agenda

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



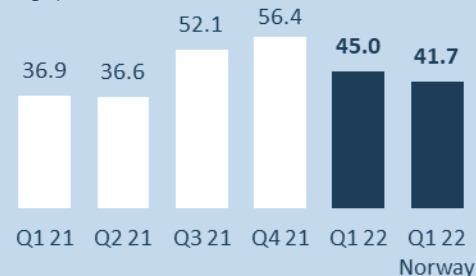
Highlights Q1 2022

Continued strong operational performance and record high salmon prices has led to solid results

- Total operational EBIT 1,201 MNOK from Norway, including Icelandic Salmon and SalMar Aker Ocean total operational EBIT 1,262 MNOK
 - Strong performance from farming segments in Norway
 - Record high salmon prices salmon affecting profitability within Sales & Industry
 - Icelandic operations with solid results
 - SalMar Aker Ocean separate reporting segment from Q1 2022
 - Volume guidance for 2022 kept unchanged in all regions
- Announced voluntary offer for all outstanding shares in NTS ASA 14th of February 2022
 - Offer period ended 29th of April 2022, 52.7% accepted the offer
- Linda L. Aase new CEO in SalMar from May 2022, Gunnar Nielsen new CFO from April 2022

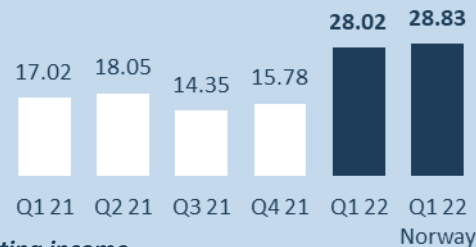
Harvest volume

(1,000 tons gw)



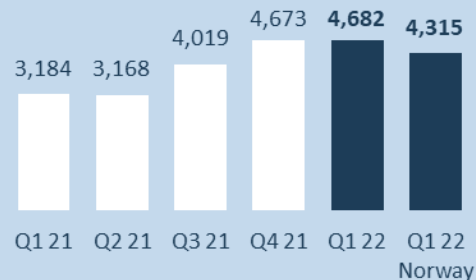
EBIT/kg

(NOK)



Operating income

(NOKm)



*) Results from Norway are group results excluding segments SalMar Aker Ocean and Icelandic Salmon

Gunnar Nielsen

New CFO in SalMar from 1st of April 2022



- Experience from a number of senior executive positions in the seafood, banking, industrial and auditing sectors
- Extensive experience of board and financial management, reporting and communication in listed companies
- CFO of Bakkafrost from 2014 to 2019
- Graduate Diploma in Business Administration and Accounting from Aarhus School of Business and a MSc. in Business Economics and Auditing from Copenhagen Business School

Citizenship: Faroe Islands

Tel: +47 960 97 005

Email: gunnar.nielsen@salmar.no

OPERATIONAL UPDATE



Farming Central Norway

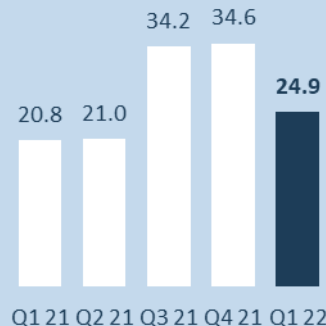
Strong salmon prices and continued strong operational and biological performance has given a solid result

- Cost level reduced from Q4 2021
- Autumn 2020 accounted for 80% of the volume in the period
 - Stable biological performance
 - Harvest of spring 2021 started with good biological performance
- Expect lower volume and similar cost level in Q2 2022
 - Autumn 2020 to be finished early in Q2 and will continue to harvest from spring 2021
 - Good status of biomass in sea
- Volume guidance for 2022 kept unchanged at 117,000 tonnes

