



SalMar ASA Q2 2022 Presentation

25 August 2022

CEO Linda L. Aase
CFO Gunnar Nielsen



**PASSION
FOR
SALMON**



Agenda

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



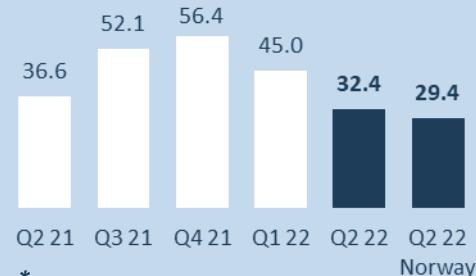
Highlights Q2 2022

Continued strong operational performance has led to solid operational results

- Total Group* operational EBIT 1,048 MNOK and 952 MNOK from Norway
 - Record strong results from farming segments in Norway and Icelandic operations
 - Record high salmon prices salmon affecting profitability from fixed price contracts within Sales & Industry
 - SalMar Aker Ocean progressing according to plan
 - Costs connected with lawsuits in North-America impacting group results with 164 MNOK
- Announced voluntary offer for all outstanding shares in NTS ASA 14th of February 2022 and merger with NRS 30th of May 2022
 - NTS offer period ended 29th of April 2022, 52.7% accepted the offer
 - Merger with NRS approved by EGM end of June 2022
 - The Norwegian Competition Authority approved the transaction mid July 2022
- Linda L. Aase new CEO in SalMar from May 2022, Gunnar Nielsen new CFO from April 2022

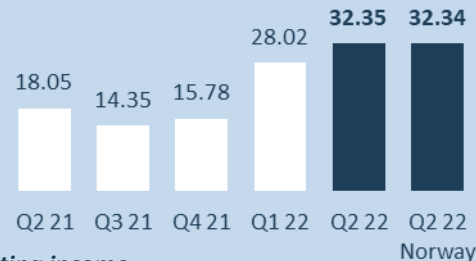
Harvest volume

(1,000 tons gw)



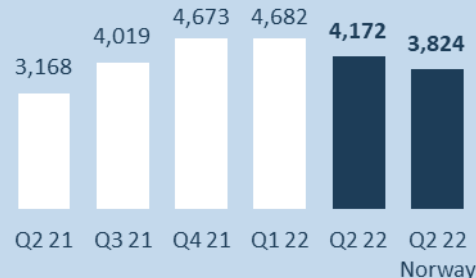
EBIT/kg*

(NOK)



Operating income

(NOKm)



Norway

*) Excluding costs connected with lawsuits in North-America at 164 MNOK in Q2

OPERATIONAL UPDATE



Farming Central Norway

Record high salmon prices and continued strong performance has given record results

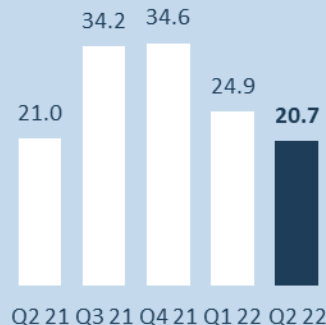
- Stable cost level QoQ
- Finished harvesting of autumn 2020 generation in the period with stable results
- Spring 2021 generation accounted for 75% of the volume in the period with good biological performance

- Expect higher volume and slightly higher cost level in Q3 2022
 - Continue to harvest from spring 2021 and will start harvest of autumn 2021
 - Good status of biomass in sea
- Volume guidance for 2022 kept unchanged at 117,000 tonnes

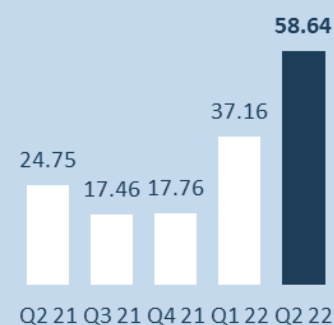
KEY RESULTS

	Q2 2022	Q2 2021	H1 2022	H1 2021
Operating income (NOKm)	2,073	1,342	4,034	2,511
Operational EBIT (NOKm)	1,213	520	2,138	906
Operational EBIT %	59 %	39 %	53 %	36 %
Harvest volume (tgw)	20.7	21.0	45.6	41.8
EBIT/kg	58.64	24.75	46.91	21.66

Harvest volume
(1,000 tons gw)



EBIT/kg
(NOK)



