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Fish Pool Christmas Seminar 2023

Market and price outlook

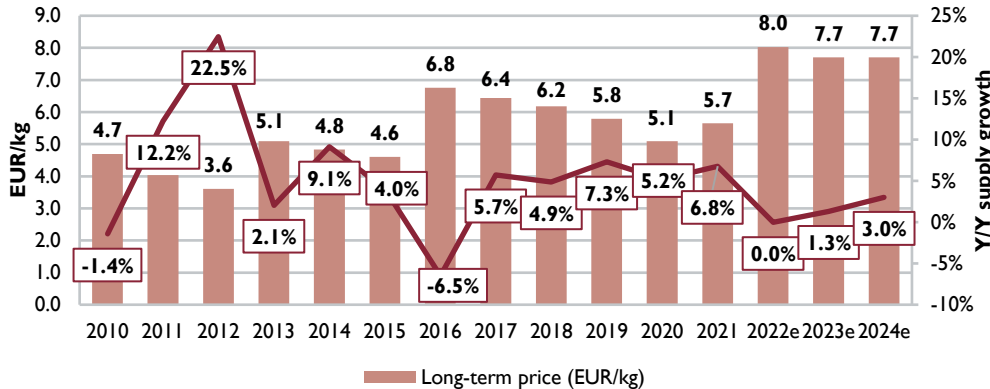
Predicting salmon prices is not easy...

«We expect prices of EUR~7.7/kg next two years»

Carnegie bull case predictions at Fish Pool Christmas seminar last year...

Supply is a key driver of salmon prices

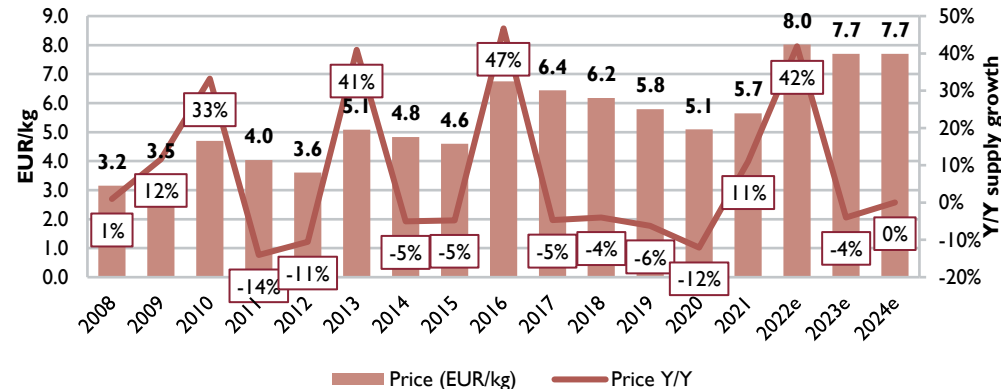
Norway: Long-term price (EUR/kg) and supply development (Y/Y)



Source: Carnegie Research, Fish Pool

Price level and Y/Y development

Long-term price level (EUR/kg) and Y/Y



Source: Carnegie Research, Fish Pool

... proved too conservative as supply turned even tighter, falling ~1% Y/Y driving 2023e price to EUR8.2

We expect high salmon prices in 2024 and beyond

- **Supply looks scarce, with risk probably on the downside**
 - Challenging farming conditions in key production regions, little biomass growth
 - Strict regulations in Norway and Chile limit growth – high capacity utilization
 - El Niño could be a major factor in Chile next year...

- **Demand looks resilient, supporting a tight market balance**
 - Record high export values show good demand – high volumes and strong prices
 - Still-high volume to processing countries suggests good retail demand at high prices
 - Salmon demand is proving resilient despite challenging macro backdrop and higher retail prices

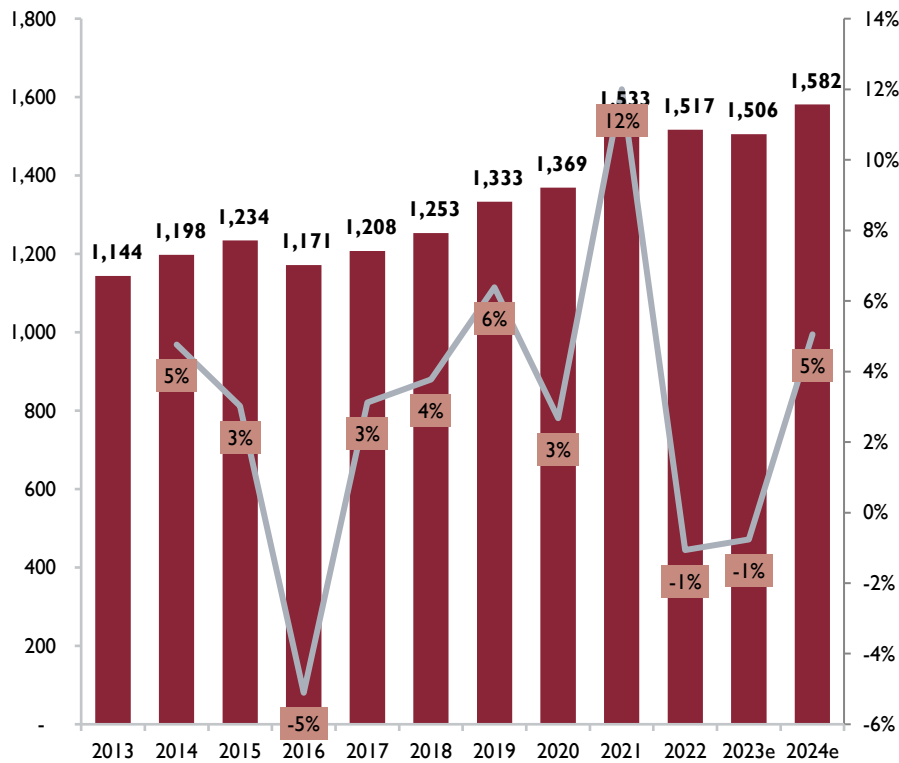
- **We expect Norwegian salmon price of EUR8.2/kg in 24e, stable Y/Y**
 - A very high price level reflecting tight supply and strong market position for salmon
 - Some consumer fatigue from high prices and reduced purchasing power factored into estimates
 - Better functioning contract market for 2024e limiting supply into the spot market



