SalMar
Passion for Salmon

Green Bond

Credit Investor Presentation

21 January 2025





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Summary of risk factors (I/II)

General

The Company and its subsidiaries (together the "Group") are exposed to numerous risk factors, and an investment in the Company and the Bonds involves inherent and significant risk, which, if they were to materialize, may materially and adversely affect the Group's business, results of operations, financial condition and/or prospects. This may in turn result in a decline in the value of the Bonds and a loss of part or all of any investment.

The summary of risk factors set out below is not intended to be exhaustive, and only present the key elements of certain risks facing the Company and associated with an investment in the Bonds. The high-level summary must be viewed in the context of the more detailed description of risk factors on slides 41 – 48. Further, the mentioned risk factors are not the only ones facing the Company. Additional risks, including also risks which may not presently be known to the Company, or which is currently deemed immaterial, may also materially impair the Company's business operations and adversely affect the value of the Company's securities (including the Bonds).

Any potential investors must conduct its own investigations and analysis of the Company, and should consult his or her own expert advisors as to the suitability of any investment. Against this background, an investor should thus make a careful assessment of the Company, its creditworthiness and its prospects before deciding to invest in the Bonds, including the Company's current and future tax position. Potential investors should read the presented risk factors in its entirety before making a decision on whether to invest in the Bonds. An investment in the Bonds is suitable only for investors who understand the risk factors associated with this type of investments and who can afford a loss of all or part of their investment.

The risk factors set out in this summary and as described on slides 41 – 48, are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. The risks within each category are listed, in the view of the Company, according to the possible negative impact they may have and the probability of their occurrence. The greatest risk within each category is sought mentioned first. Subsequent risk factors in the same category are not ranked in order of the likelihood of occurrence or the magnitude of their potential impact. It applies for all risk factors that, if any of the risk were to materialize, and depending on the circumstances, it may have an adverse effect on the Company and which may reduce anticipated revenue and profitability, ultimately resulting in a potential insolvency situation.

Risks Related to the Group and the Industry in which the Group Operates

- The Group faces numerous risks, including biological production, climate change and regulatory changes. If the Group is not able to effectively manage or eliminate these risks and other risks which cannot be foreseen, this may have a material adverse effect on the Group.
- The Group is subject to risks related to food safety. A failure to meet new consumer, market or governmental requirements may have a material adverse effect on the Group.
- The Group's is subject to risk of negative publicity arising from activities of legislators, pressure groups and the media, which could affect its reputation and relationship with stakeholders.
- The farmed salmon market is highly competitive, with new technologies and regulatory changes potentially intensifying competition. If the Group is unable to compete efficiently, this may have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group.
- The Group is exposed to biological risks like diseases and fish escapes, which could impact profitability and operations.
- The Group's operations depend on favourable salmon prices, which are volatile and influenced by various factors, including regulatory changes. Low market prices may have a material adverse effect on the Group's results, financial condition, cash flow and prospects.
- Feed costs are a significant part of the Group's production expenses, and increases in feed prices or supply distributions could impact profitability.
- Climate change poses physical, regulatory, market, technological, and reputational risks for the Group, as well as risk of loss of biodiversity which could affect operations and supply chains.
- The Group is exposed to risks related to loss of nature as well as technological risks, regulatory risks, market risks and reputational risks related to climate change. If suppliers are not prepared to face these risks, their increased operating costs may be passed on to the Group, which may in turn have a detrimental impact on the Group's operations, business, financial conditions and prospects. Negative reputation may similarly have a detrimental impact on the Group's operations, business, financial conditions and prospects.

Summary of risk factors (II/II)

Risks related to the Group's financing and financial situation

- Capital-intensive operations may require additional funding if cash from operations is insufficient. The Group may be unable to fund maintenance requirements and acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Group's results, financial condition, cash flow and prospects.
- The Group is subject to risk of not securing funding on favourable terms, potentially impacting growth and competitive response.
- The Group is exposed to currency fluctuations due to international operations that may create unpredictable losses and have material adverse consequences for the Group's financial results and business if the Group is not able to meet financial obligations as they mature.
- The Group is subject to interest rate changes due to long-term debt obligations with floating interest rates. Although the Group has entered into interest swaps to reduce interest rate risk, the Group may be affected by changes in interest raters which may have material adverse consequence on the Group's financial position, results and business.
- The Group may need to seek additional funding through debt or equity financing to fund capital-intensive operations and future plans. If the Group is unsuccessful in managing its liquidity reserves, this may have a material adverse consequence on the Group's financial results and business.

Risks relating to laws and regulations and political risks

- The Group is exposed to risk related to litigation and investigations by public authorities that could impact its financial performance. Adverse regulatory action or judgment in litigation could result in significant fees and legal costs, as well as sanctions of various types for the Group, which could have a material adverse effect on the Group's reputation, profitability and/or financial condition.
- The Group is subject to international trade laws and regulations, which could impose trade barriers and affect operations and result in penalties and loss of trade privileges in case of non-compliance.
- Failure to maintain current licenses and/or obtaining future ones could adversely affect the Group's business and financial condition.
- The Group may be subject to liability under environmental laws and regulations in case of non-compliance with environmental regulations which are becoming more stringent.
- Changes in tax laws or differing interpretations by tax authorities could materially affect the Group's financial condition. The introduction of a Resource Rent Tax in Norway has increased the tax burden on aquaculture, affecting innovation and investment capacity.

Risks relating to the Bonds

- The Bonds may not be a suitable investment for all investors.
- There are risks related to the market and potential market value of the Bonds. Market value may fluctuate due to changes in the Issuer's financial position, market conditions, and investor interest, and there is no guarantee of liquidity or the ability to sell the Bonds at favorable prices.
- The Issuer's ability to make payments on the Bonds depends on its financial performance and cash flow, which may be affected by various factors, including restrictions on subsidiaries' distributions. Inability to generate sufficient cash flow could lead to alternative strategies like asset sales or refinancing, which may not be successful.
- The Bonds will be structurally subordinated to the liabilities of the Issuer's subsidiaries. Creditors of these subsidiaries have priority over Bondholders in claims against subsidiary assets.
- The Issuer may redeem the Bonds early if required to withhold tax, potentially at a time when the market value of the Bonds is higher than the redemption amount, which could affect Bondholders' returns.
- Bondholders are represented by a trustee and cannot individually take legal action against the Issuer, which may limit their ability to enforce rights unless a majority agrees to act.
- Bondholder meetings can make decisions binding on all Bondholders, even those who disagree, potentially impacting individual Bondholders' rights.
- Certain events may trigger mandatory redemption or repurchase of the Bonds, and the Issuer may not have sufficient funds to fulfil these obligations, adversely affecting Bondholders.

Agenda

This is SalMar

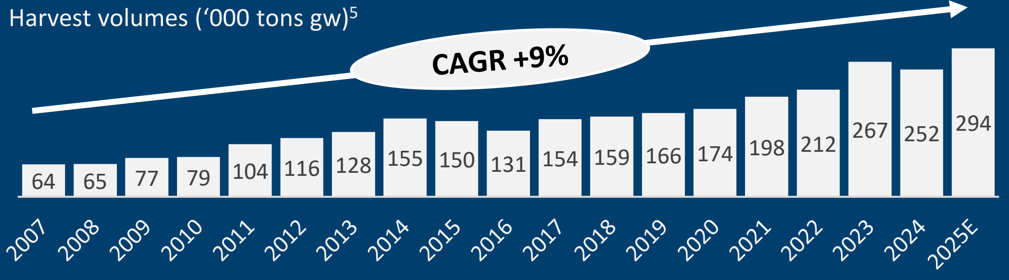
North-Atlantic production with a global reach

- Founded in 1991, SalMar is the world's 2nd largest Atlantic salmon producer and the world's largest producer of organic salmon
- Listed on Oslo Stock Exchange with a market cap of ~NOK 70bn[1]
- 2,674 employees[6] with presence along the coast of Norway & six sales offices in Asia
- Significant operations in Iceland and Scotland
  - Icelandic Salmon listed on Euronext Growth
- Fully integrated in the value chain
- Pioneered, and leading the way offshore through SalMar Aker Ocean

2024 harvest volumes[2]

Norway	Offshore	Iceland	UK
213,300 tons	6,900 tons[3]	11,700 tons[4]	20,000 tons[5]

Harvest volumes ('000 tons gw)[5]



1) Market cap as of January 13th, 2025; 2) Including harvest volumes from Q4'24 Trading Update; 3) SalMar Aker Ocean, ownership 85%. Harvest volumes fully consolidated; 4) Icelandic Salmon, ownership 52%. Harvest volumes fully consolidated from 2019; 5) Scottish Sea Farms, joint venture through Norskott Havbruk, ownership 50%. 40,000 tonnes depicts 100% share, 20,000 tonnes depicts SalMar's share. UK volumes are 2024 FY guidance as of Q3 2024 6) FTE's as of 31.12.2023

Our story

is about utilizing the potential in the ocean

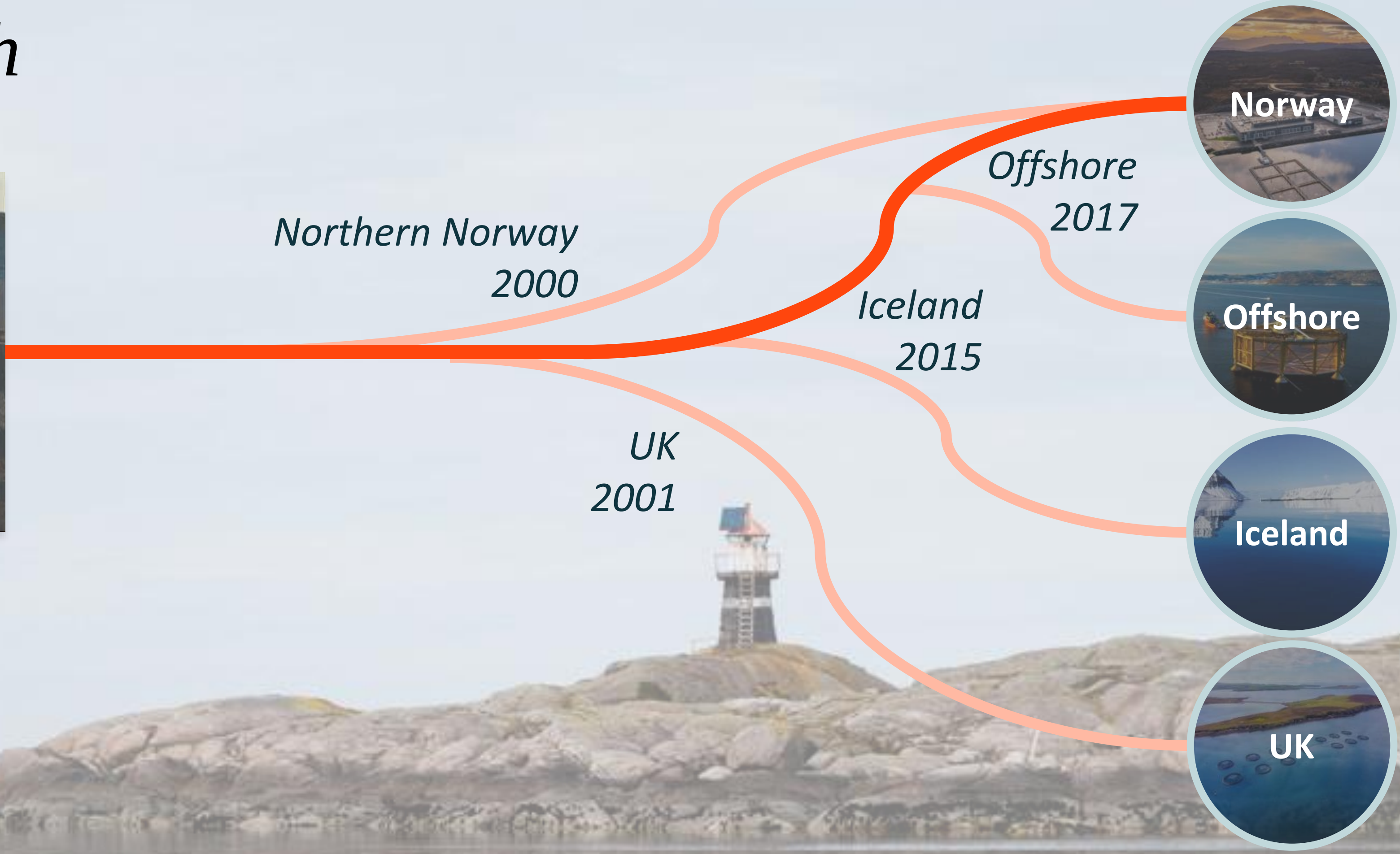
Produce **healthy, nutritious & sustainable food** for the world's growing population

always on the **terms of the Salmon** with minimal footprint while we maximize value creation

Our story

A history of growth

From a small processing plant on Frøya, to the world's 2nd largest salmon producer



