

Third quarter 2023

Quarterly report





Highlights in the third quarter

- Strong third quarter 2023 results with an operational EBIT for the group of NOK 2,300 million. Total harvest was 78,100 tonnes. Operational EBIT per kg was NOK 29.5.
- Operational EBIT for Norway¹ was NOK 2,274 million. Harvest volume was 74,000 tonnes and operational EBIT per kg was NOK 30.7.
- The farming segments in Norway delivered strong results driven by continued solid biological and operational performance, which led to increased volume and reduced cost level.
- Sales and Industry continued its solid operational performance, demonstrated by its efficient management of harvesting and processing facilities and strong capacity utilisation. The contract share was 15 per cent, with positive contribution.
- Icelandic Salmon resumed harvesting in July 2023, after a harvest stop in the second quarter, yet higher costs affected results.
- SalMar Aker Ocean has two offshore projects in operation, as Arctic Offshore Farming became part of SalMar Aker Ocean from Q4 2023.
- For Scottish Sea Farms, the results improved from the previous quarter, but were still weak, due to continued biological challenges.
- The resource rent tax in Norway has been included in the third-quarter financial statement, calculated for the first nine months of 2023 based on the best current estimate. SalMar strongly opposes the tax and remains committed to continue seeking dialogue with authorities and decision-makers.
- In the third quarter, SalMar strengthened its financial position with the completion of the sale of Frøy and in the fourth quarter, shareholders voted to cancel 13.1 million treasury shares.
- SalMar keeps its volume guiding for 2023 unchanged in Norway including SalMar Aker Ocean at 243,000 tonnes. Increases guidance for Icelandic Salmon with 1,000 tonnes to 17,000 tonnes and decreases guidance for Scottish Sea Farms with 2,000 tonnes to 25,000 tonnes (100% basis).
- Significant volume growth is expected in 2024. The volume guidance is 257,000 tonnes in Norway, 7,000 tonnes from SalMar Aker Ocean, 15,000 tonnes for Icelandic Salmon and 37,000 tonnes for Scottish Sea Farms (100% basis).

NOK million	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Operating income	7,512	4,898	20,199	13,753	20,158
Operational EBIT	2,300	1,313	5,930	3,458	4,465
Production tax	-73	-23	-130	-58	-85
Fair value adjustments & onerous contracts	424	-387	1,434	1,303	359
Income from investments in associates and joint ventures	-18	-51	-62	168	66
Profit before tax from continuing operations	2,304	850	6,305	4,784	4,562
Profit for the period from continuing operations	681	669	1,486	3,785	3,608
EPS – diluted	7.6	4.7	14.3	29.5	27.6
NIBD incl. leasing liabilities	15,722	6,423	15,722	6,423	20,505
Equity ratio %	40.3%	52.5 %	40.3 %	52.5%	38.6 %
Harvested volume (1,000 tgw)	78.1	53.6	171.0	131.0	193.7
EBIT/kg (NOK)	29.5	24.5	34.7	26.4	23.1

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



Financial performance

Summary

In the third quarter 2023, the SalMar Group reported fully consolidated results from NTS, NRS and SalmoNor for the fourth consecutive quarter. The acquired businesses were fully consolidated from November 2022.

Fish Farming Central Norway and Fish Farming Northern Norway reported strong results following solid operational performance, increased volume, and reduced cost level.

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

Icelandic Salmon started harvesting after a stop in the second quarter 2023, but high cost level affected the results.

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

In the third quarter 2023, the SalMar Group in total harvested 78,100 tonnes of salmon, up from 53,600 tonnes in the third quarter 2022.

The Norskott Havbruk joint venture (Scottish Sea Farms) reported improved results from the previous quarter, but still down from the corresponding quarter last year, due to biological challenges. The company harvested 8,800 tonnes of salmon in the quarter. By comparison, the company harvested 11,300 tonnes in the corresponding period last year. SalMar owns 50 per cent of Norskott Havbruk.

In the third quarter 2023, the price of salmon (NASDAQ Salmon Index) averaged NOK 78.3 per kg up from NOK 71.5 per kg in the third quarter in 2022.

Income statement for the third quarter 2023

Operating revenues amounted to NOK 7,512 million in the third quarter 2023, compared with NOK 4,898 million in the third quarter 2022.

SalMar's most important key figure for measuring its performance 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 2,300 million in the quarter, up from NOK 1,313 million in the corresponding quarter the year before. The increase is due to higher harvest volume in its Norwegian operations.

The SalMar Group achieved an operational EBIT per kg of NOK 29.5 in the third quarter 2023, up from NOK 24.5 per kg in the third quarter 2022.

A production tax has been payable by the Norwegian operation since 1 January 2021. From 1st of July 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 73 million in the third quarter 2023. In the same period in 2022, this amounted to negative NOK 23 million.

The change in provisions for onerous contracts was negative NOK 98 million in the quarter. The fair value adjustment was positive with NOK 698 million and fair value adjustment included in cost of goods sold due to business combination was negative NOK 176 million in the quarter. See Note 4 for further details.

SalMar posted an operating profit of NOK 2,651 million in the third quarter 2023, up from NOK 903 million in the same period in 2022.

Income from investments in associates and joint ventures was negative NOK 18 million in the period, compared with negative NOK 51 million in the corresponding quarter in 2022. See note 8 for further details.

Net interest expenses totalled negative NOK 338 million in the third quarter 2023, compared with negative NOK 64 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 9 million in the period, compared with NOK 62 million in the third quarter 2022.

Profit before tax in the third quarter 2023 was NOK 2,304 million, compared with NOK 850 million in the corresponding quarter last year.

A tax expense of NOK 1,623 million has been recognised for the quarter. This amount includes NOK 1,120 million in estimated resource rent tax in Norway. The resource rent tax recognised in the third quarter consist of calculated resource rent tax for first nine months of the year, from 1 January 2023 to 30 September 2023, based on the best estimate based on current knowledge. See note 11 for further details.

This results in a profit for the period from continuing operations of NOK 681 million. The profit after tax from discontinued operations was NOK 385 million, positively affected by a realized gain after sale of Frøy, see note 7 for further details. Resulting in a profit for the period of NOK 1,066 million. The tax expense recognised in the corresponding quarter last year was NOK 181 million, while profit for the period last year totalled NOK 669 million.

Currency exchange effects through the quarter resulted in translation differences of negative NOK 160 million with respect to associates and subsidiaries accounted for in foreign currencies. Change in fair value of financial instruments net after tax was NOK 131 million. This resulted in a total other comprehensive income of negative NOK 29 million in the quarter. These are items that may subsequently be reclassified to profit and loss and decrease the period's total comprehensive income to NOK 1,037 million.



Income statement for the first nine months 2023

The SalMar Group generated gross operating revenues of NOK 20,199 million in the first nine months of 2023, up from NOK 13,753 million in the same period in 2022.

The harvest volume for the first nine months of 2023 was 171,000 tonnes. In the same period last year, the Group had harvested 131,000 tonnes.