Farming Northern Norway

Record results due to strong salmon prices and continued solid performance

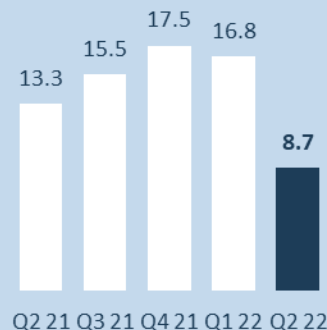
- Harvest volume lower QoQ to optimize biological performance in sea
- Autumn 2020 has accounted for the volume in the period
 - Continuing the solid trend with strong biological and operational performance resulting in low cost level
 - Cost level slightly higher due to change of farming sites
- Gradual ramp up of harvest volume to InnovaNor

- Expect higher volume and slightly higher cost level in Q3 2022
 - Continue harvesting from autumn 2020 generation and will start harvest of spring 2021
 - Good status of biomass in sea
- Volume guidance for 2022 kept unchanged at 58,000 tonnes

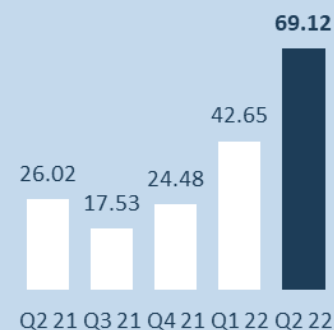
KEY RESULTS

	Q2 2022	Q2 2021	H1 2022	H1 2021
Operating income (NOKm)	917	836	2,180	1,536
Operational EBIT (NOKm)	605	347	1,320	542
Operational EBIT %	66 %	42 %	61 %	35 %
Harvest volume (t _{gw})	8.7	13.3	25.5	26.8
EBIT/kg	69.12	26.02	51.73	20.20

Harvest volume
(1,000 tons gw)



EBIT/kg
(NOK)



Sales & Industry

Record high spot salmon prices affecting profitability from fixed prices contracts

- Contract share at 59% with negative contribution
 - Higher contract share in Q2 2022 due to lower harvest volume in Norway

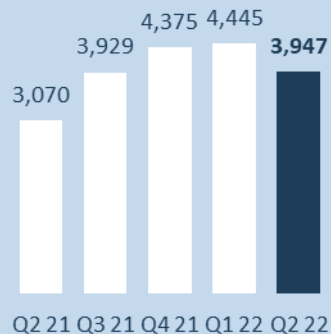
- Solid operational performance from harvesting and processing activities
 - Stable volume through our facilities QoQ
 - Gradual ramp up of both harvesting and VAP at InnovaNor activity during 2022

- Contract share currently around 35% for Q3 2022 and 40% for FY 2022
 - Lower contract share in Q3 2022 due to higher harvest volume in Norway

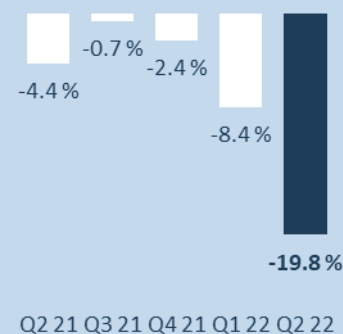
KEY RESULTS

	Q2 2022	Q2 2021	H1 2022	H1 2021
Operating income (NOKm)	3,947	3,070	8,392	6,102
Operational EBIT (NOKm)	-781	-136	-1,153	-18
Operational EBIT %	-19.8 %	-4.4 %	-13.7 %	-0.3 %

Operating income
(NOKm)



EBIT-margin
(%)



Icelandic Salmon

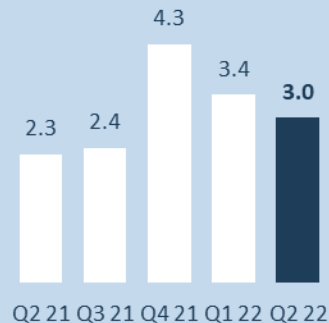
Solid results driven by strong price achievement and stable cost development

- Low contract level positive for price achievement when spot prices has increased
- 2020 generation accounted for harvest volume in the period
 - Stable biological performance resulting in stable cost level
- Expect higher volume and slightly higher cost level in Q3 2022
 - Continue harvest of 2020 generation in Q3 with good biological performance
- Volume guidance for 2022 kept unchanged at 16,000 tonnes