Our story

is built on a passion for salmon

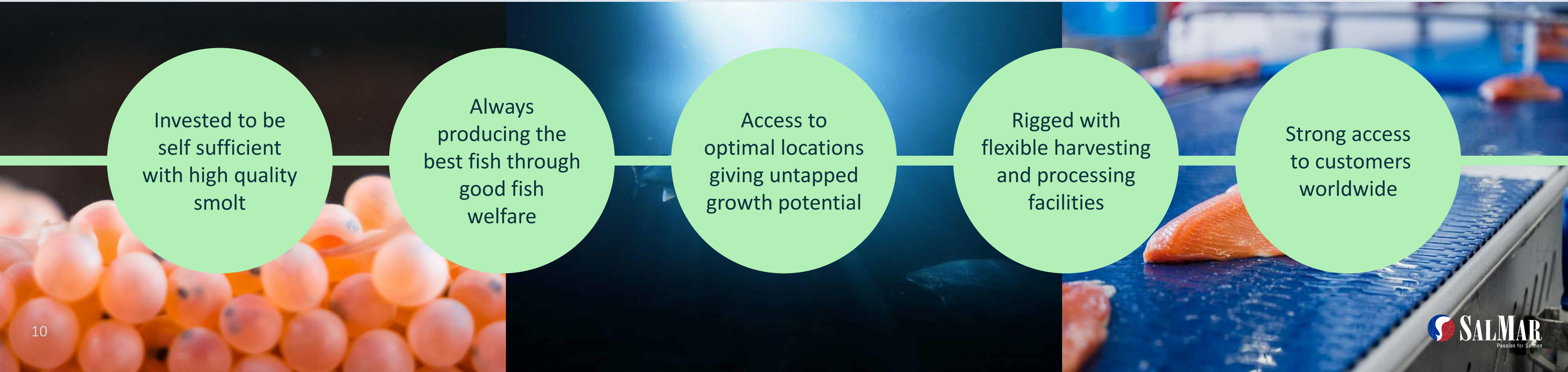
Fish welfare throughout the value chain crucial for production of healthy, nutritious and sustainable food

Our growth will always be on the terms of the salmon and we have a robust value chain equipped for further sustainable growth

Fundamental Operating Principles

minimal footprint in the areas we operate

maximize value creation of the salmon



SalMar is strategically located in the best regions to produce salmon…

Operating in the best regions in Norway

Pioneering and leading the development

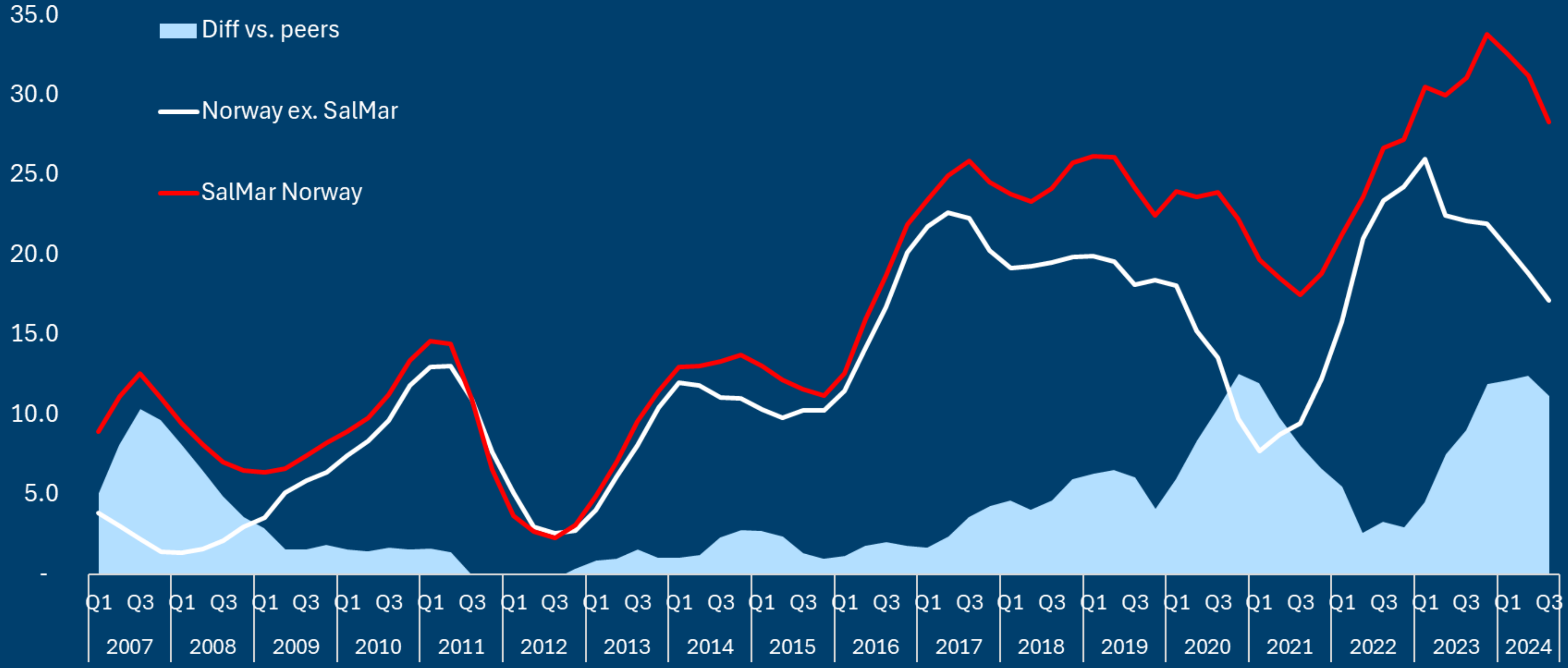
Largest producer in the West Fjords

UK's second largest salmon producer

Significant untapped growth potential

…while consistently delivering strong margins above peers

EBIT-margin (NOK/kg) – 12 month rolling



Source: Peer company filings

Further growth potential in all regions

2025E: **254,000 tons**

Δ2024: +40,700 tons / +19 %

Unutilized potential starting to materialize

2025E: **9,000 tons**

Δ2024: +2,100 tons / +30 %

Ramping up volume to harness potential

2025E: **15,000 tons**

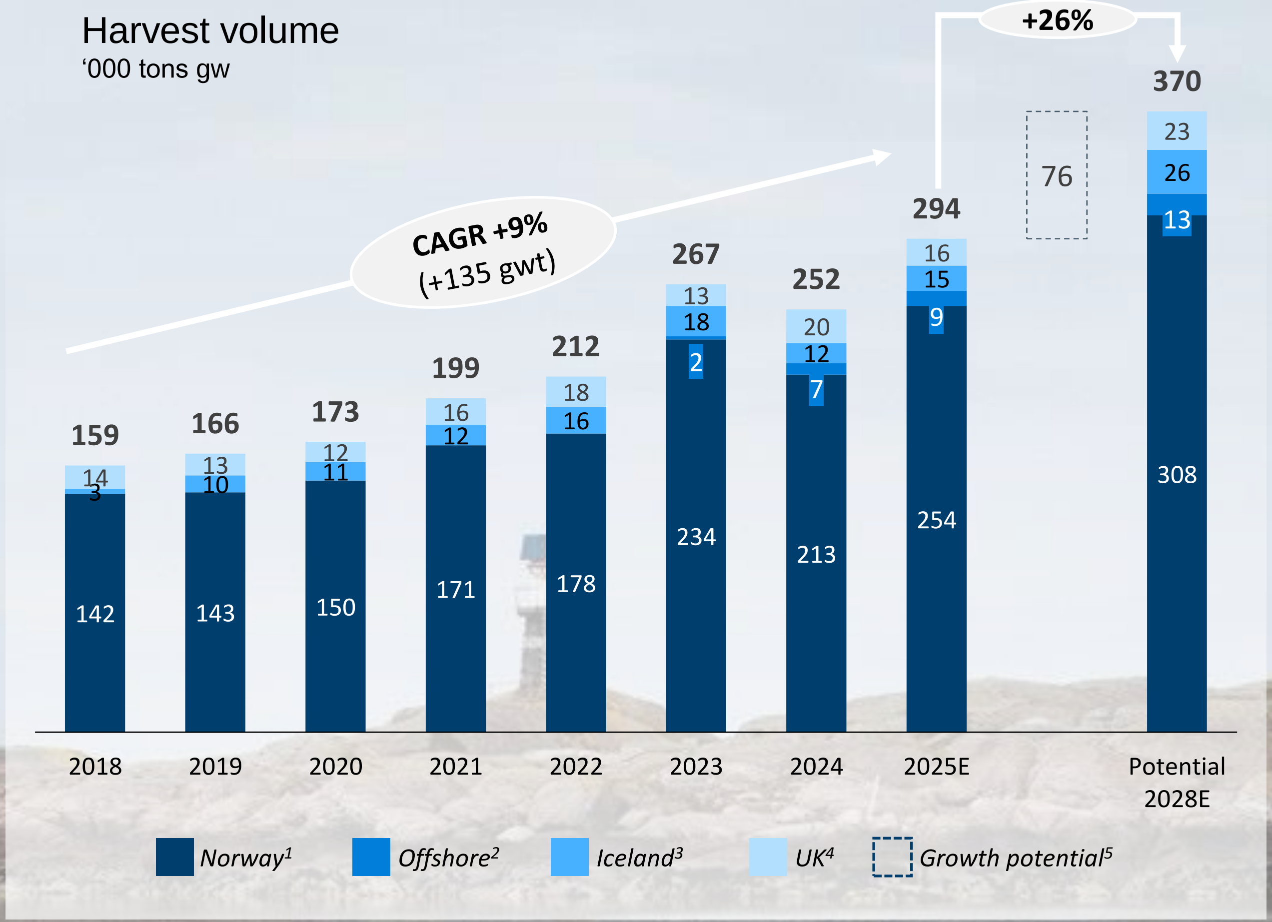
Δ2024: +3,300 tons / +28 %

Challenges affecting growth in 2025

2025E: **32,000 tons**

Δ2024: -8,000 tons / -20 %[4]

Optimizing zone structure



1) Norway, Farming Central Norway + Farming Northern Norway. Includes volume from AS Knutshaugfisk from 2025. Harvest volumes fully consolidated; 2) SalMar Aker Ocean, ownership 85%. Harvest volumes fully consolidated; 3) Icelandic Salmon, ownership 52%. Harvest volumes fully consolidated from 2019; 4) Scottish Sea Farms, joint venture through Norskott Havbruk, ownership 50%. For 2024, 40,000 tonnes depicts 100% share. Harvest volume in graph depicts SalMar's share. UK volumes for 2024 are guidance as of Q3 2024;. For 2025E, 32,000 tonnes depicts 100% share; 5) Existing organic and strategic growth potential, strategic growth from newly acquired licenses (traffic light 2024 and Knutshaug Fisk)

SALMAR
Passion for Salmon

Agenda

"SalMar is the best company in the global food and beverage sector for sustainable growth in 2025"

- TIME Magazine and Statista

The future is our inspiration

Healthy food

Population growth

Protein with low footprint

Demand

Supply

2020

2050

New technology needed

Growing middle class

UN/FAO: A Global Roadmap to 2040

At least 75% growth in global sustainable aquaculture production compared to 2020 level

"Fish stands out as an accessible and affordable proteinsource, especially where other options are scarce, aiding food security in resource limited areas"

SALMAR Passion for Salmon

Strong demand for our products

Strong demand for healthy and sustainable proteins

The growing world population wants to eat healthy, organic and sustainable food, with low carbon footprint

Market and authorities require sustainable food production

EU farm to fork strategy, aiming to accelerate the transition to a sustainable food system

Sustainability in everything we do

Fish

We work systematically to create an environment in which the salmon thrives and remains healthy

Survival rate GSI
94%

Antibiotic use
0

Environment & Technology

We minimize our footprint with measures and routines throughout the entire value chain

Scope 1+2+3
-25%
GHG intensity reduction since 2020

GHG target aligned with
1.5°C
scenario

People & Society

We believe in creating local value and safe workplaces and support the local communities where we operate

H.factor
5.4

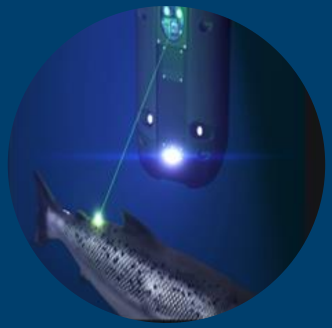
Female Ratio
26%

Discharge water from Tjuin smolt facility

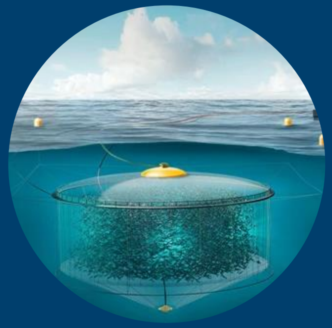
Note: KPIs for Norway in 2023. For more details please see annual report for 2023 - https://www.salmar.no/en/sustainability/policies-and-publications/

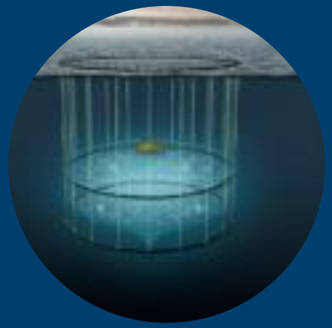
New knowledge gives new technology which can become a catalyst for further sustainable growth

Traditional



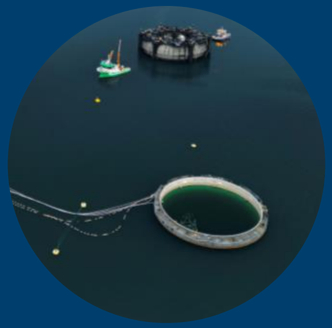
Submerged





Semi-closed

Closed



Offshore

Strengthening value chain to ensure farming on the terms of the salmon

Broodstock → **Smolt** → **On-Growing** → **Harvesting & Processing**

Genetics
- *Breeding programs*

Smolt production
- *Vaccines*
- *Production strategy*

Feed & Nutrition
- *Feed*
- *Monitoring*

Production technology
- *Closed*
- *Semi-closed*
- *Traditional*
- *Submerged*
- *Semi-Offshore / Offshore*