In the first nine months of 2023, the price of salmon (NASDAQ Salmon Index) averaged NOK 96.6 per kg, compared with NOK 85.7 per kg in the same period last year.

Operational EBIT for the first nine months of 2023 totalled NOK 5,930 million, up from NOK 3,458 million in 2022. This gives an Operational EBIT per kg of NOK 34.7 for the first nine months of 2023, compared with NOK 26.4 per kg in the same period in 2022.

A production tax has been payable by the Norwegian operation since 1 January 2021. Payment of the production tax in Norway and the resource tax in Iceland reduced profits by NOK 130 million in the first nine months of 2023.

Onerous contracts decreased profits by NOK 11 million. The fair value adjustment was positive with NOK 2,056 million and fair value adjustment included in cost of goods sold due to business combination was negative NOK 612 million in the first nine months of 2023.

Operating profit for the first nine months of the year ended at NOK 7,234 million, up from NOK 4,703 million in the corresponding period in 2022.

Income from associates and joint ventures was NOK -62 million in the first nine months of 2023. The contribution derives primarily from SalMar's share of the profit from Norscott Havbruk, which amounted to NOK -150 million in the year's first nine months. In the same period last year, associates contributed NOK 168 million, where SalMar's share of the profit from Norscott Havbruk was NOK 164 million.

Net interest expenses totalled NOK 887 million in the first nine months of 2023, compared with NOK 165 million in the same period last year. Net other financial items totalled NOK 20 million in the period. In the corresponding period last year, the Group reported other financial items totalling NOK 78 million.

Profit before tax in the first nine months of 2023 therefore totalled NOK 6,305 million, compared with NOK 4,784 million in the same period in 2022.

A tax expense of NOK 4,819 million has been calculated for the first nine months of 2023, compared to NOK 999 million in the same period in 2022. This amount for 2023 includes NOK 2,303 million in estimated implementation effect for the resource rent tax and NOK 1,120 for the resource rent tax for the first nine months of 2023. See note 11 for further information.

This results in a net profit for the period from continuing operations of NOK 1,486 million. The profit after tax from discontinued operations was NOK 655 million, resulting in a profit for the period of NOK 2,141 million.

The profit for the corresponding period last year totalled NOK 3,785 million.

Total other comprehensive income totalled NOK 275 million compared to negative NOK 2 million in the same period last year. This gives total comprehensive income for the first nine months of 2023 to NOK 2,417 million compared to NOK 3,783 million last year.

Cash flow

Cash flow from operating activities for the SalMar Group was NOK 2,977 million in the third quarter 2023, compared with NOK 1,424 million in the same period in 2022. In the third quarter, NOK 110 million is related to the sale of Frøy, recognized as discontinuing operations and NOK -363 million is related to gain on sale of Frøy.

Net cash flow from investing activities in the third quarter totalled NOK 3,916 million, compared with NOK -790 million in the third quarter last year. The change is related to the proceeds from the sale of Frøy and other assets, recognized as disposal of group companies net of cash, totalling NOK 4,454 million in the quarter.

Investments in the value chain in the quarter related to purchase and sale of non-current assets was NOK -420 million, cash flow from other investing activities at NOK -9 million, and investing activities related to discontinuing operations at NOK -108 million.

The Group had a net cash flow from financing activities of NOK -7,297 million in the third quarter 2023, compared with NOK -914 million in the same period last year.

During the quarter the Group's interest-bearing liabilities decreased with NOK -6,725 million, lease liabilities and net interest paid financing activities totalled NOK -517 million. In the same quarter last year, interest-bearing liabilities decreased with -782 million, while leasing liabilities and net interest paid financing activities totalled NOK -110 million.

SalMar had a net change in cash and cash equivalents of NOK -404 million in the third quarter 2023, compared with NOK -280 million in the same period in 2022. Adjusted for NOK -9 million in currency effects and cash and cash equivalents from discontinuing operations at start of the period, cash holding at the close of the quarter stood at NOK 751 million.

Financial position

At the end of the third quarter 2023, SalMar Group's assets totalled NOK 53,256 million, down from NOK 63,867 million at the end of the second quarter 2023. The reduction is due to the completion of the sale of SalMar's indirect holding in Frøy. See note 7 to the financial statements for further details.

Non-current assets amounted to NOK 34,714 million at the end of third quarter 2023, down from NOK 34,759 million at the end of second quarter 2023.

Non-current intangible assets totalled NOK 18,409 million at the end of the quarter, down from NOK 18,478 million at the end of second quarter 2023.



The book value of the Group's non-current tangible assets was NOK 12,078 million at the close of the quarter, up from NOK 12,001 million at the end of June 2023.

The Group's right-of-use assets totalled NOK 1,442 million, down from NOK 1,509 million at the end of June 2023.

Non-current financial assets was NOK 2,784 million, up from NOK 2,771 million at the end of the second quarter 2023.

At the end of the third quarter 2023, SalMar had current assets totalling NOK 18,542 million, up from NOK 17,059 million at the end of the second quarter 2023.

The book value of inventory stood at NOK 15,501 million at the end of third quarter 2023, up from NOK 14,217 million at the end of the second quarter 2023. Trade receivables totalled NOK 1,567 million, up from NOK 1,415 million at the end of the previous quarter. Other current receivables were NOK 723 million, up from NOK 644 million at the end of the second quarter 2023.

As of 30 September 2023, the SalMar Group had cash and cash equivalents of NOK 751 million, down from NOK 784 million at the end of June 2023.

As of 30 September 2023, the Group's total equity amounted to NOK 21,475 million, corresponding to an

equity ratio of 40.3 per cent, compared to NOK 22,175 million at the end of June 2023 and an equity ratio of 34.7 per cent. For further details, reference is made to the attached separate presentation of movements in equity.

As of end September 2023, the SalMar Group had total interest-bearing liabilities of NOK 14,994 million. Of this amount, non-current interest-bearing debts amounted to NOK 13,707 million, while current interest-bearing liabilities was NOK 1,287 million. By comparison, total interest-bearing liabilities at the end of June 2023 was NOK 21,770 million. See notes to the financial statements for further details.

The Group's lease liabilities totalled NOK 1,479 million at the close of the third quarter 2023, compared to NOK 1,551 million at the end of the second quarter 2022.

At the end of the third quarter 2023, pension liabilities, deferred tax liability, trade creditors and other current liabilities totalled NOK 15,308 million, compared to NOK 12,400 million at the end of the previous quarter.

As of 30 September 2023, the SalMar Group had net interest-bearing debts, including lease liabilities of NOK 15,722 million, compared to NOK 22,537 million at the end of the second 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.

NOK million	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Operating income	3,817	2,540	8,996	6,574
Operational EBIT	1,218	977	3,434	3,115
Operational EBIT %	32 %	38 %	38 %	47 %
Harvested volume (1,000 t _{gw})	48.4	36.0	98.9	81.5
EBIT/kg gw (NOK)	25.2	27.2	34.7	38.2

Fish Farming Central Norway harvested 48,400 tonnes of salmon in the third quarter 2023, compared with 36,000 tonnes in the third quarter 2022.

