

Lerøy Seafood Group ASA

Third quarter 2022 results

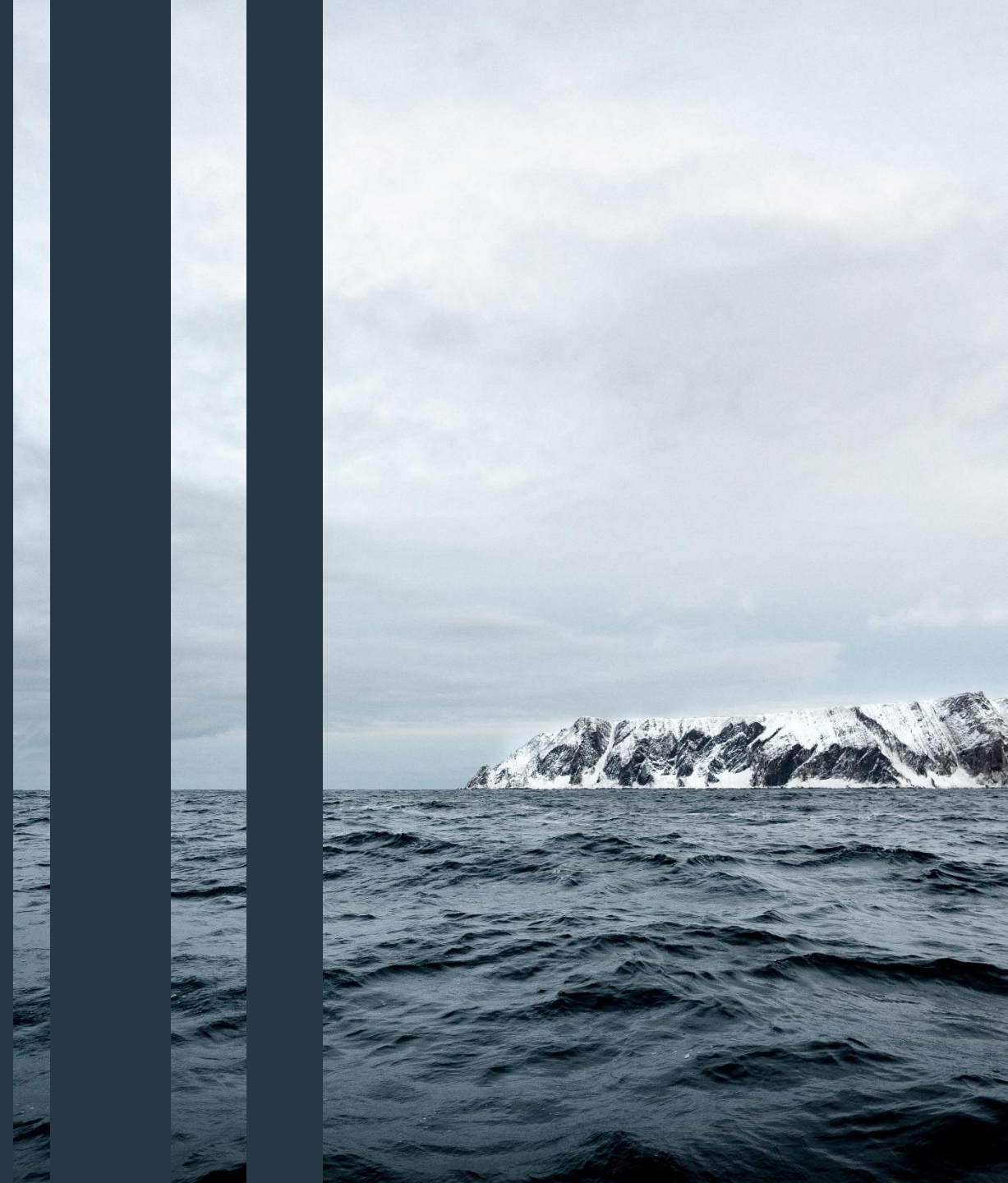
Henning Beltestad

CEO

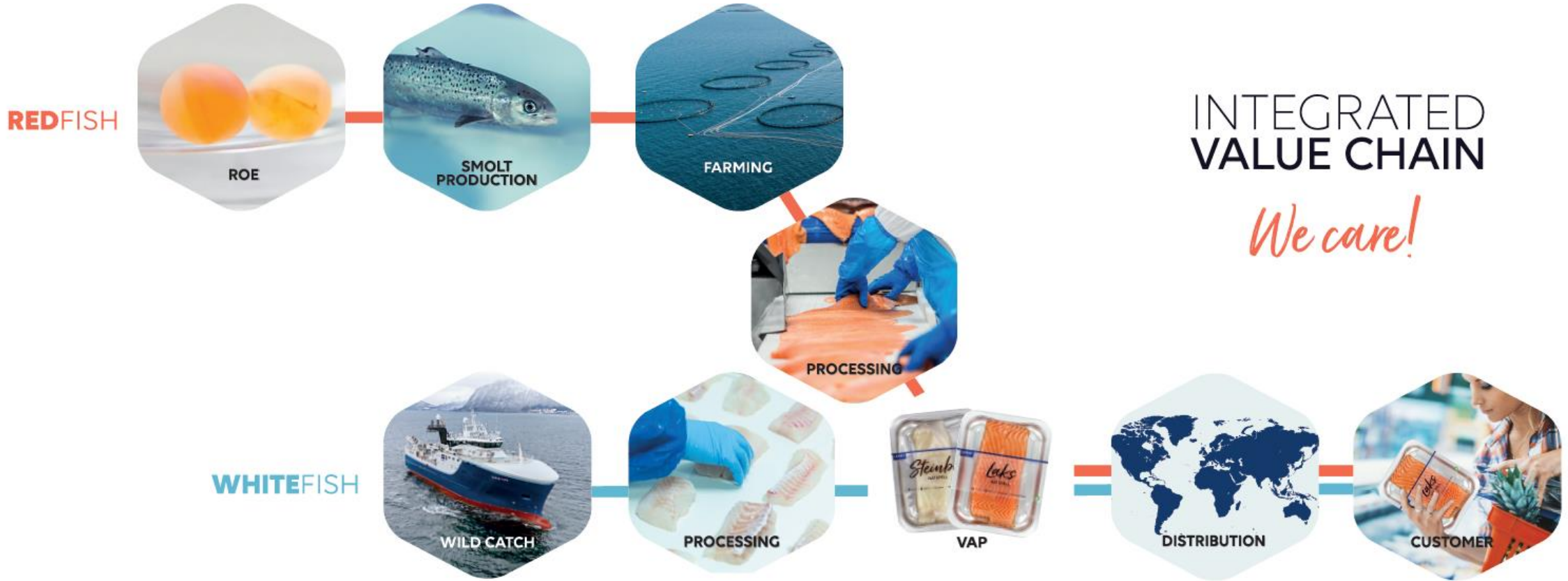
15 November 2022

Sjur Malm

CFO



Creating the world's most efficient and sustainable value chain for seafood



Targets for 2025 and beyond

LSG

>50

bn NOK in revenue by 2030

LSG

46%

reduction in total GHG
emissions by 2030
(baseline 2019)

Farming & VAP S&D

#1

EBIT/kg for farming and
VAP S&D by 2025

Wild Catch

500

mill NOK in EBIT for Wild
catch by 2025

VAP S&D

1.25

bn NOK in EBIT for
VAP S&D by 2025

Farming

205,000

tonnes harvested in 2025
(Norway)

