

Fourth quarter 2023

Quarterly report





Highlights in the fourth quarter

- Fourth quarter 2023 marks the end of a solid year, where SalMar has accomplished multiple strategic milestones, strengthened its financial position, and demonstrated strong overall operational performance.
- Towards the end of the fourth quarter, string jellyfish attacked several SalMar facilities in Central and Northern Norway, with severe consequences to fish welfare. The company decided to cull substantial volumes and harvest fish earlier than planned, resulting in a 20,000 tonnes reduction in guided harvest volumes for 2024.
- Operational EBIT for Norway¹ ended at NOK 2,121 million for the fourth quarter. Harvest volume was 73,600 tonnes and operational EBIT per kg was NOK 28.8.
- Operational EBIT the Group ended at NOK 2,158 million for the fourth quarter. Harvest volume was 83,100 tonnes and operational EBIT per kg was NOK 26.0.
- Strong results in the farming segments in Norway throughout the year were driven by robust biological and operational performance. However, the jellyfish attacks mentioned resulted in increased cost levels per kg for the fourth quarter in Northern Norway.
- Sales and Industry maintained solid operational performance, and demonstrated the strength in the harvesting and processing facilities when there are challenges at our farming sites. The contract share was 16 per cent, with positive contribution.
- Icelandic Salmon experienced biological challenges in the beginning of the fourth quarter, as previously reported, negatively impacting the results.
- SalMar Aker Ocean has two semi-offshore projects in operation. Arctic Offshore Farming harvested its first batch of 2,300 tons in the quarter where the remaining proportion was harvested in January 2024. Ocean Farm 1 is still on track for harvest in 2024.
- Scottish Sea Farms continued to face challenges, leading to soft results in the quarter. Despite this, improved biological conditions are evident, and results improved compared to previous quarters.
- The resource rent tax in Norway has been calculated for the full year of 2023. SalMar strongly opposes the tax and remains committed to continue seeking dialogue with authorities and decision-makers.
- Due to strong results in 2023 and the strong financial position the board of directors has resolved to propose a dividend of NOK 35.00 per share for the financial year 2023.
- SalMar has realized 97 per cent of the synergies with NTS, NRS and SalmoNor by year-end, the remaining proportion is expected to be completed early in 2024.
- The harvest guidance for Norway is reduced by 20,000 tonnes, to 237,000 tonnes in Norway. The volume guidance remains unchanged at 7,000 tonnes from SalMar Aker Ocean, 15,000 tonnes in Iceland and 37,000 tonnes in Scotland (100% basis).

NOK million	Q4 2023	Q4 2022	2023	2022
Operating income	8,019	6,406	28,219	20,158
Operational EBIT	2,158	1,006	8,088	4,465
Production tax	-78	-28	-208	-85
Fair value adjustments & onerous contracts	-804	-944	630	359
Income from investments in associates and joint ventures	35	-101	-27	66
Profit before tax from continuing operations	974	-222	7,279	4,562
Profit for the period from continuing operations	1,259	-177	2,746	3,608
EPS - Adjusted	13.8	4.5	33.5	25.3
NIBD incl. leasing liabilities	14,952	20,505	14,952	20,505
Equity ratio %	43.3%	38.6 %	43.3%	38.6%
Harvested volume (1,000 tgw)	83.1	62.7	254.1	193.7
EBIT/kg (NOK)	26.0	16.1	31.8	23.1

¹ Results from Norway are group results excluding segments SalMar Aker Ocean and Icelandic Salmon.



Financial performance

Summary

Fish Farming Central Norway and Fish Farming Northern Norway demonstrated solid operational performance, albeit impacted by the jellyfish attacks. Farming Northern Norway, in particular, had to cull significant number of fish with adverse effect on cost per kg.

Sales and Industry delivered continued solid operational performance. The operational set-up in the value chain continued to show strength by handling large volume with good capacity utilization.

Icelandic Salmon faced challenges with ongoing high costs related to biological challenges.

SalMar Aker Ocean currently has two semi-offshore projects in operation, as Arctic Offshore Farming was made part of the segment from Q4 2023.

In the fourth quarter 2023, the SalMar Group in total harvested 83,100 tonnes of salmon, up from 62,700 tonnes in the fourth quarter 2022.

The Norskott Havbruk joint venture (Scottish Sea Farms) reported modest results but showed improvement from the previous quarters.

In the fourth quarter 2023, the price of salmon (NASDAQ Salmon Index) averaged NOK 82.2 per kg up from NOK 73.3 per kg in the fourth quarter in 2022.

Income statement for the fourth quarter 2023

Operating revenues amounted to NOK 8,019 million in the fourth quarter 2023, compared with NOK 6,406 million in the fourth quarter 2022.

SalMar's most important key performance indicator is operational EBIT, an alternative performance measure, see note 12 for further details. This shows the result of the Group's underlying operations during the period. Specific items not associated with underlying operations are presented on separate lines.

The SalMar Group achieved an operational EBIT of NOK 2,158 million in the quarter, up from NOK 1,006 million in the corresponding quarter the year before. The increase is due to higher harvest volume and achieved prices.

The SalMar Group achieved an operational EBIT per kg of NOK 26.0 in the fourth quarter 2023, up from NOK 16.1 per kg in the fourth quarter 2022.

A production tax has been payable by the Norwegian operation since 1 January 2021. From 1 July 2023 the production tax increased to NOK 0.90 per kg, see note 11 for further details. The production tax in Norway and the resource tax in Iceland amounted to negative NOK 78 million in the fourth quarter 2023. In the same period in 2022, this amounted to negative NOK 28 million.

The change in provisions for onerous contracts was negative NOK 227 million in the quarter. The fair value adjustment was negative with NOK 467 million and fair value adjustment included in cost of goods sold due to business combination was negative NOK 111 million in the quarter. See Note 4 for further details.

SalMar posted an operating profit of NOK 1,275 million in the fourth quarter 2023, up from NOK 35 million in the same period in 2022.

Income from investments in associates and joint ventures was positive NOK 35 million in the period, compared with negative NOK 101 million in the corresponding quarter in 2022. See note 8 for further details.

Net interest expenses totalled NOK 285 million in the fourth quarter 2023, compared with NOK 171 million in the corresponding quarter last year. The increase is due to increased interest-bearing debt and higher interest rates.

Other financial items were NOK -51 million in the period, compared with NOK 16 million in the fourth quarter 2022.

Profit before tax in the fourth quarter 2023 was NOK 974 million, compared with NOK -222 million in the corresponding quarter last year. A tax expense of NOK -285 million has been recognised for the quarter. This amount includes calculated resource rent tax. See note 11 for further details.

This results in a net profit for the period from continuing operations of NOK 1,259 million. The profit after tax from discontinued operations was NOK 2 million, resulting in a profit for the period of NOK 1,261 million. The tax expense recognised in the corresponding quarter last year was NOK -45 million, while profit for the period last year totalled NOK -69 million.

Currency exchange effects through the quarter resulted in translation differences of NOK -15 million with respect to associates and subsidiaries. Change in fair value of financial instruments net after tax was NOK 206 million. This resulted in a total other comprehensive income of NOK 191 million in the quarter. These are items that may subsequently be reclassified to profit and loss and increase the period's total comprehensive income to NOK 1,452 million.

Income statement for 2023

The SalMar Group generated gross operating revenues of NOK 28,219 million in 2023, up from NOK 20,158 million in 2022.

The harvest volume for 2023 was 254,100 tonnes. In 2022, the Group harvested 193,700 tonnes. The price of salmon (NASDAQ Salmon Index) averaged NOK 93.0 per kg in 2023, compared with NOK 82.6 per kg in 2022.

Operational EBIT for 2023 totalled NOK 8,088 million, up from NOK 4,465 million in 2022. This gives an Operational EBIT per kg of NOK 31.8 for 2023, compared with NOK 23.1 in 2022.

The production tax in Norway and the resource tax in Iceland amounted to NOK 208 million in total in 2023.

Onerous contracts reduced profits by NOK 237 million. The fair value adjustment was positive with NOK 1,590 million and fair value adjustment included in cost of goods sold due to business combination was negative NOK 723 million in 2023.



Operating profit for 2023 ended at NOK 8,509 million, up from NOK 4,738 million in 2022.

Income from associates and joint ventures was NOK -27 million in 2023. The negative contribution is primarily a result of SalMar's share of the profit from Norskott Havbruk, which amounted to NOK -168 million in 2023. In 2022, associates contributed NOK 66 million.

Net interest expenses totalled NOK 1,172 million in 2023, compared with NOK 336 million in 2022. Net other financial items totalled NOK -30 million in the period. In the corresponding period last year, the Group reported other financial items totalling NOK 93 million.