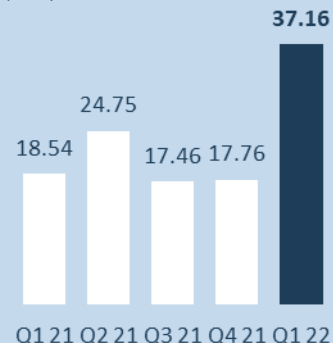
KEY RESULTS

	Q1 2022	Q1 2021	FY 2021
Operating income (NOKm)	1,914	1,169	6,542
Operational EBIT (NOKm)	925	386	2,118
Operational EBIT %	48 %	33 %	32 %
Harvest volume (tgw)	24.9	20.8	110.7
EBIT/kg	37.16	18.54	19.14

Harvest volume
(1,000 tons gw)



EBIT/kg
(NOK)



Farming Northern Norway

Solid results driven by continued low cost level and strong salmon prices

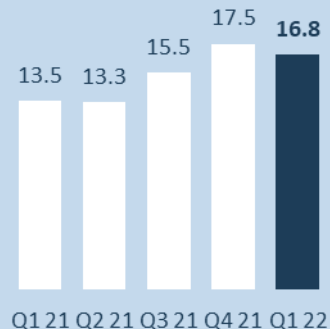
- Continuing the solid trend with strong biological and operational performance
 - Third quarter in a row with low cost level, cost level in Q1 2022 lowest since 2017
 - Autumn 2020 has accounted for the volume in the period
- Gradual ramp up of harvest volume to InnovaNor

- Expect lower volume and slightly higher cost level in Q2 2022
 - Continue harvesting from strong performing autumn 2020 generation
 - Good status of biomass in sea
- Volume guidance for 2022 kept unchanged at 58,000 tonnes

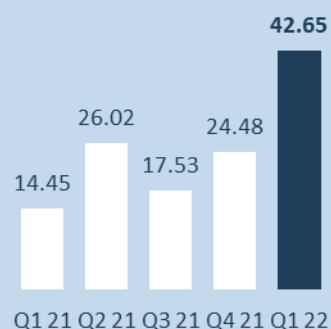
KEY RESULTS

	Q1 2022	Q1 2021	FY 2021
Operating income (NOKm)	1,262	700	3,343
Operational EBIT (NOKm)	716	195	1,243
Operational EBIT %	57 %	28 %	37 %
Harvest volume (tgw)	16.8	13.5	59.8
EBIT/kg	42.65	14.45	20.76

Harvest volume
(1,000 tons gw)



EBIT/kg
(NOK)



Sales & Industry

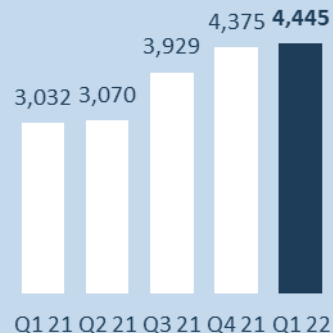
Underlying operations improving performance from previous quarters, but high salmon prices affecting results from contracts

- Solid operational performance from harvesting and processing activities
 - Slightly lower volume due to seasonality, partly offset by volume harvested at InnovaNor
 - Gradual ramp up of both harvesting and VAP at InnovaNor activity during 2022
- Record high spot salmon prices affecting results from contracts
 - Contract share¹ at 40% with negative contribution
 - Spot price achievement improved compared to previous quarters
- Contract share¹ currently around 60% for Q2 2022 and 35% for FY 2022
 - Expect negative contribution from contracts in Q2 2022 due to strong salmon prices
 - Higher contract share in Q2 2022 due to lower harvest volume in Norway

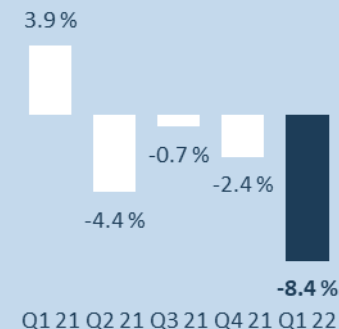
KEY RESULTS

	Q1 2022	Q1 2021	FY 2021
Operating income (NOKm)	4,445	3,032	14,406
Operational EBIT (NOKm)	-372	118	-152
Operational EBIT %	-8.4 %	3.9 %	-1.1 %