Moderate supply growth supporting tight market outlook

Norwegian supply

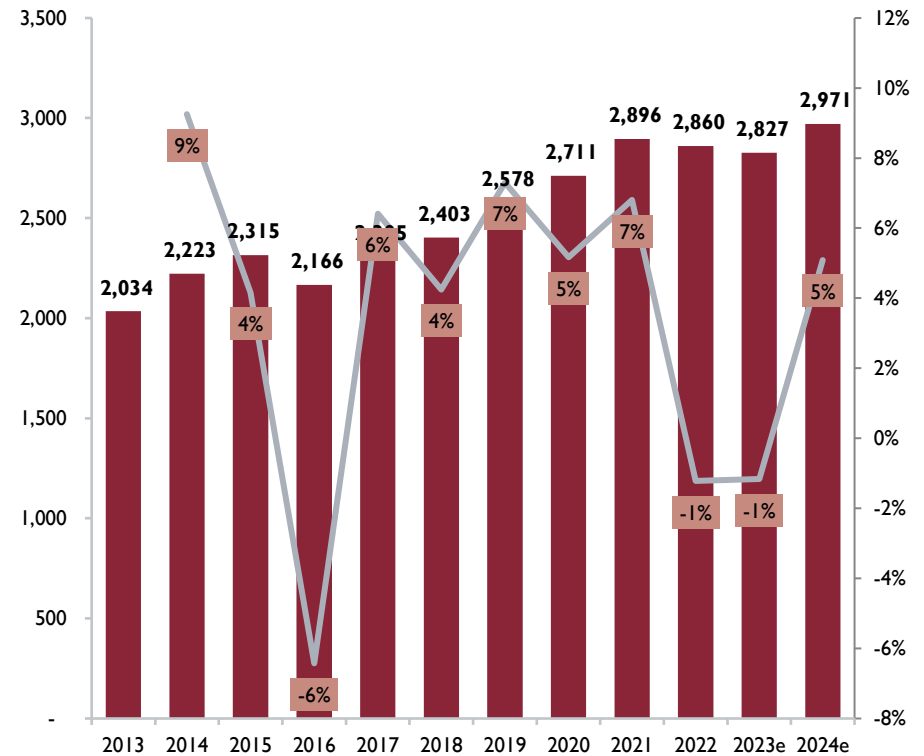
Supply, Norway - WFE kt and Y/Y change



Source: Carnegie Research, Kontali

Global supply

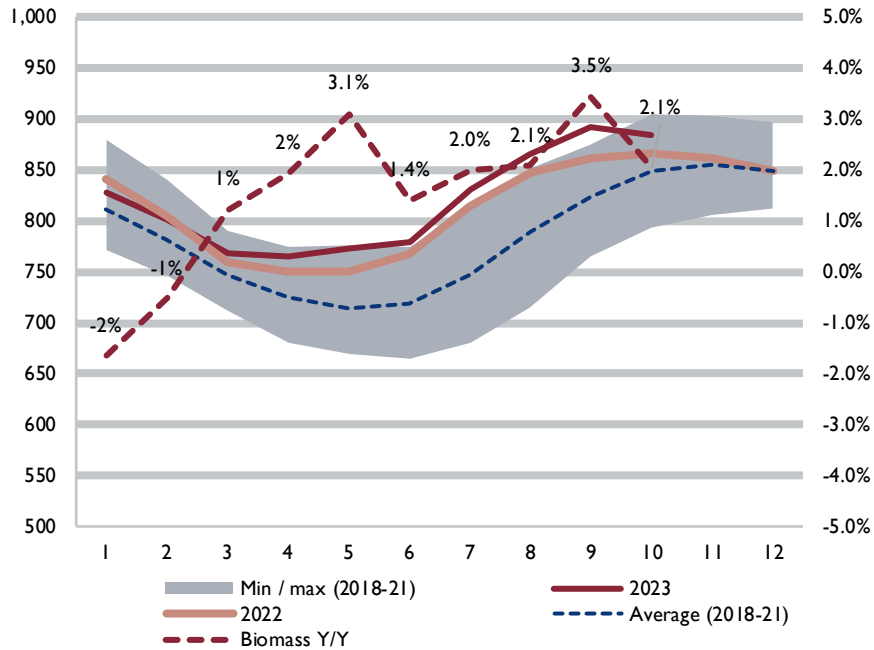
Supply, Global - WFE kt and Y/Y change



