

Fish Pool European Buyers Index

Audit report for Fish Pool European Buyers Index in 2020

Auditor: Oslo Børs (Oslo Stock Exchange)

Date: from January to December 2020

Fish Pool European Buyers Index (FPEBI) is a commodity benchmark for the European salmon market. Since 2016 European purchasers of Norwegian salmon has collaborated with Fish Pool and Oslo Børs to establish and maintain a reliable benchmark price.

Fish Pool administrates Fish Pool European Buyers Index. Oslo Stock Exchange, and their team "Market administration", are selected to operate and audit the index. Fish Pool is in a process to ensure compliance of FPEBI with new EU regulations on financial benchmarks.

Facts about Fish Pool European Buyers Index:

- Prices are calculated to NOK/kg and to FCA Oslo
- Product: superior quality, fresh, head-on-gutted Atlantic Salmon, produced in Norway
- Weight classes: 1-2 kg, 2-3 kg, 3-4 kg, 4-5 kg, 5-6 kg, 6-7 kg, 7+ kg
- Only salmon transported to Europe by truck
- Direct import
- Standard inputs: currency (weekly average EURNOK rate given by the Central Bank of Norway), export fee (0,6% of exported value) and European import fee (2% of imported value)
- Freight transportation varies and is given by reporting company

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1.1 Audit Procedure

Oslo Børs contacts two randomly chosen members of the Buyer's Index each month and request to see their invoices for a given week. Next, Oslo Børs compares the volumes/prices from the invoices to the volumes/prices reported to Fish Pool. Discrepancies are investigated and need to be clarified and corrected by the reporting company. All reporting companies have signed an agreement accepting to be audited, and follow all reporting procedures.

1.2 Audit Results 2020

Oslo Børs (Oslo Stock Exchange) has acted as an external auditor for the Fish Pool Buyer's Index in 2020. The audits for 2020 show that the members continue to report accurate purchase volumes and prices. Oslo Børs found no discrepancies between the invoiced volumes/prices and the reported volumes/prices for any of the companies that underwent an audit in 2020. Oslo Børs would like to thank the members of the Fish Pool Buyer's Index for their continued cooperation to maintain the quality of the index.

1.3 2020 performance

Volume reported

- 96.502 tonnes reported in total in 2020 (vs. 98.058 tonnes in 2019, -2%)
- Average weekly reported volume in 2020: 1.821 tonnes vs. average volume the past four year (2016-2019) 1.646 tonnes.
- The total reported volume to FPEBI is app. 40% of reported volume to Nasdaq Salmon Index (NSI) (total NSI volume 2020: 243.321 tonnes)

Size distribution

Table below shows share of total volume for each weight-group, 2020 vs. 2019.

	1-2 kg	2-3 kg	3-4 kg	4-5 kg	5-6 kg	6-7 kg	7+ kg
Share 2020	1 %	10 %	28 %	33 %	19 %	7 %	2 %
Share 2019	1 %	9 %	33 %	35 %	17 %	4 %	1 %

Prices reported

All prices are volume weighted and calculated to FCA Oslo (ex. freight to European plant, export – and import duties).

NOK/kg									
	Price 3-6 kg	Average	1-2 kg	2-3 kg	3-4 kg	4-5 kg	5-6 kg	6-7 kg	7+ kg
2020	55,15	53,93	40,86	47,21	53,29	55,31	56,78	58,94	58,78
2019	58,64	57,45	42,61	49,72	56,05	58,68	61,20	65,14	66,90

EUR/kg									
	Price 3-6 kg	Average	1-2 kg	2-3 kg	3-4 kg	4-5 kg	5-6 kg	6-7 kg	7+ kg
2020	5,17	5,06	3,83	4,43	5,00	5,19	5,33	5,54	5,53
2019	5,96	5,84	4,33	5,06	5,70	5,97	6,22	6,62	6,79

- *Price 3-6 kg: volume weighted average of 3-6 kg, weighted as follow: 30% 3-4 kg, 40% 4-5 kg, 30% 5-6 kg.*
- *Average: average price for all sizes*

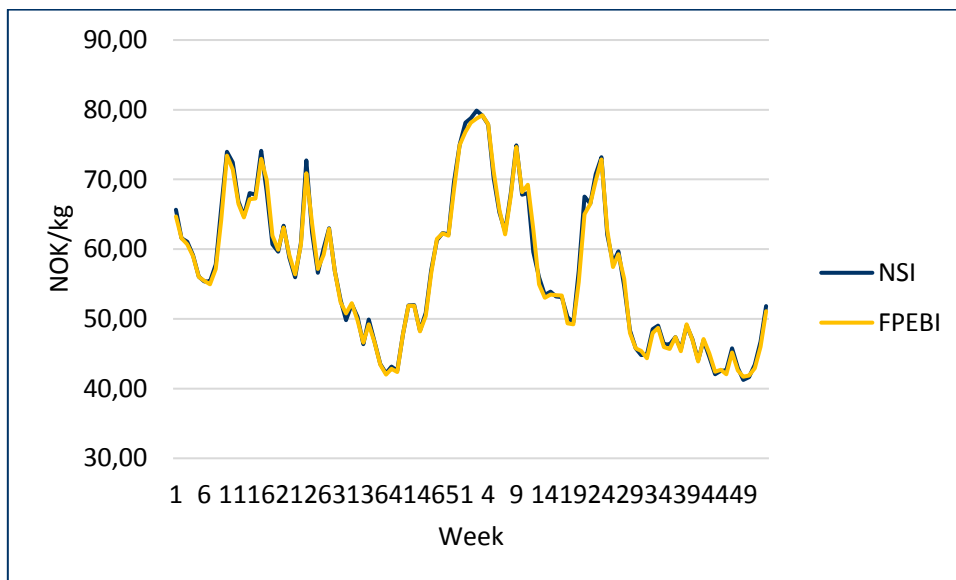
Fish Pool European Buyers Index compared to Nasdaq Salmon Index

Fish Pool European Buyers Index (FPEBI) and Nasdaq Salmon Index (NSI) are both two spot price indexes for the European market. Both are calculated to FCA Oslo, and the two indexes can therefore function as a benchmark for each other.

NOK/kg (2020)		
	Price 3-6 kg	Average
FPEBI	55,15	53,93
NSI	55,30	54,45
Diff	-0,30	-0,52

EUR/kg (2020)		
	Price 3-6 kg	Average
FPEBI	5,17	5,06
NSI	5,19	5,11
Diff	-0,02	-0,05

The correlation between FPEBI and NSI for volume weighted 3-6 kg have been very tight the past two years. FPEBI have on average been 0,18 NOK lower than NSI in 2019 and 2020.



1.4 Conclusion

Fish Pool European Buyers Index is a strong price index for Norwegian salmon bought in the EU market. The tight correlation with NSI confirms that indexes are reliable indexes for the European market. By auditing the index via a third party Fish Pool ensures that the index is transparent and reliable. Oslo Børs have strengthened the credibility by auditing the index and will continue to do so in collaboration with the reporting companies.

Date: 04.05.2021

Place: Oslo, Norway

Signature, on behalf of Oslo Børs:

Magnus Lundstrøm