Operating income
(NOKm)



EBIT-margin
(%)



1) This includes both physical and financial fixed price contracts, previously only physical contracts has been reported

Icelandic Salmon

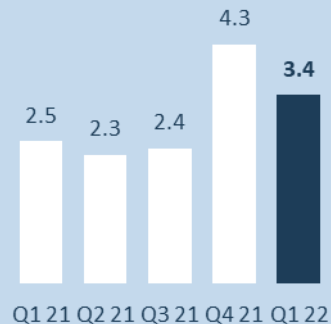
Solid results due to strong price achievement, strong capacity utilization at harvest plant and stable cost level

- Strong price achievement and capacity utilization at harvest plant in the period
 - Low contract level positive for price achievement when spot prices has increased
 - Large volumes through the harvest plant
- 2020 generation accounted for the volume in the period
 - Stable biological performance resulting in stable cost level
- Expect similar volume and cost level in Q2 2022
 - Continue harvesting from 2020 generation
- Volume guidance for 2022 kept unchanged at 16,000 tonnes

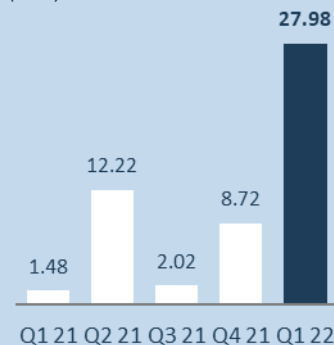
KEY RESULTS

	Q1 2022	Q1 2021	FY 2021
Operating income (NOKm)	368	178	919
Operational EBIT (NOKm)	94	4	74
Operational EBIT %	26 %	2 %	8 %
Harvest volume (t _{gw})	3.4	2.5	11.5
EBIT/kg	27.98	1.48	6.41

Harvest volume
(1,000 tons gw)



EBIT/kg
(NOK)



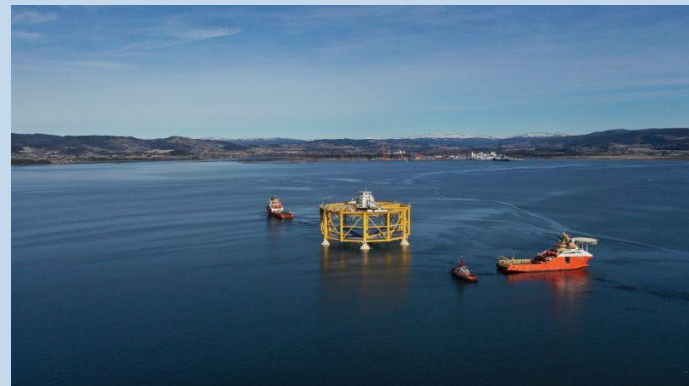
SalMar Aker Ocean

Separate reporting segment from 2022

- Cost included in segment eliminations in 2021
- Upgrade of Ocean Farm 1 progressing according to plan
 - Unit currently at Aker Solutions yard Aker Verdal
 - Next production cycle planned to commence in spring 2023
- Committed to new offshore investments as soon as the regulatory framework is in place
 - Submitted response to public hearing note for proposed regulatory framework
 - Ongoing processes continuing for design of Ocean Farm 2 and Smart Fish Farm
 - Ambition to make investment decision for a new semi-offshore unit as soon as possible
- Gradual ramp up of organization to handle growth ambition
 - Ongoing recruitment of key roles in the organization
 - Roy Reite appointed CEO in SalMar Aker Ocean in February 2022
 - Former CFO & COO in SalMar ASA Trine Sæther Romuld new CFO in SalMar Aker Ocean from April 2022

