



# Q3 REPORT

## 2022

# Contents

---

|                   |                                      |         |
|-------------------|--------------------------------------|---------|
| <b>PART 01</b>    | Group highlights                     | page 3  |
| <b>Highlights</b> | CEO comment                          | page 4  |
|                   | Regional highlights                  | page 5  |
|                   | Key figures                          | page 6  |
|                   | Our scoreboard                       | page 8  |
|                   | Guiding and expectations             | page 9  |
|                   | Our approach to sustainable business | page 11 |
|                   | Status towards 2026                  | page 12 |

---

|                 |                              |         |
|-----------------|------------------------------|---------|
| <b>PART 02</b>  | Group financial review       | page 14 |
| <b>Progress</b> | Sales and market development | page 18 |
|                 | Rogaland                     | page 21 |
|                 | Finnmark                     | page 26 |
|                 | British Columbia             | page 30 |
|                 | Newfoundland                 | page 35 |
|                 | Quarterly story              | page 37 |
|                 | Board's approval             | page 38 |

---

|                |                                  |         |
|----------------|----------------------------------|---------|
| <b>PART 03</b> | Financial statements             | page 40 |
| <b>Results</b> | Selected notes                   | page 45 |
|                | Alternative performance measures | page 61 |
|                | About Grieg Seafood              | page 65 |

## PART 01

# HIGHLIGHTS

We are on a journey of sustainable growth. We are dedicated to improve our operational performance, fish welfare and survival, reduce our impact and increase profitability. Change will never stop, and we pursue improvement wherever we see it. It drives our commitment and lets us capture new opportunities. This is how we farm the ocean for a better future.

### Group highlights

- Harvest volume of 22 923 (20 479) tonnes
- Operational EBIT of NOK 145 million (NOK 149 million), with operational EBIT/kg of NOK 6.3 (7.3)
- Salmon prices remained seasonally high despite significant supply growth, strong demand in HoReCa and Retail
- High contract share and timing of harvest impacted price achievement
- Biological challenges in BC combined with underlying inflation resulted in higher farming costs
- Challenging growth conditions in Norway from mid of quarter
- Seawater production in Newfoundland according to plan
- Group farming cost of NOK 59.4 per kg (NOK 48.7 per kg) due to biological challenges in BC. Farming cost of NOK 49.8 per kg (NOK 45.9 per kg) for our Norwegian operations mainly due to inflationary pressure
- Initiated structural changes to BC operations as part of strategy to optimize site structure
- Total of 33 sites ASC certified, equivalent to 78% of net production
- Expect harvest of 17 500 tonnes in Q4 2022, 81 000 tonnes for the full year 2022, and 87 000 tonnes for 2023
- The Norwegian Government proposed to introduce a resource tax of 40% of farmed salmon from 1 January 2023, which will impact investments and industry development in Norway should it be implemented in its current form. The proposal is subject to a public hearing and adoption by the Parliament

# CEO comment

While the market and demand for salmon was strong for the season, the third quarter has been somewhat challenging. Our farming operations were impacted by unfavorable growth conditions and sea lice pressure in Rogaland and Finnmark, as well as algae blooms in BC. After implementing mitigating efforts, production has gradually improved and is expected to be stabilized in all regions in Q4. Seawater production in Newfoundland is according to plan. Looking forward, Grieg Seafood expects a continued strong salmon market where we will continue optimization of production with focus on fish health and welfare. I want to thank all hardworking Grieg Seafood colleagues for their efforts during the quarter.

Political risk in Norway increased significantly as a result of the Norwegian Government's proposal to introduce a resource tax with an effective tax rate of 40% on farmed salmon. Grieg Seafood have previously identified large investment opportunities in our coastal communities in Norway aimed at advancing sustainable growth, however the proposal in its current form will significantly reduce available capital necessary for these investments. Therefore, all new investments that are impacted by the tax are put on hold. The proposal and the uncertainty caused by the political process in which it was launched shows how geographical diversification has become even more important to reduce risk in the industry. Grieg Seafood is together with the industry working to ensure that Norway remains competitive within the global salmon farming industry, with a stable and attractive investment climate. The proposal is subject to a public hearing and adoption by the Parliament. Once that has happened, Grieg Seafood will assess how the final outcome will impact our strategy and plans and adjust accordingly.

Grieg Seafood remains committed to continuous improvements and sustainable farming across our regions.



**ANDREAS KVAME**

CEO Grieg Seafood ASA

# Regional highlights

---

## Rogaland Norway

- Harvest volume of 6 841 tonnes (6 282)
- Operational EBIT/kg NOK 13.4 (4.9)
- Price achievement supported by good average harvest weights and a superior share increasing to 94% from 86% in Q3 2021, offset by a high contract share and timing of harvest
- Production in sea impacted by high seawater temperature and sea lice issues, but survival rate remained strong, increasing to 93% from 91% in Q3 2021
- Farming cost per kg of NOK 51.8, up compared to both Q3 2021 (NOK 46.5) and Q2 2022 (NOK 46.7) due to inflation in input factors
- On track with post-smolt strategy, with average weight of smolt of 400 grams in Q3 2022, or 570 grams YTD
- Total of three sites ASC certified (46% of net production)

---

## Finnmark Norway

- Harvest volume of 8 174 tonnes (9 908)
- Operational EBIT/kg NOK 14.0 (8.1)
- Superior share of 94% (87% in Q3 2021) supporting price achievement, offset by a high share of contracts, timing of harvest and lower average harvest weight
- Challenging growth conditions driven by low seawater temperature and elevated sea lice pressure
- Farming cost per kg of NOK 48.1, up from NOK 45.5 in Q3 2021 and NOK 40.6 in Q2 2022 due to inflation in input factors
- All active sites ASC certified (100% of net production)

---

## British Columbia Canada

- Harvest volume of 7 908 tonnes (4 289)
- Operational EBIT/kg NOK -5.1 (20.6)
- Price achievement impacted by a superior share of 86% (89% in Q3 2021) and lower average harvest weight
- Stable seawater production despite algae blooms - limited impact on sites with barrier systems
- Site restructuring process continues with discontinuation of least optimal sites
- Farming cost per kg of CAD 10.1 up from CAD 8.5 in Q3 2021 and CAD 7.9 in Q2 2022 due to reduced survival in freshwater and seawater
- Total of 12 sites ASC certified (83% of net production)

---

## Newfoundland Canada

- Greenfield project with significant growth potential
- Still early phase, stepwise development of the region
- The hurricane Fiona hit Newfoundland at the end of the quarter without impacting operations
- Freshwater production according to plan, fish are healthy and growing well
- Two million fish transferred to sea this year, current biomass of 2 000 tonnes. Good biological performance, high survival and no sea lice issues
- Operational EBIT of NOK -24 million



# Key figures

| KEY FIGURES   | Q3 2022 | Q3 2021 | YTD 2022 | YTD 2021 |
|---|---------|---------|----------|----------|
| <b>Operational</b>  |         |         |          |          |
| Harvest volume (tonnes GWT)   | 22 923  | 20 479  | 63 511   | 51 874   |
| Sales revenue/kg (NOK) <sup>(1)</sup>                                     | 66.6    | 58.4    | 78.4     | 54.9     |
| Group farming cost/kg (NOK) <sup>(1)</sup>                                | 59.4    | 48.7    | 51.1     | 48.5     |
| Other costs incl. ownership and headquarter costs/kg (NOK) <sup>(1)</sup> | 0.9     | 2.4     | 2.3      | 3.0      |
| Operational EBIT/kg (NOK) <sup>(1)</sup>                                  | 6.3     | 7.3     | 24.9     | 3.4      |
| <b>Financial</b>  |         |         |          |          |
| Sales revenues (NOK million)  | 1 709   | 1 303   | 5 524    | 3 085    |
| Operational EBITDA (NOK million) <sup>(1)</sup>                           | 266     | 251     | 1 909    | 464      |
| Operational EBIT (NOK million) <sup>(1)</sup>                             | 145     | 149     | 1 584    | 177      |
| EBIT (Earnings before interest and taxes, NOK million)                    | -394    | 264     | 1 215    | 547      |
| Profit before tax (NOK million)   | -402    | 209     | 1 340    | 490      |
| Cash flow from operations (NOK million)                                   | 507     | 238     | 1 710    | 251      |
| <b>Capital structure</b>  |         |         |          |          |
| NIBD excl the effects of IFRS 16 (NOK million) <sup>(1), (2)</sup>        | 1 253   | 4 079   | 1 253    | 4 079    |
| NIBD/harvest volume (NOK) <sup>(1), (3)</sup>                             | 14.4    | 47.2    | 14.4     | 47.2     |
| Equity % <sup>(1)</sup>   | 49%     | 41%     | 49%      | 41%      |
| Equity % according to covenant <sup>(1)</sup>                             | 51%     | 43%     | 51%      | 43%      |
| Gross investments (NOK million) <sup>(1), (4)</sup>                       | 196     | 126     | 487      | 465      |
| <b>Profitability</b>  |         |         |          |          |
| ROCE <sup>(1)</sup>   | 7%      | 7%      | 28 %     | 3 %      |
| Dividend per share (NOK)  | 0.0     | 0.0     | 3.0      | 0.0      |
| Earnings per share (NOK)  | -2.5    | 1.3     | 9.7      | 3.1      |
| Total market value (NOK million, Euronext)                                | 8 350   | 9 303   | 8 350    | 9 303    |

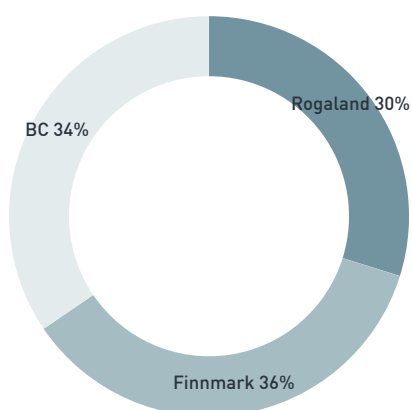
1) See Alternative Performance Measures for definitions.

2) NIBD excl. the effects of IFRS 16 is incl. Shetland for Q3 2021.

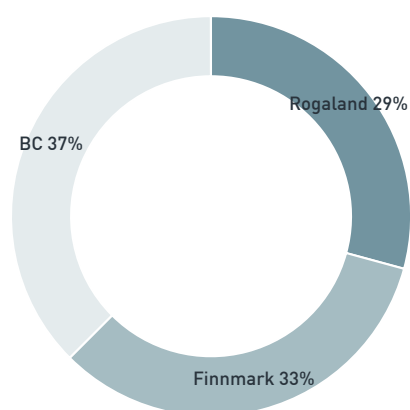
3) NIBD/harvest: NIBD excl IFRS 16 divided by last twelve months harvest volume for Q3 2022, and actual last twelve months harvest for Q3 2021 (incl Shetland).

4) Incl. financial lease (according to IFRS in force prior to 1 January 2019) investments.

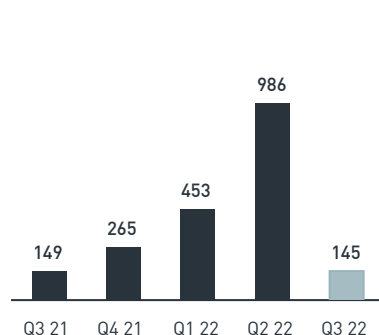
**HARVEST VOLUME**  
Q3 2022



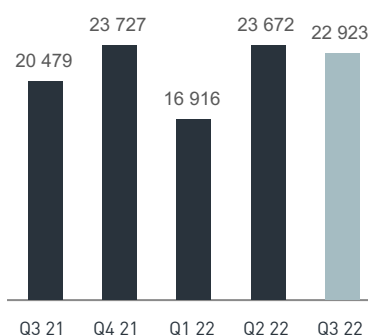
**SALES REVENUES**  
Q3 2022



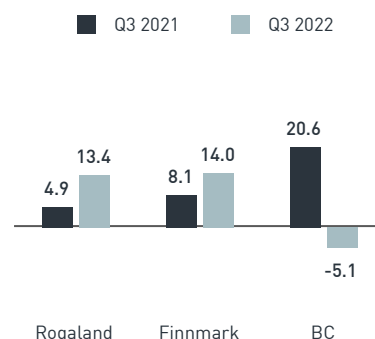
**OPERATIONAL EBIT**  
(NOK MILLION)



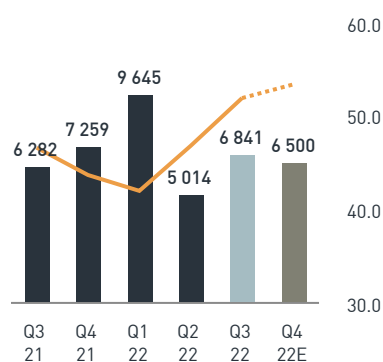
**HARVEST VOLUME**  
(TONNES GWT)



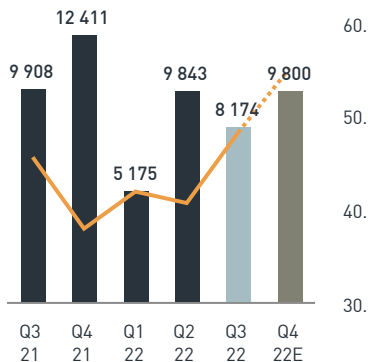
**OPERATIONAL EBIT/KG PER REGION**  
(NOK)



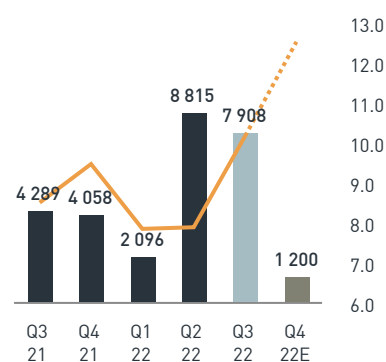
**HARVEST VOLUME & FARMING COST/KG (NOK)**  
ROGALAND



**HARVEST VOLUME & FARMING COST/KG (NOK)**  
FINNMARK



**HARVEST VOLUME & FARMING COST/KG (CAD)**  
BRITISH COLUMBIA



The graphs show the guided harvest volume for Q4 2022, while the dotted cost lines indicate direction of farming cost per kg. We expect the farming cost in Finnmark to be impacted by approx NOK 6/kg due to culling of fish with Spiro. The volume and farming cost in BC will be impacted by harvesting out a generation.

# Our scoreboard

● Within target ◆ On track to meet target ■ Unsatisfactory result

|                     | ASPECT   | TARGET  | STATUS | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 |
|---------------------|--|---|--------|---------|---------|---------|---------|---------|
| PROFIT & INNOVATION | <b>Return on capital employed <sup>1)</sup></b>    | 12% p.a.                                      | ◆      | 7%      | 52%     | 25%     | 13%     | 7%      |
|                     | <b>Harvest volume (tonnes GWT)</b>                 | 81 000 tonnes in 2022                         | ●      | 22 923  | 23 672  | 16 916  | 23 727  | 20 479  |
|                     | <b>Farming cost per kg</b>                         | Cost leader in our operating regions          |        |         |         |         |         |         |
|                     | Rogaland   |   | ◆      | 51.8    | 46.7    | 41.9    | 43.6    | 46.5    |
|                     | Finnmark   |   | ◆      | 48.1    | 40.6    | 41.8    | 37.8    | 45.5    |
|                     | British Columbia                                   |   | ◆      | 10.1    | 7.9     | 7.8     | 9.4     | 8.5     |
| HEALTHY OCEAN       | <b>ASC certifications <sup>2)</sup></b>            | All sites by 2023                             | ◆      | 33      | 31      | 31      | 30      | 30      |
|                     | <b>Survival rate sea (GSI standard)</b>            | 93% by 2022                                   |        |         |         |         |         |         |
|                     | Rogaland   |   | ●      | 93%     | 93%     | 92%     | 92%     | 91%     |
|                     | Finnmark   |   | ◆      | 92%     | 94%     | 95%     | 95%     | 95%     |
|                     | British Columbia                                   |   | ◆      | 90%     | 92%     | 92%     | 92%     | 91%     |
|                     | <b>Antibiotics g/tonne <sup>3)</sup></b>           | No use of antibiotics                         |        |         |         |         |         |         |
|                     | Rogaland   |   | ●      | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
|                     | Finnmark   |   | ●      | 0.0     | 13.0    | 6.2     | 0.0     | 0.0     |
|                     | British Columbia                                   |   | ■      | 56.6    | 35.5    | 31.8    | 27.1    | 2.0     |
|                     | Newfoundland                                       |   | ●      | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
|                     | <b>Sea lice treatments g/tonne <sup>3/4)</sup></b> | Minimize use of pharmaceutical treatments     |        |         |         |         |         |         |
|                     | Rogaland   |   | ●      | 0.0     | 0.0     | 7.9     | 0.0     | 0.0     |
|                     | Finnmark   |   | ●      | 0.7     | 0.0     | 0.0     | 0.2     | 0.4     |
|                     | British Columbia                                   |   | ●      | 0.8     | 0.0     | 0.1     | 0.1     | 0.9     |
|                     | Newfoundland                                       |   | ●      | 0.0     | 0.0     | 0.0     | n/a     | n/a     |
|                     | <b>Escape incidents (# of fish)</b>                | Zero escape incidents                         | ■      | 1 (19)  | 0       | 0       | 0       | 1 (3)   |
| SUSTAINABLE FOOD    | <b>High quality product</b>                        | 93% superior share                            |        |         |         |         |         |         |
|                     | Rogaland   |   | ●      | 94%     | 82%     | 73%     | 85%     | 86%     |
|                     | Finnmark   |   | ●      | 94%     | 84%     | 80%     | 89%     | 87%     |
|                     | British Columbia                                   |   | ◆      | 86%     | 86%     | 77%     | 82%     | 89%     |
| PEOPLE              | <b>Absence rate</b>                                | Below 4.5%                                    |        |         |         |         |         |         |
|                     | Rogaland   |   | ◆      | 4.8%    | 7.6%    | 5.3%    | 3.4%    | 3.5%    |
|                     | Finnmark   |   | ■      | 8.0%    | 8.5%    | 12.2%   | 9.9%    | 7.8%    |
|                     | British Columbia                                   |   | ■      | 6.9%    | 7.1%    | 6.6%    | 5.6%    | 5.1%    |
|                     | Newfoundland                                       |   | ●      | 1.4%    | 1.2%    | 3.3%    | n/a     | n/a     |
| LOCAL COMMUNITIES   | <b>Support our local communities</b>               | Collaborate and contribute to local community | ●      | Yes     | Yes     | Yes     | Yes     | Yes     |

1) ROCE is calculated using operational EBIT, see Alternative Performance Measures for definition.

2) Number of sites certified. Target: 100% ASC compliant within 2023.

3) Amount of active pharmaceutical ingredients (APIs) used (g) per tonne of fish produced (LWE).

4) Excl. hydrogen peroxide. For data on hydrogen peroxide, see the regions' Sustainability KPIs.



# Guiding and expectations

## Proposed resource tax in Norway

The Norwegian Government has proposed to introduce a resource tax with an effective tax rate of 40% on farmed salmon for volumes above 4-5 000 tonnes from 2023. The resource tax will only be applicable to profits generated in the sea phase of the production cycle. The proposal is subject to a public hearing and adoption by the Norwegian Parliament, expected to happen before the summer of 2023. The proposed tax in the current form is not neutral on investments and Grieg Seafood has put all new investments on hold until a final version is adopted. Approximately NOK 2.3 billion in investments have been put on hold. Grieg Seafood is together with the industry working to ensure that Norway remains competitive within the global salmon farming industry, with a stable and attractive investment climate. Once the tax is adopted, Grieg Seafood will assess how the final proposal will impact the company's strategy and plan. For more information, see Note 2.

## Farming operations

### Rogaland Norway

- Biological production stabilized mid-quarter Q4
- Expect harvest of 6 500 tonnes in Q4 2022, evenly distributed throughout the quarter
- 2022 harvest target reduced from 30 000 to 28 000 tonnes as production in sea the last months has been impacted by high seawater temperature and sea lice issues in addition to reduced survival after incident with low oxygen level
- Increased farming cost per kg in Q4 compared to Q3 as incident with low oxygen level impacts survival

### Finnmark Norway

- Biological production impacted by continued high sea lice pressure and culling of fish to limit fish welfare issues caused by the parasite Spiro
- Expect harvest of 9 800 tonnes in Q4 2022, skewed towards the beginning of the quarter
- 2022 harvest target reduced from 36 000 to 33 000 tonnes as growth in sea the last months has been challenging due to high sea lice pressure
- Higher farming cost per kg in Q4 compared to Q3 due to culling of fish with Spiro (estimate NOK 60 million in write down/NOK 6 pr kg), underlying cost remains stable

### British Columbia Canada

- Stable biological situation so far in Q4 2022
- Expect harvest of 1 200 tonnes in Q4 2022, main part of harvest in October, next harvest end of April 2023
- 2022 harvest target from 21 000 to 20 000 tonnes due to reduced survival
- Higher farming cost per kg due to lower volume and the last harvest of a generation

### Newfoundland Canada

- Good production and high survival both in freshwater and seawater so far in Q4 2022
- Stable operational cost in Q4 2022

Over the last years, we have been able to reduce farming costs through operational improvement initiatives. However, the general cost inflation, and higher feed prices in particular, are expected to continue to impact farming costs going forward. We will continue to benchmark our cost to our competitors' to ensure we are competitive.

| EXPECTED HARVEST<br>(TONNES GWT) | ROGALAND      | FINNMARK      | BRITISH<br>COLUMBIA | NEWFOUNDLAND | GROUP TOTAL   |
|----------------------------------|---------------|---------------|---------------------|--------------|---------------|
| Q1 2022                          | 9 640         | 5 170         | 2 100               | —            | 16 900        |
| Q2 2022                          | 5 010         | 9 840         | 8 820               | —            | 23 700        |
| Q3 2022                          | 6 840         | 8 170         | 7 910               | —            | 22 900        |
| <b>Q4 2022</b>                   | <b>6 500</b>  | <b>9 800</b>  | <b>1 200</b>        | <b>—</b>     | <b>17 500</b> |
| <b>Total 2022</b>                | <b>28 000</b> | <b>33 000</b> | <b>20 000</b>       | <b>—</b>     | <b>81 000</b> |
| <b>Total 2023</b>                | <b>29 000</b> | <b>33 000</b> | <b>20 000</b>       | <b>5 000</b> | <b>87 000</b> |

## Sales & Market

We expect a good market as a result of no or limited global supply growth of Atlantic salmon in combination with the outlook for continued high demand both in retail and the HoReCa market. Current Fishpool forward price for Q4 2022 is NOK 72 per kg. Our estimated contract share for Q4 2022 is 32% of our Norwegian harvest volume, or 23% for the full year 2022.

## Capex

Capex is in line with previous guiding, and estimated at approx. NOK 850 million in 2022, where of close to NOK 550 million relates to growth investments.

# Our approach to sustainable business

In our long-term perspective, there is no contradiction between clean seas, healthy fish and financial profit. It is our task to make these aspects go hand in hand, and contribute to a sustainable ocean economy.

Grieg Seafood's business is based on [five pillars](#), covering environmental, social and governance (ESG) topics identified as important to our stakeholders. Our [materiality assessment](#) forms the foundation of our pillars. The pillars help us steer towards long-term value creation for investors, customers, employees and local communities. Find an overview of our pillars, targets and Group policies [here](#).

Sustainability is core to the industry and strongly impacts our financial performance. Our sustainability drivers must perform well if we are to reach our financial targets.



\*Net profit after tax, before fair value adj. on biological assets (limited to 50% by Green Bond agreement).

## THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The UN Sustainable Development Goals guide us towards a more sustainable food system. They highlight opportunities to grasp and challenges to solve - both in our farming operations and in our value chain. Read how Grieg Seafood align with the various SDGs [here](#).



## TOMORROW'S SUSTAINABLE GLOBAL FOOD SYSTEM

- Healthy and nutritious food for 9 billion people
- Nature and biodiversity protected
- Low carbon and low climate risk
- Good animal welfare
- A circular economy with resources recycled
- Social and economic justice for producers in supply chains

Aquaculture and farmed salmon can play an important role in the future food system - if we do it responsibly and right. Read more [here](#).

