

The logo for Grieg Seafood, featuring the word "Grieg" in a bold, sans-serif font above the word "Seafood" in a smaller, regular font, with a registered trademark symbol. The logo is white and set against a dark blue background.

**Grieg**  
Seafood®

# Q2 REPORT

## 2022



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The front page shows our first farm in Placentia Bay in Newfoundland

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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 23 672 (17 812) tonnes
- Operational EBIT of NOK 986 million (44 million), with operational EBIT/kg of NOK 41.6 (2.4) driven by exceptionally high prices and good biological performance
- Accelerated harvest taking advantage of high market prices - good coordination between farming and sales
- First fish to sea in Newfoundland, with high survival
- Seawater production good in all regions with stable survival
- Group farming cost of NOK 48.6 per kg (NOK 50.7 in Q2 2021), or NOK 42.7 per kg for our Norwegian operations, despite inflationary pressure
- Total of 31 sites ASC certified, or 67% of net production certified
- Expect harvest of 21 400 tonnes in Q3 2022 and 87 000 tonnes for the full year 2022

# CEO comment

As a continuation of the positive trend in Q1, the second quarter of 2022 also turned historic. Due to the strongest market the industry has seen, coupled with solid production, I am proud to present Grieg Seafood's best result in a single quarter ever.

Production was stable across the company throughout Q2. The biology was robust with high fish survival and increased superior share in all regions, though growth in Finnmark was somewhat negatively impacted by lower seawater temperatures than expected. In line with the strategy of our integrated sales organization, we successfully expedited some harvest to capitalize on strong prices in the market.

We transferred our first fish to sea in Newfoundland in May, marking another milestone for Grieg Seafood. Our farming operations in this region is a greenfield project and we will grow our business gradually and responsibly, based on the biological development of our first generations of fish. So far, we are pleased to see good growth and high survival in the sea.

I want to sincerely thank all of my dedicated and hard working colleagues in both farming and sales for their efforts and achievements throughout the quarter. I look forward to continue our journey of improvements and growth.



**ANDREAS KVAME**  
CEO Grieg Seafood ASA

P.S: In June, we hosted a Capital Markets Day, where we provided extensive updates on our strategy and operations. All presentations are available [here](#).

# Regional highlights

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## Rogaland Norway

- Harvest volume of 5 014 tonnes (7 783)
- Operational EBIT/kg NOK 48.9 (10.2)
- Price achievement positively impacted by good harvest weights and a high share of sales to Asia, offset by loss on contracts and downgrades. Superior share improved to 82% vs 76% in Q2 2021 due to lower impact of winter ulcers
- Good seawater production with high survival and operational performance
- Farming cost per kg of NOK 46.7 stable compared to Q2 2021 (NOK 45.8), up from NOK 41.9 in Q1 2022 due to lower harvest volume
- Average weight of smolt of 610 grams at time of transfer to sea
- Total of one site ASC certified (12% of net production)

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## Finnmark Norway

- Harvest volume of 9 843 tonnes (4 780), above guidance to take advantage of strong market prices
- Operational EBIT/kg NOK 53.0 (-2.2)
- Price achievement impacted by good harvest weights, offset by loss on contracts and downgrades. Superior share improved to 84% vs 78% in Q2 2021 due to lower impact of winter ulcers
- Stable production and high survival rates
- Farming cost per kg of NOK 40.6 down from NOK 50.6 in Q2 2021 and NOK 41.8 in Q1 2022 due to harvesting from sites with good biological performance
- All active sites ASC certified (100% of net production)

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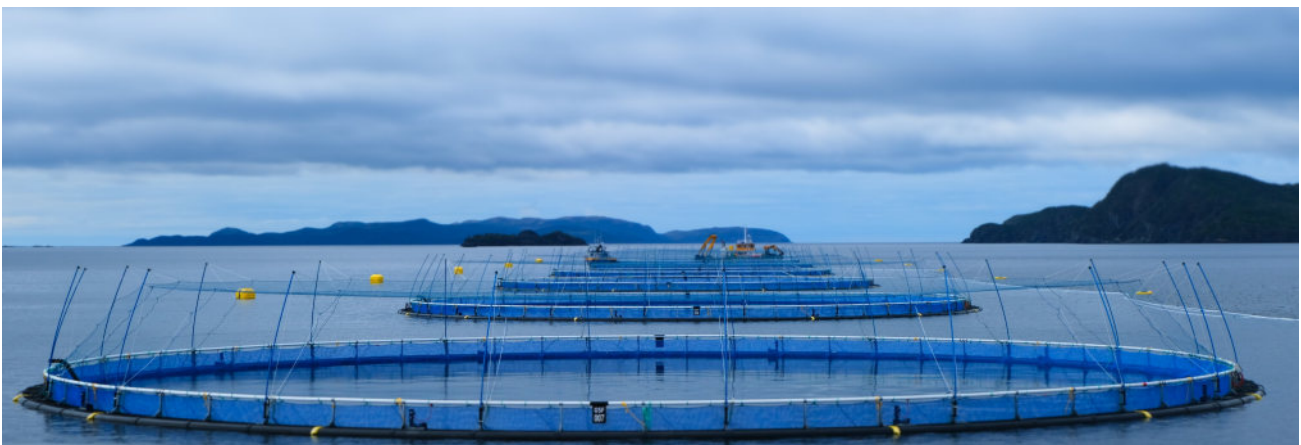
## British Columbia Canada

- Harvest volume of 8 815 tonnes (5 249)
- Operational EBIT/kg NOK 30.9 (8.4)
- Good price achievement positively impacted by premium on VAP products. Superior share of 86% (89% in Q2 2021) improved from Q1 2022
- Good seawater performance with stable survival
- Farming cost per kg of CAD 7.9 down from CAD 8.5 in Q2 2021 and stable compared to Q1 2022 (CAD 7.8) due to harvesting from sites with good biological conditions
- Total of 12 sites ASC certified (83% of net production)

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## Newfoundland Canada

- Greenfield project with significant growth potential
- Still early phase, stepwise development of the region
- Freshwater production according to plan, fish are healthy and growing well
- Currently two million smolt transferred to sea. Good biological performance in seawater, high survival and no sea lice issues
- Operational EBIT of NOK -37 million



# Key figures

KEY FIGURES	Q2 2022	Q2 2021	YTD 2022	YTD 2021
<b>Operational</b>				
Harvest volume (tonnes GWT)	23 672	17 812	40 588	31 395
Sales revenue/kg (NOK) <sup>(1)</sup>	92.5	57.0	85.0	52.6
Group farming cost/kg (NOK) <sup>(1)</sup>	48.6	50.7	46.5	48.4
Other costs incl. ownership and headquarter costs/kg (NOK) <sup>(1)</sup>	2.3	3.9	3.1	3.3
Operational EBIT/kg (NOK) <sup>(1)</sup>	41.6	2.4	35.5	0.9
<b>Financial</b>				
Sales revenues (NOK million)	2 351	1 122	3 815	1 782
Operational EBITDA (NOK million) <sup>(1)</sup>	1 094	142	1 643	213
Operational EBIT (NOK million) <sup>(1)</sup>	986	44	1 439	28
EBIT (Earnings before interest and taxes, NOK million)	747	148	1 609	284
Profit before tax (NOK million)	864	131	1 743	282
Cash flow from operations (NOK million)	868	372	1 203	22
<b>Capital structure</b>				
NIBD excl the effects of IFRS 16 (NOK million) <sup>(1), (2)</sup>	1 482	4 201	1 482	4 201
NIBD/harvest volume (NOK) <sup>(1), (3)</sup>	17.0	47.0	17.0	47.0
Equity % <sup>(1)</sup>	50%	40%	50%	40%
Equity % according to covenant <sup>(1)</sup>	52%	42%	52%	42%
Gross investments (NOK million) <sup>(1), (4)</sup>	168	184	291	338
<b>Profitability</b>				
ROCE <sup>(1)</sup>	52%	2%	39 %	0 %
Dividend per share (NOK)	3.0	0.0	3.0	0.0
Earnings per share (NOK)	6.0	0.9	12.2	1.8
Total market value (NOK million, Euronext)	15 871	10 063	15 871	10 063

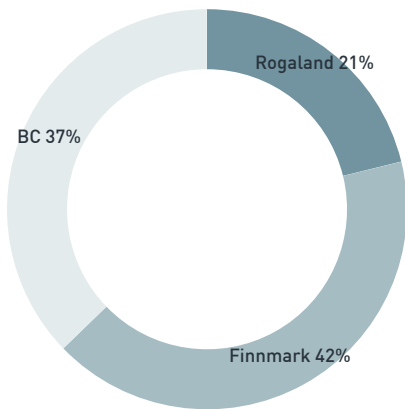
1) See Alternative Performance Measures for definitions.

2) NIBD excl. the effects of IFRS 16 is incl. Shetland for Q2 2021

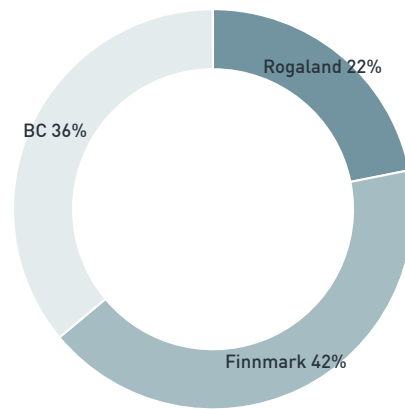
3) NIBD/harvest: NIBD excl IFRS 16 divided by guided harvest volume for Q2 2022, and actual harvest for the year for previous periods, incl Shetland in Q2 2021.

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

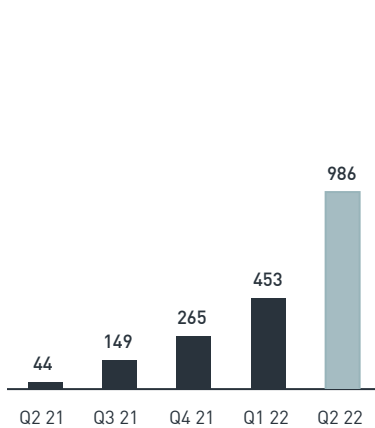
**HARVEST VOLUME**  
Q2 2022



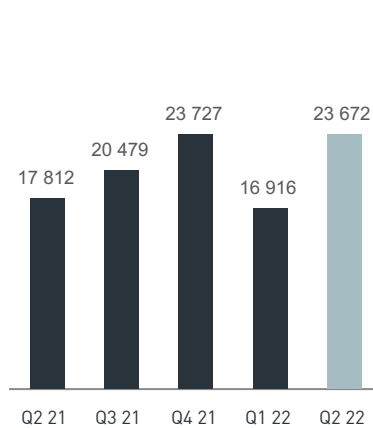
**SALES REVENUES**  
Q2 2022



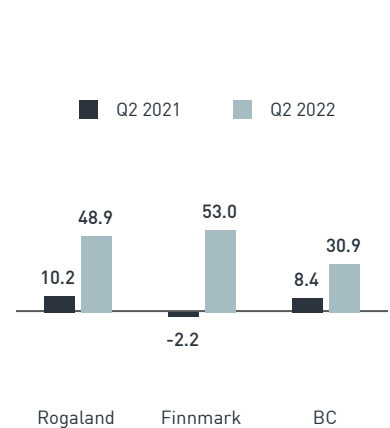
**OPERATIONAL EBIT**  
(NOK MILLION)



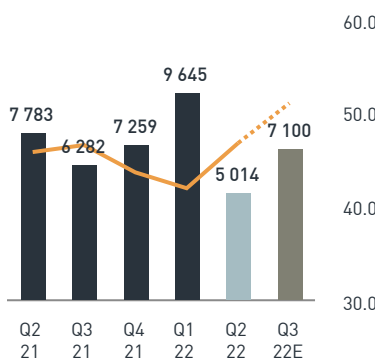
**HARVEST VOLUME**  
(TONNES GWT)



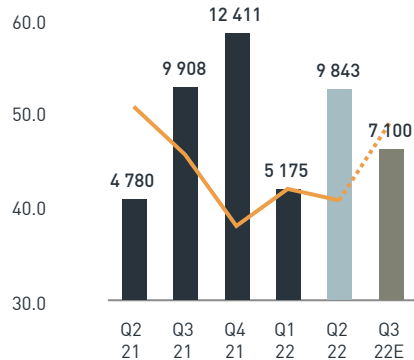
**OPERATIONAL EBIT/KG PER REGION**  
(NOK)



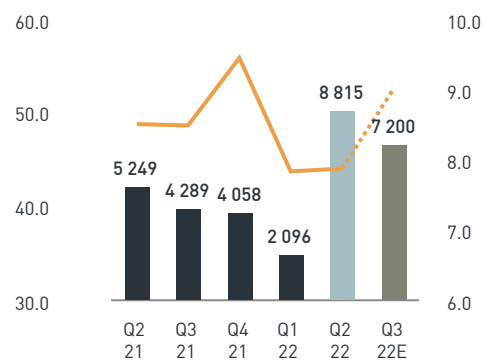
**HARVEST VOLUME & FARMING COST/KG (NOK)**  
ROGALAND\*



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



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



\*Guided harvest volume for Q3 2022. Dotted cost line indicate direction of farming cost per kg.