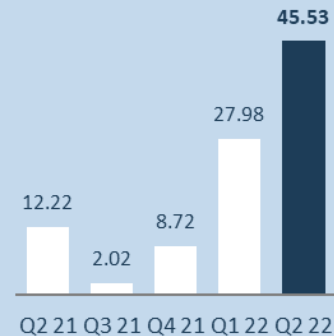
KEY RESULTS

	Q2 2022	Q2 2021	H1 2022	H1 2021
Operating income (NOKm)	349	182	716	360
Operational EBIT (NOKm)	135	28	229	32
Operational EBIT %	39 %	15 %	32 %	9 %
Harvested volume (t _{gw})	3.0	2.3	6.3	4.8
EBIT/kg	45.53	12.22	36.19	6.57

Harvest volume
(1,000 tons gw)



EBIT/kg
(NOK)



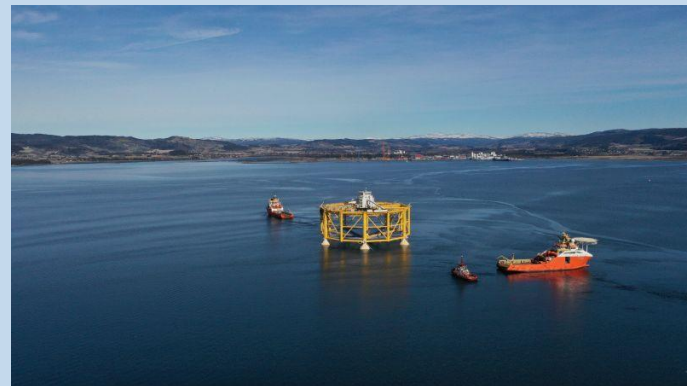
SalMar Aker Ocean

Progressing according to plan

- Upgrade of Ocean Farm 1 and design of new units progressing according to plan
 - Ocean Farm 1 currently at Aker Solutions yard Aker Verdal for upgrades, next production cycle planned to commence in spring 2023
 - 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
- Committed to new offshore investments as soon as the regulatory framework is in place
 - Submitted response to public hearing note for proposed offshore regulatory framework
 - The Directorate of Fisheries announced impact assessment of specific offshore areas, an important step in having a permanent regime in place for offshore aquaculture
 - Site location for Smart Fish Farm approved by Norwegian Food Safety Authority in August 2022 – important milestone to get final approval of location from authorities
- Strong strategic partnership with Aker working well

KEY RESULTS

	Q2 2022	Q2 2021*	H1 2022	H1 2021*
Operating income (NOKm)	-	-	-	-
Operational EBIT (NOKm)	-39	-37	-73	-72
Operational EBIT %	-	-	-	-
Harvested volume (tgv)	-	-	-	-
EBIT/kg	-	-	-	-



Ocean Farm 1 approaching Aker Verdal – April 2022

**) Results included in segment eliminations in 2021*

Scottish Sea Farms¹

Improved margins, but results affected by contract level and biological challenges

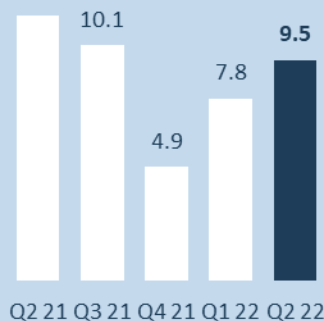
- High cost of harvested fish in the period
 - Harvest of fish from sites with biological challenges second half of 2021
- Results impacted negatively by contract level
 - 48% of volume sold on contract
- Integration of Grieg Seafood Shetland into Scottish Sea Farms continues according to plan
 - Synergies already starting to materialize
- Volume guidance for 2022 kept unchanged at 46,000 tonnes

KEY RESULTS

	Q2 2022	Q2 2021	H1 2022	H1 2021
Operating income (NOKm)	884	793	1,523	1,190
Operational EBIT (NOKm)	190	119	295	193
Operational EBIT %	21.5 %	15.0 %	19.3 %	16.2 %
Value adjustments biomass	139	19	320	67
Profit before tax	311	135	584	251
SalMar's share after tax	122	51	219	97
Harvest volume (tgw)	9.5	11.4	17.3	17.3
EBIT/kg	20.01	10.46	17.00	11.12