KEY RESULTS

	Q1 2022	Q1 2021*	FY 2021*
Operating income (NOKm)	-	-	-
Operational EBIT (NOKm)	-34	-35	-152
Operational EBIT %	-	-	-
Harvest volume (tgw)	-	-	-
EBIT/kg	-	-	-



Ocean Farm 1 approaching Aker Verdal – April 2022

*) Results included in segment eliminations in 2021

Scottish Sea Farms¹

Strong increase in harvest volume, but results affected by contract level and biological challenges

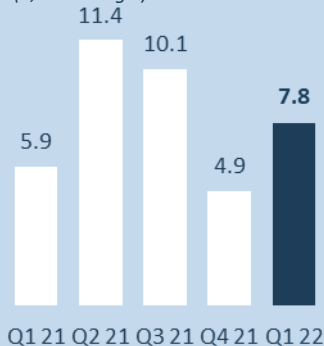
- Harvest volume increased with 1,900 tonnes (+32%) from last year
- High cost of harvested fish in the period
 - Harvest of fish from sites with biological challenges second half of 2021
- Results impacted negatively by contract level
 - 52% of volume sold on contract
- Integration of Grieg Seafood Shetland into Scottish Sea Farms continues according to plan
 - Synergies already starting to materialize
- Volume guidance for 2022 kept unchanged at 46,000 tonnes

KEY RESULTS

	Q1 2022	Q1 2021	FY 2021
Operating income (NOKm)	639	396	2,307
Operational EBIT (NOKm)	105	74	244
Operational EBIT %	16.4 %	18.6 %	10.6 %
Fair value adjustments	182	47	15
Profit before tax	274	116	242
SalMar's share after tax	96	46	94
Harvested volume (tgv)	7.8	5.9	32.4
EBIT/kg	13.35	12.39	7.55

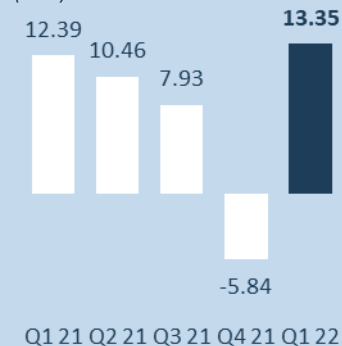
Harvest volume

(1,000 tons gw)



EBIT/kg

(NOK)



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

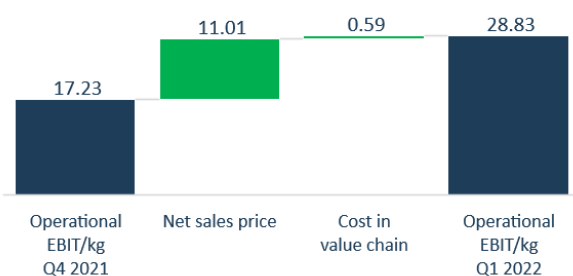
FINANCIAL UPDATE



Operational EBIT deviation analysis (qoq)

Norway¹

EBIT per kg (NOK)



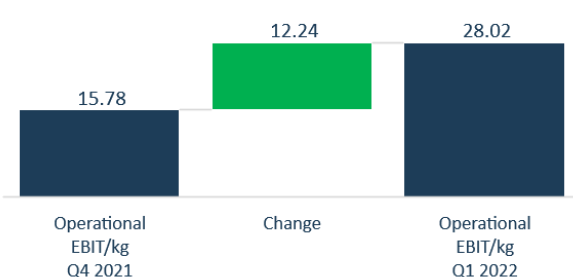
Δ QoQ
+11.60
NOK per kg



- Net sales price increased due to higher spot prices, but price achievement impacted by profitability on contracts
- Cost reduction driven by lower costs in Central Norway

Group

EBIT per kg (NOK)



Δ QoQ
+12.24
NOK per kg



- Group EBIT per kg increased QoQ following higher spot prices
- Strong margins from Icelandic Salmon

