

## TRANSCRIPT

### Grieg Seafood Q3 2021 Results

3 November 2021

#### Highlights

##### Andreas Kvamme, CEO:

Good morning, and welcome to the third quarter presentation of Grieg Seafood. As usual, there is Atle Harald Sandtorv, the CFO in the company, and me, Andreas Kvamme, the CEO, who will go through this. It is very nice to have a physical presentation after such a long time, and with many present. It was almost as if I wondered if my suit would fit when I headed here this time.

Today we will go through what has happened during the quarter, we will look a bit at the market and the market situation, go through our operating units, of course, and Atle Harald will go through the financials, and we will conclude with a summary.

The third quarter for Grieg Seafood has been one of the best third quarter results that we have had in Grieg Seafood. We have an operating EBIT of NOK 149 million, much driven by good prices in BC, but also by declining costs in the company.

Performance in Shetland has been good, in addition. We had an EBITDA of NOK 53 million in this region, which we are very pleased with that. We expect that the competition authorities in the UK will reach a conclusion about this transaction by 15 December. Our underlying operations are running well, with good improvements in all regions, improved survival rates for our fish, and we expect costs to continue to decline in the next quarter, which we will get back to.

In addition, we have had one of our areas of key focus, downstream activities, where we have obtained some capacity, which I will also talk about later. That's a start. We expect to harvest 25 100 tonnes in the fourth quarter and 77 000 tonnes for whole year, and 90 000 for 2022.

There was a result of NOK 7.30/kg for the quarter. This hasn't come entirely by itself. We are working intensively on operational improvements in all regions. The main points on this are on this slide.

But in Rogaland we have put significant efforts into post-smolt, which we will also come back to. And the goal is to avoid too much time in the sea, avoid treatments, avoid too many treatments, avoid pancreas disease (*PD*) which has been a challenge in this area, and which still is. We are working in all regions to improve our ability to deliver value-added products in order to become a different kind of supplier for our customers now and in the future.

In Finnmark it is reducing the biological risk, there have been challenges there for us when it comes to ISA (*Infectious Salmon Anaemia*) and winter ulcers. We have made many changes, both with vaccines and vaccine strategy, when we have released the fish to the sea – we release them earlier than we used to, basically to avoid two winters in the sea. And we have made changes to feed, to our feed recipes, so we can hopefully avoid them. We can't ever guarantee 100% avoidance of winter ulcers, but at least avoid having as much as we have had in recent years. Our goal there is to increase the number, rather the volumes of post-smolt.

An area where we are also working hard in Finnmark has to do with guidance for this year, we are working hard to increase the utilization of MAB (*Mass Allowable Biomass*), which has been a bit lower in Finnmark, but as it happens, the fish we have in the sea now have enough MAB, and we hope to keep them there as long as at all possible in this area.

In British Columbia, the main focus is algae. Algae and plankton are a challenge in British Columbia, but we have done a tremendous job there with digitalization. I would claim that there isn't anyone in aquaculture in Norway at the same level of digitalization as we have there in British Columbia. And we see very clear results when it comes to the occurrence of algae, rather the occurrence of algae is higher than it has ever been, but our survival rate has been higher than it ever has been.

We are also improving the smolt capacity in British Columbia, from 500 tonnes to 900 tonnes – Gold River is nearing completion. We are working intensely to develop our business together with First Nation, I'll get back to that later. That has to do with a win-win situation, we create jobs for First Nation, and we want to operate in regions where we are desired in British Columbia.

Our cost targets are unchanged, which I will get back to later. When it comes to ... to post-smolt, that is something we have worked with for many years, but it takes time, and it costs money to reach our targets. But you see here, the curve to the right (*slide 5*), the development in tonnage, and the share of post-smolt released to the sea in Rogaland. Our goal, as I have said, is to get below 12 months in the sea, preferably ten. That will improve the biological performance in the area, increase fish welfare and improve survival. That also gives us more flexibility to achieve an even more effective production in this area.

If we look at the numbers, when it comes to MAB utilization, it is very high in Rogaland compared to many other regions. Having high MAB utilization has been our focus, our utilization of our production sites. Rogaland has been early in this, and we have a lot of experience, for better or worse. When you are first or among the earliest, there are many things you discover, it has been an education for us, and for others, as we move forward now.