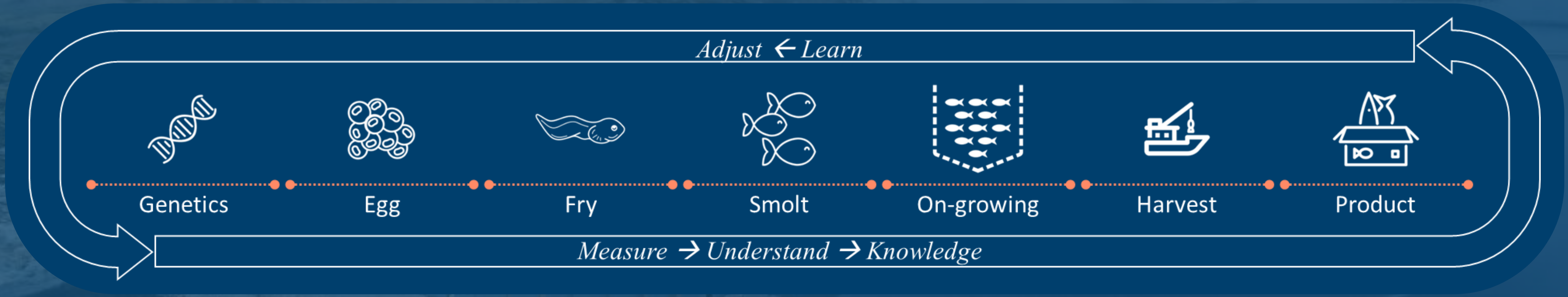
Fish welfare & surveillance
- *Lasers*
- *Treatment capacity*
- *Surveillance*

Harvesting & VAP
- *Harvesting*
- *VAP*

R&D
- *Salmon Living Lab*
- *R&D projects*

Salmon Living Lab an innovation center to create *the sustainable aquaculture the world needs*

We need excellence along the value chain



Target – in-depth knowledge about drivers of biological performance and product quality

Time to strengthen the knowledge about the biology

Need to close knowledge gaps, and continuously search for new insights

Strong and close collaboration with Cargill

Received very strong interest in the initiative, 100+

Aiming to attract and collaborate with leading industry expertise

Note: Design illustration of innovation center. For more information: www.salmonlivinglab.no

Green Bond Framework – Project categories & eligible investments

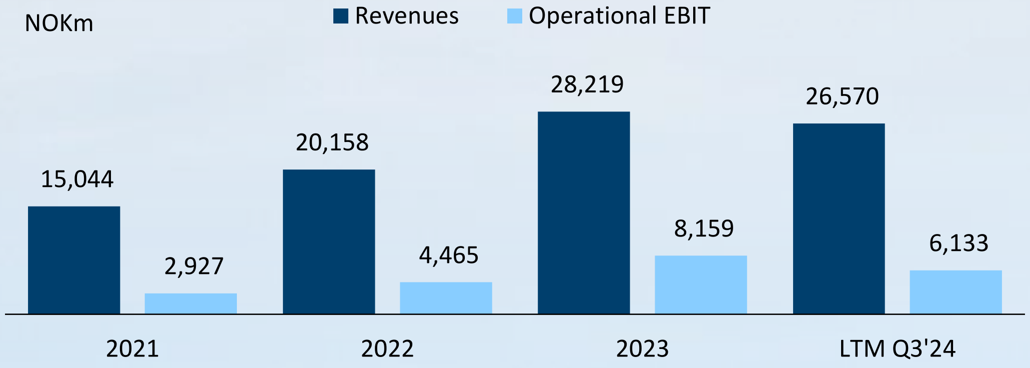
Green Project Category	Eligible investments	SDG[1]
Sustainable food production Medium green	• Sustainable coastal fish farms (ASC/Debio certified) • Sustainable offshore fish farms • Local and sustainable processing (ASC CoC certified) • Sustainable facilities for smolt production (RAS facilities and closed net pens) • Environmental management and fish welfare • R&D aimed at improving the environmental performance of feed, fish farms and processing	14 LIFE BELOW WATER
Renewable energy Dark green	• Electrification and renewable energy, such as the electrification of fish farms and the installation of renewable energy technology and battery packs to power fish farms	7 AFFORDABLE AND CLEAN ENERGY
Clean transport Medium to light green	• Fully electric or hybrid aquaculture vessels or the upgrading of vessels with battery packs • Infrastructure supporting low-carbon transportation, such as electric charging points	11 SUSTAINABLE CITIES AND COMMUNITIES
Water and wastewater managment Medium green	• Wastewater treatment solutions leading to reduced volumes of wastewater and improved water quality • Water-use efficiency solutions, such as RAS facilities, leading to reduced freshwater use (min. 30% efficiency improvement)	6 CLEAN WATER AND SANITATION
Wastewater management & circular economy adapted products, production technologies and processes Medium green	• Efficient management of waste through improvements in the sorting of materials, reductions in biological and plastic waste, and by reusing packaging and used fish farming equipment • Resource efficient products and solutions, such as new net and packaging designs with a significantly higher rate of recycled plastic or significantly higher rate of material with a lower carbon impact compared to conventional alternatives	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Note: 1) Sustainable Development Goals

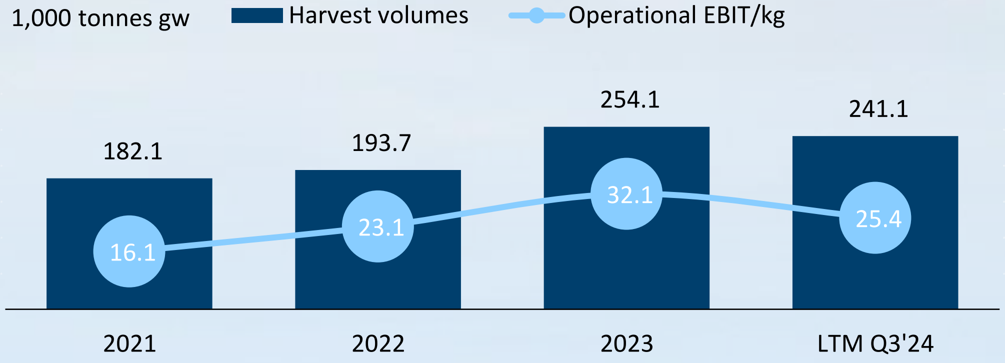
Agenda

Historical development of key figures and ratios

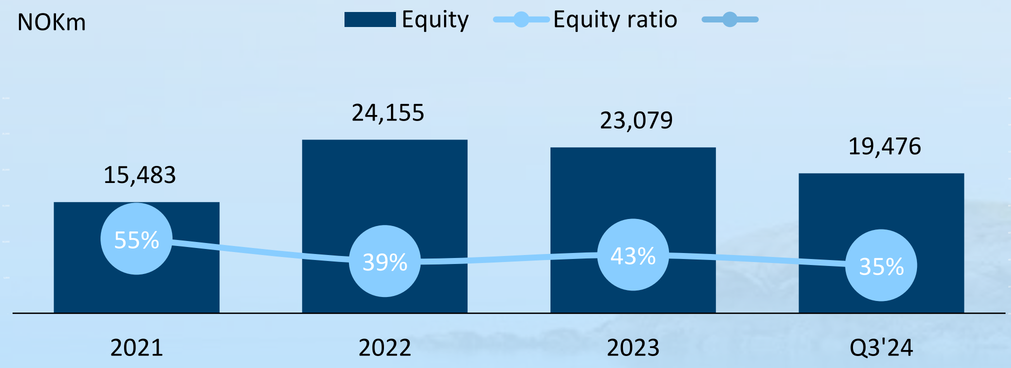
Revenue and Operational EBIT



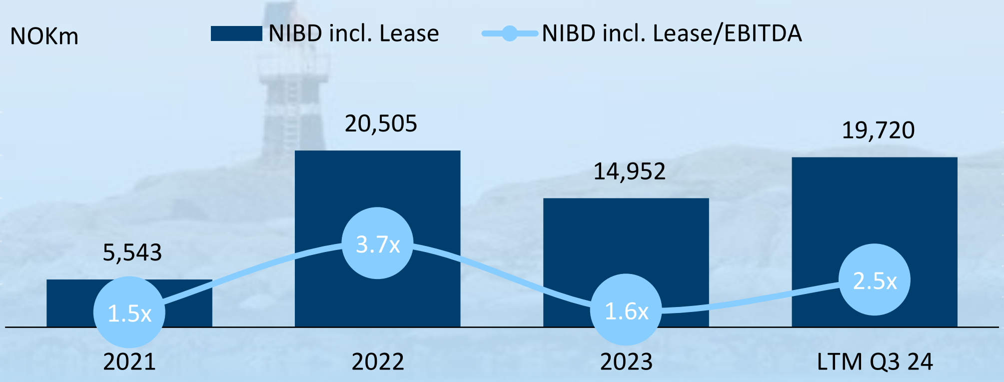
Harvest volumes[1]



Equity development



Leverage development



1) Harvest volumes excludes UK as Scottish Sea Farms is a joint venture through Norskott Havbruk

Group Profit & Loss

Comments related to LTM Q3 24 vs. FY 2023

- Operational EBIT lower YoY driven by biological challenges at the start of 2024
  - Impacting harvest volume and price and cost achievement
- Production tax increased due to higher rate
- Non-recurring items related to litigation and decommissioning cleaner fish
- Income from associates & JV positive following improved results from Scottish Sea Farms
- Net financial items reduced due to lower debt

Group P&L as of Q3'24

NOK million	YTD Q3 24	LTM Q3 24	FY 2023
Operating revenues	18,550	26,570	28,219
EBITDA	5,178	7,752	9,578
Operational EBIT	**3,940**	**6,133**	**8,159**
Production tax	-159	-237	-208
Non-recurring items[1]	-71	-106	-71
Fair value adjustments[2]	260	-545	630
Income from associates & JV	84	119	-27
Net financial items	-764	-1,100	-1,203
Profit before tax	**3,290**	**4,264**	**7,279**
Tax	1,235	950	4,534
Profit for the period from continuing operations	**2,055**	**3,315**	**2,746**
EPS – adjusted[1] (NOK/share)	15.2	27.5	39.1
Harvest volume (tgw)	158.0	241.1	254.1
EBIT per kg (NOK/kg)	24.9	25.4	32.1

Q4'24 Trading Update, consolidated harvest volumes (k tgw)

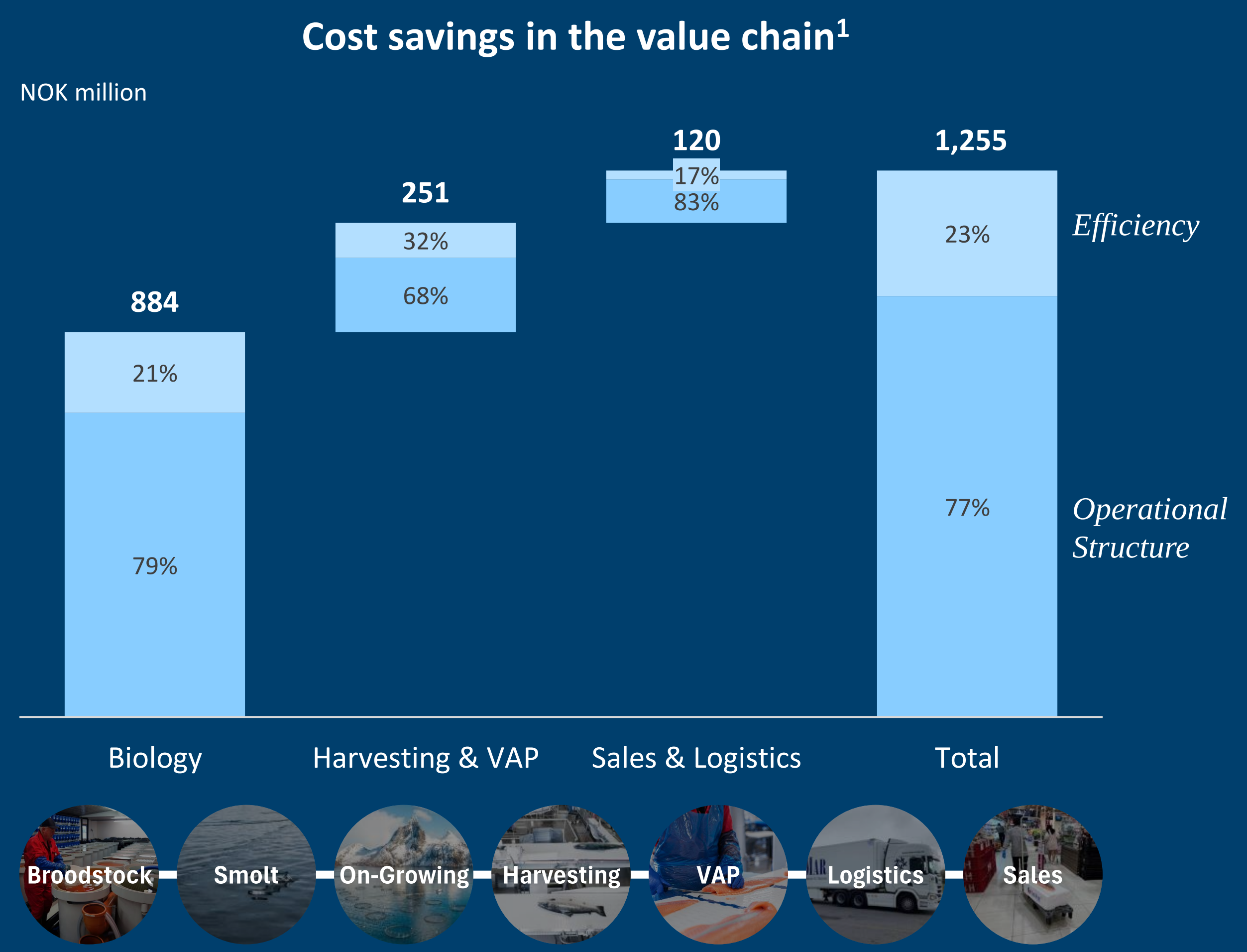
Farming Central Norway	*Farming Northern Norway*	*SalMar Aker Ocean*	*Icelandic Salmon*
39.7	**27.7**	**0.0**	**6.5**