# Status towards 2026

We aim to expand globally through growth and value chain innovation. Our 2026 strategy comprises three key strategic objectives for continued business development. Increasingly sustainable farming practices form the very foundation of all areas of the strategy.

|   |   |   |
|---|---|---|
| <b>Global growth</b><br>Ambition of 120 000-135 000 by 2026 | <b>Cost improvement</b><br>Cost leader in our operating regions | <b>Value chain repositioning</b><br>From raw material supplier to strategic partner |
| <b>SUSTAINABILITY</b>                                       |   |   |

Global growth, market repositioning and cost leadership are the key areas of business development towards 2026. Sustainability is the foundation of all areas of the strategy. Read more about our 2026 business strategy [here](#).

## OPERATIONAL FOCUS AREAS

To achieve sustainable growth and improve competitiveness, we focus on reducing the time fish spend at sea (post-smolt), improving fish welfare and providing data-driven decision support (Precision Farming) to our operations. Together, the focus areas strengthen our ocean farming. Read more about our operational focus areas [here](#).

|  |  |   |
|--|--|---|
| <b>Less time at sea<br/>(post-smolt)</b> | <b>Preventive farming practices<br/>and fish welfare</b> | <b>Precision Farming - data<br/>driven decision support</b> |
|--|--|---|

PART 02

# PROGRESS

Without a profitable business, we will not be able to farm healthy salmon for people to eat all over the world. To achieve good financial results, our farming methods need to be both cost effective and sustainable.



# Group financial review

Continued focus on sustainability is key to increasing our profits. With initiatives to reduce our environmental impact and improve fish welfare, we aim to increase harvest rates and reduce production cost. We aim to provide our shareholders with a competitive return on capital invested, with a ROCE target of 12%.

## Profit

*Figures for Q3 2021 in brackets*

The Group harvested 22 923 tonnes in Q3 2022 (20 479 tonnes), up 12% compared to Q3 2021, and down 3% compared to 23 672 tonnes in Q2 2022. Rogaland and Finnmark contributed 66% (79%) to the Group's harvest volume, while 34% (21%) origins from British Columbia. Sales revenue for the quarter was NOK 1 709 million, up 31% compared to NOK 1 303 million in Q3 2021 and down from NOK 2 351 million in Q2 2022. In total, 63% (71%) of the Group's sales revenue from farming regions was generated by Rogaland and Finnmark, while British Columbia contributed with 37% (29%) of the sales revenue.

The Group's price realization was down in Q3 2022 compared to Q2 2022, as the spot market price has declined during the quarter compared to the record high price levels observed during the first half of 2022. The Group delivered a price realization for the quarter of NOK 66.6 per kg (NOK 58.4 per kg), down NOK 25.9 per kg compared to NOK 92.5 per kg in Q2 2022. In total, Rogaland and Finnmark achieved a price realization of NOK 63.6 per kg (NOK 52.7 per kg) in Q3 2022, down NOK 30.7 per kg compared to NOK 94.3 per kg in Q2 2022. 35% of our volume in Norway was sold on contracts in Q3 2022. British Columbia realized a price equivalent to NOK 72.4 per kg (NOK 79.6 per kg), down NOK 17.2 per kg compared to NOK 89.6 per kg in Q2 2022.

The Group's farming cost for the quarter was NOK 59.4 per kg (NOK 48.7 per kg), up NOK 10.8 per kg compared to NOK 48.6 per kg in Q2 2022. The farming cost of the Group for the quarter was primarily driven by high costs in British Columbia due to reduced survival in both freshwater and seawater (biological challenges including seasonal algae incidents). The farming cost in British Columbia was CAD 10.1 per kg (CAD 8.5 per kg), compared to CAD 7.9 per kg in Q2 2022. Our Norwegian regions contributed to 55% (75%) of the Group's farming cost, impacting EBIT by a farming cost of NOK 49.8 per kg (NOK 45.9 per kg) in the quarter, up NOK 7.2 per kg compared to NOK 42.7 per kg in Q2 2022. The main reason for the increase in cost level was inflation both in feed and other input factors.

The Group's operational EBIT was NOK 145 million (NOK 149 million) for the quarter, down 85% compared to NOK 986 million in Q2 2022. The operational EBIT in Q2 2022 was impacted by an exceptionally strong market, and in Q3 2022 the operational EBIT was in line with Q3 2021. During the quarter, the Group realized a ROCE of 7%. Operational EBIT/kg for the quarter was NOK 6.3 (NOK 7.3 per kg) in Q3 2022, down NOK 35.3 per kg compared to NOK 41.6 per kg in Q2 2022. Our Norwegian regions contributed with an operational EBIT of NOK 13.7 per kg (NOK 6.8 per kg), down NOK 37.9 per kg compared to NOK 51.6 per kg in Q2 2022, while British Columbia realized NOK -5.1 per kg (NOK 20.6 per kg), down NOK 36.1 per kg compared to NOK 30.9 per kg in Q2 2022.

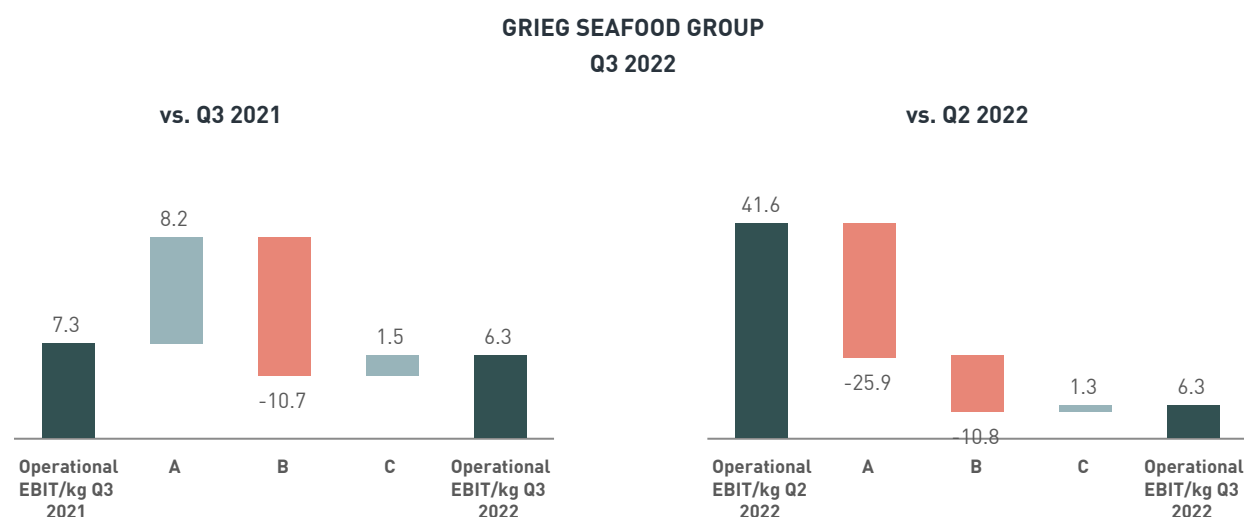
The difference between operational EBIT and the EBIT financial statement line item presented in the income statement for Q3 2022 relate to non-operational share of profit from associates, production fee on Norwegian harvest volume, fair value adjustment of the biological assets of the group, impairment on tangible and intangible non-current assets and other non-operational items.

| OPERATIONAL EBIT PER REGION (NOK MILLION) | Q3 2022      | Q3 2021      | YTD 2022       | YTD 2021     |
|---|--------------|--------------|----------------|--------------|
| Rogaland                                  | 91.9         | 30.6         | 659.9          | 158.6        |
| Finnmark                                  | 114.5        | 80.2         | 765.6          | 39.4         |
| British Columbia                          | -40.6        | 88.4         | 304.0          | 133.6        |
| Newfoundland                              | -24.1        | -36.9        | -85.3          | -97.1        |
| Elimination/Others                        | 2.9          | -12.8        | -60.6          | -57.4        |
| <b>Grieg Seafood Group</b>                | <b>144.6</b> | <b>149.5</b> | <b>1 583.5</b> | <b>177.0</b> |

Source: Note 3

The positive operational EBIT from Eliminations/Others in Q3 2022 was primarily due to gain on the synthetic option scheme.

## OPERATIONAL EBIT-BRIDGE, QUARTER-ON-QUARTER (NOK/KG)



A = Sales revenue/kg | B = Farming cost/kg | C = Other costs incl. ownership and headquarter costs/kg

The operational EBIT-bridge is calculated using solely figures from Note 3.

The share of profit from associated companies included in operational EBIT ended at NOK 1 million for Q3 2022 (NOK 0 million), up NOK 2 million from NOK -1 million in Q2 2022. Share of profit from associated companies not included in operational EBIT for Q3 2022 was NOK 23 million, which relate to a gain resulting from dilution through a capital issue in Årdal Aqua in the quarter (see Note 9). Total share of profit from associates for the quarter ended at NOK 24 million (NOK 0 million). Production fee, calculated as NOK 0.405 per kg salmon harvested by our Norwegian regions, came to NOK 6 million for the quarter (NOK 6 million), in line with NOK 6 million in Q2 2022 as harvest volumes have been relatively stable. Fair value adjustments of biological assets amounted to NOK -442 million (NOK 121 million) in the quarter, down NOK 365 million from NOK -77 million in Q2 2022. During the quarter, Grieg Seafood has decided to end production in the shishálh (Sechelt) farming area of British Columbia, negatively impacting the income statement with a write down of licenses and relevant seawater assets of NOK 93 million in addition to site clean-up costs estimated to NOK 20 million (see the British Columbia section of this report and Note 6 for more information).

EBIT (earnings before interests and taxes) came to NOK -394 million for the quarter (NOK 264 million), down NOK 1 141 million from NOK 747 million in Q2 2022. A reconciliation of operational EBIT with the EBIT presented in the income statement is included in Note 3. Net financial items ended at NOK -9 million (NOK -55 million) for the quarter, positively impacted by foreign exchange rate fluctuations during the quarter. The pre-tax loss for the quarter totaled NOK 402 million (profit NOK 209 million). Tax income for the period was estimated to NOK 123 million (tax expense of NOK 61 million), bringing the total loss after tax to NOK 279 million (profit from continuing operations of NOK 148 million).

The sale of the Shetland assets was finalized in Q4 2021, and there are no financial results from discontinued operations in Q3 2022, compared to a total profit after tax from discontinued operations of NOK 56 million in Q3 2021. See Note 4 for more information.

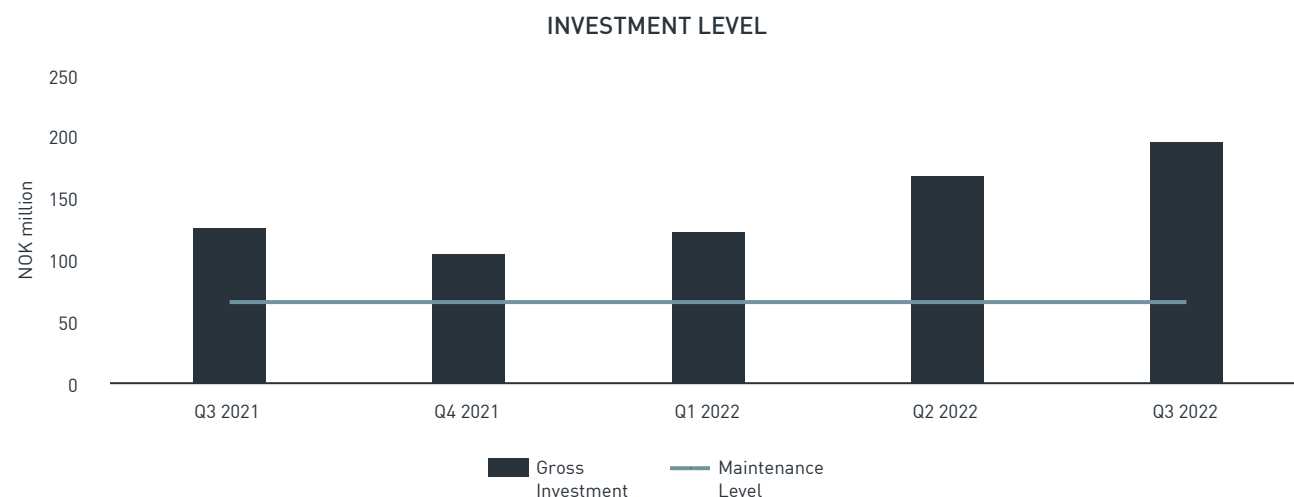
## Cash flow

*Figures for Q3 2021 in brackets*

Cash flow from operating activities during the quarter amounted to NOK 507 million (NOK 238 million), down NOK 361 million compared to NOK 868 million in Q2 2022. Changes in working capital impacted our cash flow from operating activities by NOK 245 million (NOK -75 million), up NOK 584 million from NOK -339 million in Q2 2022. Changes in working capital for Q3 2022 was driven positively by changes in accounts receivable and payables, somewhat offset by build-up of biological assets (at cost). The change in cash flow from operating activities compared to Q2 2022 was primarily due to a lower operational EBIT in Q3 2022, as market prices for Atlantic salmon has declined during the quarter from the record high levels experienced during Q2 2022 and the first half of 2022.

Net cash flow from investing activities was NOK -160 million (NOK -126 million) during the quarter. Our gross investments for the quarter was NOK 196 million (NOK 126 million), of which NOK 36 million (NOK 0 million) was through lease arrangements with credit institutions. The investments in Q3 2022 were mainly related to a barge in Finnmark, investments made to prepare new seawater sites in Newfoundland, as well as maintenance related investments.

Net cash flow from financing activities in Q3 2022 was NOK -183 million (NOK -262 million), up NOK 278 million from NOK -461 million in Q2 2022. In Q2 2022, a dividend of NOK 3 per share was distributed to shareholders, in total NOK 337 million. In addition, the Group has had cash outflows of NOK 85 million related to buyback of bonds and installments on the syndicated debt. Compared to Q3 2021, installments on the refinanced syndicated debt are generally higher compared to the previous financing due to a higher principal amount in the loan agreement. In addition, the Group utilized the revolving credit facility in Q3 2021, which since the refinancing in Q1 2022 has been kept undrawn. Cash outflows on lease liabilities have increased since Q3 2021, which primarily relates to the development and increased operational capacity of the Newfoundland region.



Investment level for Q3 and Q4 2021 excl. gross investments made in Shetland, which was sold 15 December 2021. See Alternative Performance Measures for definition of gross investment.

Net change in cash and cash equivalents was positive by NOK 164 million (negative by NOK 150 million) for the third quarter of 2022, down NOK 116 million from NOK 280 million in Q2 2022, bringing the closing balance of cash holdings at



end of Q3 2022 to NOK 2 175 million (NOK 146 million), up from NOK 1 993 million in Q2 2022. As at the end of Q3 2022, the Group had undrawn credit facilities of NOK 1 700 million (NOK 800 million), unchanged since Q2 2022.

## Financial position and liquidity

*Figures for Q3 2021 in brackets*

At 30 September 2022, book value of the Group's assets was NOK 13 390 million (NOK 11 735 million), down by NOK 255 million from NOK 13 645 million at the end of Q2 2022. The increase of the Group's balance sheet compared to Q3 2021 was primarily due to foreign currency translation effects of our Canadian subsidiaries, investments made to prepare seawater operations in Newfoundland, the refinanced syndicated debt in Q1 2022 and increased net working capital following the exceptionally strong market prices during the first half of the year. The decreased balance sheet compared to Q2 2022 was primarily due release of inventories and biological assets, receivables and account payables of NOK 245 million, in addition to a lower fair value adjustment of the biological assets of the Group.

The Group's goodwill, licenses, other intangible assets, and property plant and equipment including right-of-use assets totaled NOK 6 339 million (NOK 5 679 million) as at 30 September 2022, up NOK 98 million compared to NOK 6 241 million as at 30 June 2022. Compared relative to total assets, these assets equaled 47% (48%) of the balance sheet as at 30 September 2022, compared to 46% as at 30 June 2022. Biological assets measured at cost totaled NOK 2 794 million (NOK 2 382 million) as at 30 September 2022, up NOK 79 million compared to NOK 2 715 million as at 30 June 2022. Compared relative to total assets, biological assets at cost equaled to 21% (20%) of the balance sheet as at 30 September 2022, compared to 20% at 30 June 2022. Our cash balance at the end of the quarter was NOK 2 175 million (NOK 146 million), up NOK 182 million compared to NOK 1 993 million as at 30 June 2022. Current assets (ex. fair value adjustment of biological assets) over current liabilities measured 3.2 (1.8) as at 30 September 2022, compared to 3.4 as at 30 June 2022. As at 30 September 2022, the Group had undrawn credit facilities of NOK 1 700 million (NOK 800 million), unchanged since 30 June 2022. Total equity as at 30 September 2022 totaled NOK 6 607 million (NOK 4 866 million), down NOK 232 million compared to NOK 6 838 million as at 30 June 2022. The equity ratio as at 30 September 2022 was 49% (41%) compared to 50% as at 30 June 2022.

The Group's debt structure comprises sustainability-linked loans with a NOK 750 million term loan, an EUR 75 million term loan, a NOK 1 500 million revolving credit facility and a NOK 200 million overdraft facility (see Note 7 for more information). As at 30 September 2022, net interest-bearing liabilities (NIBD) incl. the effects of IFRS 16 were NOK 1 794 million (NOK 4 495 million), down NOK 228 million from NOK 2 022 million as at 30 June 2022. The change in NIBD compared to quarter-end Q2 2022 was primarily due to the positive cash flow from operating activities during the quarter. During Q3 2022, the Group re-purchased bonds for NOK 20 million in the Grieg Seafood Green Bond issue (bringing total repurchased bonds for YTD 2022 to 50 million). At the end of the quarter, NIBD excl. the effect of IFRS 16 totaled NOK 1 253 million (NOK 4 079 million), down NOK 229 million from NOK 1 482 million in Q2 2022. NIBD incl. the effect of IFRS 16 relative to total assets measured 13% (38%) as at 30 September 2022, compared to 15% as at 30 June 2022, and NIBD excl the effect of IFRS 16 divided by last twelve months harvest volume (tonnes GWT) equaled 14.4, or 15.5 when measured over the Group's guided harvest volume for 2022.

The Group was in compliance with its financial covenant as at 30 September 2022 (see Note 7). As at 30 September 2022, the equity-ratio according to covenant was 51% (43%) compared to 52% as at 30 June 2022. As at quarter-end Q3 2022, 74% (32%) of our gross interest-bearing liabilities (Note 7) were green (of which NOK 1 450 million Green Bond), compared to 75% as at 30 June 2022. The green financing ratio has increased since Q3 2021 due to the refinancing completed in Q1 2022, where the facilities are sustainability-linked agreements.

Grieg Seafood aims to provide shareholders with a competitive return on invested capital through payment of dividends and share price increases. The Board of Directors maintains that, as an average over time, dividends should correspond to 30-40% of the Group's profit after tax, before fair value adjustment on biological assets (limited to 50 % by Green Bond agreement). In 2022, the Group has distributed a dividend of NOK 3.0 per share to shareholders, which correspond to 46% of the net profit for FY 2021, before fair value adjustment of biological assets. Based on an overall assessment, dividend for the second half of 2022 has been postponed until the Annual Report for 2022.

# Sales and market development

Grieg Seafood supplied more than 3% of the global volume of Atlantic salmon harvested in Q3 2022. As part of our strategy, we will reposition Grieg Seafood in the value chain and become an innovative partner for our customers. By focusing on sustainable farming practices and good fish health and welfare, we can provide the healthy, tasty, and high-quality product that our customers and consumers demand.

## Sales and market updates

Grieg Seafood is on an exciting journey of growth where we are building a stronger presence in the market. With our fully integrated global sales organization, we aim to optimize biological performance and market timing through close collaboration between farming and sales, thereby securing good price achievement. Our downstream strategy is based on strategic partnerships, value added processing and brand cultivation. While our sale currently consists mainly of fresh, head-on gutted salmon, we aim to establish processing partners close to key markets and customers in the EU and the USA, targeting 20-30% share of our volume for Value Added Processing (VAP) by 2026. Increasing our VAP share is also an important part of reducing our CO2 emissions. Today, we have the successful Skuna Bay brand in the USA, and we aim to develop B2B brands going forward. Key milestones in 2022 are to increase harvested volume for VAP, establish processing partnerships in Norway and Europe, as well as entry of our VAP products to selected markets and the development of Norwegian origin B2B brands. We are in line with our targeted milestones, and have started processing with partners in Norway and other countries in Europe. Further we have established a presence of our own VAP products in Europe, Asian and the US markets and estimate to sell 5-10 % of our global harvested volume as VAP.

Our operations are certified according to Global Food Safety Initiative (GFSI), including BAP and GLOBALG.A.P., and our sales and market organization is chain-of-custody certified according to ASC. We maintain strict quality controls at every stage of our farming operations to ensure the highest levels of food safety. Products originating from our processing plants have been handled through a HACCP- and sanitary program. We have not had any product recalls for the last ten years, nor did we have any in Q3 2022. We are not banned from any markets. Read more about product safety, traceability and our certifications [here](#).

## Strong Market development

### GLOBAL SUPPLY AND DEMAND

The global harvest of Atlantic salmon for the quarter increased by approximately 7% compared to Q3 2021, according to Kontali. The increase was driven mainly by Chile, where harvest in the quarter contributed to approximately 26% of the global harvest, while the increase in harvest in Norway, UK and Canada was limited. Salmon of Norwegian origin contributed to 53% of the total harvest in the quarter. The export of fresh salmon (gutted weight equivalent, GWT) from Norway for the quarter was up 2% compared to Q3 2021, with the main export to Europe with 77%, Asia with 16% and North America with 7% (source: Norwegian Seafood Council).

Market demand both in the retail and HoReCa sector has proven strong this quarter when taken into account the global increase of supply volumes. Due to increase in the harvested volumes, supply to Europe increased by approximately 5% compared to Q3 2021, while supply to the USA increased by 3%. The demand in the Asian market increased by approximately 2% compared to Q3 2021. Supply to Russia decreased from 16 700 tonnes to 13 800 tonnes, or 17% compared to Q3 2021.