The segment generated operating income of NOK 3,817 million in the quarter, compared with NOK 2,540 million in the corresponding quarter last year.

Record high harvest volume and solid operational performance led to strong results. The cost level was reduced compared to the previous quarter.

SalmoNor sites accounted for approx. 37 per cent of the harvested volume in the quarter.

EBIT per kg gutted weight was NOK 25.2 in the third quarter 2023, down from NOK 27.2 per kg in the same period last year.

The volume harvested in the quarter originated from fish that were transferred to sea in the spring of 2022 and autumn 2022. The segment will finish harvest of spring 22 in the fourth quarter 2023 and will continue harvesting from the autumn 2022 generation.

The biological status of the fish is good and the segment expects similar cost level and similar harvest volumes in the fourth quarter 2023.

The volume guidance for 2023 is reduced with 4,000 tonnes to 144,000 tonnes due to slightly slower growth than anticipated.

Fish Farming Northern Norway

Fish Farming Northern Norway encompasses the Group's operations in Troms and Finnmark county.

NOK million	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Operating income	2,033	946	5,458	3,126
Operational EBIT	868	428	2,562	1,749
Operational EBIT %	43 %	45 %	47 %	56 %
Harvested volume (1,000 t _{gw})	25.7	13.8	61.4	39.3
EBIT/kg gw (NOK)	33.8	31.0	41.7	44.5

Fish Farming Northern Norway harvested 25,700 tonnes in the third quarter 2023, compared with 13,800 tonnes in the third quarter 2022.

The segment generated operating income of NOK 2,033 million in the quarter 2023, compared with NOK 946 million in the third quarter 2022.

The segment has continued its trend with solid biological and operational performance, resulted in strong results in the third quarter.

The cost level increased slightly compared to the previous quarter. Additionally, the harvest volume from NRS operations represented a larger portion of the quarter's total than in the prior quarter, at 24 per cent.

Fish Farming Northern Norway achieved NOK 33.8 EBIT per kg gutted weight in third quarter 2023, compared to NOK 31.0 in the same period the year before.

Harvesting from the autumn 2021 generation was finished in the period, and the segment continued harvesting from the spring 2022 generation. It will continue to harvest from the spring 2022 generation in the fourth quarter 2023.

The biological status of the fish in sea is good, and the segment expects similar cost level in the fourth quarter 2023. The segment expects higher harvest volumes in the fourth quarter 2023.

Since Arctic Offshore Farming project has been transferred to SalMar Aker Ocean the volume guidance for 2023 is reduced with 4,000 tonnes, but due to strong growth and biological performance guidance for 2023 is still kept at 95,000 tonnes.



Sales and Industry

The Sales and Industry segment sells all the fish 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	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Operating income	7,236	4,734	19,477	13,126
Operational EBIT	236	-34	88	-1,186
Operational EBIT %	3.3 %	-0.7 %	0.5 %	-9.0 %

Sales and Industry generated gross operating income of NOK 7,236 million in the third quarter 2023, compared with NOK 4,734 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. In total it harvested 56,700 tonnes of salmon in the third quarter 2023, compared with 51,600 tonnes in the third quarter 2022.

The price achievement from spot sales in the quarter was good, and the fixed price contract shares in the third quarter 2023 was 15 per cent, with a positive contribution.

The segment delivered an operational EBIT of NOK 236 million in the period, compared with NOK -34 million in the same period last year.

In the fourth quarter 2023, the contract rate is expected to be around 15 per cent. The price level on contracts for 2023 is higher than in 2022.

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, defined as fish farming in exposed and semi-exposed waters. The company aims to create the world's most reliable and intelligent offshore farming operations with the highest requirements for fish welfare and with a zero-emissions value chain ambition.

NOK million	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Operating income	0	-	0	-
Operational EBIT	-8	-34	-63	-107
Harvested volume (1,000 tgw)	-	-	-	-
EBIT/kg gw (NOK)	-	-	-	-

In the third quarter of 2023, SalMar Aker Ocean had an operational EBIT of NOK -8 million.

The result in the period is better than in previous quarters as cost is allocated to the biomass after the third production cycle at Ocean Farm 1 commenced early May. Planned harvest from Ocean Farm 1 is still on track for early 2024.

The segment has two projects in operation as Arctic Offshore Farming was made part of SalMar Aker Ocean from the fourth quarter 2023. SalMar Aker Ocean aims to harvest 4,000 tonnes in the fourth quarter from the Arctic Offshore Farming project.

In end September, 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 has 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	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Operating income	476	340	1,267	1,056
Operational EBIT	35	39	204	268
Operational EBIT %	7 %	11 %	16 %	25 %
Harvested volume (1,000 t _{gw})	4.0	3.8	10.7	10.1
EBIT/kg gw (NOK)	8.7	10.2	19.1	26.4

Following a harvest pause in the second quarter, Icelandic Salmon resumed harvesting in July and harvested 4,000 tonnes in the third quarter 2023.

The business generated operating income of NOK 476 million in the third quarter, up from NOK 340 million in the same period in 2022.

Operational EBIT per kg in the quarter was NOK 8.7 per kg, in comparison to NOK 10.2 per kg in the same period last year, due to higher cost level on harvested volumes. The 2021 generation accounted for the harvest volume in the quarter.

At the end of September, Icelandic Salmon hosted a Capital Markets Day and completed a dual listing on First North stock exchange in Iceland.

Icelandic Salmon expects higher harvest volumes in the fourth quarter 2023 and increases its volume guidance for 2023 with 1,000 tonnes to 17,000 tonnes.

Biological challenges encountered at the beginning of the fourth quarter 2023 will have a negative impact on the results in Q4 2023 and will impact the projected volume growth for 2024. For 2024 Icelandic Salmon expects to harvest 15,000 tonnes.

With effect from 3 November 2023, 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 78,100 tonnes in the third quarter 2023, R&D costs accounted for NOK 0.50 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	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Operating income	867	972	2,065	2,495
Operational EBIT	-121	47	-257	342
Harvested volume (1,000 t _{gw})	8.8	11.3	20.3	28.6
EBIT/kg gw (NOK)	-13.7	4.2	-12.6	12.0
Fair value adj. biomass	27	-172	21	149
Profit/loss before tax	-147	-145	-381	439
SalMar's share after tax	-55	-55	-150	164
NIBD (NOKm)	2,700	1,871	2,700	1,871

Scottish Sea Farms harvested 8,800 tonnes in the third quarter 2023, compared with 11,300 tonnes harvested in the third quarter 2022.

The company generated operating revenues of NOK 867 million in the third quarter 2023, compared with NOK 972 million in the corresponding quarter last year.

EBIT per kg gutted weight was negative NOK 13.7 in the period, a decline from NOK 4.2 per kg in the corresponding period last year.

