

## TRANSCRIPT

### Grieg Seafood Q3 2022 Results

11 November 2022

#### Highlights

##### Andreas Kvame, CEO:

Welcome to the presentation of the third quarter of 2022 for Grieg Seafood. As usual, Atle Harald Sandtorv, CFO in the company, and I, Andreas Kvame, will hold this presentation. So let's get started.

Note our disclaimer.

The agenda for today is to look at the highlights of the quarter. We will look at the resource rent tax, the market and operations, financials and conclude with the outlook.

Grieg Seafood had an operational EBIT of NOK 145 million in the third quarter, compared to NOK 149 million last year. During this quarter we have had relatively good prices in the spot market, good growth and the demand has been strong, both demand in the HoReCa (*hotel, restaurant, catering*) segment and in the retail sector. We had, however, a rather high share of contracts in this period, so we didn't achieve the prices we hoped for. We had taken a higher share of contracts to dampen the impact of the weaker prices we anticipated in the third quarter, but that didn't happen.

We have had some biological challenges in BC, which we will come back to. We have had some challenging conditions in Norway this quarter with very high temperatures in Rogaland, and in Finnmark we have had more sea lice than we have had the last ten years. The challenges with lice in Finnmark have been significant and they affected production. On the other hand, things are going very well in Newfoundland, running according to plans. We have made some structural changes in BC to improve our operations there, and will say more about that later.

In the fourth quarter, we expect to harvest 17,500 tonnes, which means our volumes for the year get adjusted somewhat down, to 81,000 tonnes. In 2023 we are now guiding for 87,000 tonnes. In total for the quarter we harvested nearly 23,000 tonnes, with sales of NOK 1.7 billion. We had nearly the same volume, but significantly lower sales versus Q2.

We achieved an operating EBIT of NOK 6.3/kg, which is down from NOK 42/kg. You have to consider that we had more volume benefiting from very high prices in the second quarter.

Now comes something that we can't avoid discussing. This is the most dramatic event that has occurred in this industry, at least as long as I have worked here, which is nearly 30 years. The government has proposed a resource rent tax for aquaculture, giving an effective tax rate of 40%, which is very, very high. In the value chain here (*Slide 5*), it shall only apply to the seawater phase, which means that the government says it is neutral, but this is absolutely not a neutral tax. In the seawater phase, we invest less than NOK 30/kg, but in the phase before, post smolt, it can be ten times as much. That isn't taken into consideration. So this isn't neutral, and the consequence for us was that as soon as this was announced, we had to take a close look at all our investments.

So, as of today, we have frozen NOK 2.3 billion in investments, where a big part of that is post smolt, it means Adamselv in Finnmark, Trosnavåg (*Rogaland*), new initiatives like Fishglobe, etc., are all put on hold. Hearings are being held about this, and we can't expect 100% clarity about this until the spring, when the parliament has its debates and votes on proposals. So we expect this to be in place by the spring or summer.

This gives us enormous challenges, especially the part about using a reference price rather than an achieved price. We are starting to see the consequences of this, and there will be more if this isn't changed, and it needs to be changed quickly. Nobody dares sign price contracts in the market now when reference prices are used.

The reference price is based on a commodity exchange price, but there is no exchange price. The Nasdaq price, which has been suggested as a norm price, shows a lot of fluctuations, and is normally higher than contract prices. Contracts are made for a half year or year at a time, and the entire processing industry depends on contracts. There is no spot market for processing. So not signing price contracts causes a significant disturbance in the market and destroys much of the substantial market work done over the past ten years. So, I hope and believe that this specific part of the tax is changed in the short-term to use actual prices in the calculation. But that remains to be seen.

We are, of course, working on this, looking at all possible alternatives to this proposal, and we will, by all means, contribute to the hearings about this. Enough about that.

Let's look a little at the market. The market has been good, I would say, with good demand from both HoReCa and retail, and supply is not increasing. If you look at 2022, supply growth is plus/minus nil, and if you look forward to 2023, the way things look now, it will be the same as in 2022. The one percent growth being forecasted here, I would say, is on the most optimistic end of the scale, so that the year-over-year volumes will end up being the same as this year.

But demand out there is substantial, with the EU plus UK market growing by 5% this quarter, the US grew this quarter, a small decline in Brazil, Russia down of course, and lower in Japan, but China, Hong Kong, Asia and other markets are growing. So even with a 7% increase in supply this quarter, the demand was there.