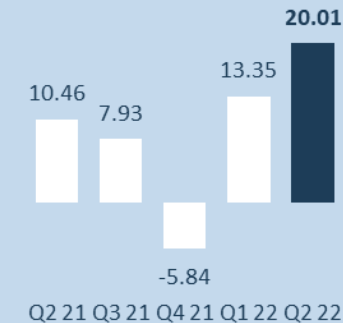
Harvest volume

(1,000 tons gw)
11.4



EBIT/kg

(NOK)



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

FINANCIAL UPDATE



Operational EBIT deviation analysis (qoq)

Norway*

EBIT per kg (NOK)



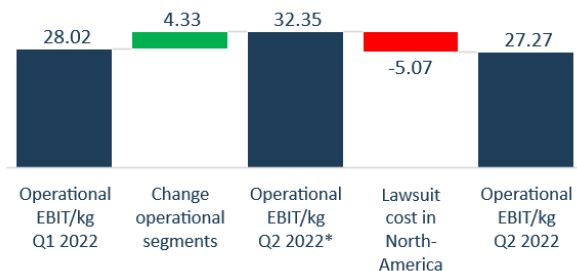
Δ QoQ
+3.51
NOK per kg



- Net sales price increased due to higher spot prices, but price achievement impacted by profitability on contracts
- Slightly higher cost level due to higher cost in Northern Norway

Group

EBIT per kg (NOK)



Δ QoQ
-0.75
NOK per kg



- Strong margins from Icelandic Salmon and increased margins from Norway
- Costs connected with lawsuits in North-America impacting group results with 164 MNOK in Q2

*) Excluding costs from settlement in North America

Group profit and loss

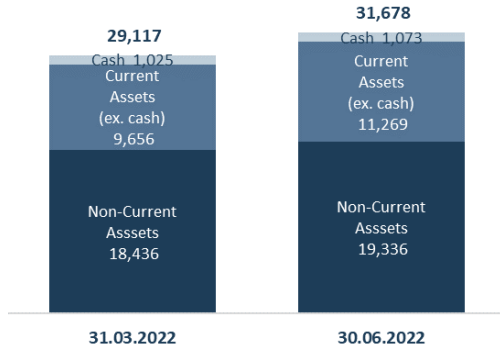
NOK million	Q2 2022	Q2 2021	Δ%	H1 2022	H1 2021	Δ%
Total operating revenues	4,172	3,168	32 %	8,855	6,353	39 %
EBITDA	1,113	861	29 %	2,603	1,682	55 %
Depreciations and write-downs	230	200		458	393	
Operational EBIT	883	661	34 %	2,145	1,289	66 %
Production tax	-14	-14		-34	-29	
Onerous contracts	142	30		-87	-22	
Fair value adjustment	1,450	363		1,776	713	
Operating profit (EBIT)	2,461	1,040	137 %	3,800	1,951	95 %
Income from investments in associates and joint ventures	119	50		219	99	
Net financial items	-33	-46		-85	-69	
<i>Net interest expenses</i>	-48	-41		-101	-76	
<i>Other financial items</i>	15	-5		16	8	
Profit before tax	2,547	1,044	144 %	3,934	1,982	100 %
Income tax expense	533	222		819	421	
Profit for the period	2,013	822	145 %	3,116	1,561	100 %
Other comprehensive income	58	-29		93	-129	
Total comprehensive income	2,072	793		3,208	1,431	
Earnings per share (NOK)	15.61	6.98		24.79	13.32	
Harvested volume (tgv)	32.4	36.6	-12 %	77.4	73.5	5 %
EBIT per kg (NOK)	27.27	18.05	51 %	27.71	17.54	58 %
Nasdaq spot price (average)	106.17	63.31	68 %	92.92	58.07	60 %

H1 2022 vs. H1 2021

- Revenue and operational EBIT increased following higher volume and higher spot prices
- 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