Profit before tax in 2023 therefore totalled NOK 7,279 million, compared with NOK 4,562 million in 2022. A tax expense of NOK 4,534 million has been calculated for 2023, compared to NOK 954 million in the same period in 2022. The amount for 2023 includes NOK 2,080 million in implementation effect for the resource rent tax and NOK 837 for the resource rent tax for 2023. See note 11 for further information.

This results in a net profit for 2023 from continuing operations of NOK 2,746 million. The profit after tax from discontinued operations was NOK 657 million, resulting in a profit for the period of NOK 3,402 million. The profit for the corresponding period last year totalled NOK 3,715 million.

Other comprehensive income totalled NOK 466 million for 2023 where translation differences in associates and joint ventures and subsidiaries was NOK 257 million and change in fair value of financial instruments net after tax was NOK 209 million. These are items that may subsequently be reclassified to profit and loss and increase the period's total comprehensive income to NOK 3,868 million in 2023.

Cash flow

Cash flow from operating activities for the SalMar Group was NOK 2,284 million in the fourth quarter 2023, compared with NOK 198 million in the same period in 2022.

Net cash flow from investing activities in the fourth quarter totalled NOK -647 million, compared with NOK -547 million in the fourth quarter last year.

Investments in the value chain in the quarter related to purchase and sale of property, plant and equipment, licenses and other non-current assets was NOK -637 million, cash flow from other investing activities at NOK -10 million.

The Group had a net cash flow from financing activities of NOK -1,601 million in the fourth quarter 2023, compared with NOK 2,214 million in the same period last year.

During the quarter the Group's interest-bearing liabilities decreased with NOK -1,111 million, instalments on lease liabilities and net interest paid totalled NOK -366 million. In the same quarter last year, interest-bearing liabilities increased with 6,321 million, while instalments on leasing liabilities and net interest paid totalled NOK -191 million.

SalMar had a net change in cash and cash equivalents of NOK 37 million in the fourth quarter 2023, compared with NOK 1,865 million in the same period in 2022. Adjusted for

NOK -2 million in currency effects, cash holding at the close of the quarter stood at NOK 785 million.

Financial position

At the end of the fourth quarter 2023, SalMar Group's assets totalled NOK 53,331 million, up from NOK 53,256 million at the end of the third quarter 2023.

Non-current assets amounted to NOK 35,533 million at the end of fourth quarter 2023, up from NOK 34,714 million at the end of third quarter 2023.

Non-current intangible assets totalled NOK 18,685 million at the end of the quarter, up from NOK 18,409 million at the end of third quarter 2023.

The book value of the Group's non-current tangible assets was NOK 12,371 million at the close of the quarter, up from NOK 12,078 million at the end of September 2023.

The Group's right-of-use assets totalled NOK 1,798 million, up from NOK 1,442 million at the end of September 2023.

Non-current financial assets was NOK 2,679 million, down from NOK 2,784 million at the end of the third quarter 2023.

At the end of the fourth quarter 2023, SalMar had current assets totalling NOK 17,798 million, down from NOK 18,542 million at the end of the third quarter 2023.

The book value of inventory stood at NOK 14,494 million at the end of fourth quarter 2023, down from NOK 15,501 million at the end of the third quarter. Trade receivables totalled NOK 1,457 million, down from NOK 1,567 million at the end of the previous quarter. Other current receivables were NOK 1,061 million, up from NOK 723 million at the end of the third quarter 2023.

As of 31 December 2023, the SalMar Group had cash and cash equivalents of NOK 785 million, up from NOK 751 million at the end of September 2023.

As of 31 December 2023, the Group's total equity amounted to NOK 23,079 million, corresponding to an equity ratio of 43.3 per cent, compared to NOK 21,475 million at the end of September 2023 and an equity ratio of 40.3 per cent. For further details, reference is made to the attached separate presentation of movements in equity.

As of end December 2023, the SalMar Group had total interest-bearing liabilities of NOK 13,892 million. Of this amount, non-current interest-bearing debts amounted to NOK 12,211 million, while current interest-bearing liabilities was NOK 1,681 million. By comparison, total interest-bearing liabilities at the end of September 2023 was NOK 14,995 million. See notes to the financial statements for further details.

The Group's lease liabilities totalled NOK 1,845 million at the close of the fourth quarter 2023, compared to NOK 1,479 million at the end of the third quarter 2023.

At the end of the fourth quarter 2023, pension liabilities, deferred tax liability, trade creditors and other current liabilities totalled NOK 14,515 million, compared to NOK 15,308 million at the end of the previous quarter.

As of 31 December 2023, the SalMar Group had net interest-bearing debts, including lease liabilities of NOK 14,952 million, compared to NOK 15,722 million at the end of the third quarter 2023.

Operational performance

SalMar reports its operations in five segments: Fish Farming Central Norway, Fish Farming Northern Norway, Icelandic Salmon, Sales and Industry and SalMar Aker Ocean. From November 2022 the results from NTS, NRS and SalmoNor have been included in respective segments further described below.

Fish Farming Central Norway

Fish Farming Central Norway is SalMar's largest segment. It encompasses the Group's operations in the Møre og Romsdal and Trøndelag counties, production area 5-7.

NOK million	Q4 2023	Q4 2022	2023	2022
Operating income	3,424	2,298	12,419	8,872
Operational EBIT	1,178	484	4,612	3,599
Operational EBIT %	34%	21 %	37%	41 %
Harvested volume (1,000 t _{gw})	42.3	32.6	141.1	114.1
EBIT/kg gw (NOK)	27.9	14.8	32.7	31.5

Fish Farming Central Norway harvested 42,300 tonnes of salmon in the fourth quarter 2023, compared with 32,600 tonnes in the fourth quarter 2022.

SalmoNor sites accounted for approx. 31 per cent of the harvested volume in the quarter.

The segment generated operating income of NOK 3,424 million in the quarter, compared with NOK 2,381 million in the corresponding quarter last year.

The segment delivered a solid operational performance in the quarter, with reduced cost level compared to third quarter 2023. At the end of 2023 the segment experienced some environmental challenges related to the jellyfish attack at some of its sites, affecting growth. Together with harsh weather conditions at the end of the year this led to slightly lower volume for 2023.

EBIT per kg gutted weight was NOK 27.9 in the fourth quarter 2023, up from NOK 14.8 per kg in the same period last year.

The volume harvested in the quarter originated from fish that were transferred to sea in the autumn 2022 and spring 2022.

Despite still some challenges, overall there is a good biological status and in the first quarter 2024 the segment will continue to harvest from the autumn 2022 generation and start with the spring 2023 generation. The segment expects similar cost level in the first quarter 2024 as in the fourth quarter 2023. The harvest volume is expected to be slightly higher compared to volume harvested in first quarter 2023.

The volume guidance for 2024 146,000 tonnes.

Fish Farming Northern Norway

Fish Farming Northern Norway encompasses the Group's operations in Troms and Finnmark county, production area 10-13.

NOK million	Q4 2023	Q4 2022	2023	2022
Operating income	2,436	1,757	7,894	4,883
Operational EBIT	840	777	3,402	2,526
Operational EBIT %	34 %	44 %	43 %	52 %
Harvested volume (1,000 t _{gw})	31.4	24.1	92.8	63.4
EBIT/kg gw (NOK)	26.8	32.3	36.7	39.8

Fish Farming Northern Norway harvested 31,400 tonnes in the fourth quarter 2023, compared with 24,100 tonnes in the fourth quarter 2022.

NRS sites accounted for approx. 33 per cent of the harvested volume in the quarter.

The segment generated operating income of NOK 2,628 million in the quarter 2023, compared with NOK 1,835 million in the fourth quarter 2022.

The results in the period were negatively affected by environmental challenges related to string jellyfish, where several sites have been culled and several sites has been harvested earlier than planned. The jellyfish attack impacted the average harvest weight and cost per kg in the quarter. One-off costs related to the incidents was NOK 4 per kg, thereby leading to increased cost compared to third quarter 2023.

Despite challenging conditions, the operational performance has been solid where the employees have stepped up to handle a very challenging situation.

Fish Farming Northern Norway achieved NOK 26.8 EBIT per kg gutted weight in fourth quarter 2023, compared to NOK 32.3 in the same period the year before.

In the period harvest volume came from the spring 2022 and autumn 2022 generation.

The biological situation is challenging due to the string jellyfish and in the first quarter of 2024 the segment will continue to harvest from the spring 2022 and autumn 2022 generation. The segment expects similar cost level compared the level in fourth quarter 2023. The harvest volume is expected slightly lower compared to the harvest volume in the first quarter 2023.