We have naturally worked on our strategy, to penetrate the market more, working more with value-added products, and we are sticking to that strategy, although the resource rent tax is putting the brakes on, we are working with partners. During the quarter, value-added sales were 4% of Norwegian sales, up from nil, and that is good, and 10% of all volumes from BC were processed for the North American market.

As I said, prices have been good, although significantly down from the second quarter, but with increased supply, demand for salmon still came through strongly. This was demonstrated both by Norwegian spot market export prices and prices in the US. So there is a good, healthy underlying demand for salmon, even with inflated prices in the marketplace.

Over to operations. We will start with Rogaland where 6,800 tonnes were harvested in the period, our operational EBIT was NOK 92 million, and we have had an operational EBIT of NOK 660 million so far this year. The operational EBIT was NOK 13.40/kg in Rogaland, and so far this year NOK 30.70/kg, which we are very satisfied with. We had good harvest weights in the period, with a superior share of 94%, up from

86% a year earlier. Influencing results negatively were fixed price contracts and the time of harvest, mostly towards the end of the period. Survival rates were strong, at 93%, increasing from 91% in the same quarter last year.

We continue to work on post smolt, and we are on track, releasing fish so far this year weighing an average of 570 grams, and, in addition, we are even releasing larger size fish this autumn. We have guided for a harvest of 6,500 in this region for Q4, with a relatively even harvest distribution during the quarter. We are raising our cost guidance slightly, not a lot, which is related to an incident we had, with some schools of fish experiencing low oxygen, leading to some mortality. Not a lot, but some.

In 2022, our volumes in this region will be 28,000 tonnes. That is largely due to unbelievably high seawater temperatures from the middle of the quarter to the end of October. It was actually 18 degrees at 20 metres depth at the end of October, which has made feeding the fish a challenge. Things have gradually improved, and are looking very good now.

Then there is Finnmark, where harvest volumes were 8,174 tonnes, and achieved an operational EBIT of NOK 114.5 million, and NOK 14/kg. So far this year, we have an operational EBIT of NOK 766 million, and NOK 33/kg. The quality has been good this quarter in Finnmark too, with a 94% share of superior fish, which helps price achievement, but here, as well, we have had a significant share of contracts, which has pulled down achieved prices. We also harvested here towards the end of the quarter, and our average weights have been too low, due to significant sea lice treatments in this area, including some early harvesting. An average of 3.8 kg is too low, that is about one kilo too low compared to where we want to be.

Then there was something that showed up that we haven't seen in Norway for 10-12 years, Spiro, a parasite. It has been detected at some of our sites. It has relatively little impact on fish and fish welfare, but it does affect the performance of most of the fish. The fish that get sick have been removed, and will be removed. We have infections at several sites, but no sickness. We have this in individual pens, but not at entire sites. One of the measures we have taken is to remove the pen or skim the pen where we see these parasites.

As of today, we have no Spiro at Adamselv, our post-smolt hatchery in Finnmark. It is likely there they entered our system, during a period where we had to change our water source due to a power station being rebuilt. We shifted to a source of water that has been very good, but probably was the reason for this contagion. We must get to the very bottom of this, but it probably came from a fresh water source that had the parasite, and then it transferred to seawater. What we see is a limited contagion, and no horizontal contagion to fish at a site. We will be taking a write-down for this of about NOK 60 million in the fourth quarter.

We expect to harvest 9,800 tonnes in the fourth quarter in this region, with the largest amounts being early in the quarter, that is, October and November. Unfortunately, we have somewhat higher costs in Finnmark due to destruction of some fish, but our underlying costs in Finnmark are very stable. We also see that, when it comes to feed costs and other costs, they are stabilizing now. We no longer see them increasing.

Because of Spiro, and a cautionary attitude, we are reducing our harvest estimate for 2022 from 36,000 to 33,000 tonnes. Now this isn't just because of Spiro, but it also reflects the extensive sea lice treatments in this region. There was somebody from up there saying that they had not treated this

amount of sea lice in a quarter for the past ten years. And that is especially in the Hammerfest area and Nordkapp.