Group profit and loss

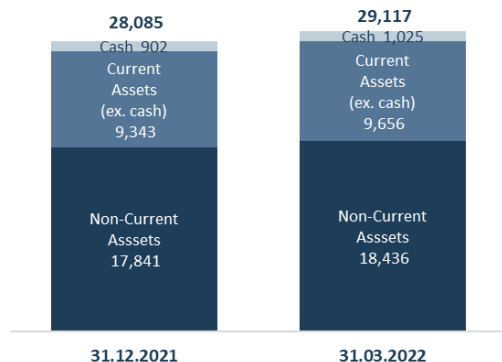
NOK million	Q1 2022	Q1 2021	Δ%	FY 2021
Total operating revenues	4,682	3,184	47 %	15,044
EBITDA	1,490	820	82 %	3,734
Depreciations and write-downs	229	193		807
Operational EBIT	1,262	627	101 %	2,927
Production tax	-20	-14		-72
Onerous contracts	-229	-52		-181
Fair value adjustment	327	351		777
Operating profit (EBIT)	1,340	911	47 %	3,451
Income from investments in associates	100	49		95
Net financial items	-52	-23		-159
<i>Net interest expenses</i>	-53	-36		-169
<i>Other financial items</i>	1	13		11
Profit before tax	1,388	937	48 %	3,387
Income tax expense	285	199		719
Profit for the period	1,102	739	49 %	2,668
Other comprehensive income	35	-101		-158
Total comprehensive income	1,137	638		2,510
Earnings per share (NOK)	9.18	6.33		22.61
Harvested volume (tgv)	45.0	36.9	22 %	182.1
EBIT per kg (NOK)	28.02	17.02	65 %	16.08
Nasdaq spot price (average)	79.52	52.78	51 %	57.92

Q1 2022 vs. Q1 2021

- Revenue and operational EBIT increased following higher volume and higher spot prices
- Production tax included from Q1 21
 - Production tax includes resource tax in Iceland
- Onerous contracts negative and fair value adjustment positive due to higher forward prices in calculation
- Income from associates increased due to improved margins and positive fair value adjustment from Scottish Sea Farms
- Net interest costs increased driven by successful placement of green bond in Q2 2021

Group balance sheet

Assets

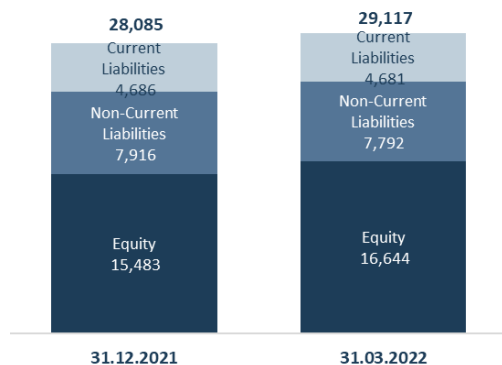


Equity ratio

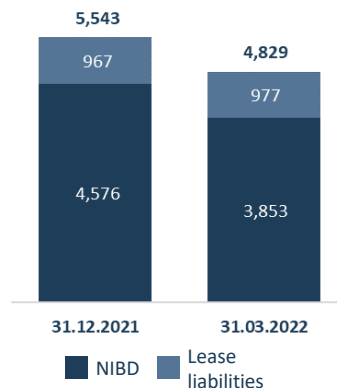


- Investments in the value chain progressing according to plan
- Lower standing biomass QoQ and YoY
- Net Interest-bearing debt incl. lease liabilities decreased with NOK 714 million during the quarter
 - NIBD incl. lease liabilities at NOK 4,829 million
- Solid financial position with equity ratio at 57.2% and NIBD incl. lease/EBITDA at 1.10
 - Strong financial capacity for further growth with NOK 5.3 billion in available credit facilities at the end of March 2022