Source: Carnegie Research, Kontali

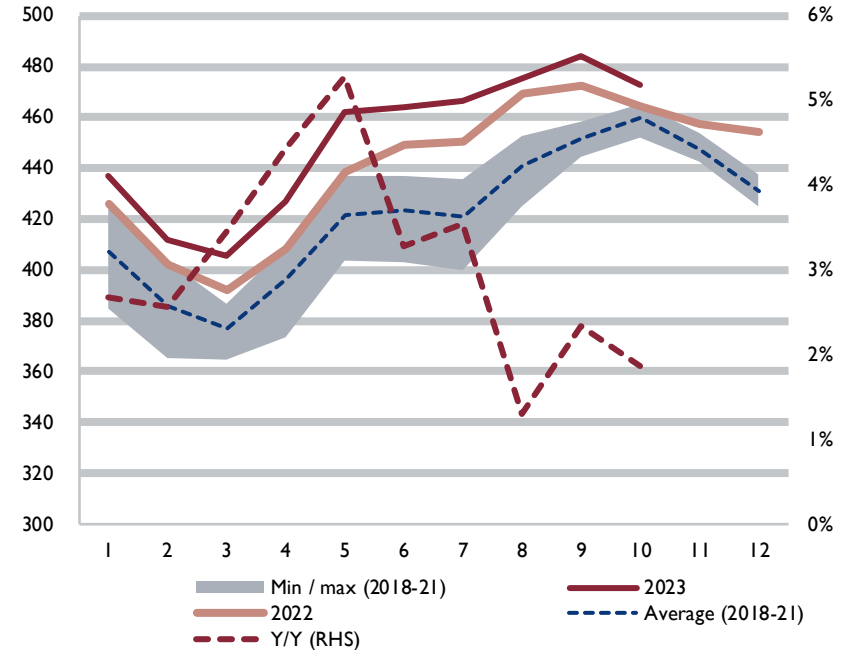
Norwegian biomass limits growth potential ahead

Norway: Live biomass ('000 tonnes)



Source: Carnegie Research, Fiskeridirektoratet

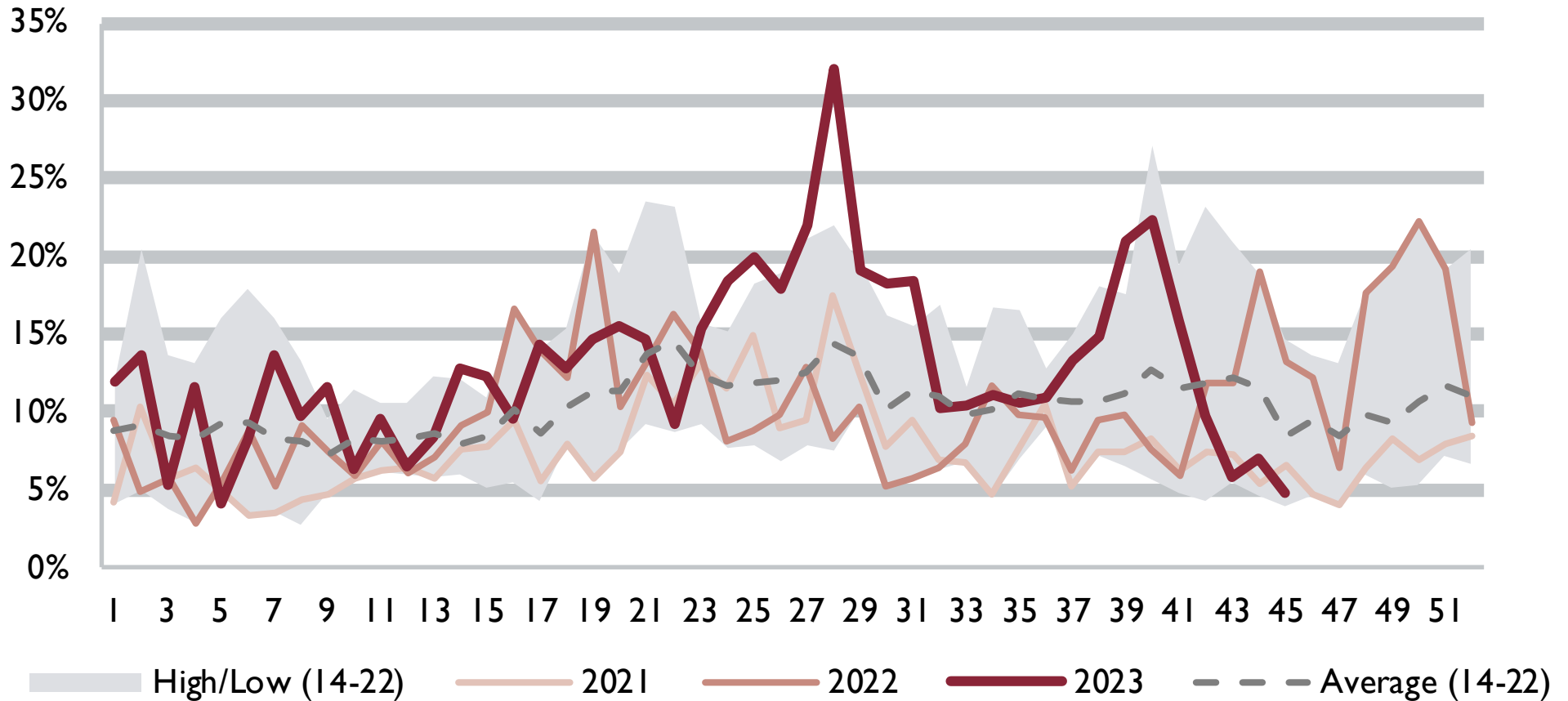
Norway: Number of individuals (million)