# Our scoreboard

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

	ASPECT	TARGET	STATUS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
PROFIT & INNOVATION	<b>Return on capital employed</b> <sup>1)</sup>	12% p.a.	●	52%	25%	13%	7%	2%
	<b>Harvest volume (tonnes GWT)</b>	87 000 tonnes in 2022	●	23 672	16 916	23 727	20 479	17 812
	<b>Farming cost per kg</b>	Cost leader in our operating regions						
	Rogaland		●	46.7	41.9	43.6	46.5	45.8
	Finnmark		●	40.6	41.8	37.8	45.5	50.6
	British Columbia		●	7.9	7.8	9.4	8.5	8.5
HEALTHY OCEAN	<b>ASC certifications</b> <sup>2)</sup>	All sites by 2023	◆	31	31	30	30	29
	<b>Survival rate sea (GSI standard)</b>	93% by 2022						
	Rogaland		●	93%	92%	92%	91%	91%
	Finnmark		●	94%	95%	95%	95%	94%
	British Columbia		◆	92%	92%	92%	91%	91%
	<b>Antibiotics g/tonne</b> <sup>3)</sup>	No use of antibiotics						
	Rogaland		●	0.0	0.0	0.0	0.0	0.0
	Finnmark		■	13.0	6.2	0.0	0.0	0.0
	British Columbia		■	35.5	31.8	27.1	2.0	41.3
	Newfoundland		●	0.0	0.0	0.0	0.0	0.0
	<b>Sea lice treatments g/tonne</b> <sup>3/4)</sup>	Minimize use of pharmaceutical treatments						
	Rogaland		●	0.0	7.9	0.0	0.0	0.4
	Finnmark		●	0.0	0.0	0.2	0.4	0.0
	British Columbia		●	0.0	0.1	0.1	0.9	0.0
Newfoundland		●	0.0	0.0	n/a	n/a	n/a	
	<b>Escape incidents (# of fish)</b>	Zero escape incidents	●	0	0	0	1 (3)	1 (1)
SUSTAINABLE FOOD	<b>High quality product</b>	93% superior share						
	Rogaland		◆	82%	73%	85%	86%	76%
	Finnmark		◆	84%	80%	89%	87%	78%
	British Columbia		◆	86%	77%	82%	89%	89%
PEOPLE	<b>Absence rate</b>	Below 4.5%						
	Rogaland		■	7.6%	5.3%	3.4%	3.5%	3.0%
	Finnmark		■	8.5%	12.2%	9.9%	7.8%	7.9%
	British Columbia		■	7.1%	6.6%	5.6%	5.1%	5.5%
	Newfoundland		●	1.2%	3.3%	n/a	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

## Farming operations

### Rogaland Norway

- Good biological production so far in Q3 2022
- Expect harvest of 7 100 tonnes in Q3 2022, skewed towards the end of the quarter
- Higher farming cost per kg due to increased feed cost and general inflation

### Finnmark Norway

- Good biological production so far in Q3 2022
- Expect harvest of 7 100 tonnes in Q3 2022, skewed towards the end of the quarter
  - Annual guided harvest volume impacted by expedited harvest to capitalize on strong market and somewhat reduced growth in sea
- Higher farming cost per kg due to increased feed cost and general inflation

### British Columbia Canada

- Good biological situation so far in Q3 2022
- Expect harvest of 7 200 tonnes in Q3 2022, skewed towards the beginning of the quarter
  - Risk of early maturation accelerates harvest, impacts average harvest weights
- Higher farming cost per kg due to increase in feed cost and general inflation

### Newfoundland Canada

- On track with seawater transfer
- Good production and high survival so far in Q3 2022
- Decreased operational cost in Q3 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 gradually impact farming costs going forward. We will continue to benchmark our cost to our competitors' to ensure we are competitive.

EXPECTED HARVEST (TONNES GWT)	ROGALAND	FINNMARK	BRITISH COLUMBIA	GROUP TOTAL
Q1 2022	9 640	5 170	2 100	16 900
Q2 2022	5 010	9 840	8 820	23 700
Q3 2022	7 100	7 100	7 200	21 400
Q4 2022	8 300	13 900	2 900	25 100
<b>Total 2022</b>	<b>30 000</b>	<b>36 000</b>	<b>21 000</b>	<b>87 000</b>

## Sales & Market

We expect a good market as a result of negative 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 Q3 2022 is NOK 74 per kg. Our estimated contract share for Q3 2022 is 37% of our Norwegian harvest volume, or 22% for the full year 2022.

## Capex

Capex 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.



**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

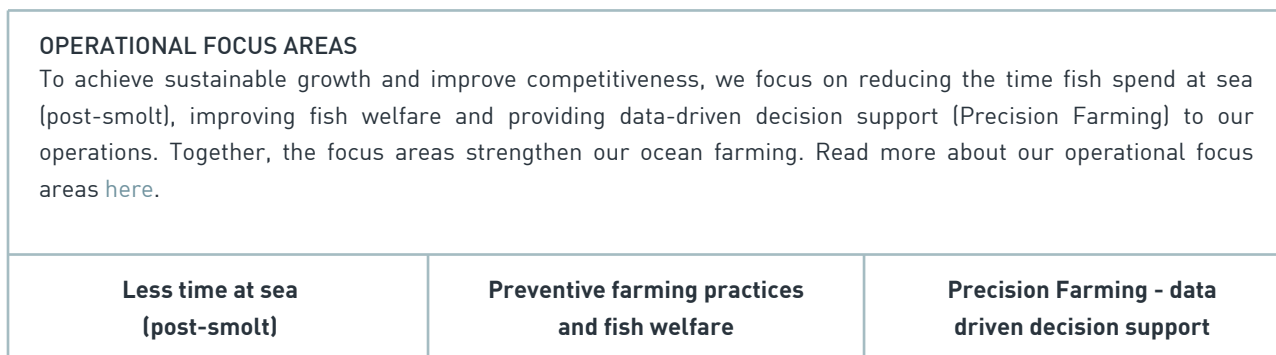
Aquaculture and farmed salmon can play an important role in the future food system - if we do it responsibly and right. Read more [here](#).

# 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.



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](#).



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 Q2 2021 in brackets*

The Group harvested 23 672 tonnes in Q2 2022 (17 812 tonnes), up 33% compared to Q2 2021, and up 40% compared to 16 916 tonnes in Q1 2022. Rogaland and Finnmark contributed 63% (71%) to the Group's harvest volume, while 37% (29%) origins from British Columbia. Sales revenue for the quarter was NOK 2 351 million, up 110% compared to NOK 1 122 million in Q2 2021 and up from NOK 1 465 million in Q1 2022. In total, 64% (66%) of the Group's sales revenue from farming regions was generated by Rogaland and Finnmark, while British Columbia contributed with 36% (34%) of the sales revenue.

The Group delivered a strong price realization for the quarter of NOK 92.5 per kg (NOK 57.0 per kg), up NOK 18.1 per kg compared to NOK 74.4 per kg in Q1 2022. British Columbia continued its good market performance during the quarter and realized a price equivalent to NOK 89.6 per kg (NOK 66.4 per kg), up NOK 0.7 per kg compared to NOK 88.9 per kg in Q1 2022. The price realization for the Norwegian regions for Q2 2022 was exceptionally strong during the quarter, even though 12% of our volume from Norway was sold under contracts. In total, Rogaland and Finnmark achieved a price realization of NOK 94.3 per kg (NOK 53.1 per kg) in Q2 2022, up NOK 21.9 per kg compared to NOK 72.4 per kg in Q1 2022.

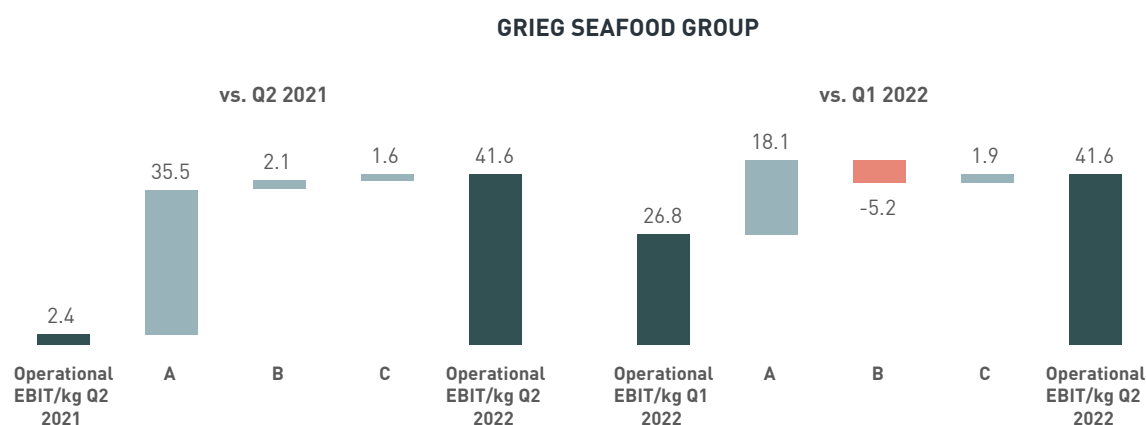
The Group's farming cost for the quarter was NOK 48.6 per kg (NOK 50.7 per kg), up NOK 5.2 per kg compared to NOK 43.4 per kg in Q1 2022, mainly driven by significantly lower harvest volume in Rogaland. Our Norwegian regions contributed to 55% (66%) of the Group's farming cost, impacting EBIT by a farming cost of NOK 42.7 per kg (NOK 47.6 per kg) in the quarter, up NOK 0.8 per kg compared to NOK 41.9 per kg in Q1 2022. The farming cost in British Columbia was CAD 7.9 per kg (CAD 8.5 per kg), stable compared to CAD 7.8 per kg in Q1 2022. Despite the overall inflationary cost development, our farming cost was stable as a result of good production in seawater over the past year and strong operational performance.

The Group's operational EBIT was NOK 986 million (NOK 44 million) for the quarter, up 118% compared to NOK 453 million in Q1 2022. During the quarter, the Group realized a ROCE of 52%. Operational EBIT/kg for the quarter was NOK 41.6 (NOK 2.4 per kg) in Q2 2022, up NOK 14.9 per kg compared to NOK 26.8 per kg in Q1 2022. Our Norwegian regions contributed with an operational EBIT of NOK 51.6 per kg (NOK 5.5 per kg), up NOK 21.1 per kg compared to NOK 30.5 per kg in Q1 2022, while British Columbia realized NOK 30.9 per kg (NOK 8.4 per kg), down NOK 3.3 per kg compared to NOK 34.3 per kg in Q1 2022. The strong operational EBIT/kg of the quarter was driven by exceptionally high prices and good biological performance in our farming regions.

OPERATIONAL EBIT PER REGION (NOK MILLION)	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Rogaland	245.0	79.0	568.0	127.9
Finnmark	521.8	-10.5	651.1	-40.9
British Columbia	272.8	44.2	344.6	45.2
Newfoundland	-36.6	-44.7	-61.3	-60.2
Elimination/Others	-17.1	-24.5	-63.5	-44.5
<b>Grieg Seafood Group</b>	<b>985.8</b>	<b>43.5</b>	<b>1 438.9</b>	<b>27.5</b>

Source: Note 3

## 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.

Fair value adjustments of biological assets amounted to NOK -77 million (NOK 110 million) in the quarter, while production fee in Norway for the quarter was NOK 6 million (NOK 5 million). In Q2 2022, NOK 155 million related to litigation and legal claims have negatively impacted EBIT (See Note 6 for more information), bringing EBIT to NOK 747 million (NOK 148 million).

Net financial items ended at NOK 117 million (NOK -17 million) for the quarter, significantly impacted by the foreign exchange rate fluctuations during the quarter.

The pre-tax profit for the quarter totaled NOK 864 million (NOK 131 million). Tax expense for the period was estimated to NOK 185 million (tax expense of NOK 35 million), bringing the total profit after tax to NOK 679 million (profit from continuing operations of NOK 96 million).

The sale of the Shetland assets to Scottish Sea Farms was finalized in Q4 2021, and there are no financial results from discontinued operations in Q2 2022, compared to a total profit after tax from discontinued operations of NOK 28 million in Q2 2021. See Note 4 for more information.

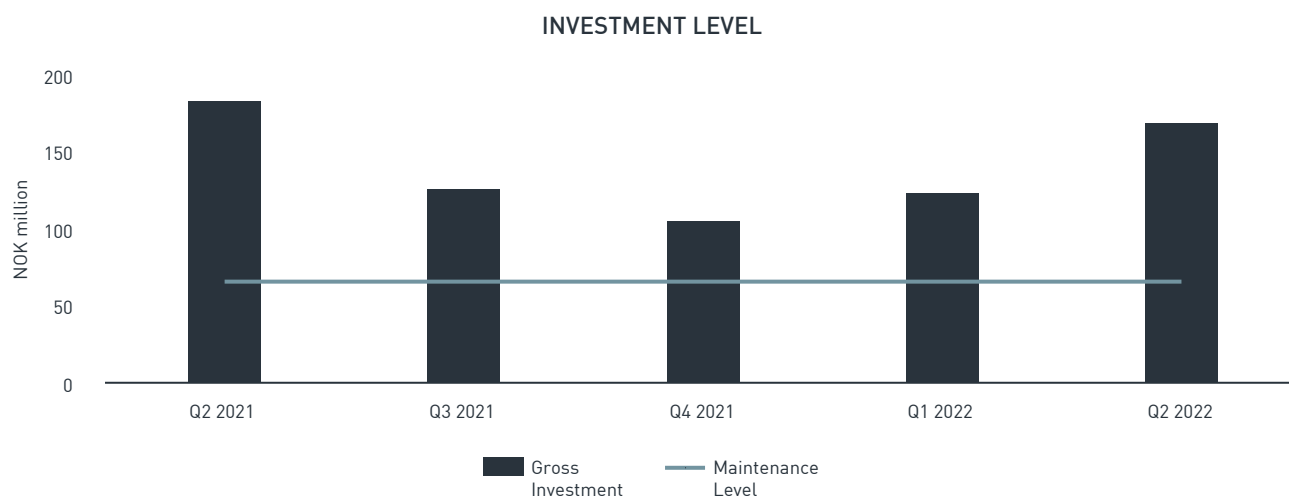
## Cash flow

Figures for Q2 2021 in brackets

Cash flow from operating activities during the quarter amounted to NOK 868 million (NOK 372 million), up NOK 526 million compared to NOK 341 million in Q1 2022. Changes in working capital impacted our cash flow from operating activities by NOK -339 million (NOK 189 million), down NOK 171 million from NOK -168 million in Q1 2022, primarily driven by changes in biological assets. The change in cash flow from operating activities compared to Q1 2022 is primarily due to a higher operational EBIT in Q2 2022 driven by exceptionally strong price realization from our Norwegian farming regions, partly offset by change in working capital and timing differences.