SalMar's share of Norskott Havbruk's net profit was negative NOK 55 million in the third quarter 2023.

The weak results are due to continued harvest of biologically challenged sites affecting average harvest weight, cost base and price achievement. In third quarter costs related to biological challenges accounted for £ 13.1 million.

Volume guidance for 2023 is reduced with 2,000 tonnes to 25,000 tonnes in order to optimize biological performance.

Improved biological situation for generations to be harvested in 2024. In 2024 the company expects 37,000 tonnes.



Markets

Supply and biomass

In the third quarter 2023, the global supply of Atlantic salmon totalled approximately 769,200 tonnes, a decrease of 2.5 per cent on the same period in 2022.

At 415,600 tonnes, output in Norway in the quarter was 1.6 per cent less than in the same period a year before. The output decreased with 8.6 per cent in UK and 3.6 per cent in Chile. The output also decreased with 11.2 per cent in North America and 4.7 per cent in Faroe Islands, while in other regions output increased with 10 per cent.

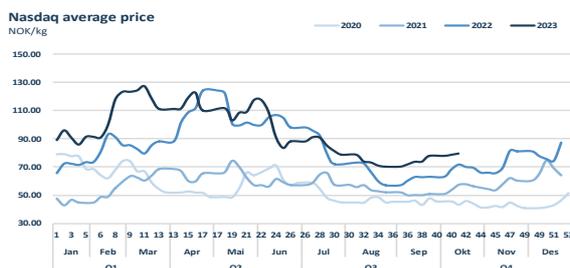
According to figures from Kontali, the standing biomass in Norway at the end of the third quarter 2023 is estimated to be 3.0 per cent higher than the end of third quarter 2022. The standing biomass is estimated to be 2.5 per cent higher in Chile, 2.9 per cent higher in the UK, and 16.2 per cent higher in the Faroe Islands.

Prices and foreign exchange rates

NASDAQ Salmon Index was traded at NOK 88.2 per kg at the start of the third quarter 2023. At the end of the quarter, it was traded at a price of NOK 78.0 per kg.

The NASDAQ Salmon Index in the period averaged NOK 78.3 per kg in the third quarter 2023, up from NOK 71.6 per kg in the third quarter 2022.

NASDAQ Salmon Index NOK/kg



Against the most important trading currencies for salmon the Norwegian krone (NOK) strengthened 3.8 per cent against EUR, 4.6 per cent against the GBP, and 1.4 against the USD through the quarter.

Norwegian exports

Norwegian exports of salmon were around 393,000 tonnes (round weight) in the third quarter 2023, down 2 per cent from 403,000 tonnes in the same period last year. The value of these exports rose by 18 per cent year-on-year, from NOK 27.1 billion to NOK 30.3 billion.

A substantial secondary processing industry makes Poland the largest single market for Norwegian salmon. In the third quarter 2023, around 71,900 tonnes of salmon in total were exported to this market, a 6 per cent increase from the corresponding quarter in 2022.

Exports increased by 4 per cent to the USA, 5 per cent to Spain, and 27 per cent to Vietnam/China/Hong Kong. Exports to Denmark fell by 5 per cent, to France export fell by 10 per cent, and fell by 7 per cent to UK, compared to the third quarter 2022.

Shares and shareholders

As of 30 September 2023, SalMar had a total of 145,138,920 shares outstanding, divided between 24,370 shareholders.

The company's largest shareholder, Kverva Industrier AS, owned 41.3 per cent of the shares at the end the quarter. The 20 largest shareholders owned a total of 68.1 per cent of the shares.

As at 30 September 2023, SalMar ASA owned 13,706,246 treasury shares, of which 13,691,960 were owned indirectly through the fully owned subsidiary NTS AS. This corresponds to 9.4 per cent of the total number of shares outstanding as of 30 September 2023.

SalMar's share price fluctuated between NOK 425.3 and NOK 563.4 in the third quarter 2023. The price at the close of the quarter was NOK 543.4 compared with NOK 432.9 at the close of the previous quarter.

A total of 11.6 million shares were traded in the quarter, which corresponds to 8.0 per cent of the total number of shares outstanding. The volume of shares traded daily averaged 178,352.

EGM regarding 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. See more information in the "Events after the reporting date" section below.

Other matters

Completion of the acquisition by GoldmanSachs Asset Management of 72.11% of the shares in Frøy ASA from NTS AS

In August 2023, SalMar announced the completion of the sale of its 72.11 per cent ownership stake in Frøy to Goldman Sachs Asset Management for NOK 76.50 per share. The total cash consideration was NOK 4.8 billion for SalMar, which has been booked in the third quarter. See note 7 to the financial statements for further details.

SalMar's Capital Markets Day in Northern Norway

In September 2023, SalMar hosted a Capital Markets Day in Tromsø. Stakeholders were given insights in SalMar's commitment and ambitions within coastal farming and within offshore farming, and learnt about SalMar's aim to continue its leading role in growing and developing the industry both nationally and internationally. The audience was also informed about expected volumes going forward, totalling 362,000 tonnes including relative share from Scottish Sea Farms, and a further increase in the estimated synergies in the NTS, NRS and SalmoNor transaction (see below).



Synergy realization progressing according to plan

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 will allow for yearly recurring cost savings in optimal locations to produce Atlantic salmon. According to the revised estimates, NOK 844 million per annum in synergies is expected. During the third quarter 2023, SalMar has been able to realise NOK 635 million in recurring cost savings, representing 75 per cent of the annual synergy target. SalMar expects 100% of synergies to be realised by the end of 2023.

The yearly recurring cost savings are being achieved through improved operational set-up, increased efficiency, and scale advantages. Furthermore, the SalMar Group is actively working to optimize the value chain.

Expansion of smolt production capacity

Access to high quality roe and smolt is crucial to secure good performance in salmon farming. In 2022, SalMar completed expansion of its smolt facility on Senja. 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 and the first roe was installed in facility at the end of June 2023.

SalMar finished the construction of a new closed net pen during 2023, Marine Donut. This is the second closed net pen for SalMar, and both are located in southern parts of Central Norway, in Romsdalsfjorden.

Expanding harvesting and processing capacity

Harvesting and VAP activities at InnovaNor, SalMar's harvesting and processing plant in Northern Norway, came into operation in 2022 and through ramp up of activity the facility is proving its ability to deliver according to designed 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.

SalMar Aker Ocean with two semi-offshore projects in operation and new offshore units is currently on hold in Norway

Arctic Offshore Farming was made part of SalMar Aker Ocean from Q4 2023, meaning SalMar Aker Ocean currently has two offshore projects in operation.

The third production cycle started at Ocean Farm 1 in May, and in July the first production cycle started in Arctic Offshore Farming. Both projects are progressing according to plan. The third cycle at Ocean Farm 1 is set for early 2024

harvest, while Arctic Offshore Farming expects harvest of 4,000 tonnes in Q4 2023.