The reason it came down a bit 2021 (*points to graph of % share post-smolt*), is that we released more smolt than expected. In Rogaland, we have about 7.5 million smolt a year that are released, roughly, and it will be at that level, or a bit higher, going forward. As an example, we released fish in April, and they weighed 4.5 kg by the end of September. So post-smolt works and the fish definitely come out of the water before a year has passed.

So, a little about the market. The market has been very strong, I would claim. You always have to keep in mind that the kroner (*NOK*) exchange rate is significant for what you achieve in NOK, and we have had a significantly stronger kroner during this quarter, and record high volumes have been exported from Norway, but nevertheless, prices are at a nice level compared to many earlier years, where this normally would not have happened in the third quarter, when you normally have the lowest prices.

This year, we expect production growth of about 4%, roughly that level, and for 2022, somewhere between 3 and 5%. For this year, the driver of production growth has been Norway and the UK, and others. Others here means Tasmania, Iceland and Faroe Islands, that have had a combined increase of 50 000 tonnes. So we are starting to get a significant increase, also in other areas.

If we look at the different market areas, the EU is a big locomotive, the EU is a big market at 835 000 tonnes (*incl. UK*) so far this year, or through the third quarter, and has grown by 10% during the quarter. Even though the retail sector has had good demand, the HoReCa segment has opened more and more, even though it has been a mixed bag during this quarter with open and shut restaurants in the various countries we export to.

It is especially nice to see the demand growth that we have had in the US, combined with the price increases and the price level we have seen in that market. There has actually been an increase (*in demand*) of 18%. Brazil has little by little become a very big market. It is a “home market” for Chile, but nevertheless, significant volumes have gone to this market, even if it was a little down in the third quarter – so far this year there has been a 17% increase there also.

So, the market is looking very strong, with strong demand from the retail market in Europe, but also from Asia. China and Hong Kong are one thing, but there are other markets like South Korea, etc. that are actually increasing significantly. It has mainly been retail and grocery that have driven this demand, strong demand in the retail sector, but in addition the HoReCa segment has opened up more, and been increasingly active during this quarter, so that we look positively at the development going forward.

As mentioned, prices have been relatively good during the quarter. We haven’t had the deep dip we normally get in Q3 with high harvest pressure and large supplies. It just happens that 33 to 34 000 tonnes have been sent out each week. A few years ago, you wouldn’t think that could even happen at Christmas, but now it has happened in the third quarter, for 10 weeks in a row, and those are significant volumes, as I said the kroner has strengthened, meaning that products are more expensive for consumers in the market, but nonetheless the volumes have been shipped out.

The USA has had a very special development, and this, of course, is due to less supply from Chile, but nevertheless prices have been historically high during this quarter.

We also said at our previous presentation that we have been working on obtaining VAP (*Value-Added Processing*) capacity at Grieg Seafood. We have signed a letter of intent with Isfjord in Trøndelag. And that is our first attempt or step to be able to offer more valued-added products in the market. We have established a department in our sales unit which is now working with VAP, which now have their first sales and their first deliveries, which we see as very positive. And we have a sales department, very forward leaning, both when it comes to selling whole fish but also very positive to developing this VAP segment for us. And we want to do this mainly for quality, high-quality fish, but if we were to get some downgraded fish, etc., we now have the possibility to fix this through a VAP product. We are renting production capacity there as a first step.

Then I will say a bit more about operations. We will start off with Rogaland first. We have had an EBIT during the quarter of NOK 30.6 million, that is somewhat down vs last quarter and the previous quarter, with NOK 4.9/kg. This is mainly due to two things. First, costs are too high as a result of PD (*pancreas disease*), lower survival due to this and lower average weights for the fish, which means in the next round you also get a lower price, so that hits twice, both on prices and costs. That is negative, but having said that, we had three sites that were affected.

And what we also see now, of the fish we have in the sea, less than 50-55% of our fish are post-smolt, so it is the smaller fish that have gotten PD or have it. We are working intensely to get more (*post-smolt*). We have Tytlandsvik Aqua where three modules are set up, together with Bremnes, with 4 500 tonnes

there, and we have decided to build the fourth module, we will have 6 000 tonnes next year, oh, excuse me, to be released in 2023, in the beginning of '23.

Some challenges in Rogaland due to the temperature, which was very high, and especially affected production in August and somewhat going into September. But now production has normalized in Rogaland and production is going well in this area. We expect to harvest 7 100 tonnes in the fourth quarter, somewhat lower costs than we have had in this quarter. The harvest volume in Rogaland for 2021, is 26 500 tonnes, somewhat down. That is because of PD which gave us some challenges during the summer. This is, by the way, the highest volume we have ever had in Rogaland.