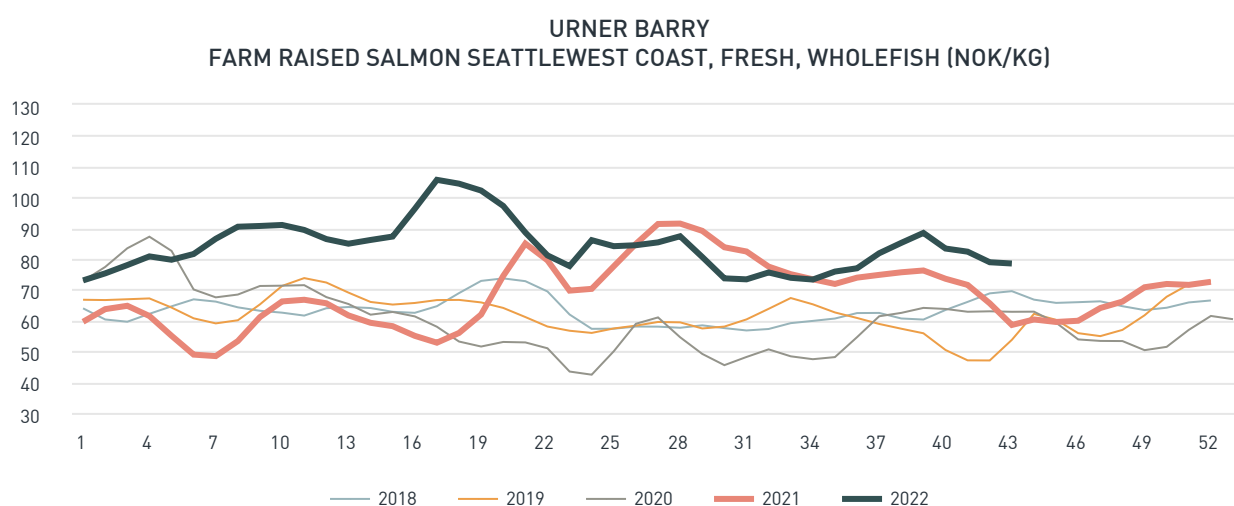
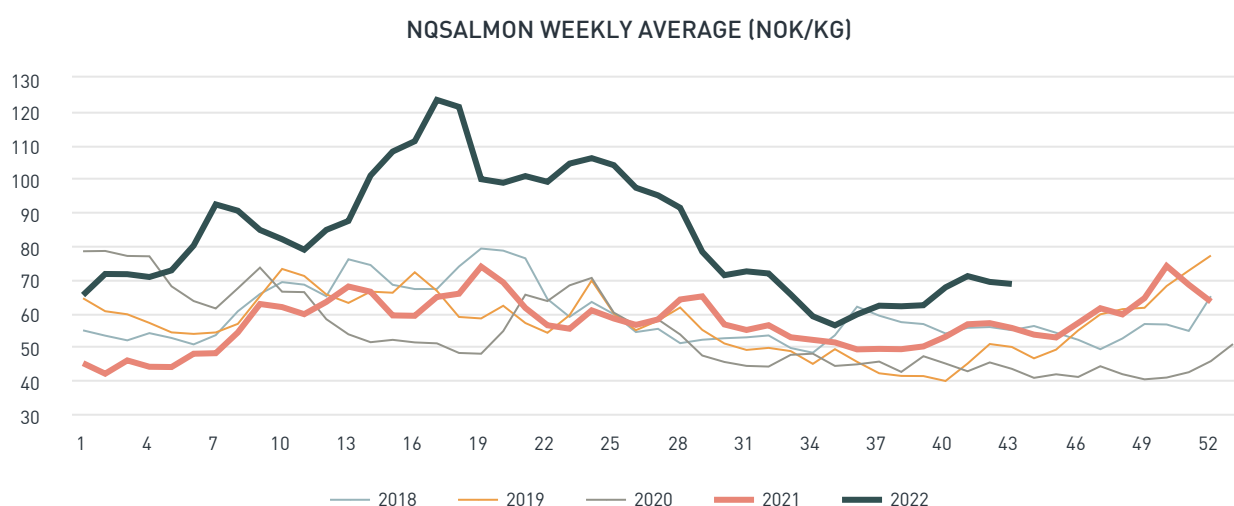
The average spot salmon price for Norwegian salmon (NQSALMON, weekly average) for Q3 2022 was NOK 69.7 per kg, up by NOK 15.2 per kg compared to Q3 2021, and down by NOK 36.0 per kg compared to Q2 2022. Prices peaked at NOK 95

per kg at the start of the quarter, decreasing to around NOK 57 towards the end of August when the seasonal supply to the market increased, and ended the quarter around NOK 63 per kg. Average salmon spot prices in the US market (Urner Barry Seattle) was down by NOK 0.5 per kg compared to Q3 2021. The salmon prices started the quarter in the mid eighties, decreased to around NOK 73 per kg towards the end of August, and peaked around NOK 88 at the end of the quarter.

## OUR MARKETS

Grieg Seafood contributed with more than 3% of the global supply in the quarter. Our main export markets from Norway were Europe (86% of our volume), Asia (9%) and North America (5%). During the quarter, 4% of our supply of Norwegian origin was sold as value added products. Approximately 27% of our salmon from BC was sold in Canada, while 70% was sold to the USA and 3% to Asia. 10% of our harvested salmon was processed and sold as value added products, while the Skuna Bay brand comprised approximately 3% of the volume. We experienced good demand for ASC certified salmon in the European market and are selling ASC volumes with a stable market premium.

We target a contract share of 20-50% of our harvested volume. During the third quarter of 2022, the share of contracts was 35% in Norway.



The Urner Barry Farm Raised Salmon Seattle West Coast, Fresh, Wholefish shown above is a weekly average of all weight classes (4-6 lb, 6-8 lb, 8-10 lb, 10-12 lb, 12-14 lb, 14-16 lb, 16-18 lb) in USD/lb, converted into NOK/kg using the weekly average of Norges Bank's daily exchange rate.

## Market expectations

The global harvest of Atlantic salmon in 2022 is expected to be slightly reduced compared to 2021 (2 894 900), to a total of 2 893 900 tonnes, according to Kontali. Norwegian salmon farmers are expected to harvest approximately 5 000 tonnes more in 2022 than in 2021. Chile is expected to increase harvest for 2022 by approximately 20 000 tonnes, while Canada is expected to decrease harvest by approximately 6 000 tonnes. The remaining salmon farming countries are expected to decrease their total volume by approximately 20 000 tonnes. As per end of Q3 2022, the global harvest of salmon was at the same level as per Q3 2021, and harvest for the Q4 is also expected to be at the same level as in Q4 2021. The proposed resource rent tax on salmon in Norway may impact harvest in Q4, driven by incentives for Norwegian farmers to harvest early to retain revenues in 2022. The tax regime may also suppress incentives to invest in further growth in Norway going forward.

The Covid-19 pandemic has impacted the salmon market, with an increase in demand in the retail segment due to consumers having become used to consuming salmon at home. With no supply growth in Q4 2022 and very limited growth in 2023, combined with an outlook for continuing strong demand, we believe in a good market going forward. However, current inflation reducing household purchasing power might impact demand from both the HoReCa and retail segment.

The average spot price according to NQSALMON for the first weeks into Q4 2022 was around NOK 69 per kg, while average spot price in the USA according to Urner Barry was around NOK 81 per kg. The Fishpool forward price for Q4 2022 is around NOK 72 per kg. The Fishpool forward price for 2023 is currently close to NOK 89 per kg, reflecting an optimistic market outlook.

We target a contract share of 20-50% of our Norwegian volume. Estimated contract share for Q4 2022 is 32% and 23% for the full year 2022, of our Norwegian harvest volume.

# OUR PROGRESS

## ROGALAND

Grieg Seafood Rogaland AS farms salmon in the county of Rogaland on the west coast of Norway. In the region, we have seawater licenses with a maximum allowed biomass of 17 800 tonnes. We have smolt and post-smolt facilities and also operate our own broodstock activity. All the salmon we harvest in this region is processed and packed at our own facility.

6 841

TONNES GWT HARVESTED

13.4

OPERATIONAL EBIT/KG (NOK)



### Operational results

Harvest volume in Rogaland was 6 841 tonnes in Q3 2022, up 9% compared to Q3 2021. Sales revenues for the quarter amounted to NOK 446.5 million, an increase of 38% compared to Q3 2021. The increase was mainly driven by improved spot prices in Q3 2022 compared to Q3 2021. The Nasdaq average spot price in Q3 2022 was NOK 69.7 per kg, compared to NOK 54.5 per kg in Q3 2021. Our realized price in Q3 2022 was NOK 65.3 per kg, compared to NOK 51.4 per kg in Q3 2021. The price achievement was supported by good average harvest weight and a superior share increasing to 94% from 86% in Q3 2021, offset by a contract share of 35% and harvest somewhat skewed to the end of the quarter, with lower spot prices.

The freshwater production during the quarter was good. We transferred 3.3 million smolt to sea this quarter, with an average weight of 400 grams. We are on track with the smolt deliveries for the year, with an average weight of the smolt of 570 grams. This is in line with our post-smolt strategy in Rogaland. In the beginning of the fourth quarter, Infectious Salmon Anemia (ISA) has been detected in some roe samples in our broodstock facility. The fish has so far not been impacted by the disease, and we are following the situation closely. We do not expect any financial impact or impact on our future production/harvest due to the ISA detection.

Seawater production became somewhat challenging towards the end of the quarter as high seawater temperatures and increasing sea lice pressure led to reduced growth. Despite these challenges, the 12-month rolling survival rate remained

stable from last quarter and has increased steadily from 91% in Q3 2021 to 93% in Q3 2022. We are working systematically to improve fish health and welfare through general health and welfare measures. These include a greater focus on the freshwater phase, a preventive and targeted approach to diseases and sea lice, the utilization of new digital technologies and shortening the time our salmon spend at sea. Transferring larger and more robust smolt to sea combined with use of more effective vaccines have reduced the impact of Pancreas Disease (PD) on the fish health, welfare and growth in sea. Our results so far provide strong indications of improved biological control compared to standard smolt weight, including higher survival, lower feed conversion rate and significant reduction in sea lice treatments. Due to use of post smolt and cleaner fish, we have managed to minimize both medical and mechanical sea lice treatments. We did not use any medical sea lice treatments this quarter. Read [here](#) for our approach on the use of cleaner fish. Due to efforts to ensure robust fish health and good results from vaccines, we have not used antibiotics in Rogaland for several years.

The farming cost ended at NOK 51.8 per kg in Q3 2022, up from NOK 46.5 per kg in Q3 2021 and NOK 46.7 per kg in Q2 2022. The increased cost was mainly related to inflation in both feed prices and other input factors. We expect a continued but gradual impact of increase in feed, energy and other costs going forward, as the costs make their way through our production cycle. Cost recognized as abnormal mortality in the income statement (cost of reduced survival) was NOK 11.1 million in Q3 2022 (NOK 1.6 per kg), compared to NOK 5 million in Q3 2021 (NOK 0.8 per kg), mainly impacted by biological challenges as a result of higher seawater temperatures and increasing sea lice pressure.

Operational EBIT per kg came to NOK 13.4 in the quarter, compared to NOK 4.9 in Q3 2021 and NOK 48.9 in Q2 2022.

Employee well-being is highly prioritized in our operations. We had no major incidents during Q3 2022. The absence rate was 4.8% compared to 3.5% in Q3 2021 mainly due to long term absence. We are monitoring and following up on long term absence in accordance with procedure and guidelines.

## Operational priorities towards 2026

We expect to harvest 28 000 tonnes in 2022, with an ambition to increase harvest to 35 000-40 000 tonnes in 2026 by improving the utilization of our seawater capacity. The key to achieving this, is to reduce production time in the sea, which we expect to result in improved biological performance and a higher utilization of each site's maximum allowable biomass (MAB). Larger smolt will significantly reduce seawater production time, making the fish less exposed to issues such as sea lice and PD, which means less sea lice treatments and more feeding days that will improve growth in sea. The transfer of larger smolt has produced promising results, where we aim to reduce the time the fish spend in the ocean from the previous norm of 18 months to less than 12 months.

We are well positioned with land-based production, and aim to add close to 5 000 tonnes by increasing our post smolt capacity. Our current freshwater facilities at Trosnavåg and Hognaland have a production capacity of 1 200 tonnes smolt. We also have a 33% shareholding in Tytlandsvik Aqua with a smolt production capacity of 4 500 tonnes (Grieg Seafood Rogaland is entitled to 50% of the smolt from Tytlandsvik). In addition, we use two closed-containment facilities in sea, FishGLOBE, to produce post-smolt. These facilities have a total capacity of 900 tonnes. Further, we have invested in Årdal Aqua, a land-based facility based on the same design as Tytlandsvik Aqua. Årdal Aqua is expected to produce 4 500 tonnes of post smolt annually, with potential to raise fish to harvestable size on land. Construction commenced in August 2022. We have several projects to expand post-smolt production under planning. However, no new investment decisions for projects impacted by the proposed Norwegian resource tax announced on 28 September 2022 will be taken until the final version of the tax regime has been adopted by the Parliament. Grieg Seafood will then assess how the final proposal will impact the company's strategy and investment plan. A joint venture aimed at developing a FishGLOBE for grow-out salmon, based on development licenses, is also on hold.

Another tool that will improve biology and drive growth, is our Precision Farming strategy. By using digitalization and analytics in our farming operations, for instance by predicting biological events ahead of time, allowing the farmer to apply stronger preventative measures, we will ensure more efficient feeding. This will lead to reduced cost, better fish welfare and improved growth going forward. All Precision Farming initiatives, such as dashboards on feed, production, fish health and welfare, are connected to our integrated operational center, which monitors and controls production and feeding operations at all our farms in Rogaland. Initiative to utilize video analytics with machine learning algorithms to automatize

biomass control and sea lice counts is ongoing, and will be expanded to new areas such as behavioral based fish welfare monitoring.

Aquaculture Stewardship Council (ASC) certification is an important objective, as we believe it provides our customers and consumers with the assurance that we are operating in a responsible manner and producing high-quality seafood certified to the highest social and environmental standards. We aim to certify all sites in Rogaland according to ASC. We started the certification and audit process in the beginning of 2022, and at the end of the quarter, we had three sites ASC certified, corresponding to 46% of budgeted net production for the year.

In Q3 2022, we spent NOK 26 million in maintenance investments in Rogaland. YTD in 2022 we have spent a total of NOK 97 million in investments, of which NOK 40 million were growth investments, and the remaining 57 million were maintenance investments.

## Scoreboard & key performance figures Rogaland

● Within target ◆ On track to meet target ■ Unsatisfactory results

| PILLAR              | KPI & TARGET   | STATUS | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 |
|---------------------|--|--------|---------|---------|---------|---------|---------|
| PROFIT & INNOVATION | <b>Harvest volume (tonnes GWT)</b>                       |        |         |         |         |         |         |
|                     | 28 000 tonnes in 2022                                    | ●      | 6 841   | 5 014   | 9 645   | 7 259   | 6 282   |
|                     | <b>Operational EBIT per kg (NOK)</b>                     |        |         |         |         |         |         |
|                     | n/a  |        | 13.4    | 48.9    | 33.5    | 11.5    | 4.9     |
|                     | <b>Farming cost per kg (NOK)</b>                         |        |         |         |         |         |         |
|                     | Cost leader  | ◆      | 51.8    | 46.7    | 41.9    | 43.6    | 46.5    |
| HEALTHY OCEAN       | <b>ASC certification (# of sites)</b>                    |        |         |         |         |         |         |
|                     | All sites (11 eligible) by 2023                          | ■      | 3       | 1       | 1       | 0       | 0       |
|                     | <b>Survival rate at sea</b>                              |        |         |         |         |         |         |
|                     | 93% by 2022  | ●      | 93%     | 93%     | 92%     | 92%     | 91%     |
|                     | <b>Cost of reduced survival (NOK million)</b>            |        |         |         |         |         |         |
|                     | n/a  |        | 11.1    | 0.3     | 6.3     | 0.7     | 5.1     |
|                     | <b>Use of antibiotics (g per tonne LWE) *</b>            |        |         |         |         |         |         |
|                     | No use of antibiotics                                    | ●      | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
|                     | <b>Use of hydrogen peroxide (kg per tonne LWE) *</b>     |        |         |         |         |         |         |
|                     | Minimize use of pharmaceutical treatments                | ●      | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
|                     | <b>Sea lice treatments - in feed (g per tonne LWE) *</b> |        |         |         |         |         |         |
|                     | Minimize use of pharmaceutical treatments                | ●      | 0.0     | 0.0     | 7.6     | 0.0     | 0.0     |
|                     | <b>Sea lice treatments - in bath (g per tonne LWE) *</b> |        |         |         |         |         |         |
|                     | Minimize use of pharmaceutical treatments                | ●      | 0.0     | 0.0     | 0.2     | 0.0     | 0.0     |
| SUSTAINABLE FOOD    | <b>Escape incidents (# of fish)</b>                      |        |         |         |         |         |         |
|                     | Zero escape incidents                                    | ●      | 0       | 0       | 0       | 0       | 0       |
|                     | <b>High quality product</b>                              |        |         |         |         |         |         |
|                     | 93% superior share                                       | ●      | 94%     | 82%     | 73%     | 85%     | 86%     |
| PEOPLE              | <b>Absence rate</b>                                      |        |         |         |         |         |         |
|                     | Below 4.5%   | ◆      | 4.8%    | 7.6%    | 5.3%    | 3.4%    | 3.5%    |
|                     | <b>Lost time incident rate</b>                           |        |         |         |         |         |         |
|                     | **   | n/a    | 0       | 37      | 17      | 62      | 0       |

\* Amount of active pharmaceutical ingredients (APIs) used (in gr and kg) per tonne of fish produced (LWE).

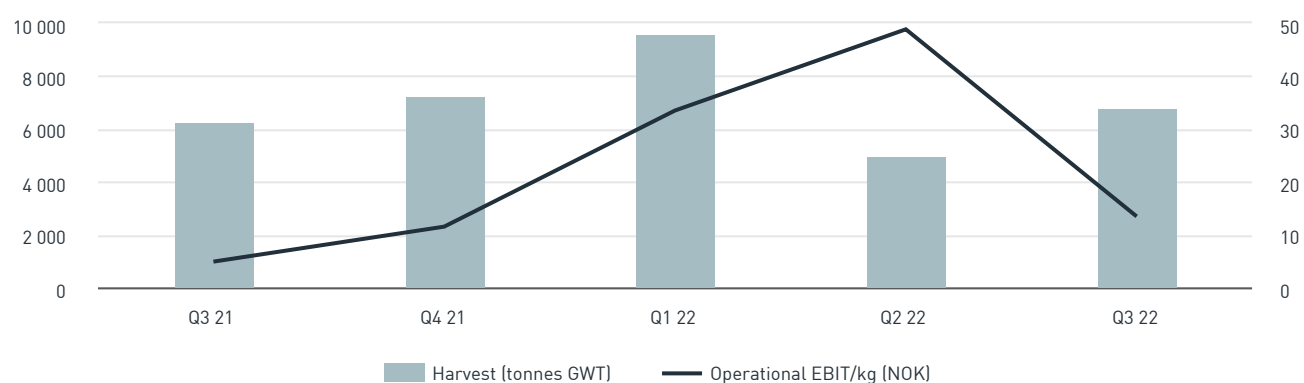
\*\* An LTIR target has not been defined in order to avoid under-reporting of incidents.

n/a: No set target or data similar to quarter end. ASC certification and number of employees are disclosed per reporting date. Survival rate is defined as the last twelve months rolling survival, and thus not calculated year-to-date.

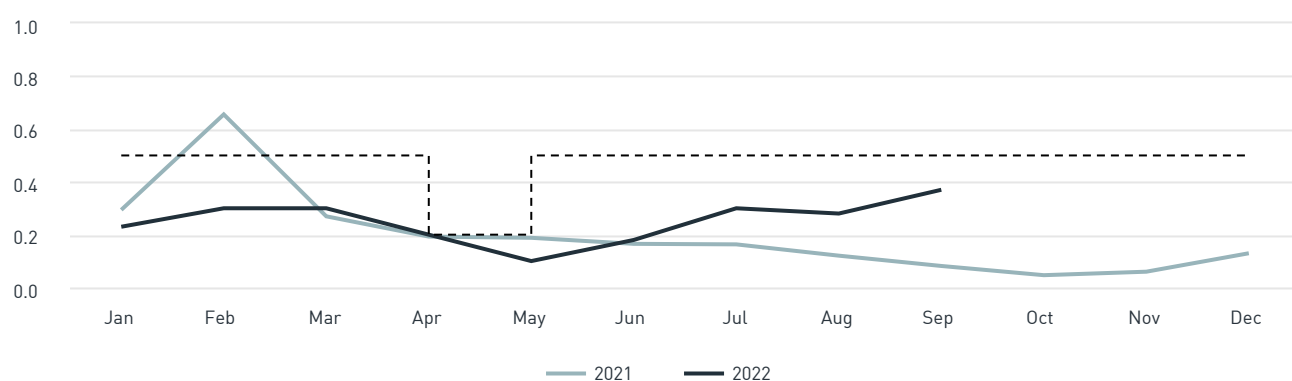


| NOK MILLION                                 | Q3 2022 | Q3 2021 | YTD 2022 | YTD 2021 |
|---|---------|---------|----------|----------|
| Harvest volume (tonnes GWT)                 | 6 841   | 6 282   | 21 500   | 19 411   |
| Sales revenues from sale of Atlantic salmon | 446.5   | 322.9   | 1 652.8  | 1 031.1  |
| Operational EBITDA                          | 116.8   | 54.7    | 733.6    | 232.6    |
| Operational EBIT                            | 91.9    | 30.6    | 659.9    | 158.6    |
| Sales revenue/kg (NOK)                      | 65.3    | 51.4    | 76.9     | 53.1     |
| Farming cost/kg (NOK)                       | 51.8    | 46.5    | 46.2     | 44.9     |
| Operational EBIT/kg (NOK)                   | 13.4    | 4.9     | 30.7     | 8.2      |

## HARVEST AND OPERATIONAL EBIT/KG



## SEA LICE LEVELS



The sea lice counts are calculated as the average number of adult female sea lice per month. Sea lice levels shall stay below the legal limit of 0.5 adult female per fish, or 0.2 during April and May when the wild salmon smolt migrate from the rivers and pass salmon farms in the fjords on their way to the ocean. We report sea lice levels and sea lice treatments to the Directorate of Fisheries on a weekly basis. This is publicly available information, please see [Barentswatch](#).

# OUR PROGRESS

## FINNMARK

Grieg Seafood Finnmark AS farms salmon in Troms and Finnmark, the northernmost county in Norway. We have seawater licenses with a maximum allowed biomass of 27 200 tonnes, including green licenses which are subject to stricter environmental standards. We also operate freshwater facilities. In general, the salmon we harvest are processed and packed at our local facility in Alta.

8 174

TONNES GWT HARVESTED

14.0

OPERATIONAL EBIT/KG (NOK)



### Operational results

Grieg Seafood Finnmark harvested 8 174 tonnes in Q3 2022, a decrease of 17% compared to Q3 2021. Sales revenues for the quarter amounted to NOK 507.9 million, down 4% compared to Q3 2021 due to lower volume. The Nasdaq average spot price in Q3 2022 was NOK 69.7 per kg, compared to NOK 54.5 per kg in Q3 2021. Our realized price came to NOK 62.1 per kg in Q3 2022 compared to NOK 53.6 per kg in Q3 2021. The price achievement was supported by a superior share increasing to 94% from 87% in Q3 2021, offset by a contract share of 35%, harvest skewed to the end of the quarter, with lower spot prices and lower average harvest weight.

Production at our freshwater facility in Adamselv has been good during the quarter. According to plan, 2.2 million smolt were put to sea during Q3 2022. We are on track with the smolt transfer YTD, with an average weight of the smolt of more than 180 grams.

Seawater production has been somewhat impacted by high sea lice-pressure that has necessitated treatments, resulting in reduced feeding and growth. In addition, we have detected the parasite *Spironucleus salmonicida* (Spiro) on some of our fish. The parasite has impacted our 12-month survival rate, which came to 92% as of Q3 2022 compared to 95% in Q3 2021. The majority of the fish have no signs of sickness at all. Measures have been taken with successful outcomes on some of the impacted pens, resulting in reduced levels of mortality, improved fish welfare and stable biology. Due to fish welfare,

fish with sickness signs will be culled. The source of the parasite is believed to be the water intake to our freshwater facility during a limited period of time. Measures have been taken to reduce the risk of the parasite entering our facility, and there have been no detections on the current generation of fish in the facility. Spiro is a seldom parasite that causes systemic infections in the fish that can lead to high mortality, but it is harmless to humans. The parasite did not impact the quality of our harvested fish during Q3. We aim to limit the impact of this incident on harvest volume in 2023 by transferring more smolt to sea and optimize our sites.

Finnmark has low sea lice levels throughout the year. Generally, lower seawater temperatures in the region are an advantage, and the interconnectivity between the sites remains low. We use targeted preventive methods, such as sea lice skirts and cleaner fish, to ensure that the sea lice level remains low on all farms. Despite the natural advantages and our preventive measures, we experience an increase in sea lice pressure and had to perform sea lice treatments during the quarter.

Unfortunately, we had an incident in the quarter where a tear in a net pen led to escape of fish. Based on recapture, 19 fish were reported escaped. The actual number of escapees will only be known after harvest and we will provide an update in the Annual Report for 2022. We have changed our equipment and improved our procedures to prevent this type of incident from happening again.

The farming cost was NOK 48.1 per kg in Q3 2022, up from NOK 45.5 in Q3 2021 and from NOK 40.6 per kg in Q2 2022 mainly due to inflationary pressure on feed and other input factors. Cost recognized as abnormal mortality in the income statement was NOK 11 million in Q3 2022 (NOK 1.3 per kg), compared to NOK 15 million in Q3 2021 (NOK 1.5 per kg). The farming cost will increase in Q4, where we expect a write down of close to NOK 60 million, or NOK 6/kg, as a result of culling of fish due to Spiro.

Operational EBIT per kg came to NOK 14.0 for the quarter, compared to NOK 8.1 in Q3 2021 and NOK 53.0 in Q2 2022.

Our commitment to employee well-being is highly prioritized. The absence rate for Q3 2022 was 8.0%, above our 4.5% target mainly due to long-term sickness. The absence rate has gone down since last quarter as we have been following up on procedures and guidelines.