The volume guidance for 2024 is 91,000 tonnes, where the mentioned environmental challenges affect the volume.



Sales and Industry

The Sales and Industry segment sells all fish that the Group harvests in Norway. The harvested volume is sold primarily to markets in Europe, Asia, and America. The harvesting and secondary processing plants are InnovaMar and Vikenco in Central Norway, and InnovaNor in Northern Norway.

NOK million	Q4 2023	Q4 2022	2023	2022
Operating income	7,617	6,015	27,094	19,141
Operational EBIT	166	-100	254	-1,286
Operational EBIT %	2.2%	-1.7%	0.9%	-6.7%

Sales and Industry generated gross operating income of NOK 7,617 million in the fourth quarter 2023, compared with NOK 6,015 million in the corresponding period in the year before.

The segment continued to deliver strong operational performance, showcasing its high flexibility in processing capacity and its ability to optimise capacity utilisation of raw materials. And the operational set-up showcases its strength when there are challenges at the farming sites, being rapidly able to handle volume that need to be harvested.

In total the segment harvested 68,300 tonnes of salmon in the fourth quarter 2023, compared with 56,700 tonnes in the fourth quarter 2022.

The price achievement from spot sales in the quarter was good, and the fixed price contract shares in the fourth quarter 2023 was 16 per cent, with a positive contribution.

The segment delivered an operational EBIT of NOK 166 million in the period, compared with NOK -100 million in the same period last year.

In the first quarter 2024, the contract rate is expected to be around 40 per cent. For the full year of 2024, the contract rate is expected to be around 25 per cent. Where the price point of contracts is higher compared to 2023.

SalMar Aker Ocean

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.

NOK million	Q4 2023	Q4 2022	2023	2022
Operating income	173	32	173	32
Operational EBIT	11	-48	-53	-155
Harvested volume (1,000 tgw)	2.3	-	2.3	-
EBIT/kg gw (NOK)	4.8	-	-23.2	-

In the fourth quarter of 2023, SalMar Aker Ocean had an operational EBIT of NOK 11 million.

The segment had two semi-offshore projects in operation in the quarter, as Arctic Offshore Farm was made part of SalMar Aker Ocean from the fourth quarter 2023.

The company harvested 2,300 tonnes in the fourth quarter from the Arctic Offshore Farming project, slightly below the guidance of 4,000 tonnes. Remaining volumes were harvested in January 2024, to optimise harvest profile. Note that EBIT per kg is lower for the semi-offshore projects compared to traditional farming due to higher depreciation.

The Arctic Offshore Farming unit is a development project and after completion of the first production cycle a conversion application to ordinary licenses will be sent.

The planned harvest from Ocean Farm 1 continues to be on track for 2024. The volume guidance for 2024 is 7,000 tonnes.

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.



Icelandic Salmon

Icelandic Salmon is Iceland's largest producer and processor of farmed salmon. The company is vertically integrated, with its own hatchery, sea farms, harvesting plant and sales force.

NOK million	Q4 2023	Q4 2022	2023	2022
Operating income	605	539	1,871	1,595
Operational EBIT	26	98	230	366
Operational EBIT %	4 %	18 %	12 %	23 %
Harvested volume (1,000 t _{gw})	7.2	6.0	17.9	16.1
EBIT/kg gw (NOK)	3.6	16.4	12.8	22.7

Icelandic Salmon harvested 7,200 tonnes in the fourth quarter 2023.

The business generated operating income of NOK 605 million in the fourth quarter, up from NOK 539 million in the same period in 2022.

Operational EBIT per kg in the quarter was NOK 3.6 per kg, in comparison to NOK 16.4 per kg in the same period last year. The result is negatively affected by biological challenges that encountered at the beginning of the quarter related to sea lice. A one-off cost related to this incident of EUR 5.2 million or NOK 8 per kg has affected the result in the period.

The 2022 generation accounted for the harvest volume in the quarter.

Icelandic Salmon expects lower harvest volumes in the first quarter 2024 compared to volume in the first quarter 2023. The cost level in the first quarter is expected to be high due to the mentioned biological challenges.

Volume guidance for 2024 is kept unchanged at 15,000 tonnes.

In the fourth quarter, Arnarlax ehf, a wholly owned subsidiary of Icelandic Salmon AS, entered into a new sustainable linked credit facility with a total of EUR 100 million with a three-year tenor. The facility encompasses a term loan facility, a revolving facility, and an overdraft facility, complete with the added flexibility of two one-year extension options.

Eliminations

Research and development (R&D) costs are included as eliminations in the segments' reported results. Of a total harvested volume of 83,100 tonnes in the fourth quarter 2023, R&D costs accounted for NOK 0.6 per kg.

Joint venture – Scottish Sea Farms

Norskott Havbruk (Scottish Sea Farms) is accounted for as a joint venture, with SalMar's share (50 per cent) of the company's profit/loss after tax (and fair value adjustment of the biomass) being included as financial income. The figures in the table below reflect the company's performance on a hundred percent basis.

NOK million	Q4 2023	Q4 2022	2023	2022
Operating income	497	693	2,561	3,188
Operational EBIT	-47	-128	-304	214
Harvested volume (1,000 t _{gw})	4.6	7.3	24.9	35.9
EBIT/kg gw (NOK)	-10.3	-17.5	-12.2	6.0
Fair value adj. biomass	-5	-118	16	31
Profit/loss before tax	-101	-273	-482	166
SalMar's share after tax	-18	-122	-168	41
NIBD (NOKm)	2,803	2,037	2,803	2,037

Scottish Sea Farms harvested 4,600 tonnes in the fourth quarter 2023, compared with 7,300 tonnes harvested in the fourth quarter 2022.

The company generated operating revenues of NOK 497 million in the fourth quarter 2023, compared with NOK 693 million in the corresponding quarter last year. 87 per cent of the volume was sold on contracts.

EBIT per kg gutted weight was NOK -10.3 in the period, an increase from NOK -17.5 per kg in the corresponding period last year.

SalMar's share of Norskott Havbruk's net profit was NOK -18 million in the fourth quarter 2023.

The results were still weak in the quarter, due to continued biological challenges, but conditions have improved, and the company sees improved biological situation for generations to be harvested during 2024.

Volume guidance for 2024 is kept unchanged at 37,000 tonnes.



Markets

Supply and biomass

In the fourth quarter 2023, the global supply of Atlantic salmon totalled approximately 776,500 tonnes, a decrease of 1.8 per cent on the same period in 2022.

At 434,000 tonnes, output in Norway in the quarter was 3.4 per cent less than in the same period a year before. The output decreased with 17.7 per cent in UK and 7.0 per cent in Faroe Island. The output increased with 0.9 per cent in Chile, 8.9 per cent in North America and 10.6 per cent in other regions.

According to figures from Kontali, the standing biomass in Norway at the end of the fourth quarter 2023 is estimated to be 0.6 per cent higher than the end of fourth quarter 2022. The standing biomass is estimated to be 3.7 per cent lower in Chile, 5.2 per cent higher in the UK, and 12.1 per cent higher in the Faroe Islands.

Prices and foreign exchange rates

NASDAQ Salmon Index was traded at NOK 78.0 per kg at the start of the fourth quarter 2023. At the end of the quarter, it was traded at a price of NOK 99.8 per kg.

The NASDAQ Salmon Index in the period averaged NOK 82.2 per kg in the fourth quarter 2023, up from NOK 73.3 per kg in the fourth quarter 2022.

NASDAQ Salmon Index NOK/kg



Against the most important trading currencies for salmon the Norwegian krone (NOK) strengthened 1.7 per cent against EUR, and weakened 0.6 per cent against the GBP, and weakened 0.5 against the USD through the quarter.

Norwegian exports

Norwegian export of salmon was around 415,000 tonnes (round weight) in the fourth quarter 2023, down 2 per cent from 424,000 tonnes in the same period last year. The value of these exports rose by 11 per cent year-on-year, from NOK 29.8 billion to NOK 33.0 billion.

A substantial secondary processing industry makes Poland the largest single market for Norwegian salmon. In the fourth quarter 2023, around 69,500 tonnes of salmon in total were exported to this market, a 4 per cent increase from the corresponding quarter in 2022.

Compared to the fourth quarter 2022 exports increased by 44 per cent to Vietnam/China/Hong Kong and 2 per cent to UK. The export fell with 10 per cent to USA, 3 per cent to France, 14 per cent to Denmark and 2 per cent to Spain.

Shares and shareholders

As of 31 December 2023, SalMar had a total of 132,038,920 shares outstanding, divided between 22,998 shareholders.