Net cash flow from investing activities was NOK -127 million (NOK -183 million) during the quarter. Our gross investments for the quarter was NOK 168 million (NOK 184 million). The investments in Q2 2022 were mainly related to a barge in Rogaland, barrier systems in BC as well as maintenance investments in all of our regions. In addition, further investments have been made to prepare for seawater production in Newfoundland.

Net cash flow from financing activities in Q2 2022 was NOK -461 million (NOK -243 million), down NOK 1 025 million from NOK 565 million in Q1 2022. The net cash flow from financing in Q2 2022 primarily relates to dividend pay-out of NOK 337 million in June 2022.



Investment level for Q2 2021 through Q2 2022 is excl. gross investments made in Shetland, which we sold 15 December 2021. See Alternative Performance Measures for definition of gross investment.

Net change in cash and cash equivalents was positive by NOK 280 million (negative by NOK 54 million) for the second quarter of 2022, down NOK 499 million from NOK 779 million in Q1 2022, bringing the closing balance of cash holdings at end of Q2 2022 to NOK 1 993 million (NOK 204 million), up from NOK 1 708 million in Q1 2022.

## Financial position and liquidity

Figures for Q2 2021 in brackets

At 30 June 2022, book value of the Group's assets was NOK 13 645 million (NOK 11 540 million), up by NOK 1 274 million from NOK 12 371 million at the end of Q1 2022. The increase of the Group's balance sheet is due to a combination currency translation of CAD to NOK as at quarter-end, in addition to a strong market positively impacting our cash position and net working capital.

The Group's goodwill, licenses, other intangible assets, and property plant and equipment including right-of-use assets totaled NOK 6 241 million (NOK 5 582 million) as at 30 June 2022, up NOK 498 million compared to NOK 5 743 million as at 31 March 2022. Measured relative to total assets, these assets equals 46% (48%) of the balance sheet as at 30 June 2022, compared to 46% as at 31 March 2022.

Biological assets measured at cost totaled NOK 2 715 million (NOK 2 314 million) as at 30 June 2022, up NOK 45 million compared to NOK 2 670 million as at 31 March 2022. Measured relative to total assets, biological assets measured at cost contributed to 20% (20%) of the balance sheet as at 30 June 2022, compared to 22% as at 31 March 2022.

Our cash balance at the end of the quarter was NOK 1 993 million (NOK 204 million), up NOK 285 million compared to NOK 1 708 million as at 31 March 2022. Current assets (ex. fair value adjustment of biological assets) over current liabilities measured 3.4 (1.9) as at 30 June 2022, compared to 3.7 as at 31 March 2022, and as at 30 June 2022, the Group had undrawn credit facilities of NOK 1 700 million (NOK 690 million), unchanged since 31 March 2022.

Total equity as at 30 June 2022 amounted to NOK 6 838 million (NOK 4 670 million), up NOK 569 million compared to NOK 6 269 million as at 31 March 2022. The equity ratio as at 30 June 2022 was 50% (40%) compared to 51% as at 31 March 2022.

In Q1 2022, Grieg Seafood finalized the refinancing of the Group's syndicated financial liabilities, with an aggregate of NOK 3 200 million in five-year senior secured sustainability-linked loans and credit facilities. The new 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. See Note 7 for more information.

As at 30 June 2022, net interest-bearing liabilities (NIBD) incl. the effects of IFRS 16 was NOK 2 022 million (NOK 4 563 million) as at 30 June 2022, down NOK 121 million from NOK 2 143 million as at 31 March 2022. The change in NIBD compared to quarter-end Q1 2022 is primarily due to the positive cash flow from operating activities during the quarter. During Q2 2022, the Group re-purchased NOK 30 million bonds in the Grieg Seafood Green Bond issue. At the end of the quarter, NIBD excl. the effect of IFRS 16 totaled NOK 1 482 million (NOK 4 201 million), down NOK 235 million from NOK 1 718 million in Q1 2022.

NIBD incl. the effect of IFRS 16 relative to total assets measured 15% (40%) as at 30 June 2022, compared to 17% as at 31 March 2022, and NIBD excl. the effect of IFRS 16 divided by last twelve months harvest volume (tonnes GWT) equaled 17.5, while 17.0 when measured over the Group's guided harvest volume for 2022.

The Group was in compliance with its financial covenant as at 30 June 2022. As at 30 June 2022, the equity-ratio according to covenant was 52% (42%) compared to 53% as at 31 March 2022. As at quarter-end Q2 2022, 75% (31%) of our gross interest-bearing liabilities (Note 7) were green (of which NOK 1 470 million Green Bond), compared to 77% as at 31 March 2022. The positive change in amount of green financing since Q2 2021 is due to the refinancing completed in Q1 2022, as 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, adjusted for the effect of fair value of biological assets. During Q2 2022, Grieg Seafood distributed a dividend of NOK 337 million (NOK 3.0 per share), which was in line with the Board's recommendation to the Annual General Meeting, as disclosed in our 2021 Annual Report.



## Summary of the first half year of 2022

*(figures for first half year of 2021 in brackets)*

The Group harvested 40 588 tonnes GWT (31 395) in the first half of 2022. Our Norwegian regions contributed to 73% (81%) of the harvest volume, while British Columbia represented 27% (19%). Total sales revenue totaled NOK 3 815 million (NOK 1 782 million), while the sales revenue from our farming regions totaled NOK 3 450 million (NOK 1 653 million), see Note 3. The Group's price realization for the first half of 2022 totalled NOK 85.0 per kg (NOK 52.6 per kg) on aggregate for our farming regions. By comparison, the average NQSALMON NOK/kg price for the first half of 2022 was NOK 92.6 per kg (57.4). The price realization was negatively impacted by contracts for some of our Norwegian volume, in addition to price achievement on production grade harvest volume. The increase in sales revenue for the Group is due to a combination of exceptionally high market prices, higher harvest volume as well as improved superior share by all our farming regions compared to last year.

The Group's farming cost for the first half of 2022 ended at NOK 46.5 per kg (NOK 48.4 per kg). The harvested volume for both Rogaland and Finnmark was higher year-to-date 2022 compared to the same time last year, in addition to both regions improved on cost. Our Norwegian farming regions contributed to 67% (77%) of the farming cost, and had a decrease of NOK 3.8 per kg in cost, from NOK 46.1 per kg in the first half of 2021 to NOK 42.3 per kg in 2022. British Columbia had, on a 79% higher harvest volume year-on-year, realized farming cost of CAD 7.9 per kg, down CAD 0.7 per kg compared to CAD 8.5 per kg in the first half of 2021.

Operational EBIT in 2022 ended at NOK 1 439 million (NOK 28 million), equivalent to an EBIT of NOK 35.5 per kg (NOK 0.9 per kg). The increased operational EBIT is driven by an exceptional price realization from all farming regions in the first half of 2022, in addition to all regions improving on cost compared to the same time last year.

The first half of 2022 was positively impacted by fair value adjustments of biological assets of NOK 337 million (NOK 266 million), bringing EBIT to NOK 1 609 million (NOK 284 million). Production fee on harvest (gutted weight) in Norway was NOK 12 million (NOK 10 million) for the first half of 2022. In 2022, the Group has recognized NOK 155 million as litigation and legal claims-costs, not included in operational EBIT. See Note 6 for more information.

Net financial items came to NOK 134 million (NOK -2 million), positively impacted from foreign exchange. Profit before tax YTD 2022 was NOK 1 743 million (NOK 282 million). Tax for the period was estimated to a tax expense of NOK 372 million (tax expense of NOK 81 million) bringing net profit for the period to NOK 1 371 million (NOK 200 million from continued operations). In Q4 2021, the sale of the Shetland assets to Scottish Sea Farms was finalized, thus no impact from discontinued operations have been recognized for the first half of 2022. See more information in Note 4.

The net cash flow from operation activities for the first half year of 2022 was NOK 1 203 million (NOK 22 million). The higher cash flow from operating activities was impacted by exceptional price achievement realized in 2022 for all our farming regions. For the first half year of 2022, the net cash flow from investing activities totaled NOK -254 million (NOK -310 million), of which investments in property, plant and equipment totaled NOK 245 million (NOK 316 million). In addition, investments of NOK 16 million (NOK 3 million) has been made in associated companies. The net cash flow from financing activities for the first half year of 2022 was NOK 106 million (NOK 302 million). In 2022, a dividend of NOK 337 million (NOK 3.0 per share) was paid. In addition, our syndicated debt was refinanced in the first half of 2022, impacting our cash position at 30 June 2022 by NOK 617 million. As our revolving credit facility and overdraft are undrawn as at 30 June 2022, a total of NOK 1 700 million are available for utilization by the Group.

The net change in cash and cash equivalents for the first half year of 2022 was NOK 1 055 million (NOK 14 million from continued operations), and as at 30 June 2022, the Group had a cash balance of NOK 1 993 million, up NOK 1 789 million from NOK 928 million as at 31 December 2021.

# Sales and market development

Grieg Seafood supplied more than 4% of the global volume of Atlantic salmon harvested in Q2 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 (EU, 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 include 5-10% of harvested volume for VAP, the establishment processing partnerships in Norway and Europe, entry of GSF VAP products to selected markets and the development of Norwegian origin B2B brands.

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 Q2 2022. We are not banned from any markets. Read more about product safety, traceability and our certifications [here](#).

## Market development

### GLOBAL SUPPLY AND DEMAND

The global harvest of Atlantic salmon for the quarter decreased by approximately 3% compared to Q2 2021, according to Kontali. The reduction was driven by lower harvest in Norway and the UK, while the harvest volume in Chile increased. Salmon of Norwegian origin contributed to 49% of the total harvest in the quarter. The export of fresh salmon (gutted weight equivalent, GWT) from Norway for the quarter was down 6% compared to Q2 2021. The main export markets for Norwegian salmon GWT for the quarter were Europe with 72%, Asia with 12% and North America with 6%.

Market demand has been very strong this quarter, fueled by the low export of salmon from Norway and the UK combined with continued strong demand from both the retail and the HoReCa sector. Due to reduction in the harvested volumes, supply to Europe decreased by approximately 4% compared to Q2 2021, while supply to the USA decreased by 3%. The demand in the Asian market decreased by approximately 18% compared to Q2 2021. Sales to Russia decreased from 18 200 tonnes to 6 700 tonnes, or 63% compared to Q2 2021.

The average spot salmon price for Norwegian salmon (NQSALMON, weekly average) for Q2 2022 was NOK 105.7 per kg, up by NOK 43.6 per kg compared to Q2 2021, and up by NOK 26.3 per kg compared to Q1 2022. Prices started above NOK 100 going into the quarter, peaked above NOK 123 per kg in the beginning of May and ended in the high nineties at the end of the quarter. Average salmon spot prices in the US market (Urner Barry Seattle) was up by NOK 22.8 per kg compared to

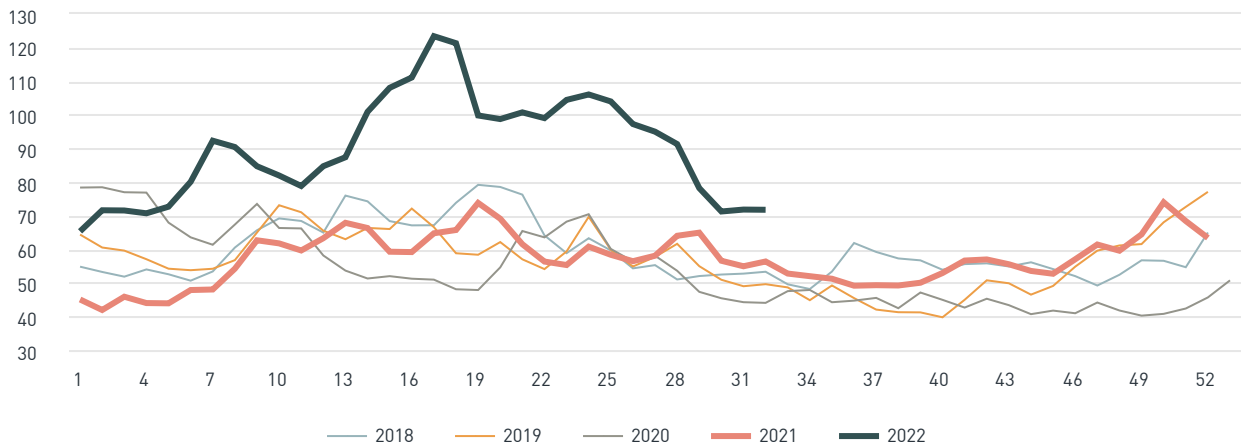
Q2 2021. The salmon prices started the quarter in the mid eighties, peaked around NOK 106 and ended the quarter around NOK 84 per kg.