## Operational priorities towards 2026

Grieg Seafood Finnmark expects to harvest 33 000 tonnes in 2022, with an ambition to increase harvest to 40 000-45 000 tonnes in 2026 by improving the utilization of our seawater capacity. The key to achieving this is to optimize our existing site structure, obtaining new sites and reduce production time in the sea, which we expect to result in improved biological performance and a higher utilization of each site's maximum allowable biomass (MAB). We farm smolt at our own facility in Adamselv and at Nordnorsk Smolt, where we have 50% ownership. We target a capacity increase of 3 000 tonnes of post smolt at Adamselv, with an average weight of the smolt up to 500g. Construction was planned to start at the end of 2022, however the investment has been put on hold due to the proposed resource tax regime in Norway. Larger smolt will significantly reduce seawater production time, avoiding two winters in sea, while also providing increased flexibility for transfer to seawater as larger fish is more robust. Shorter time in sea will also decrease the fishes' exposure to issues such as winter ulcers and Infectious Salmon Anemia (ISA), which may be challenges in this region.

As in all our regions, Grieg Seafood Finnmark focuses on improving fish welfare, achieving a high survival rate and working towards sustainable production. As a result of our efforts in the area, all of our sites (18 out of 18 eligible sites) are ASC certified, equivalent to 100% of net budgeted production for the year. New sites must reach peak biomass to be considered for certification.

In Q3 2022, we spent NOK 38 million in growth investments related to new sea sites and upgrade of land sites, in addition to NOK 51 million in maintenance investments. YTD in 2022, we have spent NOK 51 million in growth investments and a total of NOK 90 million in maintenance investments. Flexibility is a requirement to achieve better utilization of our capacity, and we are continuously looking for opportunities to secure access to new locations.

## Scoreboard & key performance figures Finnmark

● Within target ◆ On track to meet target ■ Unsatisfactory results

| PILLAR              | KPI & TARGET   | STATUS | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 |
|---------------------|--|--------|---------|---------|---------|---------|---------|
| PROFIT & INNOVATION | <b>Harvest volume (tonnes GWT)</b>                       |        |         |         |         |         |         |
|                     | 33 000 tonnes in 2022                                    | ●      | 8 174   | 9 843   | 5 175   | 12 411  | 9 908   |
|                     | <b>Operational EBIT per kg (NOK)</b>                     |        |         |         |         |         |         |
|                     | n/a  |        | 14.0    | 53.0    | 25.0    | 17.0    | 8.1     |
|                     | <b>Farming cost per kg (NOK)</b>                         |        |         |         |         |         |         |
|                     | Cost leader  | ◆      | 48.1    | 40.6    | 41.8    | 37.8    | 45.5    |
| HEALTHY OCEAN       | <b>ASC certification (# of sites)</b>                    |        |         |         |         |         |         |
|                     | All sites (18 eligible) by 2023                          | ●      | 18      | 18      | 18      | 18      | 17      |
|                     | <b>Survival rate at sea</b>                              |        |         |         |         |         |         |
|                     | 93% by 2022  | ◆      | 92%     | 94%     | 95%     | 95%     | 95%     |
|                     | <b>Cost of reduced survival (NOK million)</b>            |        |         |         |         |         |         |
|                     | n/a  |        | 10.9    | 12.4    | 5.2     | 2.0     | 15.3    |
|                     | <b>Use of antibiotics (g per tonne LWE) *</b>            |        |         |         |         |         |         |
|                     | No use of antibiotics                                    | ●      | 0.0     | 13.0    | 6.2     | 0.0     | 0.0     |
|                     | <b>Use of hydrogen peroxide (kg per tonne LWE) *</b>     |        |         |         |         |         |         |
|                     | Minimize use of pharmaceutical treatments                | ●      | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
|                     | <b>Sea lice treatments - in feed (g per tonne LWE) *</b> |        |         |         |         |         |         |
|                     | Minimize use of pharmaceutical treatments                | ●      | 0.1     | 0.0     | 0.0     | 0.0     | 0.4     |
|                     | <b>Sea lice treatments - in bath (g per tonne LWE) *</b> |        |         |         |         |         |         |
|                     | Minimize use of pharmaceutical treatments                | ●      | 0.6     | 0.0     | 0.0     | 0.1     | 0.0     |
| SUSTAINABLE FOOD    | <b>Escape incidents (# of fish)</b>                      |        |         |         |         |         |         |
|                     | Zero escape incidents                                    | ■      | 1 (19)  | 0       | 0       | 0       | 0       |
| PEOPLE              | <b>High quality product</b>                              |        |         |         |         |         |         |
|                     | 93% superior share                                       | ●      | 94%     | 84%     | 80%     | 89%     | 87%     |
| PEOPLE              | <b>Absence rate</b>                                      |        |         |         |         |         |         |
|                     | Below 4.5%   | ■      | 8.0%    | 8.5%    | 12.2%   | 9.9%    | 7.8%    |
|                     | <b>Lost time incident rate</b>                           |        |         |         |         |         |         |
|                     | **   | n/a    | 20      | 10      | 11      | 20      | 10      |

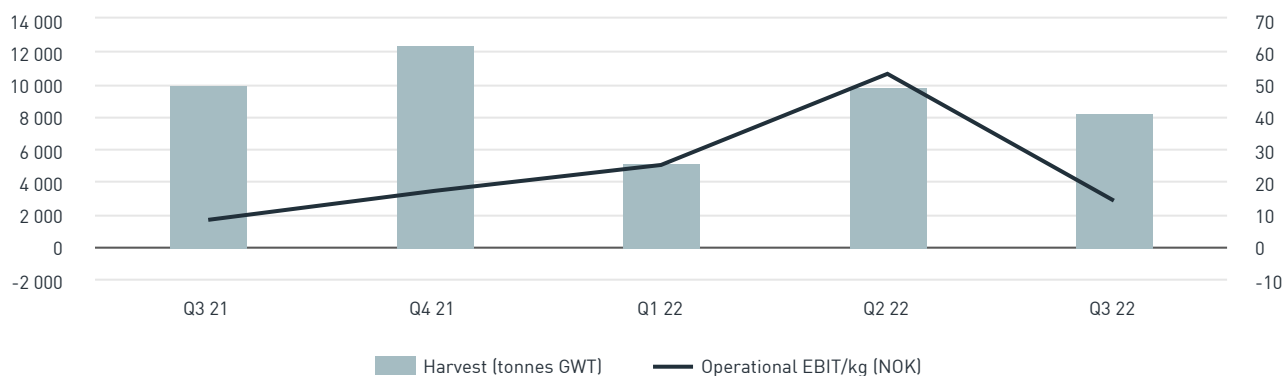
\* Amount of active pharmaceutical ingredients (APIs) used (in gr and kg) per tonne of fish produced (LWE).

\*\* An LTIR target has not been defined in order to avoid under-reporting of incidents.

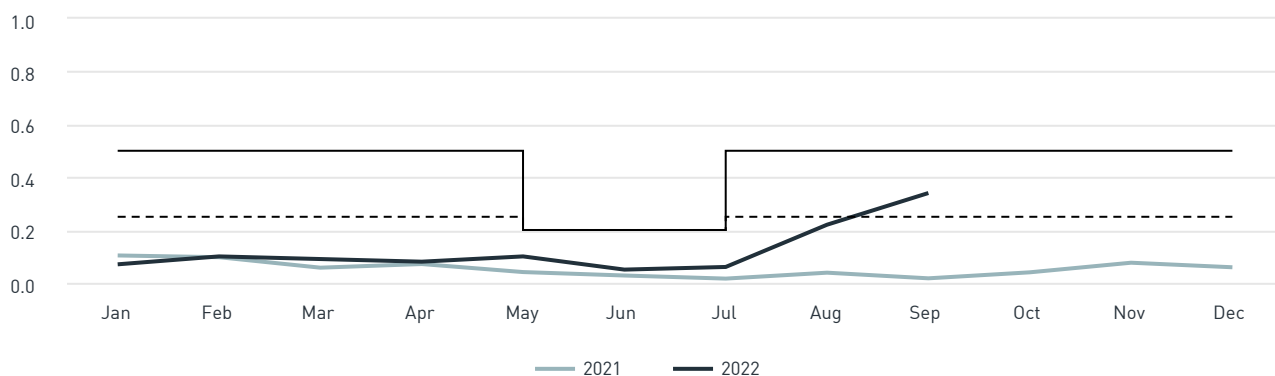
n/a: No set target or data similar to quarter end. ASC certification and number of employees are disclosed per reporting date. Survival rate is defined as the last twelve months rolling survival, and thus not calculated year-to-date.

| NOK MILLION                                 | Q3 2022 | Q3 2021 | YTD 2022 | YTD 2021 |
|---|---------|---------|----------|----------|
| Harvest volume (tonnes GWT)                 | 8 174   | 9 908   | 23 192   | 22 073   |
| Sales revenues from sale of Atlantic salmon | 507.9   | 531.1   | 1 774.9  | 1 075.4  |
| Operational EBITDA                          | 150.0   | 118.0   | 873.5    | 145.4    |
| Operational EBIT                            | 114.5   | 80.2    | 765.6    | 39.4     |
| Sales revenue/kg (NOK)                      | 62.1    | 53.6    | 76.5     | 48.7     |
| Farming cost/kg (NOK)                       | 48.1    | 45.5    | 43.5     | 46.9     |
| Operational EBIT/kg (NOK)                   | 14.0    | 8.1     | 33.0     | 1.8      |

## HARVEST AND OPERATIONAL EBIT/KG



## SEA LICE LEVELS



The sea lice counts are calculated as the average number of adult female sea lice per month. Sea lice levels must stay below the legal limit of 0.5 adult female per fish. At the green licenses in Finnmark, the limit is 0.25 adult female sea lice per fish, while during April and June, when wild salmon smolt migrate from the rivers and pass the salmon farms in their way to the ocean, the limit is 0.2 adult female sea lice per fish. We report sea lice levels and sea lice treatments to the Directorate of Fisheries on a weekly basis. This is publicly available information, please see [Barentswatch](https://www.barentswatch.no/).

# OUR PROGRESS BRITISH COLUMBIA

Grieg Seafood BC Ltd farms salmon on the east and west sides of Vancouver Island, and along the Sunshine Coast north of Vancouver. The company has 22 farming licenses, including broodstock operations and land-based production of smolt. We process our BC salmon externally.

7 908

TONNES GWT HARVESTED

-5.1

OPERATIONAL EBIT/KG (NOK)



## Operational results

Harvest volume in Q3 2022 was 7 908 tonnes, 84% above Q3 2021. Harvesting volumes vary significantly every other year in BC due to an imbalance in the number of farms and maximum allowable biomass in the different production areas on the East and West Coast of Vancouver Island. As a consequence, the region's volume vary every other year, regardless of the underlying biology performance.

Sales revenues for the quarter was NOK 572.6 million, an increase of 68% compared to Q3 2021, positively impacted by the higher harvest volume while our realized price for the quarter was NOK 72.4 per kg, compared to NOK 79.6 per kg in Q3 2021. The average spot price according to the Urner Barry (farm raised salmon Seattle West Coast, fresh, wholefish) was NOK 79.3 per kg in Q3 2022 compared to NOK 79.9 per kg in Q3 2021. Our price achievement for the quarter was impacted by lower average harvest weight than in Q3 2021 and a superior share of 86% compared to 89% in Q3 2021. The superior share was stable compared to Q2 2022.

Our freshwater production was stable during the quarter, however we experienced reduced survival due to lower quality roe. This has impacted the number of smolt transferred to sea so far this year, and might impact our harvest volume in 2024. We have taken measures to ensure a higher quality roe going forward and are looking to purchase smolt in the market to offset the smolt shortage.

The seawater performance has been stable, but incidents of algae blooms impacted the survival rate during the quarter. Our [barrier and CO2L flow system](#) was not implemented on these farms at the time of the bloom, though this is currently

taking place. On sites with these systems in place, we have managed to stabilize the survival rate in periods of challenging environmental conditions. The 12-month rolling survival rate came to 90% in Q3 2022, only slightly down from 91% in Q3 2021 when we did not experience the same algae blooms.

This quarter, we have used antibiotics as a treatment of enteric red mouth disease in our hatchery and for Salmonid Rickettsial Septicaemia (SRS) to safeguard the welfare of the fish. Our use of antibiotics is too high, and we are pursuing non-therapeutic means to manage diseases, such as vaccines and an adapted diet. Infrastructure such as the barrier system might also aid in reducing disease transmission. Our post-smolt strategy will enable us to have better control of the fish's environment for a longer period. It will also make the fish more robust when they are transferred to sea, and a shorter period at sea will reduce exposure to biological risks, which will reduce the risk of disease outbreaks and the need for antibiotics.

BC has low sea lice levels during the important outmigration period - when the juvenile and vulnerable wild salmon pass our farms on their way from the rivers to the ocean. However, the region is influenced by significant sea lice pressure each autumn, during the immigration period when adult wild salmon pass our farms on their way back to the rivers to spawn. Sea lice are then transferred from the wild salmon to the farmed salmon, with risk of multiplication within the farms. In BC, unlike Norway, the wild salmon population greatly outnumbers the farmed salmon population. Our barrier systems have shown potential to improve sea lice control significantly. When additional measures are needed, we carry out the type of treatment most appropriate to the biological situation. We have been able to reduce the use of medical sea lice treatments due to introduction of a barrier system between the farmed salmon and the environment, combined with use of the latest mechanical sea lice removal tool.

The farming cost increased from CAD 8.5 per kg (NOK 59.0) in Q3 2021 and CAD 7.9 per kg per kg (NOK 58.7) in Q2 2022 to CAD 10.1 per kg (NOK 77.5) in Q3 2022. The cost was impacted by reduced survival in both freshwater and seawater, where cost recognized as abnormal mortality in the income statement came to NOK 73.3 million in Q3 2022 (NOK 9.3 per kg, or CAD 1.2 per kg), compared to NOK 7 million in Q3 2021 (NOK 9.3/CAD 0.2 per kg). The farming cost in Q4 2022 will be impacted by significant lower volume and also carries additional cost as we are harvesting out the last fish of a generation.

Operational EBIT per kg came to NOK -5.1, compared to NOK 20.6 in Q3 2021 and NOK 30.9 in Q2 2022.

Employee well-being is our priority. We had no major incidents in the quarter. The absence rate of 6.9% was above our 4.5% target mainly due to long term-sickness. The absence rate has gone down since the last quarter. We always monitor developments according to our guidelines for absence from work.

## Operational priorities towards 2026

Grieg Seafood BC aims to harvest 20 000 tonnes in 2022, with an ambition to increase harvest to 30 000-35 000 tonnes in 2026 by developing current sites to utilize more of our seawater capacity in addition to developing new sites. Key initiatives to achieve our objective is the implementation of barrier systems to provide better biological control and higher survival, as mentioned above. As part of the ongoing process of site restructuring, we seek to develop sites that are well suited for salmon farming, and phase out older and smaller sites with more challenging biological conditions. The aim of this process is to reduce costs and improve both the environmental footprint and fish welfare. The shíshálh Nation's territory, located near the Sunshine Coast of BC, held eight of our seawater licenses with limited production (historical yearly harvest volumes below 2 000 tonnes). Six of those farms have previously been removed from our production planning cycle and have been inactive as they were older, smaller sites which were difficult to farm due to location (relatively shallow locations with warmer water temperatures and higher salinity). Following several months of conversation with the shíshálh Nation regarding our remaining two operations and the Nations vision for their territory, a decision was reached by the Nation to remove salmon farms from their territory. As plans were in place to shift production from the shíshálh territory to our other locations, our total harvesting volume targets will not be impacted. The measure is expected to reduce the underlying cost in the region as farming cost on these sites have been approximately CAD 1.3 higher per kilo compared to other farming areas due to the small size. We have taken the complete write down of licenses

and relevant seawater equipment of NOK 93 million in addition to site clean-up costs estimated to NOK 20 million in our income statement this quarter.

Access to high-quality smolt is also key in ensuring sustainable production growth, and in the beginning of this year we completed the expansion of our Gold River smolt facility from 400 to 900 tonnes. Further expansion of our post-smolt capacity is under consideration. As from this year, we also have our own broodstock program with the aim of becoming self sufficient of high quality eggs. Another key priority to increase survival and harvest volume, is the use of digital monitoring and prediction technology. Harmful Algae Blooms (HAB) and low oxygen events represent significant biological risks in BC. Algae movements and oxygen levels are continuously monitored and analyzed using high-grade real-time in pen sensors, and machine learning with predictive environmental data software. We have installed aeration systems to enable feeding also during challenging situations, which increases the survival during these periods. In combination with HAB and oxygen monitoring tools, we are currently installing barrier systems at three sites, which will allow us to keep the barriers down year-round and to maintain oxygen levels. In Q3 2022, we spent NOK 5 million in growth investments, mainly related to the expansion of Gold River and barrier systems, in addition to NOK 6 million in maintenance investments. YTD in 2022, we have spent approximately NOK 55 million in growth investments and NOK 36 million in maintenance investments.

Obtaining ASC certification is an important signal that our salmon is a responsible choice, as ASC has strict requirements with respect to minimizing fish farms' impact on the environment and supporting local communities. At the end of Q3 2022, a total of 12 sites out of 15 eligible sites were ASC certified (corresponding to 83% of net budgeted production for the year). We expect to certify the remaining three sites in 2023.

The United Nations Declarations on the Rights of Indigenous Peoples (UNDRIP) is under implementation in BC, giving Indigenous Peoples rights in their own traditional territory. This is a process of reconciliation between the Government, businesses and First Nations. Our three main farming areas in BC are operated under agreements with First Nations. These relationships are very important to us. The [Truth & Reconciliation Commission: Call to Action #92](#) provide guidance to us on our role in the reconciliation process. We work to get better at operating with respect for the culture of our First Nations partners in every way, to deepen our understanding and to provide shared opportunities. Read more about our journey of reconciliation in BC [here](#).

By 2025, the Canadian Federal Government aims to have created a responsible plan to transition away from the traditional way of open net-pen salmon farming in British Columbia, to reduce interactions with wild salmon. In June 2022, the Canadian Department of Fisheries and Oceans renewed all farming licenses for two years. During these years, the Government aims to develop the transition plan. [Grieg Seafood welcome the transition process and the transition framework published](#). We see the renewal of our licenses and the commitment to work together with us to develop a transition plan as a sign that Canada wants a thriving, sustainable salmon farming industry in British Columbia. Grieg Seafood embrace new strategies and technologies to align with the government's transition, such as keeping the fish longer on land and a shorter time in the ocean, or [by introducing barriers around the farms](#) to limit interactions between the fish and the environment. Such technologies do not only reduce our impact on wild salmon and the environment, but also improve biological control. We are working with all levels of governments, including Indigenous governments, to find a path forward that works for our First Nations partners, our local communities, the government and industry.

To be better prepared for future opportunities, we have strengthened our management team in Canada. Grant Cumming is our new Chief Operating Officer (COO) Farming North America, starting in a few months. Cumming has extensive strategic and operational experience from the salmon farming industry and previously directed the turn-around of our Shetland operations. As the last Managing Director of Grieg Seafood Shetland, he led the restructuring of the region, turned it into a profitable region and oversaw a successful sale in 2021. Jennifer Woodland is the new Managing Director of Grieg Seafood BC. She has many years of operational experience within salmon farming and has held roles within the industry, both on the east and west coast of Canada since the 1990s. Throughout her career, Woodland has dedicated much of her work to developing meaningful partnerships between First Nations and the aquaculture industry. Most recently, she was the CEO of Nuuchah-nulth Seafood LP, a role she held for over six years. Reconciliation and the implementation of the United Nations Declaration on the Rights of Indigenous Peoples is at the heart of all business development in BC.



## Scoreboard & key performance figures British Columbia

● Within target ◆ On track to meet target ■ Unsatisfactory results

| PILLAR              | KPI & TARGET   | STATUS | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 |
|---------------------|--|--------|---------|---------|---------|---------|---------|
| PROFIT & INNOVATION | <b>Harvest volume (tonnes GWT)</b>                       |        |         |         |         |         |         |
|                     | 20 000 tonnes in 2022                                    | ●      | 7 908   | 8 815   | 2 096   | 4 058   | 4 289   |
|                     | <b>Operational EBIT per kg (NOK)</b>                     |        |         |         |         |         |         |
|                     |  | n/a    | -5.1    | 30.9    | 34.3    | 4.1     | 20.6    |
|                     | <b>Farming cost per kg (CAD)</b>                         |        |         |         |         |         |         |
|                     | Cost leader  | ◆      | 10.1    | 7.9     | 7.8     | 9.4     | 8.5     |
| HEALTHY OCEAN       | <b>ASC certification (# of sites)</b>                    |        |         |         |         |         |         |
|                     | All sites (15 eligible) by 2023                          | ◆      | 12      | 12      | 12      | 12      | 13      |
|                     | <b>Survival rate at sea</b>                              |        |         |         |         |         |         |
|                     | 93% by 2022  | ◆      | 90%     | 92%     | 92%     | 92%     | 91%     |
|                     | <b>Cost of reduced survival (NOK million)</b>            |        |         |         |         |         |         |
|                     |  | n/a    | 73.3    | 6.5     | 0.2     | 0.7     | 7.2     |
|                     | <b>Use of antibiotics (g per tonne LWE) *</b>            |        |         |         |         |         |         |
|                     | No use of antibiotics                                    | ■      | 56.6    | 35.5    | 31.8    | 27.1    | 2.0     |
|                     | <b>Use of hydrogen peroxide (kg per tonne LWE) *</b>     |        |         |         |         |         |         |
|                     | Minimize use of pharmaceutical treatments                | ●      | 0.0     | 0.0     | 26.9    | 26.0    | 21.5    |
|                     | <b>Sea lice treatments - in feed (g per tonne LWE) *</b> |        |         |         |         |         |         |
|                     | Minimize use of pharmaceutical treatments                | ●      | 0.8     | 0.0     | 0.1     | 0.1     | 0.9     |
|                     | <b>Sea lice treatments - in bath (g per tonne LWE) *</b> |        |         |         |         |         |         |
|                     | Minimize use of pharmaceutical treatments                | ●      | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| SUSTAINABLE FOOD    | <b>Escape incidents (# of fish)</b>                      |        |         |         |         |         |         |
|                     | Zero escape incidents                                    | ●      | 0       | 0       | 0       | 0       | 1 (3)   |
| PEOPLE              | <b>High quality product</b>                              |        |         |         |         |         |         |
|                     | 93% superior share                                       | ◆      | 86%     | 86%     | 77%     | 82%     | 89%     |
| PEOPLE              | <b>Absence rate</b>                                      |        |         |         |         |         |         |
|                     | Below 4.5%   | ■      | 6.9%    | 7.1%    | 6.6%    | 5.6%    | 5.1%    |
|                     | <b>Lost time incident rate</b>                           |        |         |         |         |         |         |
|                     | **   | n/a    | 0       | 24      | 38      | 0       | 0       |

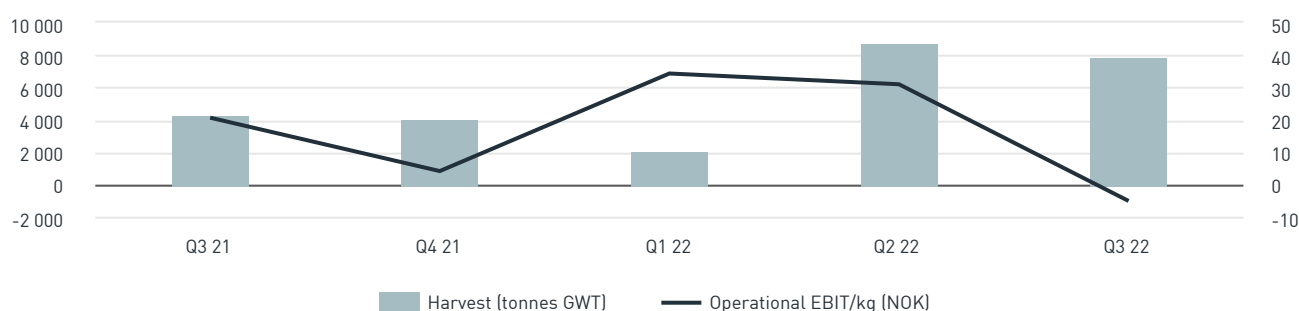
\* Amount of active pharmaceutical ingredients (APIs) used (in gr and kg) per tonne of fish produced (LWE).

\*\* An LTIR target has not been defined in order to avoid under-reporting of incidents.