Then we have British Columbia, where we harvested 7,900 tonnes in the quarter. We had an operational EBIT of minus NOK 41 million and an operational loss of NOK 5.1/kg. But having said that, we actually have NOK 304 in positive operating EBIT so far this year, which is NOK 16/kg. In this area we have had a decline in the superior share to 86%, with lower average weights after harvesting some weak sites, which we'll get back to.

Our costs are too high in BC. We are working on that, and will do something about that. Our survival rates have been too low, both in freshwater and seawater. Algae in the sea have been the big challenge. It has been too warm, and probably the driest year they have had in 20 years in BC. There hasn't been rain in the area, and low water levels in the rivers. That also means that wild fish haven't been able to swim upstream due to lack of water, so you get a reservoir of fish where there a lot more sea lice treatments than normal.

Then you have algae, where we are exerting great efforts to erect barriers in a semi-closed system at all of our BC sites. That should have been there by now, in the Esperanza area, but after Covid-19, long global supply chains have had delays, so this won't be set up until the next release, meaning the first quarter, in what we call the Esperanza inlet. So this will be set up for the next production cycle.

But we have had good production at the rest of our sites, where we have this system. We now expect to harvest 1,200 tonnes in the fourth quarter, and we have actually harvested it already, in October. And now we won't be harvesting again until the second quarter in this region. So our main focus now is building our biomass. Our 2022 harvest target has been reduced by 1,000 tonnes to 20,000 tonnes.

We are making some changes in the BC. The first one is a new management team, with Grant Cumming, who some of you certainly know, our manager in Shetland, and with over 30 years of experience from the industry. He performed a good turnaround for our operations in Shetland, helped our sale there, where we achieved a relatively good price, seen in retrospect. That was based on the very good job done in the organization and the turnaround over there, so we really wish him on board as the chief operating officer for North America, and he will be in charge of both BC and Newfoundland.

Jennifer Woodland has been hired in BC as the managing director there. She has operational experience within salmon farming since the 1990s where she has worked in various aquaculture positions, both in Newfoundland and in BC, and recently was the CEO of larger company run by First Nations that processes salmon. She has a very good track record of working constructively with indigenous people, and one of the key premises for operating aquaculture in BC is actually to have a close relationship with indigenous people and work closely with partners, which means First Nations. So we really welcome her warmly to Grieg Seafood. She started about one month ago.

In addition to that, we are removing areas that have smaller and less efficient sites. Shíshálh (Sechelt) has been a challenge that we thought we could solve, but we are giving up there, since it is too challenging, too warm, too much algae, oxygen levels are too low. Even though this is an area with a fine location, it has too many challenges and production costs are too high. So we are pulling out of the area, in good collaboration with First Nations, and moving our production further north to other sites. This means that we have a write-down of our licenses of NOK 93 million. We also took clean-up costs of NOK 20 million in Q3.

Then we have Newfoundland, where I admit that we still have a greenfield project, but so far so good. Our fish have gone very well through our smolt unit, and have been doing well in the sea, other than tumbling like in a washing machine during a hurricane, but even that went unbelievably well. Mortality in the fish in the sea is to a certain extent lower than what we have in Norway, so we are very pleased with that. The two million fish we have in the sea are growing there, with average weights of about one kilo, growing as we speak. We have also had an extremely warm summer in Newfoundland, even with temperatures over 20 degrees at 20 metres depth. The fish came up to eat, then dived back down to more comfortable temperatures below 20 degrees, and often down to 40 metres. The fish can choose their place at this site.

So, things are going well in Newfoundland, and we are very pleased with that. But I remind you that this is a greenfield site, and we have a winter to go through, which we are excited about.

Then over to Atle Harald.

## **Financial Review**

### **Atle Harald Sandtorv, CFO:**

Thank you, Andreas.

Now we will look a little more closely at the financial figures, starting with the P&L. Our revenues were down compared to the previous quarter, as prices fell, as Andreas mentioned. Our sales were at NOK 1.7 billion this quarter, and our operational EBIT was NOK 145 million. We have some items not included in operational EBIT, and some are rather technical. The first item is NOK 22.6 million, related to the transaction in Årdal Akva, where we had a profit. Then we had the production fee, where we paid NOK 6.1 million, followed by the negative fair value adjustment of the biomass of NOK 442 million, due to the fall in prices. Then we have two items, the write-down of our licenses in the Sechelt region in BC, which was NOK 93 million, and then the site closure costs of NOK 20 million.