Source: Carnegie Research, Fiskeridirektoratet

Quality issues and high share of small fish in Norway

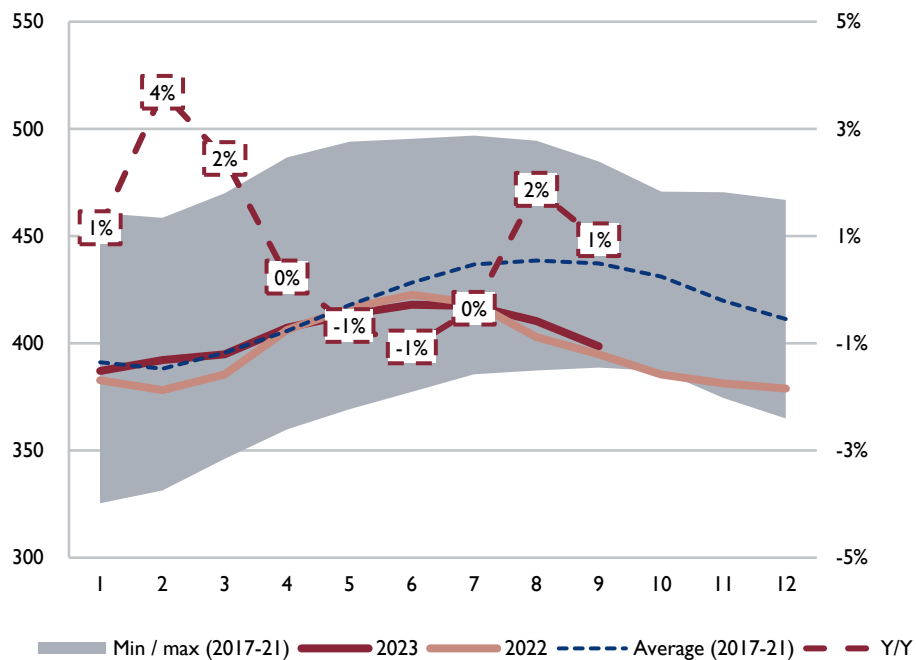
Share of fish <3kg in NASDAQ spot (volume weighted)



Source: Carnegie Research, Nasdaq

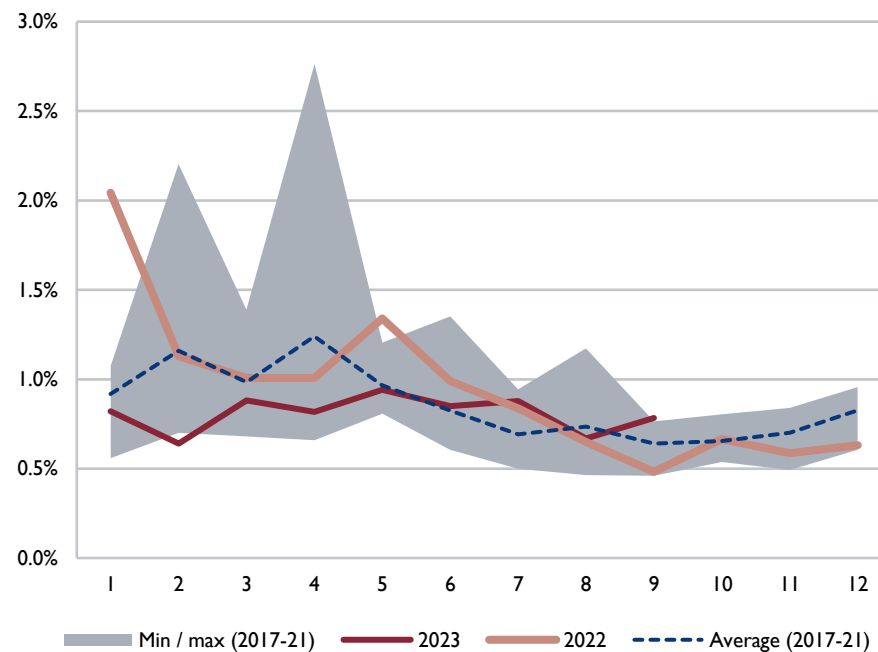
Chilean biomass and KPIs do not indicate growth ahead

Chile: Live biomass ('000 tonnes)



Source: Carnegie Research, Aquabench

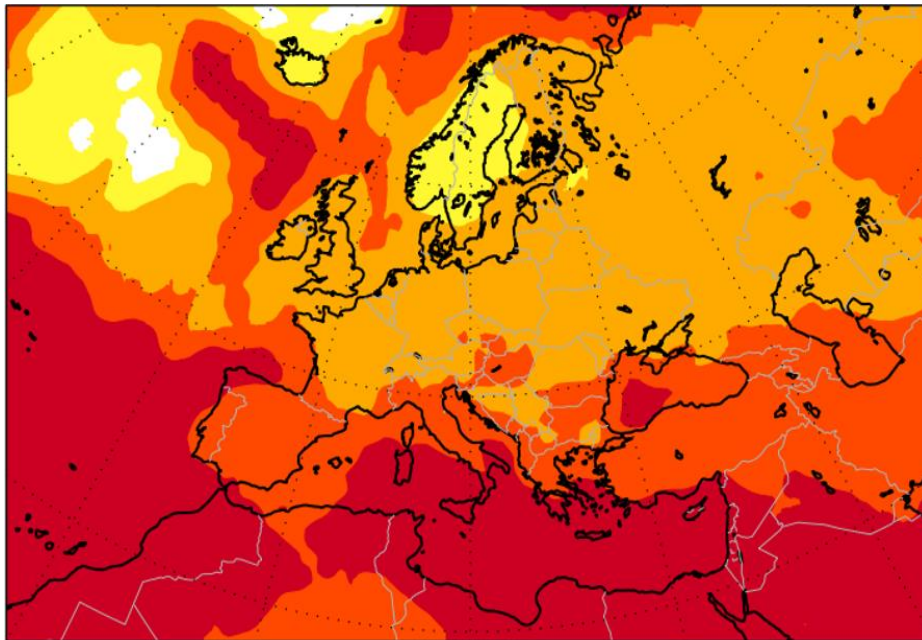
Chile: Salmon mortality (%)