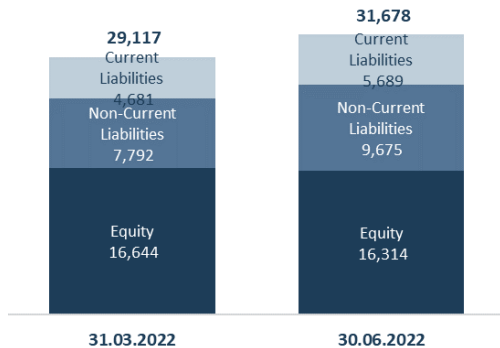


Equity ratio

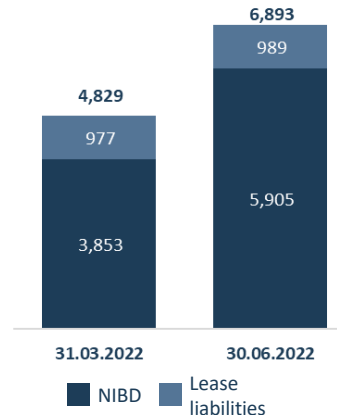


- Investments in the value chain progressing according to plan
- Higher standing biomass QoQ and YoY
- Dividend paid at 20 NOK/share in Q2
- Net Interest-bearing debt incl. lease liabilities increased with NOK 2,064 million during the quarter
 - NIBD incl. lease liabilities at NOK 6,893 million
- Solid financial position with equity ratio at 51.5% and NIBD incl. lease/EBITDA at 1.48
 - Strong financial capacity for further growth

Equity & liabilities

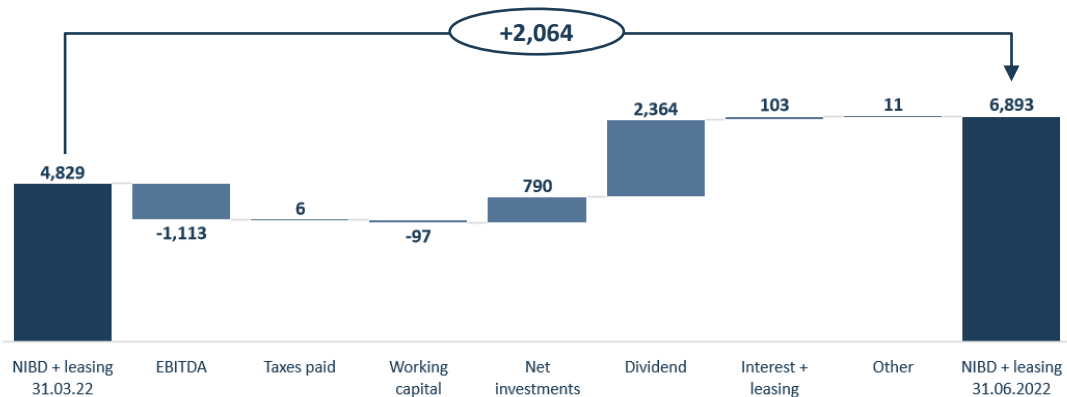


NIBD incl. lease liabilities



*) all figures in NOK million

Movement in net interest-bearing debt



- Net investments¹ at NOK 790 million
 - Smolt and hatchery NOK 199 million
 - Production capacity – traffic light NOK 171 million
 - Farming NOK 208 million
 - Sales & Industry NOK 56 million
 - Icelandic Salmon NOK 32 million
 - SalMar Aker Ocean¹ NOK 146 million
 - Other NOK -22 million
- Dividend of 20 NOK/share paid in June
- NIBD incl. leasing increased with NOK 2,064 million

*) all figures in NOK million

1) Includes change in non-controlling interest

STRATEGIC UPDATE



Verified our ambitious targets for reduction of greenhouse gases

Targets consistent with reductions required to keep warming to 1.5°C

- Committed to reducing our greenhouse gas emissions by **42% from 2020 to 2030**
 - both in Scope 1 and 2, which concern our own operations
 - and in Scope 3, which concerns the value chain around us
- Targets consistent with reductions required to keep warming to 1.5°C, the most ambitious goal of the Paris Agreement
- SalMar has had its greenhouse gas targets approved by Science Based Targets initiative, 1st of July 2022



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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 and purchase of remaining share in Eldisstöðin Ísbór

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 and merger with NRS

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

- Potential for significant synergies across the value chain in all regions
 - Improved utilization of MAB and site portfolio
 - Improved biological performance and lower production costs
 - Improved utilization of smolt-harvesting- and processing facilities
- Strong expertise within sales and distribution; and improved access to customers worldwide
- The combination will be in the forefront for the most developed offshore farming initiatives in the world
- Catalyst for further sustainable growth in the local communities where both parties operate
 - Strengthening local value creation in all regions

