

Welcome

FISH POOL / NASDAQ CHRISTMAS SEMINAR



Wednesday 23.11.2022

Address: Fantoftvegen 38,
5072 Bergen, Norway



15.00

Bubbles, meet and greet



16.00 – 18.00 **Program**

Resource rent tax. Status today.

by

Søren Martens, Fish Pool

Resource rent tax. What can be changed?

by

Robert Eriksson, Norwegian Seafood Association

Break

Bull signals: reasons for strong salmon prices

by

Philip Scrase, Carnegie

Bear signals: reasons for weak salmon prices

by

Knut-Ivar Bakken, Sparebank1 Markets



Norwegian Christmas dinner served after the seminar.

21.30

Bus transport to bar.

(«Dyvekes Vinkjeller», Hollendergaten 7, Bergen city)



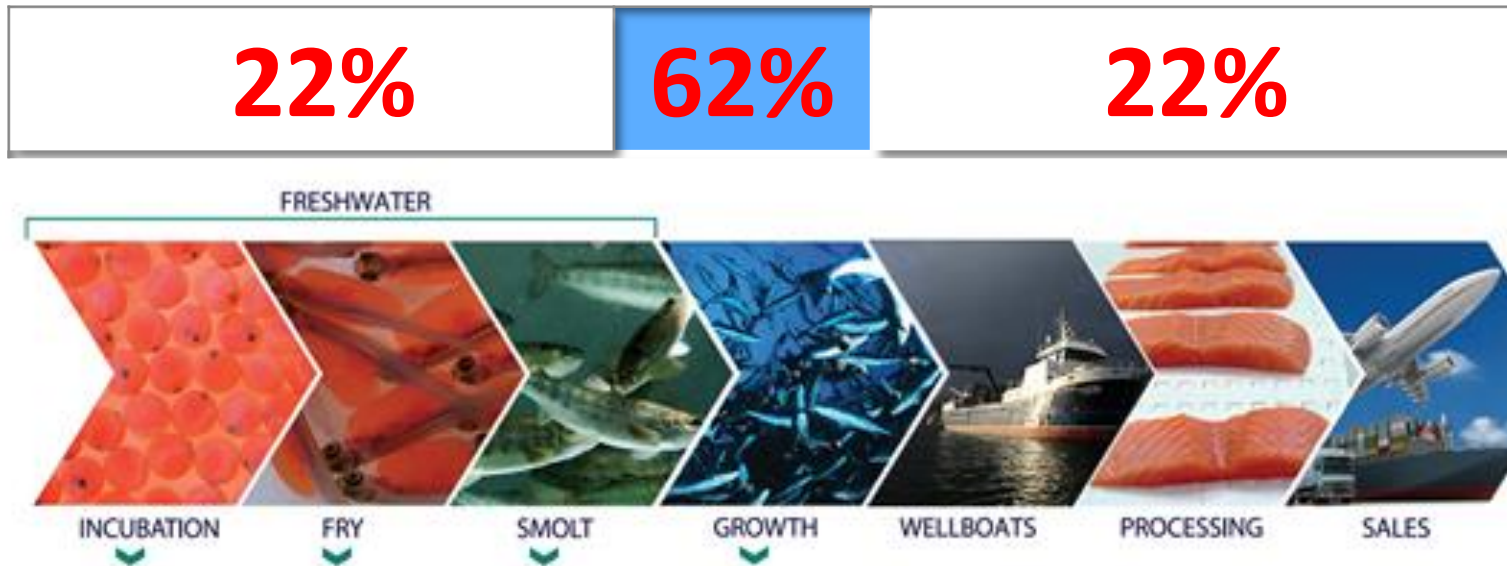
Fish Pool
 Nasdaq

Most important news in Norway in October:

- Extreme energy prices?
- Higher interest rates and cost of living?
- War and uncertainty?

No 1: More than 4.000 articles: ????????

Resource rent tax on *growth in the sea*



- Deduction for all «growth cost», purchase or production of smolt, feed, treatment, administration etc
- Income: Invoiced minus slaughtering and well-boat costs
- Only farming => No difference in income: basis 22% company tax and 40% resource tax?

New challenge: Internal invoicing

- Norwegian saying: *We cannot live from cutting each others hair !*



- Allowed to make profit and be taxed with 22% before and after the production in the sea
- Internal invoices instead of production cost from 2023

Who will NOT pay the new tax?