Source: Carnegie Research, Aquabench

El Niño could be a significant risk factor for Chilean supply

El Niño affected conditions in Europe this autumn



C3S multi-system seasonal forecast ECMWF/
 Prob(most likely category of 2m temperature)
 Nominal forecast start: 01/11/23
 above upper tercile ---->
 40..50% 50..60% 60..70% 70..100%

Strong El Niño conditions brewing in the Pacific

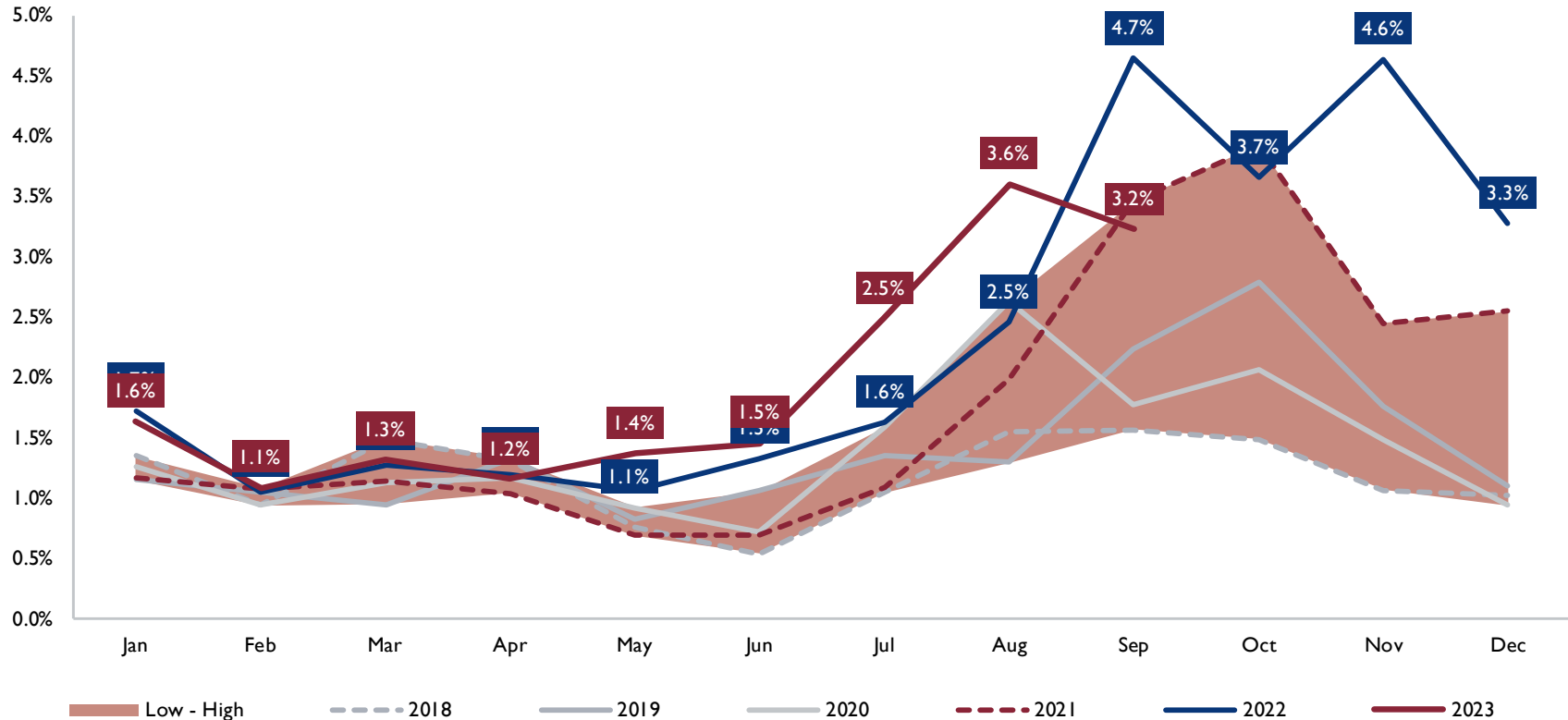
Probability (%) of exceeding temperature deviations

	≥ 0.5°C	≥ 1.0°C	≥ 1.5°C	≥ 2.0°C
OND	~100	~100	94	22
NDJ	~100	~100	87	35
DJF	~100	97	73	27
JFM	99	91	56	16

Previous large El Niño in 2015-2016 coincided with massive algae blooms in Chile causing ~150kt supply shortfall in 2016-2017...

High mortality in Scotland remains a risk also next H2

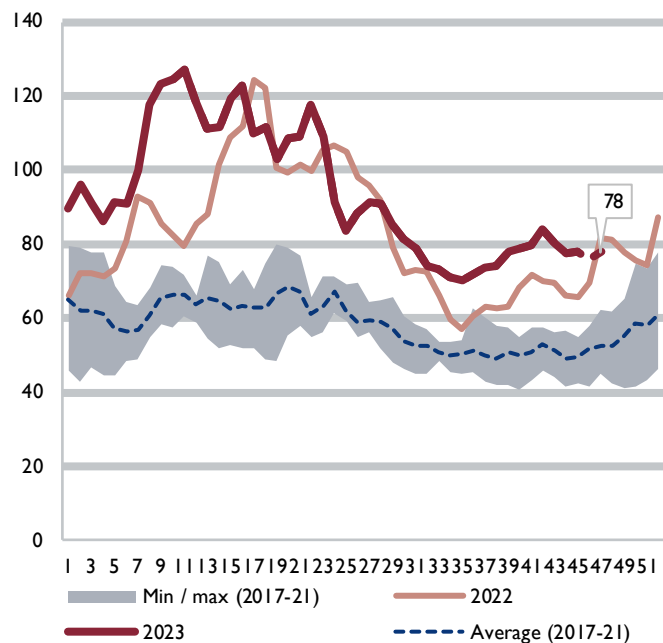
Scotland industry mortality per month (% of number of fish)