		FARMING				Aquaservice
		Central Norway	Northern Norway	Iceland	Offshore	
SalMar	 <p>Volume 2022E 117,000 tons</p>	 <p>Volume 2022E 58,000 tons</p>	 <p>Volume 2022E¹ 16,000 tons</p>	 <p>Ambition for 150,000 tons within 2030</p>		
	NTS	 <p>Volume 2022E 32,750 tons</p>	 <p>Volume 2022E 30,000 tons</p>	 <p>Volume 2022E² 10,600 tons</p>	 <p>Development project Arctic Offshore Farming²</p>	 <p>Largest aquaservice provider in Norway²</p>

1) Operations on Iceland are owned through Icelandic Salmon AS which is owned 51% by SalMar

2) Arctic offshore project owned 100% by NRS. Arctic Fish owned 51% by NRS. Frøy owned 72% by NTS

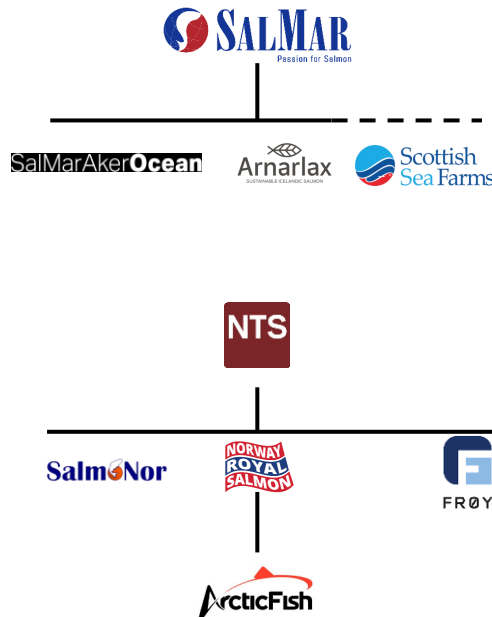
* For further details see separate stock exchange notices, voluntary offer document and merger plan

The principles of the transactions

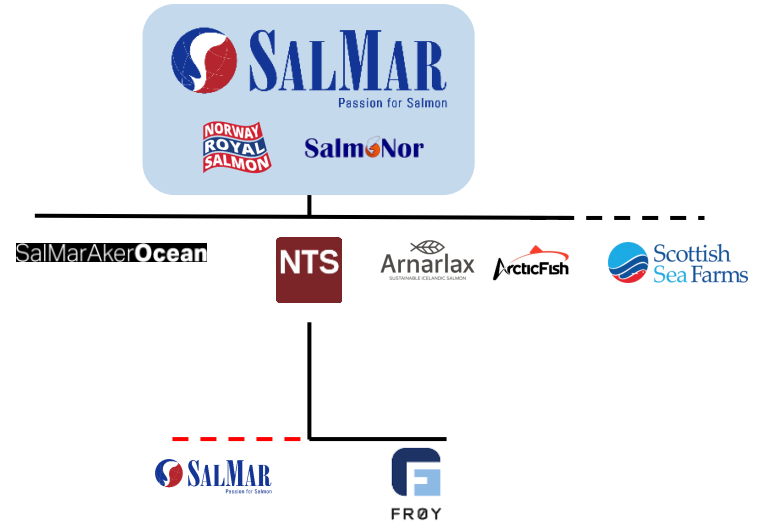
NRS completes its announced acquisition of SalmoNor and is then merged with SalMar

SalMar's voluntary offer for shares in NTS is completed

Before transaction



Post transaction



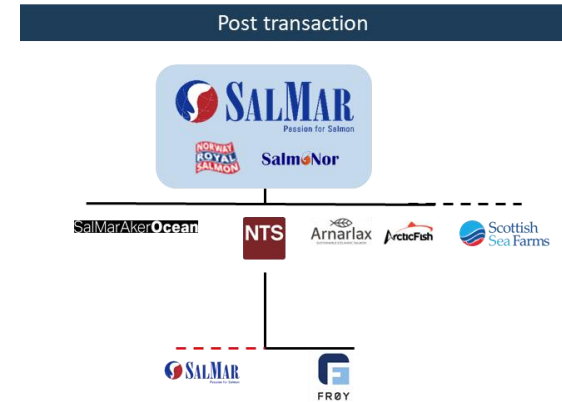
- Subsidiary
- - - Associated company
- - - Significant holding

Merger approved by EGM in both SalMar and NRS

52.7% accepted the voluntary offer for NTS ASA

A cash offer for remaining shareholders in NTS will be made after completion of the voluntary offer