Equity & liabilities

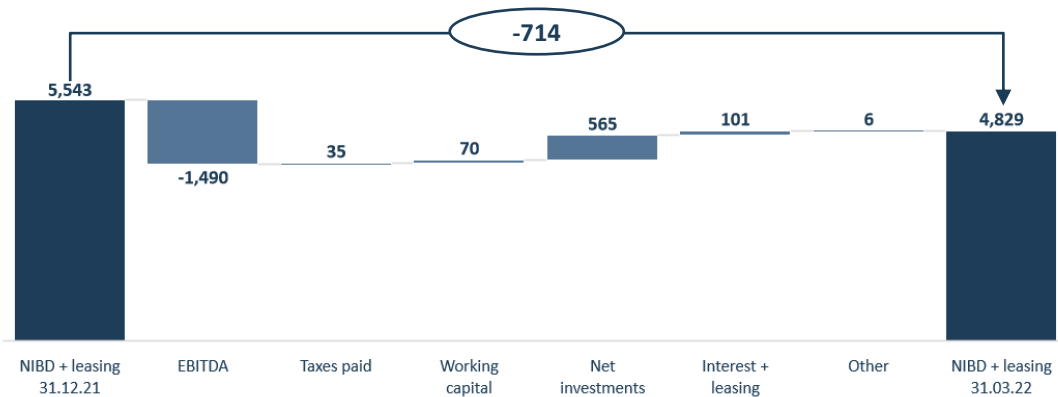


NIBD incl. lease liabilities



*) all figures in NOK million

Movement in net interest-bearing debt



- Cash flow from operations impacted by taxes paid and payment of production tax at NOK 70 million
- Net investments at NOK 565 million
 - Smolt and hatchery NOK 179 million
 - Farming NOK 174 million
 - Sales & Industry NOK 132 million
 - Icelandic Salmon NOK 39 million
 - SalMar Aker Ocean NOK 33 million
 - Other NOK 8 million
- NIBD incl. leasing reduced with NOK 714 million

*) all figures in NOK million

STRATEGIC UPDATE



Sustainability in everything we do

Has been a key postulate for SalMar for over 20 years



FISH



ENVIRONMENT &
TECHNOLOGY



PEOPLE &
SOCIETY

— Selected reported KPIs: —

eFCR

Survival
rate

Share of
local
processing

GHG target
aligned with
1.5°C
scenario

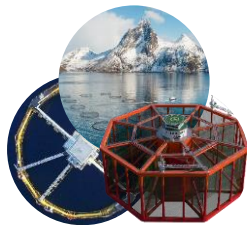
H-factor

Sickness
absence
rate

Strategic and operational focus always on the terms of the salmon

Throughout the value chain from roe to plate

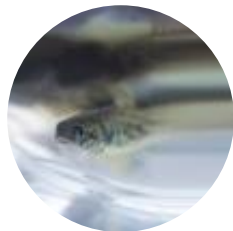
Flexibility and capacity to deliver the **right smolt** at the **right time** ...



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



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



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



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



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

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



Strong platform for further sustainable growth in all regions

With strong corporate culture from competent, dedicated and passionate employees



NORWAY

Volume 2022E
175,000 tons

Improved smolt capacity through construction of new RAS facilities in both Central and Northern Norway

Improved flexibility within smolt production through completion of first production cycles in closed net pen

Increase of MAB capacity through strategic acquisitions and unutilized potential within existing licenses

Strengthened our local processing capacity through upgrade of Vikenco and construction of InnovaNor



ICELAND

Volume 2022E
16,000 tons

Improved smolt capacity through acquisition of new smolt facilities

Unutilized potential within existing MAB licenses and pending applications for new licenses

Launched new brand to strengthen presence of product in the market



OFFSHORE

Ambition for 150,000 tons within 2030

Creating a world leading offshore farming company

Committed to new offshore investments as soon as the regulatory framework is in place

Gradual ramp up of organization to handle growth ambition



UK¹

Volume 2022E
46,000 tons

Increased production capacity through acquisition of Grieg Seafood Hjaltland UK

Strong strategic rationale for offer in NTS ASA

Solid track-record from both parties in Central Norway, Northern Norway and West fjords of Iceland

