



24 AUGUST 2023

Q2 2023 Presentation



CEO: FRODE ARNTSEN



CFO: ULRIK STEINVIK



SalMar & Aqua Nor

- Aqua Nor - The world's largest aquaculture technology exhibition
 - One of the most important meeting places for the industry
 - Held biannually in Trondheim, Central Norway
- Natural for SalMar as the leading aquaculture company from the region to present its results at the exhibition
- Strong collaboration between suppliers and producers crucial to drive the industry forward



AQUA NOR



Agenda

Highlights Q2 2023

Operational Update

Financial Update

Strategic Update

Outlook



Highlights Q2 2023

- Strong results driven by continued high salmon prices
 - Central Norway with good operational performance results impacted by one-off costs
 - Strong results from Northern Norway
 - Continued solid performance from Sales & Industry
 - Very low harvest volume from Iceland as expected
- Resource rent tax in Norway approved by Norwegian Parliament
 - SalMar continues open and fact-based dialogue with authorities and is open to pursue legal steps in due course
- Sale of Frøy completed in August 2023
- New financing in place
- The Board of SalMar propose to cancel 13.1 million treasury shares
- Two offshore units in operation
- Tjuin smolt facility in operation

Harvest volume (1,000 tons gw)

| Group | | Norway ¹ | |
|--------------|--------------|---------------------|--------------|
| 44.3 | | 44.3 | |
| Δ QoQ | Δ YoY | Δ QoQ | Δ YoY |
| -4.2 | +12.0 | +2.3 | +14.8 |

Operational EBIT/kg (NOK)

| Group | | Norway ¹ | |
|--------------|--------------|---------------------|--------------|
| 39.4 | | 40.5 | |
| Δ QoQ | Δ YoY | Δ QoQ | Δ YoY |
| +0.5 | +12.1 | -0.7 | +13.7 |

Operational EBIT (NOKm)

| Group | | Norway ¹ | |
|--------------|--------------|---------------------|--------------|
| 1,745 | | 1,790 | |
| Δ QoQ | Δ YoY | Δ QoQ | Δ YoY |
| -139 | +862 | +65 | +1,003 |

Δ QoQ = Q2 2023 vs. Q1 2023

Δ YoY = Q2 2023 vs. Q2 2022

1) Norway = Group results excluding Icelandic Salmon and SalMar Aker Ocean

Q2 2023

Operational Update

Farming Central Norway

- Good operational performance
- Increased cost QoQ
 - Lower average weight
 - Write-down of biomass related to incident at cleaner fish facility
 - SalmoNor volume accounted for 28%
- Finished harvesting of autumn 2021 and continued with spring 2022

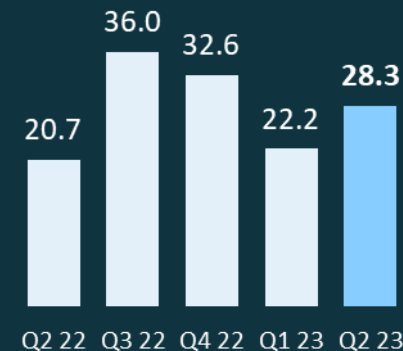
Outlook

- Continue to harvest from spring 2022
- Good biological status
- Expect lower cost level and higher volume in Q3 23
- Guidance FY 2023 kept unchanged at 148,000 tonnes

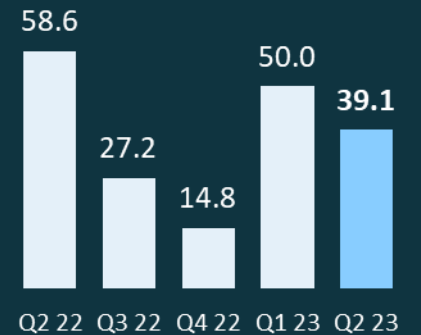
Key Results

| | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 |
|-----------------------------------|---------|---------|----------|----------|
| Operating income (NOKm) | 2,852 | 2,073 | 5,179 | 4,034 |
| Operational EBIT (NOKm) | 1,108 | 1,213 | 2,217 | 2,138 |
| Harvest volume (t _{gw}) | 28.3 | 20.7 | 50.5 | 45.6 |
| EBIT/kg (NOK) | 39.1 | 58.6 | 43.9 | 46.9 |

Harvest volume
(1,000 tons gw)



EBIT/kg
(NOK)



Farming Northern Norway

- Good operational performance
- Cost level reduced QoQ
 - NRS volume accounted for 15%
- Autumn 2021 accounted for 90% of the volume and started harvest from spring 2022