- Consideration payable in voluntary offer for NTS and merger with NRS
 - The voluntary offer is NOK 26.86482 in cash plus 0.143241 SalMar shares per share in NTS
 - The merger is NOK 52.84 in cash plus 0.303933 SalMar shares per share in NRS
 - Based on the 52.7% acceptance rate in the voluntary offer and assuming the transactions are completed SalMar will issue 27.3 million new shares in SalMar with the authorization granted at the respective EGMs and pay approx. NOK 6.8 billion in cash to shareholders of NTS and NRS
 - Following completion of the voluntary offer a cash offer will be made for the remaining outstanding shares in NTS in accordance with applicable legislations
- There are several conditions to the transactions, including regulatory approvals, due diligence and no material adverse change.
 - The timing of when these conditions have been met/lifted is yet uncertain
 - The Norwegian Competition Authority approved the transaction mid July 2022



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 and announced merger with NRS ASA
 - Strong strategic rationale with solid track-record from both parties in Central Norway, Northern Norway and West fjords of Iceland
 - Closing of transaction expected after conditions are met/lifted
- Expect higher volume and slightly higher cost level in Q3 2022
 - Expect slightly higher cost due to cost inflation on input factors
 - Contract share for Q3 2022 around 35% and FY 2022 40%
 - Volume guidance for 2022 kept unchanged in all regions
- Optimistic outlook for the future of the aquaculture industry
 - Expect global supply in 2022 to be at the same level as in 2021



THANK YOU FOR YOUR ATTENTION

Financial Calendar:

- Q3 2022 presentation – 10 November 2022
- Q4 2022 presentation – 22 February 2023
- Annual Report 2022 – 28 April 2023
- Q1 2023 presentation – 11 May 2023
- Annual General Meeting – 8 June 2023
- Q2 2023 presentation – 24 August 2023
- Q3 2023 presentation – 9 November 2023

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www.salmar.no

PASSION FOR SALMON



SALMAR
Passion for Salmon

Forward looking statements

The statements contained in this presentation may contain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they reflect current expectations and assumptions as to future events and circumstances that may not prove accurate. Although SalMar believes that the assumptions and expectations implied in any such forward-looking statements are reasonable, no assurance can be given that such assumptions or expectations will prove to be correct. A number of material factors could cause actual results, performance or developments to differ materially from those expressed or implied by these forward-looking statements. Factors that may cause such a difference include but are not limited to: biological situation in hatcheries and sea farms; fish escapes; fluctuations in salmon prices; foreign exchange, credit and interest rate fluctuations; changes in the competitive climate; changes in laws and regulations. SalMar assumes no obligation to update any forward-looking statement.