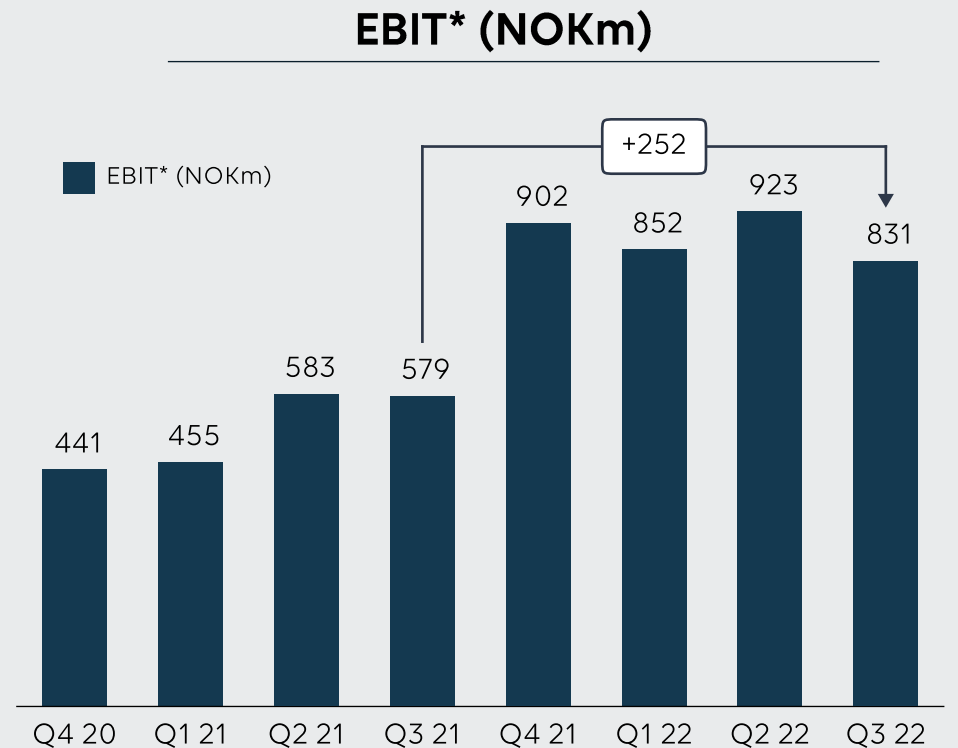
Resource tax proposal

- 28 of September the Norwegian Government proposed to implement a new resource tax, with additional 40% tax on profits generated in the open sea phase of farming
- The proposal has immediate and long term negative effects for the industry, which includes significant reductions in investments as well as making it basically impossible to do contracts
- Hearing on the proposal until 4th of January, with the tax concluded in parliament probably before summer 2023. The tax will take effect from January 1st. The process adds significant uncertainty
- Lerøy has invested significantly, also in human capital, to build an integrated value chain for seafood, a value chain that meet customer need and drive demand for salmon. The proposal is challenging for integrated business models, and has a significant risk of lowering the demand for Norwegian salmon



Highlights of the quarter

- Record-high turnover, with EBIT* up 44% compared to Q3 21
- Lower prices gives lower margin in farming, but improvement in VAPS&D
- Total harvest volume around 202,000 GWT expected for 2023**
- Positive development in WildCatch
- Resource tax proposed by the Norwegian government



*Before fair-value adjustment of biomass. For Q2 22: excl. settlement costs.

**including LSG's 50% share of volumes in Scottish Seafarms

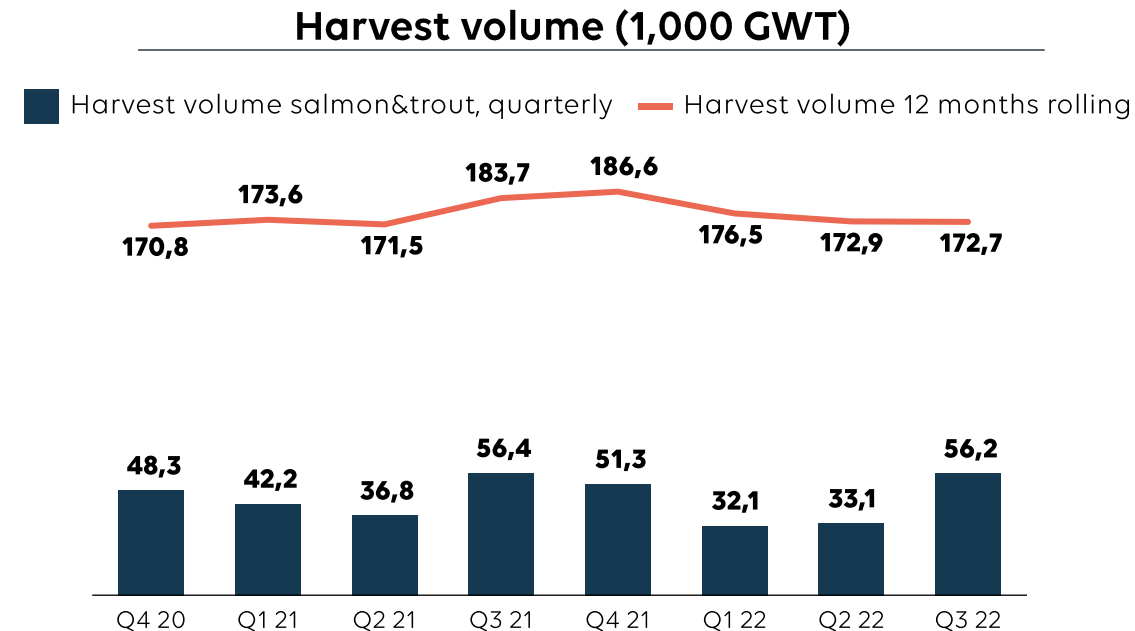
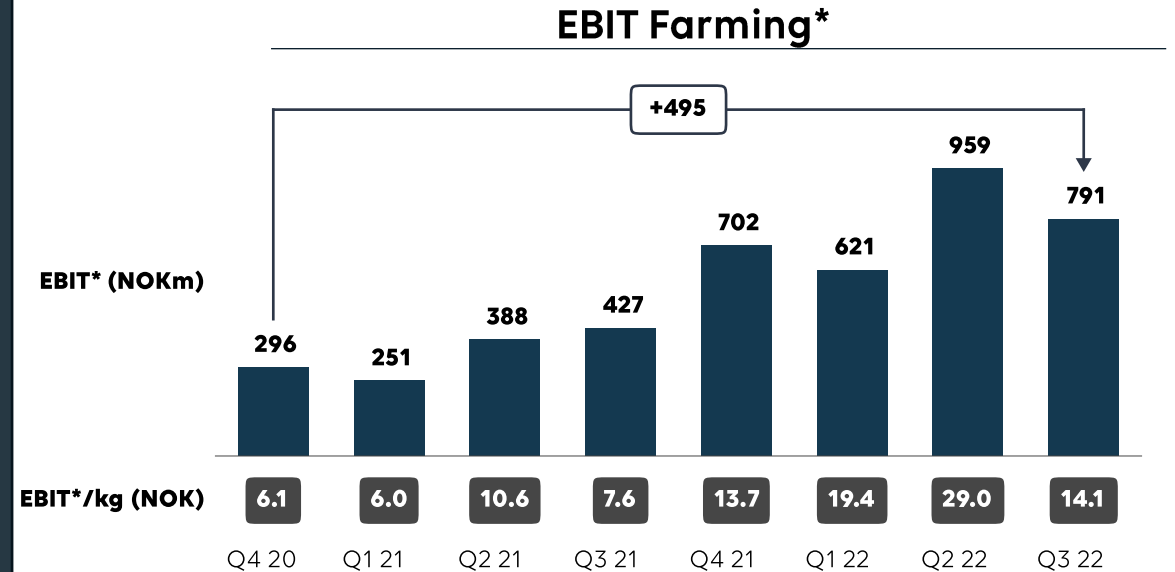
SEGMENTS



Farming highlights this quarter

- Volatile prices in 2022 with a significant reduction in Q3/22
- EBIT/kg in farming increased from NOK 7,6/kg in Q3/21 to NOK 14,1/kg in Q3/22
- Contract share in Q3/22 of 37%, contract prices below spot.
- Strong development in Lerøy Aurora, while some challenges in particularly Lerøy Sjøtroll. Expected volume in 2022 of 175,000GWT
- Inflationary trends brings y-o-y cost increase, but small cost reduction q-o-q

*Before fair-value adjustment of biomass

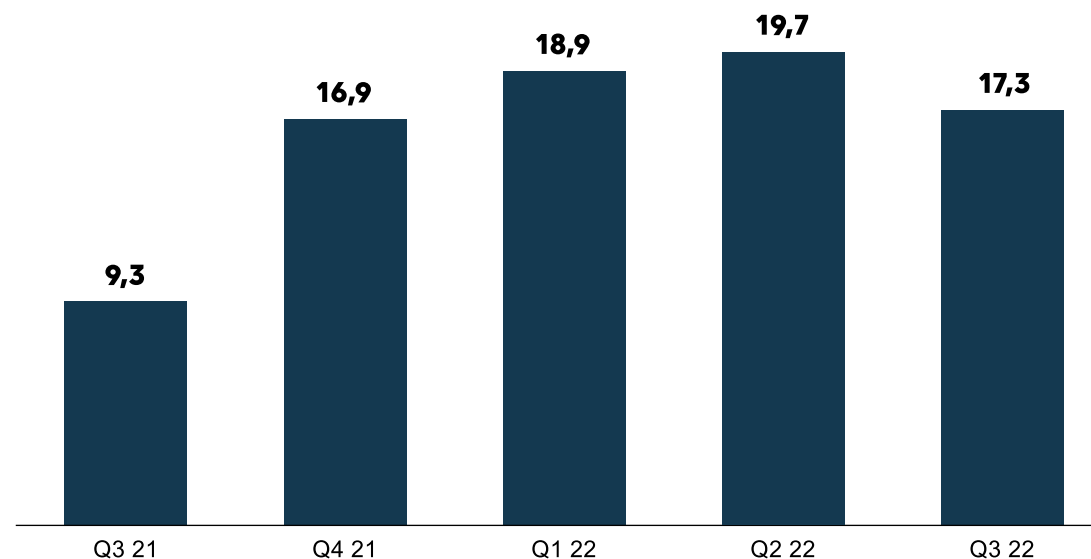


Lerøy Aurora

- Strong biological performance
- Significant q-o-q decrease in costs. Cost higher than last year, but lower than inflationary trend
- Expect harvest volume of 40,000 GWT in 2022 and 46,000 GWT in 2023