The company's largest shareholder, Kverva Industrier AS, owned 45.4 per cent of the shares at the end the quarter. The 20 largest shareholders owned a total of 64.7 per cent of the shares.

As of 31 December 2023, SalMar ASA owned 278,854 treasury shares. This corresponds to 0.2 per cent of the total number of shares outstanding as of 31 December 2023.

SalMar's share price fluctuated between NOK 504.8 and NOK 593.4 in the fourth quarter 2023. The price at the close of the quarter was NOK 569.2 compared with NOK 543.4 at the close of the previous quarter.

A total of 11.8 million shares were traded in the quarter, which corresponds to 8.9 per cent of the total number of shares outstanding. The volume of shares traded daily averaged 186,548.

Completion of share capital reduction following completion of intra-group merger

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 deletion of 13,100,000 own shares.

Following the registration, the share capital of SalMar is NOK 33,009,730 comprising 132,038,920 shares, each with a nominal value of NOK 0.25.

Other matters

Synergy realization from NTS, NRS and SalmoNor transactions

Through a series of transactions, NTS, NRS and SalmoNor became part of SalMar from November 2022. The companies merged into SalMar's existing operational structure, and the new operating structure became operational as of 1 January 2023. The estimated total restructuring cost of NOK 103 million remains unchanged.

The combination has allowed for significant cost savings. During the fourth quarter 2023, SalMar has been able to realise NOK 821 million in recurring cost savings, representing 97% per cent of the annual synergy target of NOK 844 million per annum.

The savings have been achieved through improved operational set-up, increased efficiency, and scale advantages.



Expansion of smolt production capacity

In 2022, SalMar completed expansion of its smolt facility on Senja, where the first transfer of fish to sea was in April 2023. The new smolt facility under construction in Tjuin in Trøndelag, is expected to transfer the first batch of fish to sea in 2024.

In 2023, SalMar completed the construction of its second closed net pen, Marine Donut, in Central Norway, Romsdalsfjorden. This is SalMar's second closed net pen in the region. First production is scheduled to start in 2024.

Expanding harvesting and processing capacity

The Vikenco project is on track and will expand harvesting capacity at SalMar's facility Vikenco in Rindarøy outside Molde in Central Norway.

The expansion project at InnovaMar, InnovaMar 2.0 at Frøya, aimed at doubling capacity and generating significant local ripple effects, is currently postponed due to uncertainty regarding the resource rent tax and offshore farming regulations.

New offshore units on hold in Norway

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.

Havbruksutvalget's white paper

On September 28, 2023, Havbruksutvalget, a committee appointed by the government, presented its white paper on the Norwegian aquaculture license system ("*NOU 2023: 23 Helhetlig forvaltning av akvakultur for bærekraftig verdiskaping*") to the Norwegian Ministry of Trade, Industry, and Fisheries.

SalMar acknowledges the committee's efforts and supports the ambition to implement measures to encourage sustainable production methods without harming the environment. However, the white paper introduces increased uncertainty about Norway's future regulatory framework, especially regarding offshore farming.

SalMar engaged in the white paper's hearing round and actively seeks an open, fact-based dialogue with authorities and decision-makers.

Resource rent tax on aquaculture 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 per cent. This is in addition to the regular corporate tax and means that the marginal tax rate on aquaculture will increase by over 100 per cent%, from 22 per cent to 47 per cent. 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 close and 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.

Changes in the regulatory framework for aquaculture in Iceland

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.

Events after the reporting date

Statement of Objections from the European Commission

On 25 January 2024, the European Commission issued a Statement of Objections to SalMar and other producers of farmed Norwegian salmon concerning breach of EU competition rules.

As previously informed, the case commenced upon the Commission's inspection at Scottish Sea Farms in February 2019. SalMar has cooperated with the Commission throughout its entire investigation.

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 Commission has not concluded in the case. A Statement of Objections does not preempt the outcome of the investigation.

SalMar strongly disagrees with the Commission's preliminary assessment and will present its arguments in a thorough reply to the Commission.



Outlook

In 2024 it is expected limited global growth in supply for Atlantic salmon. According to figures from Kontali Analyse the global supply is expected to increase with 2.2 per cent from levels in 2023,

In the first quarter 2024, the global volume of salmon harvested is expected to be 1.3 per cent lower than the level in than the first quarter 2023, according to Kontali.

Compared with the same period last year, the harvested volume in the first quarter 2024 is expected to increase with 0.1 per cent in Norway, 44 per cent in North America, 32 per cent in Faroe Island, and other producing countries are expected to maintain a stable level. Harvest volume is expected to decrease with 12 per cent in Chile and 2 per cent in UK.

The Fish Pool forward price as of 12 February 2023 indicates an average salmon price of NOK 109.0 per kg and NOK 112.75 per kg in February and March 2024, respectively. The forward price for the second quarter 2024 is NOK 116.38. In 2024 the forward price is currently NOK 100.0 per kg.

Harvest guidance 2024 and beyond

SalMar has reduced its harvest guidance for Norway is by 20,000 tonnes, to 237,000 tonnes in Norway. The volume guidance remains unchanged at 7,000 tonnes from SalMar Aker Ocean, 15,000 tonnes in Iceland and 37,000 tonnes in Scotland (100% basis).

In Norway, the cost level in the first quarter 2024 is expected to be at the same level as in the fourth quarter 2023. Compared to the first quarter 2023, SalMar expects the volume in Norway to be at the same level, higher in SalMar Aker Ocean and lower in Iceland.

For the first quarter 2024, the contract rate is expected to be around 40 per cent in Norway. For the full year of 2024, it is expected to be around 25 per cent.

SalMar has identified substantial untapped organic growth potential within existing value chain, without any large investment projects. Despite challenges at the end of 2023, the volume potential is unchanged. The volume potential in Norway is estimated at 300,000 tonnes, SalMar Aker 13,000

tonnes, Iceland 26,000 tonnes and Scottish Sea Farms 45,000 tonnes (100% basis). Overall, this implies a total volume projection for the SalMar group of 362,000 tonnes, including relative share from Scottish Sea Farms.

Investments in value chain 2024

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.

To unlock potential on Iceland one expect to invest NOK 0.2 billion in 2024 where increased seawater farming capacity accounts for the largest investment. In SalMar Aker Ocean one expect NOK 0.1 billion.

Proposed dividend for the financial year 2023

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. Proposed cash dividend to be approved at annual general meeting 6th of June 2024.

Overall ambitions

SalMar has a positive view on the future of the aquaculture industry. The company expects the global supply growth of Atlantic salmon in 2024 to be limited.

SalMar is committed to grow sustainably and create value for society and its shareholders. Where, how soon and how much depends on regulatory framework conditions.

SalMar has strong strategic and operational focus with dedicated employees and a corporate culture set for growth. The company has untapped potential for further sustainable growth within existing licenses in all regions. Not for growth's sake, but because salmon is a sustainable marine protein that Norway and the rest of the world needs.



The Board of Directors and CEO of SalMar ASA
Frøya, 14 February 2023

Gustav Witzøe
Chair

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Arnhild Holstad
Director

Handwritten signature of Arnhild Holstad in black ink.

Hans Stølan
Director (employee-elected)

Handwritten signature of Hans Stølan in black ink.

Margrethe Hauge
Director

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Morten Loktu
Director

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Frode Arntsen
CEO

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Leif Inge Nordhammer
Director

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Ingvild Kindlihagen
Director (employee-elected)

Handwritten signature of Ingvild Kindlihagen in black ink.