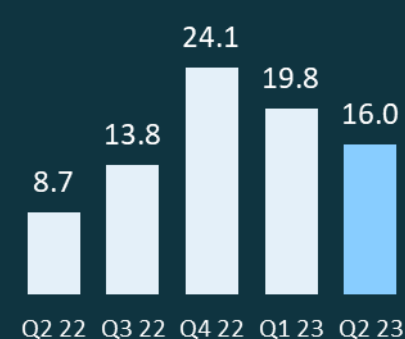
Outlook

- Continue to harvest from spring 2022 and will finish autumn 2021
- Good biological status
- Expect slightly higher cost level and higher volume in Q3 23
- Guidance FY 2023 kept unchanged at 95,000 tonnes

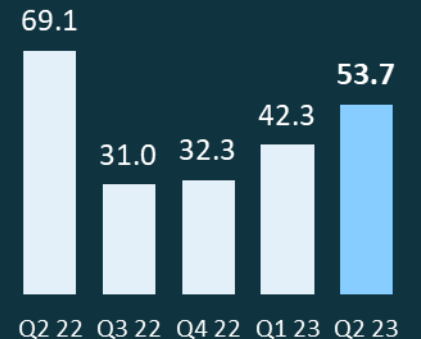
Key Results

| | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 |
|-----------------------------------|---------|---------|----------|----------|
| Operating income (NOKm) | 1,542 | 917 | 3,424 | 2,180 |
| Operational EBIT (NOKm) | 858 | 605 | 1,694 | 1,320 |
| Harvest volume (t _{gw}) | 16.0 | 8.7 | 35.7 | 25.5 |
| EBIT/kg (NOK) | 53.7 | 69.1 | 47.4 | 51.7 |

Harvest volume
(1,000 tons gw)



EBIT/kg
(NOK)



Sales & Industry

- Continued solid operational performance
 - Operational set-up showcasing its strength
 - Further improved price achievement from spot sales
- Contracts¹ with negative contribution
 - Considerable improvement from 2022
 - Lower contract share and higher price point

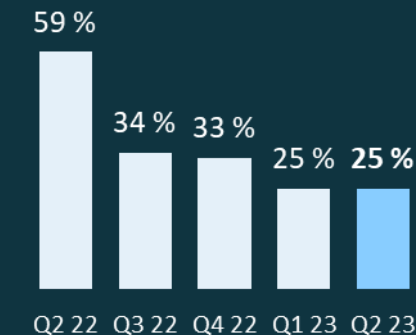
Outlook

- Value chain rigged for increase in volume H2 23
- Contract share currently around 15% for Q3 23 and 16% for FY 2023

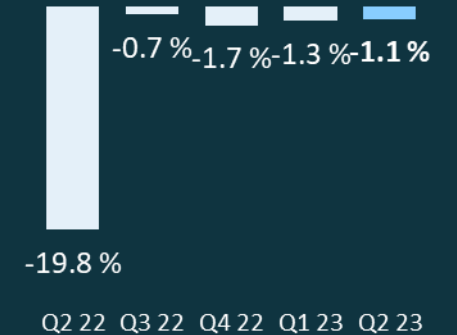
Key Results

| | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 |
|-----------------------------|---------|---------|----------|----------|
| Operating income (NOKm) | 6,003 | 3,947 | 12,242 | 8,392 |
| Operational EBIT (NOKm) | -67 | -781 | -148 | -1,153 |
| Operational EBIT-margin (%) | -1.1 % | -19.8 % | -1.2 % | -13.7 % |

Contract share¹
(%)



EBIT-margin
(%)



1) Physical and financial fixed price contracts

Icelandic Salmon

- As expected very low harvest volume
- Optimizing biological performance

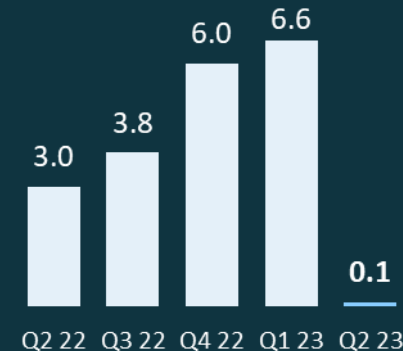
Outlook

- Expect higher volume in Q3 23
- Guidance FY 2023 kept unchanged at 16,000 tonnes
- EUR 100 million financing agreement
 - Expected to be in place in Q3 23
 - Gives financial flexibility for growth ambitions
- Dual listing on First North stock exchange in Iceland

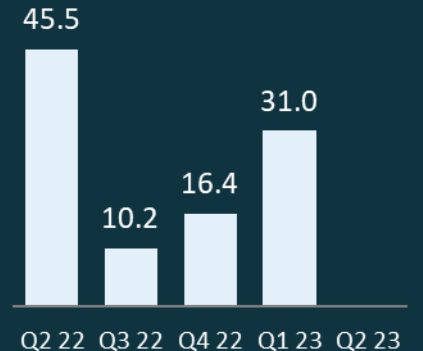
Key Results

| | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 |
|-----------------------------------|---------|---------|----------|----------|
| Operating income (NOKm) | 26 | 349 | 791 | 716 |
| Operational EBIT (NOKm) | -35 | 135 | 169 | 229 |
| Harvest volume (t _{gw}) | 0.1 | 3.0 | 6.7 | 6.3 |
| EBIT/kg (NOK) | -384.6 | 45.5 | 25.4 | 36.2 |