Lerøy Aurora	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Revenue (NOKm)	1 029	863	1 748	1 675
EBIT* (NOKm)	271	146	450	205
Harvested volume (GWT)	15 681	15 677	24 990	29 827

EBIT pr kg (in NOK)



* Before biomass adjustment
 ** Figures based on 100% basis

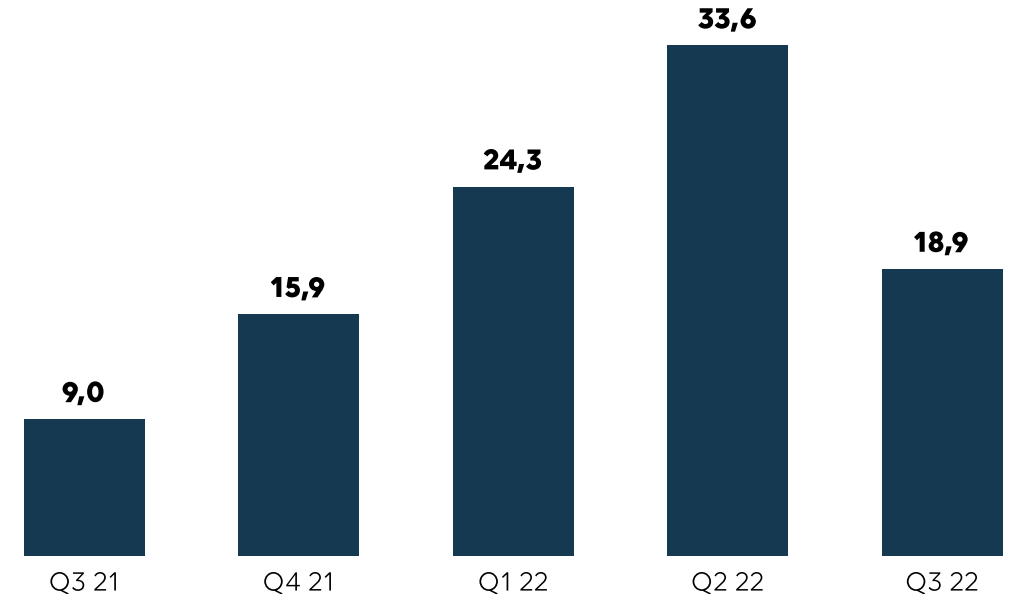
Lerøy Midt

- Q-o-q reduction in cost. Increase in cost compared to last year but lower than inflationary trend
- More challenging biological situation impacts harvest volume in 2022 and 2023
- Expect harvest volume of 68,000GWT in 2022 and 66,000 GWT in 2023

* Before biomass adjustment
** Figures based on 100% basis

Lerøy Midt	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Revenue (NOKm)	1 491	1 251	3 546	3 032
EBIT* (NOKm)	413	207	1 174	547
Harvested volume (GWT)	21 896	22 922	47 794	54 364

EBIT pr kg (in NOK)



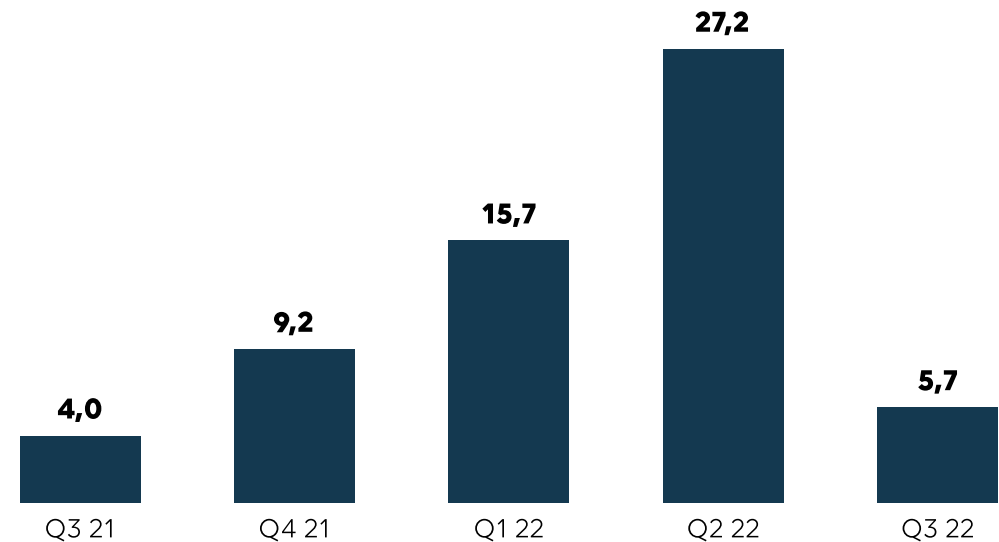
Lerøy Sjøtroll

- Challenging biological quarter. High number of treatments impacts growth
- Cost increase q-o-q
- Expect harvest volume of 66,000 GWT in 2022 and 68,000 GWT in 2023

* Before biomass adjustment
** Figures based on 100% basis

Lerøy Sjøtroll	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Revenue	1 226	937	3 476	2 789
EBIT*	106	72	743	310
Harvested volume (GWT)	18 602	17 798	48 535	51 112

EBIT pr kg (in NOK)

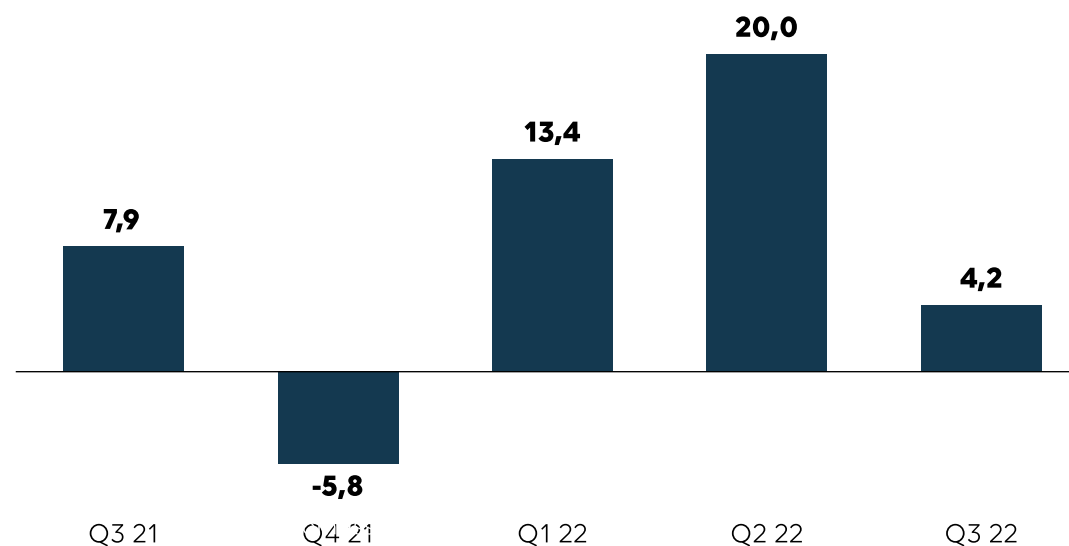


Norskott Havbruk (50% owned)

- Results negatively impacted by environmental issues related to micro-jellyfish and gill health
- Low average harvest weight of fish
- Contract level of 44%
- Expected harvest volume reduced by 8,000GWT to 38,000GWT in 2022
- Expect harvest volume of 43,000GWT in 2023

100% basis, in NOKm	Q3 2022	Q3 2021	YTD 2022	YTD 2021
Revenues	972	773	2 495	1 963
EBIT*	47	80	342	273
Harvested volume (GWT)	11 290	10 126	28 619	27 447
EBIT/kg *	4,2	7,9	12,0	9,9
NIBD	1 871	679	1 871	679