Source: Carnegie Research, Salmon Scotland

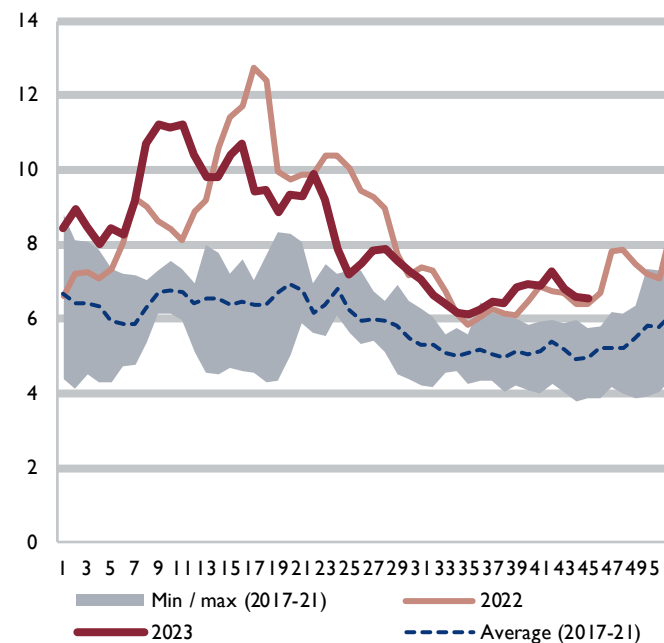
Norwegian salmon spot prices in NOK and EUR

Norway: Salmon price (NOK/kg) (kg weighted)



Source: Carnegie Research, Fish Pool

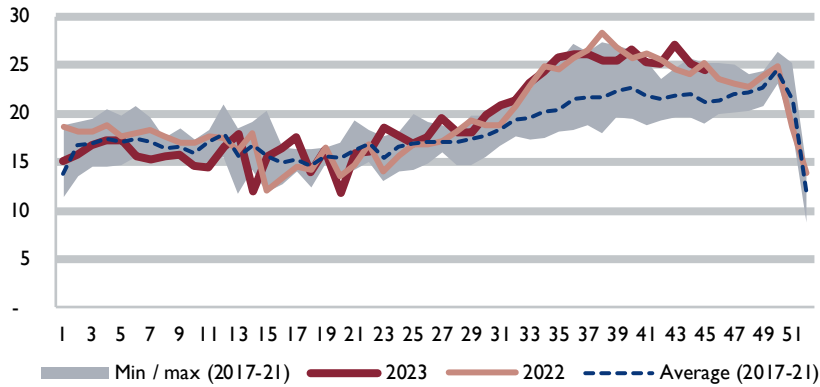
Norway: Salmon price (EUR/kg) (kg weighted)



Source: Carnegie Research, Fish Pool

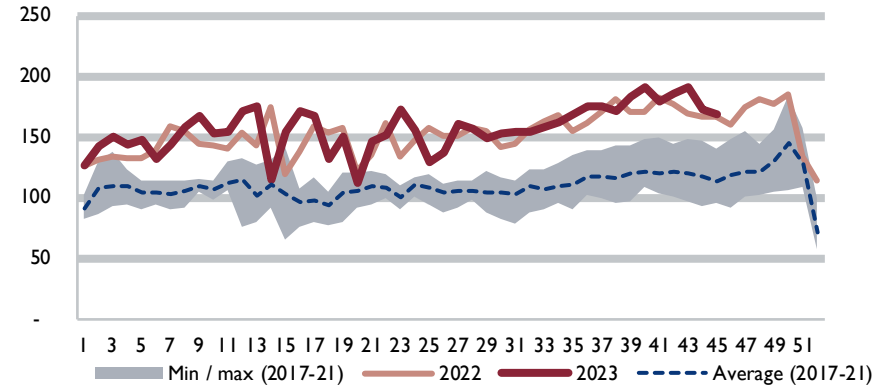
Record Norwegian export value on strong demand

Norway: Salmon export volume in '000 tonnes (fresh + frozen)



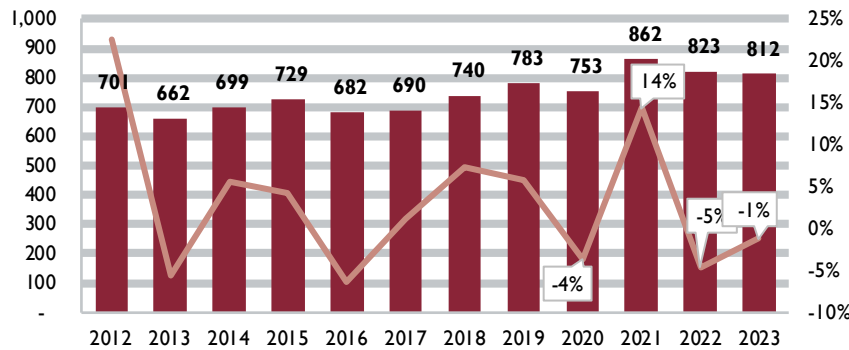
Source: Carnegie Research, SSB

Norway: Salmon export value (EURm)