Due to regulatory uncertainty SalMar Aker Ocean has 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 growth. SalMar plans to engage 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.

In the financial statement as of the end of the third quarter, the estimated resource tax rent for the first nine months of 2023 is included. See note 11 in the financial statements for further details.



Events after the reporting date

EGM regarding 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.

All items were resolved in accordance with the Board's calling notice, including the proposal to reduce SalMar's share capital by NOK 3,275,000 from NOK 36,284,730 to NOK 33,009,730 by deletion of 13.1 million treasury shares. This is conditional on completion of the intra-group merger with NTS AS.

Completion of the share capital reduction will be announced in a stock exchange notice when the conditions have been fulfilled, after expiry of a 6-week creditor notice period.

New credit facility agreement for Arnarlax

With effect from 3 November 2023, 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.

Outlook

Markets

Global growth in supply in 2023 for Atlantic salmon is expected to decrease with 0.4 per cent from levels in 2022 according to figures from Kontali Analyse. For 2024 global supply growth is estimated to increase with 4.5 per cent.

In the fourth quarter 2023, the global volume of salmon harvested is expected to be 3.8 per cent higher than the level in than the fourth quarter 2022, according to Kontali.

Compared with the same period last year the harvested volume in the fourth quarter is expected to increase with 3 per cent in Norway, 19 per cent in UK, 17 per cent in North America, 10 per cent in Faroe Island and 9 per cent in other producing countries. Harvest is expected to decrease with 2 per cent in Chile.

The Fish Pool forward price as of 6 October 2023 indicates an average salmon price of NOK 79.0 per kg and NOK 87.0 per kg in November and December 2023, respectively. The forward price for the first quarter 2024 is NOK 106.9. In 2024 the forward price is currently NOK 96.0 per kg.

Company

SalMar keeps its volume guiding for 2023 in Norway including SalMar Aker Ocean unchanged at 243,000 tonnes. Volume guidance for Icelandic Salmon for 2023 has been increased with 1,000 tonnes to 17,000 tonnes. Scottish Sea Farms has been reduced with 2,000 tonnes to 25,000 tonnes (100% basis).

In Norway, SalMar expects similar volume and similar cost level in the fourth quarter 2023, compared to the third quarter 2023. It expects higher volume in SalMar Aker Ocean and Icelandic Salmon in the fourth quarter 2023.

For the fourth quarter 2023, the contract rate is expected to be around 15 per cent.

For 2024, SalMar expects a strong volume growth where potential in licenses is starting to materialize. SalMar expects 257,000 tonnes in Norway and 7,000 tonnes from SalMar Aker Ocean. In Iceland the volume guidance for 2024 is 15,000 tonnes and for Scottish Sea Farms the volume guidance for 2024 is 37,000 tonnes (100% basis).

SalMar has a positive view on the future of the aquaculture industry, despite regulatory uncertainty in Norway. The company expects low global supply of Atlantic salmon in 2024, and in this market SalMar will grow volume significantly.

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.

SalMar has identified substantial untapped organic growth potential within existing value chain, without any large investment projects within the next 3-5 years. The volume potential in Norway is estimated at 300,000 tonnes. SalMar Aker Ocean's potential volume is identified at 13,000 tonnes, Iceland 26,000 tonnes, while in the UK, it stands at 45,000 tonnes. Overall, this implies a total volume projection for the SalMar group of 362,000 tonnes taking into account the relative share from Scottish Sea Farms.

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



The Board of Directors and CEO of SalMar ASA
Frøya, 8 November 2023

Gustav Witzøe
Chair

Arnhild Holstad
Director

Hans Stølan
Director (employee-elected)

Margrethe Hauge
Director

Morten Loktu
Director

Frode Arntsen
CEO

Leif Inge Nordhammer
Director

Ingvild Kindlihagen
Director (employee-elected)



Profit or Loss

<i>NOK million</i>	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Total operating revenues	7,512	4,898	20,199	13,753	20,158
Cost of goods sold	3,451	2,219	9,019	5,973	9,599
Fair value adjustment included in cost of goods sold due to business combination	-176	-	-612	-	-283
Salary and personnel expenses	561	414	1,782	1,278	1,894
Other operating expenses	1,023	715	3,041	2,349	3,446
EBITDA	2,653	1,550	6,969	4,153	5,502
Depreciation and write-downs	353	237	1,039	695	1,038
Operational EBIT	2,300	1,313	5,930	3,458	4,465
Production tax	-73	-23	-130	-58	-85
Onerous contracts	-98	205	-11	118	126
Fair value adjustment	698	-592	2,056	1,185	516
Fair value adjustment included in cost of goods sold due to business combination	-176	-	-612	-	-283
Operating profit	2,651	903	7,234	4,703	4,738
Income from investments in associates and joint ventures	-18	-51	-62	168	66
Net interest expenses	-338	-64	-887	-165	-336
Other financial items	9	62	20	78	93
Profit before tax	2,304	850	6,305	4,784	4,562
Income tax expense	1,623	181	4,819	999	954
Profit for the period from continuing operations	681	669	1,486	3,785	3,608
Profit after tax for the period from discontinued operations	385	-	655	-	107
Profit for the period	1,066	669	2,141	3,785	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	-46	-16	100	16	21
Translation differences in group companies	-114	33	172	114	124
Change in fair value of financial instruments, net after tax	131	-112	3	-132	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	-29	-95	275	-2	317
Total comprehensive income	1,037	575	2,417	3,783	4,033
<i>Profit for the period attributable to:</i>					
Non-controlling interests	71	110	256	309	404
Shareholders in SalMar ASA	995	559	1,885	3,476	3,312
<i>Comprehensive income for the period attributable to:</i>					
Non-controlling interests	30	102	323	309	478
Shareholders in SalMar ASA	1,008	473	2,093	3,474	3,555
Earnings per share	7.6	4.7	14.3	29.5	27.6
Earnings per share - diluted	7.6	4.7	14.3	29.5	27.6