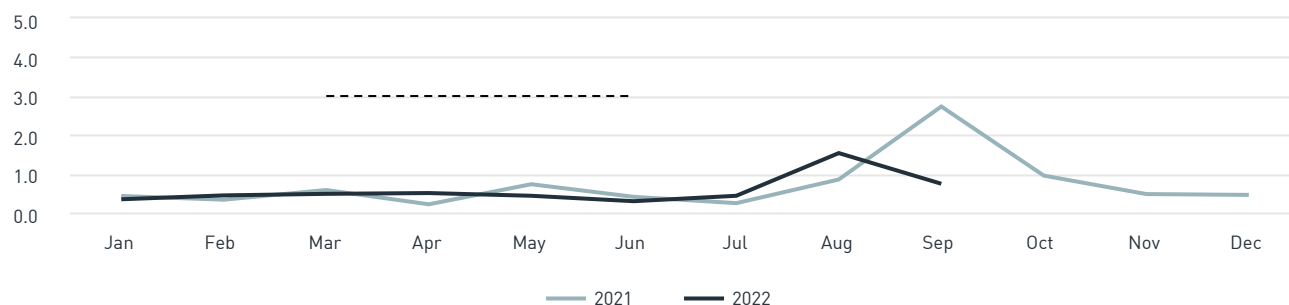
n/a: No set target or data similar to quarter end. ASC certification and number of employees are disclosed per reporting date. Survival rate is defined as the last twelve months rolling survival, and thus not calculated year-to-date.

| NOK MILLION                                 | Q3 2022 | Q3 2021 | YTD 2022 | YTD 2021 |
|---|---------|---------|----------|----------|
| Harvest volume (tonnes GWT)                 | 7 908   | 4 289   | 18 819   | 10 390   |
| Sales revenues from sale of Atlantic salmon | 572.6   | 341.5   | 1 548.8  | 741.9    |
| Operational EBITDA                          | -9.6    | 111.2   | 392.2    | 204.3    |
| Operational EBIT                            | -40.6   | 88.4    | 304.0    | 133.6    |
| Sales revenue/kg (NOK)                      | 72.4    | 79.6    | 82.3     | 71.4     |
| Farming cost/kg (CAD)                       | 10.1    | 8.5     | 8.8      | 8.5      |
| Farming cost/kg (NOK)                       | 77.5    | 59.0    | 66.1     | 58.6     |
| Operational EBIT/kg (NOK)                   | -5.1    | 20.6    | 16.2     | 12.9     |

## HARVEST AND OPERATIONAL EBIT/KG



## SEA LICE LEVELS



The sea lice counts are calculated as the average number of motile sea lice per salmon. The limit as defined by the authorities is three motile sea lice per salmon in the period from March to June, recognized as a vulnerable time for wild salmon migrating out to sea.

# OUR PROGRESS

## NEWFOUNDLAND

Grieg Seafood Newfoundland is a greenfield project with long-term exclusive farming right in Placentia Bay in Newfoundland and Labrador. We will develop the region gradually and responsibly, based on the biological development of our first generations of fish.

### Operational results

We have successfully completed the first transfer of smolt to sea this year, and currently have approximately two million fish at sea with an average weight of one kg. The fish have good biological performance so far, with high seawater survival and growth, and we have not experienced any sea lice issues. We are still in an early phase and will expand the project gradually and in line with biological developments. Harvesting is expected to commence late 2023. The hurricane Fiona hit Newfoundland in the end of the quarter, but our operations was not impacted.

Our Recirculating Aquaculture System (RAS) facility in Marystown Marine Industrial Park is fully operational. The freshwater production during the quarter has been according to plan, and our fish are healthy and growing well.

Operational EBIT for Q3 2022 totaled NOK -24 million. Operational cost for Q4 2022 is expected to remain at this level.

Employee well-being is our priority. We had no major incidents in the quarter. The absence rate of 1.4% was well below our 4.5% target. We always monitor developments according to our guidelines for absence from work.

### Priorities towards 2026

Our high-end state of the art RAS facility has technology employing 100% recirculation of water with minimized impact on the surrounding environment. The facility currently consists of a hatchery, nursery and a smolt unit with a capacity of 600 tonnes. We plan to construct an additional 1 400 tonnes of post smolt capacity in 2023, depending on a successful first winter in sea. We have further options to expand, and we will gradually develop our operations to ensure biosecurity, fish health and profitability. In Q3 2022, we spent close to NOK 70 million in investments mainly in seawater locations and equipment. YTD in 2022 we have spent a total of NOK 144 million in our seawater locations including equipment for digital monitoring.

We currently have 13 seawater licenses, each with an allowance of one million fish at first stocking, increasing to two million fish in subsequent stockings. Additional seawater licenses are in application. Our seawater licenses in Newfoundland require use of sterile all-female salmon in order to eliminate the risk of genetic pollution of wild Atlantic salmon in case of escape. This salmon performs well in cold environments and does not mature. We base our operations on developed knowledge and experience about farming triploid salmon across the world. Best practice includes optimizing the times of the year to transfer fish to the sea, the feed composition and conditions during the freshwater phase.

With our current set up, we aim to harvest 15 000 tonnes by 2026. We have also been awarded rights to develop the Bays West aquaculture area with a potential to produce an additional 20 000 tonnes of salmon. With this possibility, we will have exclusive rights in two production areas which secure future flexibility. These areas will provide a long-term annual harvest potential of up to 65 000 tonnes.

The US market is the world's largest and fastest growing market for Atlantic salmon, but only a third of US demand is currently met by North American production. We already have a position in this market through our operations in British Columbia, where we have attained significant sales and market experience. With proximity to important markets on the US East Coast, our Newfoundland region significantly strengthens our US market exposure and opens for synergies with our existing operations as we should be able to provide a more stable supply to the US market.

We remain committed to develop our operations in Newfoundland and Labrador gradually and responsibly and to meet all regulatory requirements from the local provincial and federal authorities. We are well prepared with equipment, employees and knowledge of biological conditions, and we will adjust our operations according to the experience of the first generations of fish. We are strengthening our operational team, and, in a few months, Grant Cumming will be our new Chief Operating Officer (COO) Farming North America. Cumming has extensive strategic and operational experience from the salmon farming industry and previously directed the turn-around of our Shetland operations. We are confident that we will be able to build a strong farming region in Newfoundland during the coming years and creating jobs and value for the local communities.

## Scoreboard & Key Performance figures Newfoundland

● Within target ◆ On track to meet target ■ Unsatisfactory results

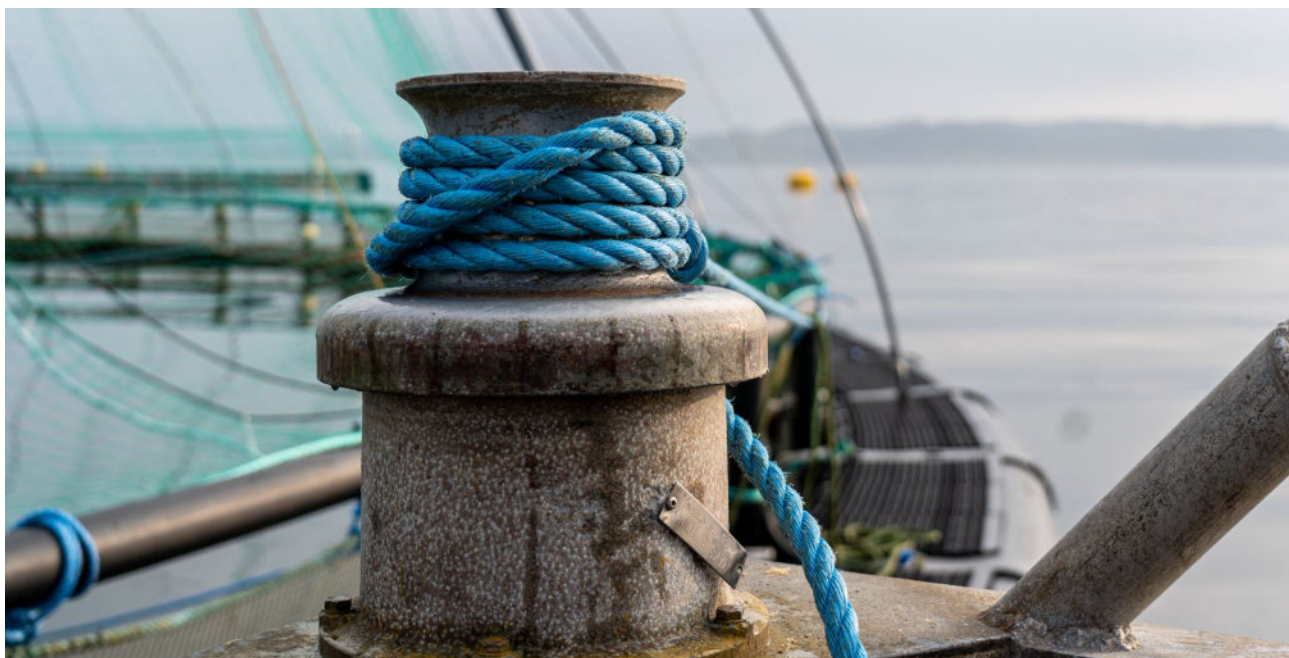
| PILLAR              | KPI & TARGET                                       | STATUS | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 |
|---------------------|--|--------|---------|---------|---------|---------|---------|
| PROFIT & INNOVATION | Operational EBIT (NOK million)                     |        |         |         |         |         |         |
|                     |  | n/a    | -24.1   | -36.6   | -24.6   | -19.7   | -36.9   |
| HEALTHY OCEAN       | Cost of reduced survival (NOK million)             |        |         |         |         |         |         |
|                     |  | n/a    | 0.0     | 0.0     | 0.0     | 0.0     | 0.5     |
|                     | Use of antibiotics (g per tonne LWE) *             |        |         |         |         |         |         |
|                     | No use of antibiotics                              | ●      | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
|                     | Use of hydrogen peroxide (kg per tonne LWE) * / ** |        |         |         |         |         |         |
|                     | Minimize use of pharmaceutical treatments          | ●      | 0.0     | 0.0     | 0.0     | n/a     | n/a     |
|                     | Sea lice treatments - in feed (g per tonne LWE) *  |        |         |         |         |         |         |
|                     | Minimize use of pharmaceutical treatments          | ●      | 0.0     | 0.0     | 0.0     | n/a     | n/a     |
|                     | Sea lice treatments - in bath (g per tonne LWE) *  |        |         |         |         |         |         |
|                     | Minimize use of pharmaceutical treatments          | ●      | 0.0     | 0.0     | 0.0     | n/a     | n/a     |
| PEOPLE              | Escape incidents (# of fish)                       |        |         |         |         |         |         |
|                     | Zero escape incidents                              | ●      | 0       | 0       | 0       | n/a     | n/a     |
|                     | Absence rate                                       |        |         |         |         |         |         |
|                     | Below 4.5%   | ●      | 1.4%    | 1.2%    | 3.3%    | n/a     | n/a     |
|                     | Lost time incident rate                            |        |         |         |         |         |         |
|                     | **   | n/a    | 0       | 0       | 0       | n/a     | n/a     |

\* Amount of active pharmaceutical ingredients (APIs) used (in gr) per tonne of fish produced (LWE).

\*\* An LTIR target has not been defined in order to avoid under-reporting of incidents.

n/a: No set target or data similar to quarter end. The number of employees is disclosed per reporting date.

| NOK MILLION        | Q3 2022 | Q3 2021 | YTD 2022 | YTD 2021 |
|--------------------|---------|---------|----------|----------|
| Operational EBITDA | 3.0     | -23.3   | -39.5    | -70.0    |
| Operational EBIT   | -24.1   | -36.9   | -85.3    | -97.1    |



#### QUARTERLY STORY

## Innovative course on plastic handling in the aquaculture industry

The Norwegian aquaculture industry is a major consumer of plastic, where fisheries and farming account for 46% of the identifiable marine plastic pollution in Norway. Since 2018, Bellona and Grieg Seafood have collaborated to direct focus on the farming industry's plastic consumption. To prevent marine littering and ensure better resource utilization of the large quantities of plastic used, Bellona is developing an online course on better plastic handling in the aquaculture industry together with Grieg Seafood and NTNU. Phase one of developing a pilot for the course has been completed. The pilot will now be tested by Grieg Seafood's employees and other peers in the industry. The course will be available in English and Norwegian by June 2023.

Read more about the course [here](#).

# Board's approval

## Related parties' transactions

There has not been any related parties' transactions during Q3 2022 outside ordinary course of business. See Note 10 for more information on related parties and related parties transactions.

## Events after the balance sheet date

On 19 October 2022, we were notified by the Norwegian Food Safety Authority that Grieg Seafood Finnmark was required to cull fish in eight single pens on two farms, due to detection of the parasite *Spironucleus salmonicida* (Spiro). There was about one million fish of an average of approximately 0.7 kg in the pens at the time of notification. The majority of the fish have no signs of sickness at all. Measures have been taken with successful outcomes on some of the impacted pens, resulting in reduced levels of mortality, improved fish welfare and stable biology. Due to fish welfare, fish with sickness signs will be culled. For more information, please refer to the Grieg Seafood Finnmark section in this report.

In the beginning of the fourth quarter, Infectious Salmon Anemia (ISA) has been detected in some roe samples in our broodstock facility in Grieg Seafood Rogaland. The fish has so far in Q4 not been impacted by the disease, but we are following the situation closely. We do not expect any financial impact or impact on our future production/harvest due to the ISA detection.

No other significant events have been recorded after the balance sheet date.

### THE BOARD OF DIRECTORS AND CEO BERGEN, 11 NOVEMBER 2022



PER GRIEG JR.  
CHAIR



TORE HOLAND  
VICE CHAIR



KATRINE TROVIK  
BOARD MEMBER



MARIANNE RIBE  
BOARD MEMBER



NICOLAI HAFELD GRIEG  
BOARD MEMBER



RAGNHILD JANBU FRESVIK  
BOARD MEMBER



ANDREAS KVAME  
CEO



PART 03

# RESULTS

By always improving our operational excellence, reflecting  
our holistic performance approach, we are driving  
sustainable value creation.



# Financial statements

## INCOME STATEMENT

| GRIEG SEAFOOD GROUP NOK 1 000   | NOTE | Q3 2022         | Q3 2021        | YTD 2022         | YTD 2021       |
|---|------|-----------------|----------------|------------------|----------------|
| Sales revenues  | 3    | 1 708 764       | 1 303 202      | 5 524 102        | 3 085 106      |
| Other income  | 3    | 12 040          | 27 990         | 31 271           | 55 469         |
| Share of profit from associates   | 9    | 23 682          | -351           | 24 613           | 108            |
| Raw materials and consumables used  |      | -760 076        | -496 937       | -1 647 447       | -1 160 260     |
| Salaries and personnel expenses   |      | -162 647        | -156 325       | -510 676         | -404 177       |
| Other operating expenses  |      | -532 790        | -426 570       | -1 490 268       | -1 111 942     |
| Depreciation property, plant and equipment  |      | -115 675        | -99 591        | -314 309         | -282 114       |
| Amortization licenses and other intangible assets                                   |      | -6 174          | -1 935         | -11 211          | -5 200         |
| Write-down of tangible and intangible non-current asset                             | 6    | -92 833         | —              | -92 833          | —              |
| Production fee  |      | -6 081          | -6 476         | -18 047          | -16 595        |
| Fair value adjustment of biological assets  | 5    | -442 175        | 120 720        | -105 240         | 386 997        |
| Other non-operational items   | 6    | -19 552         | —              | -174 552         | —              |
| <b>EBIT (Earnings before interest and taxes)</b>                                    |      | <b>-393 517</b> | <b>263 727</b> | <b>1 215 402</b> | <b>547 391</b> |
| <b>Net financial items</b>  | 8    | <b>-8 978</b>   | <b>-55 018</b> | <b>124 698</b>   | <b>-56 893</b> |
| <b>Profit before tax</b>  |      | <b>-402 495</b> | <b>208 709</b> | <b>1 340 101</b> | <b>490 499</b> |
| Estimated taxation  |      | 123 068         | -60 867        | -248 494         | -142 323       |
| <b>Net profit for the period from continued operations</b>                          |      | <b>-279 427</b> | <b>147 842</b> | <b>1 091 607</b> | <b>348 175</b> |
| Net profit for the period from discontinued operations                              | 4    | —               | 55 868         | —                | 96 007         |
| <b>Net profit for the period</b>  |      | <b>-279 427</b> | <b>203 710</b> | <b>1 091 607</b> | <b>444 182</b> |
| <b>Profit or loss for the period attributable to</b>                                |      |                 |                |                  |                |
| Owners of Grieg Seafood ASA   |      | -279 427        | 203 710        | 1 091 607        | 444 182        |
| <b>Dividend declared and paid per share (NOK)</b>                                   |      | <b>0.0</b>      | <b>0.0</b>     | <b>3.0</b>       | <b>0.0</b>     |
| <b>Earnings per share attributable to equity holders of Grieg Seafood ASA (NOK)</b> |      |                 |                |                  |                |
| Earnings per share  |      | -2.5            | 1.3            | 9.7              | 3.1            |
| Earnings per share from discontinued operations                                     |      | 0.0             | 0.5            | 0.0              | 0.9            |
| <b>Earnings per share - total</b>   |      | <b>-2.5</b>     | <b>1.8</b>     | <b>9.7</b>       | <b>4.0</b>     |



# COMPREHENSIVE INCOME STATEMENT

| GRIEG SEAFOOD GROUP NOK 1 000   | NOTE | Q3 2022         | Q3 2021        | YTD 2022         | YTD 2021       |
|---|------|-----------------|----------------|------------------|----------------|
| <b>Net profit for the period</b>  |      | <b>-279 427</b> | <b>203 710</b> | <b>1 091 607</b> | <b>444 182</b> |
| <b>Net other comprehensive income to be reclassified to profit/loss in subsequent periods</b> |      |                 |                |                  |                |
| Currency effect on investment in subsidiaries   |      | 37 129          | -5 484         | 234 476          | 35 042         |
| Currency effect on loans to subsidiaries  |      | 13 770          | -2 858         | 69 637           | 20 334         |
| Tax effect  |      | -3 029          | 629            | -15 320          | -4 473         |
| <b>Other comprehensive income for the period, net of tax</b>                                  |      | <b>47 870</b>   | <b>-7 714</b>  | <b>288 792</b>   | <b>50 903</b>  |
| <b>Total comprehensive income for the period</b>  |      | <b>-231 557</b> | <b>195 997</b> | <b>1 380 399</b> | <b>495 085</b> |
| <b>Allocated to</b>   |      |                 |                |                  |                |
| Controlling interests   |      | -231 557        | 195 997        | 1 380 399        | 495 085        |

# STATEMENT OF FINANCIAL POSITION

| GRIEG SEAFOOD GROUP NOK 1 000                                    | Note | 30.09.2022        | 30.09.2021        | 31.12.2021        |
|--|------|-------------------|-------------------|-------------------|
| <b>ASSETS</b>  |      |                   |                   |                   |
| Deferred tax assets  |      | 37 824            | 36 939            | 59                |
| Goodwill   |      | 747 208           | 655 806           | 660 071           |
| Licenses incl. warranty licenses                                 |      | 1 584 410         | 1 530 833         | 1 536 319         |
| Other intangible assets incl. exclusivity agreement              |      | 15 919            | 38 480            | 36 828            |
| Property, plant and equipment incl. right-of-use assets          | 7    | 3 991 181         | 3 453 704         | 3 402 629         |
| Indemnification assets   |      | 40 000            | 40 000            | 40 000            |
| Investments in associates  | 9    | 136 888           | 87 029            | 104 675           |
| Other non-current receivables                                    |      | 105 149           | 32 351            | 90 897            |
| <b>Total non-current assets</b>                                  |      | <b>6 658 579</b>  | <b>5 875 141</b>  | <b>5 871 477</b>  |
| Inventories  |      | 233 671           | 133 211           | 128 299           |
| Biological assets excl. the fair value adjustment                | 5    | 2 794 326         | 2 382 447         | 2 478 932         |
| Fair value adjustment of biological assets                       | 5    | 1 047 561         | 831 222           | 970 480           |
| Trade receivables  |      | 178 284           | 98 732            | 151 793           |
| Other current receivables, derivatives and financial instruments |      | 302 930           | 323 603           | 184 924           |
| Cash and cash equivalents  | 7    | 2 174 503         | 146 483           | 928 342           |
| <b>Total current assets</b>                                      |      | <b>6 731 274</b>  | <b>3 915 699</b>  | <b>4 842 771</b>  |
| Assets held for sale   | 4    | —                 | 1 943 978         | —                 |
| <b>Total assets</b>  |      | <b>13 389 853</b> | <b>11 734 818</b> | <b>10 714 248</b> |
| <b>EQUITY AND LIABILITIES</b>                                    |      |                   |                   |                   |
| Share capital  |      | 453 788           | 453 788           | 453 788           |
| Treasury shares  |      | -4 532            | -4 686            | -4 532            |
| Contingent consideration (acquisition of Grieg Newfoundland AS)  |      | 701 535           | 701 535           | 701 535           |
| Retained earnings and other equity                               |      | 5 455 969         | 3 715 366         | 4 412 511         |
| <b>Total equity</b>  |      | <b>6 606 759</b>  | <b>4 866 003</b>  | <b>5 563 302</b>  |
| Deferred tax liabilities   |      | 1 429 085         | 1 070 044         | 1 069 802         |
| Share based payments   |      | 6 008             | 9 884             | 11 115            |
| Borrowings and lease liabilities                                 | 7    | 3 575 042         | 3 715 154         | 2 958 797         |
| <b>Total non-current liabilities</b>                             |      | <b>5 010 136</b>  | <b>4 795 081</b>  | <b>4 039 714</b>  |
| Current portion of borrowings and lease liabilities              | 7    | 368 760           | 892 210           | 232 507           |
| Trade payables   |      | 823 339           | 547 369           | 523 196           |
| Tax payable  |      | 88 520            | 426               | 88 641            |
| Other current liabilities, derivatives and financial instruments | 6    | 492 339           | 273 957           | 266 889           |
| <b>Total current liabilities</b>                                 |      | <b>1 772 958</b>  | <b>1 713 963</b>  | <b>1 111 232</b>  |
| Liabilities directly associated with the assets held for sale    | 4    | —                 | 359 771           | —                 |
| <b>Total liabilities</b>   |      | <b>6 783 093</b>  | <b>6 868 815</b>  | <b>5 150 946</b>  |
| <b>Total equity and liabilities</b>                              |      | <b>13 389 853</b> | <b>11 734 818</b> | <b>10 714 248</b> |

# CHANGES IN EQUITY

| GRIEG SEAFOOD GROUP (NOK 1 000)  | Share capital  | Treasury shares* | Contingent cons.** | Other equity     | Total            |
|--|----------------|------------------|--------------------|------------------|------------------|
| <b>Equity at 01.01.2021</b>  | <b>453 788</b> | <b>-4 686</b>    | <b>701 535</b>     | <b>3 220 281</b> | <b>4 370 918</b> |
| Profit for YTD 2021  | —              | —                | —                  | 444 182          | 444 182          |
| Other comprehensive income YTD 2021                                    | —              | —                | —                  | 50 903           | 50 903           |
| <b>Total comprehensive income YTD 2021</b>                             | <b>—</b>       | <b>—</b>         | <b>—</b>           | <b>495 085</b>   | <b>495 085</b>   |
| <b>Transactions with owners [in their capacity as owners] YTD 2021</b> | <b>—</b>       | <b>—</b>         | <b>—</b>           | <b>—</b>         | <b>—</b>         |
| Total change in equity YTD 2021  | —              | —                | —                  | 495 085          | 495 085          |
| <b>Equity at 30.09.2021</b>  | <b>453 788</b> | <b>-4 686</b>    | <b>701 535</b>     | <b>3 715 366</b> | <b>4 866 002</b> |
| <b>Equity at 01.01.2022</b>  | <b>453 788</b> | <b>-4 532</b>    | <b>701 535</b>     | <b>4 412 511</b> | <b>5 563 302</b> |
| Profit for YTD 2022  | —              | —                | —                  | 1 091 607        | 1 091 607        |
| Other comprehensive income YTD 2022                                    | —              | —                | —                  | 288 792          | 288 792          |
| <b>Total comprehensive income YTD 2022</b>                             | <b>—</b>       | <b>—</b>         | <b>—</b>           | <b>1 380 399</b> | <b>1 380 399</b> |
| Dividend   | —              | —                | —                  | -336 942         | -336 942         |
| <b>Transactions with owners [in their capacity as owners] YTD 2022</b> | <b>—</b>       | <b>—</b>         | <b>—</b>           | <b>-336 942</b>  | <b>-336 942</b>  |
| Total change in equity YTD 2022  | —              | —                | —                  | 1 043 457        | 1 043 457        |
| <b>Equity at 30.09.2022</b>  | <b>453 788</b> | <b>-4 532</b>    | <b>701 535</b>     | <b>5 455 969</b> | <b>6 606 759</b> |

\*The recognized amount equals the nominal value of the parent company's holding of treasury shares.