Harvest volume
(1,000 tons gw)



EBIT/kg
(NOK)



SalMar Aker Ocean

- Third production cycle at Ocean Farm 1 commenced early May 2023
- Large potential for future value creation and volume growth
 - Timelines delayed as a consequence of the proposed resource rent tax

Key Results

| | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 |
|-----------------------------------|---------|---------|----------|----------|
| Operating income (NOKm) | 0 | - | 0 | - |
| Operational EBIT (NOKm) | -10 | -39 | -55 | -73 |
| Harvest volume (t _{gw}) | - | - | - | - |
| EBIT/kg (NOK) | - | - | - | - |



Ocean Farm 1 at its location Håbranden on Frohavet in Central Norway

Scottish Sea Farms¹

- Low harvest volumes, harvesting from biologically challenged sites affecting average harvest size, cost and price achievement
- High-cost base affected by sites with biological challenges H2 22 and continued in 2023
- Incident based mortality in the quarter of £13.2mill or £2.09/kg
- 60% of volume sold on contracts

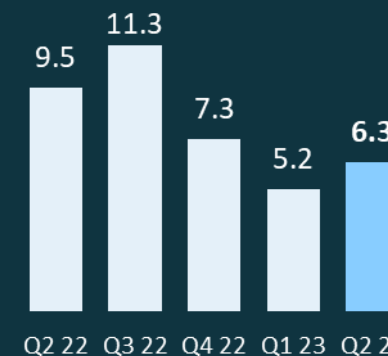
Outlook

- Q3 still biological challenges but improvements in fish size and cost base
- Guidance FY 2023 reduced to 27,000 tonnes

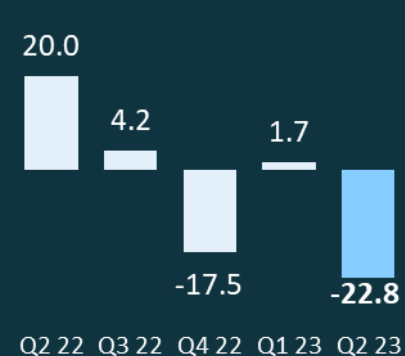
Key Results

| | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 |
|-----------------------------------|---------|---------|----------|----------|
| Operating income (NOKm) | 692 | 884 | 1,197 | 1,523 |
| Operational EBIT (NOKm) | -144 | 190 | -135 | 295 |
| Harvest volume (t _{gw}) | 6.3 | 9.5 | 11.5 | 17.3 |
| EBIT/kg (NOK) | -22.8 | 20.0 | -11.8 | 17.0 |
| Fair value adjustments (NOKm) | 16 | 139 | -5 | 320 |
| Profit after tax (NOKm) | -156 | 245 | -189 | 437 |
| NIBD (NOKm) | 2,647 | 2,067 | 2,647 | 2,067 |

Harvest volume
(1,000 tons gw)



EBIT/kg
(NOK)