**OUR MARKETS**

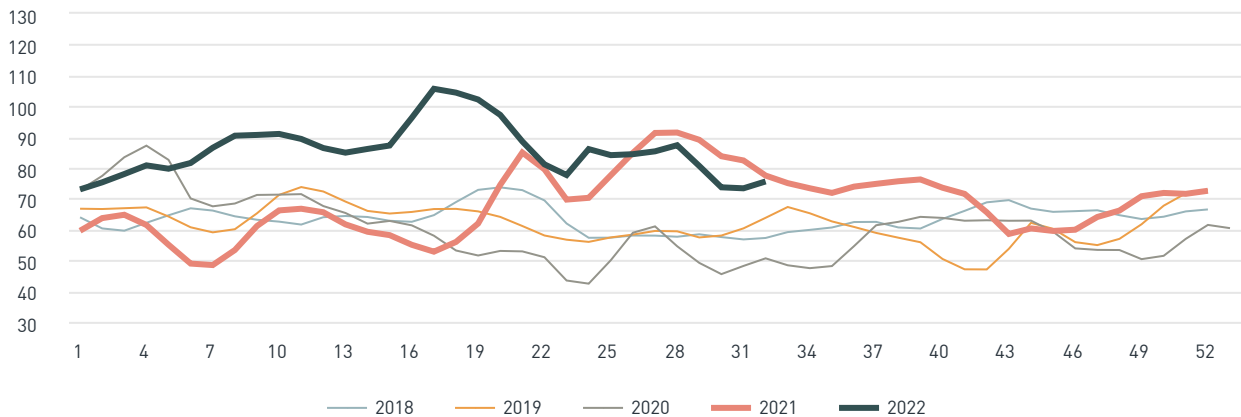
Grieg Seafood contributed with more than 4% of the global supply in the quarter. Our main export markets from Norway were Europe (87% of our volume), Asia (10%) and North America (3%). During the quarter, 3% of our supply of Norwegian origin was sold as value added products. In North America, 9% of our salmon from BC was sold as value added products while our Skuna Bay brand comprised 3% of the supply. 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 second quarter of 2022, the share of contracts was 12% in Norway.

**NQSALMON WEEKLY AVERAGE (NOK/KG)**



**URNER BARRY FARM RAISED SALMON SEATTLEWEST COAST, FRESH, WHOLEFISH (NOK/KG)**



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 decrease by 1%, or 41 000 tonnes, compared to 2021, to a total of 2 854 000 tonnes, according to Kontali. Norwegian salmon farmers are expected to harvest 21 000 tonnes less in 2022 than in 2021. Chile is expected to decrease harvest for 2022 by approximately 3 000 tonnes, while Canada is expected to decrease harvest by approximately 5 000 tonnes for 2022. The remaining salmon farming countries will decrease their volume by approximately 12 000 tonnes. In the first half of 2022, the global harvest of salmon has been reduced by 4% compared to the first half of 2021, and for the second half of 2022 the harvest is expected to increase by 1% compared to the same period in 2021.

The Covid-19 pandemic has impacted the salmon market the last two years, with shift in demand from HoReCa to the retail segment. The HoReCa segment is heading for full recovery, and it also seems the increased demand in the retail segment due to consumers having become used to consuming salmon at home, is being sustained. With limited supply growth in the second half of 2022 and the outlook for continuing strong demand, we believe in a good market going forward. However, current inflation reducing household purchasing power, might impact demand both from both the HoReCa and retail segment.

The average spot price according to NQSALMON for the first weeks into Q3 2022 was around NOK 80 per kg, while average spot price in the USA according to Urner Barry was around NOK 79 per kg, however with prices trending down. The Fishpool forward price for the remainder of Q3 2022 is close to NOK 70 per kg and for Q4 2022, the Fishpool forward price is around NOK 74 per kg. The Fishpool forward prices reflects an optimistic market outlook.

We target a contract share of 20-50% of our Norwegian volume. Estimated contract share for Q3 2022 is 37% and 22% 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.

5 014

TONNES GWT HARVESTED

48.9

OPERATIONAL EBIT/KG (NOK)



### Operational results

Harvest volume in Rogaland was 5 014 tonnes in Q2 2022, down 36% compared to Q2 2021. Sales revenues for the quarter amounted to NOK 479.2 million, an increase of 10% compared to Q2 2021. The increase despite reduced harvest volume is driven by record high spot prices in Q2 2022 compared to Q2 2021. The Nasdaq average spot price in Q2 2022 was NOK 105.7 per kg, compared to NOK 62.1 per kg in Q2 2021. Our realized price in Q2 2022 was NOK 95.6 per kg, compared to NOK 55.9 per kg in Q2 2021. The price realization in the quarter was positively impacted by good average harvest weight and a significant share of the sales to Asia. The share of superior quality fish and loss on contracts impacted the price achievement negatively. The superior share improved from 73% in Q1 2022 to 82% in Q2 2022 due to less impact of winter ulcers.

The freshwater production during the quarter was good. We transferred 1.1 million smolt to sea this quarter, with an average weight of 610 grams. This is in line with our post-smolt strategy in Rogaland.

Seawater production was good during the quarter. The 12-month rolling survival rate in seawater has increased steadily, from 91% in Q2 2021 to 93% in Q2 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 PD on the fish health and welfare and growth in sea. A shorter time at sea is also expected to reduce PD outbreaks. 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 46.7 per kg in Q2 2022, relatively unchanged from NOK 45.8 per kg in Q2 2021 where we had significantly higher harvest volume. The farming cost increased compared to NOK 41.9 per kg in Q1 2022, however this quarter we had a significantly lower harvest volume. Despite an overall inflationary cost development, the farming cost has been stable as a result of good production in seawater over the past year and strong operational performance. We expect a higher impact of increases in feed cost going forward, which in combination with general cost inflation will impact our farming cost. Cost recognized as abnormal mortality in the income statement (cost of reduced survival) was NOK 0.3 million in Q2 2022 (NOK 0.1 per kg), compared to NOK 19 million in Q2 2021 (NOK 2.4 per kg).

Operational EBIT per kg came to NOK 48.9 in the quarter, compared to NOK 10.2 in Q2 2021 and NOK 33.5 in Q1 2022.

Employee well-being is highly prioritized in our operations. We had two trip-and-fall incidents during Q2 2022, contributing to an increased absence rate of 7.6% compared to 3.0% in Q2 2021. We are following up on this in accordance with procedure and guidelines.

## Operational priorities towards 2026

Our goal is to harvest 30 000 tonnes in 2022, with an ambition of harvesting 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, which will be expanded from its current post smolt production capacity of 4 500 to 6 000 tonnes in 2023. Grieg Seafood Rogaland is entitled to 50% of the smolt from Tytlandsvik. We also use two closed-containment facilities in sea, FishGLOBE, to produce post-smolt. These facilities have a total capacity of 900 tonnes. We are planning to develop this technology further in a joint venture for grow-out salmon, with a globe ten times the current size. We have also 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 is pending a final decision.

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 one site ASC certified, corresponding to 12% of budgeted net production for the year.

In Q2 2022, we spent NOK 37 million in growth investments and NOK 17 million in maintenance investments. YTD in 2022 we spent a total of NOK 70 million in investments, of which NOK 40 million were growth investments, and the remaining 30 million were maintenance investments.

## Scoreboard & key performance figures Rogaland

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

PILLAR	KPI & TARGET	STATUS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
PROFIT & INNOVATION	<b>Harvest volume (tonnes GWT)</b>						
	30 000 tonnes in 2022	●	5 014	9 645	7 259	6 282	7 783
	<b>Operational EBIT per kg (NOK)</b>						
	n/a		48.9	33.5	11.5	4.9	10.2
PROFIT & INNOVATION	<b>Farming cost per kg (NOK)</b>						
	Cost leader	●	46.7	41.9	43.6	46.5	45.8
	<b>ASC certification (# of sites)</b>						
	All sites (11 eligible) by 2023	■	1	1	0	0	0
HEALTHY OCEAN	<b>Survival rate at sea</b>						
	93% by 2022	●	93%	92%	92%	91%	91%
	<b>Cost of reduced survival (NOK million)</b>						
	n/a		0.3	6.3	0.7	5.1	18.8
	<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	1.0
	<b>Sea lice treatments - in feed (g per tonne LWE) *</b>						
	Minimize use of pharmaceutical treatments	●	0.0	7.6	0.0	0.0	0.0
	<b>Sea lice treatments - in bath (g per tonne LWE) *</b>						
	Minimize use of pharmaceutical treatments	●	0.0	0.2	0.0	0.0	0.4
	<b>Escape incidents (# of fish)</b>						
	Zero escape incidents	●	0	0	0	0	0
SUSTAINABLE FOOD	<b>High quality product</b>						
	93% superior share	◆	82%	73%	85%	86%	76%
PEOPLE	<b>Employees</b>						
	Headcount (ex contractors)	n/a	177	159	162	167	179
	<b>Absence rate</b>						
	Below 4.5%	■	7.6%	5.3%	3.4%	3.5%	3.0%
PEOPLE	<b>Lost time incident rate</b>						
	**	n/a	37	17	62	0	77

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

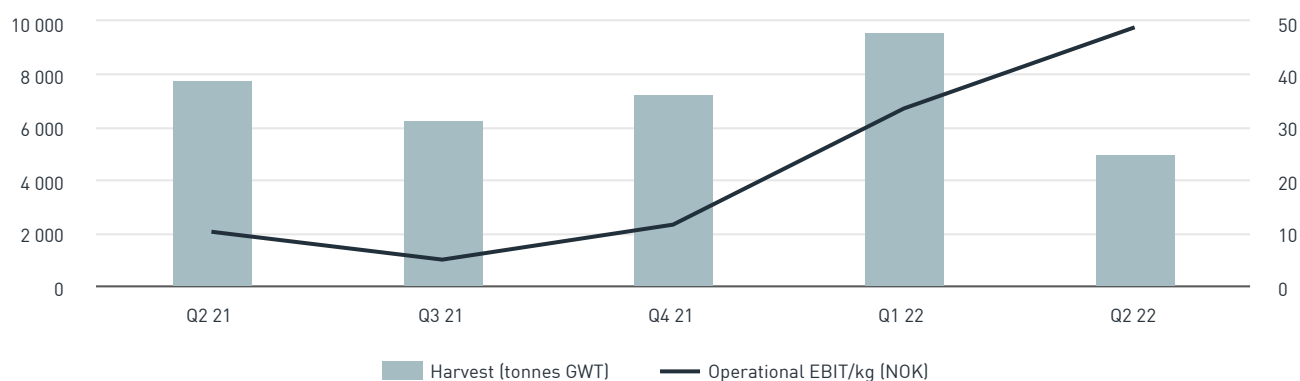
\*\* An LTIR target has not been defined in order to avoid under-reporting of incidents.

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.

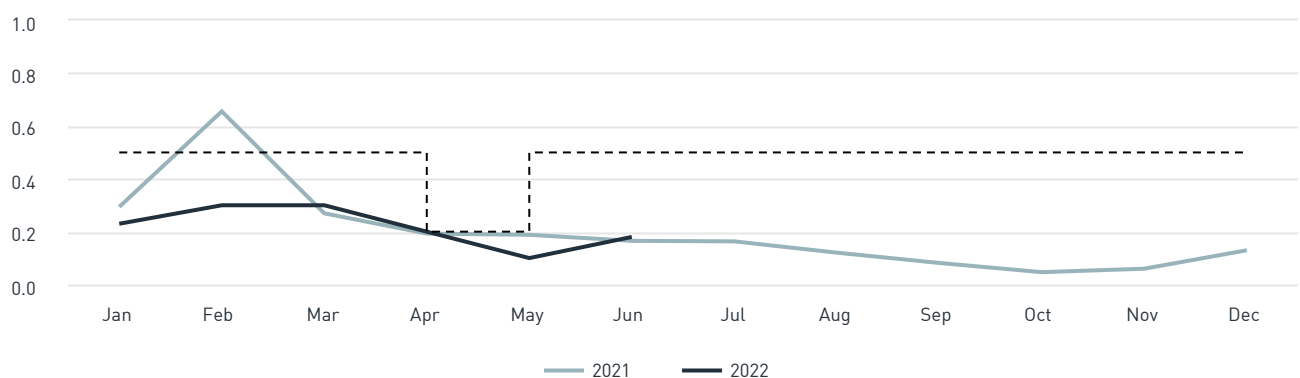


NOK MILLION	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Harvest volume (tonnes GWT)	5 014	7 783	14 659	13 129
Sales revenues from sale of Atlantic salmon	479.2	435.2	1 206.3	708.2
Operational EBITDA	270.2	104.5	616.8	177.9
Operational EBIT	245.0	79.0	568.0	127.9
Sales revenue/kg (NOK)	95.6	55.9	82.3	53.9
Farming cost/kg (NOK)	46.7	45.8	43.5	44.2
Operational EBIT/kg (NOK)	48.9	10.2	38.7	9.7

## 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.

9 843

TONNES GWT HARVESTED

53.0

OPERATIONAL EBIT/KG (NOK)



### Operational results

Grieg Seafood Finnmark harvested 9 843 tonnes in Q2 2022, an increase of 106% compared to Q2 2021. Sales revenues for the quarter amounted to NOK 921.4 million, up 298% compared to Q2 2021, due to higher volume and spot prices. The Nasdaq average spot price in Q2 2022 was NOK 105.7 per kg, compared to NOK 62.1 per kg in Q2 2021. Our realized price came to NOK 93.6 per kg in Q2 2022 compared to NOK 48.4 per kg in Q2 2021. We have taken measures to capitalize on the record high price levels by accelerating some harvest volume from Q3 to Q2. The price realization was positively impacted by good average harvest weight, however offset by loss on contracts and downgrades. Compared to Q2 2021, the superior share increased from 78% to 84% in Q2 2022 due to lower impact from winter ulcers.

Production at our freshwater facility in Adamselv has been good during the quarter. According to plan, 4.2 million smolt were put to sea during Q2 2022.