\*\*Contingent consideration, acquisition of Grieg Newfoundland AS.

# CASH FLOW STATEMENT

| GRIEG SEAFOOD GROUP NOK 1 000                                  | Note | Q3 2022          | Q3 2021         | YTD 2022         | YTD 2021        |
|--|------|------------------|-----------------|------------------|-----------------|
| EBIT (Earnings before interest and taxes)                      |      | -393 517         | 263 727         | 1 215 402        | 547 391         |
| Depreciation, amortization and write-down                      |      | 214 682          | 101 526         | 418 353          | 287 315         |
| Gain/loss on sale of property, plant and equipment             |      | -70              | -2              | -1 630           | 67              |
| Share of profit from associates                                | 9    | -23 682          | 351             | -24 613          | -108            |
| Fair value adjustment of biological assets                     | 5    | 442 175          | -120 720        | 105 240          | -386 997        |
| Change inventory excl. fair value, trade payables and rec.     |      | 245 360          | -74 797         | -261 722         | -337 454        |
| Other adjustments  |      | 22 669           | 68 787          | 263 920          | 161 436         |
| Taxes paid   |      | -639             | -842            | -4 968           | -20 809         |
| <b>Net cash flow from operating activities</b>                 |      | <b>506 978</b>   | <b>238 030</b>  | <b>1 709 981</b> | <b>250 841</b>  |
| Proceeds from sale of property, plant and equipment            |      | 70               | 38              | 7 019            | 390             |
| Payments on purchase of property, plant and equipment          |      | -160 337         | -126 408        | -404 971         | -442 728        |
| Government grant   | 7    | 451              | —               | 451              | 8 443           |
| Investment in associates and other invest.                     | 9    | -28              | —               | -15 978          | -2 500          |
| <b>Net cash flow from investing activities</b>                 |      | <b>-159 845</b>  | <b>-126 370</b> | <b>-413 478</b>  | <b>-436 396</b> |
| Revolving credit facility (net draw-down/repayment)            | 7    | —                | -110 000        | -440 000         | -196 222        |
| Proceeds of long-term int. bearing debt                        | 7    | —                | —               | 1 463 423        | 627 399         |
| Repayment long-term int. bearing debt                          | 7    | -84 548          | -50 599         | -520 559         | -101 602        |
| Repayment lease liabilities                                    | 7    | -60 225          | -44 905         | -161 854         | -132 868        |
| Net interest and other financial items                         | 8    | -38 087          | -56 202         | -80 893          | -154 224        |
| Paid dividends   |      | —                | —               | -336 942         | —               |
| <b>Net cash flow from financing activities</b>                 |      | <b>-182 860</b>  | <b>-261 705</b> | <b>-76 826</b>   | <b>42 483</b>   |
| Net change in cash and cash equivalents                        |      | 164 273          | -150 045        | 1 219 677        | -143 072        |
| Net change in cash and cash equivalents - discount. operations | 4    | —                | 92 107          | —                | 13 434          |
| <b>Net change in cash and cash equivalents - total</b>         |      | <b>164 273</b>   | <b>-57 939</b>  | <b>1 219 677</b> | <b>-129 638</b> |
| <b>Cash and cash equivalents - opening balance</b>             |      | <b>1 992 842</b> | <b>204 260</b>  | <b>928 342</b>   | <b>275 427</b>  |
| Currency translation of cash and cash equivalents              |      | 17 388           | 162             | 26 483           | 694             |
| <b>Cash and cash equivalents - closing balance</b>             |      | <b>2 174 503</b> | <b>146 483</b>  | <b>2 174 503</b> | <b>146 483</b>  |

# SELECTED NOTES

## NOTE 1 ACCOUNTING PRINCIPLES

Grieg Seafood ASA (the Group) comprises Grieg Seafood ASA and its subsidiaries, including the Group's share of associated companies. The financial report for the third quarter of 2022 has been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations approved by the EU, including IAS 34. The report does not include all information required in a complete annual report and should therefore be read in conjunction with the Group's recent annual report (2021).

As from Q2 2022, the presentation of the income statement has been changed compared to the presentation included in the Annual Report of 2021 by excluding the subtotals of EBITDA and EBIT before production fee and fair value adjustment of biological assets. These subtotals have been excluded to provide a more informative income statement. Note that these subtotals are still disclosed in our segment information. No financial statement line item of the income statement for 2022 nor the comparable year of 2021 have been changed with any retrospective effect. In addition, two new financial statement line items of the income statement have been added; "Write-down of tangible and intangible non-current asset" and "Other non-operational items". See more information disclosed under the additional accounting principles below.

The financial report for the third quarter of 2022 is unaudited.

Management is required to make estimates and assumptions concerning the future that affect the accounting policies and recognized amounts of assets, liabilities, income and expenses. Significant estimates relate to valuation of biological assets and intangible assets. Estimates and underlying assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be probable under the present circumstances. The final outcomes may deviate from these estimates. Changes in estimates are reflected in the accounts as they occur.

### ADDITIONAL ACCOUNTING PRINCIPLES

The following accounting principles supplement the Group's accounting principles disclosed in our recent annual report 2021.

#### Write-down of tangible and intangible non-current assets and other non-operational items

In Q3 2022, Grieg Seafood has decided to phase out production at the shíshálh (Sechelt) farming area of British Columbia. The impairment costs incl. the estimated clean-up costs are considered as isolated events by the Group, and not informative for the comparability of the Group's results from one period to the other (due to the fact that the production at the sites will cease) which is why these costs are specified on a separate line item in the income statement (the clean-up costs are included on the "other non-operational items" line item of the income statement). The financial statement line item is included in EBIT. See Note 6 for more information.

Litigation and legal claims are cost that apply to legal sanctions or settlements, and relates to prior years and not to the current operation of Grieg Seafood. The cost associated with this financial statement line item is not informative for the comparability of the Group's results from one period to the other, which is why these costs are specified on a separate line item in the income statement. The financial statement line item is included in EBIT. See Note 6 for more information.

## NOTE 2 RISKS AND UNCERTAINTIES

The Group is exposed to risks in numerous areas, such as biological production, the effects of climate change, degradation of nature, compliance risk, the risk of accidents, changes in salmon prices, and the risk of politically motivated trade barriers. The Covid-19 pandemic has posed a risk to most of the Group's operational areas the last two years, however the ongoing Russia-Ukraine war has replaced Covid as top risk to global supply chains. Also the recently proposed resource rent tax on salmon farming in Norway is deemed a high political risk for our operations. The Group's internal controls and risk exposure are subject to continuous monitoring and improvement, and efforts to reduce risk in different areas have a high priority. Management has established a framework for managing and eliminating most of the risks that could prevent the Group from attaining its goals. See the Group's risk overview [here](#). A summary of some of these risks, in the context on the short- and medium term as from Q3 2022, is included below.

### OPERATIONAL RISK

The greatest operational risk relates to biological developments within the Group's smolt and aquaculture operations. The book value of live fish at cost at quarter-end was NOK 2 794 million (21% of the balance sheet value). Biological risks include oxygen depletion, diseases, viruses, bacteria, parasites, algae blooms, jelly fish and other contaminants. To reduce this risk, the Group focuses on improving fish health and welfare through several initiatives, including joint fallowing and area-based management, switching from pharmaceutical to mechanical delousing treatment methods, and use of sensor technology to reduce algae challenges. The Group's post-smolt strategy, where fish are grown to a larger size on land, thereby shortening the time they spend in open sea pens, is an important part to reduce the biological risk.

Freshwater production in Rogaland, Finnmark and Newfoundland has been good. Infectious Salmon Anemia (ISA) has been detected in some roe samples at our broodstock facility in Grieg Seafood Rogaland. The fish has so far not been impacted by the disease, but we are following the situation closely. We do not expect any financial impact or impact on our future production or harvest due to the ISA detection. In BC, we experienced challenges related to quality of eggs, with reduced survival. This has impacted the number of smolt transferred to sea so far this year, and might impact our harvest volume in 2024. We have taken measures to ensure a higher quality roe going forward and are looking to purchase smolt in the market to offset the smolt shortage. We experienced high sea lice pressure in seawater both in Rogaland, Finnmark and BC, and had reduced survival in BC due to seasonal algae incidents, however less severe than historically due to use of barrier systems. The parasite *Spironucleus salmonicida* has been detected on some of our fish in the sea in Finnmark. Mortalities have been low, however, due to welfare reasons the fish with sickness signs will be culled. The source of the parasite is believed to have been found, and we have taken measures to reduce the risk of such event to happen again. For more information, see the regional text about Grieg Seafood Finnmark in this report. Both freshwater and seawater production in Newfoundland continue according to plan.

The feed industry is characterized by large global suppliers operating under cost plus contracts, and feed prices are accordingly directly linked to the global markets for fishmeal, vegetable meal, animal proteins and fish/vegetable/animal oils, which are the main ingredients in fish feed. Access to terrestrial feed ingredients has improved slightly due to good crop, while access to marine feed ingredients continue to be limited. Feed prices are expected to stabilize the next quarters.

The cybersecurity risk is high on management's agenda, and is addressed through securing the digital systems and infrastructure, as well as awareness and training, and strengthening the focus on securing remote access for employees and vendors.

### MARKET RISK

The global harvest volume of Atlantic salmon in 2022 is not expected to increase compared to 2021. Combined with high demand both from retail and HoReCa, this is expected to continue to drive prices. During Q3 2022, the global supply of Atlantic salmon increased by approximately 4% compared to Q3 2021, and the average NQSALMON for Q3 2022 was up by NOK 15.2 per kg compared to Q3 2021, and down by NOK 36 per kg compared to Q2 2022 - a quarter of historically high prices. In the US market, the average spot price according to the Urner Barry (farm raised salmon Seattle West Coast, fresh, wholefish) was down by NOK 0.5 per kg compared to Q3 2021, and down by NOK 11.5 per kg compared to Q2 2022. The average spot price according to NQSALMON for the first weeks into Q4 2022 was around NOK 69 per kg, while spot

price in the USA according to Urner Barry was around NOK 81 per kg. However, current inflation reducing household purchasing power, might impact demand both from both the HoReCa and retail segment. Currently, the Fishpool forward price for the rest of 2022 is above NOK 72 per kg.

Our internal sales and market organization sells all of our fish. We have our own value added department and have secured value-added processing capacity both in Norway and Canada, to reduce the risk of low price achievement of production grade fish. Continental Europe is the Group's most important market, with North America being the second largest market. We did not have sales to Russia during the quarter.

We target a contract share of 20-50% of our Norwegian harvest volume. Our estimated contract share in Norway for Q4 2022 is 32%, or 23% for the full year 2022. We do not have contracts in BC. As part of the possible introduction of a resource tax on salmon (ref Political risk above), it is proposed that revenues from salmon shall be determined on the basis of a norm price, which is set on the basis of prices for salmon on a public exchange (i.e. Nasdaq Salmon Index). Taxation based on a norm price will lead to tax exposure if the norm price is set higher than the agreed fixed price. As such, we will limit our exposure to contracts going forward.

## COMPLIANCE RISK

In February 2019, the European Commission launched an investigation to explore potential anti-competitive behavior in the Norwegian salmon industry. Grieg Seafood is one of the companies under investigation. Based on the EU investigation, US competition authorities launched their own investigation into the matter in November 2019. A class-action has been filed by indirect customers in the USA and three class-actions were filed in Canada (none has been certified as a class-action). Grieg Seafood is not aware of any anti-competitive behavior within the Group, neither in Norway, nor the EU, the USA, or Canada. Grieg Seafood rejects that there is any basis for the claims and considers the complaints to be entirely unsubstantiated. Given that the costs of litigation in the USA are substantial, coupled with the timeline for any litigation and required engagement of extensive internal resources, Grieg Seafood has agreed to a settlement offer from the indirect purchaser plaintiffs. The settlement is subject to approval by the court of Southern District of Florida. The settlement does not involve any admission of liability or wrongdoing. Costs incurred and provisions for expected costs related to the lawsuits in North America have been expensed, see Note 6.

NOK 1.6 million was spent on legal fees related to the investigations and the lawsuits during the quarter. The cost has been included as ownership cost, see Note 3.

## POLITICAL RISK IN NORWAY

On 28 September 2022, the Norwegian government proposed to introduce a resource rent tax on farming of salmon and trout at an effective tax rate of 40% with effect from 1 January 2023. The tax is proposed to apply to the aquaculture activity in sea. Grieg Seafood has aquaculture farming operations of Atlantic salmon in both Norway and Canada, and the proposed resource tax will not directly impact the Canadian operations, as the taxation of our operations in British Columbia and Newfoundland are subject to Canadian tax legislation. The proposed resource rent taxation will however directly impact the operations in Rogaland and Finnmark, as the taxation of the seawater operations in those regions will increase from 22% to 62% (the corporate tax rate in Norway for 2023 is expected to be unchanged at 22%), should the proposed resource tax be adopted in the current form.

The Group is currently assessing the effect the resource tax is expected to have on the Group's business and strategy, should the resource tax be adopted in the current form, as well as any likely amendments to the proposal. Grieg Seafood has put all new investments on hold until a final version of the tax regime is adopted. Approximately NOK 2.3 billion in investments have been put on hold. Grieg Seafood is together with the industry working to ensure that Norway remains competitive within the global salmon farming industry, with a stable and attractive investment climate. Once the tax is adopted, Grieg Seafood will assess how the final proposal will impact the company's strategy and plan. The proposed tax may direct our investments to Canada. Overall, salmon farming in Norway may lose competitiveness compared to aquaculture in other countries. With new technologies being developed, where there is no reliance on a coastline with

naturally tempered water, aquaculture investors will find it more attractive to invest and develop the industry in places with lower tax levels.

The consultation note published by the government concerning the proposed resource taxation does not contain all details on how to perform the tax calculation. The government has set a consultation deadline for a public hearing for the resource tax proposal to 4 January 2023, which implies that the legislation will likely be implemented with retrospective effect as from 1 January 2023. The proposal must be approved by the Norwegian Parliament before incorporation into Norwegian tax legislation.

As the resource rent taxation is a proposal by the Norwegian government, not incorporated in Norwegian tax legislation as at 30 September 2022, there has been no impact on the Group's financial position and financial results as at Q3 2022.

## FINANCIAL RISK

### Financing risk

Management monitors the Group's liquidity reserve, which comprises a bond, loan facility, bank deposits, and cash equivalents, based on expected cash flows. The Group's debt structure comprises sustainability-linked loans, which includes a NOK 750 million term loan, an EUR 75 million term loan, a NOK 1 500 million revolving credit facility and a NOK 200 million overdraft facility. See Note 7 for more information. In addition, the Group has a senior unsecured green bond issue with an outstanding amount of NOK 1 450 million, which matures in Q2 2025. As at 30 September 2022, the Group had NOK 1 794 million in net interest bearing liabilities (NOK 1 253 million excl the effect of IFRS 16) and an equity ratio of 49% (equity ratio according to the financial covenants was 51%). See Note 7 for more information. The cash and cash equivalents at the end of Q3 2022 was NOK 2 175 million, whereof NOK 1 000 million were placed in short-term funds with maturity less than three months.

### Liquidity risk

The Group has invested substantial amounts during the last two years, such as the acquisition of Grieg Newfoundland and the build-up of biological assets in all regions. The Group utilizes factoring agreements to finance its trade receivables in Norway. The trade financier purchases 100% of the credit-insured trade receivables from the Norwegian sales organization, transferring significant (95%) risk and control to the credit insurer. The purchased receivables by the trade financier are derecognized from the statement of financial position of the Group.

Monitoring of the Group's liquidity reserve is carried out at group level in collaboration with the operating companies. Management and the Board seek to maintain a high equity ratio (49% at 30 September 2022), to be well positioned to meet financial and operational challenges.

### Currency risk

The Group is primarily impacted by currency exposure to CAD, USD and EUR. The production companies sell in local currencies to the sales organization, which hedges its transactions against currency fluctuations related to CAD/USD, EUR/NOK and USD/NOK, and other currencies if required. However, the Group may not be successful in hedging against currency fluctuations and significant fluctuations may have a material adverse effect on the Group's financial results and business.

### Interest rate risk

The Group is exposed to interest rate risk through its borrowing activities, and to fluctuating interest rate levels in connection with the financing of its activities in the various regions. The Group's existing loans are at floating interest rates, but separate fixed-rate contracts have been entered into to reduce interest rate risk. Grieg Seafood's policy is to have 20–50% of interest-bearing debt hedged through interest rate swap agreements. A given proportion shall be at floating rates, while consideration will be given to entering and exiting hedging contracts for the remainder.



### Credit risk

Credit risk is managed at Group level. Credit risk arises from transactions involving derivatives and deposits in banks and financial institutions, transactions with customers, including trade receivables, and fixed contracts as well as loans to associates. The Group has procedures to ensure that products are only sold to customers with satisfactory creditworthiness. The Group normally sells to new customers solely against presentation of a letter of credit or against advance payment, and credit insurance is used when deemed necessary.

### CLIMATE AND NATURE RELATED RISK

Climate and nature plays an important role in Grieg Seafood's operations. We aim to increase our understanding of climate and nature-related risks, in order to find solutions to reduce adverse impacts.

The salmon farming industry is regulated to avoid impact on biodiversity and the marine environment. In addition, certifications like the Aquaculture Stewardship Council (ASC) help us raise the bar above regulatory limits. As of quarter end, 78% of the Group's net production was ASC certified. We acknowledge that there are still challenges to overcome, and we believe that preventive farming is key to reducing impact on both climate and nature. Several of our ongoing initiatives target climate and nature-related challenges, such as shortening the time our fish spend at sea and are exposed to risks, using real-time ocean data, data analytics, machine learning and artificial intelligence to better predict outcomes and implement mitigating actions early, and experimenting with new farming technologies that create barriers between the fish and the natural environment, such as semi-closed sea-based systems, land-based farming and offshore farming.

We report our greenhouse gas emissions for Scope 1, 2 and 3, and our carbon emission targets are approved by the Science-Based Targets initiative. We have also performed climate-related scenario analysis, and identified possible physical risks, transition risk, market risk and reputational risk. Overall, the Group expect the impacts of climate-related risks to be moderate in the short term, with no current quantifiable impact, but these impacts could become more severe in the medium to long term. Read our [Task force on Climate related Financial Disclosures \(TCFD\) report](#) and our [scenario-analysis](#).

We are a Taskforce Member of [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#). TNFD aims to develop a risk management and financial disclosure framework on nature-related risks, and will support organizations to report and act on both their impacts and dependencies on nature. The finalized framework is earmarked for release in late 2023.

## NOTE 3 SEGMENT INFORMATION

The operating segments are identified on the basis of the reports which Group management uses to assess performance and profitability at a strategic level. Group management assesses business activities from a geographical perspective, based on the location of assets. The Group has one production segment: Production of farmed salmon. Earnings from the sales companies in the Group is reported per producer. Geographically, management assesses the results of production in Rogaland – Norway, Finnmark – Norway and British Columbia – Canada, and Newfoundland – Canada. Group management evaluates the results from the segments based on operational EBIT. The operating segments are divided geographically by country or region, based on the reporting applied by Group management when assessing performance and profitability at a strategic level.

The method of measurement of operational EBIT excludes the effect of non-recurring costs, such as restructuring costs, legal costs on acquisition and amortization of goodwill and intangible assets when amortization is attributable to an isolated event which is not expected to recur. Furthermore, the measurement method includes in operational EBIT, but not reported per region, the effect of share based payments, as well as unrealized gains and losses on financial instruments, and ownership costs. These gains/losses and costs are reported in the "Elim/Other" column in the segment information of Grieg Seafood. Costs or gain which relate to prior years and not to the current operation of Grieg Seafood, are not included as operational EBIT as such costs are considered not being informative for the comparability of the Group's results from one period to the other. See Alternative Performance Measures for more information. Elim/Other items comprise, in addition to intercompany eliminations, the profit/loss from activities conducted by the parent company or other Group companies not geared for production. In the segment reporting, sales revenue on regional level include revenue from sale of Atlantic salmon. On regional level, other income include sale of bi-products (such as ensilage), as well as income from sale of smolt, fry and roe. On Group level, such income are reclassified to sales revenue in the "Elim/Other"-column in the Group's segment information. Other income also include, both on regional and Group level, rental income and income from overcapacity of operational assets. Other gains/losses are in the segment information included in the line "other income", such as gains/losses from the sale of fixed assets and other equipment. Associated companies that are closely related to the Group's operations and included in the Group's value chain, for when the relevant associates operate in the same position in the value chain as the Group, are included in the Group's operational EBITDA and operational EBIT. Otherwise, the profit from associates are excluded and presented as share of profit from associates (non-operational) in the segment information of the Group. The gain from the dilution in Årdal Aqua in Q3 2022 has been reported as a non-operational item as this is an isolated event. See also Note 9.

| <b>RECONCILIATION OF EBIT IN THE INCOME STATEMENT WITH OPERATIONAL EBITDA AND OPERATIONAL EBIT IN THE SEGMENT INFORMATION</b> | <b>Q3 2022</b>  | <b>Q3 2021</b> | <b>YTD 2022</b>  | <b>YTD 2021</b> |
|---|-----------------|----------------|------------------|-----------------|
| Sales revenues  | 1 708 764       | 1 303 202      | 5 524 102        | 3 085 106       |
| Other income  | 12 040          | 27 990         | 31 271           | 55 469          |
| Share of profit from associates (operational)   | 1 124           | -351           | 2 054            | 108             |
| Raw materials and consumables used  | -760 076        | -496 937       | -1 647 447       | -1 160 260      |
| Salaries and personnel expenses   | -162 647        | -156 325       | -510 676         | -404 177        |
| Other operating expenses  | -532 790        | -426 570       | -1 490 268       | -1 111 942      |
| <b>Operational EBITDA</b>   | <b>266 415</b>  | <b>251 009</b> | <b>1 909 036</b> | <b>464 304</b>  |
| Depreciation property, plant and equipment  | -115 675        | -99 591        | -314 309         | -282 114        |
| Amortization licenses and other intangible assets   | -6 174          | -1 935         | -11 211          | -5 200          |
| <b>Operational EBIT</b>   | <b>144 566</b>  | <b>149 483</b> | <b>1 583 516</b> | <b>176 989</b>  |
| Share of profit from associates (non-operational)   | 22 558          | —              | 22 558           | —               |
| Production fee  | -6 081          | -6 476         | -18 047          | -16 595         |
| Fair value adjustment of biological assets  | -442 175        | 120 720        | -105 240         | 386 997         |
| Write-down of non-current assets (non-operational)  | -92 833         | —              | -92 833          | —               |
| Other non-operational items   | -19 552         | —              | -174 552         | —               |
| <b>EBIT (Earnings before interest and taxes)</b>  | <b>-393 517</b> | <b>263 727</b> | <b>1 215 402</b> | <b>547 391</b>  |

| Q3 2022<br>SEGMENTS<br>(NOK 1 000)                   | FARMING NORWAY |          | FARMING CANADA      |                   | ELIM./<br>OTHER | GROUP     |
|--|----------------|----------|---------------------|-------------------|-----------------|-----------|
|  | ROGALAND       | FINNMARK | BRITISH<br>COLUMBIA | NEW-<br>FOUNDLAND |                 |           |
| Sales revenues                                       | 446 511        | 507 879  | 572 593             | —                 | 181 783         | 1 708 764 |
| Other income   | 9 955          | 3 954    | 116                 | —                 | -1 985          | 12 040    |
| Operational EBITDA                                   | 116 784        | 149 996  | -9 570              | 2 956             | 6 249           | 266 415   |
| Operational EBIT                                     | 91 901         | 114 511  | -40 640             | -24 089           | 2 883           | 144 566   |
| Harvest volume tonnes GWT                            | 6 841          | 8 174    | 7 908               | —                 | —               | 22 923    |
| Sales revenue/kg                                     | 65.3           | 62.1     | 72.4                | —                 | —               | 66.6      |
| Farming cost/kg                                      | 51.8           | 48.1     | 77.5                | —                 | —               | 59.4      |
| Other costs incl. ownership and headquarter costs/kg | —              | —        | —                   | —                 | —               | 0.9       |
| Operational EBIT/kg                                  | 13.4           | 14.0     | -5.1                | —                 | —               | 6.3       |
| Operational EBITDA %                                 | 26%            | 30%      | -2%                 | 0%                | 3%              | 16%       |
| Operational EBIT %                                   | 21%            | 23%      | -7%                 | 0%                | 2%              | 8%        |

The ownership cost includes legal fees related to the EU commission investigation of NOK 1.6 million in Q3 2022.

| Q3 2021<br>SEGMENTS<br>(NOK 1 000)                   | FARMING NORWAY |          | FARMING CANADA      |                   | ELIM./<br>OTHER | GROUP     |
|--|----------------|----------|---------------------|-------------------|-----------------|-----------|
|  | ROGALAND       | FINNMARK | BRITISH<br>COLUMBIA | NEW-<br>FOUNDLAND |                 |           |
| Sales revenues                                       | 322 866        | 531 081  | 341 543             | —                 | 107 713         | 1 303 202 |
| Other income   | 10 870         | 16 240   | 956                 | 2 842             | -2 917          | 27 990    |
| Operational EBITDA                                   | 54 678         | 117 962  | 111 235             | -23 307           | -9 560          | 251 009   |
| Operational EBIT                                     | 30 609         | 80 225   | 88 411              | -36 933           | -12 830         | 149 483   |
| Harvest volume tonnes GWT                            | 6 282          | 9 908    | 4 289               | —                 | —               | 20 479    |
| Sales revenue/kg                                     | 51.4           | 53.6     | 79.6                | —                 | —               | 58.4      |
| Farming cost/kg                                      | 46.5           | 45.5     | 59.0                | —                 | —               | 48.7      |
| Other costs incl. ownership and headquarter costs/kg | —              | —        | —                   | —                 | —               | 2.4       |
| Operational EBIT/kg                                  | 4.9            | 8.1      | 20.6                | —                 | —               | 7.3       |
| Operational EBITDA %                                 | 17%            | 22%      | 33%                 | 0%                | -9%             | 19%       |
| Operational EBIT %                                   | 9%             | 15%      | 26%                 | 0%                | -12%            | 11%       |

Sales revenue/kg reported in the segment information is equal to the sum of sales revenue of the regions divided by the related harvest volume. Group sales revenue is calculated based on the farming operation of the Group, excluding sales revenue from Group companies not geared for production.