1) See notes in the financial report for details; 2) Includes onerous contracts and fair value adjustments

SALMAR
Passion for Salmon

Large cost savings identified in the value chain

- Focus on optimizing the entire value chain after synergy realization from NTS, NRS and SalmoNor was finalized in 2023
- Identified yearly cost savings of NOK 1.2 billion
- Savings achieved through:
  - Optimization of operational structure
  - Improved efficiency
- Expected realization from 2024 to 2029
- Additional potential for further value creation
  - Scale advantages
  - Price achievement
  - Raw material prices (e.g. feed prices)
  - Biological performance

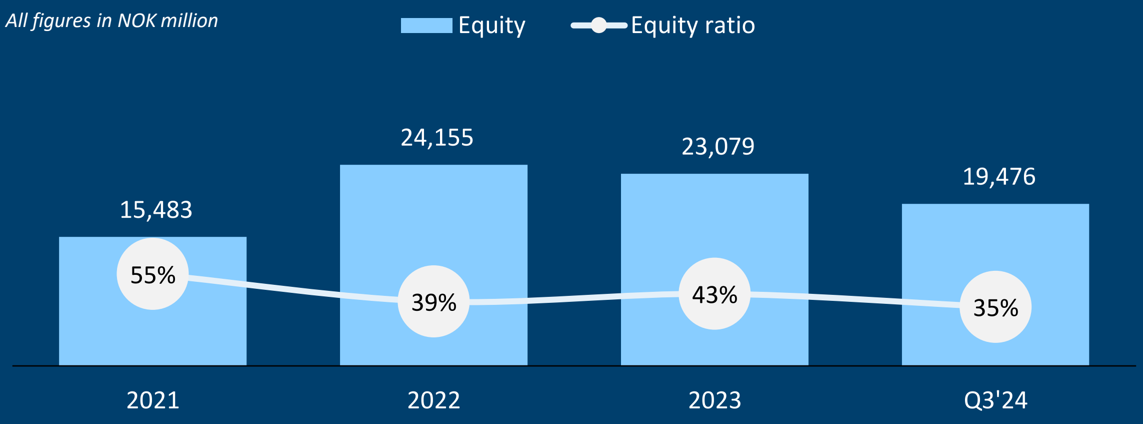


Group Financial Position

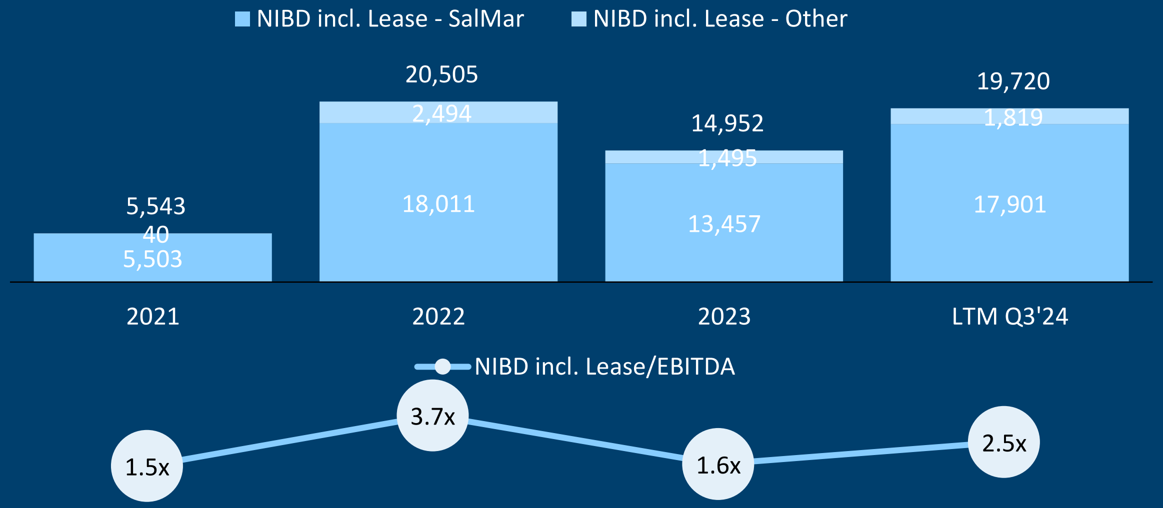
- Solid equity cushion at NOK 19,476 million per Q3’24
  - Equity ratio 35% following purchase of non-controlling interest, implementation of resource rent tax and dividend payment
- Net interest-bearing debt (NIBD) including lease liabilities increased to NOK 19.7 billion
  - NIBD incl. lease/EBITDA at 2.5
  - NIBD/EBITDA at 2.3
- NIBD incl. lease for SalMar NOK 17.9 billion
  - Other is partially owned subsidiaries with separate financing
- Available liquidity as of Q3 24 NOK 6.2 billion

Equity and equity ratio

All figures in NOK million



Leverage development



Group Cash Flow Drivers

- Primary cash flow drivers are funds from operations, financing activities and dividend payments
- In 2023, SalMar sold Frøy leading to a significant positive cash flow effect under Disposals
- Furthermore, change in interest-bearing liabilities had a negative NOK ~8 billion impact

- For Q1-Q3’24, meaningful cash flow drivers relate to operations, investments incl. purchase of non-controlling interest of NOK ~3 billion, and dividend payment of NOK ~4.7 billion for the financial year 2023

Changes in Cash & Cash Equivalents

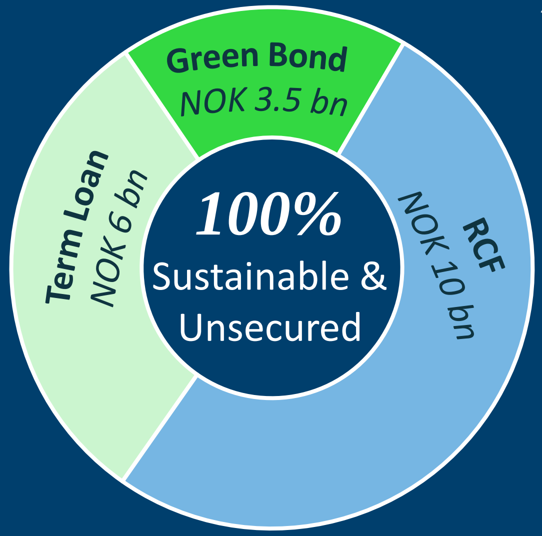
Note: 1) Net investments includes purchase of non-controlling interest

Sustainable and flexible financing

- Credit facility in SalMar ASA
  - NOK 16 billion unsecured facility (RCF+Term loan)
  - NOK 3 billion in accordion option
  - Lenders: Danske Bank, DNB, Nordea, Rabobank, SEB
  - Sustainability-linked with 4 ESG KPIs
    - Survival Rate, bFCR, Share of local secondary processing, Intensity GHG emissions Scope 1+2+3
  - Covenants: Equity Ratio above 30% and EBITDA/net financial expense above 3.0x
- Additional funding instruments in SalMar ASA
  - NOK 3.5 billion Green Bond, maturity January 2027
  - NOK 1 billion Commercial paper, maturity March 2025
  - NOK 1.6 billion overdraft facilities, annual renewal
- Partially owned subsidiaries with separate financing

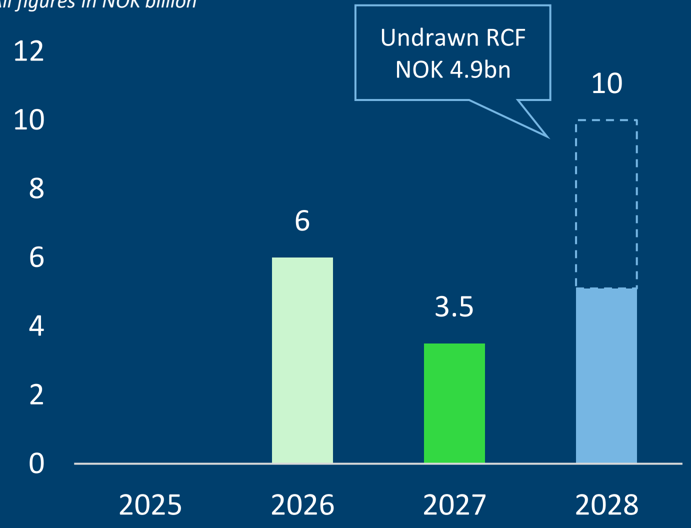
Long-term facilities[1]

Overview



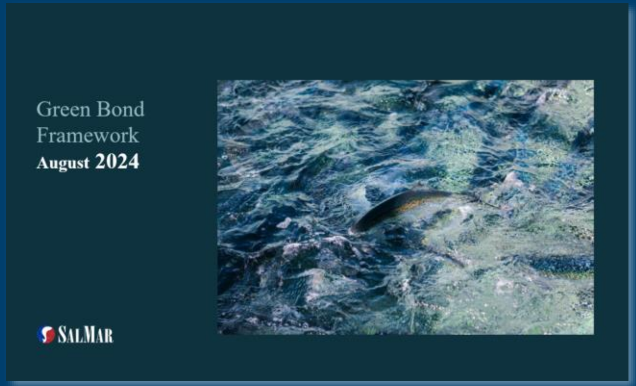
Maturity profile

All figures in NOK billion



Green Bond Framework Aug 2024

Available on www.salmar.no



Medium green

Activities that represent significant steps toward an LCCR future but will require further improvements to be long-term LCCR solutions.

Note: 1) Long-term facilities in SalMar ASA

SalMar is committed to maintain an IG credit profile through the cycle

Financial & dividend policy

SalMar ASA's dividend policy is based on the company at all times having a solid balance sheet and liquidity reserve that is sufficient to handle future liabilities

Long term financing target related to a **NIBD/EBITDA[1] range of 1.0-2.5x**

Provided that the company is within this range and also taking account future investments, the intention is to pay out its surplus liquidity, in the form of cash dividends and/or in the form of share buybacks

Ratings & Outlook from NCR

BBB+
Long-term/ unsecured rating

Stable
outlook

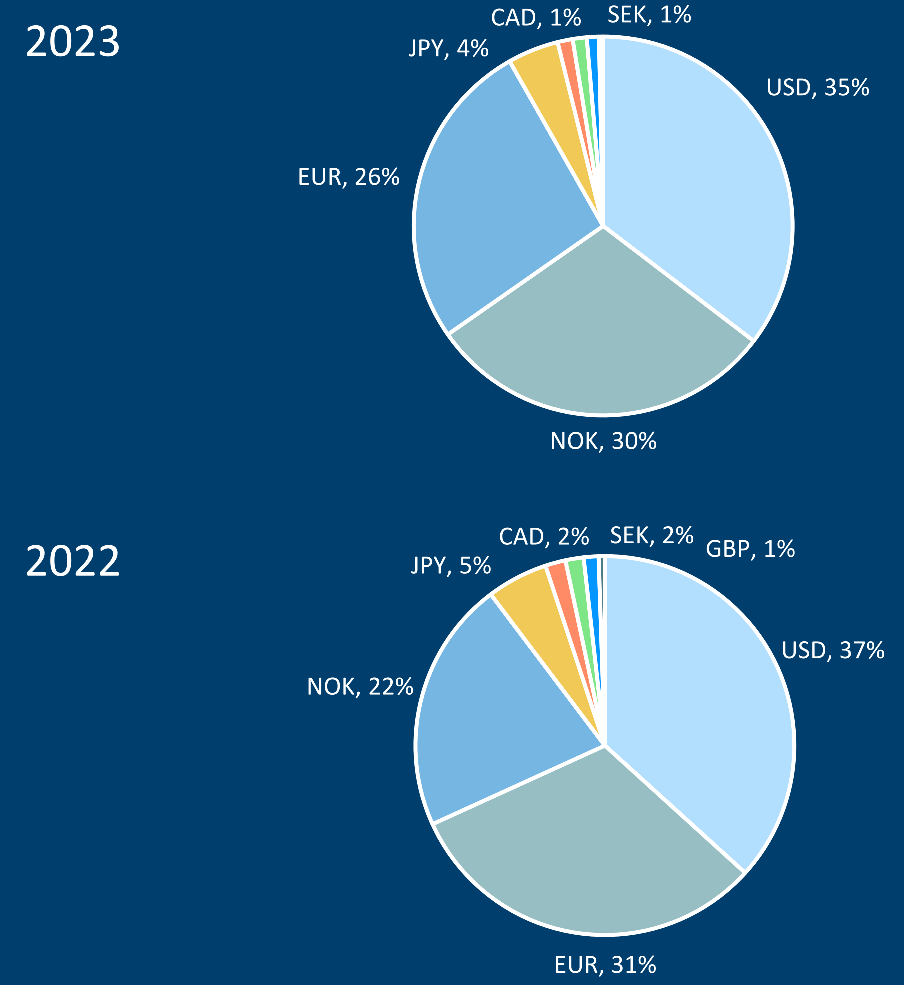
N2
Short-term rating

1) NIBD includes leasing according to IFRS16 and EBITDA is without fair value adjustments