Appendix

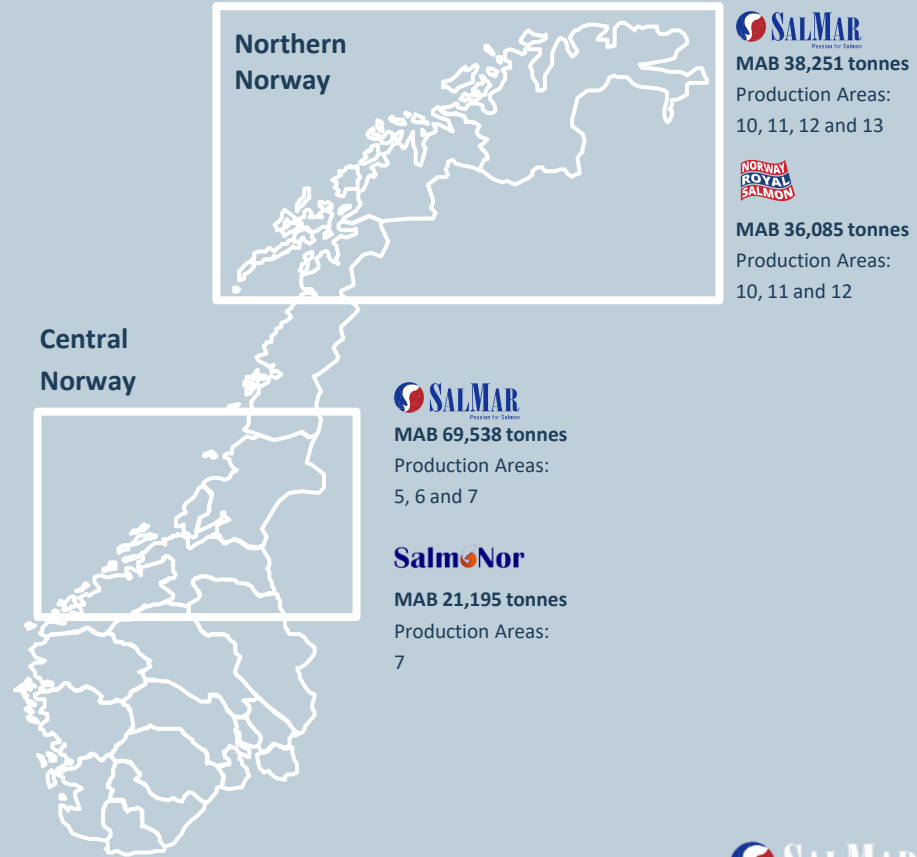
Proposed M&A

For further details see separate stock exchange notices, voluntary offer document and merger plan

One of the largest salmon farmers in Norway

Combined potential over 280,000 tonnes¹

- Both parties have long-standing presence in, and considerable competence from, salmon farming in Northern Norway and Central Norway
- A combination will allow for improved utilisation of the combined available MAB and site portfolio as well as implementation of best practices within operations and the cost structure
- Combined the parties will have increased access to smolt and harvesting and processing facilities giving increased capacity and flexibility to optimize performance in the value chain
- The company will be headquartered in Trøndelag, and become one of the most important private corporations in Norway that does not have its seat in Oslo



1) Harvest volume HOG

*) MAB per Q1 2022

Catalyst for further sustainable growth on Iceland

Combined potential over 50,000 tonnes¹

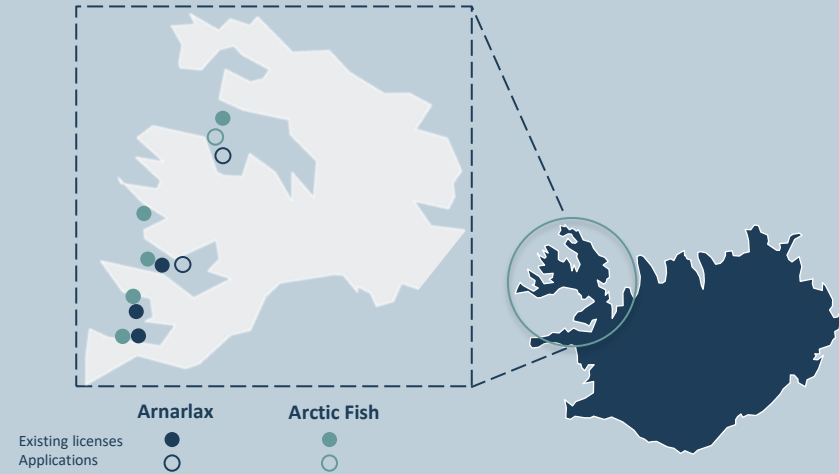
- Both, Arnarlax and Arctic Fish have operations in the West Fjords of Iceland
- Combined potential over 50,000 tonnes¹ through unutilized potential in existing licenses
 - Arnarlax holds licenses of 25,200 tonnes MAB
 - Arctic Fish holds salmon licenses of 21,800 MAB and trout licenses of 5,300 tonnes MAB
- This enables realization of synergies through e.g. improved operations at sea and an optimal structure in the value chain



Volume 2022E²
16,000 tonnes



Volume 2022³
10,600 tonnes



1) Harvest volume HOG
2) Operations on Iceland are owned through Icelandic Salmon AS which is owned 51% by SalMar
3) Arctic Fish owned 51% by NRS

Leading and pioneering the way offshore

Ambition for 150,000 tonnes¹ within 2030

- The combination will be in the forefront for the most developed offshore farming initiatives in the world
- Significant growth opportunities to utilize the potential offshore
- Two units in operation with Ocean Farm 1 and Arctic Offshore Farming
- Committed to new offshore investments as soon as the regulatory framework is in place
- Ongoing work for design of Ocean Farm 2 and Smart Fish Farm



SalMarAker**Ocean**



Development project Arctic Offshore Farming²

1) Harvest volume HOG
2) Arctic offshore project owned 100% by NRS.