Farming cost/kg reported in the segment information contributes all cost directly related to production and harvest of salmon, divided by the related harvest volume. Thus, on regional level, farming costs equal the operational costs. Other income are included in the farming cost metric, thus considered as cost reduction activities. Group farming cost is calculated based on the farming operation of the Group, excluding ownership costs and costs from Group companies not geared for production.

Other costs incl. ownership and headquarter costs/kg reported in the segment information include all costs and revenue not directly related to production and harvest of salmon, hereof the costs from activities conducted by the parent company and other Group companies not geared for production, divided by the Group's harvest volume. In addition, until the first harvest in Newfoundland is carried out, net costs attributable to the Newfoundland region are included as other costs/kg.

Operational EBIT/kg reported in the segment information is equal to the operational EBIT divided by the related harvest volume.

See Alternative Performance Measures for more information on the non-IFRS measures of sales revenue/kg, farming cost/kg, other costs incl. ownership and headquarter costs/kg and operational EBIT/kg.

| YTD 2022<br>SEGMENTS<br>(NOK 1 000)                  | FARMING NORWAY |           | FARMING CANADA      |                   | ELIM./<br>OTHER | GROUP     |
|--|----------------|-----------|---------------------|-------------------|-----------------|-----------|
|  | ROGALAND       | FINNMARK  | BRITISH<br>COLUMBIA | NEW-<br>FOUNDLAND |                 |           |
| Sales revenues                                       | 1 652 806      | 1 774 898 | 1 548 822           | —                 | 547 577         | 5 524 102 |
| Other income   | 49 397         | 14 292    | 8 716               | 343               | -41 478         | 31 271    |
| Operational EBITDA                                   | 733 582        | 873 540   | 392 157             | -39 522           | -50 721         | 1 909 036 |
| Operational EBIT                                     | 659 880        | 765 598   | 303 995             | -85 346           | -60 612         | 1 583 516 |
| Harvest volume tonnes GWT                            | 21 500         | 23 192    | 18 819              | —                 | —               | 63 511    |
| Sales revenue/kg                                     | 76.9           | 76.5      | 82.3                | —                 | —               | 78.4      |
| Farming cost/kg                                      | 46.2           | 43.5      | 66.1                | —                 | —               | 51.1      |
| Other costs incl. ownership and headquarter costs/kg | —              | —         | —                   | —                 | —               | 2.3       |
| Operational EBIT/kg                                  | 30.7           | 33.0      | 16.2                | —                 | —               | 24.9      |
| Operational EBITDA %                                 | 44%            | 49%       | 25%                 | 0%                | -9%             | 35%       |
| Operational EBIT %                                   | 40%            | 43%       | 20%                 | 0%                | -11%            | 29%       |

| YTD 2021<br>SEGMENTS<br>(NOK 1 000)                  | FARMING NORWAY |           | FARMING CANADA      |                   | ELIM./<br>OTHER | GROUP     |
|--|----------------|-----------|---------------------|-------------------|-----------------|-----------|
|  | ROGALAND       | FINNMARK  | BRITISH<br>COLUMBIA | NEW-<br>FOUNDLAND |                 |           |
| Sales revenues                                       | 1 031 065      | 1 075 354 | 741 880             | —                 | 236 807         | 3 085 106 |
| Other income   | 40 694         | 34 371    | 6 969               | 3 408             | -29 973         | 55 469    |
| Operational EBITDA                                   | 232 565        | 145 442   | 204 308             | -70 032           | -47 978         | 464 304   |
| Operational EBIT                                     | 158 556        | 39 353    | 133 589             | -97 144           | -57 364         | 176 989   |
| Harvest volume tonnes GWT                            | 19 411         | 22 073    | 10 390              | —                 | —               | 51 874    |
| Sales revenue/kg                                     | 53.1           | 48.7      | 71.4                | —                 | —               | 54.9      |
| Farming cost/kg                                      | 44.9           | 46.9      | 58.6                | —                 | —               | 48.5      |
| Other costs incl. ownership and headquarter costs/kg | —              | —         | —                   | —                 | —               | 3.0       |
| Operational EBIT/kg                                  | 8.2            | 1.8       | 12.9                | —                 | —               | 3.4       |
| Operational EBITDA %                                 | 23%            | 14%       | 28%                 | 0%                | -20%            | 15%       |
| Operational EBIT %                                   | 15%            | 4%        | 18%                 | 0%                | -24%            | 6%        |

## NOTE 4 SALE OF SHETLAND

On 29 June 2021, Grieg Seafood ASA entered into an agreement with Scottish Sea Farms Ltd for the disposal of all shares in Grieg Seafood Hjaltsland UK Ltd, the holding company of Grieg Seafood ASA's Shetland business (the "SPA"). The transaction was subject to certain customary closing conditions such as merger clearance. The Competition and Markets Authority (CMA) in UK approved the transaction on 8 December 2021. Closing of the transaction occurred on 15 December 2021, upon which Grieg Seafood Hjaltsland UK Ltd and Grieg Seafood Shetland Ltd (the Shetland assets/ Shetland disposal group) have been deconsolidated from the Grieg Seafood Group in December 2021.

The enterprise value in the transaction was set to GBP 164 million, assuming a normalized net working capital and to be adjusted for net debt. On the closing date of the transaction, Grieg Seafood received a preliminary purchase price for the Shetland assets of NOK 2 087 million in December 2021. See more information in the 2021 Annual Report of Grieg Seafood.

Due to certain delays, the final settlement has been postponed. Grieg Seafood does not expect a significant adjustment of the final purchase price for the Shetland assets.

As the transaction was finalized in 2021, and due to the final settlement has been postponed, the discontinued operation of Shetland has not impacted the Q3 2022 nor the YTD 2022 financials for Grieg Seafood. For more information about the Shetland transaction and non-current assets held for sale and discontinued operations, see the Annual Report 2021 Note 5.

| <b>PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (NOK 1 000)</b> | <b>Q3 2022</b> | <b>Q3 2021</b> | <b>YTD 2022</b> | <b>YTD 2021</b> |
|---|----------------|----------------|-----------------|-----------------|
| Net profit for the period from discontinued operations        | —              | 55 868         | —               | 96 007          |
| Gain on the sale of the subsidiary after income tax           | —              | —              | —               | —               |
| <b>Net profit for the period from discontinued operations</b> | <b>—</b>       | <b>55 868</b>  | <b>—</b>        | <b>96 007</b>   |

| <b>CASH FLOWS FROM DISCONTINUED OPERATIONS (NOK 1 000)</b>                  | <b>Q3 2022</b> | <b>Q3 2021</b> | <b>YTD 2022</b> | <b>YTD 2021</b> |
|---|----------------|----------------|-----------------|-----------------|
| Net cash flow from operating activities                                     | —              | 120 201        | —               | 165 834         |
| Net cash flow from investing activities                                     | —              | -8 856         | —               | -18 547         |
| Net cash flow from financing activities                                     | —              | -17 229        | —               | -129 039        |
| <b>Sum</b>  | <b>—</b>       | <b>94 116</b>  | <b>—</b>        | <b>18 249</b>   |
| Cash discontinued operations cash and cash equivalents - other changes      | —              | -2 009         | —               | -4 815          |
| <b>Net change in cash and cash equivalents from discontinued operations</b> | <b>—</b>       | <b>92 107</b>  | <b>—</b>        | <b>13 434</b>   |

Grieg Seafood Shetland was part of Grieg Seafood ASA' group account (cash pool) arrangement with banks up until the sale 15 December 2021.

## NOTE 5 BIOLOGICAL ASSETS AND FAIR VALUE ADJUSTMENT

The accounting treatment of live fish by enterprises applying IFRS is regulated by IAS 41 Agriculture. IAS 41 comprises a hierarchy of methods for accounting measurement of biological assets at level 3. The basic principle is that such assets shall be measured at fair value less cost to sell. Fair value is defined in IFRS 13 as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”. According to IFRS 13, the highest and best use of the biological asset establishes the valuation premises. For salmon including parent fish, a present value model is applied to estimate fair value. For roe, fry and smolt, historical cost provides the best estimate of fair value.

In accordance with the principle for highest and best use, Grieg Seafood considers that the optimal harvest weight is 4.60 kg, which corresponds to 4 kg gutted weight. Fish with a live weight of 4.60 kg or more are classified as ready for harvest (mature fish), while fish that have not achieved this weight are classified as not harvestable (immature fish).

At the balance sheet date, uncertainty regarding the value of the mature fish mainly relates to realized prices and volume. For immature fish, the level of uncertainty is higher. Price, volume, discount rate and remaining production cost are the main uncertainty factors; however, uncertainty is also related to biological transformation and mortality prior to harvest date for the fish.

The change in the fair value of biological assets is recognized through profit or loss and presented as “fair value adjustment of biological assets” in the income statement.

Sales prices for the fish in the sea for Norway are based on forward prices from Fish Pool. For Canada we use the most relevant price information available for the period in which the fish is expected to be harvested. The price/ sales value is adjusted for quality differences (superior, ordinary and production), logistics expenses and sales commissions. Estimated harvesting expenses are deducted.

The estimated future cash flow is discounted by a monthly rate. The discount rate takes into account both risk adjustment (risk related to volume, cost and price), compensation for the value of the licenses (hypothetical rent) and time value (tying up capital). The Group uses a different discount factor when calculating the fair value of biological assets for the activity in the different regions. The discount factor reflects a combination of the cost of capital for the biomass, risk discounting and synthetic licenses rent. The reason for differentiating the discount factor per region is the different prerequisites for biological production and thus also a differentiation of recognized synthetic license rent. In May 2022, we transferred smolt to sea in Newfoundland for the first time, thus Newfoundland has been applicable for fair value adjustment of the biological assets for since Q2 2022, with a discount rate of 3.5%.

See our Annual Report 2021 for further information on the accounting assumptions applied on the fair value estimates of biological asset.

| DISCOUNT RATE PER REGION | Q3 2022 | Q3 2021 | FY 2021 |
|--------------------------|---------|---------|---------|
| Rogaland                 | 5.0 %   | 5.0 %   | 5.0 %   |
| Finnmark                 | 5.0 %   | 5.0 %   | 5.0 %   |
| British Columbia         | 3.5 %   | 3.5 %   | 3.5 %   |
| Newfoundland             | 3.5 %   | n/a     | n/a     |

| BIOLOGICAL ASSETS                            | TONNES*       |               |               |               | NOK 1 000        |                  |                  |                  |
|--|---------------|---------------|---------------|---------------|------------------|------------------|------------------|------------------|
|  | Q3 2022       | YTD 2022      | Q3 2021       | YTD 2021      | Q3 2022          | YTD 2022         | Q3 2021          | YTD 2021         |
| <b>Biological assets beginning of period</b> | <b>51 939</b> | <b>59 121</b> | <b>53 122</b> | <b>52 619</b> | <b>4 296 598</b> | <b>3 449 412</b> | <b>3 013 620</b> | <b>2 545 901</b> |
| Currency translation                         | n/a           | n/a           | n/a           | n/a           | 17 958           | 103 457          | -1 894           | 17 431           |
| Increases due to production                  | 27 110        | 67 029        | 27 681        | 64 583        | 1 283 291        | 3 071 066        | 966 694          | 2 404 590        |
| Decrease due to harvesting                   | -26 673       | -73 774       | -23 777       | -60 176       | -1 221 877       | -2 859 130       | -896 326         | -2 238 248       |
| Fair value adjustment beginning of period    | n/a           | n/a           | n/a           | n/a           | -1 581 644       | -970 480         | -699 645         | -347 227         |
| Fair value adjustment period end             | n/a           | n/a           | n/a           | n/a           | 1 047 561        | 1 047 561        | 831 222          | 831 222          |
| <b>Biological assets period end</b>          | <b>52 376</b> | <b>52 376</b> | <b>57 025</b> | <b>57 025</b> | <b>3 841 886</b> | <b>3 841 886</b> | <b>3 213 670</b> | <b>3 213 670</b> |

\*Round weight

| BIOLOGICAL ASSETS AT 30.09.2022               | NUMBER OF FISH (1 000) | BIOMASS (TONNES) | COST OF PRODUCTION (NOK 1 000) | FAIR VALUE ADJUSTMENT (NOK 1 000) | CARRYING AMOUNT (NOK1 000) |
|---|------------------------|------------------|--------------------------------|-----------------------------------|----------------------------|
| Biomass onshore                               | 18 041                 | 844              | 196 920                        | —                                 | 196 920                    |
| Biological assets with round weight < 4.60 kg | 27 782                 | 49 786           | 2 475 445                      | 1 069 280                         | 3 544 725                  |
| Biological assets with round weight > 4.60 kg | 360                    | 1 746            | 121 960                        | -21 719                           | 100 241                    |
| <b>Total</b>                                  | <b>46 184</b>          | <b>52 376</b>    | <b>2 794 326</b>               | <b>1 047 561</b>                  | <b>3 841 886</b>           |

| BIOLOGICAL ASSETS AT 30.09.2021               | NUMBER OF FISH (1 000) | BIOMASS (TONNES) | COST OF PRODUCTION (NOK 1 000) | FAIR VALUE ADJUSTMENT (NOK 1 000) | CARRYING AMOUNT (NOK1 000) |
|---|------------------------|------------------|--------------------------------|-----------------------------------|----------------------------|
| Biomass onshore                               | 20 842                 | 795              | 156 634                        | —                                 | 156 634                    |
| Biological assets with round weight < 4.60 kg | 27 961                 | 50 553           | 1 979 220                      | 834 295                           | 2 813 515                  |
| Biological assets with round weight > 4.60 kg | 1 137                  | 5 677            | 246 594                        | -3 073                            | 243 521                    |
| <b>Total</b>                                  | <b>49 941</b>          | <b>57 025</b>    | <b>2 382 448</b>               | <b>831 222</b>                    | <b>3 213 670</b>           |

| SPECIFICATION OF THE FAIR VALUE ADJUSTMENT, INCOME STATEMENT (NOK 1 000)                     | Q3 2022         | Q3 2021        | YTD 2022        | YTD 2021       |
|--|-----------------|----------------|-----------------|----------------|
| Change in fair value adjustment of biological assets   | -537 458        | 132 477        | 17 050          | 479 510        |
| Change in physical delivery contracts related to fair value adjustments of biological assets | 12 766          | —              | -3 932          | —              |
| Change in fair value of financial derivatives from salmon (Fish Pool contracts)              | 82 516          | -11 757        | -118 358        | -92 513        |
| <b>Total recognized fair value adjustment of biological assets</b>                           | <b>-442 175</b> | <b>120 720</b> | <b>-105 240</b> | <b>386 997</b> |

Provisions allocated to future physical delivery contracts that require fair value adjustments are recognized as other current liabilities in the balance sheet. The contracts are calculated based on the same forward prices used for fair value calculation of biological assets. Value adjustment of financial derivatives from salmon are recognized in the balance sheet as derivatives and other financial instruments. Financial derivatives are calculated at market value.

## NOTE 6 WRITE-DOWN ON TANGIBLE AND INTANGIBLE NON-CURRENT ASSETS AND OTHER NON-OPERATIONAL ITEMS

### Write-down of tangible and intangible non-current assets and related non-operational items

As part of the ongoing process of site restructuring in Grieg Seafood BC, we seek to develop sites that are well suited for salmon farming, and phase out older and smaller sites with more challenging biological conditions. The shíshálh Nation's territory, located near the Sunshine Coast of BC, held eight of our seawater licenses with limited production (historical yearly harvest volumes below 2 000 tonnes). Six of those farms have previously been removed from our production planning cycle and have been inactive as they were older, smaller sites which were difficult to farm due to location (relatively shallow locations with warmer water temperatures and higher salinity). Following several months of conversation with the shíshálh Nation regarding our remaining two operations and the Nations vision for their territory, a decision was reached by the Nation to remove salmon farms from their territory. Our two remaining functional sites in the area will be harvested out during Q4 2022, however, we have taken the complete write down of licenses and relevant seawater equipment of NOK 93 million in addition to site clean-up costs estimated to NOK 20 million in our income statement this quarter. The write-down of assets and the site clean-up cost has been reported below operational EBIT as this is a one time/non-recurrent event. The estimated site clean-up cost is included in other current liabilities and reported as an other non-operational item in the income statement.

### Litigation and legal claims reported as other non-operational items

With reference to the disclosure on compliance risk provided in Note 2, the costs connected with lawsuits in North-America are significant. In the second quarter of 2022, the Group expensed costs incurred and made provisions for costs and expenses related to the previously reported lawsuits in North America. The costs and expenses included payments related to settlement, material legal fees as well as other related expenses. The total amount of NOK 155 million has not been changed in the third quarter of 2022. It is reported as other non-operational items and included in EBIT (Earnings before interest and taxes).



## NOTE 7 NET INTEREST-BEARING LIABILITIES

The syndicated financing from secured lenders of Grieg Seafood consists of an aggregate of NOK 3 200 million in five-year senior secured sustainability-linked loans and credit facilities. The debt structure comprises a NOK 750 million term loan, an EUR 75 million term loan, a NOK 1 500 million revolving credit facility and a NOK 200 million overdraft facility. The financial covenant of the facility is a minimum equity-ratio requirement of 31 %, measured excl. the effect of IFRS 16.

In addition to the senior secured facility, the Group also has a green bond (GSF01 G, listed at Euronext), which matures 25 June 2025. The bond carries a coupon rate of three months NIBOR + 3.4% p.a. The bond's financial covenant is an equity-ratio requirement of minimum 30%, measured consistent with the Group's equity-ratio financial covenants as defined in its syndicated loan agreement with secured lenders.

Grieg Seafood ASA was in compliance with its financial covenant at 30 September 2022. At 30 September 2022, the Group had an equity ratio of 49%, while the equity ratio according to financial covenant was 51% (43%), compared to 52% at 30 June 2022.

| <b>NET INTEREST-BEARING LIABILITIES (NOK 1 000)</b>                                     | <b>30.09.2022</b> | <b>30.09.2021</b> | <b>31.12.2021</b> |
|---|-------------------|-------------------|-------------------|
| Bond loan   | 1 450 000         | 1 500 000         | 1 500 000         |
| Non-current borrowings incl. syndicate term loan and revolving facility                 | 1 459 245         | 1 647 694         | 910 671           |
| Lease liabilities (operating leases according to IFRS in force prior to 1 January 2019) | 386 820           | 301 710           | 290 219           |
| Lease liabilities (finance leases according to IFRS in force prior to 1 January 2019)   | 306 349           | 302 338           | 287 578           |
| <b>Total non-current interest-bearing liabilities*</b>                                  | <b>3 602 414</b>  | <b>3 751 742</b>  | <b>2 988 468</b>  |
| Current portion of borrowings incl. overdraft   | 136 025           | 705 069           | 54 475            |
| Lease liabilities (operating leases according to IFRS in force prior to 1 January 2019) | 154 414           | 114 321           | 105 114           |
| Lease liabilities (finance leases according to IFRS in force prior to 1 January 2019)   | 78 321            | 72 820            | 72 918            |
| <b>Total current interest-bearing liabilities</b>                                       | <b>368 760</b>    | <b>892 210</b>    | <b>232 507</b>    |
| <b>Gross interest-bearing liabilities*</b>  | <b>3 971 175</b>  | <b>4 643 952</b>  | <b>3 220 974</b>  |
| Cash and cash equivalents   | -2 174 503        | -146 483          | -928 342          |
| Loans to associates   | -2 300            | -2 085            | -2 111            |
| <b>Net interest-bearing liabilities incl. IFRS 16</b>                                   | <b>1 794 372</b>  | <b>4 495 383</b>  | <b>2 290 520</b>  |
| Lease liabilities (operating leases according to IFRS in force prior to 1 January 2019) | -541 235          | -416 030          | -395 332          |
| <b>Net interest-bearing liabilities excl. IFRS 16</b>                                   | <b>1 253 137</b>  | <b>4 079 353</b>  | <b>1 895 188</b>  |

\* Gross interest-bearing liabilities is the sum of non-current interest-bearing liabilities and current interest-bearing liabilities. Current interest-bearing liabilities are consistent with the financial statement line item "Current portion of borrowings and lease liabilities" in the balance sheet. For non-current interest-bearing liabilities and reconciliation with the balance sheet, the difference is the amortized loan cost associated with the green bond issue and the syndicated facilities with secured lenders, as interest-bearing liabilities is calculated ex. such costs, while the balance sheet financial statement line item "Borrowings and lease liabilities" include amortized loan costs.