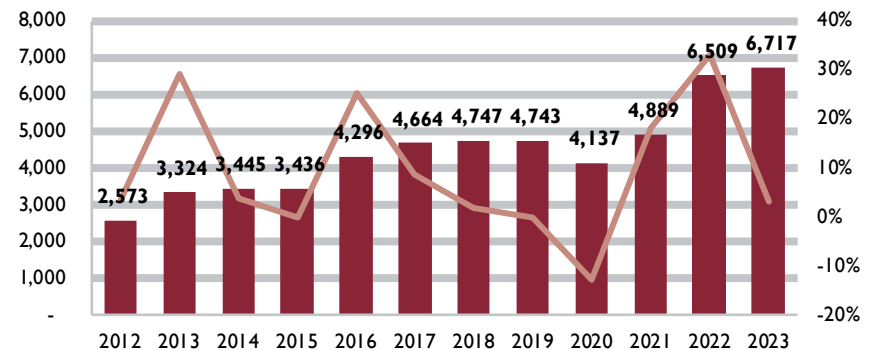
Source: Carnegie Research, SSB

Norway: Export in '000 tonnes YTD



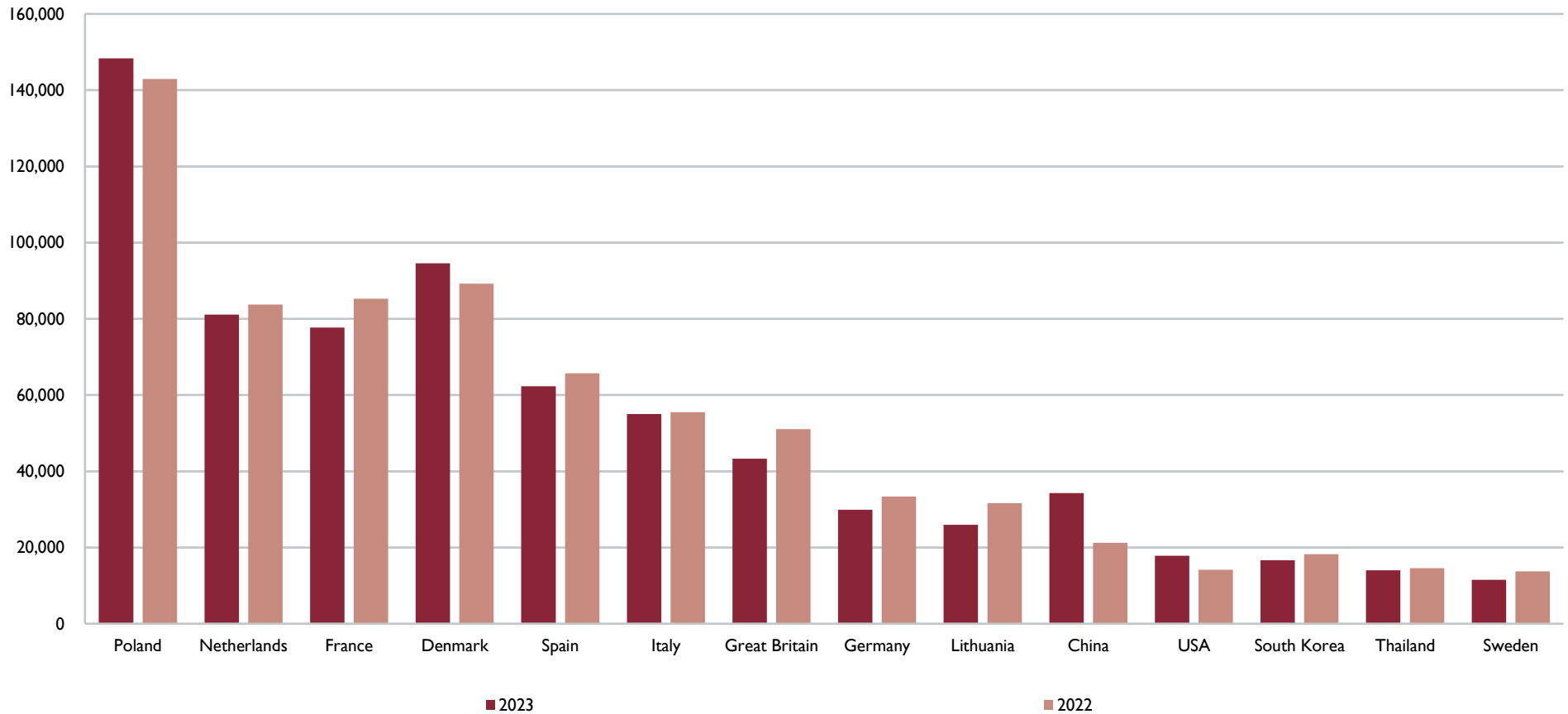
Source: Carnegie Research, SSB

Norway: Export value YTD comparison (EURm)