That gives an EBIT after the biomass adjustments and other items of minus NOK 394 million.

Net financial items showed costs of NOK 9 million, lower than usual costs due to a positive foreign exchange impact. That gives a profit before tax of minus NOK 403 million and NOK -279 million after tax.

Then we have analysed the development of EBIT/kg from Q2 2022 to Q3 2022, where we had an EBIT/kg in Q2 of NOK 41.60. We had a big decline in revenues/kg, the amount was NOK 25.90/kg. Costs rose somewhat, as we saw earlier, rising by NOK 11/kg, and finally, from headquarter and other costs we had a positive impact of NOK 1.30/kg. The main reason for that was the somewhat lower value for options for the management in the company. The management gets a financial gain when the share price goes down in the quarter. Thus we ended up with an operational EBIT of NOK 6.30/kg in the third quarter.

Then we will show the development in net interest-bearing debt, linked up to a cash flow analysis.

We started the quarter with almost NOK 1.5 billion in net-interest bearing debt, and we reduced that with our EBITDA of NOK 266 million, while we used NOK 79 million to increase biomass. We invested NOK 196 million, and finally we had a very favourable development in customer receivables and trade payables, giving a positive impact of NOK 238 million. So, all in all, this brought down our net interest-bearing debt and we ended the quarter with about NOK 1.25 billion. That amounts to about NOK 15/kg.

Let's summarize a bit what our debt consists of. There aren't many changes compared to what we reported the last quarter. We have a green bond loan of roughly NOK 1.5 billion and a term loan of NOK 1.5 billion. Then we have lease liabilities, included those defined in IFRS 16, of NOK 926 million, and other debt of slightly more than NOK 100 million. That brings gross debt to NOK 3.9 billion, or nearly NOK 4 billion. Of that debt, 74% is linked to green or sustainable debt financing.

We have cash of slightly more than NOK 2 billion, and when we take the NOK 541 million in lease liabilities related to IFRS 16 leasing, we arrive at NOK 1.25 billion in net interest-bearing debt ex-IFRS 16, as we said earlier. We have a good situation when it comes to free liquidity, with cash over NOK 2 billion and undrawn credit facilities of NOK 1.7 billion, bring our free liquidity to nearly NOK 3.9 billion, so the situation there is good.

When it comes to investments, we aren't changing our guidance for this year much. We have announced that we are stopping all growth investments while we wait for the government's tax proposal, but that will not have much impact on 2022 because very many of the investments this year were planned and ordered at that point in time, or they are necessary maintenance investments we will be completing. We will come back later with our guidance for 2023, which may be impacted, depending on how the tax proposal develops. We are still guiding for NOK 850 million in total investments, and much of this is related to sites in Norway and Newfoundland, and the expansion of our land-based smolt facility in BC. In Q3, as I said, we invested NOK 196 million, and so far this year our capex has been NOK 487 million.

We are guiding for a biomass increase of NOK 325 million in Q4, and we will increase our biomass as well as we can during Q4.

To summarize our financials and our balance sheet, we are focused on having a strong balance sheet and we have that now, with our net interest-bearing debt at NOK 15/kg being very strong. We have said that NOK 30/kg could be a goal, so that looks very good. To comment briefly regarding dividends, we absolutely have a balance sheet that allows us to pay dividends. We have earlier said that we do an assessment twice a year regarding dividends, once when we make our annual report, and again when we report Q3. So we have done that now.

There are two things we look at when we pay a dividend: the liquidity situation at the time of the payment, and earnings after tax in the last completed annual report. Then our goal is to pay 30-40% of that, and we look at earnings after tax, before biomass adjustments. That leaves 30-40% of that as the dividend target we have for payment in the following year. Note that in our bond loan, there is a limit of 50% of earnings after tax, before the biomass adjustment, that can be paid as dividend. That does not give any limitations to our target. So far this year, we have paid out 46% of our 2021 profit, so we are in the upper range of our target. Our overall assessment then is that we are a bit careful this quarter, so we won't pay a dividend this quarter, and our next evaluation will be when the annual report for 2022 comes. Year-to-date, the 2022 figures are strong, and good compared to previous years. We will revert to that later.

Then I give the word back to Andreas.

## **Outlook**

**Andreas Kvame, CEO:**

Thank you, Atle Harald.