EBIT pr kg (in NOK)



Farming volumes (1000' GWT)

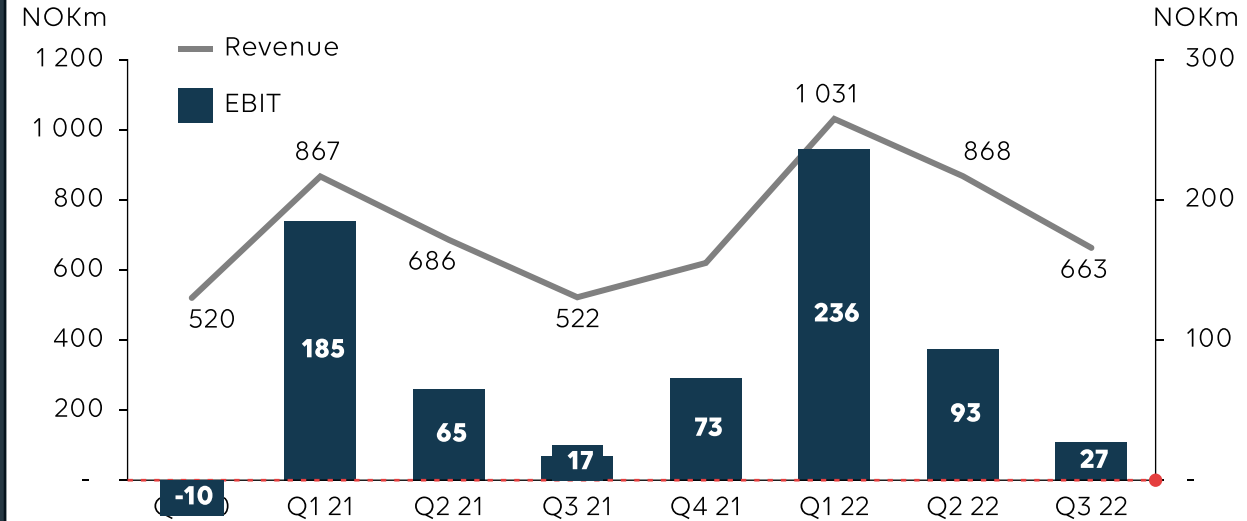
Farming volumes	2019	2020	2021	2022E	2023E	2024E	2025E
Lerøy Aurora AS	32,8	35,0	44,0	40,3	46,0	48,0	50,0
Lerøy Midt AS	64,8	67,9	72,6	68,1	66,0	75,0	80,0
Lerøy Sjøtroll	60,6	68,0	70,0	66,4	68,0	72,0	75,0
Total Norway	158,2	170,9	186,6	174,8	180,0	195,0	205,0
Scottish Seafarms (Lerøy's 50% share)	12,9	12,0	16,2	19,0	21,5		
Total	171,1	182,9	202,8	193,8	201,5		



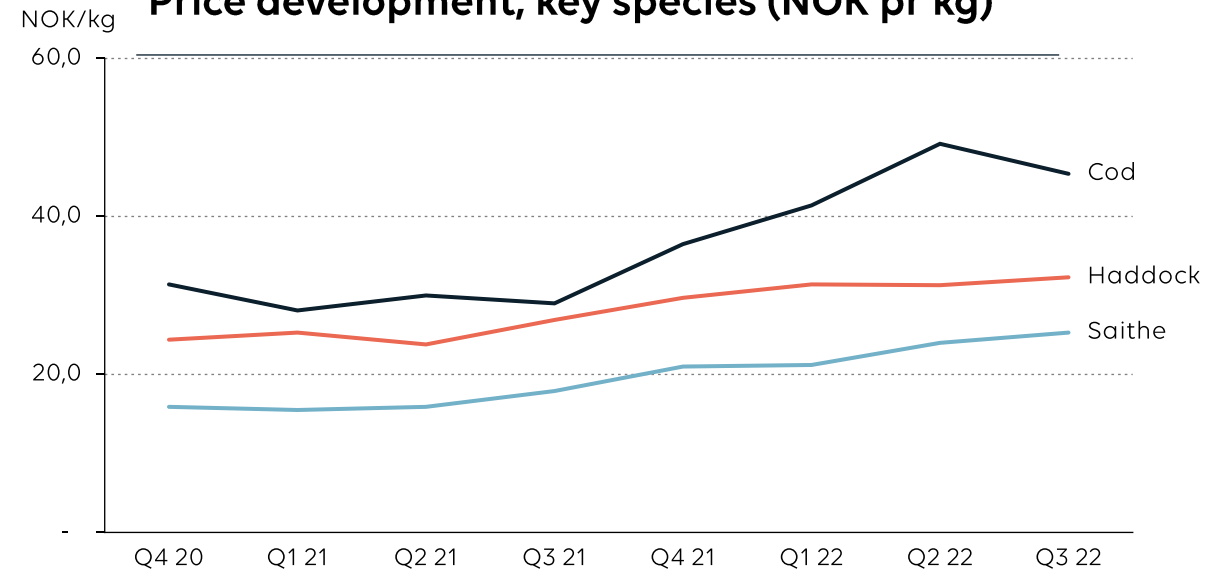
Wild catch highlights this quarter

- EBIT YTD of NOK 267m compared to NOK 267m per Q3/21
- Record high catch values driven by higher prices, but partially offset by increased "bunker" and crew cost
- Gradually more signs of improvement in the land based industry
- Remaining quotas below last year

Revenue and EBIT wild catch

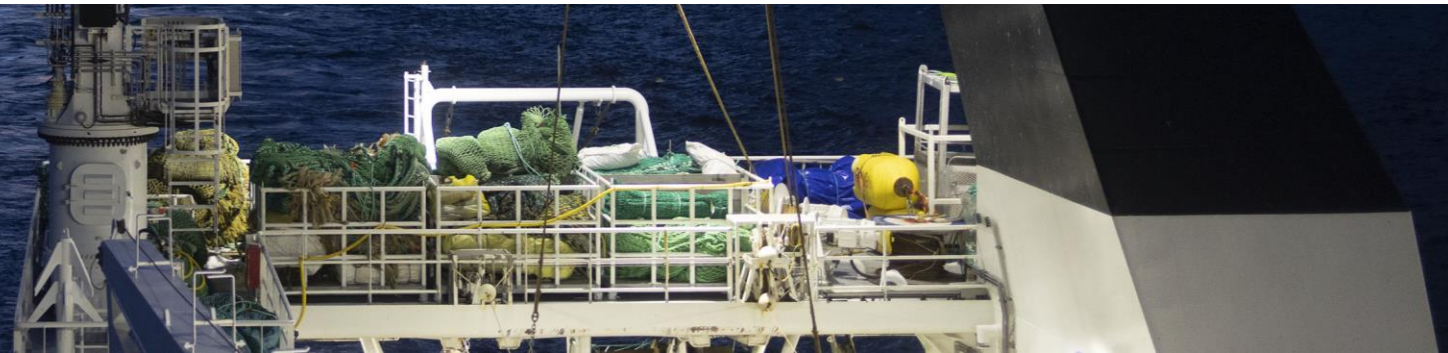


Price development, key species (NOK pr kg)



Wild catch quotas and catch volumes (GWT 1,000)

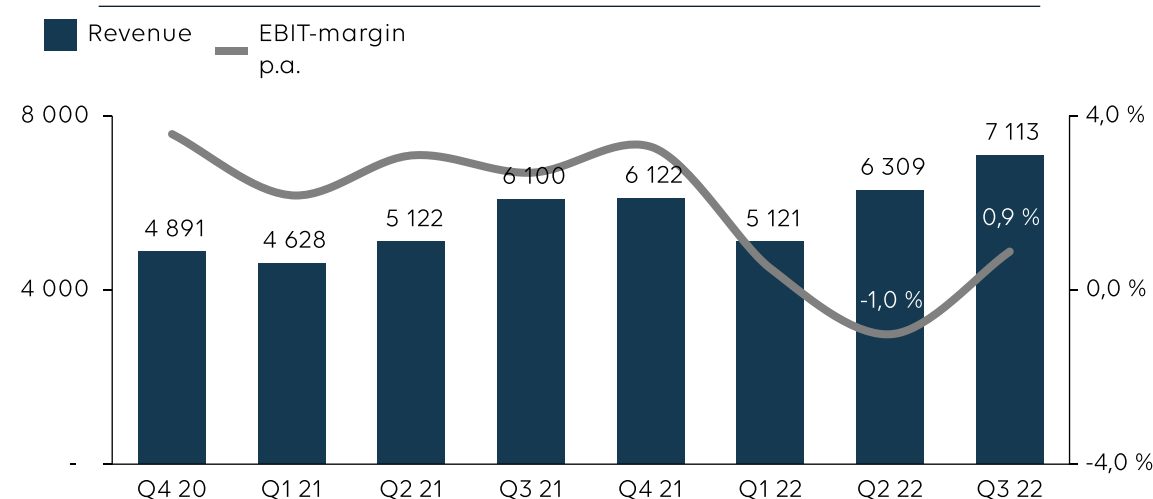
Species	Q3 22	Q3 21	YTD 2022	YTD 2021	Remaining quota 2022	Remaining quota 2021
Cod	4,1	3,4	17,9	17,7	6,1	13,9
Saithe	2,8	2,5	10,2	9,9	7,5	8,5
Haddock	0,2	0,9	9,0	9,3	1,7	7,0
Shrimps	3,1	4,3	9,3	9,4		
Other	4,6	1,3	12,2	8,0		
Total	14,9	12,3	58,6	54,4	15,3	29,4