Hedging policy

- The Group enters into forward currency contracts to reduce the risk associated with sales revenues denominated in foreign currencies
- The bulk of the Group's output is sold internationally, with accounts settled largely in EUR, USD, JPY and CAD, and is hedged through currency futures. SalMar also uses hedge accounting to reduce volatility
- The Group's exposure to the interest rate risk relates primarily to the Group's long-term debt obligations with floating interest rates, partially hedged through fixed rate interest rate swaps
- SalMar sells a portion of its output through fixed-price contracts. The Group has drawn up guidelines for such contracts to limit exposure to salmon price volatility

Currency exposure by revenues

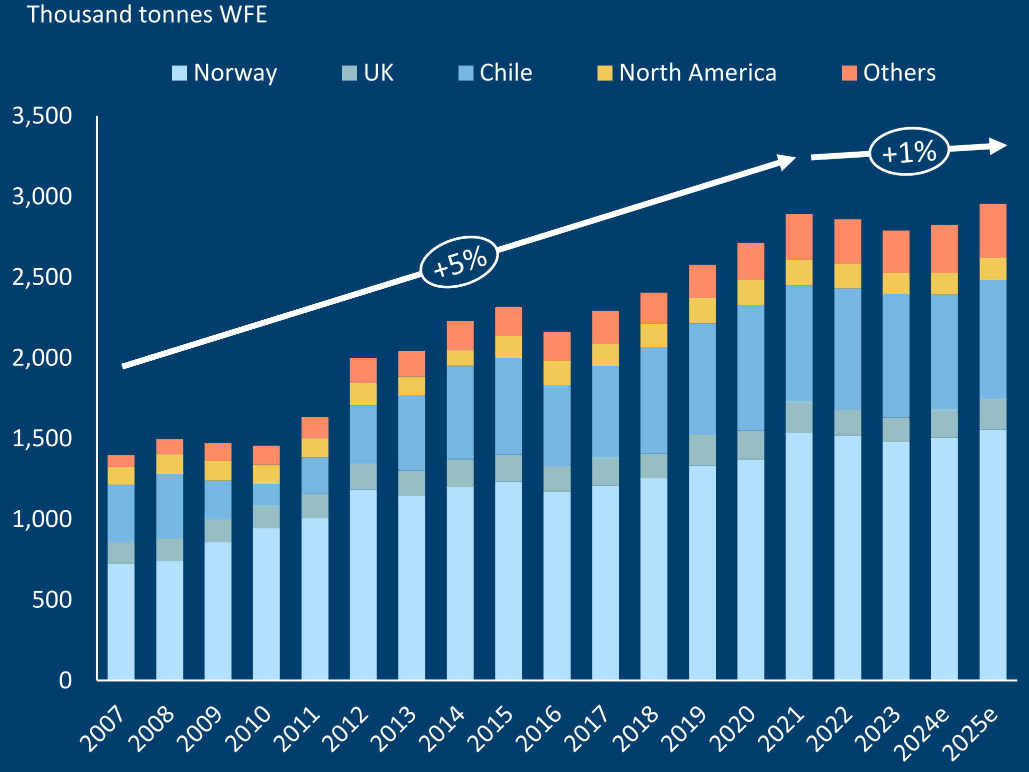


Agenda

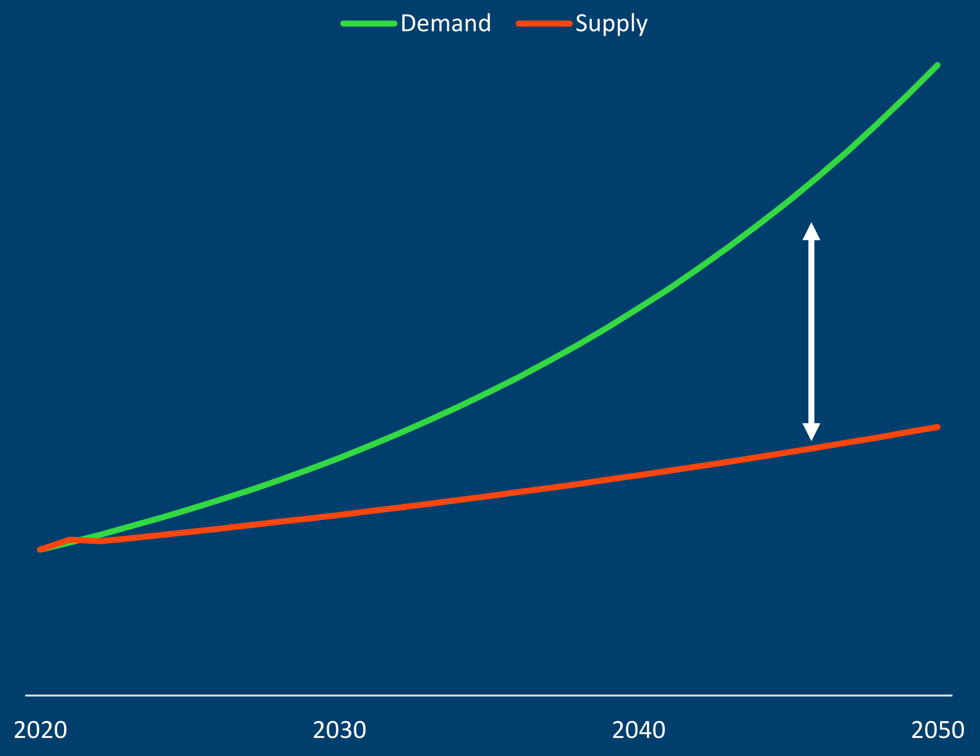
Supply growth has stagnated globally and is lagging the demand

Expect a supply growth of 2-3% from conventional farming until 2030

Global harvest volume per region

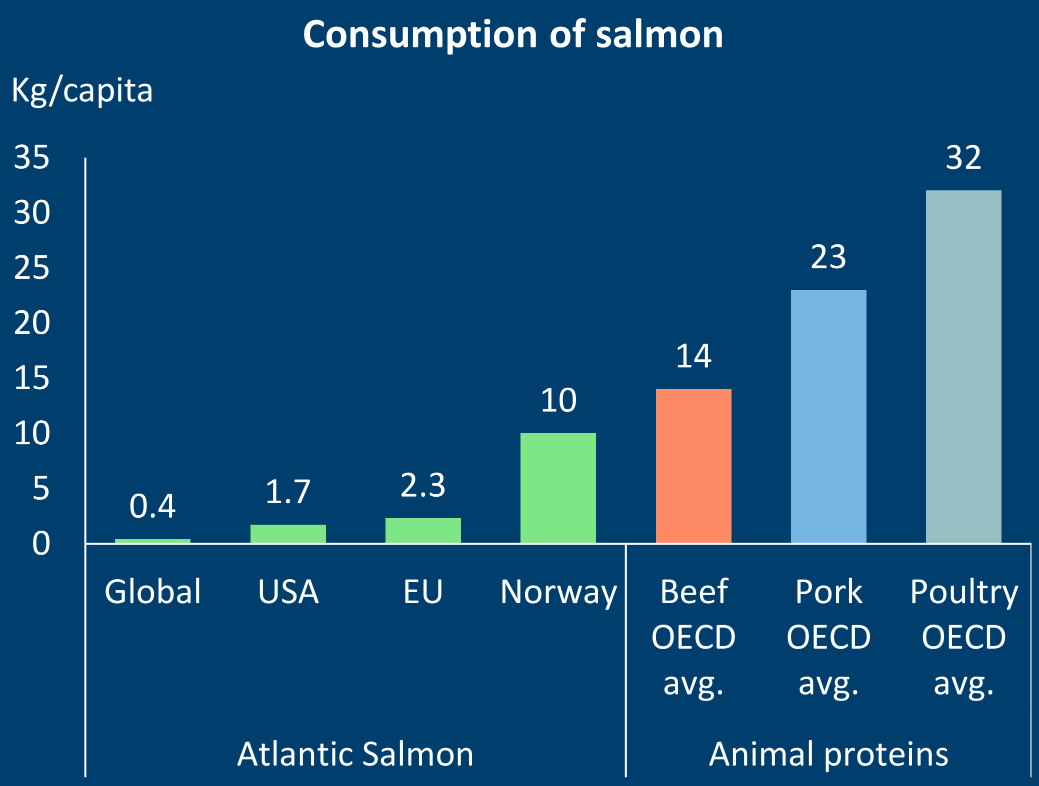


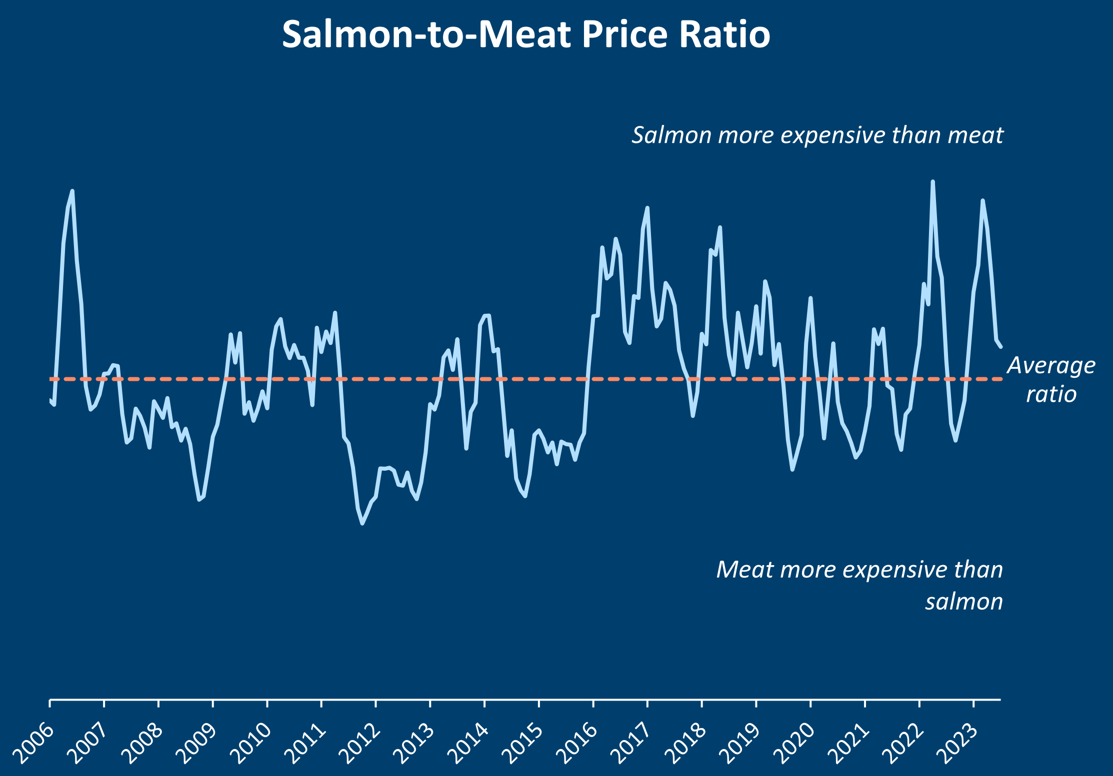
Demand vs. supply growth



Source: Global Harvest volume per region, Kontali Analyse

Consumption is still low in most markets
– and salmon is not considered expensive compared to other proteins





Source: Food and Agriculture Organization of the United Nations (FAO)

Local secondary processing capacity a strong strategic advantage for SalMar

- Built large capacity in close proximity to farming operations
  - Reduces biological risk in sea and optimizes biological production
  - Capacity to handle 1/5 of all volume in Norway

- Our facilities rigged with the latest technology for value added processing
  - Built with scalability in mind
  - Both post and pre-rigor capacity

- Flexibility to provide the market with the right product
  - Broad product portfolio for customers in all markets
  - Right fish to right product

Our go-to-market approach reaches customers worldwide

- 2/3 of volume sold to the European market
  - Largest and most mature salmon market in the world
- 1/3 of volume sold overseas
  - Split between North America and Asia
  - High share of VAP to overseas markets