Profit or Loss

<i>NOK million</i>	Q4 2023	Q4 2022	FY 2023	FY 2022
Total operating revenues	8,019	6,406	28,219	20,158
Cost of goods sold	3,862	3,626	12,880	9,599
Fair value adjustment included in cost of goods sold due to business combination	-111	-283	-723	-283
Salary and personnel expenses	672	616	2,454	1,894
Other operating expenses	1,026	1,098	4,067	3,446
EBITDA	2,571	1,349	9,540	5,502
Depreciation and write-downs	414	343	1,452	1,038
Operational EBIT	2,158	1,006	8,088	4,465
Production tax	-78	-28	-208	-85
Onerous contracts	-227	8	-237	126
Fair value adjustment	-467	-669	1,590	516
Fair value adjustment included in cost of goods sold due to business combination	-111	-283	-723	-283
Operating profit	1,275	35	8,509	4,738
Income from investments in associates and joint ventures	35	-101	-27	66
Net interest expenses	-285	-171	-1,172	-336
Other financial items	-51	16	-30	93
Profit before tax	974	-222	7,279	4,562
Income tax expense	-285	-45	4,534	954
Profit for the period from continuing operations	1,259	-177	2,746	3,608
Profit after tax for the period from discontinued operations	2	107	657	107
Profit for the period	1,261	-69	3,402	3,715
Other comprehensive income:				
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>				
Translation differences in associates and joint ventures	-7	5	93	21
Translation differences in group companies	-8	10	164	124
Change in fair value of financial instruments, net after tax	206	301	209	169
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>				
Remeasurement gain on defined benefit plans, net after tax	-	-	-	3
Total other comprehensive income	191	316	466	317
Total comprehensive income	1,452	247	3,868	4,033
<i>Profit for the period attributable to:</i>				
Non-controlling interests	-57	95	199	404
Shareholders in SalMar ASA	1,318	-164	3,203	3,312
<i>Comprehensive income for the period attributable to:</i>				
Non-controlling interests	-2	169	321	478
Shareholders in SalMar ASA	1,454	78	3,547	3,555
Earnings per share	10.0	-1.3	24.4	27.6
Earnings per share - diluted	10.0	-1.3	24.3	27.6



Balance Sheet

<i>NOK million</i>	31.12.23	30.09.23	31.12.22
ASSETS			
Non-current intangible assets	18,685	18,409	18,291
Non-current tangible assets	12,371	12,078	11,131
Right-of-use assets	1,798	1,442	1,387
Non-current financial assets	2,679	2,784	2,746
Total non-current assets	35,533	34,714	33,555
Inventory	14,494	15,501	12,685
Trade receivables	1,457	1,567	1,414
Other current receivables	1,061	723	663
Cash and cash equivalents	785	751	2,713
Total current assets	17,798	18,542	17,474
Assets held for sale	-	-	11,472
TOTAL ASSETS	53,331	53,256	62,501
EQUITY AND LIABILITIES			
Paid-in equity	12,605	12,596	12,559
Retained earnings	7,296	5,957	6,797
Non-controlling interests	3,178	2,922	4,799
Total equity	23,079	21,475	24,155
Deferred tax liability	6,725	7,369	1,928
Non-current interest-bearing liabilities	12,211	13,707	18,350
Non-current lease liabilities	1,502	1,207	1,152
Other non-current liabilities	21	10	18
Total non-current liabilities	20,458	22,293	21,448
Current interest-bearing liabilities	1,681	1,287	3,442
Short-term lease liabilities	344	272	273
Trade creditors	3,966	4,246	3,338
Other current liabilities	3,803	3,682	4,233
Total current liabilities	9,794	9,488	11,286
Liabilities directly associated with the assets held for sale	-	-	5,612
TOTAL EQUITY AND LIABILITIES	53,331	53,256	62,501
Net interest-bearing debt (NIBD)	13,107	14,243	19,079
NIBD incl. lease liabilities	14,952	15,722	20,505
Equity share	43.3 %	40.3 %	38.6 %



Statement of Cash Flow

<i>NOK million</i>	Q4 2023	Q4 2022	FY 2023	FY 2022
Profit before tax	974	-222	7,279	4,562
Profit before taxes from discontinuing operations	2	91	685	91
Profit before taxes	976	-130	7,964	4,654
Tax paid in the period	-395	-507	608	-552
Depreciation, amortisation and write-downs	414	343	1,452	1,038
Income from associated companies and joint ventures	-35	101	27	-66
Gain related to remeasured shares in associated companies	-	-1	-	-91
Onerous contracts	227	-8	237	-126
Fair value adjustments	578	952	867	-232
Change in working capital	246	-748	170	-806
Other changes	276	181	1,150	390
Gain on disposal discontinuing operations	-2	-	365	-
Cash-flow from operating activities related to discontinuing operations	0	16	155	16
Net cash flow from operating activities	2,284	198	8,976	4,223
Cash-flow from purchase and sale of PPE, licenses and other intangible assets	-637	-446	2,348	-2,453
Payments on business combinations, net of cash	-	-1,983	-	-1,983
Proceeds from disposal of group companies, net of cash	-	-	4,454	-
Proceeds from disposal of other financial investments	-	1,860	45	1,860
Cash-flow from other investing activities	-10	103	16	19
Cash-flow from investing activities related to discontinuing operations	-	-80	412	-80
Net cash flow from investing activities	-647	-547	1,755	-2,637
Change in interest-bearing liabilities	-1,111	6,321	7,947	7,019
Payment of instalments on lease liabilities	-85	-68	321	-229
Payment of interest on lease liabilities	-32	-20	102	-65
Net interest paid financing activities	-249	-103	1,125	-211
Dividend	-39	-20	2,748	-2,405
Net proceeds from capital contribution	-	-	-	11
Change in non-controlling interests	-84	-3,819	755	-3,873
Cash-flow from financing activities related to discontinuing operations	0	-78	29	-78
Net cash flow from financing activities	-1,601	2,214	-12,969	168
Net change in cash and cash equivalents	37	1,865	-2,239	1,754
Currency translation of cash and cash equivalents	-2	10	7	7
Cash and cash equivalents as at the start of the period	751	787	2,713	902
Cash and cash equivalents discontinuing operations at start of the period	-	369	319	369
Cash and cash equivalents as at period end	785	3,031	785	3,031
Of which cash and cash equivalents in discontinuing operations at period end	-	319	-	319
Cash and cash equivalents excluding discontinuing operations at period end	785	2,713	785	2,713



Statement of Changes in Equity

2023	Share capital	Treasury shares	Share premium	Other paid-in equity	Other equity	Foreign currency translation differences	Cash flow hedges	Hedge of net investments	Cost of hedging reserve	Attributable to shareholders of the parent	Non-controlling interests	Total equity
As of 1 January 2023	36	-3	12,182	344	6,400	177	211	-35	44	19,356	4,799	24,155
Profit for the year					3,203					3,203	199	3,402
Other comprehensive income												
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>												
Translation differences in associates and joint ventures						93				93	0	93
Translation differences in group companies						79				79	85	164
Change in fair value of financial instruments, net after tax							256	-53	-31	172	37	209
Other comprehensive income	0	0	0	0	0	172	256	-53	-31	345	122	466
Total comprehensive income	0	0	0	0	3,203	172	256	-53	-31	3,547	321	3,868
Transactions with shareholders												
Share-based payment, expensed				44	3					47	1	48
Share-based payment, tax effect				1	3					3	0	3
Share-based payment, release		0		0						0	0	0
Return of borrowed treasury shares		0	-5		16					12	0	12
Change in non-controlling interests					-239					-239	-516	-755
Divestment of non-controlling interests										0	-1,737	-1,737
Acquisition of interests with settlement in treasury shares		0		4	113					117	130	247
Treasury shares in subsidiaries		0			-319					-319	319	0
Share capital reduction	-3	3								0	0	0
Dividend					-2,629					-2,629	-137	-2,766
Reclassifications and other changes		0	2	0	4					6	-2	4
Total transactions with shareholders	-3	3	-2	49	-3,048	0	0	0	0	-3,002	-1,942	-4,944
At 31 December 2023	33	0	12,180	392	6,554	349	467	-88	14	19,901	3,178	23,079

2022	Share capital	Treasury shares	Share premium	Other paid-in equity	Other equity	Foreign currency translation differences	Cash flow hedges	Hedge of net investments	Cost of hedging reserve	Attributable to shareholders of the parent	Non-controlling interests	Total equity
As of 1 January 2022	29	0	3,102	295	9,658	93	58	6	-10	13,230	2,253	15,483
Profit for the year					3,312					3,312	403	3,715
Other comprehensive income												
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>												
Translation differences in associates and joint ventures						21				21		21
Translation differences in group companies						63				63	61	124
Change in fair value of financial instruments, net after tax							143	-41	54	156	13	169
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>												
Remeasurement gain on defined benefit plans, net after tax					3					3		3
Other comprehensive income	0	0	0	0	3	84	143	-41	54	243	74	317
Total comprehensive income	0	0	0	0	3,315	84	143	-41	54	3,555	477	4,033
Transactions with shareholders												
Share-based payment, expensed				52	2					53	1	54
Share-based payment, tax effect				-3						-3		-3
Share-based payment, release		0			0					0		0
Borrowed treasury shares		0								-12	0	-12
Issue of share capital	7		9,092							9,099	0	9,099
Contribution of equity					7					7	4	11
Transaction costs related to equity in group companies					0					0		0
Dividend					-2,354					-2,354	-51	-2,405
Acquisition of non-controlling interests										0	6,268	6,268
Treasury shares in subsidiaries		-3			-4,191					-4,194	-319	-4,513
Change in non-controlling interests					-40					-40	-3,833	-3,873
Reclassifications and other changes			0	0	4		10			14	-1	13
Total transactions with shareholders	7	-3	9,080	49	-6,572	0	10	0	0	2,570	2,069	4,639
At 31 December 2022	36	-3	12,182	344	6,400	177	211	-35	44	19,356	4,799	24,155