1) Joint venture Scottish Sea Farms LTD through Norskott Havbruk, ownership 50%

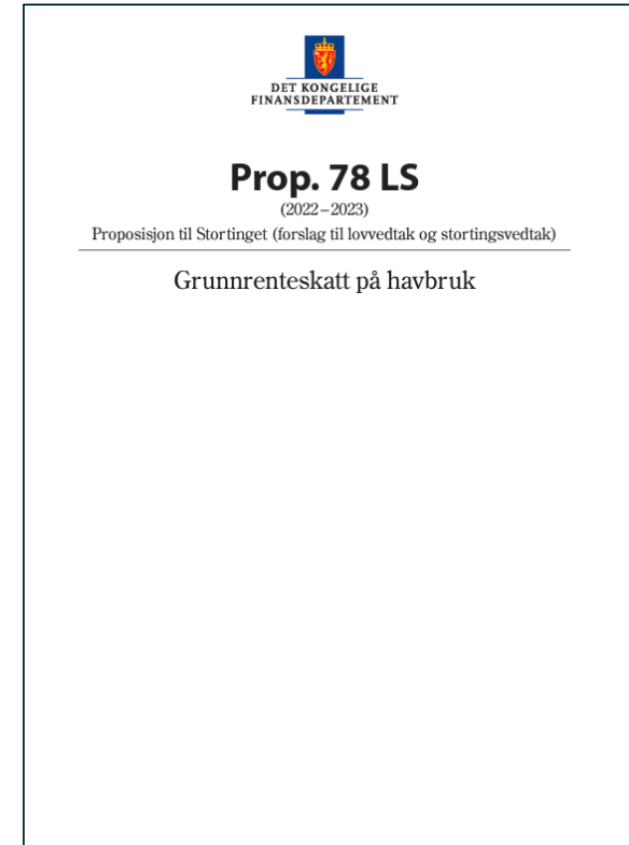
Q2 2023

Financial Update



Resource rent tax on aquaculture in Norway

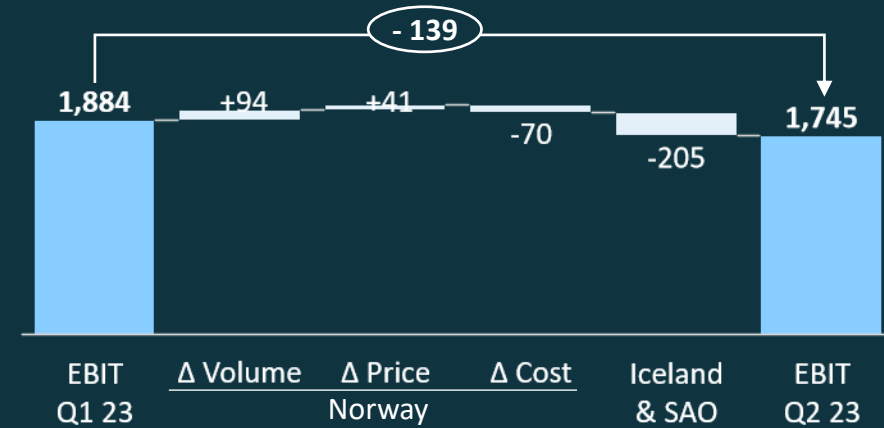
- Tax approved 31 May 2023 in the Norwegian Parliament with a tax rate at 25%
- High uncertainty regarding how the tax shall be calculated
 - Rules for tax calculation not finalized
 - Material implementation effect estimated in the financial statement for Q2 2023
 - Tax for the period not included
- SalMar strongly opposes both the proposed tax model and level
 - Will continue open and fact-based dialogue with authorities
 - SalMar is open to pursue legal steps in due course



Group Profit & Loss

- Continued high salmon prices and slightly higher cost in value chain in Norway
- Reduction in operational EBIT QoQ driven by very low harvest volume from Iceland
- Fair value adjustments* positive due to higher biomass in calculation
- Income from associates & JV affected by weak results from Scottish Sea Farms
- Estimated implementation effect from resource rent tax NOK 2,303 million

Group operational EBIT - QoQ



Group P&L

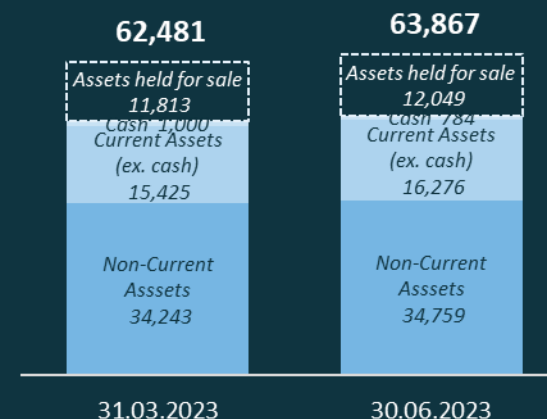
| NOK million | Q2 2023 | Q1 2023 | Δ % | YTD 2023 | YTD 2022 | Δ % |
|--|--------------|--------------|-------------|--------------|--------------|--------------|
| Operating revenues | 5,895 | 6,792 | -13 % | 12,687 | 8,855 | +43 % |
| EBITDA | 2,088 | 2,227 | -6 % | 4,316 | 2,603 | +66 % |
| Operational EBIT | 1,745 | 1,884 | -7 % | 3,630 | 2,145 | +69 % |
| Production tax | -25 | -32 | | -57 | -34 | |
| Fair value adjustments* | 375 | 635 | | 1,010 | 1,689 | |
| Income from associates & JV | -71 | 27 | | -44 | 219 | |
| Net financial items | -259 | -279 | | -538 | -85 | |
| Profit before tax | 1,766 | 2,235 | | 4,001 | 3,934 | |
| Tax | 2,705 | 490 | | 3,195 | 819 | |
| Profit for the period from continuing operations | -939 | 1,744 | | 806 | 3,166 | |
| Profit after tax for the period from discontinued operations | 161 | 108 | | 269 | | |
| Profit for the period | -778 | 1,853 | | 1,075 | 3,116 | |
| Earnings per share (NOK/share) | -6.4 | 13.2 | | 6.8 | 24.8 | |
| Harvest volume (tgv) | 44.3 | 48.5 | -9 % | 92.9 | 77.4 | +20 % |
| EBIT per kg (NOK/kg) | 39.4 | 38.8 | +1 % | 39.1 | 27.7 | +41 % |