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

FARMING				Aquaservice
	Central Norway	Northern Norway	Iceland	Offshore
Salmor	 Volume 2022E 117,000 tons	 Volume 2022E 58,000 tons	 Volume 2022E 16,000 tons	 Ambition for 150,000 tons within 2030
NTS	 Volume 2022E ¹ 34,750 tons	 Volume 2022E ¹ 35,000 tons	 Volume 2022E ¹ 11,500 tons	 Development project Arctic Offshore Farming ¹
				 Largest aquaservice provider in Norway ¹

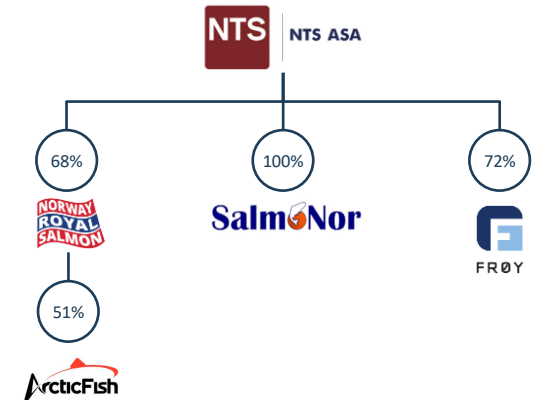
1) Source quarterly presentation Q4 2021. NTS owns 68% of NRS, which own 100% of Arctic Offshore Farming and 51% of Arctic Fish. NTS further owns 72% of Frøy
 * For further details see separate stock exchange notice distributed 14th of February 2022 and voluntary offer document

52.7% accepted the voluntary offer for NTS ASA

A cash offer will be made after completion of the voluntary offer

- There are several conditions to the voluntary offer, including regulatory approvals, due diligence and no material adverse change.
 - The timing of when these conditions have been met/lifted is yet uncertain
- The voluntary offer is NOK 24 in cash plus 0.143241 SalMar shares per share in NTS
 - Based on the 52.7% acceptance rate and given that the voluntary offer will be completed SalMar will issue 9.5 million new shares in SalMar with the authorization granted at the EGM 14th of March 2022 and pay NOK 1.6 billion in cash to shareholders of NTS
 - Consideration will be adjusted for proposed dividend payment, if approved by AGM, and certain other events
- SalMar is prepared to remain a majority owner, or fully integrate NTS into SalMar's company structure.
 - Following completion of the voluntary offer a cash offer will be made for the remaining outstanding shares in NTS in accordance with applicable legislations

Company structure NTS¹



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

OUTLOOK





Outlook

- SalMar has strong operational and financial flexibility and is well equipped to build an even more robust platform for further sustainable growth
 - Continued strong strategic and operational focus with dedicated employees and strong corporate culture set for growth
 - Leading and pioneering the way offshore through SalMar Aker Ocean
- Voluntary offer for all outstanding shares in NTS ASA
 - Strong strategic rationale with solid track-record from both parties in Central Norway, Northern Norway and West fjords of Iceland
 - 52.7% of the shareholders in NTS have accepted the voluntary offer
 - Closing of transaction expected after conditions are met/lifted
- Expect lower volume and similar cost level in Q2 2022
 - Contract share for Q2 2022 around 60% and FY 2022 35%
 - Volume guidance for 2022 kept unchanged
- Optimistic outlook for the future of the aquaculture industry
 - Expect global supply in 2022 to be at the same level as in 2021
- Capital Markets Day to be postponed
 - New date will be communicated at a later notice



THANK YOU FOR YOUR ATTENTION

Financial Calendar:

Annual General Meeting - 8 June 2022
Q2 2022 presentation - 25 August 2022
Q3 2022 presentation - 10 November 2022

Investor contact:

Håkon Husby, Head of IR
Tel: +47 936 30 449
Email: hakon.husby@salmar.no

For more information, please visit:
www.salmar.no

PASSION FOR SALMON



SALMAR
Passion for Salmon

Forward looking statements

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