Minister promise Sep 28th

- Only the largest farmers shall pay.
- 2/3 of the 83 companies shall not pay
- Above 4-5.000 tons? No: 67,5 mNOK

	MAB	
Commercial	873	tons
Development, science, teaching	160	tons
Total capacity:	1033	tons

A farmer with 2 commercial licences
19 companies MAB below 2.000 tons:

	Production in tons:	Price	Cost	Net. Income	Resource rent taxable
SUP production	2 000	80,00	50,00	30,00	60 000
ORD and Prod:	375	70,00	50,00	20,00	7 500
	2 375				67 500

When to slaughter?

	2022
Income	80,00
Cost	- 50,00
Profit	30,00
22% tax	- 6,60
40% tax	
Net income	23,40

When to slaughter?

	2022	2023
Income	80,00	
Cost	- 50,00	- 50,00
Profit	30,00	
22% tax	- 6,60	
40% tax		
Net income	23,40	23,40

When to slaughter?

	2022	2023
Income	80,00	111,50
Cost	- 50,00	- 50,00
Profit	30,00	61,50
22% tax	- 6,60	- 13,50
40% tax		- 24,60
Net income	23,40	23,40

Contract price development



Full stop in contracting,

Table of only Y-2023 contracts

ID	Timestamp	Period	Price	Tons/ month	tons	Value 1.000 NOK
2237001	13-09-2022 11:03:10	Y-2023	80,50	40	480	38 640
2237002	13-09-2022 12:26:47	Y-2023	80,50	60	720	57 960
2237005	14-09-2022 09:02:21	Y-2023	81,00	50	600	48 600
2237007	15-09-2022 12:32:06	Y-2023	81,25	50	600	48 750
2237008	15-09-2022 02:59:07	Y-2023	81,50	75	900	73 350
2237012	16-09-2022 12:36:40	Y-2023	81,50	100	1 200	97 800
2237013	16-09-2022 02:45:37	Y-2023	82,00	100	1 200	98 400
2238003	19-09-2022 03:19:17	Y-2023	82,50	100	1 200	99 000
2238004	20-09-2022 03:16:06	Y-2023	82,75	50	600	49 650
2238006	22-09-2022 01:25:41	Y-2023	80,00	75	900	72 000
2239001	27-09-2022 12:01:11	Y-2023	81,00	78	940	76 137
2239003	29-09-2022 08:31:25	Y-2023	85,00	50	600	51 000
2240003	05-10-2022 01:12:26	Y-2023	90,00	50	600	54 000
2242002	20-10-2022 02:14:50	Y-2023	89,50	80	960	85 920
2246001	17-11-2022 05:39:19	Y-2023	87,55	100	1 200	105 060
						1 056 267

Lerøy Seafood from 38% to 1% contract share



Farming

- Proposed "resource tax" may impact from 1 January 2023 and brings significant uncertainty
- Contract share in Q4/22 of 38%.
Contract share 2023 of 1%

Market consequences for Norwegian salmon

- European salmon processing industry vital for demand development
- Two options when the contract market does not work:
 - **Say no** to customers. Lay off personnel, limit losses
 - **Say yes** to customers. Gamble with your business
- Forced to speculate: Sell fix price, buy in a very volatile spot market

339 Lerøy
employees laid off

851 SalMar employees
laid off

Still unclear after Friday Nov 18th

- Shall we trust the Minister of Finance or the Ministry ?
- Who will not pay? (Today 5.000 t * 13,50 = 67,5 mNOK)
- Invoiced income to all external customers. Most farmers have no internal processing – same income basis for 22% and 40% tax?
- Contracts physical and financial. Group level?
- Norm price; Both spot and contracts for **internal processing** to be set by Norm Price Advisory Board. How?
- Norm price starting Jan-23 to be decided June-23 ?
 - SSB or Nasdaq as the Norm price?
 - Different qualities; Prod-share?
 - Internal contracts. How to set prices?

The industry needs

- Written statements from the Minister of Finance
- Solution? Use 100% invoiced income for 2023
- No Norm-prices before a new law is clear
- Fish Pool will meet Ministry of Finance Dec 12th
- Give us input !

Barcelona: Monday April 24th 2023 From 15.00



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