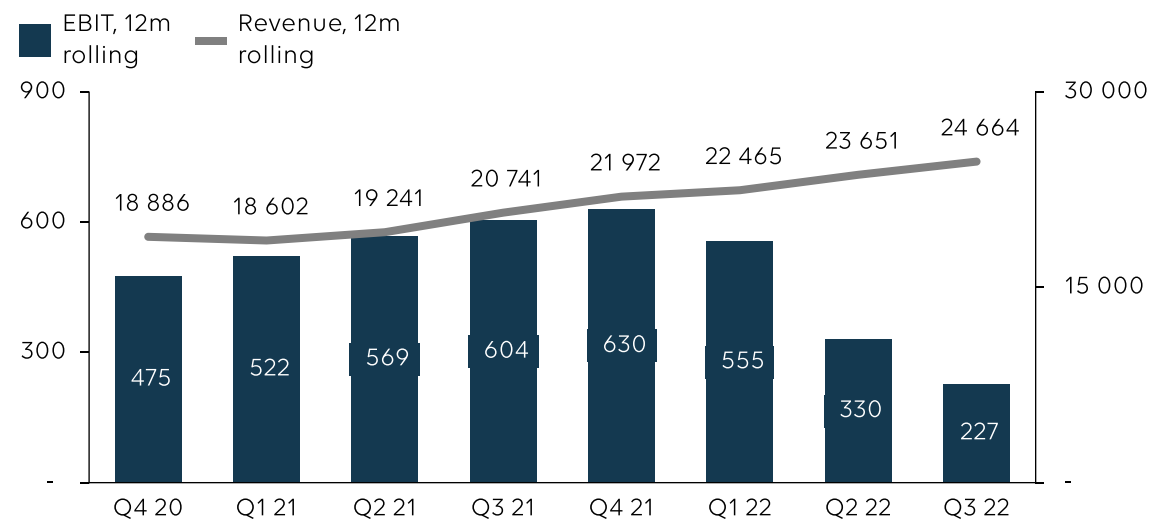
VAP S&D highlights this quarter

- All-time high turnover this quarter
- High and volatile prices has negatively impacted the segment this year
- Margin improvement in Q3/22 and further improvement expected in Q4/22

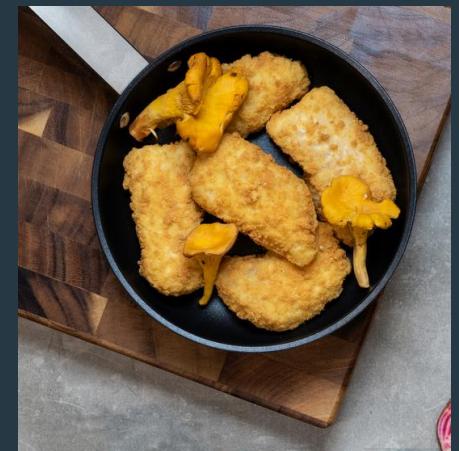
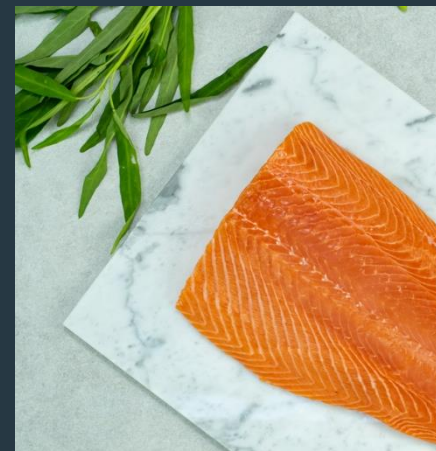
Revenue and EBIT VAP S&D (NOKm)



Revenue and EBIT VAP S&D (NOKm), 12m rolling



Our sales and processing operations now span 14 countries



Agenda

1. Highlights
2. **Key financial highlights**
3. Outlook

Profit and Loss statement

(NOKm)	Q3 2022	Q3 2021	▲%
Revenue	7 441	6 325	18%
Other gains and losses	8	6	
EBITDA	1 173	895	31%
Depreciation & amortisation	342	316	
EBIT*	831	579	44%
Income from associates*	19	38	
Net finance	-66	-42	
Pre-tax profit*	784	575	84%
EPS (NOK)*	0,99	0,74	34%
Salmon and trout harvest volume (GWT)	56 179	56 397	-0%
EBIT* all incl. excl. Wildcatch/kg	14,0	9,6	
Whitefish catch volume (tonnes)	14 862	12 336	20%
EBIT/kg Wildcatch	1,8	1,4	
ROCE* (%)	14,9 %	11,7 %	

*Before fair-value adjustment of biomasse

Highlights this quarter

- High prices and volume brings record high revenue
- Margin increase from last year, but somewhat offset by inflationary trends