When it comes to Finnmark, we achieved revenue of NOK 53.6/kg, compared to NOK 54 last year and NOK 48.4/kg last quarter. That gave us an EBIT/kg of NOK 8.10 in that region. We had okay, satisfactory price achievement there. A little impact there too from the superior share being too low. The measures we are working on are increasing the superior share, but it is still too low. That has to do with consequential damages, if we want to use that term, or rather scars after winter sores. We don't have them now, so things look very positive.

In Q3, costs rose a tad. In the big picture, production is doing well. We have had very good production, especially in September, and into October in this area. We have increased the survival ability of our fish and done a lot to prevent ISA with vaccination and so on, but also regarding winter ulcers as we mentioned earlier. We expect to harvest 13 400 tonnes in the fourth quarter with lower costs because we have good biological production, and it has been good during the autumn. We are reducing volumes here as well, by 1 500 tonnes to 35 500 in 2021. That is due to MAB, which we hope to utilize better, and have a good start in 2022, even up from 35 500 tonnes in 2021. We have never produced as much in this region as we are guiding for in 2021 or for next year.

So, then we have British Columbia where we had an EBIT of NOK 88 million in the quarter, and so far this year NOK 134 mill. As mentioned, very much driven by good prices, good quality and the right size for the fish in a market that functioned well in the third quarter. So that was very positive. Stable costs compared to Q2, even though we had lower harvest volumes. We have a good biological production in this area, with good, or rather rising survival rates. As we mentioned earlier regarding high mortality related to algae, we have done a lot with digitalization and the way we act based on the data we now obtain. So, compared to 2019 when we had a loss of 3.4% just because of algae, we are now down to 0.4%; last year we had 0.9%, so things are moving gradually in the right direction, but I think this was a very good result. With the right focus, you achieve results.

We expect to harvest 4 600 tonnes in Q4 with somewhat higher costs than we had in the last quarter, and this is linked somewhat to changing the composition of where we are harvesting – smaller sites are coming in, which gives us somewhat higher costs. Guidance the whole year has been for 15 000 tonnes, which we are maintaining.

We achieved NOK 20.6/kg in Canada as the best region, something we are very happy about and proud of. That was a good quarter.

So, there is Newfoundland. The main focus is unchanged, ensuring good biosecurity at our production site, fish health, and focus on profitability. We have built a site down there which we have completed, the last nail has been hammered in the smolt facility, the capacity is 600 tonnes at this site. The fish

there, in the hatchery and feeding start section are doing very, very well, and some of the fish are already in the smolt unit, those to be released to Placentia Bay in May 2022, that is next year.

Right now, we are working a lot on sea production. We already have equipment out today – nets are there, moorings, etc. are in place. That is to be able to test it through the winter. We just had a hurricane, it flew over our site, described as very powerful, passed directly over our site at Red Island in Placentia Bay, and everything stood just as nicely afterwards. So that was a very positive thing to take notice of. It was alright to test the equipment that we have chosen in rough conditions. The pens were strong, the barges were good, and so on, but it was alright to have it tested before we release the fish in May next year.

Costs there were NOK 37 million and will go somewhat down in Q4 compared to the third quarter, costs will decline.

We now see that the US market is very strong, and I think it is going to stay relatively strong in the US. That is because this ties in with many megatrends in this market. We still believe in strong growth there, and it is an advantage to be close to this market. We will have an advantage being on both the west coast and the east coast, and we don't use air freight to ship fish to this market. That will be more important in the future than it has been.

So, there is Shetland. Sorry to say, a bit sad to say it has been sold, we have had a lot of challenges in Shetland, and worked a lot on the Shetland turnaround, and when things finally improve, we sell it. But done is done. But it is my firm belief that Shetland has come to a good home, biologically it will have a completely different setting for a new owner, by not having more than one actor splashing in the same waters, they can guide this in a good way by themselves. We had a result, an EBITDA of NOK 53 mill., showing that the turnaround work that was done has worked. We expect that the competition authorities in the UK to resolve this by 15 December, that's what has been said.

I think I will stop there, and give the word to you, Atle Harald.

## **Financial Review**

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

Thank you, Andreas. First, I must say that I see we have had some technical problems with the sound on the net and we are working on fixing that, and of course the whole presentation will be published on the web after we are finished.

Then we will go to the P&L, revenues first. They increased compared to the quarter we compare it to, to NOK 1.3 bn in sales now. Much was driven by higher volumes and by a good US market where we have managed to achieve good prices during the quarter.