*) Includes onerous contracts and fair value adjustments

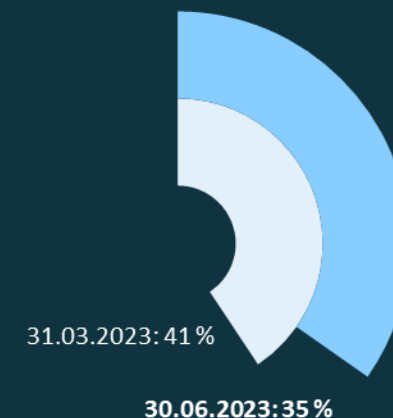
Group Balance Sheet

- Ongoing investments in the value chain progressing according to plan
- Higher standing biomass QoQ and higher YoY
- Dividend paid at 20 NOK/share
- Equity ratio decreased to 35%
- Net Interest-bearing debt (NIBD) including lease liabilities increased with NOK 1,483 million
 - NIBD incl. lease/EBITDA at 3.1
 - NIBD/EBITDA at 2.9
- Frøy classified as assets held for sale at Q2 23
 - Frøy sold in August 2023
 - Increasing equity ratio to 40%
 - Reducing NIBD/EBITDA to 2.2

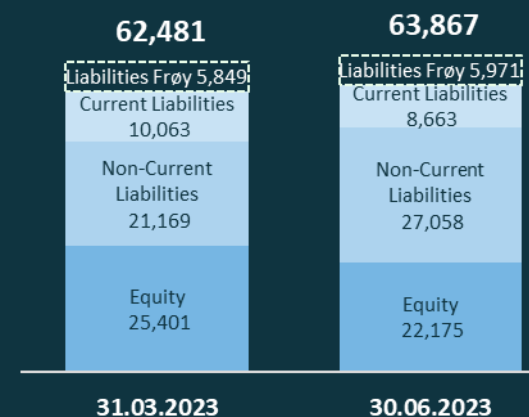
Assets



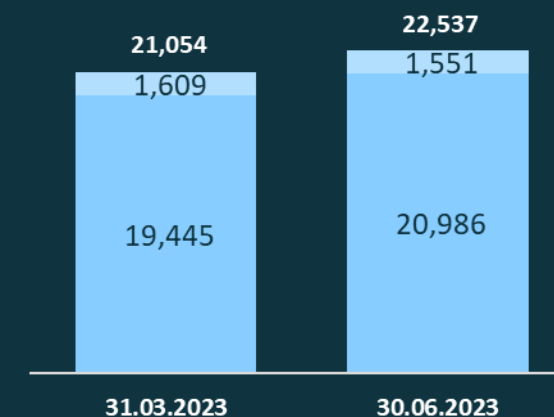
Equity ratio



Equity & liabilities



NIBD incl. lease liabilities

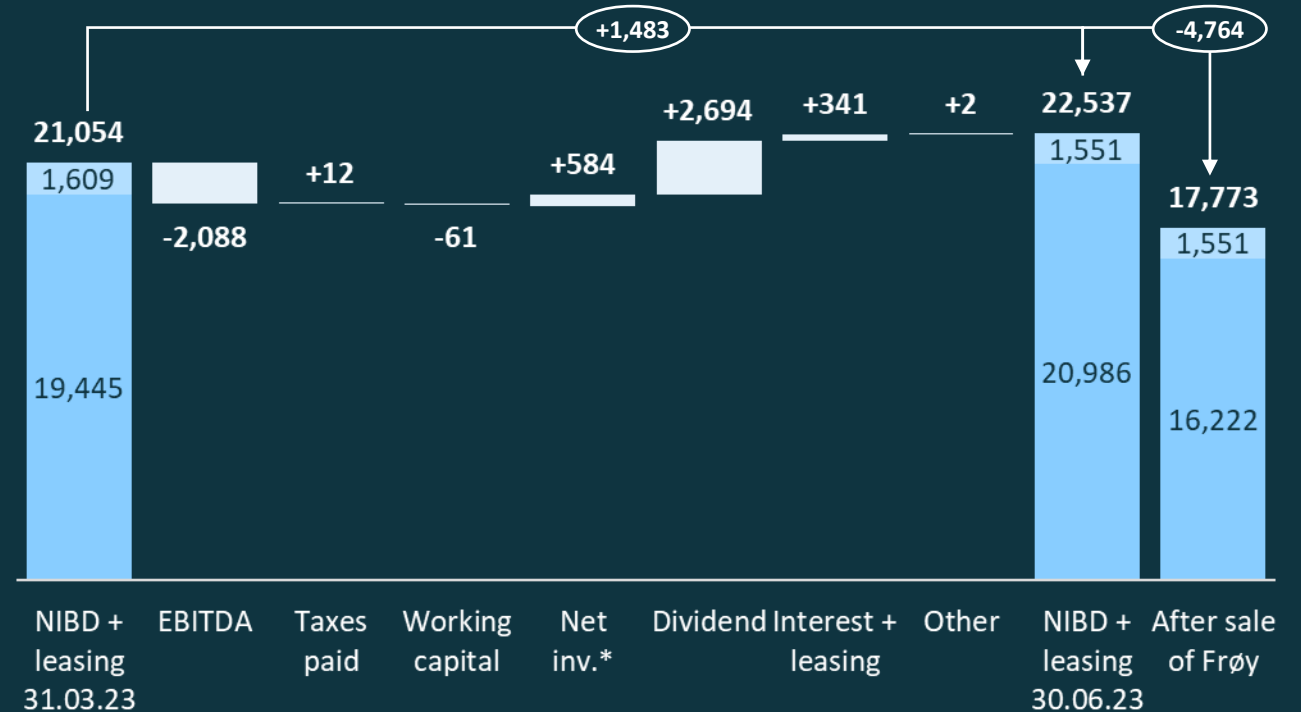


■ NIBD ■ Lease Liabilities

Net interest bearing debt

- Net investments at NOK 584 million
 - Smolt NOK 145 million
 - Farming NOK 323 million
 - Sales & Industry NOK 101 million
 - Icelandic Salmon NOK 80 million
 - SalMar Aker Ocean NOK 15 million