Balance Sheet

<i>NOK million</i>	30.09.23	30.06.23	31.12.22	30.09.22
ASSETS				
Non-current intangible assets	18,409	18,478	18,291	9,133
Non-current tangible assets	12,078	12,001	11,131	8,373
Right-of-use assets	1,442	1,509	1,387	856
Non-current financial assets	2,784	2,771	2,746	1,685
Total non-current assets	34,714	34,759	33,555	20,047
Inventory	15,501	14,217	12,685	9,749
Trade receivables	1,567	1,415	1,414	1,073
Other current receivables	723	644	663	520
Cash and cash equivalents	751	784	2,713	787
Total current assets	18,542	17,059	17,474	12,129
Assets held for sale	-	12,049	11,472	-
TOTAL ASSETS	53,256	63,867	62,501	32,176
EQUITY AND LIABILITIES				
Paid-in equity	12,596	12,583	12,559	3,477
Retained earnings	5,957	4,949	6,797	10,869
Non-controlling interests	2,922	4,643	4,799	2,535
Total equity	21,475	22,175	24,155	16,881
Pension liabilities	10	10	18	
Deferred tax liability	7,369	7,022	1,928	2,556
Non-current interest-bearing liabilities	13,707	18,755	18,350	5,722
Non-current lease liabilities	1,207	1,270	1,152	715
Total non-current liabilities	22,293	27,058	21,448	8,992
Current interest-bearing liabilities	1,287	3,014	3,442	532
Short-term lease liabilities	272	281	273	242
Trade creditors	4,246	3,315	3,338	2,876
Other current liabilities	3,682	2,052	4,233	2,654
Total current liabilities	9,488	8,663	11,286	6,303
Liabilities directly associated with the assets held for sale	-	5,971	5,612	-
TOTAL EQUITY AND LIABILITIES	53,256	63,867	62,501	32,176
Net interest-bearing debt (NIBD)	14,243	20,986	19,079	5,466
NIBD incl. lease liabilities	15,722	22,537	20,505	6,423
Equity share	40.3 %	34.7 %	38.6 %	52.5 %



Statement of Cash Flow

<i>NOK million</i>	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Profit before tax	2,304	850	6,305	4,784	4,562
Profit before taxes from discontinuing operations	387	-	683	-	91
Profit before taxes	2,691	850	6,988	4,784	4,654
Tax paid in the period	-95	-4	-213	-45	-552
Depreciation, amortisation and write-downs	353	237	1,039	695	1,038
Income from associated companies and joint ventures	18	51	62	-168	-66
Gain related to remeasured shares in associated companies	-	-89	-	-89	-91
Onerous contracts	98	-205	11	-118	-126
Fair value adjustments	-522	592	1,445	-1,185	-232
Change in working capital	358	-85	415	-58	-806
Other changes	329	79	873	209	390
Gain on disposal discontinuing operations	-363	-	363	-	-
Cash-flow from operating activities related to discontinuing operations	110	-	155	-	16
Net cash flow from operating activities	2,977	1,424	6,691	4,025	4,223
Cash-flow from purchase and sale of PPE, licenses and other intangible assets	-420	-686	-1,711	-2,006	-2,453
Payments on business combinations, net of cash	-	-107	-	-107	-1,983
Proceeds from disposal of group companies, net of cash	4,454	-	4,454	-	-
Proceeds from disposal of other financial investments	-	-	45	-	1,860
Cash-flow from other investing activities	-9	3	26	23	19
Cash-flow from investing activities related to discontinuing operations	-108	-	-412	-	-80
Net cash flow from investing activities	3,916	-790	2,402	-2,091	-2,637
Change in interest-bearing liabilities	-6,725	-782	-6,836	698	7,019
Payment of instalments on lease liabilities	-76	-53	-237	-161	-229
Payment of interest on lease liabilities	-23	-15	-70	-45	-65
Net interest paid financing activities	-417	-43	-876	-108	-211
Dividend	-14	-22	-2,708	-2,386	-2,405
Net proceeds from capital contribution	-	-	-	11	11
Change in non-controlling interests	-	-	-671	-55	-3,873
Cash-flow from financing activities related to discontinuing operations	-42	-	29	-	-78
Net cash flow from financing activities	-7,297	-914	11,369	-2,045	168
Net change in cash and cash equivalents	-404	-280	2,276	-112	1,754
Currency translation of cash and cash equivalents	-9	-6	-5	-3	7
Cash and cash equivalents as at the start of the period	784	1,073	2,713	902	902
Cash and cash equivalents discontinuing operations at start of the period	379	-	319	-	369
Cash and cash equivalents as at period end	751	787	751	787	3,031
Of which cash and cash equivalents in discontinuing operations at period end	-	-	-	-	319
Cash and cash equivalents excluding discontinuing operations at period end	751	787	751	787	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	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					1,885					1,885	256	2,141
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						100				100	0	100
Translation differences in group companies						86				86	86	172
Change in fair value of financial instruments, net after tax							105	-58	-25	22	-19	3
Other comprehensive income	0	0	0	0	0	186	105	-58	-25	208	67	275
Total comprehensive income	0	0	0	0	1,885	186	105	-58	-25	2,093	323	2,417
Transactions with shareholders												
Share-based payment, expensed				37						37	1	38
Change in non-controlling interests					12					12	-684	-671
Divestment of non-controlling interests										0	-1,737	-1,737
Treasury shares in subsidiaries					-319					-319	319	0
Dividend					-2,629					-2,629	-98	-2,726
Other changes					2					2	-2	1
Total transactions with shareholders	0	0	0	37	-2,933	0	0	0	0	-2,896	-2,200	-5,096
At 30 September 2023	36	-3	12,182	381	5,352	363	316	-93	19	18,553	2,922	21,475

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	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							-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		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
Q3 2023							
Total operating revenues (NOK mill.)	3,817	2,033	7,236	476	0	-6,050	7,512
Operational EBIT (NOK mill.)	1,218	868	236	35	-8	-48	2,300
Operational EBIT %	32 %	43 %	3 %	7 %			31 %
Volume harvested (tonnes)	48.4	25.7		4.0	-		78.1
EBIT/ kg gw (NOK)	25.2	33.8		8.7			29.5
Q3 2022							
Total operating revenues (NOK mill.)	2,540	946	4,734	340	-	-3,663	4,898
Operational EBIT (NOK mill.)	977	428	-34	39	-34	-63	1,313
Operational EBIT %	38 %	45 %	-1 %	11 %			27 %
Volume harvested (tonnes)	36.0	13.8		3.8	-		53.6
EBIT/ kg gw (NOK)	27.2	31.0		10.2			24.5
YTD 2023							
Total operating revenues (NOK mill.)	8,996	5,458	19,477	1,267	-0	-14,998	20,199
Operational EBIT (NOK mill.)	3,434	2,562	88	204	-63	-295	5,930
Operational EBIT %	38 %	47 %	0 %	16 %			29 %
Volume harvested (tonnes)	98.9	61.4		10.7	-		171.0
EBIT/ kg gw (NOK)	34.7	41.7		19.1			34.7
YTD 2022							
Total operating revenues (NOK mill.)	6,574	3,126	13,126	1,056	-	-10,130	13,753
Operational EBIT (NOK mill.)	3,115	1,749	-1,186	268	-107	-380	3,458
Operational EBIT %	47 %	56 %	-9 %	25 %			25 %
Volume harvested (tonnes)	81.5	39.3		10.1	-		131.0
EBIT/ kg gw (NOK)	38.2	44.5		26.4			26.4