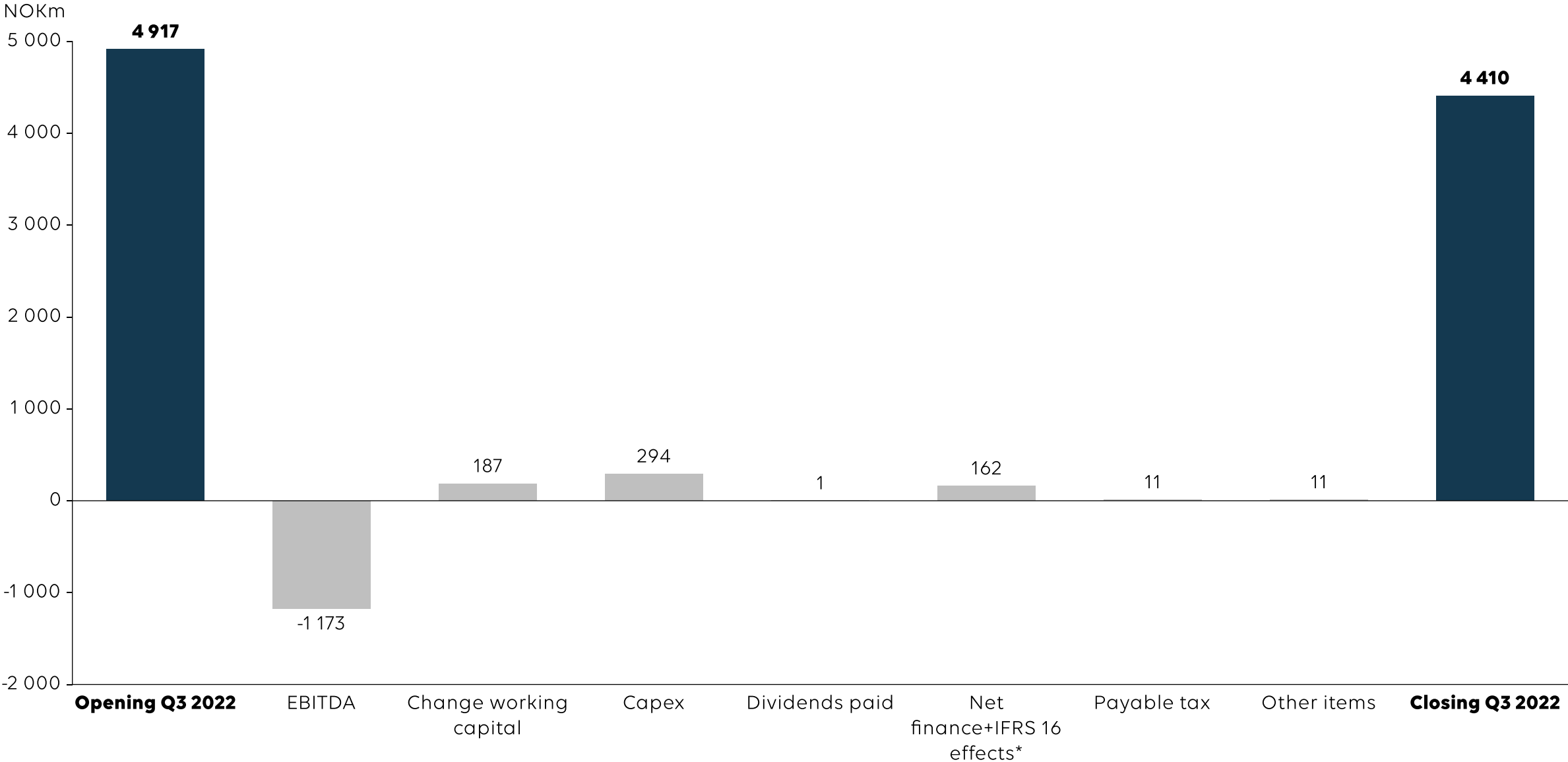
Balance sheet

(NOKm)	30.09.2022	30.09.2021	▲
Intangible assets	8 706	8 594	112
Right-of-use-assets	2 854	2 709	145
Tangible fixed assets	7 392	7 234	158
Financial non-current assets	1 677	1 149	528
Total non-current assets	20 628	19 685	943
Biological assets at cost	5 200	4 447	752
Fair value adjustment of biomass	2 929	1 177	1 752
Other inventory	1 846	1 175	671
Account receivables	2 647	2 202	445
Other receivables	689	584	105
Cash and cash equivalents	2 902	3 992	-1 091
Total current assets	16 212	13 577	2 635
Total assets	36 840	33 262	3 578

Highlights this quarter

- Inflationary trends gives significant lift in working capital items
- Strong balance sheet
- Issuer credit rating BBB+
- NIBD of NOK 4,410m
- Equity ratio of 56%

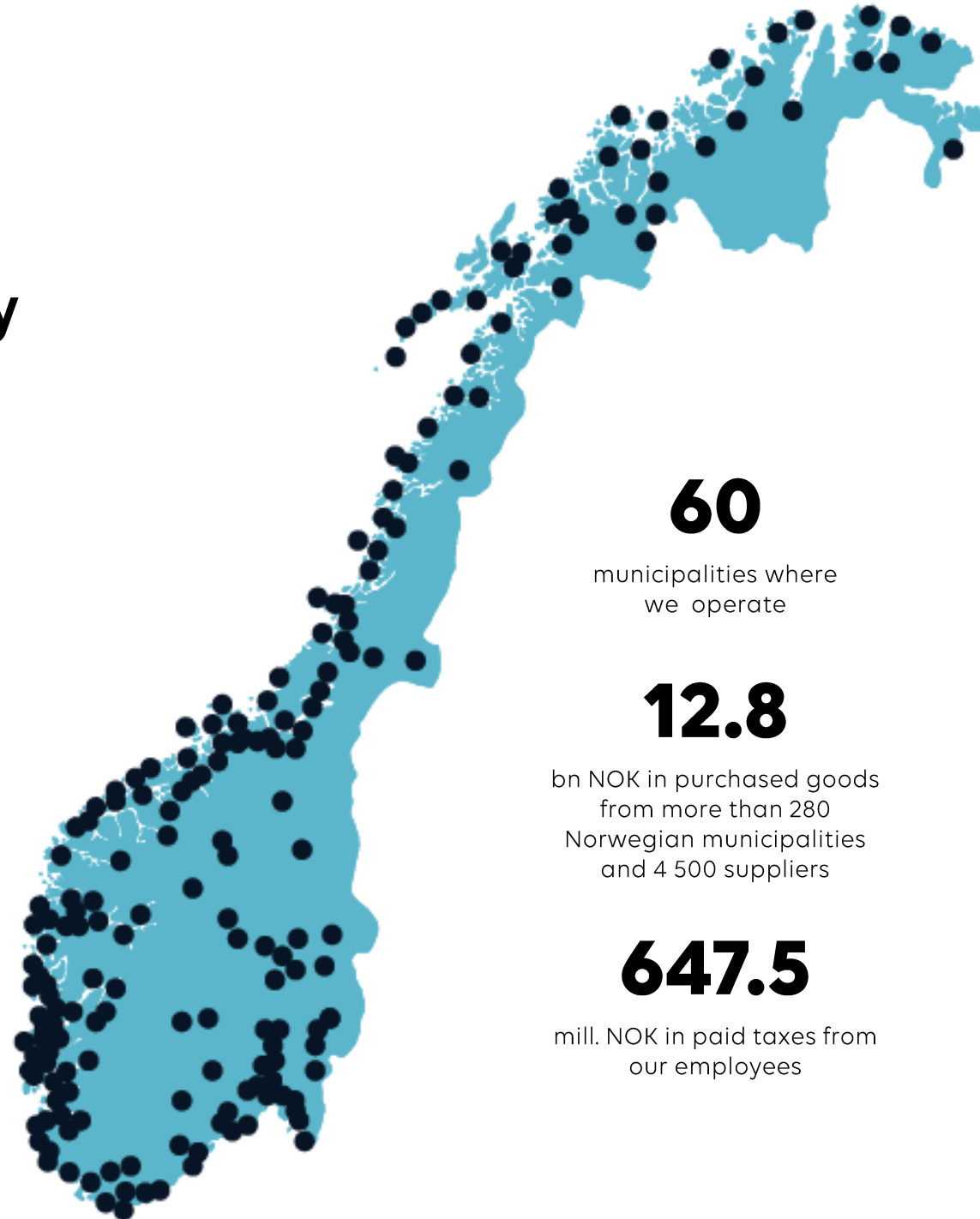
Change in net interest-bearing debt this quarter



*Includes instalments on lease liabilities to others than credit institutions (IFRS 16)

Significant ripple effects in Norway

- ▶ More than 3,000 employed directly by Lerøy
- ▶ An estimated employment effect of more than 13 000 persons in Norway from our operation
- ▶ Value creation in Norway estimated to almost NOK 16 bn in 2021



60

municipalities where
we operate

12.8

bn NOK in purchased goods
from more than 280
Norwegian municipalities
and 4 500 suppliers

647.5

mill. NOK in paid taxes from
our employees

Agenda

1. Highlights
2. Key financial highlights
- 3. Outlook**



Atlantic Salmon - Supply

in tons WFE

Year	2017		2018		2019		2020		2021		2022		2023	
Region	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change	Volume	Change
Europe	1 493 900	4.5 %	1 505 100	0.7 %	1 650 500	9.7 %	1 675 000	1.5 %	1 894 200	13.1 %	1 877 600	-0.9 %	1 922 800	2.4 %
Norway	1 207 800	3.1 %	1 253 400	3.8 %	1 333 400	6.4 %	1 369 100	2.7 %	1 532 100	11.9 %	1 536 500	0.3 %	1 568 800	2.1 %
United Kingdom	177 200	12.6 %	152 100	-14.2 %	190 500	25.2 %	178 300	-6.4 %	199 200	11.7 %	182 200	-8.5 %	196 300	7.7 %
Faroe Islands	80 300	3.9 %	71 700	-10.7 %	86 600	20.8 %	80 600	-6.9 %	105 500	30.9 %	99 900	-5.3 %	100 600	0.7 %
Iceland	11 600	43.2 %	13 600	17.2 %	24 500	80.1 %	31 200	27.3 %	41 500	33.0 %	41 000	-1.2 %	41 100	0.2 %
Ireland	17 000	7.6 %	14 300	-15.9 %	15 500	8.4 %	15 800	1.9 %	15 900	0.6 %	18 000	13.2 %	16 000	-11.1 %
Americas	799 000	9.2 %	897 700	12.4 %	927 600	3.3 %	1 036 590	11.7 %	1 000 700	-3.5 %	1 016 400	1.6 %	1 008 700	-0.8 %
Chile	564 200	11.9 %	660 100	17.0 %	690 300	4.6 %	778 500	12.8 %	718 300	-7.7 %	738 500	2.8 %	720 100	-2.5 %
Canada	137 000	-6.2 %	146 000	6.6 %	137 500	-5.8 %	136 800	-0.5 %	142 000	3.8 %	136 500	-3.9 %	135 500	-0.7 %
Australia	63 100	27.2 %	62 300	-1.3 %	60 900	-2.2 %	82 800	36.0 %	87 800	6.0 %	89 700	2.2 %	90 900	1.3 %
Others	13 000	44.4 %	10 300	-20.8 %	18 100	75.7 %	18 490	2.2 %	33 600	81.7 %	31 700	-5.7 %	43 700	37.9 %
USA	21 700	-3.6 %	19 000	-12.4 %	20 800	9.5 %	20 000	-3.8 %	19 000	-5.0 %	20 000	5.3 %	18 500	-7.5 %
Total	2 292 900	6.1 %	2 402 800	4.8 %	2 578 100	7.3 %	2 711 590	5.2 %	2 894 900	6.8 %	2 894 000	-0.0 %	2 931 500	1.3 %