 - Dividend received from Frøy NOK 47 million
- Dividend paid at 20 NOK/share
- Sale of Frøy in August reducing NIBD with NOK 4.8 billion

Change in NIBD incl. leasing - QoQ



All figures in NOK million

*) Net investments includes dividend received from Frøy

Synergy realization and sale of Frøy

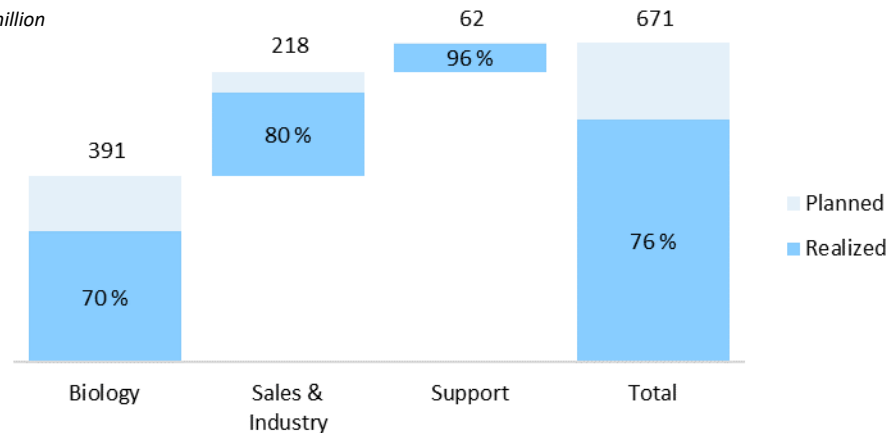
Progressing according to plan

76% of synergies with NTS, NRS and SalmoNor realized at the end of Q2 23

- Realized 508 of 671 MNOK in yearly recurring cost savings
 - Estimated total restructuring cost NOK 103 million unchanged
- Yearly recurring cost savings achieved through:
 - Improved operational set-up
 - Increased efficiency
 - Scale advantages
- Unutilized potential in licenses materializing from 2024

Yearly recurring cost savings

NOK million



Sale of Frøy completed in August 2023

- Successful strategic review with strong interest
- 72.11% ownership sold to Goldman Sachs Asset Management for NOK 76.50 per share
- Consideration of NOK 4.8 bn to SalMar
- Strengthening SalMar balance sheet



