

To the general meeting of SalMar ASA

Report on the merger plan in SalMar ASA

INTRODUCTION

As independent experts and on instructions from the Board of Directors of SalMar ASA (“SalMar”), we report on the merger plan dated 30 May 2022 between SalMar and Norway Royal Salmon (“NRS”) in accordance with the Norwegian Public Limited Liability Companies Act section 13-10 (1) to (3), cf. sections 10-2 (3) and 2-6 (1) and (2). In the merger, SalMar takes over all assets and liabilities in NRS against a compensation in shares in SalMar and a cash consideration.

The rationale for the merger is to strengthen the value creation in the regions in which the companies operate, and to facilitate realization of synergies between the companies. The business areas within SalMar and NRS are complementary and have several overlapping industrial activities, both in Northern Norway, the West Fjords on Iceland as well as offshore. The merger will enable better utilization of the companies’ biomass and geographical footprint, within production of smolt, as well as improved utilization of the parties’ processing facilities. Further, the parties have many highly skilled employees with significant operational knowledge, that will be able to create even better operational results within a merged company.

THE BOARD OF DIRECTORS’ RESPONSIBILITY

The board of directors is responsible for the information on which this report is based, and for the valuations on which the consideration is based.

THE INDEPENDENT EXPERT’S RESPONSIBILITY

Our responsibility is to prepare a report on the merger plan and give an opinion on the compensation.

The remaining report is divided into three parts. The first part is a presentation of information in accordance with the requirements set by the Norwegian Public Limited Liability Companies Act section 13-10 second par. and section 2-6 first par., sent.1 to 4. The second part gives an account of the procedures that have been applied to determine the consideration to the shareholders in the target company. The third part is our opinion on the compensation.

PART 1: INFORMATION ABOUT THE CONTRIBUTION

At commencement of the merger all assets and liabilities in NRS are transferred to SalMar. Simultaneously NRS is dissolved. A condition for the merger is that NTS ASA prior to completion of the merger has transferred all its shares in SalmoNor AS to NRS’ subsidiary NRS Farming AS, and that NRS prior to commencement of the merger has issued 15,360,452 shares to NTS ASA as consideration.

PART 2: METHODS TO DETERMINE THE CONSIDERATION

The terms of trade in the merger has been determined based on negotiations between the boards of directors in NRS and SalMar. Both companies have been supported by their own financial advisor, whom have also prepared valuations of each of the two companies. Each of these advisors have relied upon a combination of cash flow based and multiples based valuation, and they have also assessed the companies share price development and available analyst reports.

Based on a volume weighted average closing share price from Oslo Børs based on the last 30 trading days, this yields an implied value per NRS share of NOK 265.18. Further, the parties have also agreed to a share price for each SalMar share of NOK 718.64.

Fractions of shares are not awarded. For each shareholder the number of shares is rounded down to the closest whole number of shares. Excess shares which consequently are not awarded to shareholders in NRS, will be sold by SalMars financial advisor. The consideration will be allocated proportionally between those shareholders who would otherwise have been entitled to fractional shares.

As merger consideration the shareholders in NRS will receive

- 0.303933 shares in SalMar; and
- an additional cash consideration of NOK 52.84,

for each NRS share. This means that the shareholders of NRS receive an aggregate ownership share in SalMar of 12.3% and a cash consideration of NOK 3.103.565.220 when the merger takes effect.

If the proposed dividend of NOK 20 per share in SalMar, as announced by SalMar 31 March 2022, is not resolved with a record date prior to completion of the merger however, the merger consideration to the NRS shareholders shall be:

- 0.295475 shares in SalMar; and
- an additional cash consideration of NOK 52.84,

for each NRS share. This means that the shareholders of NRS receive an aggregate ownership share in SalMar of 12.0% and a cash consideration of NOK 3.103.565.220 when the merger takes effect.

Based on a volume weighted average closing price from Oslo Børs in the period from 4 April to 20 May 2022, the consideration is NOK 265.18 per share in NRS. This amount to 106.3 % related to the closing price at 27 May 2022.

PART 3: THE INDEPENDENT EXPERT'S REPORT

We have conducted our review and issue our statement in accordance with the Norwegian standard SA 3802-1 "The auditor's statements and reports pursuant to Norwegian company legislation". The standard requires that we plan and perform our review to obtain reasonable assurance for the fact that assets and liabilities to be taken over by SalMar have a value at least equivalent to the agreed compensation and to report on the compensation to the shareholders in NRS. The work includes a review of the valuation of the contribution and the compensation, including the valuation principles and existence, rights and obligations. We have also assessed the valuation methods applied and the assumptions constituting the basis for the valuation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSION

In our opinion, the assets to be taken over by SalMar at the merger have a value at least equaling the agreed consideration, including nominal amount and share premium of the SalMar shares which are issued as consideration to the shareholders in NRS, and in our opinion the consideration to the NRS shareholders is reasonable and fair, based on the valuation as at 20 May 2022 of the companies as described above.

Oslo, 30 May 2022

KWC Revisjon AS

Simen B. Weiby

State Authorized Public Accountant (Norway)

The translation to English has been prepared for information purposes only