Key Figures

	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
No. of shares (diluted) - end of period (mill.)	131.602	117.878	131.600	117.881	119.979
Earnings per share (NOK)	7.6	4.7	14.3	29.5	27.6
Earnings per share - diluted (NOK)	7.6	4.7	14.3	29.5	27.6
EBITDA %	35 %	32 %	35 %	30 %	27 %
Operational EBIT %	31 %	27 %	29 %	25 %	22 %
EBIT %	35 %	18 %	36 %	34 %	24 %
Profit before tax %	31 %	17 %	31 %	35 %	23 %
Cash flow per share - diluted (NOK)	22.6	12.1	50.8	34.1	35.2
Net interest bearing debt (NOK mill.)	14,243	5,466	14,243	5,466	19,079
NIBD incl. leasing liabilities (NOK mill.)	15,722	6,423	15,722	6,423	20,505
Equity ratio %	40 %	52 %	40 %	52 %	39 %



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	59,904,476	41.27 %
NTS AS	13,691,960	9.43 %
FOLKETRYGDFONDET	4,952,748	3.41 %
State Street Bank and Trust Comp	2,481,785	1.71 %
CACEIS Bank	1,724,597	1.19 %
TERBOLI INVEST AS	1,425,394	0.98 %
LIN AS	1,337,685	0.92 %
HASPRO AS	1,330,830	0.92 %
JPMorgan Chase Bank, N.A., London	1,307,452	0.90 %
NILS WILLIKSEN AS	1,275,929	0.88 %
State Street Bank and Trust Comp	1,094,668	0.75 %
FRØY KAPITAL AS	1,093,815	0.75 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	1,025,226	0.71 %
State Street Bank and Trust Comp	971,712	0.67 %
PARETO AKSJIE NORGE VERDIPAPIRFOND	902,336	0.62 %
Brown Brothers Harriman & Co.	872,435	0.60 %
VERDIPAPIRFONDET KLP AKSJENORGE IN	866,448	0.60 %
JPMorgan Chase Bank, N.A., London	865,091	0.60 %
CLEARSTREAM BANKING S.A.	858,917	0.59 %
CACEIS Bank	833,924	0.57 %
Top 20	98,817,428	68.08 %
Others	46,321,492	31.92 %
Total	145,138,920	100.00 %

As at 30 September 2023 SallMar ASA owned 13,706,246 treasury shares.

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

	30.09.2023	30.06.2023	31.12.2022	30.09.2022
Carrying amount of inventory				
Raw materials	462	416	427	292
Biological assets	14,383	13,294	11,755	9,132
Finished goods	656	507	503	325
Total value of biological assets and other inventory	15,501	14,217	12,685	9,749
Carrying amount of biological assets	30.09.2023	30.06.2023	31.12.2022	30.09.2022
Roe, fry, smolt and cleaner fish at cost	576	646	551	373
Biological assets held at sea farms at cost	8,454	7,809	7,295	4,979
Total carrying amount of biological assets before fair value adjustments	9,030	8,455	7,847	5,352
Fair value adjustment of biological assets	5,354	4,840	3,908	3,781
Total carrying amount of biological assets	14,383	13,294	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:	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Biological assets - opening balance	13,294	9,169	11,755	7,281	9,132
Increase from business combination	-	-	-	-	3,254
Increase due to production	4,660	2,709	10,181	5,474	3,173
Decrease due to sale/ harvesting	-4,010	-2,160	-8,945	-4,778	-2,798
Decrease due to incident-based mortality	-8	-	-77	-20	-42
Decrease due to sale of group companies	-9	-	-9	-	-
Fair value adjustment on opening balance (reversed)	-4,840	-4,382	-3,908	-2,646	-3,781
Fair value adjustment from business combination due to fish not sold on opening balance	378	-	813	-	-
Fair value adjustment from business combination due to fish not sold on closing balance	-202	-	-202	-	-813
Fair value adjustment from business combination included in cost of goods sold in the period	-176	-	-612	-	-283
Fair value adjustment on closing balance (new)	5,354	3,781	5,327	3,781	3,908
Currency translation differences	-58	16	58	40	4
Biological assets - closing balance	14,383	9,132	14,383	9,132	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.

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:	30.09.2023	Expected harvesting period:	30.06.2023	Expected harvesting period:	31.12.2022	Expected harvesting period:	30.09.2022
	Q4-2023	79.60	Q3-2023	80.67	Q1-2023	91.75	Q4-2022	76.60
	Q1-2024	104.80	Q4-2023	82.00	Q2-2023	95.55	Q1-2023	87.90
	Q2-2024	108.10	Q1-2024	99.43	Q3-2023	76.48	Q2-2023	94.02
	Q3-2024	80.83	Q2-2024	102.37	Q4-2023	78.22	Q3-2023	78.30
	Q4-2024	82.27	Q3-2024	83.80	1st half 2024	85.91	Q4-2023	79.80
	Q1-2025	98.00	Q4-2024	86.00	2nd half 2024	75.00	Q1-2024	80.25
Discount factor Norway		7 %		7 %		6 %		6 %
Discount factor Iceland		5 %		5 %		5 %		5 %

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:

	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Change in the fair value of the biological assets	692	-603	2,052	1,130	446
Change in fair value adjustment due to business combination - included in cost of goods sold	-176	-	-612	-	-283
Change in unrealised value of Fish Pool contracts	6	11	4	55	70
Total fair value adjustments	522	-592	1,445	1,185	232



Note 5 - Business combinations

Business combinations in 2023

There has been a business combination in Frøy ASA in 2023. Please see note 7, Discontinued operations for more information.

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 NTS's 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 at 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 are as follows. No changes has been made in the purchase price allocation in Q3 2023. The purchase price allocation is not considered to be 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	Acquisition NTS	Merger NRS	Total
	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 Arnarfax 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 are 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

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 a consequence of the transaction the non-controlling interest related to treasury shares owned by NTS amounting to NOK 319,2 millions has reduce the equity attributable to shareholders in SalMar accordingly.

After the compulsory acquisition, the remaining non-controlling shareholders have made a formal complaint 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 owns 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	363	363	0
Total profit from discontinued operations	385	655	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	379	655	102

Profit for the period from discontinued operations attributable to equity holders of Salmar ASA

379 574 77

Earnings per share

Diluted profit for the period from discontinued operations	2.88	4.36	0.61
Profit for the period from discontinued operations	2.89	4.36	0.61

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

	30.06.2023	31.12.2022
ASSETS	30.06.2023	31.12.2022
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	-150	34	45	8	-62
Items recognised in other comprehensive income	98	-	-	3	100
Dividend	-	-10	-	-8	-18
Carrying amount at 30 September 2023	1,101	457	618	215	2,391