Segments

<i>NOK million</i>	Farming Central Norway	Farming Northern	Sales and Industry	Icelandic Salmon	SalMar Aker Ocean	Eliminations	Group
Q4 2023							
Total operating revenues (NOK mill.)	3,424	2,436	7,617	605	173	-6,235	8,019
Operational EBIT (NOK mill.)	1,178	840	166	26	11	-63	2,158
Operational EBIT %	34 %	34 %	2 %	4 %	6 %		27 %
Volume harvested (tonnes)	42.3	31.4		7.2	2.3		83.1
EBIT/ kg gw (NOK)	27.9	26.8		3.6	4.8		26.0
Q4 2022							
Total operating revenues (NOK mill.)	2,298	1,757	6,015	539	32	-4,236	6,406
Operational EBIT (NOK mill.)	484	777	-100	98	-48	-205	1,006
Operational EBIT %	21 %	44 %	-2 %	18 %			16 %
Volume harvested (tonnes)	32.6	24.1		6.0			62.7
EBIT/ kg gw (NOK)	14.8	32.3		16.4			16.1
FY 2023							
Total operating revenues (NOK mill.)	12,419	7,894	27,094	1,871	173	-21,233	28,219
Operational EBIT (NOK mill.)	4,612	3,402	254	230	-53	-358	8,088
Operational EBIT %	37 %	43 %	1 %	12 %	-30 %		29 %
Volume harvested (tonnes)	141.1	92.8		17.9	2.3		254.1
EBIT/ kg gw (NOK)	32.7	36.7		12.8	-23.2		31.8
FY 2022							
Operating revenue (NOK mill.)	8,872	4,883	19,141	1,595	32	-14,366	20,158
Operational EBIT (NOK mill.)	3,599	2,526	-1,286	366	-155	-585	4,465
Operational EBIT %	41 %	52 %	-7 %	23 %			22 %
Harvested volume (1,000 tgw)	114.1	63.4		16.1			193.7
EBIT/ kg gw (NOK)	31.5	39.8		22.7			23.1



Key Figures

	Q4 2023	Q4 2022	FY 2023	FY 2022
No. of shares (diluted) - end of period (mill.)	131.66	126.14	131.63	119.98
Earnings per share (NOK)	10.0	- 1.3	24.4	27.6
Earnings per share - diluted (NOK)	10.0	- 1.3	24.3	27.6
Adjusted earnings per share (NOK)	13.8	4.5	33.5	25.3
EBITDA %	32 %	21 %	34 %	27 %
Operational EBIT %	27 %	16 %	29 %	22 %
EBIT %	16 %	1 %	30 %	24 %
Profit before tax %	12 %	-3 %	26 %	23 %
Cash flow per share - diluted (NOK)	17.4	1.6	68.2	35.2
Net interest bearing debt (NOK mill.)	13,107	19,079	13,107	19,079
NIBD incl. leasing liabilities (NOK mill.)	14,952	20,505	14,952	20,505
Equity ratio %	43.3 %	38.6 %	43.3 %	38.6 %

Earnings per share = Earnings after tax / average number of shares

Earnings per share - diluted = Earnings after tax / average number of shares - diluted

Adjusted earnings per share - see note for definition

Earnings before tax % = Earnings before tax / operating revenue

Cash flow per share - diluted = Cash flow from operating activities / average no. of shares - diluted

Equity ratio = Equity / total assets



Notes to the Financial Statements

Note 1 - Accounting policies

This report has been prepared in accordance with International Financial Reporting Standards (IFRS), including the standard for interim reporting (IAS 34). The report does not include all information required in a complete annual report and should therefore be read in conjunction with the Group's recent annual report. Please refer to the Group's latest IFRS year-end financial statements, which are published on the Group's website, www.salmar.no, for a complete description of the accounting policies.

This interim report has not been subject to external audit.

Note 2 - The company's 20 largest shareholders

Shareholder	Shares	%
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 AKSJJE 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 %
Top 20	85,452,219	64.72 %
Others	46,586,701	35.28 %
Total	132,038,920	100.00 %

As at 31 December 2023 Salmar ASA owned 278,854 treasury shares.

**Note 3 - Biological assets and other inventories**

	31.12.2023	30.09.2023	31.12.2022	30.09.2022
Carrying amount of inventory				
Raw materials	434	462	427	292
Biological assets	13,265	14,383	11,755	9,132
Finished goods	796	656	503	325
Total value of biological assets and other inventory	14,494	15,501	12,685	9,749
Carrying amount of biological assets	31.12.2023	30.09.2023	31.12.2022	30.09.2022
Roe, fry, smolt and cleaner fish at cost	616	576	551	373
Biological assets held at sea farms at cost	7,888	8,454	7,295	4,979
Total carrying amount of biological assets before fair value adjustments	8,504	9,030	7,847	5,352
Fair value adjustment of biological assets	4,761	5,354	3,908	3,781
Total carrying amount of biological assets	13,265	14,383	11,755	9,132

Raw materials is mainly comprised of 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 on land and at sea, 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.

Change in the carrying amount of the biological assets:	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Biological assets - opening balance	14,383	9,132	11,755	7,281
Increase from business combination	0	3,254	0	3,254
Increase due to production	3,682	3,173	13,863	8,648
Decrease due to sale/ harvesting	-4,034	-2,798	-13,007	-7,576
Decrease due to incident-based mortality	-174	-42	-251	-62
Decrease due to sale of group companies	0	0	-9	0
Fair value adjustment on opening balance (reversed)	-5,354	-3,781	-3,908	-2,646
Fair value adjustment from business combination due to fish not sold on opening balance	202	0	813	0
Fair value adjustment from business combination due to fish not sold on closing balance	-90	-813	-90	-813
Fair value adjustment from business combination included in cost of goods sold in the period	-111	-283	-723	-283
Fair value adjustment on closing balance (new)	4,761	3,908	4,761	3,908
Currency translation differences	2	4	60	44
Biological assets - closing balance	13,265	11,755	13,265	11,755

The accounting for live fish is regulated by IAS 41 Agriculture and biological assets are recognised at fair value in accordance with IFRS 13.

The company's stocks of live fish held at sea farms are, in accordance with IAS 41, recognised at fair value. Present value is calculated on the basis of estimated revenues less production costs remaining 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.

Estimated future revenues are calculated on the basis of Fish Pool forward prices on the balance sheet date. A quarterly price average is calculated, since the fish are harvested over several periods. Forward prices are adjusted for export supplements, shipping, sales and harvesting costs. An adjustment is also made for expected variations in fish quality. 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.

The monthly discount factor reflects the time value of money, the risk in biological production and a hypothetical licence fees and site rental cost. The discount factor is based on expectations on profitability in the industry which impact the hypothetical license fee and can vary in different areas.

Roe, fry, smolt and cleaner fish are recognised at historic cost. Historic cost is deemed to be the best estimate of fair value for these assets, due to little biological conversion.

The calculation is based on following forward prices (NOK):

	Expected harvesting period:	31.12.2023	Expected harvesting period:	30.09.2023	Expected harvesting period:	31.12.2022	Expected harvesting period:	30.09.2022
	Q1-2024	107.95	Q4-2023	79.60	Q1-2023	91.75	Q4-2022	76.60
	Q2-2024	113.45	Q1-2024	104.80	Q2-2023	95.55	Q1-2023	87.90
	Q3-2024	83.70	Q2-2024	108.10	Q3-2023	76.48	Q2-2023	94.02
	Q4-2024	86.12	Q3-2024	80.83	Q4-2023	78.22	Q3-2023	78.30
	1st half 2025	101.11	Q4-2024	82.27	1st half 2024	85.91	Q4-2023	79.80
	2nd half 2025	74.60	Q1-2025	98.00	2nd half 2024	75.00	Q1-2024	80.25
Discount factor Norway		6.5 %		7.0 %		6.0 %		6.0 %
Discount factor Iceland		5.0 %		5.0 %		5.0 %		5.0 %

Note 4 - 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. The line Fair Value Adjustments comprises:

	Q4 2023	Q4 2022	FY2023	FY 2022
Change in the fair value of the biological assets	-481	-684	1,571	446
Change in fair value adjustment due to business combination - included in cost of goods sold	-111	-283	-723	-283
Change in unrealised value of Fish Pool contracts	15	15	19	70
Total fair value adjustments	-578	-952	867	232



Note 5 - Business combinations

Business combinations in 2023

With the exception of a business combination in Frøy ASA, there have not been any acquisition in the group in 2023. Please see note 7, Discontinued operations for more information about Frøy.