Seawater production was stable, however colder seawater temperatures impacted growth in the sea negatively during the quarter. The 12-month survival rate of 94% as of Q2 2022 was stable compared to Q2 2021. We are continuously working to improve survival rates through both general and targeted health and welfare measures. Good results from vaccines and efforts to ensure robust fish health have eliminated the need of antibiotics for several years. However, we used antibiotics in the quarter on one farm to safeguard the welfare of fish at one sea farm impacted by winter ulcers.

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.

The farming cost was NOK 40.6 per kg in Q2 2022, down from NOK 50.6 in Q2 2021 and down from NOK 41.8 per kg in Q1 2022 due to harvesting from sites with good biological performance. Cost recognized as abnormal mortality in the income statement was NOK 12 million in Q2 2022 (NOK 1.3 per kg), compared to NOK 15 million in Q2 2021 (NOK 3.2 per kg). We expect the farming cost per kg to increase in Q3 mainly due to higher feed cost coming into effect.

Operational EBIT per kg came to NOK 53.0 for the quarter, compared to NOK -2.2 in Q2 2021 and NOK 25.0 in Q1 2022.

Our commitment to employee well-being is highly prioritized. The absence rate for Q2 2022 was 8.5%, 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 aims to harvest 36 000 tonnes in 2022, with an ambition to harvest 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 is planned to start at the end of 2022, with the first post smolt delivery during 2024. 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 have been the most pressing challenges in this region in the last two years. These conditions negatively impact fish welfare, harvesting weight, quality and price achievement. We have implemented mitigating measures for winter ulcers and ISA based on insights from analyses we have performed. Such measures include changing the timing of when we transfer fish to the sea, when we harvest the fish, altering the feed composition and vaccinating the fish against ISA before transfer to the sea. We have also entered into a partnership for value added processing capacity, to secure quality and sales margins as and when required.

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 Q2 2022, we spent NOK 3 million in growth investments related to new sea sites and upgrade of land sites, in addition to NOK 21 million in maintenance investments. YTD in 2022, we spent NOK 13 million in growth investments and a total of NOK 41 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	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
PROFIT & INNOVATION	<b>Harvest volume (tonnes GWT)</b>						
	36 000 tonnes in 2022	●	9 843	5 175	12 411	9 908	4 780
	<b>Operational EBIT per kg (NOK)</b>						
	n/a		53.0	25.0	17.0	8.1	-2.2
HEALTHY OCEAN	<b>Farming cost per kg (NOK)</b>						
	Cost leader	●	40.6	41.8	37.8	45.5	50.6
	<b>ASC certification (# of sites)</b>						
	All sites (18 eligible) by 2023	●	18	18	18	17	16
HEALTHY OCEAN	<b>Survival rate at sea</b>						
	93% by 2022	●	94%	95%	95%	95%	94%
	<b>Cost of reduced survival (NOK million)</b>						
	n/a		12.4	5.2	2.0	15.3	15.3
	<b>Use of antibiotics (g per tonne LWE) *</b>						
	No use of antibiotics	■	13.0	6.2	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	0.0	0.4	0.0
	<b>Sea lice treatments - in bath (g per tonne LWE) *</b>						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.1	0.0	0.0
HEALTHY OCEAN	<b>Escape incidents (# of fish)</b>						
	Zero escape incidents	●	0	0	0	0	0
SUSTAINABLE FOOD	<b>High quality product</b>						
	93% superior share	◆	84%	80%	89%	87%	78%
PEOPLE	<b>Employees</b>						
	Headcount (ex contractors)	n/a	282	248	262	251	278
	<b>Absence rate</b>						
	Below 4.5%	■	8.5%	12.2%	9.9%	7.8%	7.9%
PEOPLE	<b>Lost time incident rate</b>						
	**	n/a	10	11	20	10	23

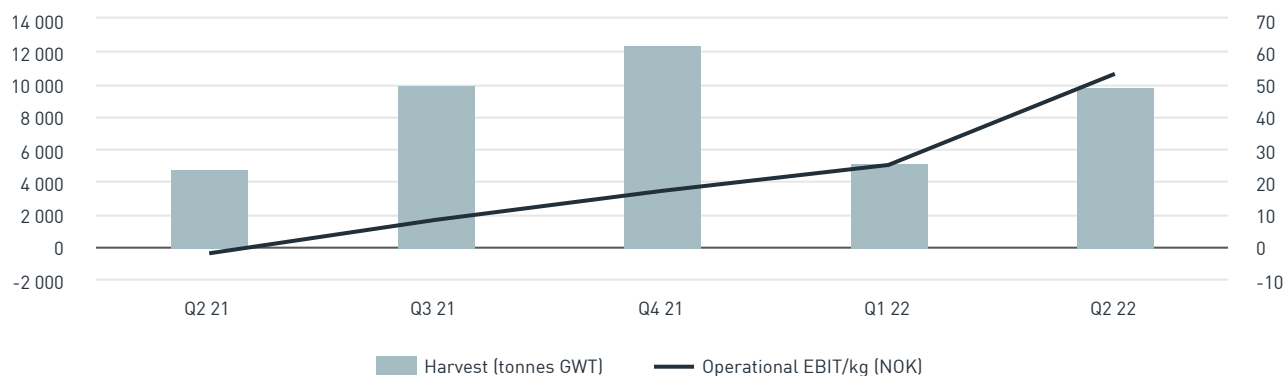
\* Amount of active pharmaceutical ingredients (APIs) used (in gr and kg) per tonne of fish produced (LWE).

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

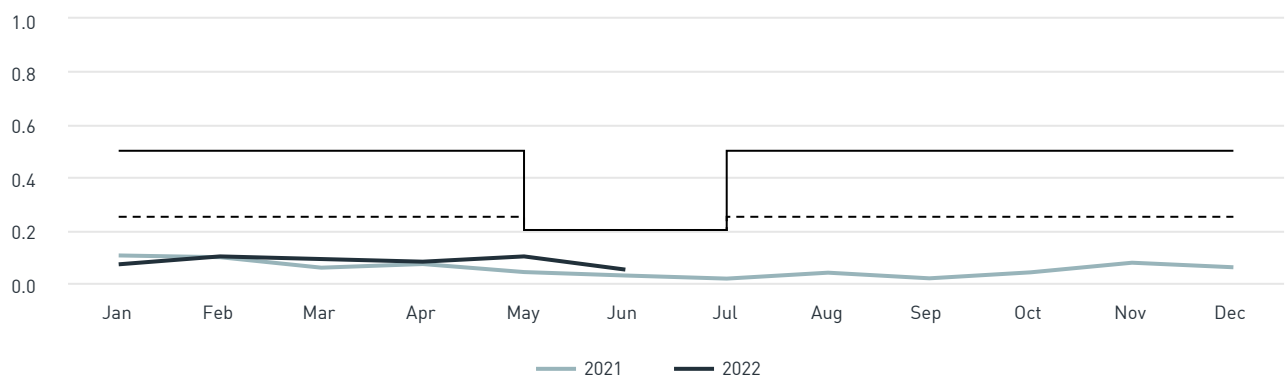
n/a: No set target or data similar to quarter end. ASC certification and number of employees are disclosed per reporting date. Survival rate is defined as the last twelve months rolling survival, and thus not calculated year-to-date.

NOK MILLION	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Harvest volume (tonnes GWT)	9 843	4 780	15 018	12 165
Sales revenues from sale of Atlantic salmon	921.4	231.6	1 267.0	544.3
Operational EBITDA	557.9	23.4	723.5	27.5
Operational EBIT	521.8	-10.5	651.1	-40.9
Sales revenue/kg (NOK)	93.6	48.4	84.4	44.7
Farming cost/kg (NOK)	40.6	50.6	41.0	48.1
Operational EBIT/kg (NOK)	53.0	-2.2	43.4	-3.4

## 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](#).

# OUR PROGRESS

## BRITISH COLUMBIA

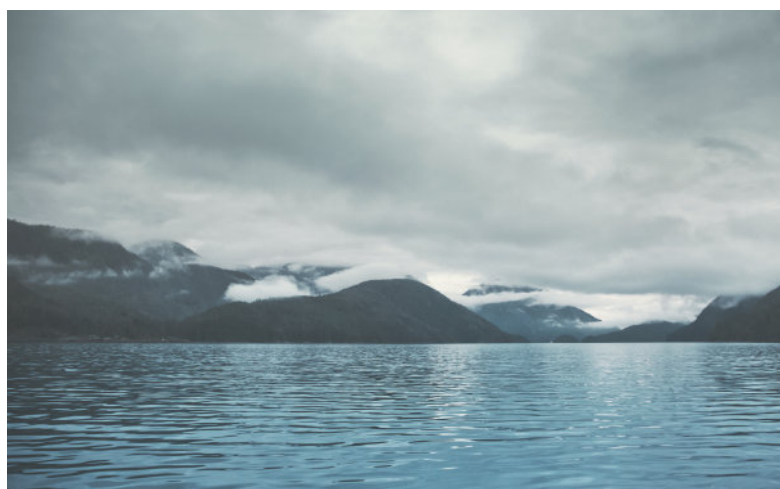
Grieg Seafood BC Ltd farms salmon on the east and west sides of Vancouver Island, and along the Sunshine Coast north of Vancouver. The company has 22 farming licenses, including broodstock operations and land-based production of smolt. We process our BC salmon externally.

8 815

TONNES GWT HARVESTED

30.9

OPERATIONAL EBIT/KG (NOK)



### Operational results

Harvest volume in Q2 2022 was 8 815 tonnes, 68% above Q2 2021. The reason is mainly that 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 789.9 million, an increase of 127% compared to Q2 2021, mainly related to higher harvest volume as well as strong market prices. The average spot price according to the Urner Barry (farm raised salmon Seattle West Coast, fresh, wholefish) was NOK 90.8 per kg in Q2 2022 compared to NOK 68.0 per kg in Q2 2021. Our realized price for the quarter was NOK 89.6 per kg, compared to NOK 66.4 per kg in Q2 2021, positively impacted by a premium on VAP products. The superior share came to 86% (89% in Q2 2021), an improvement compared to Q1 2022 mainly due to lower impact of early maturation.

Our freshwater production was stable during the quarter, and our smolt transfer went according to plan.

The seawater performance has been good this quarter. The 12-month rolling survival rate increased from 91% in Q2 2021 to 92% in Q2 2022. In previous years, the survival rate has been impacted by incidents of low oxygen levels and plankton

blooms. However, it is steadily increasing due to positive results from our barrier algae mitigation systems, which stabilizes the survival rate in periods of challenging environmental conditions.

We used antibiotics in the quarter for treatment of yellow mouth and enteric red mouth disease (ERM) to safeguard the welfare of the fish. Our use of antibiotics is too high, and we are installing infrastructure that will allow us to lower water temperatures to help limit the transmission of diseases. We also pursue non-therapeutic means to manage disease, such as vaccines and an adapted diet. 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. This in turn 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. No medical sea lice treatment was carried out during the quarter due to introduction of a locally developed barrier system between the farmed salmon and the environment. We have also added the latest mechanical sea lice removal tool, which we expect to reduce our overall medication and chemical use.

The farming cost decreased from CAD 8.5 per kg (NOK 58.0) in Q2 2021 to CAD 7.9 per kg (NOK 58.7) in Q2 2022 and was stable compared to Q1 2022, mainly due to harvesting from sites with good biological conditions. Cost recognized as abnormal mortality in the income statement (cost of reduced survival) was NOK 6.5 million in Q2 2022 (NOK 0.7 per kg, or CAD 0.1 per kg), compared to NOK 7 million in Q2 2021 (NOK 0.7/CAD 0.2 per kg). We expect the positive underlying cost development, driven by significant improvement from introduction of barrier systems and sea lice skirts, to continue, however suppressed by inflated feed cost and general cost increases. Lower volume in Q3 will also impact the farming cost per kg.

Operational EBIT per kg came to NOK 30.9, compared to NOK 8.4 in Q2 2021 and NOK 34.3 in Q1 2022.

Employee well-being is our priority. We had no major incidents in the quarter. The absence rate of 7.1% was above our 4.5% target. We always monitor developments according to our guidelines for absence from work.

## Operational priorities towards 2026

Grieg Seafood BC aims to harvest 21 000 tonnes in 2022, with an ambition to harvest 30 000-35 000 tonnes in 2026 mainly by utilizing more of our seawater capacity. Key initiatives to achieving this is implementation of barrier systems to provide better biological control and higher survival. We are working to optimize our site structure in the region, where we phase out the least optimal farms and instead develop the good existing sites as well as new ones. 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. The first smolt from the expanded facility will be transferred to sea this fall. 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 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. Mortality related to algae blooms was reduced from 3.4% in 2019, to 0.9% in 2020, and down to 0.4% in 2021.

In Q2 2022, we spent NOK 28 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 50 million in growth investments and NOK 30 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 Q2 2022, a total of 12 sites out of 15 eligible sites were ASC certified (corresponding to 83% of net budgeted production for the year).

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. Three of our 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 into something better, which reduces 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.