Figures as per:

31.10.2022

Source: Kontali

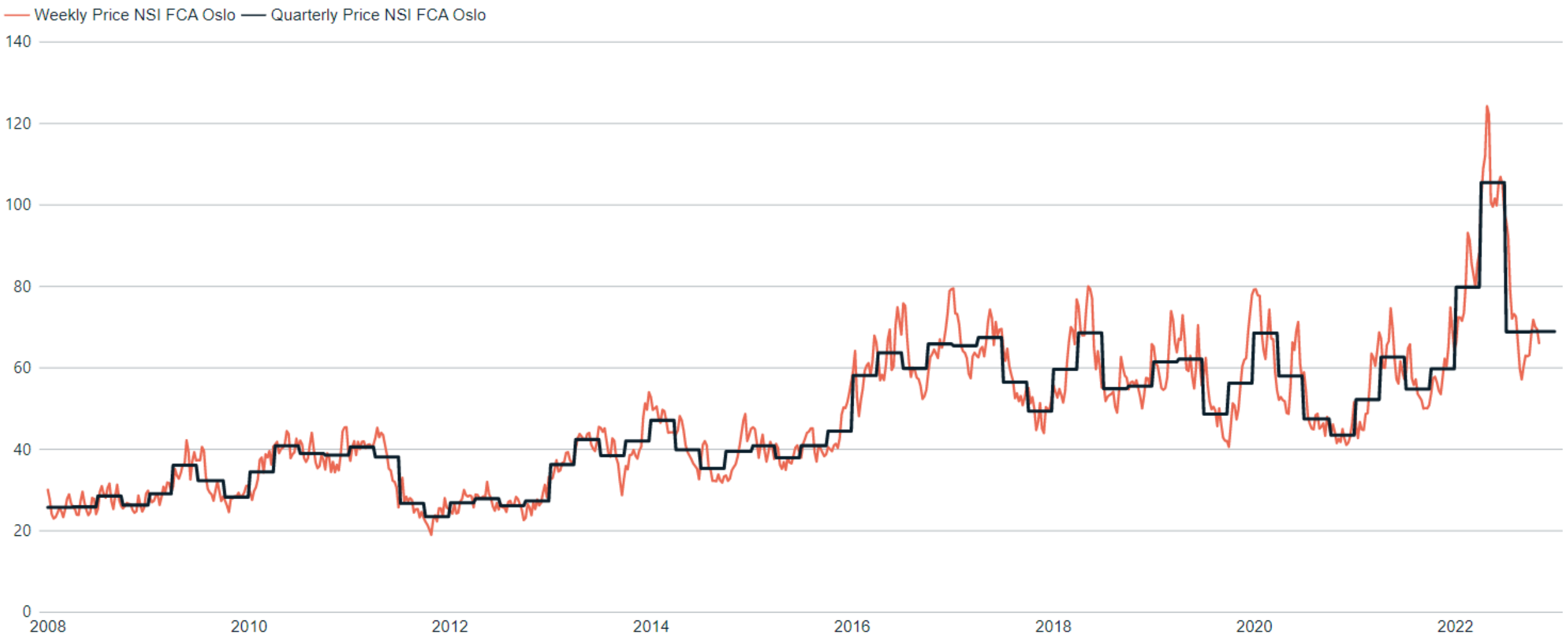


Quarter	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Q1	26	29	34	40	27	36	47	41	58	65	60	61	68	52	80
Q2	26	36	41	38	28	42	40	38	64	67	68	62	58	63	105
Q3	28	32	39	27	26	38	35	41	60	56	55	49	47	55	69
Q4	26	28	38	23	27	42	39	44	66	49	55	56	43	60	69
Total	27	31	38	32	27	41	40	41	62	59	59	57	53	57	79