Business combinations in 2022

Acquisition and merger of NTS and 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.

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 had several overlapping industrial activities in all the areas where 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 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 valued 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 valued at a share price of NOK 338,87 which represent volume-weighted average price the last 3 trading days before 31 October 2022.

After completion of the voluntary offer transaction, SalMar owned 66,235,009 shares in NTS, corresponding to a shareholding of 52.69 per cent. SalMar owned no shares in the company prior to the transaction. After completion of the merger and the offer, NTS owns 13,691,960 shares in SalMar, equivalent to a shareholding of approximately 9.4 per cent. Following completion of the merger and settlement of the offer, SalMar had registered share capital of NOK 36,284,730 divided into 145,138,920 shares each with a par value NOK 0.25.

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 assumed all assets, rights and obligations in NRS. For accounting purposes, the transactions has been treated as a business combination and the companies are consolidated into the SalMar group with effect from 1 November 2022. Shares in SalMar owned by NTS are, 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. Acquisition-related costs of NOK 82.2 million are recognised as other operating expenses in the income statement in 2022.

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 was the starting point for valuation assessments of assets and liabilities resolutions associated with the offer and the merger. For technical reasons, the transactions was 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. No changes has been made in the purchase price allocation in 2023. The purchase price allocation is final.

Acquisition's effect on the balance sheet:	Fair value recognised on acquisition		
Assets			
Licenses			7,266
Property, plant & equipment			12,485
Right-of-use assets			1,059
Biological assets and other inventory			3,489
Investment in associates			1,146
Investment in SalMar shares (treasury shares)			4,513
Other financial investments			2,026
Trade receivables and other current receivables			824
Cash and cash equivalents			3,297
Total identifiable assets at fair value			36,104
Liabilities			
Deferred tax liabilities			2,210
Interest-bearing liabilities			14,199
Trade payables			1,086
Other current liabilities			417
Total identifiable liabilities at fair value			17,912
Total identifiable net assets at fair value			18,193
Non-controlling interest measured at fair value			-6,268
Goodwill			2,085
Total consideration			14,010
Purchase consideration			
Shares issued	3,215	5,884	9,099
Cash consideration	1,807	3,104	4,911
Total consideration	5,022	8,987	14,010

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 licenses 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.

Eldisstædin Isthor Ehf (Isthor)

With effect from 17 August 2022, the Group acquired 50% of the shares in the smolt facility Isthor on Iceland. The transaction was approved by the Icelandic Competition Authorities. Prior to the transaction SalMar Group owned 50% of the shares in Isthor through SalMars 51,02% ownership in Icelandic Salmon AS. Icelandic Salmon AS owns 100% of the shares in Amarlax Ehf, which owns the shares in Isthor.

The Groups holdings prior to the acquisition date, was remeasured at fair value at 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 recognised as other financial items in the profit or loss in 2022.

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 :	Fair value recognised on acquisition		
Property, plant & equipment			197
Current assets			1
Deferred tax			-12
Non-current liabilities			-49
Other current liabilities			-14
Net identifiable assets and liabilities			122
Goodwill			156
Fair value of intercompany long-term liability			-64
Fair value of the investment at the time of acquisition			-107
Cash consideration			107



Note 6 - Changes in non-controlling interests

Changes in non-controlling interests 2023

Øylaks MTB AS

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 license for the production of Atlantic salmon. The license is operated by SalMar and the activity carried out in the company is 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 license allocated at the date for purchase are NOK 255.7 million. The non-controlling interest are assessed at fair value with a total amount of NOK 130.4 million and for accounting purposes recognised directly to equity.

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.

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.

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 millions. For accounting purposes, the effect of the transaction is recognised directly to equity in the period as change in 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 millions 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 SalMars entire ownership stake in Frøy, representing approximately 72,11 per cent of the shares in Frøy AS, 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 7.

Changes in non-controlling interests 2022

NTS

On 22 November 2022 SalMar announced that the settlement of the voluntary offer, where SalMar became a 52.69 per cent owner 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, and after completion of the offer SalMar owned 92,93 per cent of the shares in NTS. The total consideration for the remaining shares was NOK 3 836 millions. For accounting purposes, the effect of the transaction was recognised directly to equity. As a consequence of the transactions, the non-controlling interest related to treasury shares owned by NTS was reduced by NOK 1 816 millions and the equity attributable to shareholders in SalMar was reduced accordingly.

Mariculture AS

With effect from 19 April 2022, SalMar Group 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.


Note 7 - Discontinued operations

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.

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.

	01.07.2023- 14.08.2023	YTD per 14.08.2023	01.11.2022- 31.12.2022
Total operating revenues	190	1,228	379
Cost of goods sold	44	252	86
Salary and personnel expenses	60	402	111
Other operating expenses	40	234	71
EBITDA	46	339	111
Operating profit	46	339	111
Income from investments in associates and joint ventures	0	7	1
Net interest expenses	-36	-86	-15
Other financial items	14	59	-6
Profit from discontinued operation before tax	24	319	91
Income tax expense from the ordinary activities for the period and corrections in income tax for previous year	2	28	-16
Profit for the period from discontinued operations	22	291	107
Profit for the period from discontinued operations, gain from sale*)	365	365	0
Total profit from discontinued operations	387	657	107

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	-7	0	-5
Total comprehensive income from discontinued operations	380	657	102

Profit for the period from discontinued operations attributable to equity holders of Salmar ASA	381	575	77
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Earnings per share

Diluted profit for the period from discontinued operations	2.89	4.37	0.61
Profit for the period from discontinued operations	2.90	4.38	0.61

*) Gain from sale of discontinued operations was increased by NOK 2 millions in the fourth quarter 2023 due to reduced transaction cost.

The major classes of assets and liabilities of Frøy AS as held for sale are as follows:

	30.06.2023	31.12.2022
ASSETS		
Non-current tangible assets	10,698	10,201
Right-of-use assets	514	489
Non-current financial assets	140	120
Total non-current assets	11,352	10,811
Inventory	13	15
Trade receivables	240	257
Other current receivables	64	71
Cash and cash equivalents	380	319
Total current assets	697	661
TOTAL ASSETS	12,049	11,472
LIABILITIES		
Deferred tax liability	948	919
Non-current interest-bearing liabilities	3,809	3,608
Non-current lease liabilities	326	314
Total non-current liabilities	5,083	4,842
Current interest-bearing liabilities	532	515
Current lease liabilities	105	91
Other current liabilities	251	165
Total current liabilities	888	771
TOTAL LIABILITIES	5,971	5,612

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.

**Note 8 - Financial assets – investments where the equity method is applied**

	Norskott Havbruk	Hellesund Fiskeoppdrett	Wilsgård Fiskeoppdrett	Others	Total
Carrying amount at 1 January 2023	1,153	433	572	213	2,372
Income from associates and joint ventures	-168	40	80	20	-27
Items recognised in other comprehensive income	91	0	0	2	93
Dividend	0	-10	0	-8	-18
Other changes in associates	0	0	-1	-0	-1
Carrying amount at 31 December 2023	1,076	464	651	227	2,418

Note 9 - Interest-bearing liabilities

	31.12.2023	30.09.2023	31.12.2022	30.09.2022
Non-current interest-bearing liabilities:				
Non-current interest bearing liabilities	12,669	14,693	21,297	5,885
Next year's instalment on non-current interest bearing liabilities	-458	-985	-2,947	-163
Total	12,211	13,707	18,350	5,721
Lease liabilities	1,845	1,479	1,425	957
Next year's instalment on lease liabilities	-344	-272	-273	-242
Total	1,502	1,207	1,152	715
Total carrying amount	13,713	14,914	19,502	6,436
Current interest bearing liabilities:				
Debts to credit institutions	1,223	302	495	368
Next year's instalment on debts to credit institutions	458	985	2,947	163
Current interest bearing liabilities ex. lease liabilities	1,681	1,287	3,442	532
Next year's instalment on lease liabilities	344	272	273	242
Total carrying amount	2,024	1,559	3,715	774
Total interest-bearing liabilities	15,737	16,473	23,217	7,210
Cash and cash equivalents	785	751	2,713	787
Lease liabilities	1,845	1,479	1,425	957
Net interest-bearing debts (NIBD)	13,107	14,243	19,079	5,466

Breakdown of net interest-bearing liabilities by currency (all figures are in NOK):