- Strong development especially in emerging markets

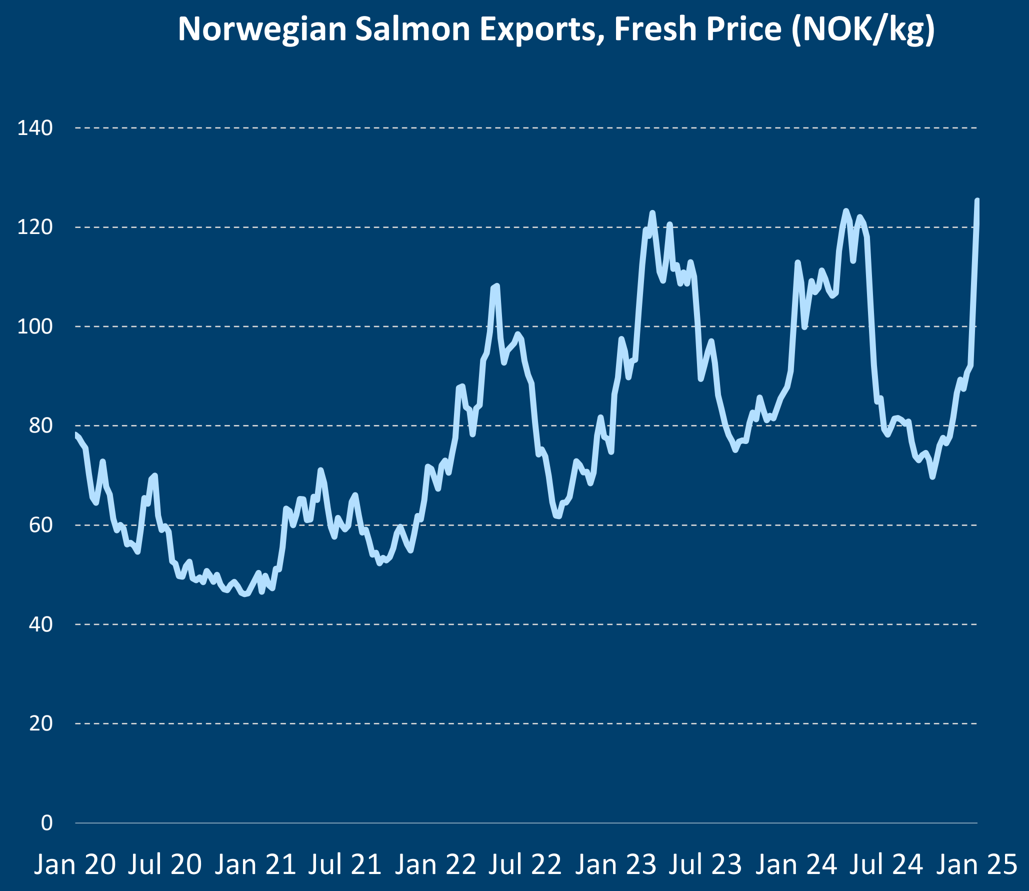
- All markets reached within maximum 3 days

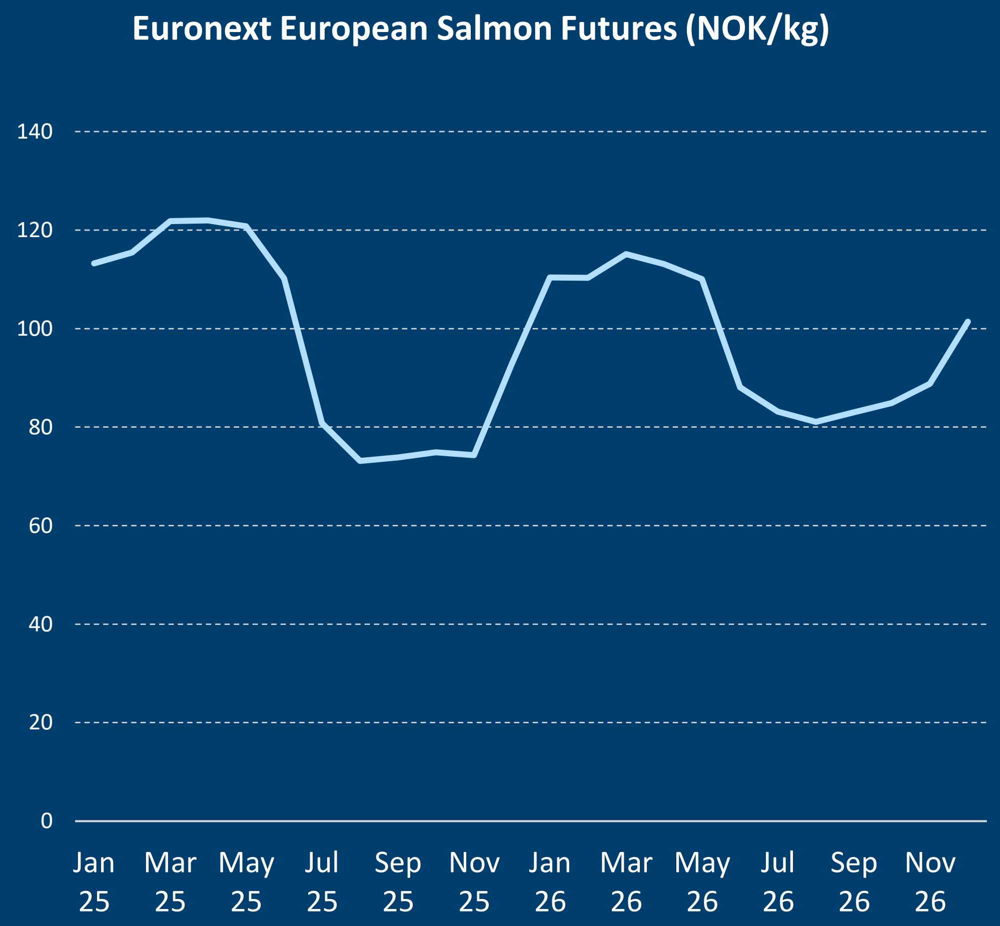

Our products delivered to

> 50

countries worldwide

Atlantic Salmon prices are currently at a high, following seasonal patterns with outlook for continued strong prices in 2025





Source: Bloomberg, Euronext European Salmon Futures as of 31.12.2024 converted from EUR/kg to NOK/kg with NOKEUR rate as of 31.12.2024

Agenda

Green Bond Framework – Second Party Opinion

Medium Green shading

- An S&P Global Second Party Opinion (SPO) includes S&P Global Ratings' opinion on whether the documentation of a sustainable finance instrument, framework, or program, or a financing transaction aligns with certain third-party published sustainable finance principles

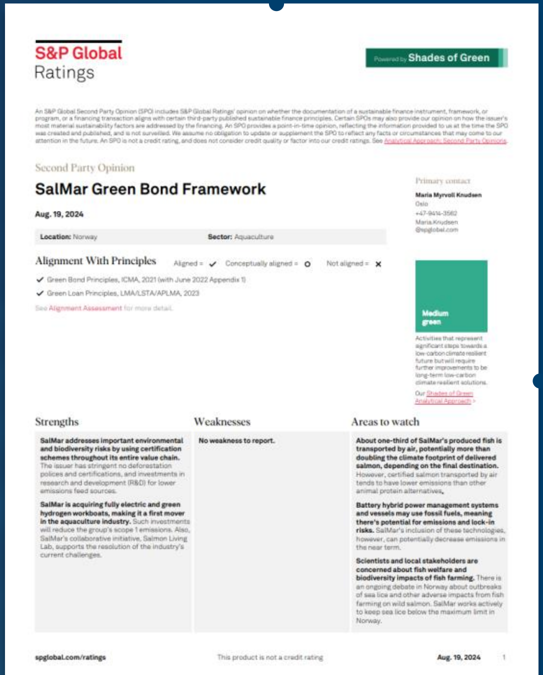
Medium green

- **Medium green:**
  - Activities that represent significant steps towards a low-carbon climate resilient future but will require further improvements to be long-term low-carbon climate resilient **solutions**

S&P Global Ratings' Shades of Green

Assessments

Dark green	Medium green	Light green	Yellow	Orange	Red



S&P Global Ratings

Powered by Shades of Green

An S&P Global Second Party Opinion (SPO) includes S&P Global Ratings' opinion on whether the documentation of a sustainable finance instrument, framework, or program, or a financing transaction aligns with certain third-party published sustainable finance principles. Certain SPOs may also provide our opinion on how the issuer's most material sustainability factors are addressed by the financing. An SPO provides a point-in-time opinion, reflecting the information provided to us at the time the SPO was created and published, and is not surveilled. We assume no obligation to update or supplement the SPO to reflect any facts or circumstances that may come to our attention in the future. An SPO is not a credit rating, and does not consider credit quality or factor into our credit ratings. See Analytical Approach: Second Party Opinions.

Second Party Opinion

SalMar Green Bond Framework

Aug. 19, 2024

Location: Norway **Sector:** Aquaculture

Primary contact

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Alignment With Principles — Aligned = ✓ Conceptually aligned = O Not aligned = ✗

✓ Green Bond Principles, ICMA, 2021 (with June 2022 Appendix 1)
✓ Green Loan Principles, LMA/LSTA/APLMA, 2023

See Alignment Assessment for more detail.

Medium green

Activities that represent significant steps towards a low-carbon climate resilient future but will require further improvements to be long-term low-carbon climate resilient solutions.

Our Shades of Green Analytical Approach >

Strengths	Weaknesses	Areas to watch
SalMar addresses important environmental and biodiversity risks by using certification schemes throughout its entire value chain. The issuer has stringent no deforestation polices and certifications, and investments in research and development (R&D) for lower emissions feed sources. **SalMar is acquiring fully electric and green hydrogen workboats, making it a first mover in the aquaculture industry.** Such investments will reduce the group's scope 1 emissions. Also, SalMar's collaborative initiative, Salmon Living Lab, supports the resolution of the industry's current challenges.	**No weakness to report.**	**About one-third of SalMar's produced fish is transported by air, potentially more than doubling the climate footprint of delivered salmon, depending on the final destination.** However, certified salmon transported by air tends to have lower emissions than other animal protein alternatives. **Battery hybrid power management systems and vessels may use fossil fuels, meaning there's potential for emissions and lock-in risks.** SalMar's inclusion of these technologies, however, can potentially decrease emissions in the near term. **Scientists and local stakeholders are concerned about fish welfare and biodiversity impacts of fish farming.** There is an ongoing debate in Norway about outbreaks of sea lice and other adverse impacts from fish farming on wild salmon. SalMar works actively to keep sea lice below the maximum limit in Norway.

spglobal.com/ratings This product is not a credit rating Aug. 19, 2024 1

Framework strengths

- "**SalMar addresses important environmental and biodiversity risks by using certification schemes throughout its entire value chain.** The issuer has stringent no deforestation polices and certifications, and investments in research and development (R&D) for lower emissions feed sources."
- "**SalMar is acquiring fully electric and green hydrogen workboats, making it a first mover in the aquaculture industry**. Such investments will reduce the group's scope 1 emissions. Also, SalMar's collaborative initiative, Salmon Living Lab, supports the resolution of the industry's current challenges."
- "**No weakness to report.**"

Source: SalMar Green Bond Second Opinion 19 August 2024

Agenda

Risk factors (I/VIII)

An investment in the Bonds involves inherent risks. Investors should consider all information set forth in this Investor Presentation and, in particular, the specific risk factors set out below. An investment in the Bonds is suitable only for investors who understand the risks associated with this type of high-risk investment and who can afford a loss of all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision. If any of the risks described below materialise, individually or together with other circumstances, they may have material adverse effects on the Company's business, financial condition, results of operations and cash flow and/or prospects, which may cause a decline in the value of the Bonds and/or that could result in a loss of all or part of any investment in the Bonds. Risks and uncertainties described below are the principal known risks and uncertainties faced by the Company as of the date hereof. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on its business, financial condition, results of operations and cash flow, and may cause a decline in the value of the Bonds that could result in a loss of all or part of any investment in the Bonds.

1. RISKS RELATED TO THE INDUSTRY IN WHICH THE GROUP OPERATES

1.1 The Group may not be successful in managing and/or eliminating risks

The Group is exposed to risks in numerous areas, such as biological production, fish escape, the effects of climate change, compliance risk, the risk of accidents, changes in salmon prices, political and regulatory risk, including changes in tax laws and/or rates, the risk of political trade barriers, cybersecurity threats, supply chain disruptions, etc. The Group's internal controls and risk exposure are subject to continuous monitoring and improvement, and efforts to reduce risk in different areas have a high priority. Management has established a framework for managing and eliminating several of the risks that could prevent the Group from attaining its goals. However, there can be no assurances that the Group will be able to, in a satisfactory manner, effectively manage or eliminate the risks described herein and other risks which cannot be foreseen which, in turn, may have a material adverse effect on the Group.

1.2 The Group is subject to risks related to food safety and health concerns

Food safety issues and perceived health concerns may in the future have a negative impact on the reputation of and demand for the products and services of the Group. It will be of critical importance to the Group that its future products are perceived as safe and healthy in all relevant markets. The food industry in general experiences increased customer awareness with respect to food safety and product quality, information and traceability. Increased regulatory scrutiny and evolving food safety standards require continuous adaption and compliance. A failure by the Group to meet new consumer, market or governmental requirements may reduce the demand for the Group's products which, in turn, may have a material adverse effect on the Group. Additionally, growing consumer focus on sustainability and ethical sourcing may influence perceptions of food safety and health, necessitating further investment in transparency and traceability technologies.

1.3 The Group's business depends on goodwill, reputation and maintaining good relationships

The Group's business depends on goodwill, reputation and on maintaining good relationships with clients, partners, lenders, suppliers, employees, governments and local communities. Negative publicity related to the Group or its operations and/or its customers could, regardless of its truthfulness, adversely affect the Group's reputation and goodwill.

The Group and its business are exposed to the risk that negative publicity may arise from activities of legislators, pressure groups and the media, including social media, for instance that fish and other commodities are being bred only to generate profit, which may tarnish Group's and the industry's reputation in the market. Loss of certification may lead to reputational risks. Negative reputational publicity may arise from a broad variety of causes, including incidents and occurrences outside the Group's control. No assurance can be given that such incidents will not occur in the future, which may cause negative publicity about the operations of the Group, which in turn could have a material adverse effect on the Group. Negative publicity could further jeopardize the Group's relationship with customers and suppliers. In addition, negative publicity could cause any customers of the Group to purchase products from the Group's competitors, reducing the demand for the Group's products. Any circumstances that publicly damage the Group's goodwill, injure the Group's reputation or damage its business relationships, may lead to a broader adverse effect in addition to any monetary liability arising directly from the damaging events by way of loss of business, goodwill, clients, partners and employees.