Then we are going to look forward. The market is still good, even though prices have come down a bit, they are on a decent level, but the demand is still there. There is a certain uncertainty due to the lack of contracts which can create some volatility going forwards when there is uncertainty in the market.

The retail sector needs to have contracts, it needs predictability, it must be able to do promotions and so on. There are no challenges with this in the fourth quarter, but again, as I said earlier, if this isn't resolved relatively fast, it will cause big challenges when we enter the new year.

There will be limited supply growth in the market, luckily. There has been talk about a recession, even that there is recession in the market. But if you look at it historically, salmon has held up very well through all the downturns we have had, and that especially in the retail sector. They typically come up with measures regarding package sizes and more, making it possible to keep the threshold prices at the level the consumers expect.

When it comes to our own processing business, we have said our aim is to reach 5-10% value-added processing in our market sales this year. We already have 10% in BC, and 4% preliminarily in Norway, so taking the average of the two, we are within our targeted range already. We are working with developing a Norwegian brand, in the same way we have done in Skuna Bay in Canada and have great expectations to this business-to-business brand, which we are working on setting up.

For the fourth quarter, we expect a 32% contract share, and 23% for the whole year. Our guidelines have been that we should have 20% to 50% on fixed contracts, so we are operating according to our procedures.

We expect stable production in all regions in fourth quarter. We are also expecting that the costs are stable in the next quarter. As mentioned, very little volume in BC with no harvest in BC until the second quarter next year. When it comes to volume guidance, the volume for 2023 in Rogaland is 29,000 tonnes, in Finnmark 33,000 tonnes, BC 20,000 tonnes just like this year, and we get another 5,000 tonnes from Newfoundland, coming at the end of 2023.

The main decline here is what happens up in Finnmark. It relates to what recently has happened this year, and also that we are guiding cautiously taking into consideration the development of Spiro. We feel certain that we have this under control of this today, but we can't take anything for granted. But it looks relatively all right now.

To sum up, we have had biological challenges in BC and our costs are considerably too high. We are working on restructuring BC, because the costs need to come down. Growth in Norway has been considerably influenced in the third quarter, from the middle of the third quarter and throughout October, by high temperatures in Rogaland, and lice pressure in Finnmark, which we have not seen the past 10 years. This impacts us by giving somewhat lower harvest volumes.

We can also see that our production has gradually improved in the fourth quarter. We are working with structural modifications in BC, pulling out of high-cost areas, while expanding in lower cost areas. We also have welcomed a new management team to the area.

We are expecting a good market and no supply growth this year, nor next year, and last but not least, it is great what is going on in Newfoundland, with growth there being good, as the biological production is developing very well.

With that, we will open up for questions.

## **Q&A**

### **Carl-Emil Johannessen, Pareto:**

A quick question about Rogaland. You say there has been an incident with low oxygen, is this something that has specifically happened in Q4, raising the mortality rate, and thereby increasing the cost? And is this a bit like in Finnmark, where the rising costs in Q4 are kind of temporary? Or is it more general, like some cost inflation and higher mortality?

### **Andreas Kvame, CEO:**

The current cost inflation is something we have already talked a little about, which has stabilized for the time being in Norway. When it comes to Rogaland, this was an incident that occurred in October, which will come in the Q4 numbers, but it gives an impact of roughly NOK 1/kg.

### **Carl-Emil Johannessen, Pareto:**

Thank you.

### **Herman Aleksander Dahl, Nordea:**

First question is about costs, they were NOK 10-11/kg up from Q2, I am trying to split this into what is from feed costs and what is other things, especially biology.

The other question goes to Finnmark and the Spiro challenge. To what degree do you feel you have this under control now, could it be that there are more smolt that have Spiro, that are going to be released to sea?

### **Andreas Kvame, CEO:**

I'll answer the last one first, when it comes to Spiro, no Spiro has been detected today at our hatchery in Adamselv like I mentioned earlier. We are also working on obtaining other smolt from neighbours, that we can use to replace some of this. We are working on reducing the problem, and again increasing the volume, in any case towards 2024, in order to have enough smolt in the sea.

Yes, we have identified Spiro at several of our sites. But there are many diseases that can show up in tests, indicating a latent contamination, but without any outbreak of illness. So, we are working a lot on this. To reduce contamination pressures, we have taken out some pens, simply to reduce the contamination risks at the sites. As the situation is, we have taken out 1.3 million fish, and they are small fish.