We had an EBIT of NOK 150 mill., as Andreas mentioned. Then we have the production fee of NOK 6.5 mill., as a separate line item this quarter. The fair value adjustment of the biomass was NOK 121 mill., positive, based on expectations of a stronger market going forward. Financial items showed costs of NOK 55 mill. and there are foreign exchange elements involved. They go a bit up and down depending on foreign exchange rates from quarter to quarter, and this quarter they went a bit down, and thus costs

are a bit higher compared to earlier quarters – that's what caused that. Our profit before tax was NOK 209 mill. And after tax, we had a profit of NOK 147.8 mill.

Then we have looked a bit at the development this quarter compared to Q2, that is, the previous quarter. And in Q2 we had an EBIT/kg of NOK 2.4, and here (*slide 18*) we see that the strong market and better prices have contributed with NOK 1.4/kg, and we had a good trend in costs this quarter, especially Finnmark has had lower costs, and that has contributed NOK 2/kg. Other costs are headquarter costs and Newfoundland, and were a little lower this quarter, and contributed NOK 1.5/kg, bringing us to NOK 7.30 in EBIT/kg.

So, then we look at our free liquidity, where we entered the quarter with nearly NOK 900 mill. in free liquidity, and we exit the quarter with nearly NOK 950 mill., thus a stable and good development of the free liquidity. Contributing very much is an EBITDA of NOK 251 mill., and then we used NOK 75 mill. on working capital, largely due to biomass. We invested NOK 65 mill. in biomass. We invested NOK 126 mill. and then financing is negative by NOK 152 mill. That is roughly one third due to repayment of a loan, one third due to repayment of leasing and one third on interest expenses. Finally, we have a contribution from other items, where the significant item in that NOK +154 mill. is roughly NOK 90 mill. coming from Shetland, which contributed positively with cash this quarter. As Andreas mentioned earlier, that region is doing well. We thus exited with NOK 946 mill., a good and stable situation for us.

On the investment side, not so much new since the last time we issued guidance, but we reduce our guidance a little, we guided for NOK 700 mill. for the year, whereas now we are guiding for NOK 680 mill., so a bit lower on the investment side, and we have focused on investing as efficiently as possible so far this year, as we have communicated earlier. In Norway, there is a lot of focus on sites, especially Finnmark, new localities and optimizing them. That goes beyond what we classify as maintenance investments. In North America, the focus has been on smolt sites. In BC, we have expanded our smolt site, and we completed our smolt site in Newfoundland, so that it is now operating. Otherwise, we are guiding for a biomass increase of about NOK 100 million during Q4.

A little summary of our financial situation. We had equity calculated according to bank covenants of 43% at the end of the quarter, where the requirement is 35%, so we are comfortable with that. We had net interest-bearing debt according to bank covenants at a little over NOK 4 bn, and it is important to note that we expect the Shetland transaction to take place in Q4 and that will reduce net interest-bearing debt by NOK 2 bn, all other factors unchanged, the way things are looking now. And that will bring us down to about NOK 27 in debt per kilo, which is a very comfortable level.

Otherwise, we have also started the process of refinancing the bank syndicate, which I also will comment on. The syndicate expires in 2023, in Q1 2023, so that becomes short-term debt in Q1 2022, so that process has started.

And finally, we have a lot of focus on costs, it is important for us, not least with the increase we have seen in raw material prices recently, which doesn't make that focus any less important for us.

So, that was short about financials, Then I will give the word back to Andreas.

## Outlook

### Andreas Kvame, CEO:

Thank you.

Now I'll say a little about the outlook, looking at harvesting first. We expect, in Norway, or rather Rogaland, to end at 26 500, 35 500 in Finnmark, and in BC, 15 000 tonnes. That will give us a total harvest of 77 000 tonnes, a little down from last time, which I have gone through today about why that is. In '22, we increase our harvesting. In Rogaland, up to 30 000 tonnes, that means an increase of 13%. In Finnmark from 35 500 to 38 000, an increase of 7%, and in BC, 22,000 tonnes, an increase of 47%. You have to look at that a bit year-over-year, because that has to do with releases, and the west and east side of Vancouver Island, and one year it goes down a bit, the next year is a little more up, but you end up with an average of about 18, 19 000 tonnes in BC. It has a little to do with how the calendar ends. But we are working intensely to get out of that situation, so that we can have a stable annual volume. That has to do with localities in BC, and we are working closely with First Nation to eventually get this arranged.