New financing in place

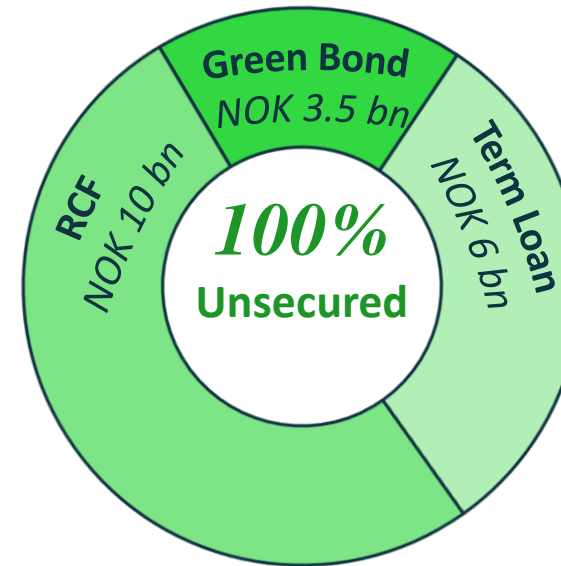
Ensuring financial flexibility

- NOK 16 billion senior unsecured credit facilities
 - 3+1+1 year Term Loan NOK 6 billion
 - 5+1+1 year RCF NOK 10 billion
 - Accordion option NOK 3 billion
 - Lenders: DNB, Danske Bank, Nordea, Rabobank and SEB
 - Covenants: Equity ratio 30%². Interest coverage ratio 3.0
 - Intention to be sustainability linked
 - Improved terms compared to previous credit facilities

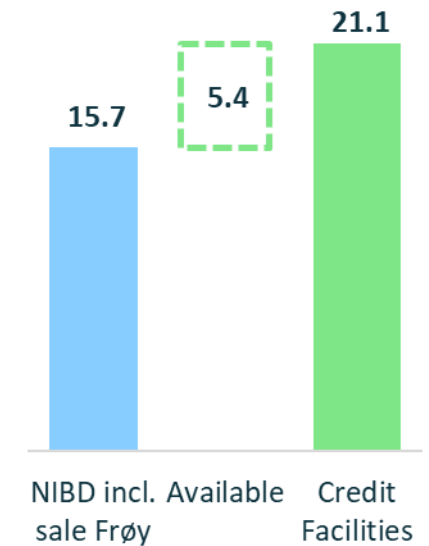
- Additional facilities¹
 - NOK 3.5 billion Green Bond, maturity 2027
 - NOK 1.6 billion overdraft facilities, annual renewal

1) Facilities for SalMar ASA, facilities in subsidiaries with separate financing excluded
 2) To be reduced down to 25% if existing green bond are refinanced with lower covenant

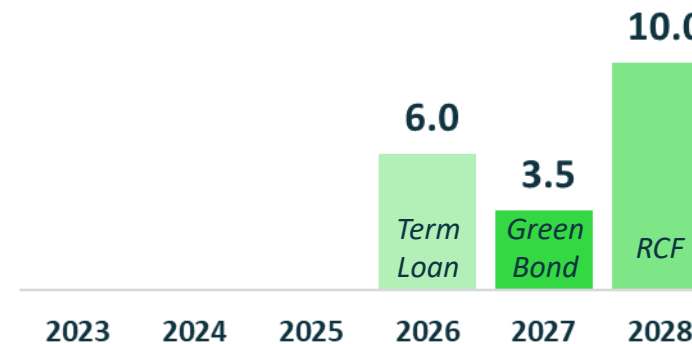
Overview Facilities¹



Available liquidity¹



Maturity Profile Long-Term Facilities¹



All figures in NOK billion

Cancellation of treasury shares

- As of Q2 2023 SalMar has 13.7 million treasury shares
- Financial position in SalMar improved during 2023
 - Sale of Frøy completed
 - New financing agreement in place
 - Debt level reduced, financial KPIs improved
- The Board of SalMar propose to cancel 13.1 million treasury shares
 - Notice of extraordinary general meeting will be sent at a later point of time



A group of people, likely workers or researchers, are on a boat in a salmon farm. They are wearing safety gear, including high-visibility jackets and helmets. One person in the foreground is wearing a bright yellow jacket with "AGUAYTA" and "VAN LIEGOUARD" visible. They are looking towards the water, which is filled with green netting. The background shows a cloudy sky and distant hills.

Q2 2023

Strategic Update

Central Norway and SalMar in the forefront of innovation and development in the aquaculture industry

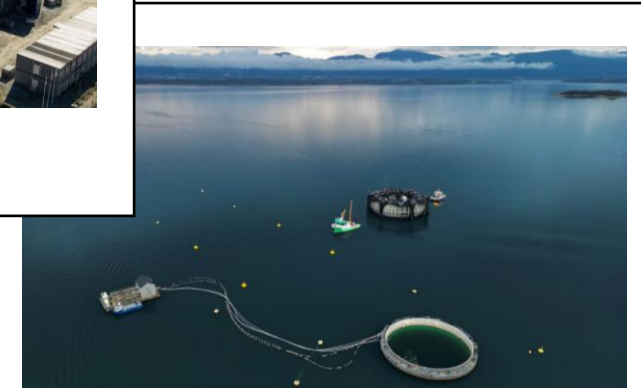
- Central Norway a strong hub for world leading aquaculture industry competence and expertise
 - Supplier Industry
 - Leading higher education institutes
 - R&D Institutions
 - Smolt expertise
 - Farming expertise
 - Value added processing