Source: Carnegie Research, SSB

Export volume, GWE kt, YTD



Source: Carnegie Research, The Norwegian Seafood Council

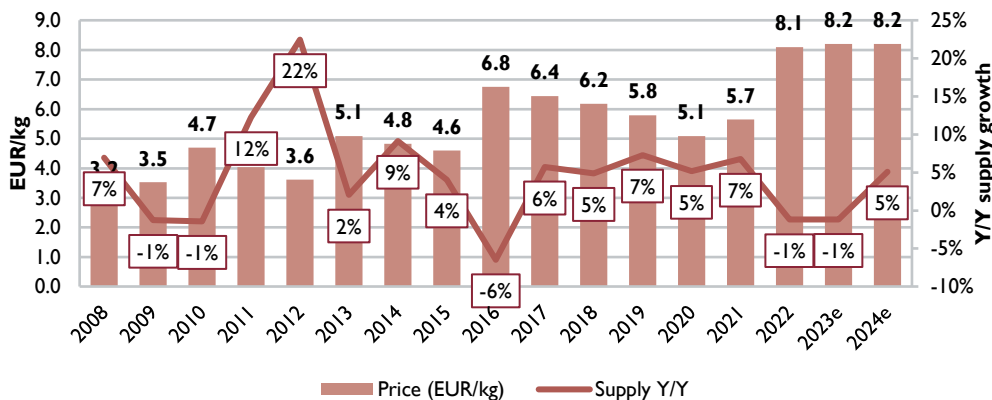


Prices driven by supply / demand – little correlation with GDP

We expect prices of EUR~8.2/kg next two years

Supply is a key driver of salmon prices

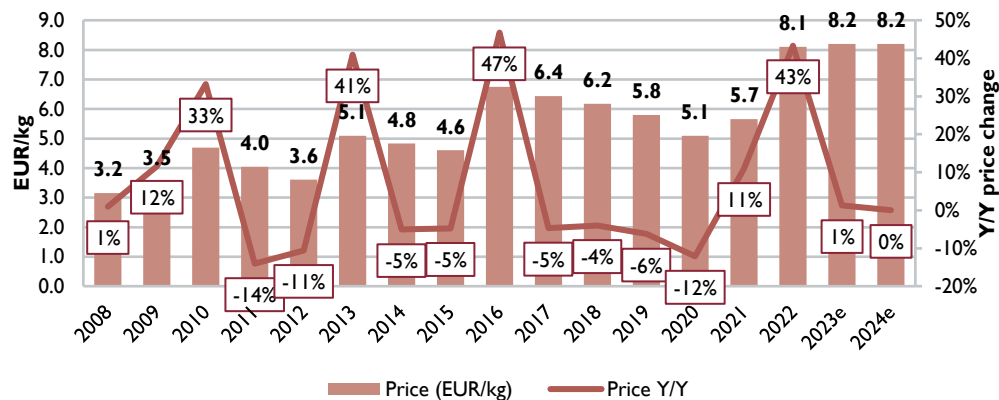
Long-term price (EUR/kg) and supply development (Y/Y)



Source: Carnegie Research, Fish Pool

Price level and Y/Y development

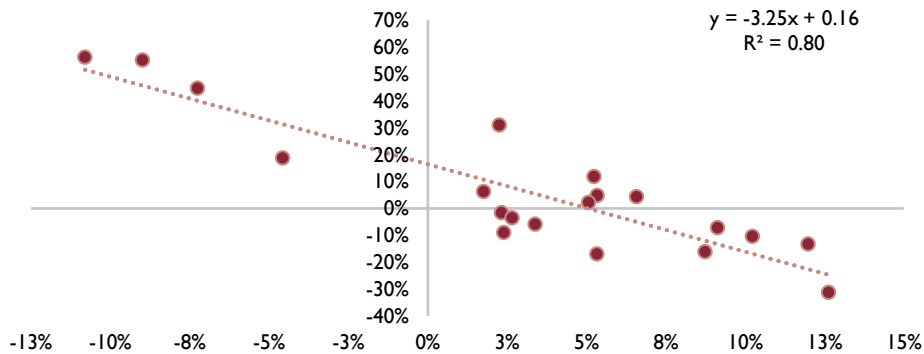
Long-term price level (EUR/kg) and Y/Y



Source: Carnegie Research, Fish Pool

Underlying demand growth is estimated to ~5% Y/Y over time

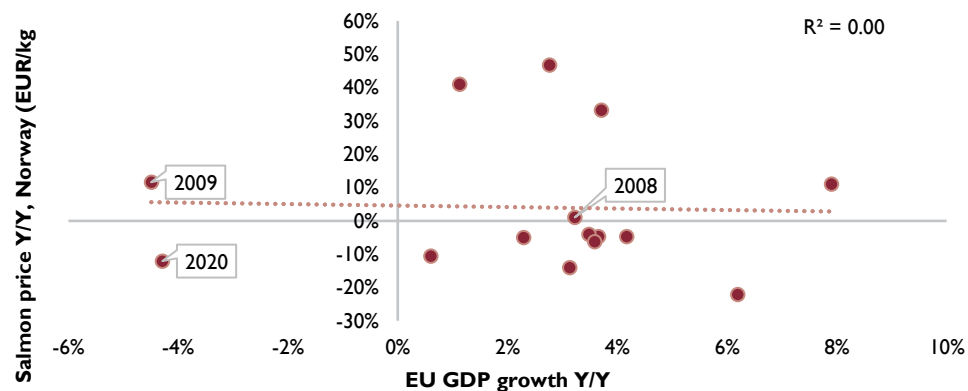
Global supply change Y/Y vs price change Y/Y (EUR/kg)



Source: Carnegie Research, Fish Pool, Kontali

Salmon prices show little/no correlation with GDP growth

EU GDP and salmon price change Y/Y (2007-2021)



Source: Carnegie Research, Eurostat, Fish Pool



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Buy (B), upside of at least 10% to the target price and with an attractive risk/reward profile

Hold (H), neutral risk/reward profile or the stock is trading relatively near its target price

Sell (S), unattractive risk/reward profile and the stock is trading above its target price

Not rated (NR), Under review (UR), Under bid (UB). The investment rating, if any, has been suspended temporarily

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Medium risk estimated equity beta 0.75 to 1.25

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