When it comes to the market, we are expecting a decline in the supply of salmon from Chile, also in Q4, and into 2022. So, with the record demand we have seen in the North American, or more and less in all markets, we think that prices can be very good in Q4 and into 2022. The HoReCa (*hotel, restaurant, catering*) segment has opened, it is gradually improving, and this gives a supplementary boost to this. We expect too that we will see a positive price achievement over time, stability over time since we have set up a VAP department. We expect in the fourth quarter a contract share of 20% in the company.

When it comes to the US and Europe now, it is exciting to see that the US has become such a big market, driven by retail. Before, for Norwegian industry at least, it has been Europe taking off when there has been a big jump or hop in supply, because it is retail that can run promotions and it is retail that can pull the volumes. And now we have another market that is becoming similar. So, if we get in the same situation again, the US could be a market contributing the same way as Europe has done in earlier situations. So there are many positive things.

Our expectations in operations regarding biology is for good biological production in all regions in Q4, the way it looks now, things are looking very good. We expect declining costs, but there is a risk when it comes to raw material and availability, worldwide, and so it is also in our industry, especially related to feed. It isn't just that the price itself of soya has gone up, soya protein concentrate has gone up, and freight, freight is a bit out of balance worldwide these days, you see that almost daily in the newspaper and in the news, how this works, and it also affects the feed industry and then affects our industry. So there is some risk there over time, because of the cost of feed.

We are optimizing our production in the various regions, we focus on fish health and welfare, those are the most important incentives we have for good production, a low FCR (*Feed Conversion Rate*), a low economic feed factor.

We are moving with careful steps in Newfoundland, we are testing, we are learning, and the plan is to release the first fish to the sea in May next year, 2022, where there are three sites that can contain up to 1 million fish per site. So, we have said that we release 3 million fish to the sea, that is the number, or that is what we have the possibility of doing.

And then the last thing – that is, of course, that we will finalize or complete the Shetland transaction with Scottish Sea Farms. Summarized, we expect good prices, or we have had good prices in British Columbia and a good biological development in Finnmark and Rogaland. Rogaland has also been impacted by PD as mentioned earlier. We expect to close the Shetland deal in December, by 15 December, by that time. We have secured value-added processing capacity, and that is the first step in our repositioning in the value chain which we identified very early as one of our clear goals. Having said that, we are busy in the US, we have worked quite a while in North America, with contract production, with Skuna Bay especially, our brand in that market.

Underlying, we have better operations in the company, we expect lower costs in the fourth quarter than in the third quarter. There are somewhat higher risks when it comes to raw materials, especially when it comes to feed costs, but even other input factors, such as pallets or feeding baskets, which are related to oil prices. There are many such things, but nevertheless our costs are declining in the fourth quarter. But going forward, two to three quarters, the price of feed will be a bigger challenge in the cost picture for the sector, not just for Grieg Seafood, but for the whole industry.

Then, at the end, I would like to announce that we are going to, we have decided when it will be, many times actually, but Covid has come in the way, we are going to hold a Capital Markets Day in Norway, although we have not decided yet whether in Rogaland or Finnmark, but it will be the 15<sup>th</sup> and 16<sup>th</sup> of June. It will be arranged.

Now we open for questions, Atle Harald.

**Question from audience:**

Two questions, maybe. First about the prices in Canada. Is it mainly timing and average weights, or are you getting a price premium for your Skuna Bay brand?

**Andreas Kvame, CEO:**

We have a little price premium for Skuna Bay, but when prices climb a lot, the impact can go the other way, because Skuna Bay often sells on a little more long-term basis, so when prices go up very fast, Skuna Bay is unable to keep up. But on average, there is always a premium for Skuna Bay, But timing was mainly the same, equal month for month, but sizes were good, so we were able to sell some to Asia as well.

**Question from audience:**

When it comes to volume guidance in Norway next year, the utilization of licenses in Rogaland is starting to get much better, but maybe not so good in Finnmark? How should we be thinking about utilizing those licenses in Finnmark even better going forward?

**Andreas Kvame, CEO:**

Well, as I said, this is one of our key focus areas, something we have worked on, Rogaland has been a big focus over a long time. It helps with post-smolt, too, gradually having some land-based production, in Rogaland, which doesn't count for MAB. In Finnmark, we see that we still have some potential, so thus we have made KPI's (*key performance indicators*) about this, we have done monthly measurements, and our incentive schemes are set up around this as well.