NTNU



RAS facilities



R&D projects



Offshore units

Tjuin – Worlds largest smolt facility

- RAS facility located at Malm in Steinkjer Municipality
 - Close to existing smolt facility in Follafoss
- First roe installed 28th of June 2023
 - First batch to be transferred to sea in 2024
- Capacity to produce 20 million smolt @200g
- Strengthening smolt capacity and flexibility in SalMar



Tjuin Smolt Facility – August 2023

Several R&D projects in operation

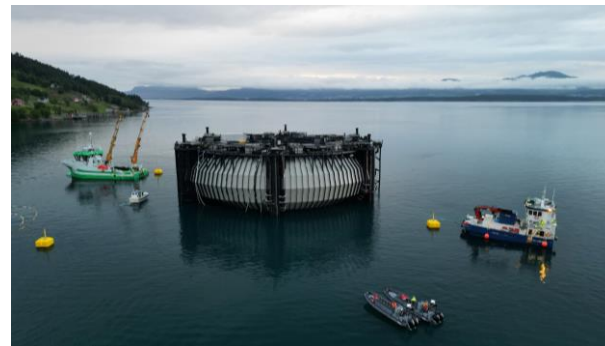
- SalMar a frontrunner in testing out new technology
 - Ambition to increase operational efficiency through interaction with our existing value chain
- Aquatraz - Semi-closed net pen
 - Previous development project – several cycles completed
- Neptun 4 - SalMars first closed net pen
 - Finished with three production cycles
- Marine Donut – closed net pen
 - Development project - first production cycle to commence autumn 2023
- Submersible nets



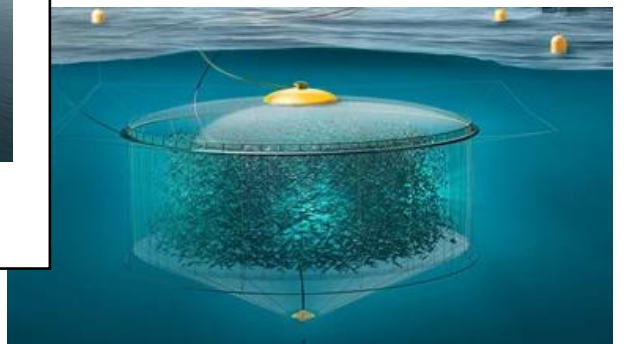
Aquatraz



Neptun 4



Marine Donut



Submersible nets

Two offshore units in operation – SalMar pioneering and leading the development offshore

Ocean Farm 1

- 3rd production cycle started in May
- Located at Håbranden on Frohavet in Central Norway



Ocean Farm 1 at its location Håbranden on Frohavet in Central Norway

Arctic Offshore Farming

- Development project - 1st production cycle started in July
- Located at Fellesholmen in Northern Norway



Arctic Offshore Farming at its location Fellesholmen in Northern Norway

Q2 2023

Outlook

Outlook

- Limited supply growth in 2023
 - Expect lower prices H2 23 vs. H1 23 due to seasonally higher volume
 - Continued good demand for sustainable proteins
- SalMar well equipped for further sustainable growth
 - Strong growth potential in optimal locations
 - Robust value chain with unutilized potential
 - Dedicated employees and strong corporate culture
- Capital Markets Day 6-7 September 2023 in Tromsø & Senja

Guiding

| | | Q3 2023 | | FY 2023 | |
|---------------------------------------|-------------------------|-----------------------------|-----------------------------|----------------|-----------------------------|
| | Cost Level ¹ | Harvest Volume ¹ | Contract share ² | Harvest Volume | Contract share ² |
| Norway | Same level | Significantly Higher | ~15% | 243,000 | ~16% |
| Central Norway | Lower | Higher | | 148,000 | |
| Northern Norway | Slightly higher | Higher | | 95,000 | |
| Icelandic Salmon | | Higher | | 16,000 | |
| Scottish Sea Farms³ | | | | 27,000 | |

1) Change from Q2 2023

2) Physical and financial fixed price contracts

3) Joint venture Scottish Sea Farms LTD through Norskott Havbruk, ownership 50%

Thank you for your attention

Passion for Salmon

For more information, please visit www.salmar.no

FINANCIAL CALENDAR:

Capital Markets Day – 6-7 September 2023 – *Tromsø & Senja*

Q3 2023 presentation – 9 November 2023 – *Oslo*

Q4 2023 presentation – 15 February 2024 – *Oslo*

Annual Report 2023 – 19 April 2024

Q1 2024 presentation – 14 May 2024 – *Oslo*

Annual General Meeting – 6 June 2024

Q2 2024 presentation – 20 August 2024 – *Trondheim*

Q3 2024 presentation – 12 November 2024 – *Oslo*



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Forward looking statements

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