Note 9 - Interest-bearing liabilities

Non-current interest-bearing liabilities:	30.09.2023	30.06.2023	31.12.2022	30.09.2022
Non-current interest bearing liabilities	14,693	21,439	21,297	5,885
Next year's instalment on non-current interest bearing liabilities	-985	-2,684	-2,947	-163
Total	13,707	18,755	18,350	5,721
Lease liabilities	1,479	1,551	1,425	957
Next year's instalment on lease liabilities	-272	-281	-273	-242
Total	1,207	1,270	1,152	715
Total carrying amount	14,914	20,026	19,502	6,436
Current interest bearing liabilities:				
Debts to credit institutions	302	330	495	368
Next year's instalment on debts to credit institutions	985	2,684	2,947	163
Current interest bearing liabilities ex. lease liabilities	1,287	3,014	3,442	532
Next year's instalment on lease liabilities	272	281	273	242
Total carrying amount	1,559	3,295	3,715	774
Total interest-bearing liabilities	16,473	23,321	23,217	7,210
Cash and cash equivalents	751	784	2,713	787
Lease liabilities	1,479	1,551	1,425	957
Net interest-bearing debts (NIBD)	14,243	20,986	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	14,141	552	0	0	0	0	14,693
Lease liabilities	1,436	0	0	0	0	43	1,479
Current debts to credit institutions	180	29	37	53	0	2	302
Total interest-bearing liabilities	15,757	581	37	53	0	45	16,473
Cash and cash equivalents	597	20	31	58	3	43	751
Lease liabilities	1,436	0	0	0	0	43	1,479
Net interest-bearing debts (NIBD)	13,725	561	6	-5	-3	-41	14,243

Financing activities - change in liabilities:

	31.12.2022	Not cash-generating effects				30.09.2023
		Cash flow from financing activities	Currency effects	Change in next year's instalments on long-term liabilities	Other effects	
Non-current debts	18,350	-6,623	40	1,962	-21	13,707
Current debts to credit institutions	3,442	-213	3	-1,962	17	1,287
Total debts to credit institutions	21,792	-6,836	42	0	-4	14,994
Non-current and current lease liabilities	1,425	-228	3	0	279	1,479
Total interest-bearing liabilities	23,218	-7,064	45	0	275	16,473

Amarlax Ehf, the groups subsidiary in Iceland, holds a loan facility that mature in September 2024. The loan of NOK 552,2 million is classified as current debts to credit institutions as of 30 September 2023.

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.

Note 10 - Interest and other financial items

	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Gain related to remeasured shares in associated companies	-	89	-	89	91
Gain on disposal of other shares	-	-	20	-	-
Interest income	10	7	35	13	28
Interest expenses, ex. interest on lease liabilities	-325	-56	-852	-133	-300
Interest expenses relating to lease liabilities	-23	-15	-70	-45	-65
Net exchange differences	7	-26	22	-9	0
Net other financial items	2	-1	-22	-3	2
Net interest and other financial items	-329	-2	-867	-87	-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.

The resource rent tax cost calculated for the period is the best estimate based on current knowledge. In addition 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.

	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Regular corporate tax expense - calculated with nominal tax rate	503	181	1,396	999	954
Resource rent tax (payable and deferred tax)	1,120	-	1,120	-	-
Resource rent tax - implementation effect (deferred tax)	-	-	2,303	-	-
Income tax expense	1,623	181	4,819	999	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:

	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Production tax recognised in the period	73	23	130	58	85
Resource tax related to activity on Iceland	6	3	15	9	13
Production tax related to activity in Norway	67	20	115	49	72
Resource rent tax (payable and deferred tax)	1,120	-	1,120	-	-
Total resource rent tax in comprehensive income	1,187	20	1,235	49	72
Resource rent tax - implementation effect (deferred tax)	-	-	2,303	-	-
Total resource rent tax including production tax	1,187	20	3,538	49	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.

	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Operating profit	2,651	903	7,234	4,703	4,738
Production tax	73	23	130	58	85
Onerous contracts	98	-205	11	-118	-126
<i>Fair value adjustment:</i>					
Change in the fair value of the biological assets	-692	603	-2,052	-1,130	-446
Change in the fair value adjustment included in cost of goods sold due to business combination	176	-	612	-	283
Change in unrealised value of Fish Pool contracts	-6	-11	-4	-55	-70
Operational EBIT	2,300	1,313	5,930	3,458	4,465

EBITDA

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

	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Operational EBIT	2,300	1,313	5,930	3,458	4,465
Depreciation and write-downs	353	237	1,039	695	1,038
EBITDA	2,653	1,550	6,969	4,153	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.

Q3 2023	Farming		Icelandic Salmon	SalMar Group
	Central Norway	Northern Norway		
Operational EBIT (NOK mill.)	1,218	868	35	2,300
Volume harvested (tonnes)	48.4	25.7	4.0	78.1
EBIT/kg gw (NOK)	25.17	33.80	8.73	29.46
Q3 2022	Farming		Icelandic Salmon	SalMar Group
	Central Norway	Northern Norway		
Operational EBIT (NOK mill.)	977	428	39	1,313
Volume harvested (tonnes)	36.0	13.8	3.8	53.6
EBIT/kg gw (NOK)	27.17	31.04	10.16	24.51
YTD 2023	Farming		Icelandic Salmon	SalMar Group
	Central Norway	Northern Norway		
Operational EBIT (NOK mill.)	3,434	2,562	204	5,930
Volume harvested (tonnes)	98.9	61.4	10.7	171.0
EBIT/kg gw (NOK)	34.74	41.72	19.09	34.68
YTD 2022	Farming		Icelandic Salmon	SalMar Group
	Central Norway	Northern Norway		
Operational EBIT (NOK mill.)	3,115	1,749	268	3,458
Volume harvested (tonnes)	81.5	39.3	10.1	131.0
EBIT/kg gw (NOK)	38.20	44.47	26.42	26.40
FY 2022	Farming		Icelandic Salmon	SalMar Group
	Central Norway	Northern Norway		
Operational EBIT (NOK mill.)	3,599	2,526	366	4,465
Volume harvested (tonnes)	114.1	63.4	16.1	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.

	30.09.2023	30.06.2023	31.12.2022	30.09.2022
Non-current interest-bearing liabilities	13,707	18,755	18,350	5,722
Current interest-bearing liabilities	1,287	3,014	3,442	532
Cash and cash equivalents	-751	-784	-2,713	-787
Net interest-bearing debt (NIBD)	14,243	20,986	19,079	5,466
Lease liabilities	1,479	1,551	1,425	957
NIBD incl. lease liabilities	15,722	22,537	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.

	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Cash flow from operating activities	2,977	1,424	6,691	4,025	4,223
Average no. of shares outstanding (diluted) in the period (1,000 shares)	131,602	117,878	131,600	117,881	119,979
Diluted cash flow per share (NOK)	22.62	12.08	50.84	34.14	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.

Note 13 - Subsequent event**Cancellation of treasury shares following intra-group merger with NTS AS**

Monday 23 October 2023 an extraordinary general meeting (EGM) was held, where the EGM approved to reduce SalMar's share capital by NOK 3,275,000 from NOK 36,284,730 to NOK 33,009,730 by deletion of 13,100,000 own shares, conditional on completion of the intra-group merger with NTS AS. Completion of the share capital reduction will be announced in a stock exchange notice when the conditions have been fulfilled, including expiry of the 6-week creditor notice period, this is expected in Q4 2023.

New credit facility agreement for Arnarfax

With effect from 3 November 2023, Arnarfax 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.