**Question from audience:**

But do you need more post-smolt or new sites, or is it just about improving the structure you have today?

**Andreas Kvame, CEO:**

We can improve the structure we have today, that is the first thing we must do. We are working on new localities, aren't there five or six sites we are investigating at one stage or another, either at the Norwegian Food Safety Authority or somewhere else further down? Then there is post-smolt, which we are very confident about, which is at least as important in Finnmark as it is in Rogaland. In Rogaland, it is important, in Finnmark it is especially important. The goal there is to avoid two winters in the sea, We are hard at work on this, hopefully we can provide more details next year.

**Question from audience:**

You have now finished harvesting some post-smolt, how is the EBIT/kg on that fish compared to the fish released as normal smolt?

**Andreas Kvame, CEO:**

Well, we have some internal numbers about that. We will delve into that more when it comes to our Capital Markets Day. The challenge is that you don't have pure groups of post-smolt, but a mix, and we have done something about that now, to get clearer numbers about this, because when you handle a site, you don't count costs per pen, but you measure costs per site, and if that contains a mix to utilize MAB as much as possible, you don't have just post-smolt, or enough post-smolt, so you have the average cost for a site. But we have started a project to track this more closely and allocate the costs properly in-house.

**Question from audience:**

We see that the forward market strong for 2022 is quite strong. What do you think about that? Are you signing any contracts or anything?

**Andreas Kvame, CEO:**

We have a goal in the company of lying between 20 and 50% contract coverage, either financial contracts or price hedging or physical contracts. So, yes, we are working on that, but it is not always as easy to reach an agreement with a buyer.

**Question from audience:**

You mentioned the risk from rising costs due to higher raw material prices, can you say anything about how much this potentially could impact production costs if they continue at this level? And what measures are you looking at to offset this impact? Biological cost – how much impact can it have on your performance?

**Andreas Kvame, CEO:**

As I said regarding the fourth quarter, even if feed costs rise, it won't have any impact on costs. Costs there are something we have been working on a long time. Costs will increase somewhat – I won't be

too concrete about that – but we are talking about, when it comes to feed costs, somewhere around 12-15, even more in per cent, just on feed. You can offset that, but then it is important that you have as low an FCR (*Feed Conversion Rate*) as possible, as low an economic feed factor as possible, meaning you need to get every ounce of feed into the fish. So this is an area where we are working very hard, and we have set clear KPI's for our goals, using digitalization and camera technology much more, to control the feeding even better, not just to steer it when it goes down, but making sure that it doesn't disappear underneath.

In addition to that, you must of course look at the recipe, which we are doing now. Are there things you can do in the recipe that give the same result, but where you could just as well use different ingredients in the recipe? So, rising the most, we have plant feed ingredients, and when it comes to fish oil and fish meal, they are relative stable.

**Question from audience:**

A question about British Columbia and your volume guidance. When do you think you will be able to stabilize the harvest pattern there, and which factors do you depend on, is it localities or restructuring, and a little bit about which steps you need to take to reach the 35 000 tonnes in 2025 that you have communicated?

**Andreas Kvame, CEO:**

In British Columbia, it has something to do with the composition, as I mentioned, of the east and west coast. We have a goal that, hopefully, by 2023 or 2024, there will be a balance between the east and west coast. That really depends very much on one thing, which is our relationship to First Nation. And we recognize indigenous people's rights very much. We work according to three principles which are in the reconciliation protocol, as it is called, paragraph 92, which says things about how this is to be done.

Do not be in areas where we are not wanted, don't apply pressure to be there. We want to be welcome, and that is one paragraph in the reconciliation agreement. The second paragraph in the reconciliation protocol says we should create value for our partner, meaning the indigenous people who have rights and it their nation and it is their land there.

And last, we are working significantly on culture, both in our company and in relation to First Nation to understand more about their motives and background for this. If you have those three things in order and you have an agreement with First Nation, then it is actually First Nation as a country, not Canada that decides in these territories. That is actually one of the relevant topics today. And there is a lot of debate about this. There is a reason why they call it First Nation. You are not talking to Trudeau; you are speaking to the Prime Minister in First Nation.

**Atle Harald Sandtorv, CFO:**

Well, there were not further questions in this room. Unfortunately, there have been some technical problems on the web, without sound, our apologies for that, and we do not have any questions from the web today, thanks for your participation.

**Andreas Kvame, CEO:**

Thanks for having us.