1.4 The Group is subject to existing and increasing competition in the farmed salmon market

The market for farmed salmon in general is global and highly competitive, and the Group faces strong competition from both domestic and international players within the farmed salmon market. The competitive landscape for traditional coastal farming may intensify due to i.a. the addition of new farming technologies such as land-based and offshore, and similarly the competition within offshore fish farming may intensify as proposed new legislation facilitates production in more exposed areas. Technological advancements and innovations in aquaculture practices, including those focused on sustainability and environmental impact, may reshape the competitive environment. If the Group is unable to compete efficiently, e.g. due to overcapacity, consolidation, increased competition and price pressure in the market or regulatory changes, this may have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group. Additionally, shifting consumer preferences towards sustainability sourced products and evolving market dynamics may further influence competitive pressures.

1.5 The Group may be exposed to activism

Certain global environmental organisations aim to eradicate salmon farming. Therefore, salmon farming companies such as the Group may be targets for activism of various kinds with the aim to cause reputational damage or damage to production facilities (spread of information, sabotage, etc.), which may have a material adverse effect on the business, financial condition, results of operations, prospects or cash flow of the Group.

Risk factors (II/VIII)

2. RISK RELATING TO THE GROUP'S OPERATIONS

2.1 The Group's operations are subject to biological risks

The Group's operations are subject to biological risks which could have a negative impact on profitability and cash flows. Biological risks include for instance oxygen depletion, diseases, viruses, bacteria, parasites, algae blooms, jelly fish and other contaminants, which may adversely affect fish survival, health, growth and welfare and result in reduced harvest weight and volume, downgrading of products and claims from customers. An outbreak of a significant or severe disease represents a cost for the Group through e.g. direct loss of fish, loss of biomass growth, accelerated harvesting and poorer quality on the harvested fish, but may also be followed by a subsequent period of reduced production capacity, increased cost or loss of income. The most severe diseases may require culling and disposal of the entire stock, disinfection of the farm and a long subsequent fallow period as preventative measures to stop the disease from spreading. Market access could be impeded by strict border controls, not only for salmon from the infected farm, but also for salmon originating from a wider geographical area surrounding the site of an outbreak. Continued disease problems may also attract negative media attention and public concerns. Salmon farming has historically experienced several episodes with extensive disease problems and no assurance can be given that this will not also happen in the future.

The Group is also exposed to the risk of fish escapes.

The Group collaborates actively with the authorities and other aquaculture players to implement measures and initiate activities to reduce biological risk and risk of fish escape. Should the Group, however, be unsuccessful in its efforts to mitigate these risks, it may have a material adverse effect on the Group's reputation, operations, revenues, financial condition and business.

2.2 The Group is dependent on favourable salmon prices, which may be affected by a number of factors, to sustain or expand its operations

Salmon price developments are highly volatile, with major fluctuations within relatively short time spans. There has generally been a stable rise in demand for salmon over recent years, while the growth in supply has been limited. There can be no assurance that this development will continue going forward. Supply is also impacted by other factors, such as government regulations, sea temperatures, sea lice, outbreaks of disease, and other direct and indirect factors, which affect production and hence also supply and prices. Low market prices may have a material adverse effect on the Group's results, financial condition, cash flow and prospects. The introduction of a resource rent tax on aquaculture in Norway in 2023, as further detailed under risk factor 4.6, is a regulatory change that could further impact supply and prices.

2.3 Risks related to feed costs and supply

Feed costs account for a significant portion of the Group's total production costs, and an increase in feed prices could, thus, have a major impact on the Group's future profitability. The feed industry is characterised by large global suppliers operating under cost plus contracts, and feed prices are accordingly directly linked to the global markets for fishmeal, vegetable meal, animal proteins and fish/vegetable/animal oils which are the main ingredients in fish feed. Increases in the prices of these raw materials will accordingly result in an increase in feed prices. The Group may not be able to pass on increased feed costs to its customers in the future. Due to the long production cycle for farmed salmon, there may be a significant time lag between changes in feed prices and corresponding changes in the prices of farmed salmon and finished products to customers. As the main feed suppliers normally enter into fixed contracts and adapt their production volumes to prevailing supply commitments, there is limited excess of fish feed available in the market. If one or more of the feed contracts the Group has entered into were to be terminated on short notice prior to their respective expiration dates, the Group may not be able to find alternative suppliers in the market. Shortage in feed supply may lead to accelerated harvesting, loss of biomass and reduced income.

2.4 Risk related to climate change and loss of nature

The climate plays an important role in Group's operations and climate change is likely to present a range of challenges to the aquaculture industry. Without proactive adaptation, salmon farming may become more vulnerable to acute physical risks e.g. caused by extreme weather events such as damages to production facilities and infrastructure, increase employee accident rates and increase in downtime due to harsh weather and higher risks of escapes due to facility impairment. These risks might result in decreased harvest due to loss of fish, or lost opportunity to farm in the most exposed areas. In addition, extreme weather conditions in locations where the Group's suppliers source feed raw materials may impact the price and availability of fish feed. Sea water salmon farming may also become exposed to chronic physical risk such as increased water temperatures, which can lead to elevated risk of algae bloom, lower oxygen levels and impact disease and mortality rates. An increase in deviating weather conditions resulting from climate change may have a detrimental impact on the Group's operations, business, financial conditions and prospects.

Risk factors (III/VIII)

2. RISK RELATING TO THE GROUP'S OPERATIONS

2.5 The Group is exposed to regulatory risk related to climate change

The Group is increasingly transporting products by air freight, particularly to the US and Asian markets. The largest direct source of emissions comes from the use of fuels for boats, vehicles and on-site energy production from generators. Carbon taxes will increase the costs of consumption of fossil fuels and may have a significant financial impact while also making the products less competitive. In addition, increasing cost of carbon may change market dynamics in favour of local, land based production or closed-containment technologies, leaving the Group with an obsolete business model and mode of production. The Group's resilience to emerging climate related regulations is also dependent on the suppliers' ability to adapt to new climate-related regulations that affect them. If suppliers are not prepared to face these risks, it is highly likely that their increased operating costs would be passed on to the Group. These risks may have a detrimental impact on the Group's operations, business, financial conditions and prospects.

2.6 The Group is exposed to market risks related to climate change

The Group relies heavily on access to good quality, sustainably sourced feed raw materials. If climate change causes acute or chronic physical changes, the availability of these raw materials may become scarcer and hence more expensive. The Group is also reliant on suppliers to find more sustainable production and transportation methods as these could become more heavily regulated in the future. Failure of suppliers to adapt could lead to increased costs and supply chain disruptions for the Group. Climate change and increased consumer attention to climate-related issues can have a multitude of effects on the demand for protein sources. One of the main changes is the risk from shifts in consumer preferences of preferring certified fish. Certified products, such as ASC certified fish, can become a common customer demand. If these risks were to materialise they may have a detrimental impact on the Group's operations, business, financial conditions and prospects.

2.7 The Group is exposed to technology risks related to climate change

Development of new farming technologies such as land-based and offshore, closer to end-consumer markets, could give a disadvantage to traditional coastal farming. R&D efforts in land-based farming technologies may increase as the cost of carbon rises, making this more competitive and placing the Group at a competitive disadvantage. Furthermore, developments within the markets for alternative protein production, such as plant based protein, edible insects, cultured meats, algal protein, and microbial protein may reduce the demand for the Group's products and have a material adverse effect on the Group's business, financial condition and results of operations.

2.8 The Group is exposed to reputational risks related to climate change

The Group is increasingly transporting products by air freight. Extensive use of air freight may see growing reputational pressure as climate awareness increases. This may impact attractiveness to consumers, employees, and investors. Investor and consumer interest may decrease if the Group fails to develop and effectively communicate the approach to sustainable and climate-friendly solutions. Negative reputation may have a detrimental impact on the Group's operations, business, financial conditions and prospects.

2.9 Risks related to the loss and degradation of nature

Biodiversity, the diversity within species, between species and of ecosystems, is declining globally, faster than at any other time in human history. Nature and ecosystems provide basic building blocks of the global economy, and biodiversity loss and ecosystem collapse will also affect the Group's operations, supply chains and markets. Changes in biodiversity may affect access to feed raw materials, impacting feed prices and availability. It may also limit access to medicines, as some medicines are derived from rainforest plants, or natural or synthetic products inspired by nature, which may impact the fish health of salmon. Local businesses are also dependent on nature for local value creation, where loss of nature may impact where people can or decide to live, which can affect access to employees or expertise in the local communities where the Group operates. Further loss of nature and biodiversity may have a detrimental impact on the Group's operations, business, financial conditions and prospects.

Risk factors (IV/VIII)

3. RISK RELATED TO THE GROUP'S FINANCING AND FINANCIAL SITUATION

3.1 Funding may not be available on favourable terms in the future or at all

The Group's business and future plans are capital intensive and, to the extent the Group does not generate sufficient cash from operations in the long term, the Group may need to raise additional funds through public or private debt or equity financing to execute the Group's growth strategy and to fund capital expenditures. Adequate sources of capital funding might not be available when needed or may only be available on unfavourable terms. If funding is insufficient at any time in the future, the Group may be unable to fund maintenance requirements and acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Group's results, financial condition, cash flow and prospects.

3.2 The Group is exposed to currency risk

The Group operates internationally and is exposed to currency risk in several currencies. This risk is particularly relevant in relation to USD, EUR, GBP and JPY. Currency risk arises from future trading transactions, capitalised assets and liabilities and net investments in foreign operations. Currency risk related to income and assets nominated in foreign currency is partially sought reduced by the use of futures and currency accounts, however the Group remains subject to currency risk that may create unpredictable losses and have material adverse consequences for the Group's financial results and business.

3.3 The Group is exposed to liquidity risks

There is a risk that the Group will not be able to service its financial obligations as they mature. Cash flow forecasts are prepared on an ongoing basis, and management monitors rolling forecasts of the Group's liquidity requirements to seek to ensure that the Group has sufficient cash equivalents to meet operating obligations, while maintaining sufficient flexibility in the form of unused credit facilities at all times. The Group's objective is to have sufficient cash, cash equivalents or credit opportunities in the medium term to meet the loan requirements in the short term. However, if the Group is unsuccessful in managing its liquidity reserves, this may have a material adverse consequence on the Group's financial results and business.

3.4 The Group is exposed to interest rate risk

The Group's interest rate risk is primarily related to the Group's long term debt obligations with floating interest rates. Floating rate loans entail an interest rate risk for the Group's cash flow, which is partially reduced by the opposite effect from cash equivalents receiving floating interest. Fixed-rate loans expose the Group to fair value interest rate risk. The Group has entered into interest rate swaps to seek to reduce interest rate risk. However, the Group may be affected by changes in interest rates which may have material adverse consequence on the Group's financial position, results and business.

SALMAR
Passion for Salmon

Risk factors (V/VIII)

4. RISK RELATED TO LAWS AND REGULATIONS AND POLITICAL RISKS

4.1 The Group is exposed to risk of litigation and investigations by public authorities

The Group operates in a highly regulated industry and is exposed to risk related to litigation and investigations by public authorities that could significantly impact its operations and financial performance. These risks include ongoing investigations and potential legal actions in various jurisdictions which could arise from regulatory investigations, compliance with industry standards and applicable laws and regulations, and disputes with third parties such as customers, suppliers, or competitors. The complexity of the legal and regulatory environment in which the Group operates increases the likelihood of facing claims related to inter alia environmental, health, safety, and competition laws. Adverse regulatory action or judgment in litigation could result in significant fees and legal costs, as well as sanctions of various types for the Group, including, but not limited to, the payment of fines, damages or other amounts, the invalidation of contracts, restrictions or limitations on its operations, any of which could have a material adverse effect on the Group's reputation, profitability and/or financial condition. Defending against such claims can be costly and time-consuming, with no guarantee of a favorable outcome.

The Group is currently subject to investigation by the European Commission concerning alleged anti-competitive conduct. In addition, lawsuits have been filed against SalMar in other jurisdictions concerning the same allegation. The investigation focuses on potential breaches of EU competition law related to spot sales into the EU of fresh, whole salmon farmed in Norway during the period 2011–2019. On 25 January 2024, the Commission issued a Statement of Objections, indicating a preliminary assessment of possible violations. However, the Statement does not include a calculation of potential fines, leaving SalMar's economic liability uncertain. There can be made no assurance regarding the timeline or outcome of these investigations and/or lawsuits.

The Company is further currently involved in legal proceedings concerning the valuation of shares and consideration paid to minority shareholders in NTS ASA in connection with the squeeze-out of such shareholders as part of the Company's acquisition of NTS. The Trøndelag District Court recently ruled in favor of the Company, confirming the valuation of the relevant shares and the consideration paid to the shareholders as part of the squeeze-out. However, the plaintiffs may still appeal this decision, as the appeal period has not yet expired. An appeal could result in prolonged litigation, increased legal costs, and potential changes to the initial ruling, which may adversely affect the Group's financial position.

4.2 The Group is subject to complex and extensive regulations which may be subject to change

The Group's activities are subject to complex, fragmented and extensive regulations, in particular relating to production volume, environmental protection, food safety, hygiene and animal welfare. Salmon farming is strictly regulated by licenses and permits granted by various authorities. Future changes in the laws and regulations applicable to the Group's operations can be unpredictable, influenced by political factors and are beyond the control of the Group.