## Scoreboard & key performance figures British Columbia

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

PILLAR	KPI & TARGET	STATUS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
PROFIT & INNOVATION	<b>Harvest volume (tonnes GWT)</b>						
	21 000 tonnes in 2022	●	8 815	2 096	4 058	4 289	5 249
	<b>Operational EBIT per kg (NOK)</b>						
	n/a		30.9	34.3	4.1	20.6	8.4
PROFIT & INNOVATION	<b>Farming cost per kg (CAD)</b>						
	Cost leader	●	7.9	7.8	9.4	8.5	8.5
	<b>ASC certification (# of sites)</b>						
	All sites (15 eligible) by 2023	◆	12	12	12	13	13
HEALTHY OCEAN	<b>Survival rate at sea</b>						
	93% by 2022	◆	92%	92%	92%	91%	91%
	<b>Cost of reduced survival (NOK million)</b>						
	n/a		6.5	0.2	0.7	7.2	6.8
HEALTHY OCEAN	<b>Use of antibiotics (g per tonne LWE) *</b>						
	No use of antibiotics	■	35.5	31.8	27.1	2.0	41.3
	<b>Use of hydrogen peroxide (kg per tonne LWE) *</b>						
	Minimize use of pharmaceutical treatments	●	0.0	26.9	26.0	21.5	62.0
HEALTHY OCEAN	<b>Sea lice treatments - in feed (g per tonne LWE) *</b>						
	Minimize use of pharmaceutical treatments	●	0.0	0.1	0.1	0.9	0.0
	<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
HEALTHY OCEAN	<b>Escape incidents (# of fish)</b>						
	Zero escape incidents	●	0	0	0	1 (3)	1 (1)
	<b>High quality product</b>						
	93% superior share	◆	86%	77%	82%	89%	89%
PEOPLE	<b>Employees</b>						
	Headcount (ex contractors)	n/a	187	186	176	170	172
	<b>Absence rate</b>						
	Below 4.5%	■	7.1%	6.6%	5.6%	5.1%	5.5%
PEOPLE	<b>Lost time incident rate</b>						
	**	n/a	24	38	0	0	13

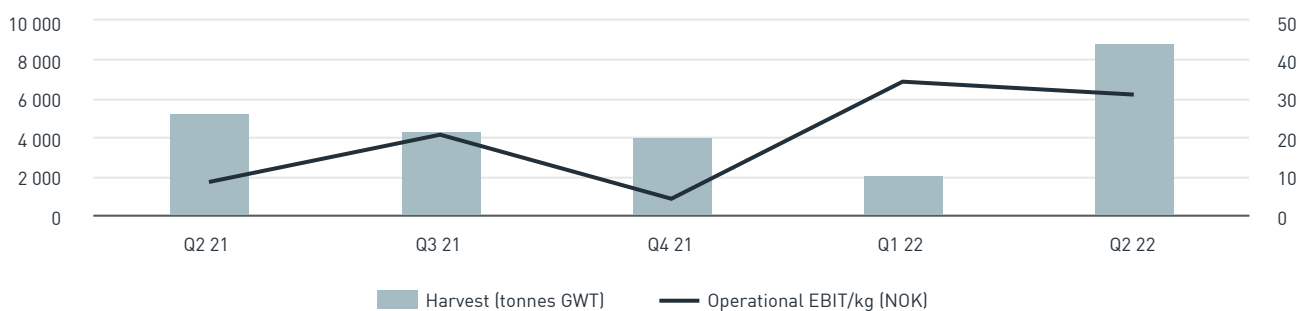
\* Amount of active pharmaceutical ingredients (APIs) used (in gr and kg) per tonne of fish produced (LWE).

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

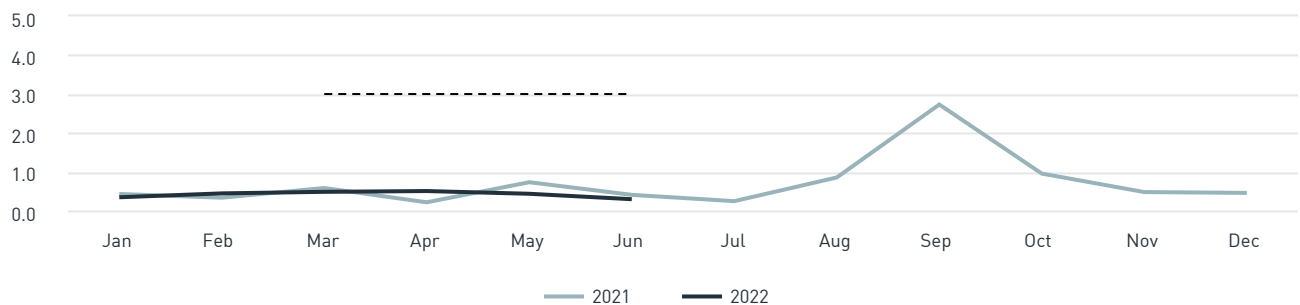
n/a: No set target or data similar to quarter end. ASC certification and number of employees are disclosed per reporting date. Survival rate is defined as the last twelve months rolling survival, and thus not calculated year-to-date.

<b>NOK MILLION</b>	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>YTD 2022</b>	<b>YTD 2021</b>
Harvest volume (tonnes GWT)	8 815	5 249	10 911	6 101
Sales revenues from sale of Atlantic salmon	789.9	348.5	976.2	400.3
Operational EBITDA	303.2	68.5	401.7	93.1
Operational EBIT	272.8	44.2	344.6	45.2
Sales revenue/kg (NOK)	89.6	66.4	89.5	65.6
Farming cost/kg (CAD)	7.9	8.5	7.9	8.5
Farming cost/kg (NOK)	58.7	58.0	57.9	58.2
Operational EBIT/kg (NOK)	30.9	8.4	31.6	7.4

## 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 during the spring and summer, and currently approximately two million smolt have been transferred to sea. The fish have good biological performance so far, with high seawater survival and no sea lice issues. Harvesting is expected to commence late 2023.

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 Q2 2022 totaled NOK -37 million. Operational cost for Q3 2022 will decrease, as Q2 was impacted by ramping up the seawater activities.

Employee well-being is our priority. We had no major incidents in the quarter. The absence rate of 1.2% was well below our 4.5% target. We always monitor developments according to our guidelines for absence from work.

### Priorities towards 2026

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 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 Q2 2022, we spent close to NOK 54 million in investments mainly in seawater locations and equipment. YTD in 2022 we have spent a total of NOK 75 million in our seawater locations including equipment for digital monitoring.

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 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	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
PROFIT & INNOVATION	<b>Operational EBIT (NOK million)</b>						
		n/a	-36.6	-24.6	-19.7	-36.9	-44.7
HEALTHY OCEAN	<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	n/a	n/a	n/a
	<b>Sea lice treatments - in feed (g per tonne LWE) *</b>						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	n/a	n/a	n/a
	<b>Sea lice treatments - in bath (g per tonne LWE) *</b>						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	n/a	n/a	n/a
PEOPLE	<b>Employees</b>						
	Headcount (ex contractors)	n/a	117	95	69	66	114
	<b>Absence rate</b>						
	Below 4.5%	●	1.2%	3.3%	n/a	n/a	n/a
	<b>Lost time incident rate</b>						
	**	n/a	0	0	n/a	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	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Operational EBITDA	-22.8	-33.2	-42.5	-46.7
Operational EBIT	-36.6	-44.7	-61.3	-60.2



## QUARTERLY STORY

# Official Opening of BC's new RAS facility

On 29 June, Grieg Seafood BC officially opened the RAS 34 Hatchery Expansion project, and marked the successful transfer of first fish into the facility. Now complete, the facility has doubled the hatchery capacity and provided the opportunity to explore post-smolt production, enabling the fish to grow bigger and more robust before transfer to sea.

Read more about the project [here](#). More photos can also be viewed on Grieg Seafood BC's [Facebook page](#).

# Board's approval

## Related parties' transactions

There has not been any related parties' transactions during Q2 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

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

## Statement from the Board of Directors

We hereby confirm that the financial statements for the period from 1 January to 30 June 2022, to the best of our knowledge, have been prepared in accordance with IAS 34 – Interim Financial Reporting – and that the information in the accounts gives a true and fair view of the Group and of the Group's assets, liabilities, financial position and overall results.

We also confirm that, to the best of our knowledge, the half-year report gives a true and fair view of the main events during the accounting period and their effect on the accounts for the first half year, as well as the principal risks as described in Note 2 and uncertainties facing the Company and the Group in the next accounting period.

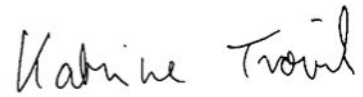
### THE BOARD OF DIRECTORS AND CEO BERGEN, 23 AUGUST 2022



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	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Sales revenues	3	2 350 780	1 122 073	3 815 338	1 781 904
Other income	3	10 303	8 141	19 231	27 479
Share of profit from associates	9	-773	176	931	459
Raw materials and consumables used		-535 876	-478 445	-887 371	-663 323
Salaries and personnel expenses		-166 309	-119 491	-348 029	-247 851
Other operating expenses		-563 632	-390 734	-957 479	-685 372
Depreciation property, plant and equipment		-105 460	-96 587	-198 634	-182 523
Amortization licenses and other intangible assets		-3 208	-1 610	-5 037	-3 266
Production fee		-6 016	-5 025	-11 966	-10 119
Fair value adjustment of biological assets	5	-77 491	109 814	336 936	266 277
Litigation and legal claims	6	-155 000	—	-155 000	—
<b>EBIT (Earnings before interest and taxes)</b>		<b>747 318</b>	<b>148 312</b>	<b>1 608 919</b>	<b>283 664</b>
<b>Net financial items</b>	<b>8</b>	<b>116 950</b>	<b>-17 042</b>	<b>133 676</b>	<b>-1 875</b>
<b>Profit before tax</b>		<b>864 267</b>	<b>131 271</b>	<b>1 742 596</b>	<b>281 790</b>
Estimated taxation		-184 987	-35 344	-371 561	-81 456
<b>Net profit for the period from continued operations</b>		<b>679 281</b>	<b>95 927</b>	<b>1 371 034</b>	<b>200 333</b>
Net profit for the period from discontinued operations	4	—	28 111	—	40 139
<b>Net profit for the period</b>		<b>679 281</b>	<b>124 037</b>	<b>1 371 034</b>	<b>240 472</b>
<b>Profit or loss for the period attributable to</b>					
Owners of Grieg Seafood ASA		679 281	124 037	1 371 034	240 472
<b>Dividend declared and paid per share (NOK)</b>		<b>3.0</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		6.0	0.9	12.2	1.8
Earnings per share from discontinued operations		0.0	0.3	0.0	0.4
<b>Earnings per share - total</b>		<b>6.0</b>	<b>1.1</b>	<b>12.2</b>	<b>2.1</b>



# COMPREHENSIVE INCOME STATEMENT

GRIEG SEAFOOD GROUP NOK 1 000	NOTE	Q2 2022	Q2 2021	YTD 2022	YTD 2021
<b>Net profit for the period</b>		<b>679 281</b>	<b>124 037</b>	<b>1 371 034</b>	<b>240 472</b>
<b>Net other comprehensive income to be reclassified to profit/ loss in subsequent periods</b>					
Currency effect on investment in subsidiaries		186 097	30 347	197 347	40 526
Currency effect on loans to subsidiaries		52 355	15 352	55 867	23 192
Tax effect		-11 518	-3 377	-12 291	-5 102
<b>Other comprehensive income for the period, net of tax</b>		<b>226 934</b>	<b>42 322</b>	<b>240 923</b>	<b>58 616</b>
<b>Total comprehensive income for the period</b>		<b>906 215</b>	<b>166 359</b>	<b>1 611 957</b>	<b>299 088</b>
<b>Allocated to</b>					
Controlling interests		906 215	166 359	1 611 957	299 088