## NOTE 8 NET FINANCIAL ITEMS

| NET FINANCIAL ITEMS (NOK 1 000)                | Q3 2022       | Q3 2021        | YTD 2022       | YTD 2021       |
|--|---------------|----------------|----------------|----------------|
| Changes in fair value from hedging instruments | 3 211         | 6 905          | 27 203         | 23 223         |
| Net financial interest                         | -35 367       | -48 369        | -101 127       | -143 812       |
| Net currency gain (losses)                     | 25 434        | -8 299         | 178 182        | 77 367         |
| Dividend                                       | —             | 10             | —              | 10             |
| Net other financial income (expenses)          | -2 255        | -5 265         | 20 440         | -13 681        |
| <b>Net financial items</b>                     | <b>-8 978</b> | <b>-55 018</b> | <b>124 698</b> | <b>-56 893</b> |

## NOTE 9 INVESTMENT IN ASSOCIATED COMPANIES

The investment in Tytlandsvik Aqua AS, Nordnorsk Smolt AS, Årdal Aqua AS and NextSeafood AS are classified as “Investments in associates” in the statement of financial position, and the share of profit is presented as “Share of profit from associates” in the income statement. See Note 3 regarding the associated companies in the segment information.

| ASSOCIATES<br>CLASSIFIED AS<br>OPERATIONS            | EQUITY<br>INTEREST | EQUITY<br>INTEREST | BOOK VALUE     | SHARE OF<br>PROFIT FROM<br>ASSOCIATES | OTHER<br>CHANGES IN<br>THE PERIOD | BOOK VALUE     |
|--|--------------------|--------------------|----------------|---------------------------------------|-----------------------------------|----------------|
|  | 01.01.2022         | 30.09.2022         | 01.01.2022     | YTD 2022                              | YTD 2022                          | 30.09.2022     |
| Nordnorsk Smolt AS                                   | 50.00%             | 50.00%             | 47 710         | -4 975                                | —                                 | 42 736         |
| Tytlandsvik Aqua AS                                  | 33.33 %            | 33.33 %            | 48 087         | 7 295                                 | —                                 | 55 381         |
| Årdal Aqua AS  | 37.04 %            | 33.33 %            | 8 878          | 22 293                                | —                                 | 31 171         |
| NextSeafood AS                                       | 0.00 %             | 50.00 %            | —              | —                                     | 7 600                             | 7 600          |
| <b>Total associates<br/>classified as operations</b> |                    |                    | <b>104 675</b> | <b>24 613</b>                         | <b>7 600</b>                      | <b>136 888</b> |

The Group owns, through Grieg Seafood Finnmark AS, a 50.00% ownership interest in Nordnorsk Smolt AS together with Norway Royal Salmon ASA (50.00%). At 30 September 2022, Grieg Seafood Finnmark has an outstanding long-term loan to Nordnorsk Smolt AS of NOK 2.3 million (NOK 2.1 million at 31 December 2021), which is included in the Group's other non-current receivables in the Statement of Financial Position. Nordnorsk Smolt AS is located in Troms and Finnmark county in Northern Norway, and has an annual production capacity of 900 tonnes. There is currently no production of smolt at Nordnorsk Smolt due to ongoing redesign of the facility, which is scheduled for completion in Q2 2023.

The Group owns, through Grieg Seafood Rogaland AS, a 33.33% ownership interest in Tytlandsvik Aqua AS, together with Bremnes Seashore AS (33.33%) and Vest Havbruk AS (33.33%). Tytlandsvik Aqua AS has a current annual production capacity of 4 500 tonnes, of which Grieg Seafood Rogaland's share of the volume is 50%.

The Group owns, through Grieg Seafood Rogaland, 33.33% ownership interest in Årdal Aqua AS. The other shareholders are Vest Havbruk AS and Omfar AS. Two share issues were carried out when Omfar AS became a co-owner of the company. The other two shareholders were diluted first from 50% to 37.04% and then to 33.33% ownership. At the same time Grieg Seafood Rogaland entered into a post smolt agreement with Årdal Aqua. The capital issue from Omfar AS and the post smolt agreement consequently recognized an income with a dilution gain of NOK 22.7 million, where NOK 6.7 million is from 2021. The total gain has been recognized as an income from associated companies in Q3 2022, presented as a non-operational income in the segment figures. The construction of a land-based farming and post-smolt facility has started.

Q1 2022 Grieg Seafood Rogaland invested NOK 7.6 million for an ownership interest of 50% in NextSeafood AS.

NextSeafood is owned together with Havbrukskompaniet AS, and aims to explore and realize the closed containment system known as FishGLOBE V6. FishGLOBE AS was awarded two development licenses (1 560 tonnes MAB) in 2019. There is long-term interest free loan to FishGLOBE AS of NOK 8.4 million from Grieg Seafood Rogaland.

Note that due to the proposed resource tax in Norway, Grieg Seafood has put all new investments on hold until a final version of the tax regime has been adopted. See also Note 2.

## NOTE 10 RELATED PARTIES

### Related parties' transactions

Transactions with related parties take place at market conditions in accordance with arm's length principle, and is described in the company's annual report for 2021.

| SHARES RELATED TO THE BOARD MEMBERS AND MANAGEMENT AT 30.09.2022 | NO. OF SHARES<br>(Direct and indirect<br>ownership) | SHARE-HOLDING<br>(Direct and indirect<br>ownership) |
|--|---|---|
| <b>Board of directors</b>  |   |   |
| Per Grieg Jr. <sup>1</sup>                                       | 57 926 127  | 51.06 %   |
| Nicolai Hafeld Grieg <sup>1</sup>                                | 56 914 355  | 50.17 %   |
| Tore Holand  | 2 000   | 0.00 %  |
| Marianne Ødegaard Ribe   | —   | 0.00 %  |
| Katrine Trovik   | —   | 0.00 %  |
| Ragnhild Janbu Fresvik (board member from 9 June 2022)           | —   | 0.00 %  |
| <b>Group management</b>  |   |   |
| CEO  | 39 809  | 0.04 %  |
| CFO  | 24 852  | 0.02 %  |
| COO Farming Norway   | 22 809  | 0.02 %  |
| CCO  | 8 127   | 0.01 %  |
| CTO  | 24 151  | 0.02 %  |
| CHRO   | 14 370  | 0.01 %  |
| Group Communications Manager                                     | 4 711   | 0.00 %  |

1) Total share owned by Grieg Aqua AS are considered in the calculation of shares related to Per Grieg Jr. and Nicolai Hafeld Grieg.

| SPECIFICATION OF SHAREHOLDING BY PER GRIEG JR. | NO. OF SHARES     | SHARE-HOLDING  |
|--|-------------------|----------------|
| Grieg Aqua AS                                  | 56 914 355        | 50.17%         |
| Kvasshøgdi AS                                  | 996 772           | 0.88%          |
| Per Grieg Jr. (private)                        | 15 000            | 0.01%          |
| <b>Total shares</b>                            | <b>57 926 127</b> | <b>51.06 %</b> |

In addition, the shares owned by the companies as referred to in the table above are considered in the calculation of shares related to Per Grieg Jr.

## NOTE 11 SHARE CAPITAL AND SHAREHOLDERS

As at 30 September 2022, the Company had 113 447 042 shares with a nominal value of NOK 4.00 per share. All shares issued by the Company are fully paid-up. There is one class of shares and all shares confer the same rights.

| SHARE CAPITAL AND NUMBER OF SHARES             | NOMINAL VALUE<br>PER SHARE (NOK) | TOTAL SHARE<br>CAPITAL<br>(NOK 1 000) | NUMBER OF<br>ORDINARY<br>SHARES |
|--|----------------------------------|---------------------------------------|---------------------------------|
| <b>Total</b>                                   | <b>4.00</b>                      | <b>453 788</b>                        | <b>113 447 042</b>              |
| Holding of treasury shares                     | 4.00                             | -5 000                                | -1 250 000                      |
| Sale of treasury shares to employees 2018-2021 | 4.00                             | 468                                   | 117 019                         |
| <b>Total excl. treasury shares</b>             | <b>4.00</b>                      | <b>449 256</b>                        | <b>112 314 061</b>              |

### Treasury shares

In 2011, the Company purchased 1 250 000 treasury shares at NOK 14.40 per share. As from 2018, the treasury shares have been sold to employees for the share savings program. As at 30 September 2022, the Company has 1 132 981 treasury shares.

| THE 20 LARGEST SHAREHOLDERS IN GRIEG SEAFOOD ASA AT 30.09.2022 | NO. OF SHARES      | SHARE-<br>HOLDING |
|--|--------------------|-------------------|
| Grieg Aqua AS  | 56 914 355         | 50.17%            |
| OM Holding AS  | 5 100 982          | 4.50%             |
| Folketrygdfondet   | 2 889 985          | 2.55%             |
| Ystholmen Felles AS  | 1 923 197          | 1.70%             |
| State Street Bank and Trust Comp (nominee)                     | 1 907 659          | 1.68%             |
| State Street Bank and Trust Comp (nominee)                     | 1 577 531          | 1.39%             |
| Clearstream Banking S.A. (nominee)                             | 1 403 890          | 1.24%             |
| Verdipapirfondet Alfred Berg Gamba                             | 1 222 624          | 1.08%             |
| The Bank of New York Mellon (nominee)                          | 1 183 944          | 1.04%             |
| Grieg Seafood ASA  | 1 132 981          | 1.00%             |
| JPMorgan Chase Bank, N.A., London (nominee)                    | 1 095 741          | 0.97%             |
| Kvasshøgdi AS  | 996 772            | 0.88%             |
| UBS Europe SE (nominee)  | 978 713            | 0.86%             |
| Euroclear Bank S.A./N.V. (nominee)                             | 964 433            | 0.85%             |
| The Bank of New York Mellon SA/NV (nominee)                    | 884 561            | 0.78%             |
| DZ Privatbank S.A. (nominee)                                   | 737 503            | 0.65%             |
| State Street Bank and Trust Comp (nominee)                     | 708 494            | 0.62%             |
| The Bank of New York Mellon SA/NV (nominee)                    | 677 099            | 0.60%             |
| Six Sis AG (nominee)   | 543 735            | 0.48%             |
| Danske Invest Norge Vekst                                      | 540 000            | 0.48%             |
| <b>Total 20 largest shareholders</b>                           | <b>83 384 199</b>  | <b>73.50%</b>     |
| Total others   | 30 062 843         | 26.50%            |
| <b>Total number of shares</b>                                  | <b>113 447 042</b> | <b>100.00%</b>    |

# ALTERNATIVE PERFORMANCE MEASURES (APM)

We believe that our financial statements only partially reflect the underlying performance of our operations, and as such some of the financial information presented in the Q3 2022 quarterly report contains alternative performance measures (APM). The APMs represented are important key performance indicators for how the management of Grieg Seafood monitors operational and financial performance on regional and group level. Therefore, we believe that the APMs disclosed provide additional, useful information when analyzing Grieg Seafood and our business activity.

APMs are non-IFRS financial measures. These measures are not intended to substitute, or to be superior to, any measure of IFRS. The APMs used by the Group have been defined by Grieg Seafood to supplement our financial reporting and the APMs could therefore deviate from, or otherwise not being directly comparable to, similar APMs disclosed by other companies.

See also the Annual Report 2021 for more information on the APMs used by Grieg Seafood.

## Amended principles for operational EBITDA and operational EBIT since Annual Report 2021

As from Q2 2022, "EBIT before production fee and fair value adjustment of biological assets" have renamed "Operational EBIT". As such, "EBIT/kg" has been renamed "Operational EBIT/kg". In line with this, "EBIT after production fee and fair value adjustment of biological assets" are renamed as "EBIT". Furthermore, operational EBITDA and operational EBIT are as from Q2 2022 excluded from the income statement, as these APM's are available in the Group's segment reporting.

Operational EBIT is a non-IFRS financial measure calculated by adding production fee and fair value adjustment of biological assets, and other non-operational items (incl. costs and impairment of phasing out seawater production sites) to the financial statement line item EBIT (earnings before interests and taxes) of the income statement. See Note 6 for information. Operational EBITDA is a non-IFRS financial measure, calculated by adding depreciation and amortization of licenses and other intangible assets to operational EBIT.

The litigation and legal claim costs resulting from prior years, costs incl. impairment resulting from phasing out production at the shishálh (Sechelt) farming area of British Columbia, and dilution gain from a capital issue in Årdal Aqua (which is not operational at date) are items which are considered isolated events which are not expected to reoccur, and as such Grieg Seafood do not consider these costs informative or the comparability of the Group's results from one period to the other. These costs are excluded as the Group believe such costs impacts the comparability of the operating performance of Grieg Seafood, given the non-recurring nature of these costs. The litigation and legal claim costs was expensed in Q2 2022, while both the costs incl. impairment resulting from phasing out production at the shishálh (Sechelt) farming area of British Columbia, and the dilution gain from a capital issue in Årdal Aqua, was recognized in the income statement of Q3 2022.

| APM   | DEFINITION AND CALCULATION   | REASON FOR APPLYING APM  |
|---|--|--|
| <b>Operational EBIT and operational EBIT/kg (GWT)</b> | <p>Operational EBIT is calculated by adding production fee and fair value adjustment of biological assets, in addition to isolated non-operational events, such as costs (incl. impairment) of closing down sites, legal claims- and litigation costs and other non-operational items to the financial statement line item EBIT (Earnings before interests and taxes) of the income statement.</p> <p>Operational EBIT is reported in the Group's segment reporting (see Note 3), where a reconciliation with EBIT of the income statement is included.</p> <p>The operational EBIT/kg (GWT), or operational EBIT/kg, metric is the operational EBIT divided by harvested volume in kg gutted weight equivalent. The metric is calculated per farming region, for Norway and Canada, and for the Group as a whole. Operational EBIT/kg equals sales revenue/kg subtracted by farming cost/kg and other costs incl. headquarter costs/kg. The metric is reported in the Group's segment information (see Note 3), and calculated using solely figures included in the segment information.</p> <p>Operational EBIT (and operational EBIT/kg) is defined by Grieg Seafood. The APM could therefore deviate, or otherwise not being directly comparable with, similar measures provided by other companies, as the calculation of operational EBIT and/or operating EBIT/kg could be different.</p> | <p>Operational EBIT and operational EBIT/kg is used by management, analyst, investors and is generally considered the industry-measure for profitability and is used to assess our performance. Operational EBIT has been defined by Grieg Seafood and exclude items as described. We exclude these items from our operational EBIT as we believe that these items impact the usefulness and comparability of our operational- and financial performance from one period to the other, as these items have a non-operational or non-recurring nature. Operational EBIT provides a more informative result as it does not consider country-specific taxation on harvest and do not include expected future (unrealized) gains or losses on fish not yet sold. In addition, isolated events not expected to reoccur, such as litigation and legal claim costs that arise from prior years as well as costs (incl. impairment) and phasing out seawater sites, are not considered relevant for the current operation of the Group, are not useful information when analyzing the current operation of Grieg Seafood.</p> <p>Profit from associated companies that are closely related to the Group's operations and included in the Group's value chain, for when the relevant associated company operate in the same position in the value chain as the Group, are included in the Group's Operational EBIT. Otherwise, such share of profit is excluded from the operational EBIT of the Group.</p> <p>Operational EBIT/kg is a relative metric which ensures comparability between our farming regions and across time. The metric captures operational profitability for the Group and each farming region.</p> |
| <b>Operational EBIT%</b>                              | Operating EBIT% is calculated by dividing operational EBIT by sales revenue as reported in the segment reporting (see Note 3). Operating EBIT% is reported per region, in addition to Group level of Grieg Seafood.  | Operating EBIT% is used by management to assess operational performance per region as well as for the Group.   |
| <b>Operational EBITDA</b>                             | Operational EBITDA is calculated by adding depreciation (and write-down) of property, plant and equipment, and amortization of licenses and intangible assets to operational EBIT. Operational EBITDA is reported in the Group's segment reporting (see Note 3), where a reconciliation with EBIT of the income statement is included.   | Operational EBITDA provides a more informative result, as it does not consider the items with non-operational and/or non-recurring nature as described for operational EBIT. Furthermore, it excludes the impact accounting estimates of depreciation and amortization has on our profitability.   |
| <b>Operational EBITDA%</b>                            | Operating EBITDA% is calculated by dividing operational EBITDA by sales revenue as reported in the segment reporting (see Note 3). Operating EBITDA% is reported per region, in addition to Group level of Grieg Seafood.  | Operating EBITDA% is used by management to assess operational performance per region as well as for the Group.   |
| <b>ROCE</b>   | Return on capital employed (ROCE) is calculated by comparing operational EBIT incl. production fee to capital employed. Capital employed is calculated on annual and quarterly bases, both as a quarter-to-date figure and a year-to-date figure. The quarter-to-date figure is annualized. Capital employed is defined as total equity excl. the equity component of the fair value adjustment of biological assets, plus net interest-bearing liabilities according to the NIBD calculation method 1, as described in the NIBD section of this APM disclosure. Capital employed for the reporting period is calculated as the average of the opening and closing balances.   | As the salmon farming industry is a capital-intensive line of business, ROCE is an important metric to measure the Group's profitability relative to the investments made. ROCE is used by management to measure the return on capital employed. ROCE is not impacted by capital structure, that is whether the financing is through equity or debt. The fair value adjustment of biological assets is excluded from the calculation, both in operational EBIT and as part of capital employed, as this reflect estimated future gains or losses on fish not yet sold and this is not considered useful information by the Group when assessing whether invested capital yields competitive return.  |
| <b>Equity ratio</b>                                   | Equity ratio is calculated in two ways: (i) Equity according to the Statement of Financial Position divided by total equity and liabilities according to the Statement of Financial Position, (ii) Equity according to loan agreements is calculated by dividing equity by total equity and liabilities, ex. the impact of IFRS 16. The metric is reported as a key figure of the Group.   | Equity ratio captures the financial solidity of the Group. Furthermore, the equity-ratio according to calculation method 2 above is a covenant requirement for the Group. Equity-ratio is, together with NIBD and NIBD/harvest, useful to assess the financial robustness and -flexibility of the capital structure of the Group.  |

| APM                           | DEFINITION AND CALCULATION  | REASON FOR APPLYING APM   |
|-------------------------------|---|---|
| <b>NIBD</b>                   | Net interest-bearing debt (NIBD) comprises non-current and current debt to financial institutions and other interest-bearing liabilities, after deducting cash and cash equivalents. Amortized loan costs are not included in NIBD. NIBD is calculated in three ways as disclosed in the Annual Report of 2021. The metric is reported as a key figure of the Group, and also reported in Note 7 of the quarterly report. Information relevant for reconciling gross interest-bearing liabilities to the balance sheet is available in Note 7, and reconciliation between gross- and net interest-bearing liabilities is also available in the same Note.   | Net interest-bearing liabilities is a measure of the Group's net debt and borrowing commitments, and, together with equity-ratio and NIBD/harvest, useful to assess the financial robustness and -flexibility of the capital structure of the Group.  |
| <b>NIBD/Harvest</b>           | NIBD/harvest is calculated using NIBD according to methods 1-3 as described in the NIBD section of this APM disclosure. The applicable NIBD/harvest indicates which NIBD metric is used in the calculation. The NIBD/harvest is calculated in two ways as disclosed in the Annual Report of 2021. The metric is reported as a key figure of the Group.  | NIBD/Harvest captures the leverage of the Group measured by the harvest capacity and is utilized when optimizing the Group's leverage ratio. Actual harvest volume in the last 12 months indicates the leverage ratio according to proven harvest capacity, while guided harvest volume indicates the leverage ratio according to business plans as the Group are targeting volume growth in an annual basis.<br><br>NIBD/harvest is, together with equity-ratio and NIBD, useful to assess the financial robustness and -flexibility of the capital structure of the Group.                              |
| <b>Gross investment</b>       | Gross investment is equal to the Group's capital expenditures (CAPEX) excluding the effect of IFRS 16 compared to the IFRS in force prior to 1 January 2019. Thus, the gross investment figure includes additions made on property, plant and equipment and intangible assets owned by the Group, together with long-term lease arrangements with credit institutions. The metric is reported as a key figure of the Group.   | The Group's CAPEX monitoring shows that gross investments are in line with the CAPEX monitoring of the Group. The accounting impact of IFRS 16 (capitalized operational leases) is excluded from gross investments, as such leases are not treated as part of CAPEX.  |
| <b>Sales revenue/kg (GWT)</b> | The sales revenue/kg (GWT) metric is calculated as sales revenue from farming operations divided by harvested volume in kg gutted weight equivalent. The metric is calculated per farming region, for Norway and Canada, and for the Group as a whole.<br><br>Sales revenue from farming operations equals the revenue directly attributable to the sale of Atlantic salmon, including the impact of fixed contracts, incl. the margin generated by the sales department. The term "sales revenue from sale of Atlantic salmon" is also used by the Group.<br><br>Group sales revenue from farming operations equals the sum of the sales revenue from farming operations per farming region according to the segment information. Sales revenue/kg is reported in the Group's segment information (see Note 3), and calculated using solely figures included in the segment information. | Sales revenue from farming operation is calculated as the directly attributable revenue from sale of Atlantic salmon, and is in line with our segment reporting. For the Group, sales revenue is adjusted for income from sale of bi-products (smolt, fry, roe, ensilage) as such income are assessed as considered as cost reduction activities for our farming operation.<br>Sales revenue/kg is a relative metric which ensures comparability between our farming regions and across time. The metric captures the price achievement- and -realization generated by the Group and each farming region. |
| <b>Farming cost/kg (GWT)</b>  | The farming cost/kg (GWT) metric is the sum of all costs directly related to the production and harvest of salmon, divided by the related harvest volume in kg gutted weight equivalent (GWT). Thus, at the regional level, farming costs equal operational costs. Other income is included in the farming cost metric as cost-reduction activities. Therefore, farming cost can be calculated as, using the segment information, sales revenue from farming operations less operational EBIT, divided by harvest volume. The metric is calculated per farming region, for Norway and Canada, and for the Group as a whole.<br><br>Group farming cost equals the sum of the regions' farming costs. Farming cost/kg is reported in the Group's segment information (see Note 3), and calculated using solely figures included in the segment information.                                 | Farming cost/kg is a relative metric which ensures comparability between our farming regions and across time. The metric captures the cost level of the farming operations. As Atlantic salmon is traded largely as a commodity, and the prices achieved largely reflect a general market price, the farming cost/kg captures the operational profitability for the Group and each farming region.  |

| APM   | DEFINITION AND CALCULATION   | REASON FOR APPLYING APM   |
|---|--|---|
| <b>Other costs incl. ownership and headquarter costs/kg (GWT)</b> | The Other costs incl. ownership and headquarters costs/kg (GWT) metric captures all costs and revenue not directly related to the production and harvesting of salmon. This includes costs deriving from activities conducted by the parent company and other Group companies not related to production, divided by the Group's harvest volume. In addition, until the first harvest in Newfoundland is carried out, net costs attributable to the Newfoundland region are included as other costs/kg. The metric is calculated for the Group, and is reported in the Group's segment information (see Note 3), and calculated using solely figures included in the segment information. | Other costs incl. headquarters costs/kg is a relative metric which ensures comparability when assessing the Group's cost level over time. The metric captures the costs of the Group which are not deemed directly attributable to farming operations.<br><br>The net costs of Newfoundland is included in the other cost incl. ownership and headquarter costs/kg until first harvest. This because the farming cost is characterized by the expense of the cumulated cost to inventory incl. direct cost of harvest at the point of harvest. Until harvest, production costs are capitalized as biological assets in the balance sheet. Therefore, to be comparable with our other farming regions, it is not useful to include Newfoundland as part of the farming cost of the Group, until the region is at the point of first harvest. |





# About Grieg Seafood

Grieg Seafood ASA is one of the world's leading salmon farmers.

Our farms are in Finnmark and Rogaland in Norway, and British Columbia and Newfoundland in Canada. Our headquarter is located in Bergen, Norway. Grieg Seafood ASA was listed at the Oslo Stock Exchange in June 2007. More than 750 people work in the Company throughout our regions.

Sustainable farming practices are the foundation of Grieg Seafood's operations. The lowest possible environmental impact and the best possible fish welfare is both an ethical responsibility and a drive for economic profitability. Towards 2026, we aim for global growth, cost improvements and to evolve from a pure salmon supplier to an innovation partner for selected customers.

## GRIEG SEAFOOD ASA

### Postal address

P.O. Box 234 Sentrum, 5804  
Bergen

### Visiting address

Grieg-Gaarden, C. Sundts gt.  
17/19, 5004 Bergen

### Telephone

+ 47 55 57 66 00

### Website

[www.griegseafood.com](http://www.griegseafood.com)

### Organization number

NO 946 598 038 M

## Board of Directors

**Per Grieg jr.**  
Chair

**Tore Holand**  
Vice chair

**Katrine Trovik**  
Board member

**Marianne Ødegaard Ribe**  
Board member

**Nicolai Hafeld Grieg**  
Board member

**Ragnhild Janbu Fresvik**  
Board member

## Group Management

**Andreas Kvame**  
CEO

**Atle Harald Sandtorv**  
CFO

**Alexander Knudsen**  
COO Farming Norway

**Erik Holvik**  
Chief Commercial Director

**Knut Utheim**  
CTO

**Kathleen O. Mathisen**  
CHRO

**Kristina Furnes**  
Group Communications Manager

## Financial calendar

**Q4 2022**  
16 February 2023

*The Company reserves the right to make  
amendments to the financial calendar.*