	NOK	EUR	JPY	USD	GBP	Other	Total
Non-current debts	12,054	615	0	0	0	0	12,669
Lease liabilities	1,804	0	0	0	0	41	1,845
Current debts to credit institutions	1,045	47	37	60	13	21	1,223
Total interest-bearing liabilities	14,903	663	37	60	13	62	15,737
Cash and cash equivalents	589	59	76	39	18	5	785
Lease liabilities	1,804	0	0	0	0	41	1,845
Net interest-bearing debts (NIBD)	12,510	604	-39	21	-5	16	13,107

Financing activities - change in liabilities:

	31.12.2022	Cash flow from financing activities	Not cash-generating effects			31.12.2023
			Currency effects	Change in next year's instalments on long-term liabilities	Other effects	
Non-current debts	18,350	-8,660	40	2,489	-8	12,211
Current debts to credit institutions	3,442	714	3	-2,489	11	1,681
Total debts to credit institutions	21,792	-7,947	43	0	4	13,892
Non-current and current lease liabilities	1,425	-321	3	0	739	1,845
Total interest-bearing liabilities	23,218	-8,268	45	0	742	15,737

In August, SalMar entered into a new senior unsecured credit facility agreement, totalling NOK 16 billion, with the intention of making it sustainability linked. The agreement comprises a 3+1+1 year term loan with a total of NOK 6 billion, a 5+1+1 year rolling credit facility of NOK 10 billion, and a NOK 3 billion in accordion option. The 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.

During November, 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, 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.

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.

Note 10 - Interest and other financial items

	Q4 2023	Q4 2022	FY 2023	FY 2022
Gain related to remeasured shares in associated companies	0	0	0	91
Gain on disposal of other shares	0	0	20	0
Interest income	16	15	51	28
Interest expenses, ex. interest on lease liabilities	-269	-167	-1,121	-300
Interest expenses relating to lease liabilities	-32	-20	-102	-65
Net exchange differences	-24	9	-17	0
Net other financial items	-27	6	-33	2
Net interest and other financial items	-336	-156	-1,203	-243

**Note 11 - Income tax, resource rent tax and production 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 in addition to the regular corporate tax on 22%, gives a total tax rate on aquaculture of 47%. The new tax applied retroactively from 1 January 2023.

An implementation effect related to deferred resource rent tax on biomass has been recognised in the comprehensive income. Changes in calculation from previous periods are based on new information and are accounted for as change in accounting estimate.

	Q4 2023	Q4 2022	FY 2023	FY 2022
Regular corporate tax expense - calculated with nominal tax rate	222	-45	1,618	954
Resource rent tax (payable and deferred tax)	-289	0	837	0
Resource rent tax - implementation effect (deferred tax)	-217	0	2,080	0
Income tax expense	-284	-45	4,534	954

The production tax implemented on the Norwegian aquaculture activity with effect from 01 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 on the Norwegian activity increased from NOK 0,56 per kg to NOK 0,90 per kg with effect from 1 July 2023. For 2022 the production tax was NOK 0,405 pr kg. The total effect of the resource rent tax including production tax is shown below.

	Q4 2023	Q4 2022	FY 2023	FY 2022
Production tax recognised in the period	78	28	208	85
Resource tax related to activity on Iceland	10	5	25	13
Production tax related to activity in Norway	68	23	183	72
Resource rent tax (payable and deferred tax)	-289	0	837	0
Total resource rent tax in comprehensive income	-220	23	1,020	72
Resource rent tax - implementation effect (deferred tax)	-217	0	2,080	0
Total resource rent tax including production tax	-438	23	3,100	72

**Note 12 - Alternative performance measures**

The SalMar Group prepares its financial statements in accordance with international accounting standards (IFRS). In addition, management has established alternative performance parameters to provide useful information. 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

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.

	Q4 2023	Q4 2022	FY 2023	FY 2022
Operating profit	1,275	35	8,509	4,738
Production tax	78	28	208	85
Onerous contracts	227	-8	237	-126
<i>Fair value adjustment:</i>				
Change in the fair value of the biological assets	481	684	-1,571	-446
Change in the fair value adjustment included in cost of goods sold due to business combination	111	283	723	283
Change in unrealised value of Fish Pool contracts	-15	-15	-19	-70
Operational EBIT	2,158	1,006	8,088	4,465

EBITDA

EBITDA is another alternative performance measure used by the Group. EBITDA is operational EBIT plus depreciation, write-downs and amortization.

	Q4 2023	Q4 2022	FY 2023	FY 2022
Operational EBIT	2,158	1,006	8,088	4,465
Depreciation and write-downs	414	343	1,452	1,038
EBITDA	2,571	1,349	9,540	5,502

EBIT/kg gw

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.

Q4 2023	Farming		Icelandic Salmon	SalMar Aker Ocean	SalMar Group
	Central Norway	Northern Norway			
Operational EBIT (NOK mill.)	1,178	840	26	11	2,158
Volume harvested (tonnes)	42.3	31.4	7.2	2.3	83.1
EBIT/kg gw (NOK)	27.86	26.78	3.58	4.79	25.96
Q4 2022	Farming		Icelandic Salmon	SalMar Aker Ocean	SalMar Group
	Central Norway	Northern Norway			
Operational EBIT (NOK mill.)	484	777	98	-48	1,006
Volume harvested (tonnes)	32.6	24.1	6.0	0.0	62.7
EBIT/kg gw (NOK)	14.84	32.29	16.37		16.05
FY 2023	Farming		Icelandic Salmon	SalMar Aker Ocean	SalMar Group
	Central Norway	Northern Norway			
Operational EBIT (NOK mill.)	4,612	3,402	230	-53	8,088
Volume harvested (tonnes)	141.1	92.8	17.9	2.3	254.1
EBIT/kg gw (NOK)	32.68	36.67	12.85	-23.19	31.83
FY 2022	Farming		Icelandic Salmon	SalMar Aker Ocean	SalMar Group
	Central Norway	Northern Norway			
Operational EBIT (NOK mill.)	3,599	2,526	366	-155	4,465
Volume harvested (tonnes)	114.1	63.4	16.1	0.0	193.7
EBIT/kg gw (NOK)	31.53	39.84	22.67		23.05

Net interest-bearing debt (NIBD) and net interest-bearing debt including lease 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 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.

	31.12.2023	30.09.2023	31.12.2022	30.09.2022
Non-current interest-bearing liabilities	12,211	13,707	18,350	5,722
Current interest-bearing liabilities	1,681	1,287	3,442	532
Cash and cash equivalents	-785	-751	-2,713	-787
Net interest-bearing debt (NIBD)	13,107	14,243	19,079	5,466
Lease liabilities	1,845	1,479	1,425	957
NIBD incl. lease liabilities	14,952	15,722	20,505	6,423

Cash flow per share - diluted

The Group uses diluted cash flow per share to highlight the cash flow from period's operating activities per share outstanding (diluted). The key figure is arrived at by dividing the cash flow from operating activities by the average number of shares outstanding (diluted) in the period.

	Q4 2023	Q4 2022	FY 2023	FY 2022
Cash flow from operating activities	2,284	198	8,976	4,223
Average no. of shares outstanding (diluted) in the period (1,000 shares)	131,659	126,141	131,633	119,979
Diluted cash flow per share (NOK)	17.35	1.57	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.

	Q4 2023	Q4 2022	FY 2023	FY 2022
Profit for the period attributable to shareholders in SalMar ASA	1,318	-164	3,203	3,312
Onerous contracts **)	227	-8	237	-126
Fair value adjustment **)	467	669	-1,590	-516
Fair value adjustment included in cost of goods sold due to business combination **)	111	283	723	283
Calculated tax effect of adjustments ***)	-83	-208	-243	79
Resource rent tax - implementation effect (deferred tax) **)	-217	0	2,080	0
Adjusted profit for the period attributable to shareholders in SalMar ASA **)	1,822	572	4,410	3,032
Average no. of shares outstanding (diluted) in the period (1,000 shares)	131,666	126,144	131,633	119,988
Adjusted earnings per share	13.84	4.53	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.



Note 13 - Subsequent event

Statement of Objections from the European Commission

On 25 January 2024, the European Commission issued a Statement of Objections to SalMar and other producers of farmed Norwegian salmon concerning breach of EU competition rules. As previously informed, the case commenced upon the Commission's inspection at Scottish Sea Farms in February 2019. SalMar has cooperated with the Commission throughout its entire investigation. 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 Commission has not concluded in the case. A Statement of Objections does not preempt the outcome of the investigation. SalMar strongly disagrees with the Commission's preliminary assessment and will present its arguments in a thorough reply to the Commission.