# STATEMENT OF FINANCIAL POSITION

GRIEG SEAFOOD GROUP NOK 1 000	Note	30.06.2022	30.06.2021	31.12.2021
<b>ASSETS</b>				
Deferred tax assets		22 600	36 340	59
Goodwill		729 977	657 269	660 071
Licenses incl. warranty licenses		1 634 511	1 533 314	1 536 319
Other intangible assets incl. exclusivity agreement		38 347	38 838	36 828
Property, plant and equipment incl. right-of-use assets	7	3 838 157	3 352 646	3 402 629
Indemnification assets		40 000	40 000	40 000
Investments in associates	9	113 206	87 380	104 675
Other non-current receivables		102 866	32 403	90 897
<b>Total non-current assets</b>		<b>6 519 663</b>	<b>5 778 190</b>	<b>5 871 477</b>
Inventories		214 346	111 816	128 299
Biological assets excl. the fair value adjustment	5	2 714 954	2 313 977	2 478 932
Fair value adjustment of biological assets	5	1 581 644	699 645	970 480
Trade receivables		370 333	213 179	151 793
Other current receivables, derivatives and financial instruments		251 191	200 077	184 924
Cash and cash equivalents	7	1 992 842	204 260	928 342
<b>Total current assets</b>		<b>7 125 309</b>	<b>3 742 953</b>	<b>4 842 771</b>
Assets held for sale	4	—	2 019 017	—
<b>Total assets</b>		<b>13 644 973</b>	<b>11 540 159</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		5 687 526	3 519 369	4 412 511
<b>Total equity</b>		<b>6 838 317</b>	<b>4 670 006</b>	<b>5 563 302</b>
Deferred tax liabilities		1 524 565	1 011 018	1 069 802
Share based payments		12 361	9 986	11 115
Borrowings and lease liabilities	7	3 642 955	3 850 720	2 958 797
<b>Total non-current liabilities</b>		<b>5 179 881</b>	<b>4 871 724</b>	<b>4 039 714</b>
Current portion of borrowings and lease liabilities	7	344 762	877 510	232 507
Trade payables		622 803	531 179	523 196
Tax payable		88 296	444	88 641
Other current liabilities, derivatives and financial instruments	6	570 914	200 388	266 889
<b>Total current liabilities</b>		<b>1 626 775</b>	<b>1 609 520</b>	<b>1 111 232</b>
Liabilities directly associated with the assets held for sale	4	—	388 909	—
<b>Total liabilities</b>		<b>6 806 656</b>	<b>6 870 153</b>	<b>5 150 946</b>
<b>Total equity and liabilities</b>		<b>13 644 973</b>	<b>11 540 159</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	—	—	—	240 472	240 472
Other comprehensive income YTD 2021	—	—	—	58 616	58 616
<b>Total comprehensive income YTD 2021</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>299 088</b>	<b>299 088</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	—	—	—	299 088	299 088
<b>Equity at 30.06.2021</b>	<b>453 788</b>	<b>-4 686</b>	<b>701 535</b>	<b>3 519 369</b>	<b>4 670 006</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	—	—	—	1 371 034	1 371 034
Other comprehensive income YTD 2022	—	—	—	240 923	240 923
<b>Total comprehensive income YTD 2022</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1 611 957</b>	<b>1 611 957</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	—	—	—	1 275 015	1 275 015
<b>Equity at 30.06.2022</b>	<b>453 788</b>	<b>-4 532</b>	<b>701 535</b>	<b>5 687 526</b>	<b>6 838 317</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	Q2 2022	Q2 2021	YTD 2022	YTD 2021
EBIT (Earnings before interest and taxes)		747 318	148 312	1 608 919	283 664
Depreciation and amortization		108 668	98 198	203 671	185 789
Gain/loss on sale of property, plant and equipment		1 734	-743	-1 560	-776
Share of profit from associates	9	773	-176	-931	-459
Fair value adjustment of biological assets	5	77 491	-109 814	-336 936	-266 277
Change inventory excl. fair value, trade payables and rec.		-338 983	188 982	-507 082	-262 657
Other adjustments		272 329	51 316	241 252	102 227
Taxes paid		-1 630	-3 667	-4 329	-19 950
<b>Net cash flow from operating activities</b>		<b>867 700</b>	<b>372 407</b>	<b>1 203 004</b>	<b>21 562</b>
Proceeds from sale of property, plant and equipment		1 845	337	6 950	352
Payments on purchase of property, plant and equipment		-128 622	-183 507	-244 633	-316 321
Government grant	7	—	—	—	8 443
Investment in associates and other invest.	9	—	—	-15 950	-2 500
<b>Net cash flow from investing activities</b>		<b>-126 777</b>	<b>-183 170</b>	<b>-253 634</b>	<b>-310 026</b>
Revolving credit facility (net draw-down/repayment)	7	—	-150 000	-440 000	-86 222
Proceeds of long-term int. bearing debt	7	—	1 750	1 463 979	627 399
Repayment long-term int. bearing debt	7	-29 089	—	-436 567	-51 003
Repayment lease liabilities	7	-55 762	-47 349	-101 629	-87 962
Net interest and other financial items	8	-38 827	-47 520	-42 806	-99 870
Paid dividends		-336 942	—	-336 942	—
<b>Net cash flow from financing activities</b>		<b>-460 620</b>	<b>-243 119</b>	<b>106 034</b>	<b>302 341</b>
Net change in cash and cash equivalents		280 303	-53 882	1 055 404	13 876
Net change in cash and cash equivalents - discount. operations	4	—	49 727	—	-87 825
<b>Net change in cash and cash equivalents - total</b>		<b>280 303</b>	<b>-4 155</b>	<b>1 055 404</b>	<b>-73 948</b>
<b>Cash and cash equivalents - opening balance</b>		<b>1 707 682</b>	<b>208 016</b>	<b>928 342</b>	<b>275 427</b>
Currency translation of cash and cash equivalents		4 857	399	9 095	2 781
<b>Cash and cash equivalents - closing balance</b>		<b>1 992 842</b>	<b>204 260</b>	<b>1 992 842</b>	<b>204 260</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 second quarter and first half 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).

In the financial report of the first half and second quarter of 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 have been changed with any retrospective effect. In addition, as from this financial report, a new financial statement line item of the income statement has been added; litigation and legal claims. There has been no retrospective effect on the financial statement line items of the income statement following the addition of the new financial statement line item. See more information disclosed under the additional accounting principles below.

The financial report for the second quarter and first half 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' accounting principles disclosed in our recent annual report 2021.

#### Litigation and legal claims

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 replaces Covid as top risk to global supply chains. 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 Q2 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 2 715 million (20% 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.

Throughout the quarter, production in our freshwater facilities and seawater locations has been good. Biological conditions have been stable, with stable survival rates. The sea lice pressure has also been stable or lower in all regions compared to the same period last year. Production going into Q3 remains stable.

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 both marine and terrestrial feed ingredients are limited, and feed prices are expected to continue to increase going forward.

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 drive prices. During Q2 2022, the global supply of Atlantic salmon decreased by approximately 7% compared to Q2 2021, and the average NQSALMON for Q2 2022 was up by NOK 43.7 per kg compared to Q2 2021, and up by NOK 26.4 per kg compared to Q1 2022. In the US market, the average spot price according to the Urner Barry (farm raised salmon Seattle West Coast, fresh, wholefish) was up by NOK 22.8 per kg compared to Q2 2021, and up by NOK 7.2 per kg compared to Q1 2022. The average spot price according to NQSALMON for the first weeks into Q3 2022 was around NOK 80 per kg, while spot price in the USA according to Urner Barry was around NOK 79 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 74 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 Q3 2022 is 37%, or 22% for the full year 2022. We do not have contracts in BC.

## 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. Two class-actions have been filed by direct and indirect customers in the USA and three class actions have been filed in Canada (none has yet 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 in Canada. Grieg Seafood rejects that there is any basis for the claims and considers the complaints to be entirely unsubstantiated. However, 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 nonetheless agreed to a settlement offer from the direct purchaser plaintiffs for pure commercial purposes. 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. Cost incurred and provisions for expected cost related to the lawsuits in North America have been expensed, see Note 6.

NOK 5.1 million was spent on legal fees related to the investigations and the lawsuits during the quarter. The cost is included as ownership cost, see Note 3.

## 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. During the first half of 2022, the Group refinanced its syndicated financial liabilities, with an aggregate of NOK 3 200 million in five-year senior secured sustainability-linked loans and credit facilities. The new 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. In addition, the Group has a senior unsecured green bond issue with an outstanding amount of NOK 1 470 million, which matures in Q2 2025. As at 30 June 2022, the Group had NOK 2 022 million in net interest bearing liabilities (NOK 1 482 million excl the effect of IFRS 16) and an equity ratio of 50% (equity ratio according to the financial covenants was 52%). See Note 7 for more information. The cash and cash equivalents at the end of the first half of 2022 was NOK 1 993 million, whereof NOK 1 000 million were placed in short-term funds with maturity less than three months. The Group has a solid financial position.

### Liquidity risk

The Group has invested substantial amounts during the last year, such as the acquisition of Grieg Newfoundland and the build-up of its biomass. 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 (50% at 30 June 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, 67% of the Group's net production is 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.

Inspired by background work on nature risk launched by WWF Norway in 2019, and in order to support the adoption and implementation of TNFD recommendations, Grieg Seafood together with WWF Norway, Storebrand Asset Management and the Norwegian Institute for Nature Research (NINA) have launched a [pilot project](#) to test a framework for reporting on nature-related risks in the aquaculture sector.



## 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 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. The measurement method also excludes 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, thus such costs not being informative for the comparability of the Group's results from one period to the other, are not included as operational EBIT. 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.

<b>RECONCILIATION OF EBIT IN THE INCOME STATEMENT WITH OPERATIONAL EBITDA AND OPERATIONAL EBIT IN THE SEGMENT INFORMATION</b>	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>YTD 2022</b>	<b>YTD 2021</b>
Sales revenues	2 350 780	1 122 073	3 815 338	1 781 904
Other income	10 303	8 141	19 231	27 479
Share of profit from associates	-773	176	931	459
Raw materials and consumables used	-535 876	-478 445	-887 371	-663 323
Salaries and personnel expenses	-166 309	-119 491	-348 029	-247 851
Other operating expenses	-563 632	-390 734	-957 479	-685 372
<b>Operational EBITDA</b>	<b>1 094 493</b>	<b>141 721</b>	<b>1 642 621</b>	<b>213 295</b>
Depreciation property, plant and equipment	-105 460	-96 587	-198 634	-182 523
Amortization licenses and other intangible assets	-3 208	-1 610	-5 037	-3 266
<b>Operational EBIT</b>	<b>985 825</b>	<b>43 523</b>	<b>1 438 949</b>	<b>27 506</b>
Production fee	-6 016	-5 025	-11 966	-10 119
Fair value adjustment of biological assets	-77 491	109 814	336 936	266 277
Litigation and legal claims	-155 000	—	-155 000	—
<b>EBIT (Earnings before interest and taxes)</b>	<b>747 318</b>	<b>148 312</b>	<b>1 608 919</b>	<b>283 664</b>

As from Q2 2022, EBITDA before production fee and fair value adjustment of biological assets (EBITDA in the segment reporting) has been renamed operational EBITDA, and EBIT before production fee and fair value adjustment of biological assets has been renamed operational EBIT. There has been no retrospective changes to the historical figures of operational EBITDA and operational EBIT. See Alternative Performance Measures for definitions and information on operational EBITDA and operational EBIT and operational EBIT/kg.

Q2 2022 SEGMENTS (NOK 1 000)	FARMING NORWAY		FARMING CANADA		ELIM./ OTHER	GROUP
	ROGALAND	FINNMARK	BRITISH COLUMBIA	NEW- FOUNDLAND		
Sales revenues	479 235	921 353	789 875	—	160 318	2 350 780
Other income	25 962	4 325	5 509	-4 532	-20 961	10 303
Operational EBITDA	270 178	557 910	303 189	-22 767	-14 018	1 094 493
Operational EBIT	244 985	521 814	272 775	-36 630	-17 118	985 825
Harvest volume tonnes GWT	5 014	9 843	8 815	—	—	23 672
Sales revenue/kg	95.6	93.6	89.6	—	—	92.5
Farming cost/kg	46.7	40.6	58.7	—	—	48.6
Other costs incl. ownership and headquarter costs/kg	—	—	—	—	—	2.3
Operational EBIT/kg	48.9	53.0	30.9	—	—	41.6
Operational EBITDA %	56%	61%	38%	0%	-9%	47%
Operational EBIT %	51%	57%	35%	0%	-11%	42%

The ownership cost includes legal fees related to the EU commission investigation of NOK 5.1 million in Q2 2022.

Q2 2021 SEGMENTS (NOK 1 000)	FARMING NORWAY		FARMING CANADA		ELIM./ OTHER	GROUP
	ROGALAND	FINNMARK	BRITISH COLUMBIA	NEW- FOUNDLAND		
Sales revenues	435 199	231 559	348 520	—	106 795	1 122 073
Other income	14 510	6 425	2 524	—	-15 318	8 141
Operational EBITDA	104 480	23 416	68 523	-33 208	-21 490	141 721
Operational EBIT	79 008	-10 499	44 217	-44 660	-24 543	43 523
Harvest volume tonnes GWT	7 783	4 780	5 249	—	—	17 812
Sales revenue/kg	55.9	48.4	66.4	—	—	57.0
Farming cost/kg	45.8	50.6	58.0	—	—	50.7
Other costs incl. ownership and headquarter costs/kg	—	—	—	—	—	3.9
Operational EBIT/kg	10.2	-2.2	8.4	—	—	2.4
Operational EBITDA %	24%	10%	20%	0%	-20%	13%
Operational EBIT %	18%	-5%	13%	0%	-23%	4%

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 SEGMENTS (NOK 1 000)	FARMING NORWAY		FARMING CANADA		ELIM./ OTHER	GROUP
	ROGALAND	FINNMARK	BRITISH COLUMBIA	NEW- FOUNDLAND		
Sales revenues	1 206 295	1 267 019	976 229	—	365 795	3 815 338
Other income	39 442	10 338	8 600	343	-39 493	19 231
Operational EBITDA	616 798	723 544	401 727	-42 478	-56 970	1 642 621
Operational EBIT	567 979	651 088	344 635	-61 257	-63 495	1 438 949
Harvest volume tonnes GWT	14 659	15 018	10 911	—	—	40 588
Sales revenue/kg	82.3	84.4	89.5	—	—	85.0
Farming cost/kg	43.5	41.0	57.9	—	—	46.5
Other costs incl. ownership and headquarter costs/kg	—	—	—	—	—	3.1
Operational EBIT/kg	38.7	43.4	31.6	—	—	35.5
Operational EBITDA %	51%	57%	41%	0%	-16%	43%
Operational EBIT %	47%	51%	35%	0%	-17%	38%

YTD 2021 SEGMENTS (NOK 1 000)	FARMING NORWAY		FARMING CANADA		ELIM./ OTHER	GROUP
	ROGALAND	FINNMARK	BRITISH COLUMBIA	NEW- FOUNDLAND		
Sales revenues	708 199	544 273	400 337	—	129 094	1 781 904
Other income	29 824	18 131	6 013	566	-27 056	27 479
Operational EBITDA	177 886	27 479	93 073	-46 725	-38 418	213 295
Operational EBIT	127 946	-40 872	45 178	-60 211	-44 535	27 506
Harvest volume tonnes GWT	13 129	12 165	6 101	—	—	31 395
Sales revenue/kg	53.9	44.7	65.6	—	—	52.6
Farming cost/kg	44.2	48.1	58.2	—	—	48.4
Other costs incl. ownership and headquarter costs/kg	—	—	—	—	—	3.3
Operational EBIT/kg	9.7	-3.4	7.4	—	—	0.9
Operational EBITDA %	25%	5%	23%	0%	-30%	12%
Operational EBIT %	18%	-8%	11%	0%	-34%	2%

## 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 first half of 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>Q2 2022</b>	<b>Q2 2021</b>	<b>YTD 2022</b>	<b>YTD 2021</b>
Net profit for the period from discontinued operations	—	28 111	—	40 139
Gain on the sale of the subsidiary after income tax	—	—	—	—
<b>Net profit for the period from discontinued operations</b>	<b>—</b>	<b>28 111</b>	<b>—</b>	<b>40 139</b>

