

Fish Pool European Buyers Index: Audit report for 2021

Auditor: Oslo Børs (Oslo Stock Exchange)

Date: from January to December 2021

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.

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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

Audit Procedure

Oslo Børs seek to contact two randomly chosen members of the Buyer's Index monthly 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 required to be clarified and corrected by the company. All reporting companies have signed an agreement accepting to be audited, and follow all reporting procedures.

Audit Results 2021

Oslo Børs has acted as an external auditor for the Fish Pool Buyer's Index in 2021. The audits for 2021 shows that the members continue to report generally accurate purchase volumes and prices. 19 reporting companies was audited in 2021. Oslo Børs found minor deviations between the invoiced volumes/prices and the reported volumes/prices for some of the companies that underwent an audit in 2021. Oslo Børs regards the minor deviations as acceptable. 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.

2021 performance

Volume reported

- 101.066 tonnes reported in total in 2021 (vs. 96.694 tonnes in 2020, +5%)
- Weekly average reported volume in 2021: 1.944 tonnes, +16% compared to weekly average reported volume the last five years (2016-2020). Average volume the past five years: 1.682 tonnes
- The total reported volume to FPEBI is app. 40% of reported volume to Nasdaq Salmon Index (NSI). Total NSI volume 2021: 249.985 tonnes)

Size distribution

Table below shows share of total volume for each weight-group, 2021 vs. 2020.

	1-2 kg	2-3 kg	3-4 kg	4-5 kg	5-6 kg	6-7 kg	7+ kg
Share 2021	1 %	9 %	26 %	33 %	20 %	8 %	3 %
Share 2020	1 %	10 %	28 %	33 %	19 %	7 %	2 %

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
2021	58,08	57,20	43,76	51,59	56,40	58,17	59,63	60,53	60,53
2020	55,15	53,93	40,86	47,21	53,29	55,31	56,78	58,94	58,78
Change 21 vs. 20	2,93 NOK	3,27 NOK	2,90 NOK	4,37 NOK	3,11 NOK	2,86 NOK	2,85 NOK	1,60 NOK	1,85 NOK
Change 21 vs. 20	+5 %	+6 %	+7 %	+9 %	+6 %	+5 %	+5 %	+3 %	+3 %

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
2021	5,72	5,63	4,31	5,08	5,55	5,73	5,87	5,96	5,97
2020	5,17	5,06	3,83	4,43	5,00	5,19	5,33	5,54	5,53
Change 21 vs. 20	0,55 EUR	0,57 EUR	0,48 EUR	0,65 EUR	0,56 EUR	0,54 EUR	0,54 EUR	0,42 EUR	0,44 EUR
Change 21 vs. 20	+11 %	+11 %	+13 %	+15 %	+11 %	+10 %	+10 %	+8 %	+8 %

- *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

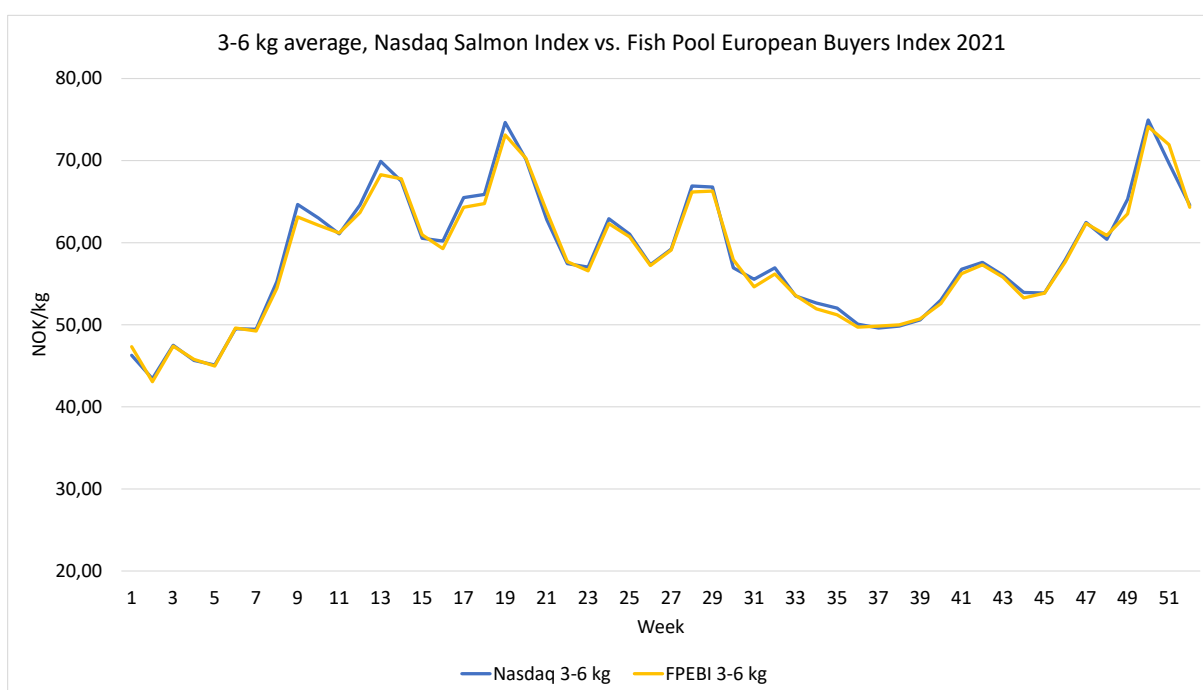
Fish Pool European Buyers Index (FPEBI) and Nasdaq Salmon Index (NSI) are both two spot price indexes for the European market. Both are calculated to FCA Oslo, and the two indexes can therefore function as a benchmark for each other.

Audit report for Fish Pool European Buyers Index, 2021

NOK/kg (2021)		
	Price 3-6 kg	Average
FPEBI	58,08	57,20
NSI	58,37	58,01
Diff	-0,29	-0,81

EUR/kg (2021)		
	Price 3-6 kg	Average
FPEBI	5,72	5,63
NSI	5,19	5,71
Diff	-0,53	-0,08

The correlation between FPEBI and NSI for volume weighted 3-6 kg have been very tight the past three years. FPEBI have on average been 0,22 NOK lower than NSI from 2019 to 2021.



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 the indexes are reliable 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: 15.02.22 Place: oslo

Signature, on behalf of Oslo Børs: Bahiya Ashami