Spot Prices, Fresh Atlantic Salmon

- Cross Section, FCA Oslo, Superior Quality

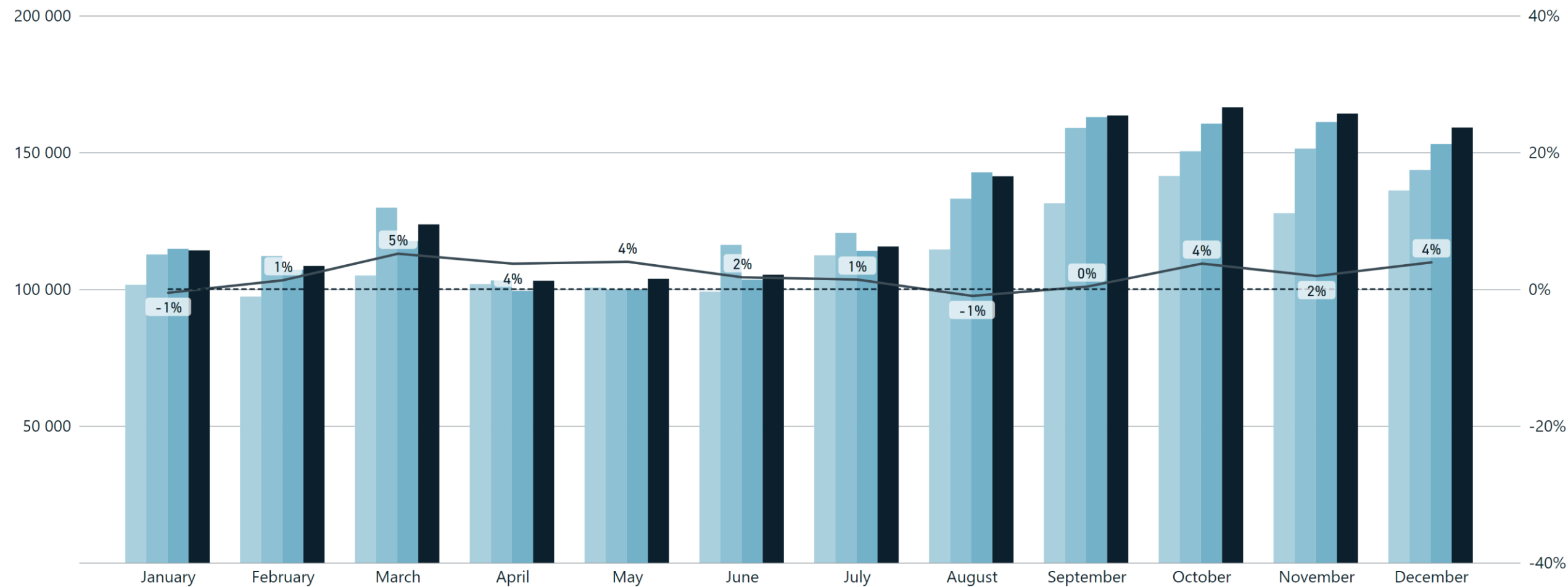
as of week 44-2022





Atlantic Salmon - Harvest Volumes Norway

in tons WFE



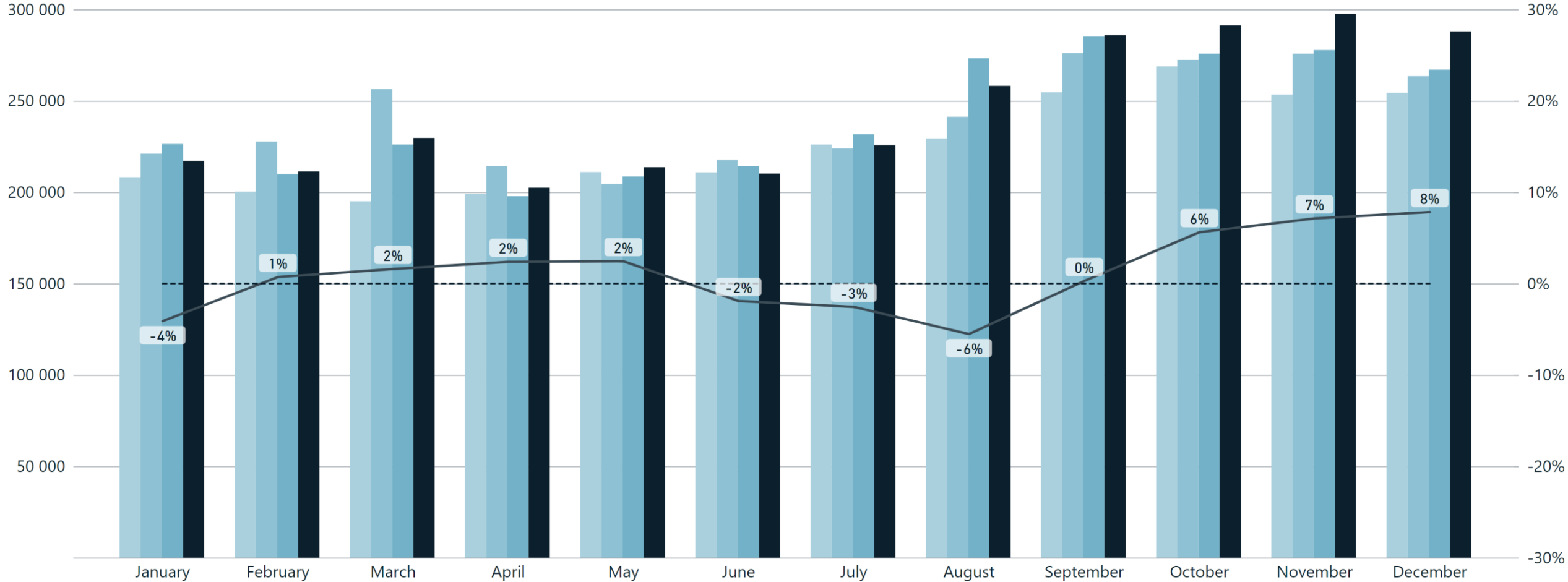
Figures as per:
31.10.2022

• 2020 • 2021 • 2022 • 2023 — Growth ---Zero-line



Atlantic Salmon - Harvest Volumes WW

in tons WFE



Figures as per:
31.10.2022

• 2020 • 2021 • 2022 • 2023 — Growth ---Zero-line

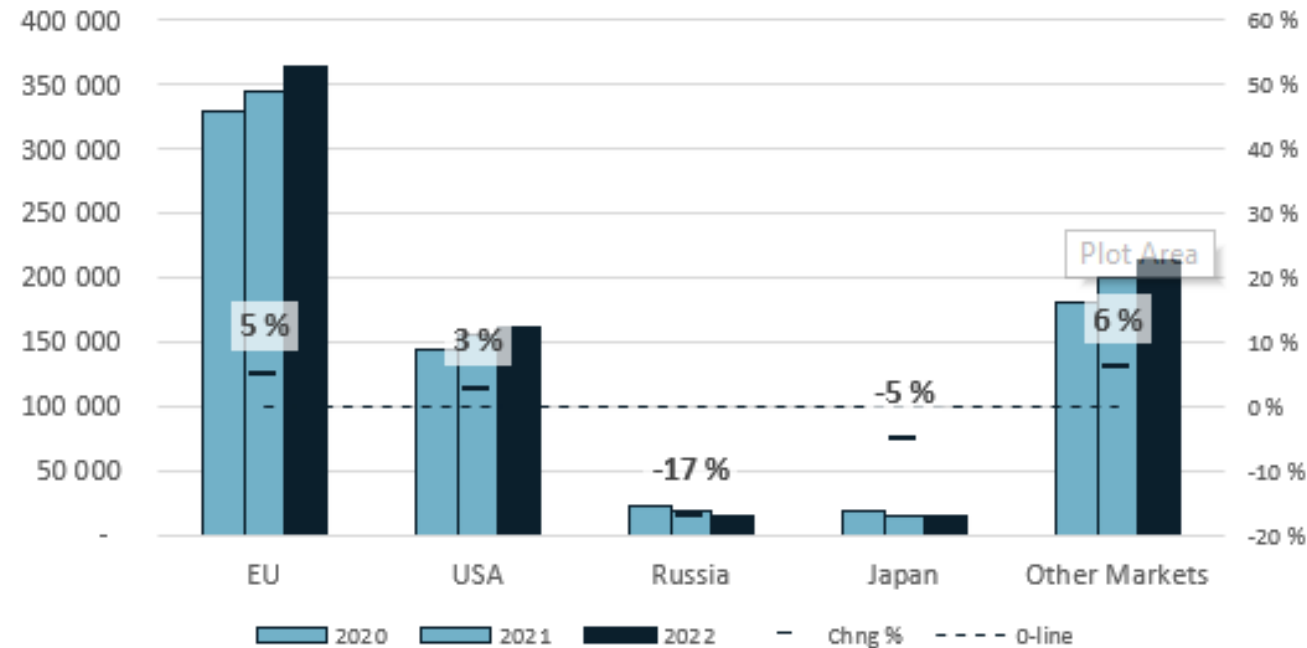


Atlantic Salmon Consumption

Q3

Q3

Market	2020	2021	2022	Chng	Chng %
EU	328 700	345 900	364 100	18 200	5 %
USA	145 000	156 300	160 900	4 600	3 %
Russia	23 800	18 400	15 300	-3 100	-17 %
Japan	18 700	16 100	15 300	-800	-5 %
Other Markets	181 400	200 200	212 900	12 700	6 %
Total	697 600	736 900	768 500	31 600	4 %



Figures as per:

31.10.2022

Source: Kontali

Outlook strongly affected by resource taxation

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%
- Expect harvest volume incl. share of associated of around 202,000 GWT in 2023
- Inflationary trend will give higher cost in 2023 counterbalanced by operational improvements

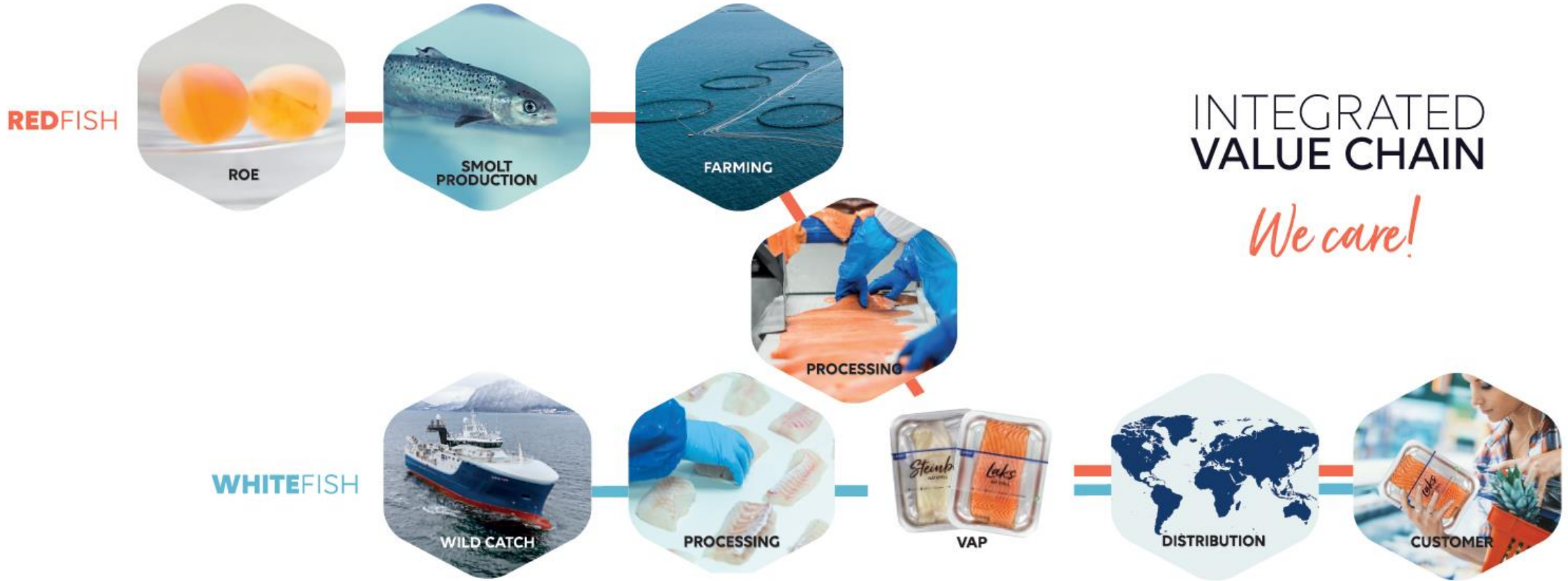
Wild Catch

- Healthy profitability in 2022
- Likely development in 2023 quotas:
 - Cod down 20%
 - Haddock down 5%
 - Saithe north of 62: +15%
 - Saithe south of 62: +19%

VAP S&D

- Improved EBIT-margin expected for Q4 22
- Resource tax adds uncertainty and challenges to value added processing activity in particularly Norway
- Demand impact from lack of contract is difficult to evaluate

Creating the world's most efficient and sustainable value chain for seafood



Q & A



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Seafood Pioneer