The current Norwegian government is reviewing the entire aquaculture permit system and has in its government platform stated, inter alia, that it would like to further develop the permit regime for production capacity in Norwegian aquaculture (the so-called "traffic light system") and have a clearer strategy for tracing fish and preventing fish escapes. Furthermore, they want to review the entire regulatory framework for aquaculture and the license system, make future aquaculture licenses time limited and re-introduce ownership restrictions. Any such changes, if and when implemented, could limit the prospects of growth, provide for less efficient operations and organisation, imply restrictions on the number of aquaculture licenses allowed to be held in one region by the Group and thus imply the need to materially alter the Group's operations and set-up and may prompt the need to apply for further permits, extensions or exemptions which may not be granted, which could in turn have a material adverse effect on the business, financial condition, results of operations, prospects or cash flow of the Group. Authorities may also introduce further regulations for the operations of the Group's facilities, e.g. regarding standards for production facilities, capacity requirements, feed quotas, fish density, site allocation conditions or other parameters for production, which may negatively impact the Group. Furthermore, the Norwegian permit regime for offshore aquaculture as currently proposed may not become effective or may not be implemented in a way or within a timeframe that could be beneficial to the Group, which may negatively impact the prospects of offshore fish farming operations and investments made by the Group.

Regulatory uncertainties regarding offshore aquaculture have caused SalMar Aker Ocean to pause further investments until the framework conditions are clarified. This uncertainty could negatively impact the prospects of offshore fish farming operations and investments made by the Group in relation thereto.

4.3 Risks relating to the Group's current and future expected licenses

The Group is to a significant extent dependent on maintaining its current licenses (also known as concessions) and being granted future licenses from the relevant governmental authorities to operate its fish farms and to sustain and expand its revenues and business. There are strict requirements relating to the granting of such licenses. Once a license is granted, the relevant Group company is from that point and onwards subject to strict regulations when it comes to the operation of the licensed fish farms. However, there can be no assurances that the relevant Group company will maintain all of its current licenses or be granted the necessary future licenses in order to sustain or expand its operations in the future. Any failure to maintain or be granted necessary license may have a material adverse impact on the Group's business, financial conditions, results of operation and liquidity. Please also refer to the regulatory and political risk factor above.

Risk factors (VI/VIII)

4.4 Risks related to international trade restrictions imposed on the Group

The Group's business is affected by laws and regulations in the geographical areas in which the Group operates, and the Group may be exposed to political and other uncertainties, including risks of import-export quotas, wage and price controls and the imposition of trade sanctions, embargoes and other trade barriers. Accordingly, the Group is affected by the adoption of laws and regulations and decisions in international and national bodies and may be required to make significant capital expenditures or operational changes to comply with such laws, regulations and decisions. Many countries control the export and re-export of certain goods, services and technology and impose related export recordkeeping and reporting obligations. The laws and regulations concerning export recordkeeping and reporting; export control and economic sanctions are complex and constantly changing. These laws and regulations may be enacted, amended, enforced or interpreted in a manner materially impacting the Group's operations. Products and services can be denied export or entry for a variety of reasons, some of which are outside the Group's control. Any failure to comply with applicable trade sanctions and restrictions could also result in criminal and civil penalties and sanctions, such as fines and loss of import and export privileges.

4.5 Environmental risks

The Group's operations are subject to environmental requirements which govern, among other matters, air pollution emissions, wastewater discharges, solid and hazardous waste management, and the use, composition, handling, distribution and transportation of hazardous materials. Many of these laws and regulations are becoming increasingly stringent, and the cost of compliance, including penalties if the Group fails to comply with these requirements, can be expected to increase over time.

4.6 Changes in tax laws of any jurisdiction in which the Group operates, and/or any failure to comply with applicable tax legislation may have a material adverse effect for the Group

The Group already is and will be subject to prevailing tax legislation, treaties and regulations in the jurisdictions in which it operates, or decides to commence operations, and the interpretation and enforcement thereof. The Group's income tax expenses are based upon its interpretation of the tax laws in effect at the time that the expense is incurred. If applicable laws, treaties or regulations change, or if the Group's interpretation of the tax laws differs from the interpretation of the same tax laws by tax authorities (e.g. in relation to the Norwegian Resource Rent Tax introduced in Norway), this could have a material adverse effect on the Group's business, results of operations or financial condition. If any tax authority successfully challenges the Group's operational structure, pricing policies or if taxing authorities do not agree with the Group's interpretation or assessment of the effects of applicable laws, treaties and regulations, or the Group loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful or if further taxes for the aquaculture industry (should in the future be introduced for the aquaculture industry, the Group's effective tax rate on its earnings could increase substantially and the Group's business, earnings and cash flows from operations and financial condition could be materially and adversely affected.

The Norwegian government introduced a Resource Rent Tax on aquaculture production, which was implemented with a 25% tax rate applicable retroactively from 1 January 2023. This tax is in addition to the regular corporate tax of 22%, raising the marginal tax rate on aquaculture in the sea phase to 47%. The implementation of this new tax regime has significantly affected the capacity for innovation and investment within the Norwegian aquaculture industry. The tax base is determined by a government-appointed Price Board, which sets reference prices (norm prices) for tax purposes as of 1 July 2024. If the norm prices set by the Price Board deviate from actual sales prices, the Group may face a higher or lower effective tax rate than 47%.

Risk factors (VII/VIII)

***5. RISKS RELATED TO THE BONDS*[1]**

5.1 Risks related to the market and potential market value of the Bonds

The Bonds will be new securities for which there is currently no trading market. Even though the Issuer is intending to apply for a listing of the Bonds on the Oslo Stock Exchange, there can be no assurance that such listing will be obtained, nor has the Issuer entered into any market making scheme to ensure liquidity in the Bonds. There can be no assurance as to (i) the liquidity of any market that may develop; (ii) Bondholders' ability to sell the Bonds or (iii) the price at which Bondholders would be able to sell the Bonds. If such a market was to exist, the Bonds could trade at prices that may be lower than the nominal amount or purchase price of the Bonds. If an active market does not develop or is not maintained, the price and liquidity of the Bonds may be adversely affected.

There is a risk that the value of the Bonds may decrease due to the changes in the Group, its financial position as well as relevant market risk factors. Furthermore, the price and market value of a single bond issue will, generally, fluctuate due to general developments in the financial markets, as well as, specifically, investor interest in (and, thus, the liquidity of) the Bonds and the aquaculture market in which the Group is engaged. In addition, in recent years, the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market value of the Bonds without regard to the Issuer's operating results, financial condition or prospects. Accordingly, there is a risk that the value of the Bonds may decrease in spite of an underlying positive development in the Issuer's business activities.

5.2 The Bonds will be unsecured, affecting payment of the Bonds in the event of bankruptcy and otherwise

The Bonds are unsecured. Rights to receive payment on the Bonds in a default situation will therefore be subject to the Issuer's secured lenders first receiving due payment. Accordingly, in the event that any of the Group's subsidiaries becomes subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceeding, the Bondholders will have no right to proceed against the assets of any such subsidiary, and creditors of the Group's subsidiaries, including financial indebtedness and trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before the Company, as a direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary. Unsecured bonds, in general, carry a higher risk than secured bonds since secured bonds have preferred recovery from secured assets.

5.3 The Bonds will be structurally subordinated to the liabilities of the Issuer's subsidiaries

The Bonds will be structurally subordinated to the liabilities of the Issuer's subsidiaries. This means that creditors of the Issuer's subsidiaries, will be entitled to payments of their claims from the assets of such subsidiaries before these assets (or proceeds thereof) are made available for distribution to the Issuer, as a direct or indirect shareholder. In an enforcement scenario, creditors of the Issuer's subsidiaries, to the extent such subsidiaries are not also guarantors of the Bonds, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiaries before the Issuer, as a direct or indirect shareholder, will be entitled to receive any distributions.

5.4 Risk related to the Issuer's service and repayment of the Bonds

During the lifetime of the Bonds, the Company may be required to make payments on the Bonds. The Company's ability to generate cash flow from operations and to make payments on and to repay the Bonds, will depend on the future financial performance of the Group. In addition, the Company's ability to pay amounts due on the Bonds may depend on the financial performance of its subsidiaries and upon the level of distributions, interest payments and loan repayments, if any, received from its subsidiaries, any amounts received on disposals of assets and equity holdings and the level of cash balances. Certain of the Group's operating subsidiaries may be subject to restrictions on their ability to make distributions and loans including as a result of restrictive covenants in loan agreements, foreign exchange and other regulatory restrictions and laws and agreements with other shareholders of such subsidiaries (if applicable) or associated undertakings.

If the Company is unable to generate sufficient cash flow from operations or through distributions from its subsidiaries in the future to service its debt, it will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing indebtedness or seeking equity capital. The Company cannot assure investors that any of these alternative strategies could be affected on satisfactory terms, if at all, or that they would yield sufficient funds to service or to repay the Bonds. In case of a bankruptcy, the Bondholders risk losing their entire investment, and settlement of any potential dividend will not take place until the bankruptcy proceedings have been completed.

1) Subject to change based on final term sheet

Risk factors (VIII/VIII)

5.5 The Bonds may be redeemed early due to a tax event

Under the Bond Terms, the Issuer will have the right to redeem the outstanding Bonds before the final redemption date if the Issuer is required by law to withhold any tax from any payment in respect of the Bonds. In such event, the Issuer will have the right to redeem all, but not only some, of the outstanding Bonds. If the Bonds are redeemed before the final redemption date, the Issuer is required to pay the Bondholders an early redemption amount which equals to 100 per cent. of the nominal amount outstanding under the Bond Terms. However, there is a risk that the market value of the Bonds will be higher than the nominal amount outstanding and that it may not be possible for Bondholders to reinvest the early redemption amount at an effective interest rate as high as the interest rate on the Bonds and a bondholder may realize a lower return on its investment than if the Bonds had been outstanding through maturity.

5.6 Risks related to prepayment and repurchase events

The Bond Terms will provide for certain redemption and repurchase mechanics in respect of the Bonds which entail redemption or repurchase with a premium, either voluntarily or mandatorily. The latter will be the case inter alia upon the occurrence of a Put Option / Change of Control Event (as described in the Bond Terms), whereby each individual Bondholder has a right to require that the Issuer purchases all or some of the Bonds at 101% of the nominal amount during a period of 15 Business Days following the notice of a Put Option Event. There can be no assurance that the Issuer will have sufficient funds at the time of such event to make the required redemption and/or repurchase of the Bonds, should a mandatory redemption or repurchase occur, which may consequently adversely affect all Bondholders and not only those that choose to exercise the option.

5.7 Bondholders may be overruled by majority votes taken in Bondholder's meetings

The Bond Terms will include certain provisions regarding Bondholders' meetings and written procedures. Such meetings and procedures may be used to reach decisions on matters relating to the Bondholders' interests. The Bond Terms will allow for stated majorities to bind all Bondholders, including Bondholders who have not taken part in the meeting or procedure and those who have voted against the majority. Thus, there is a risk that the actions of the majority in such matters will impact a Bondholder's rights in a manner that is unwanted for it.

5.8 Individual Bondholders do not have a right of action against the Issuer

In accordance with the Bonds Terms, the trustee for the Bonds will represent all Bondholders in all matters relating to the Bonds and the Bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual Bondholders do not have the right to take legal actions to declare any default by claiming any payment from the Issuer and may therefore lack effective remedies unless and until a requisite majority of the Bondholders agree to take such action. However, there is a risk that an individual Bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Bond Terms), which could negatively impact an acceleration of the Bonds or other action against the Issuer.

To enable the trustee for the Bonds to represent Bondholders in court, the Bondholders and/or their nominees may have to submit a written power of attorney for legal proceedings. The failure of all Bondholders to submit such a power of attorney could have a negative effect on the legal proceedings as for instance the requisite quorum or majority for taking such legal proceedings may not be obtained. Under the Bond Terms, the trustee for the Bonds will in some cases have the right to make decisions and take measures that bind all Bondholders. Consequently, there is a risk that the actions of the trustee in such matters will impact a Bondholder's rights under the Bonds in a manner that is undesirable for some of the Bondholders.

There is a risk that materialisation of any of the above risks will have a material adverse effect on the enforcement of the rights of the Bondholders and the rights of the Bondholders to receive payments under the Bonds.

5.9 Risk related to the interest rate

The primary price risk for a floating rate bond issue will be related to the market view of the correct trading level for the credit spread related to the bond issue at a certain time during the tenor, compared with the credit margin the bond issue is carrying. A possible increase in the credit spread trading level relative to the coupon defined credit margin may relate to general changes in the market conditions and/or Company specific circumstances. However, under normal market circumstances the anticipated tradable credit spread will fall as the duration of the bond issue becomes shorter. In general, the price of bonds will fall when the credit spread in the market increases, and conversely the bond price will increase when the market spread decreases.

5.10 The bonds may be subject to purchase and transfer restriction

While the Bonds are freely transferable and may be pledged, any bondholder may be subject to purchase or transfer restrictions under local laws, depending on factors such as nationality, residency, registered address, or place(s) of business. These restrictions include, but are not limited to, specific transfer restrictions for bondholders located in the United Kingdom and the United States. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in or into the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act, any U.S. state securities laws, or to effect any exchange offer for the Bonds in the future. The Company is relying upon exemptions from registration under US federal securities laws, applicable US state securities laws, and UK and EU securities laws in the placement of the Bonds. As a result, the Bonds may only be transferred or resold in a transaction registered under or exempt from the registration requirements of such legislation. Consequently, investors may not be able to sell their Bonds at their preferred time or price.

The Company cannot assure investors as to the future liquidity of the Bonds, and investors bear the financial risk of their investment in the Bonds. Each bondholder must ensure compliance with applicable local laws and regulations at their own cost and expense. Due to these restrictions, there is a risk that a bondholder cannot sell its Bonds as desired, which could have a negative effect for some bondholders.