<b>CASH FLOWS FROM DISCONTINUED OPERATIONS (NOK 1 000)</b>	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>YTD 2022</b>	<b>YTD 2021</b>
Net cash flow from operating activities	—	77 000	—	34 655
Net cash flow from investing activities	—	-3 563	—	-9 691
Net cash flow from financing activities	—	-25 516	—	-109 962
<b>Sum</b>	<b>—</b>	<b>47 920</b>	<b>—</b>	<b>-84 998</b>
Cash discontinued operations cash and cash equivalents - other changes	—	1 807	—	-2 827
<b>Net change in cash and cash equivalents from discontinued operations</b>	<b>—</b>	<b>49 727</b>	<b>—</b>	<b>-87 825</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 being applicable for fair value adjustment of the biological assets for the first time in Q2 2022. The discount rate which was applied for Newfoundland as per 30 June 2022 was 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	Q2 2022	Q2 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			
	Q2 2022	YTD 2022	Q2 2021	YTD 2021	Q2 2022	YTD 2022	Q2 2021	YTD 2021
<b>Biological assets beginning of period</b>	<b>59 176</b>	<b>59 121</b>	<b>53 381</b>	<b>52 619</b>	<b>4 115 375</b>	<b>3 449 408</b>	<b>2 913 593</b>	<b>2 545 903</b>
Currency translation	n/a	n/a	n/a	n/a	99 321	97 024	15 635	20 649
Increases due to production	20 334	39 919	20 492	36 903	950 366	1 787 331	773 152	1 437 652
Decrease due to harvesting	-27 571	-47 100	-20 751	-36 399	-1 005 160	-1 648 331	-818 472	-1 343 001
Fair value adjustment beginning of period	n/a	n/a	n/a	n/a	-1 444 949	-970 480	-569 933	-347 227
Fair value adjustment period end	n/a	n/a	n/a	n/a	1 581 644	1 581 644	699 645	699 645
<b>Biological assets period end</b>	<b>51 939</b>	<b>51 939</b>	<b>53 122</b>	<b>53 122</b>	<b>4 296 598</b>	<b>4 296 598</b>	<b>3 013 621</b>	<b>3 013 621</b>

BIOLOGICAL ASSETS AT 30.06.2022	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	24 435	651	234 522	—	234 522
Biological assets with round weight < 4.60 kg	27 430	47 441	2 325 047	1 463 494	3 788 541
Biological assets with round weight > 4.60 kg	786	3 847	155 385	118 150	273 536
<b>Total</b>	<b>52 651</b>	<b>51 939</b>	<b>2 714 954</b>	<b>1 581 644</b>	<b>4 296 598</b>

BIOLOGICAL ASSETS AT 30.06.2021	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	23 551	390	145 936	—	145 936
Biological assets with round weight < 4.60 kg	26 306	40 815	1 723 681	638 009	2 361 690
Biological assets with round weight > 4.60 kg	2 288	11 916	444 359	61 636	505 995
<b>Total</b>	<b>52 145</b>	<b>53 122</b>	<b>2 313 976</b>	<b>699 645</b>	<b>3 013 621</b>

SPECIFICATION OF THE FAIR VALUE ADJUSTMENT, INCOME STATEMENT (NOK 1 000)	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Change in fair value adjustment of biological assets	82 609	124 706	554 508	347 033
Change in physical delivery contracts related to fair value adjustments of biological assets	-12 966	—	-16 698	—
Change in fair value of financial derivatives from salmon (Fish Pool contracts)	-147 134	-14 892	-200 874	-80 756
<b>Total recognized fair value adjustment of biological assets</b>	<b>-77 491</b>	<b>109 814</b>	<b>336 936</b>	<b>266 277</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 LITIGATION AND LEGAL CLAIMS

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 has expensed costs incurred and made provisions for costs and expenses related to the previously reported lawsuits in North America. The costs and expenses include payments related to settlement, material legal fees as well as other related expenses. The total amount is reported as litigation and legal claims with NOK 155 million and is included in EBIT (Earnings before interest and taxes).

## NOTE 7 NET INTEREST-BEARING LIABILITIES

In the first half of 2022, Grieg Seafood finalized a refinancing of the Group's syndicated financial liabilities, with an aggregate of NOK 3 200 million in five-year senior secured sustainability-linked loans and credit facilities. The new 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 June 2022. At 30 June 2022, the Group had an equity ratio of 50%, while the equity ratio according to financial covenant was 52% (42%), compared to 53% at 31 March 2022.

<b>NET INTEREST-BEARING LIABILITIES (NOK 1 000)</b>	<b>30.06.2022</b>	<b>30.06.2021</b>	<b>31.12.2021</b>
Bond loan	1 470 000	1 500 000	1 500 000
Non-current borrowings incl. syndicate term loan and revolving facility	1 503 577	1 809 823	910 671
Lease liabilities (operating leases according to IFRS in force prior to 1 January 2019)	406 440	261 849	290 219
Lease liabilities (finance leases according to IFRS in force prior to 1 January 2019)	292 349	319 985	287 578
<b>Total non-current interest-bearing liabilities*</b>	<b>3 672 366</b>	<b>3 891 656</b>	<b>2 988 468</b>
Current portion of borrowings incl. overdraft	134 377	703 029	54 475
Lease liabilities (operating leases according to IFRS in force prior to 1 January 2019)	133 527	100 376	105 114
Lease liabilities (finance leases according to IFRS in force prior to 1 January 2019)	76 857	74 105	72 918
<b>Total current interest-bearing liabilities</b>	<b>344 762</b>	<b>877 510</b>	<b>232 507</b>
<b>Gross interest-bearing liabilities*</b>	<b>4 017 128</b>	<b>4 769 166</b>	<b>3 220 974</b>
Cash and cash equivalents	-1 992 842	-204 260	-928 342
Loans to associates	-2 262	-2 062	-2 111
<b>Net interest-bearing liabilities incl. IFRS 16</b>	<b>2 022 024</b>	<b>4 562 845</b>	<b>2 290 520</b>
Lease liabilities (operating leases according to IFRS in force prior to 1 January 2019)	-539 968	-362 225	-395 332
<b>Net interest-bearing liabilities excl. IFRS 16</b>	<b>1 482 056</b>	<b>4 200 620</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)	Q2 2022	Q2 2021	YTD 2022	YTD 2021
Changes in fair value from hedging instruments	7 273	2 008	23 992	16 318
Net financial interest	-35 221	-49 038	-65 760	-95 442
Net currency gain (losses)	146 668	33 251	152 749	85 666
Net other financial income (expenses)	-1 771	-3 262	22 695	-8 417
<b>Net financial items</b>	<b>116 950</b>	<b>-17 042</b>	<b>133 676</b>	<b>-1 875</b>

## NOTE 9 INVESTMENT IN ASSOCIATED COMPANIES

Associates that are closely related to the Group's operations and included in the Group's value chain are classified on a separate line in EBIT when the relevant associates operate in the same position in the value chain as the Group.

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 included in EBIT, presented as "Share of profit from associates" in the income statement. No investments were classified on a separate line below the financial statement line of EBIT in the income statement.

ASSOCIATES CLASSIFIED AS OPERATIONS	EQUITY INTEREST	EQUITY INTEREST	BOOK VALUE	SHARE OF PROFIT FROM ASSOCIATES	OTHER CHANGES IN THE PERIOD	BOOK VALUE
	01.01.2022	30.06.2022	01.01.2022	YTD 2022	YTD 2022	30.06.2022
Nordnorsk Smolt AS	50.00%	50.00%	47 710	-3 099	—	44 611
Tytlandsvik Aqua AS	33.33 %	33.33 %	48 087	4 252	—	52 339
Årdal Aqua AS	37.04 %	37.04 %	8 878	-222	—	8 656
NextSeafood AS	0.00 %	50.00 %	—	—	7 600	7 600
<b>Total associates classified as operations</b>			<b>104 675</b>	<b>931</b>	<b>7 600</b>	<b>113 206</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 June 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 in Nordnorsk Smolt due to ongoing redesign of the facility.

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, 37.04% ownership interest in Årdal Aqua AS. The other shareholders are Vest Havbruk AS and Omfar AS. A share issue was carried out when Omfar became a co-owner of the company, and the other two shareholders were diluted from 50% to 37.04% ownership. At the same time, Grieg Seafood Rogaland entered into a post smolt agreement with Årdal Aqua. The capital issue from Omar and the post smolt agreement with Grieg Seafood Rogaland consequently recognized an income with a dilution gain of NOK 6.7 million for Grieg Seafood Rogaland. Årdal Aqua is in the design development phase of a land-based farming and post-smolt facility in Rogaland. Final construction decision is expected during Q3. On the basis of this, the dilution effect has not been recognized as income, but set aside as a liability to Årdal Aqua pending a final decision on development.



In 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. The project is currently in a stage of detailed design, with an ambition to commit to an investment decision within a year. There is long-term loan to FishGLOBE AS of NOK 8.4 million from Grieg Seafood Rogaland. The loan is interest free.

## 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.

<b>SHARES RELATED TO THE BOARD MEMBERS AND MANAGEMENT AT 30.06.2022</b>	<b>NO. OF SHARES (Direct and indirect ownership)</b>	<b>SHARE-HOLDING (Direct and indirect ownership)</b>
<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.

<b>SPECIFICATION OF SHAREHOLDING BY PER GRIEG JR.</b>	<b>NO. OF SHARES</b>	<b>SHARE-HOLDING</b>
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 June 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 PER SHARE (NOK)	TOTAL SHARE CAPITAL (NOK 1 000)	NUMBER OF ORDINARY 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 June 2022, the Company has 1 132 981 treasury shares.

THE 20 LARGEST SHAREHOLDERS IN GRIEG SEAFOOD ASA AT 30.06.2022	NO. OF SHARES	SHARE-HOLDING
Grieg Aqua AS	56 914 355	50.17%
OM Holding AS	5 100 982	4.50%
Folketrygdfondet	2 954 920	2.60%
Euroclear Bank S.A./N.V. (nominee)	2 073 228	1.83%
Ystholmen Felles AS	1 923 197	1.70%
State Street Bank and Trust Comp (nominee)	1 874 612	1.65%
Clearstream Banking S.A. (nominee)	1 730 488	1.53%
UBS Europe SE (nominee)	1 442 078	1.27%
State Street Bank and Trust Comp (nominee)	1 308 523	1.15%
J.P. Morgan SE (nominee)	1 140 963	1.01%
Grieg Seafood ASA	1 132 981	1.00%
JPMorgan Chase Bank, N.A., London (nominee)	1 095 741	0.97%
The Bank of New York Mellon (nominee)	1 043 104	0.92%
Verdipapirfondet Alfred Berg Gamba	1 022 624	0.90%
Kvasshøgdi AS	996 772	0.88%
The Bank of New York Mellon SA/NV (nominee)	987 792	0.87%
BNP Paribas Securities Services (nominee)	890 596	0.79%
Six Sis AG (nominee)	877 172	0.77%
DZ Privatbank S.A. (nominee)	843 160	0.74%
State Street Bank and Trust Comp (nominee)	722 489	0.64%
<b>Total 20 largest shareholders</b>	<b>86 075 777</b>	<b>75.87%</b>
Total others	27 371 265	24.13%
<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 Q2 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 with effect from Q2 2022**

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, in addition to litigation and claims to the financial statement line item EBIT (Earnings before interests and taxes) of the income statement. Operational EBITDA is a non-IFRS financial measure, calculated by adding depreciation (and write-down) of property plant and equipment, amortization (and write-down) of licenses and other intangible assets to operational EBIT.

Litigation and legal claims are as from Q2 2022 excluded from the operational EBIT, and costs labeled as such are material costs not related to the current operation of the Group. No historical information concerning figures reported for operational EBITDA nor operational EBIT have been represented or amended due to the changes as described above.

The change of policy for litigation and claims is due to management consider such costs, which relate to prior years and not to the current operation of Grieg Seafood, thus such costs not being informative for 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 change of policy does not impact prior periods, as the relevant costs have been expensed in Q2 2022.

In Q2 2022, NOK 155 million was recognized as a litigation and claim- cost. The litigation and legal claims of Q2 2022 have been disclosed in Note 6 of the financial report for the second quarter and first half of 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 litigation and claims to the financial statement line item EBIT (Earnings before interests and taxes) of the income statement. 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.</p> <p>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, litigation and legal claim costs that arise from prior years and are not relevant for the current operation of the Group, are not useful information when analyzing the current operation of Grieg Seafood.</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>	<p>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.</p>	<p>Operating EBIT% is used by management to assess operational performance per region as well as for the Group.</p>
<b>Operational EBITDA</b>	<p>Operational EBITDA is calculated by adding depreciation (and write-down) of property, plant and equipment, and amortization (and write-down) 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.</p>	<p>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.</p>
<b>Operational EBITDA%</b>	<p>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.</p>	<p>Operating EBITDA% is used by management to assess operational performance per region as well as for the Group.</p>
<b>ROCE</b>	<p>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.</p>	<p>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.</p>
<b>Equity ratio</b>	<p>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.</p>	<p>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.</p>
<b>NIBD</b>	<p>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.</p>	<p>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.</p>

APM	DEFINITION AND CALCULATION	REASON FOR APPLYING APM
<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.  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>	<p>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.</p> <p>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.</p> <p>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.</p>	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. 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>	<p>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.</p> <p>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.</p>	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.
<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. 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

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#### 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**

C00 Farming Norway

**TBD**

C00 Farming Canada

**Erik Holvik**

Chief Commercial Director

**Knut Utheim**

CTO

**Kathleen O. Mathisen**

CHRO

**Kristina Furnes**

Group Communications Manager

#### Financial calendar

**Q3 2022**

11 November 2022

**Q4 2022**

16 February 2023

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