So over to costs. Feed costs have been an important driver of the operating costs. There is inflation on other things as well, but roughly you can say the feed cost per kilo has gone up by NOK 8-10/kg, all depending on the feed factor you put in the equation. So that is the level we have come to. It is clear



that in Rogaland this occurred very quickly, because you have very big fish that you start to feed. Then it goes quickly, and we got a big increase this quarter.

So that was the big factor this quarter, and it is important to focus on the economic feed factor, which in turn means improving the biological performance and reducing mortality. And we can see this in the post smolt, especially in Rogaland, where the survival rate is significantly higher with post smolt. And we are continuing our work on this there, and we have already reached 570 grams this year, and our smolt release in the autumn will be bigger, and we are expecting well over 600 grams when we are finished with the year.

**Christian Norby, Kepler Cheuvreux:**

Should we reduce the target in BC by 2,000 tonnes based on what was announced today, compared to the CMD slides in June? You had a target of 30,000 tonnes in BC?

**Andreas Kvame, CEO:**

Oh, do you mean the 2026 volumes?

**Christian Norby, Kepler Cheuvreux:**

Yes.

**Andreas Kvame, CEO:**

Well, the resource rent tax influences Norway, but the challenge is access to capital and having enough equity capital for investments. I wouldn't say that we should reduce any of our targets yet, but we will revisit all our assumptions based on how this new regime ends up, because it will have an impact at some point in time.

**Christian Norby, Kepler Cheuvreux:**

I was also thinking about the impact from ... Sechelt.

**Andreas Kvame, CEO:**

Oh, no. That will not have an impact. Actually, I would rather say that the impact from that is positive.

**Christian Norby, Kepler Cheuvreux:**

When it comes to Newfoundland in 2024, how many smolt are released now, which contribute to the volume for that year? What should we assume?

**Andreas Kvame, CEO:**

We have released two million this year, and we will release somewhat more next year. How many, that remains to be seen, but our plan is somewhere between two and three.

**Christian Norby, Kepler Cheuvreux:**

Thanks.

**Wilhelm Røe, Danske Bank:**

Just a little question about structural changes in BC. The clean-up cost of NOK 20 million that was booked, are most of those costs taken, or will there be more in Q4, or even further ahead than that? I wondered too about the process going forward to find new sites, can you give any info about how that is going, and what the plan is?

**Andreas Kvame, CEO:**

Those twenty million, they are a one-off cost. So there won't be more there. That is done, and that represents clean-up costs, cleaning up the sea floor, everything related to anchors and anchorage. When it comes to new sites in BC, there is a political discussion just like you could say that we have developed a very political debate in Norway about our industry. The important thing is that to get new sites, and new areas to operate in, you need consent, and you need an agreement with First Nations, so they are a partner who really wants you to be there.

I feel that we have worked very well on this, we have several sites in our pipeline, and before you go to DFO (*Fisheries and Ocean Canada*), the industrial company and First Nations must have an agreement. After the agreement, you get the "blessing" from the DFO. They are the ones who issue the license. We have worked very well on this, and we know, as it were, that we will receive some more sites further north along the coast, which is a significantly better area to operate than where we have been. So the plan is to move from areas that have been challenging to areas that are less difficult. I am not saying it is challenging to be in BC, but there are areas that are less challenging than the Shíshálh area.

**Axel Jacobsen, Arctic Securities:**

Let's say that the resource rent tax gets implemented, but you get an adjustment when it comes to the reference price. What would you say is a proper level of your debt per kilo if the tax rate comes up to 40%? Today you have NOK 30/kg as your net debt per kilo debt target.

**Atle Harald Sandtorv, CFO:**

Please repeat that one more time.

**Axel Jacobsen, Arctic Securities:**

Let's say that the resource tax gets implemented. Before that, your net debt target was NOK 30/g...

**Atle Harald Sandtorv, CFO:**

We will have to come back to that target. That leaves us with one more question.

**Question from the web:**

Can you say something about the reason for that lice problem in Finnmark?

**Andreas Kvame, CEO:**

Temperature. Temperatures have been significantly higher in Finnmark, but a temperature that the lice enjoy. And it is not all of Finnmark, but in certain areas that are affected.

**Atle Harald Sandtorv, CFO:**

There weren't any more questions. Thank you for your attendance.